



NEWS RELEASE

Rapid Growth Of Blockchain Brings Opportunity, Change to Agriculture

Opportunities May Bring Increased Scrutiny As Agribusiness Adopts Blockchain

DENVER (May 10, 2018) — As agribusiness interest increases and use-cases for blockchain technology become more prevalent, agriculture stands to benefit by lower transaction costs, optimized logistics, increased traceability, enhanced food and safety protocols, and potentially greater value creation across the supply chain, according to a report from CoBank’s Knowledge Exchange Division.

Blockchain, which is an information storage technology that allows people to record transactions in a digitized, decentralized data log maintained on a network of computers, is already being put to use by major technology companies and some commodity merchandisers.

“This technology offers an opportunity for revolutionary change in food traceability, tracking of commodities and grain trading,” said Tanner Ehmke, manager of CoBank’s Knowledge Exchange Division. “The new uses of blockchain may be met with initial resistance, but those who break through and adopt the technology early stand to benefit the most.”

According to the report, the technology will force supply chain partners to adapt as interest grows in direct-to-farmer marketing channels.

“Tools to connect farmers to the agriculture supply chain via blockchain are already in the works,” said Ehmke. “Some of those developments have the ability to transfer the ownership of grain immediately.”

In the intermediate term, the adoption of blockchain by retailers and merchandisers could pressure others in the supply chain to utilize the technology. Over the long term, it could hasten bifurcation of the agricultural industry, where those who utilize the technology would increase their influence globally, and those who don’t could have access to fewer markets.

For a brief video synopsis of “Blockchain: Change is Coming to Agricultural Supply Chains,” click [here](#). The full report is available at CoBank.com.

About CoBank

CoBank is a \$133 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 70,000 farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's website at CoBank.com.

Contact

Jacob Morgan
Corporate Communications Manager, CoBank
303-740-4062
jmorgan@cobank.com

Dave Harding
Charleston|Orwig
262-563-5075
dharding@charlestonorwig.com