



# From farmers to founders

**How AgriDigital is transforming  
the Ag supply chain**

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AgriDigital (with the help of KPMG High Growth Ventures) took advantage of the R&D Tax Incentive scheme and received almost half (43.5 percent) its annual R&D budget back the following year. Bob McKay, Executive Director of AgriDigital, explains how this liquidity helped them scale the business and accelerate their growth.

## Background

Bob McKay, Ben Reid and Emma Weston are no strangers to a farm.

Bob has been in the grain trading business for decades, Ben has a lifetime of farming under his belt (still farming to this day), while Emma cut her teeth defending the needs of farmers. Drawing on this wealth of farming and agricultural experience, the trio courageously founded a global tech company without a tech cofounder.

And it's paid off. AgriDigital is now one of Australia's leading AgTech startups.

Since its inception in 2015, AgriDigital has been steadily transforming the agricultural supply chain, making it simple, easy and secure to buy, store, and sell grain.

"It became really obvious to us that the ag supply chain wasn't digital. We were relying on PDFs and dodgy spreadsheets to manage our trading positions. It lacked good software and systems, so we set out to build software that would digitise the supply chain. But we didn't want to just build software, we wanted to solve problems for the industry"

Bob McKay, Executive Chairman, AgriDigital

And that's exactly what they've done, amassing more than 4.76K active users across 36 countries, transacting 11.40M tonnes at a value of more than \$2.1B, and accomplishing some impressive milestones along the way – like orchestrating the world's first blockchain settlement in the agricultural industry.

AgriDigital's growth has been impressive, and much of its technology-driven transformation of the agricultural industry has been fuelled by its investment in research and development.

## The Challenge

Founded by farmers, AgriDigital is a tech startup without a tech cofounder – a challenge that Executive Chairman Bob McKay freely admits.

“I’ll be honest, it was a challenge for us. I often think it would’ve been fantastic if one of us had been a gun at software. But having said that, our depth of knowledge in our industry has also been a strong advantage.”

Putting their comprehensive industry expertise to good use, the AgriDigital team invested early in research and development (R&D), seeking to work out how they could use technology to solve some of the key challenges facing the industry (like using blockchain provide more secure, timely and equitable payments for farmers).

But as important as R&D is, it comes at a cost (of both time and money). To offset those costs, AgriDigital sought to apply for the federal government’s R&D Tax Incentive program.

The program provides startups with less than \$20M in aggregated turnover p.a. with a 43.5 percent refundable tax offset on eligible expenditure which can be cashed out in full if the company has sufficient tax losses – a significant cashflow impact.

The value of the R&D program was clear, but the time and effort to apply and manage it was an added responsibility and diversion away from the R&D itself and the myriad of other core business tasks.

## The Solution

“In the past, we’d applied for the Accelerating Commercialisation grant ourselves. We got the grant, but the time and effort it took to apply was massive. It was such a drain on us.” Bob explains.

This time around, AgriDigital decided to enlist the help of KPMG High Growth Ventures and the R&D Advisory team, who helped AgriDigital navigate the complexities of the R&D Tax Incentive program and access the 43.5 percent tax offset on its research and development activities.

Assisting with everything from understanding the R&D requirements, structuring activities, lodging the application and managing ongoing reporting compliance, continuous improvement of R&D governance and documentation in line with regulator expectations, the High Growth Ventures team took charge of the process so the AgriDigital team could focus on the R&D and core business and make an impact where it matters.

“Having never done it before, it was good to talk to someone who knew the process and knew what had to be done. They gave us guidance about how to manage our internal processes and systems to prove that what we’re doing was true R&D.”

The R&D Tax Incentive program can be an enormous asset for eligible startups, allowing them to reinject liquidity back into the business rather than direct attention toward another capital raise. For AgriDigital, the reinjection of cash has allowed it to go from strength to strength as it continues on its mission to transform the agricultural supply chain.

**Find out more about AgriDigital at**  
[www.AgriDigital.io](http://www.AgriDigital.io)

KPMG High Growth Ventures is a high performance advisory practice for founders.

We enhance start-up potential through our focus on the founder, team and business.

Our unique approach is designed to help founders develop as leaders, enhance teamwork and improve business performance under pressure.

We connect founders with the vast expertise that lies within KPMG, with one critical area being the R&D Tax Incentive, which allows our clients to supercharge the speed and scale of their success.

Our multidisciplinary team of specialists are dedicated to helping start-ups unlock their next level of growth. With more than 80 KPMG R&D specialists (not accountants or form fillers), we specialise in helping you take advantage of the R&D Tax Incentive efficiently and securely – no matter your industry.

To find out whether your startup could benefit from the R&D Tax Incentive program, contact us today at [highgrowthventures@kpmg.com.au](mailto:highgrowthventures@kpmg.com.au)



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