

Blockchain technology extends to agricultural contracts

RICHARD GLUYAS THE AUSTRALIAN 12:00AM September 13, 2016

Brandishing an endorsement from federal Treasurer Scott Morrison, the co-founder of agritech company Full Profile, Emma Weston, was one of 73 start-ups from around the world to pitch to the FinovateFall 2016 conference in Manhattan last Friday.

Full Profile uses blockchain technology to eliminate risk and inefficiencies in the agricultural supply chain.

As more and more people are starting to understand, blockchain is essentially a shared ledger, with each player in the community contributing and maintaining an identical copy.

The process of entering and verifying new information automatically reconciles all the copies, which means everyone knows who owns what, so there's no need to check all the records.

Weston told FinovateFall and its 1500-plus delegates that the huge breakthrough with the company's AgriDigital platform was that growers could be confident for the first time they would be paid immediately.

You might think that the growers' joy will be balanced by frustration at the buyers' end, given that payment terms typically extend to 30 days or more.

Buyers, however, will benefit from significant back-office savings, as they no longer have to go through the laborious process of reconciling spread sheets.

Financing for buyers and banks is effectively de-risked.

As Weston told her audience, John the wheat farmer in outback Australia will be able to create a contract on a mobile handset in his paddock, accept the buyer's price by entering the tonnage he wishes to supply, and then watch as a contract automatically appears.

If John happens to be an organic farmer, his status will be disclosed through the length of the supply chain so consumers can be confident of what they're eating and where it came from.

Months later, when John makes his delivery, he can verify that the buyer has sufficient funds to pay him. Full Profile was one of only three blockchain companies to present at FinovateFall, which is quite telling.

Melbourne-based blockchain consultant Alan Tsen, who is on the board of the not-for-profit Blockchain Australia, says the global hype around blockchain has peaked — or is very close to it — but the truth is it's not actually in use at anything approaching scale.

That's why there has so far been minimal venture capital funding of blockchain projects in Australia.

Tsen is familiar with Full Profile, which has been self-funded by its three founders, and says it's well-positioned to successfully commercialise the technology.

“The idea that they've come up with really resonates because it solves a problem,” he says. As the hype peaks, though, some blockchainers are asking the question: when will the action actually start?

The action for Full Profile kicks off next month, when it plans to launch a working version of AgriDigital for Australian farmers in the harvest season.

Oversight's a mistake

A couple of mates and I are tossing around the idea of setting up a parliamentary oversight committee. And why not? Everyone's doing it.

Take newbie Senator and anti-bank crusader Rodney Culleton, for example. A week or so ago, Culleton breathlessly announced his plan to set up a “high-calibre” committee to oversee the banking ombudsman and the parliamentary committee.

Heaven knows which “banking ombudsman” and which “parliamentary committee”. But who cares? It's precisely that kind of pedantry that made this country what it used to be — a functioning democracy. We all know that's not the

way of the future.

So today, I'm proudly announcing the new Culleton Oversight Committee.

The pedants among you are probably saying: "OK, but it's clearly not a parliamentary committee so it won't have royal commission-like powers." My only response to your outdated scepticism is this: sure, my committee is stacked with non-parliamentarians, but the people we plan to monitor are in parliament.

So it's a high-calibre parliamentary oversight committee. Just like the senator's!

In my transition from old to new thinking, I also have a confession to make: I let my own inner pedant get the better of me. Culleton announced his "high-calibre committee to oversee the banking ombudsman and the parliamentary committee" on September 3, a couple of days after the Turnbull government said the banks' treatment of small business customers would be forensically examined by Australian Small Business and Family Enterprise Ombudsman Kate Carnell.

Yes, it's a rash assumption, I know, but I thought the two events might be connected.

So I rang the ASBFEO and asked if Culleton's "high-calibre" committee has any formal or oversight role in relation to the ASBFEO's work. The answer was no. Of course it was.

Unfortunately, there's a cloud hanging over Culleton's tenure in parliament. Already, some pedants are saying that he faced a criminal charge — since annulled — when he nominated for the Senate, so he should be disqualified under the Constitution. What a monument to pedantry that document is!

All it took was a press release from Culleton to show what's really needed. On September 3, the Senator let rip with the following headline: "Senator Culleton saves Australia from a Clayton's royal commission." Perfect! Culleton's saved us from a Clayton's royal commission when there's no plan to actually have one.

But time is of the essence. I move a motion to set up the Culleton Oversight Committee.

Long may it flourish!

