



CASESTUDY:

ITOCHU AUSTRALIA

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A LEADING GLOBAL PLAYER EXPANDING OPERATIONS IN AUSTRALIA

ITOCHU Australia is a wholly-owned subsidiary of leading Japanese Trading House, Itochu. Founded in 1957, ITOCHU Australia has been buying grain directly from traders for over 50 years.

In 2017 ITOCHU Australia made the decision to originate grain in Australia, and now handle about 150,000 tonnes / year. To make this switch, they needed a software system in Australia that would enable their two-person operation to stay lean and maintain a low-overhead, while still providing their customers with a great experience.



THE DECISION TO USE AGRIDIGITAL

Jackson Morris, Commodity Trader at ITOCHU Australia, led the search for a software system and discovered AgriDigital. Jackson explains that, "AgriDigital was much more affordable than anything else we saw available, and anything I've used before. Their low cost model was exactly what we needed at our size, but it also has the ability to scale as we grow."

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JACKSON MORRIS

Jackson had to take ITOCHU Australia's strong recommendation for AgriDigital to ITOCHU headquarters in Japan for approval. At first, the head office viewed AgriDigital as a startup company that posed a risk. Jackson says, "after explaining the significant industry experience and credibility behind the AgriDigital team, and after some of the team from the head office saw CEO Emma Weston present at a prominent blockchain conference, we got the sign off from management and started using AgriDigital." Jackson was impressed by the simple onboarding process. "Because of AgriDigital's deep knowledge of the grain industry, they've built a turnkey system. All of the location differentials, receival fees, and other industry reference data are loaded initially and maintained by AgriDigital. It was very easy to turn off one system, and turn on AgriDigital." The entire onboarding process took less than seven days.

THE RESULT

ITOCHU Australia uses AgriDigital to enter all their contracts, do invoicing and logistics, and raise orders. AgriDigital's cloud-based, multi-user platform has several benefits for ITOCHU Australia's customers, as well as for the ITOCHU Australia team.

According to Jackson, "the best feature is being able to pay growers. One person can do it easily. Other systems I've used require several people to do what I can do easily in AgriDigital."

The growers selling to ITOCHU Australia are really happy with AgriDigital, especially the grower portal where they can access timely information, such as the position of each contract, how many tonnes are allocated, and the status for payments. AgriDigital also helps simplify paperwork for growers. This was incredibly important to ITOCHU Australia as they were using AgriDigital to help them originate grain for the first time in Australia. According to Jackson, "when we were starting up and going to the grower, it was really important to get things right, especially the RCTIs, contracts, and other paperwork for the growers. We think the AgriDigital paperwork is the best in the business, and our growers agree. They say it's really easy to use."

AgriDigital also helps ITOCHU Australia run their business efficiently. "In a trading environment where margins are so thin, AgriDigital enables us to be running as lean as possible, and this system is far ahead of everything else in allowing us to do this," says Jackson.

THE FUTURE

Using AgriDigital to show future cash flows and deliveries has been great, as it really helps us illustrate our professionalism towards our funding requirements and our forward positions. JACKSON MORRIS

Jackson believes the AgriDigital system has the potential to become the global grain trading platform for Itochu. The AgriDigital dashboards already help ITOCHU Australia to communicate information back to their head office in Japan. Providing transparency to the General Managers in Australia and in the Tokyo head office is critical as it helps with compliance and provides a real-time view into the operations in Australia. "ITOCHU Australia is just a general trading business so they did not realize how cash intensive grain trading was when buying from growers. Using AgriDigital to show them future cash flows has been great, as it really helps us show how professional we are through using the system," says Jackson.

AgriDigital has plans to expand internationally next year to provide solutions for customers like ITOCHU around the world.

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