

27 March 2019

## Oregon Industrial Hemp Trial Farm to Showcase CropLogic realTime

### Highlights

- **150-acre Oregon Industrial Hemp Trial Farm to showcase CropLogic realTime technology**
- **Over 550 Oregon licenced growers with over 11,000 acres under hemp cultivation**
- **Trial Hemp Farm to validate CropLogic's ability to service (projected) \$22 billion U.S. Hemp market**
- **First shipment of high-quality hemp seeds received and delivered to nursery for germination**
- **Negotiations with potential Offtake partners advancing**

**CropLogic Limited (ASX: CLI) (CropLogic or Company)**, the award-winning global agricultural technology company providing cutting-edge technology to growers for decision support, will utilise its agricultural technology to optimise yields from its trial hemp farm in Oregon.

The Company aims to facilitate the hemp production process through use of its innovative hardware and software package, CropLogic realTime. The hardware technology monitors and tracks key crop metrics, such as soil moisture and irrigation, and converts observations into data 24/7. This information is then collated in a concise and accurate format, providing actionable insights for users to make cost-saving decisions. Users can view this data in a user-friendly application called CropLogic GrowerView, which can be accessed via desktop, as well as on both Android and Apple iOS. CropLogic has developed this tool with the expertise of leading agronomists, leveraging over 30 years of research.

According to the Oregonian (December 2018) following the introduction of the 2018 federal Farm Bill, the number of licensed growers has climbed from 13 to 584, and hemp acreage has swelled from essentially zero to more than 11,000 acres, said Sunny Summers, at the Oregon Department of Agriculture<sup>1</sup>.

The U.S. hemp market is projected to triple, to \$22 billion, by 2022<sup>2</sup>.

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<sup>1</sup> <https://www.oregonlive.com/politics/2018/12/oregon-hemp-industry-poised-for-big-growth-after-feds-sign-off.html>

<sup>2</sup> <https://www.brightfieldgroup.com/post/hemp-cbd-market-to-reach-22-billion-by-2022>

CropLogic will be all the better poised to support this market, with agronomic and technical support with data generated from farming industrial hemp at its trial farm this season. Revenue achieved from the proceeds for this industrial hemp crop will be available to support the further product push and further development of CropLogic's suite of agricultural technology products, including CropLogic realTime. For further details of on CropLogic realTime please visit [www.croplogic.com](http://www.croplogic.com)

James Cooper-Jones, CropLogic CEO, said, "CropLogic is excited to apply its considerable agronomy and agtech knowledge on this trial farm this season.

"CropLogic endeavours to be at the forefront of industry, agronomy and agtech innovation trends. Acreage under industrial hemp in Oregon has increased significantly in the proceeding years. With the passing of the Farm Bill in late 2018 this is likely to increase further.

"By demonstrating CropLogic's agronomy and technologies, such as CropLogic realTime, on industrial hemp at its trial farm this season CropLogic positions itself well to take advantage of what signs indicate could prove to be a lucrative and expanding market."

**Offtake Partners** – CropLogic and LogicalCropping continue various conversations with several potential offtake partners. CropLogic is also investigating potential participation in the process of its Hemp Biomass beneficiation and processing into CBD products.

#### The eight stages of hemp farming

Logical Cropping's farm plan consists of eight stages, based on the needs of the farm and plants.

These various stages of the farm plan are (with indicative timeline):

- |                                    |            |
|------------------------------------|------------|
| • Pre-planting                     | Mar - Apr  |
| • Planting                         | May - Jun  |
| • Growth, Maintenance & Management | Jun - Nov  |
| • Flowering                        | Aug - Sept |
| • Compliance Testing               | Sept       |
| • Harvest                          | Sept - Oct |
| • Processing/Sale                  | Oct - Nov  |
| • Post-harvest                     | Nov - Dec  |

#### March – April Overview

- |   |                  |
|---|------------------|
| • Secure land                               | <b>Completed</b> |
| • Acquire permit                            | <b>Completed</b> |
| • Purchase high-quality, feminized seed     | <b>Completed</b> |
| • Seed germination (off-site)               | April            |
| • Soil analysis/field preparation/amendment | April            |
| • Irrigation system                         | April            |

#### Oregon Hemp Trial Farm

The industrial hemp is being grown on 150 acres of agricultural land in Central Oregon under lease, through a registered industrial hemp growers license issued by the Oregon Department of Agriculture (ODA).

An indicative farm timeline is included in this announcement.

CropLogic is also pleased to report that it has received its first shipment of industrial hemp seed through its wholly owned Oregonian subsidiary LogicalCropping LLC.

These seeds have now been delivered to a third party nursery experienced in industrial hemp for germination before planting in May.



Figure 1: Batch of approximately 90,000 seeds for germination and then planting at CropLogic's trial farm



*Figure 2: Nursery that will germinate CropLogic's hemp seeds prior to planting on trial farm. This nursery has been chosen for its experience with hemp germination.*

The seeds were sourced from a reputable supplier in Oregon. Though results can vary, the supplier is known in the industry to be a producer of high-yield, (1+ lbs/plant dried biomass), high-potency (14-18% CBD), ODA compliant (< 0.3% delta-9 THC) mould-resistant, feminized seeds.

CropLogic is now in the process of working through a series of milestones for cropping of industrial hemp, including developing farm plans and preparations around this property. Similar acreage is producing hemp biomass of between 180,000 lbs. to 337,500 lbs. (81,647 kg to 153,087 kg). The price for hemp biomass varies between grade and variety, but prices of USD\$35 to USD\$45 per pound (lb.) were reported in CropLogic's recent investigations into the industry.

CropLogic will further use its agronomy expertise and agricultural technologies, including CropLogic realTime, to optimize yield and grade.

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## About CropLogic

CropLogic is an award-winning global agricultural technology company listed on the Australian Securities Exchange (ASX). After launching its product into Washington State, USA in 2017, CropLogic is currently servicing a significant portion of horticultural growers in this region, with a market share as high as 30% in some crops. Following significant growth (2017-2018) in Washington State and Northern Oregon, in 2018, CropLogic expanded into the Idaho market. CropLogic offers growers of irrigated crops with digital agricultural technology expertise based upon scientific research and delivered with cutting edge technology – science, agronomy and technology interwoven into an expert system for decision support. For more information, please visit: <http://www.croplogic.com/>

## Forward Looking statements

This announcement contains forward-looking statements that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.