

6 February 2019

CropLogic To Pursue Trial Farming of Industrial Hemp in Oregon

CropLogic™ Limited (ASX:CLI) ("CropLogic" or "Company") is pleased to announce that following its investigation into the industrial hemp market in Oregon, USA (announced [26 November 2018](#)), the Company is in the process of pursuing trial farming in Oregon. This will demonstrate CropLogic's ability to vertically integrate the Company's agronomy expertise, digital ag-tech, extensive knowledge of the local growing conditions and its tangible foothold in the Pacific North West region. CropLogic is now working towards land procurement and processing arrangements with the trial expected to begin in the 2019 Northern Hemisphere growing season. The first crop to be trial farmed will be industrial hemp.

Through the vertical integration of the Company's core business, CropLogic will utilise its local agronomists' regional knowledge and experience to source 100-150 acres of land, for potential lease or purchase, which will be used for the industrial hemp trial farm. The intended crop will be farmed using CropLogic's probes and aerial imagery to grow the hemp biomass, which will then be used to produce cannabidiol (CBD).

To advance this process, the Company has signed a non-binding letter of intent with **Nextleaf Solutions Ltd ("Nextleaf")**, a Canadian-based cannabis processing technology company, regarding a potential offtake and collaboration arrangement. This considered collaboration supports CropLogic's historical partnership model, with the Company previously announcing partnerships with The New Zealand Institute of Plant and Food Research an internationally-recognised Crown Research Institute, Mildura Regional Development and the Victorian Government.

Under the proposed arrangements, CropLogic would use its vertically integrated business model, including agronomy expertise, knowledge and experience servicing similar crops such as hops, aerial imagery and digital ag tech, to farm approximately 100 to 150 acres of industrial hemp, with Nextleaf providing knowledge and experience to advise on suggested hemp varieties and processing. The Company expects to enter into binding arrangements with Nextleaf in the coming weeks. In conjunction with this, the Company will begin its search for land on which to conduct the trial farming.

As outlined in CropLogic's 26 November Announcement, recent CBD and cannabis market insights¹ by the Brightfield Group estimates the industrial hemp market in the USA could reach USD\$22 billion by 2022. A market research report² by Grand View Research, Inc. indicated the hemp market is driven by an increasing consumer demand for high-quality cosmetics, personal care products, protein supplements, and other health food products that include hemp extracts such as CBD.

James Cooper-Jones, CEO of CropLogic, said:

"This is an important milestone for CropLogic as it pursues its strategy of vertical integration, as it allows us to demonstrate the ability to produce crops using our agronomic experience, local knowledge, and our technology.

¹ Brightfield Group. (2018). CBD Market Research. Retrieved from <https://www.brightfieldgroup.com/>

² Grand View Research. (2018). Industrial Hemp Market Size, Share & Trends Analysis Report By Product (Seeds, Fiber, Shivs), By Application (Textiles, Personal Care, Animal Care, Construction Materials), By Region, And Segment Forecasts, 2018 – 2025. Retrieved from <https://www.grandviewresearch.com/industry-analysis/industrial-hemp-market>



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“Nextleaf has experience in hemp varieties from a consumer/processing perspective and CropLogic is keen to work with Nextleaf in order to understand how best to select appropriate genetics and grade.

“The emerging hemp market in North America provides CropLogic the opportunity to demonstrate how it and its technology may be able to service this market.”

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About CropLogic™

CropLogic is an award-winning New Zealand 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/>