

COGGO

Council of Grain Grower Organisations Limited
ACN 091 122 039

Final Report

COGGO Research Fund for 2016 projects

A project completion report covering the project. The acceptance of a satisfactory report against the objectives of the project, and agreement on the sharing of any commercial returns and/or IP will trigger payment within 4 weeks, by COGGO for any outstanding payments.

This Final Report should be completed with reference to the Research and Intellectual Property Agreement (the Research Agreement) signed between the proponent and COGGO Pty Ltd.

1. Project information

Project title	The Hedge Calculator App Subsequently renamed 'Salesmate – A COGGO funded app'
Commencement Date	September 2015
Completion Date	January 2017

Name of Proponent	Planfarm Marketing Pty Ltd
ACN/Legal Name or ABN	42122237405
Mailing Address	PO BOX 501, Wembley WA 6913

Administrative Contact	Emily Dempster
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Project Supervisor/Principal Researcher	Jerome Critch
Position	Grain Marketing Advisor
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COGGO Use Only

Project Number	
Date Received	

2. Project results	This section provides a final report against the Project Aim and the Planned Outputs for the Project.
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Achievement of the Project Aim	Brief statement of achievement in relation to the aim of the project
<p>The development of the app has been completed and it was launched on the Apple App Store in December 2016. The app provides users with a tool to help decide how much grain to sell at any point in time through the season. The decision is based on three factors: price, production and propensity to sell. Basing the decision on these three objective factors helps the user reduce the emotion that may otherwise play a part in their decision.</p>	

Project Outputs	Please provide a report on the achievement, or otherwise, of the project outputs as per the planned outputs provided in the Project Proposal.	
1	-	<p>Output 1 (from Project proposal)</p> <p>Enable a farmer to improve their marketing decisions</p>
		<p>Comment:</p> <p>The app's formula includes measurable factors, and the structure encourages discipline, reducing how much emotion can influence the decision.</p> <p>The report to be presented at the 2017 crop updates suggests the strategies can provide positive benefits relative to a basic average price outcome.</p>
2	-	<p>Output 2 (from Project proposal)</p> <p>Reduces the stress and time spent by farmers making marketing decisions</p>
		<p>Comment:</p> <p>The app is simple to use and can produce a result within minutes.</p>
3	-	<p>Output 3 (from Project proposal)</p> <p>Benchmarking opportunities</p>
		<p>Comment:</p> <p>The back-office systems are currently in place to retrieve data for Benchmarking. Reporting will be implemented once critical numbers of users has been reached and the data has been determined to be of reasonable quality and informative. Initially, it will be provided as an 'on request' report to users. Adding the functionality for this to be included in the app at a later time will require further investment in development.</p>

Project results	Please provide brief statements on the results of the Project
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This section should cover aspects identified in *Section 7.3* of the Research Agreement

- the results of the Project, including discoveries made and other achievements (including any Project IP and Project Confidential Information);
- the potential application of the outputs of the Project to the Western Australian grains industry and broader community;
- the actual or potential economic benefits flowing to the Western Australian grains industry and broader community from the Project;
- the difficulties encountered;
- the conclusions reached;
- the Researcher's recommendations for any further research;
- a list of scientific papers or publications resulting from the Project; and

- attach copies of any photos, diagrams or other artworks (including, if requested by COGGO, negatives, bromides or the like) which the Researcher has and which may be of assistance to COGGO in the dissemination of information concerning the Project to COGGO's stakeholders.

The app helps remove some of the emotion from the decision. By combining both a price-activated and time-activated strategy, users can reduce the pitfalls of emotionally-driven decisions.

Farmers can choose the profile that best suits them. Although the result will vary depending on their profile, they can be confident knowing that they can clearly rationalize their decisions of when to sell, and when not to sell, based on the objective factors.

Emily Dempster will present the paper 'Objective grain marketing – What does the formula say?' at the 2017 GIWA Crop Updates. This paper examines the effectiveness of the app's grain marketing strategy.

When comparing the various profiles against an average price, the results show greater benefit can be accrued where there is a greater propensity to sell throughout the marketing period, but where circumstances restrict the ability to sell, there is still some benefit to be accrued by using this approach.

Further development opportunities lie in extending the app to include other grains such as canola and barley.

The graphic below is the app icon used on the Apple App Store.



3. Project resources	This section describes use of the funding listed in the initial plan and any refunds due to COGGO
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Expenditure of funds requested from COGGO	\$ Total funds budgeted	\$ Total funds expended (actual)	\$ Total funds requested from COGGO*	\$ Total COGGO funds expended	\$ Refund due to COGGO of any unexpended COGGO funds
Salary/Contractors	25,000	35,000	25,000**	25,000	0
Operating costs					
Capital		1,000			
TOTAL	25,000	36,000***	25,000	25,000	25,000

*Funding provided by COGGO.

**Final installment requested with submission of Final Report

***Salary/Contractor expenses detailed as follows: \$25,000 – Profarmer for cost of app development; \$5,000 – Salary covering Emily Dempster's time working on project; \$5,000 – Salary covering Jerome Critch's time working on project. Capital expenses \$1000 advertising costs (local media advertisements).

IMPORTANT: Return of unused funds to COGGO is required as per *Clause 3.3* of the Research Agreement.

<p>4. Commercialisation</p>	<p>Insert details of the proposed commercialisation process, as applicable, with reference back to the planned commercialisation plan in the project proposal) for any outputs from the project. This should include recommendations for the commercialisation of the results of the project and the registration or other protection of Project IP and Project Confidential Information as per the Research Agreement.</p>
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As indicated in the proposal, the app is predominantly for public benefit and will be provided free initially to increase the uptake. Links to the web pages for COGGO, Planfarm Marketing and Profarmer have been included within the app for promotional purposes.

It is expected that once farmers have seen the value in the app, it will be extended to cover other grains such as canola and barley. These extensions will likely be provided for a charge. Advertising may also be incorporated within the app to create a revenue stream.

It is understood that this may require further discussion and agreement with COGGO via its' agent GIWA, as per the undertakings given and terms agreed, in the project proposal. This can be the subject of an appended letter and attachments. In all cases such discussion and subsequent agreements need to be governed by *Section 8 Project IP, Improvements and Project Confidential information* of the Research Agreement.

<p>5. Communication/ Extension</p>	<p>Insert details of how the communication and extension of the project outcomes has been achieved to date and recommendations for future activities to disseminate and promote adoption of the results of the Project.</p>
	<p>The app has been promoted through Planfarm Marketing's network of approximately 1,000 clients and newsletter subscribers, and through Profarmer and Clear Exchanges network of approximately 6,000 clients, newsletter subscribers and social media followers.</p> <p>Media statements were released in January and it will be promoted further at the 2017 GIWA Crop Updates event in February, in a presentation by Emily Dempster. Further presentations may be included in the Regional Crop Updates later in the year.</p>

Note: As per *Clause 7.3 (b) (ii)* of the Research Agreement COGGO may require the Researcher to produce an edition of the Final Report in a form suitable for general distribution. If so required by COGGO, the Researcher must produce a non-confidential version of the Final Report within 28 days of receiving a request to that effect from COGGO.

6. Certification

The Project Supervisor and the Research Organisation certify that all information contained in, and forming part of, this final project report is complete and accurate. The project supervisor and research organisation further warrant that the project complied with all the relevant guidelines affecting the conduct of research, for example in relation to ethics, bio-safety, environmental legislation, GMAC or National Health and Medical Research Council Codes.



Project Supervisor's signature

Name (in Capitals)

JEROME CRITCH

Date:

19 January 2017

Research Organisation signature

Name and title of authorised signatory (in Capitals)

Date:

Completed Final Project reports

Email to coggoresearchfund@giwa.org.au or mail to
COGGO Research Fund, GIWA, PO Box 1081, Bentley DC, WA 6983

For any further enquiries please email questions to coggoresearchfund@giwa.org.au

Or phone (08) 6262 2128

COGGO representative

For the purpose of this Project agreement contract, COGGO will be represented by Grains Industry Association of Western Australia (GIWA), or such other representative that is nominated by COGGO as authorised to operate on behalf of COGGO.

PROJECT SYNOPSIS SUITABLE FOR GENERAL PUBLICITY AND COGGO WEBSITE

Many growers find selling grain a stressful job, primarily stemming from the emotions involved with selling into a fast moving market and the information overload that many are faced with.

SalesMate® aims to simplify the decision making process into three core considerations; price, production and the farmer's propensity to sell.

The SalesMate® app has been created by a collaboration between Planfarm Marketing and Profarmer Australia, with funding from the Council of Grain Grower Organisations (COGGO).

The app uses a live feed of current prices and decile values based on 5 years of historical price information. Each user enters their estimated or actual production, and selects their propensity to sell from very conservative to very aggressive.

Using this core information the SalesMate® algorithm calculates a target sales result in tonnes for the farmer. Not only is the process simple and effective, it is free from the perils and pitfalls of emotion and price forecasting.

The SalesMate app is now available and free to download on the iPhone App Store and can be run by iPhones with up to date software. Simply search "SalesMate – A COGGO funded App" in your iPhone App Store.