**Germany’s gaze turns to NZ**

Nathan Smith

German politics may be at a standstill but New Zealand is still attracting plenty of energetic attention from Germany’s parliament, say local company heads.

The German government’s coalition negotiations collapsed this week after the Free Democratic Party (FDP) walked out of the talks. German President Frank-Walter Steinmeier met with Chancellor Angela Merkel to discuss options following the failure of coalition talks.

Yet even as internal tension builds, Germany is looking to New Zealand as an important external connection, a fact highlighted by the visit of Mr Steinmeier earlier this month.

He is the third top government official to visit New Zealand in recent years after Chancellor Merkel in 2014 and President of the German Bundestag Norbert Lammert in 2016.

STIHL managing director Jim Bibby says this visit – along with those of Ms Merkel and Mr Norbert Lammert – underscores Germany's view of New Zealand as a stable country where it’s easy to do business.

“We're lucky there are officials in the German government who realise that trade has to be fair, free and offer opportunities for both partners,” he says.

“They recognise Germany is much larger than New Zealand, but the trade must be fair.”

**Stronger connections**

“I think the outlook is really positive, both in general bilateral trade and the relationship,” Mr Bibby says.

**German interest in New Zealand** is a sign of the changing reality in Europe’s major economies, and present a unique opportunity for Kiwi businesses to build better access.

“New Zealand occupies the leading edge for negotiating high-quality trade agreements, a skill which is recognised around the world.”

---

### CropLogic’s adviser issues forecasts, CropLogic does not

Calida Smylie

Canterbury-based CropLogic has not put any financial forecasts but its Sydney-based adviser tweeted out expectations for its full-year revenue.

The Powerhouse investor company listed on the ASX two months ago. Since then its share price has halved.

The ag-tech firm, which has spent the past six years doing hundreds of field trials, didn’t provide financial forecasts in its prospectus.

On October 31, the company released its September quarter report, which said more than $AZ2 million of revenue had been made in the six months to September 30.

No forecasts were given for the full year.

That same day, Stephen Silver of Hunter Capital Advisers – the lead manager and underwriter for the float – tweeted that CropLogic was forecast to make $AZ2.4 million in its second half.

This was “way above expectations,” he says.

When NBR asked CropLogic chief executive Jamie Cairns to clarify – given the information had not been released to the market – he suggested Mr Silver had “extrapolated that from current trajectories” as the company has not published internal forecasts.

He did not confirm expectations for the full year, nor comment on the ethics of a company adviser discussing forecasts without a note to the stock exchange.

On Monday, Mr Silver tweeted to say he had been asked to clarify his October 31 tweet, which “should have read Hunter internal forecasts” as CropLogic has not put out formal forecasts.

He did not reply to NBRs questions on what he’s basing his upgraded forecast on, and whether the initial tweet could be construed as misleading the public about the company’s future.

CropLogic raised $4.8 million through an initial public offer at 20c a share. The price fell to 15.5c the day it listed on September 12 and was as low as 10c on November 15. Yesterday, it was at 11c.

In August, the ASX investigated CropLogic’s IPO after receiving a complaint about the company’s use of Mr Silver – who has been twice censured by US regulators in recent years – as its key adviser.

**Hunting for acquisitions to boost revenue**

CropLogic uses remote sensing to provide agronomists with more reliable data than they could gather using traditional methods in the field.

In the year to March 31, CropLogic made revenue of $4.243 million. After the cost of sales, gross profit was $3.86.717. Its total loss for the year was $1.34.34 million.

To generate revenue, CropLogic plans to follow a business-to-business per-acre per-crop recurring subscription model, with a target of $5.25 per acre. It’s targeting potato and other crops in the US.

The company's last quarterly update says it serviced about 60,000 acres (24,281ha) within Washington State, equal to about 30% of the region’s potato crops.

It got access to these through the June acquisition of Washington State-based agronomy services company Professional Ag Services Inc, which made $2.1 million revenue and a loss of $242,650 in its past financial year.

The company plans to get market entry in the US and Australia through buying more agronomy service firms.

---

**Stephanie Silver**

The Lincoln-based company was incorporated in 2010 when it licensed the intellectual property for its software from the NZ Institute for Plant and Food Research, which had done 25 years of plant model research.

The company’s biggest shareholder is Christchurch-based, ASX-listed technology incubator Powerhouse Ventures, which holds about 15%, NZ Venture Investment Fund is the next largest shareholder, with about 7%.

CropLogic raised just over $500,000 in mid-2016 from investors through an equity crowdfunding site Equitise in May last year. Investors in that offer paid $60 a share.

In 2015, it received a $450,000 grant from Callaghan Innovation, which it used to develop aerial imaging technology. This is scheduled to be repaid at a rate of 3% of CropLogic’s total revenue a year.

### At a glance

The Lincoln-based company was incorporated in 2010 when it licensed the intellectual property for its software from the NZ Institute for Plant and Food Research, which had done 25 years of plant model research.

The company’s biggest shareholder is Christchurch-based, ASX-listed technology incubator Powerhouse Ventures, which holds about 15%, NZ Venture Investment Fund is the next largest shareholder, with about 7%.

CropLogic raised just over $500,000 in mid-2016 from investors through an equity crowdfunding site Equitise in May last year. Investors in that offer paid $60 a share.

In 2015, it received a $450,000 grant from Callaghan Innovation, which it used to develop aerial imaging technology. This is scheduled to be repaid at a rate of 3% of CropLogic’s total revenue a year.