

Electronic traceability: the theory (part 2 of 4)

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Based on materials from:

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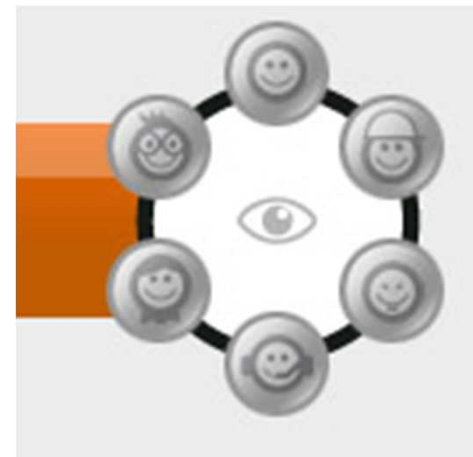
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The agenda

- Traceability concepts
- Stakeholder views
- Why is traceability important?
- Traceability principles
- Implementing traceability
- Stakeholder benefits of electronic traceability
- Additional materials
 - Types of traceability systems

Stakeholder views about food traceability

- **Different stakeholders have different views**
 - Public authority
 - Consumers and their representatives
 - Operation managers
 - Financial managers
 - Quality managers
 - Supply chain managers
 - Retailers
 - Services providers ...
 - *Size matters!*



Stakeholder views about food traceability

- **Videos showing stakeholder views**
 - Public authority
<http://www.foodtraceability.eu/page/public-main>
 - Consumers
<http://www.foodtraceability.eu/page/consumer-main>
 - Operation managers
<http://www.foodtraceability.eu/page/operational-main>
 - Supply chain managers
<http://www.foodtraceability.eu/page/supplychain-main>
 - Quality managers
<http://www.foodtraceability.eu/page/quality-main>



EXAMPLE: BIRDS NESTS



yakin

Involving the consumer

- **Birds nests are an extremely high valued product**
 - Retail price up to 2,000 USD-10,000 USD/kg
 - By far biggest market: China
- **Extremely high fraud rate**
 - Estimated up to 60% of nests in Chinese market
- **VeriLabel bird nest authenticity solution:**
 - A consumer can check each nest at the shop using a mobile phone
 - The application will warn the consumer if there are doubts about whether the nest is genuine
 - The user will also receive specific information about the nest and its processor that will help him to make the purchase decision

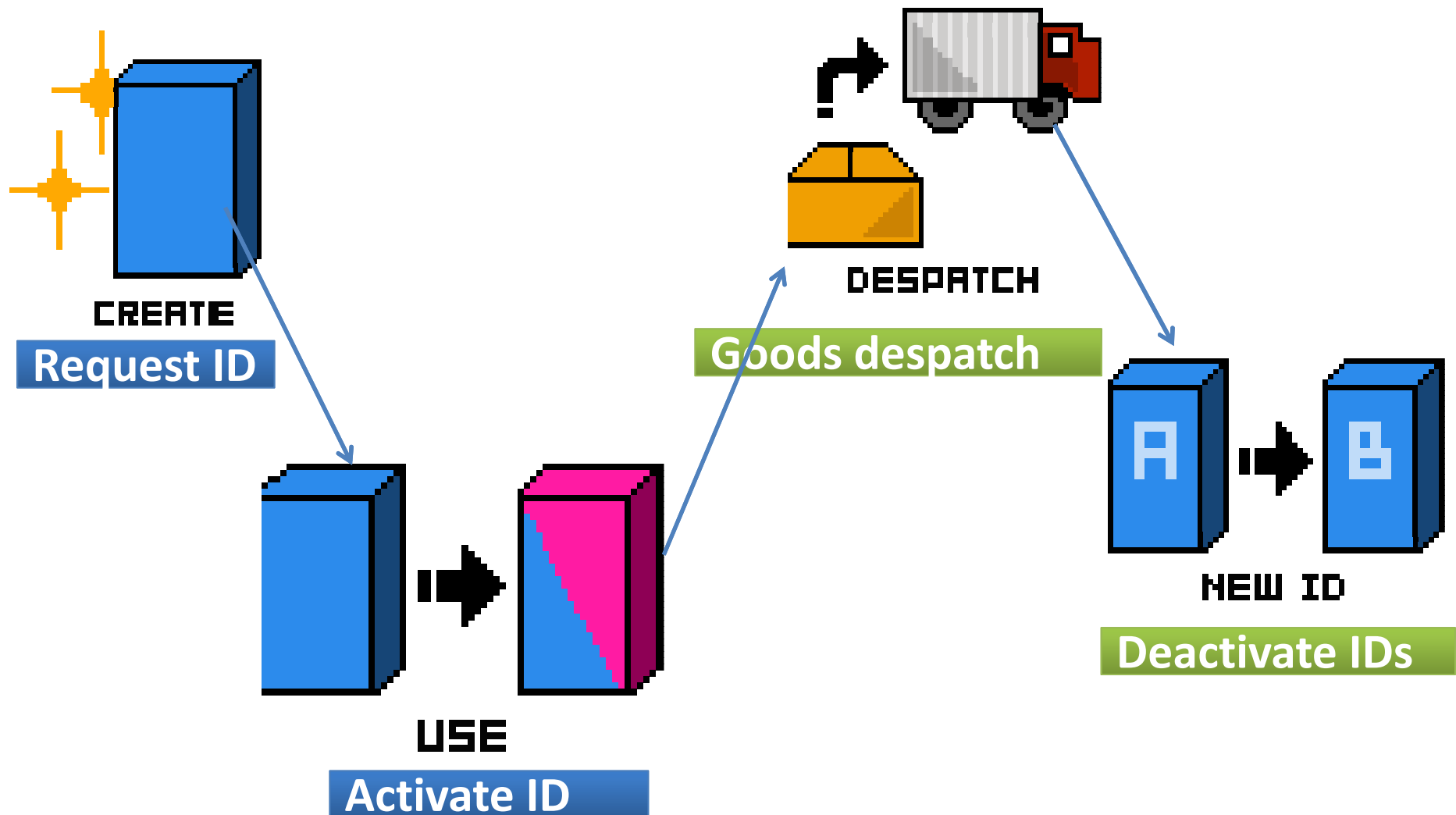


How does it work?

- The VeriLabel system relies on traceability information from the supply chain, including retailer point of sale, to determine whether a product is authentic or not
- Patented hardware, integrated into point-of-sales equipment, allows the authentication at the moment of purchase with any cashier system



The backend process



What the consumer sees

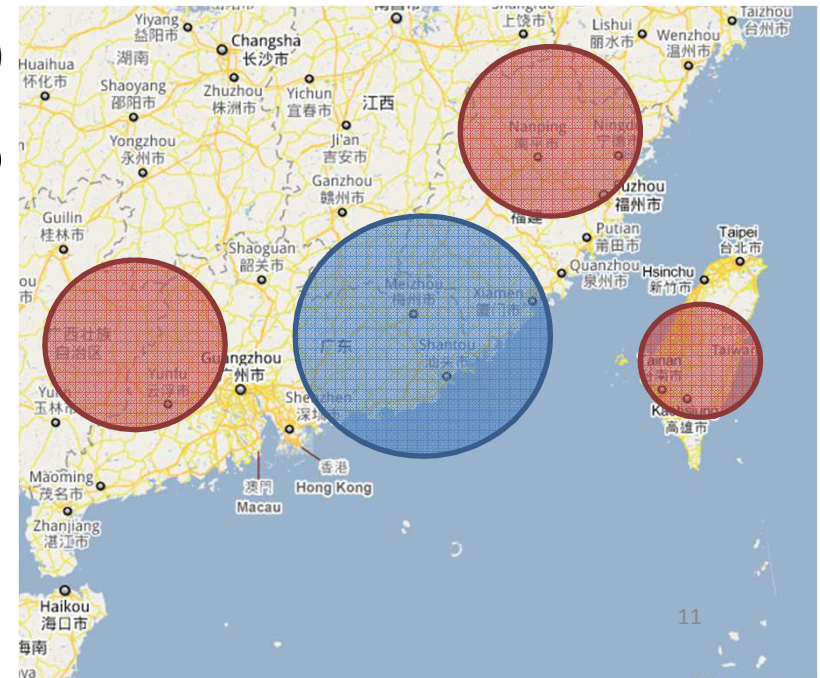


Detail screens



What information does the producer get back?

- **Every time a consumer checks a nest, a query is recorded**
- **Information recorded**
 - Approximate consumer location
 - Mobile phone number (if available)
 - Mobile phone ID
 - Consumer comments (optional)
 - Status of nest (genuine, doubtful, false)
- **This will allow the nest producer to**
 - Understand his final consumers better
 - Communicate with the consumers
 - Find focuses of fraud
 - Identify fraudulent traders through fraud location



What are the stakeholder interests?

- This system strengthens the position of Malaysian producers in the market.
- Consumers expect safe and wholesome foods
 - Doubts about a product will affect sales
- Access to market is through importers and repackers in China
 - Branded identifiers difficult to maintain
 - Most of the “submarine imports” come through the same importers
- Retail has little or no incentive to check authenticity
- There is no expectation of premiums!
 - Promise of increased market access is not enough to drive investment
 - Authenticity of product and integrity of supply chain are the drivers
- Services providers (systems)

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Continued in part 3

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