Webinar: Implementing the Food Traceability System

28th Feb 2024

Speakers for today's session

Dr. Leigh Nind
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Alliance section | Department of
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General Manager | Result Group

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- discuss or agree on bids or tenders, including who is bidding or not and on what terms;
- discuss or agree on the products they each supply or the quantity they supply;
- discuss or agree on marketing territories or the locations they supply;
- discuss or agree on the customers, suppliers or other third parties they deal with, or the terms on which they deal (with them including trading terms and conditions);
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    - marketing, advertising or promotional strategy, or
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We will provide the meeting slides post the meeting.
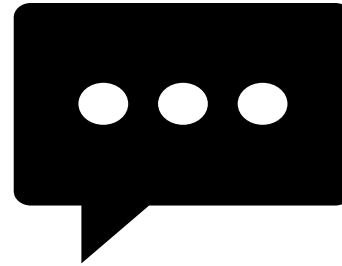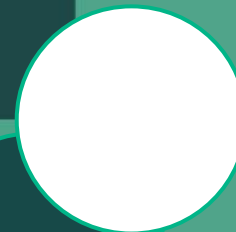
Questions via the chat function

Australian Government
Department of Agriculture,
Fisheries and Forestry

Implementing the Food Traceability System – National Agricultural Traceability Strategy and Program
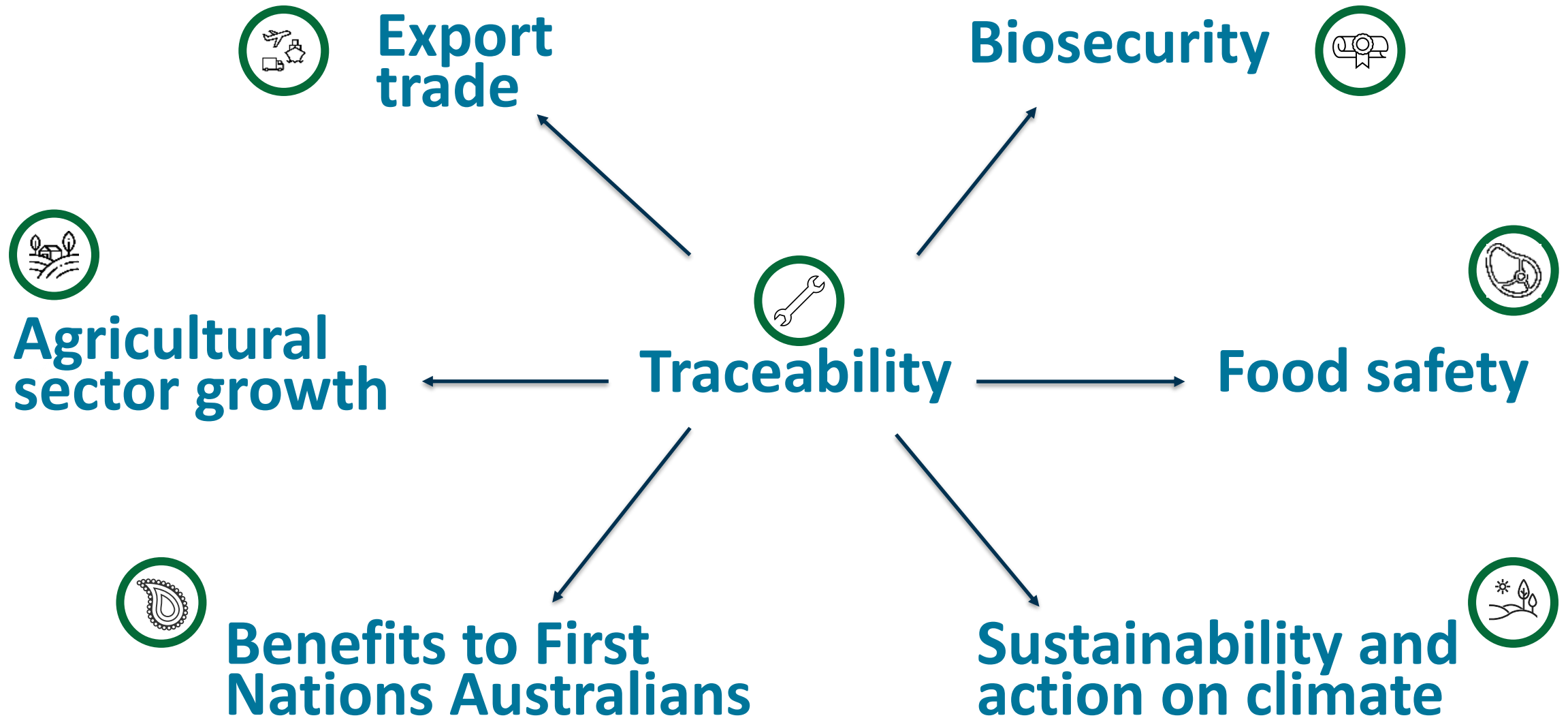
Dr Leigh Nind

Director, Agricultural Traceability Alliance Section

Agricultural Traceability Branch

28 February 2024

National Agricultural Traceability Strategy and Program – Why we are focused on agricultural traceability?

Export trade

Biosecurity

Agricultural sector growth

Traceability

Food safety

Benefits to First Nations Australians

Sustainability and action on climate

Emerging importer country requirements – Example – European Union's Deforestation Requirement (EUDR)

Soy   Beef   Palm Oil   Wood

Cocoa   Coffee   Rubber

Australia's exports (A$) to the EU (2022/23)	
Beef/veal	140 million
Forestry products	24 million
Raw bovine skins	4.6 million
Red meat offal	2.6 million
Cocoa	309,000
Coffee	261,000
Palm oil	35,000
Rubber	11,000
Soya	-

Codex

JOINT FAO/WHO FOOD STANDARDS PROGRAMME

CODEX COMMITTEE ON FOOD IMPORT AND EXPORT INSPECTION AND CERTIFICATION SYSTEMS
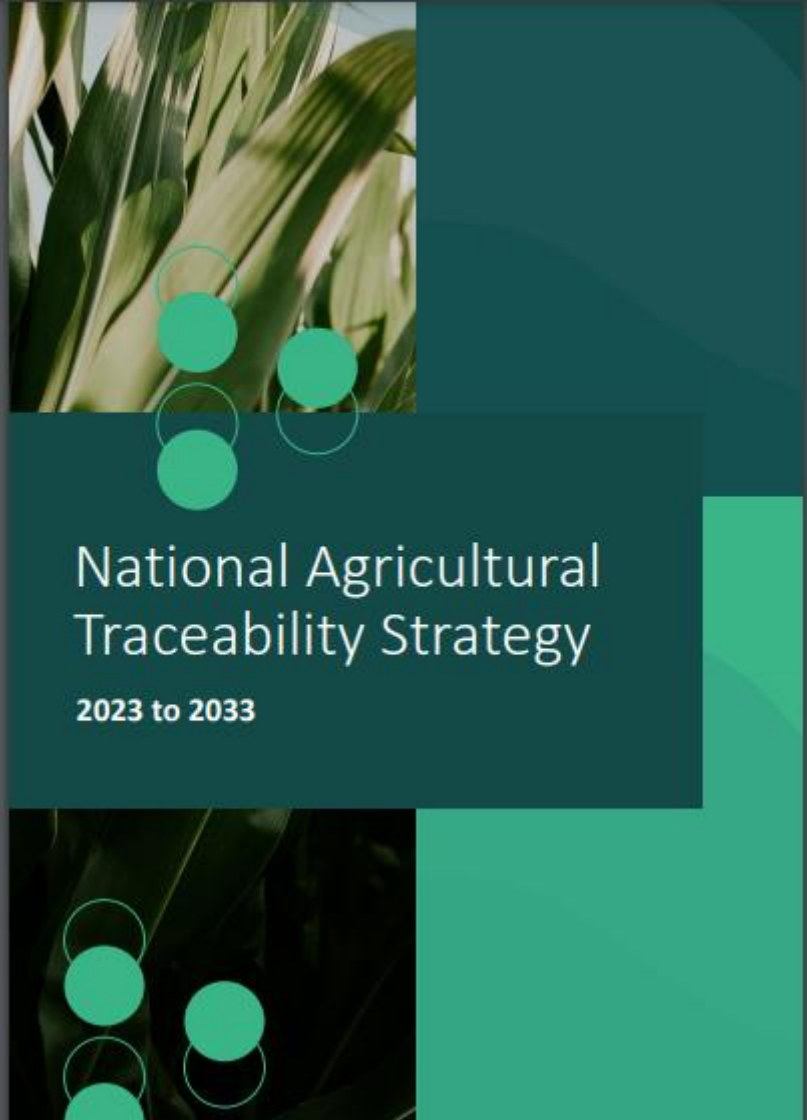
Twenty-Sixth Session

Hobart, Tasmania, Australia

1 - 5 May 2023

DISCUSSION PAPER ON REVIEW AND UPDATE OF THE *PRINCIPLES FOR TRACEABILITY/PRODUCT TRACING AS A TOOL WITHIN A FOOD INSPECTION AND CERTIFICATION SYSTEM* (CXG 60-2006)

(Report prepared by the Electronic Working Group[1] chaired by the United States and co-chaired by the United Kingdom)

National Agricultural Traceability Strategy and Program

Thank you

"The Whole is Greater than the Sum of its Parts"
- Aristotle

Implementing the Food Traceability System

Melanie Wishart – GS1 Australia

February 28 2024

The Challenge

Sharing data along the supply chain

The GS1 Traceability Standard introduces two key concepts for achieving interoperable traceability. These are:

- **Critical Tracking Events (CTEs):** These are the actual events (e.g., receiving, packing, shipping, transporting) that occur to the traceable object during its lifecycle.

- **Key Data Elements (KDEs):** These are the pieces of data that describe the actual instances of the CTEs.
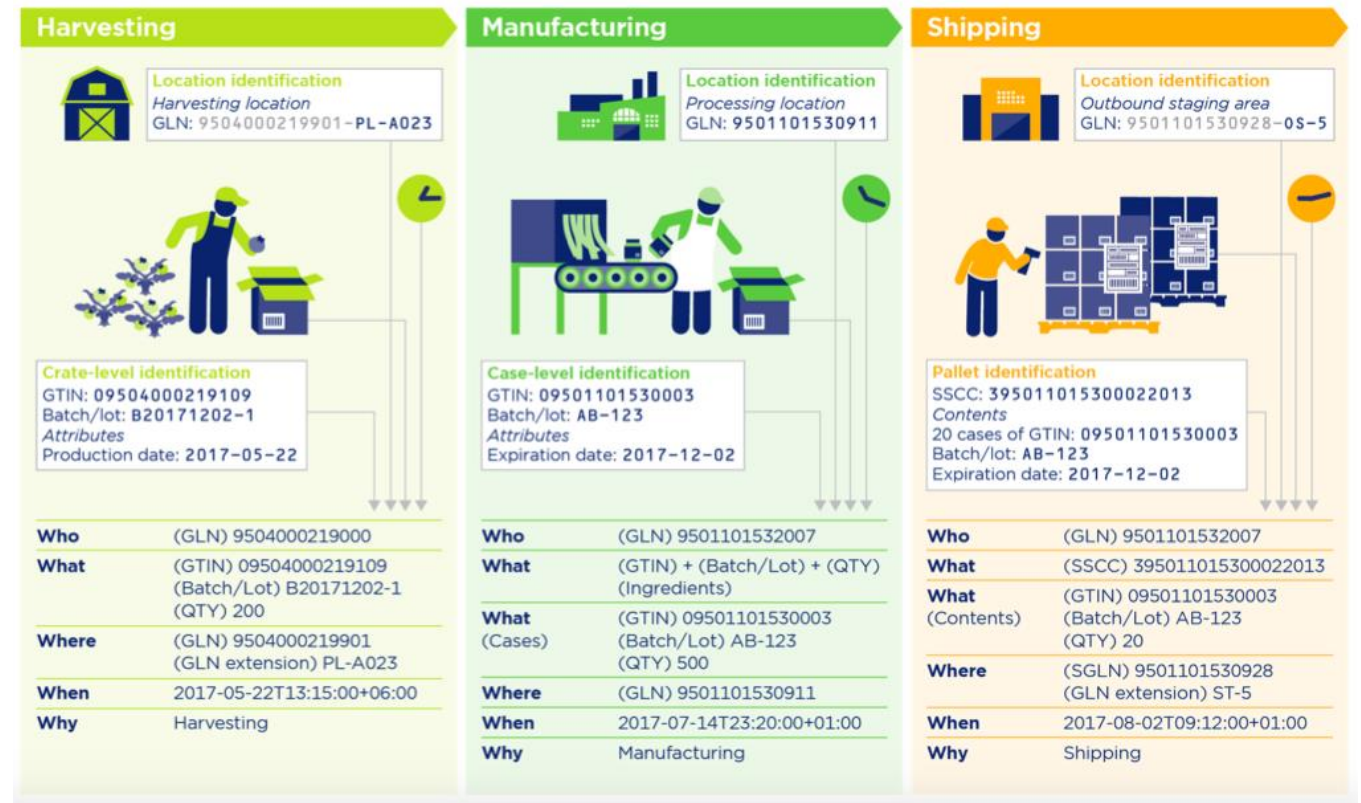
US Regulatory Food Safety Landscape

The U.S. FDA has released a strategic blueprint that outlines how the U.S. FDA plans to leverage technology and other tools to create a more digital, traceable, and safer food system.

[Download Guide Here](#)

Sustainability and Circular Economy in the EU

The EU Green Deal and Circular Economy Plan have a global impact on industry because they involve a new economic model that can't be implemented only in one region.

- Efficiency
- Interoperability
- Transparency and Visibility

E.g. of Benefits (KPIs):
- ✓ **Green data attributes publicly available for consumer goods.**
- ✓ **Structured green data management.**
- ✓ **Empowerment of green consumer.**

2D Barcodes are critical new tools for Traceability

GS1 2D Barcodes at Woolworths

Woolworths identified a number of drivers that require more granular data via a symbol with higher data capacity than the existing 1D barcodes

Customer	Supplier	Woolworths
• **Waste reduction** • **Provenance** (Traceability) • **Food Safety** - Prevent sale of expired/unsafe items • Product attributes - Gluten Free, allergens, Organic, Sustainability	• More targeted Product Recalls / Withdrawals • **Waste reduction** • **Food Safety** • Promote value proposition - **Provenance**, Quality, Sustainability, Organic.	• Quality Management & **Food Safety** • **Waste reduction** • Improved Inventory management • Simpler Store processes • Promote value proposition - **Provenance**, Quality, Sustainability, Organic.

What is happening?

Reduced for a 'Quick Sale' including item's Expiry Date when marked down

~1M Quick Sale labels / week

Meat & Poultry articles - fixed and variable weight

50% Protein range ~80% Volume

90% Own Brand 10% Branded Articles

Fresh Service Deli articles - variable weight

~9M 2D's scanned at POS / week

GS1 2D Barcodes for Traceability

Scan the QR code with any smartphone camera.

Traceability technology tested for produce tracing system in natural disaster scenarios 12 Jan 2022, 1 p.m.

The tested technology allows regulators and retailers to access information about farms and what they are growing, as well as real-time data about where products are in the supply chain.

Aiding property identification and consumer engagement

Track back to the farm origin and track forward to retail destinations using serialised and unique GS1 Digital Link QR codes. Thu 16 Dec 2021

https://www.freshplaza.com/article/9383758/freshchain-technology-supports-traceability-trial-on-woolworths-potatoes-and-cherries/

Scan the QR Code

Scanning this QR code with a mobile phone will display an example of the project B2C microsite. The microsite can also be accessed at
https://trustmfc.com.au/2G8gqkj6

TRACE THE TASTE

Scan the QR code to authenticate Australian citrus

Scan the QR code to discover the power of product verification

GS1 standards make it possible to

Identify

Capture
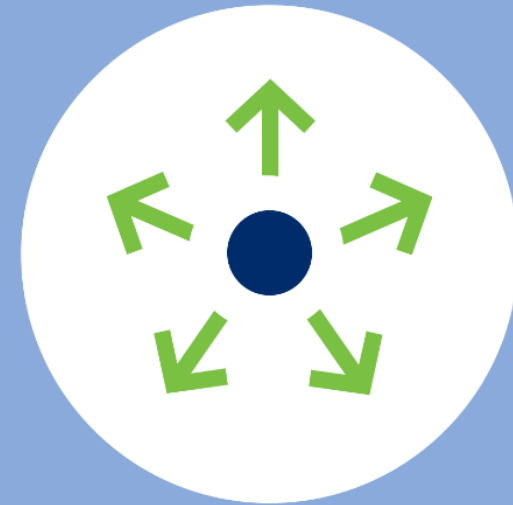
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AFGC Webinar

Mediating Supply Chain Transparency

Application of Technology and Intervention using Regulation

February 2024

Cameron Scadding, Managing Director, Source Certain

- From regional Western Australia.

- Grew up on my family farm located in the Wheatbelt.

- Left the farm to study forensic science.

- 20+ years of experience as a forensic practitioner.

- Extensive complex investigation experience and contributes to the international conversation on supply chain transparency.

in Follow Cam on LinkedIn

Why Supply Chain Transparency?

Where do the products you buy (or sell) come from, and how they have been made?

Do you care? Do your customers care? Do your consumers care? Do your investors care? Do you have to care?

**We support across a range of areas;**

✅ Supply chain and operations

✅ Assurance/risk (food safety, climate change and sustainability)

✅ ESG strategy

✅ Sustainable finance and investment

Market observations

1 The market is increasingly saturated with value-based claims for products, promoting dishonest behaviour, false claims or substitution for cheaper alternatives.

2 The pandemic has illustrated that systems are fragile, highlighting the growing need for supply chain resilience.

3 Consumers are increasingly aware of where and how products have been made and are becoming selective about where they spend their dollars.

4 Increasing demand for supply chain transparency and ESG compliance is being validated by regulators who are acting.

These trends are impacting a spectrum of products from high value diamonds to commodity grains

GRAIN

DIAMONDS

TIMBER

CRITICAL STRATEGIC MINERALS & RARE EARTHS
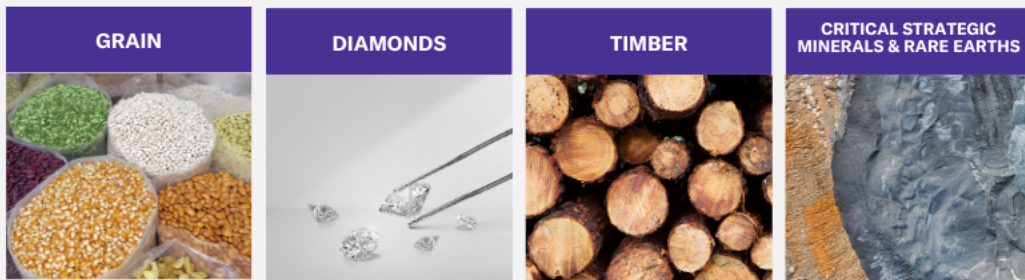
- Environmental, social, and corporate governance
- Corporate social responsibility
- Triple bottom line
- Sustainable Development Goals
- … ?

How are these products being impacted and why?

Trends influencing supply chain change

Consumer awareness, regulatory compliance and corporate social responsibility are disrupting supply chains globally.

1: Consumer Awareness

- Heightened consumer awareness has resulted in sophisticated consumers who ensure that producers, processors and manufacturers are correctly rewarded for their actions.

- 58% of global consumers have indicated that they will be more attentive to the origin (provenance) of their purchased goods, as a result of COVID.

2: Regulatory Compliance

- Governments and regulators are increasingly engaged in ensuring that supply chains are transparent with testing, inspection and certification.

- Testing, inspection and certification remain critical functions to a supply chain to ensure confidence around the quality and safety of products purchased.

3: ESG

- Investor sentiment is shifting towards corporate social responsibility driving commitments in responsible sourcing, ethical practices and ESG commitments.

- Global ESG assets under management is set to reach US$50.3 trillion by 2025.

RESULT - Increasing demand for innovative solutions to drive supply chain transparency and integrity in several sectors

2: Regulatory Compliance - Food Safety (AU)

AUSTRALIA

- Food Identification (Standard 1.2.2)
  - Name of Food
  - Some foods have a prescribed name
  - Include address of supplier
  - Identify the lot number.

- Food Safety Practices (Standard 3.2.2)
  - Requirements relate to the receipt, storage, processing, display, packaging, distribution disposal and recall of food.
  - Other requirements relate to the skills and knowledge of food handlers and their supervisors, the health and hygiene of food handlers, and the cleaning, sanitising, and maintenance of premises and equipment

- Primary Production and Processing (Standard 4.2.1-4.2.9)
  - Specific standards for different food products.
  - Seafood, poulty meat, meat, dairy products, eggs and egg products, seed sprouts, berries, leafy vegetables & melons

What are the requirements?

Traceability requirements are listed under the following standards:

- Standard 1.2.2 - Food Identification Requirements, for labelling food
- Standard 3.2.2 - Food Safety Practices and General Requirements, for food receipt and food recall
- Primary production and processing Standards 4.2.1 to 4.2.6.

What does it mean for me?

- You should know the details about the food on your premises including where it came from and where it goes.
- When receiving food only accept it if you can identify it and the supplier's name and address in Australia - keep these details.
- If you manufacture, supply wholesale, or import food you must have a food recall system in place so if there is a food safety problem, you know exactly what product should be recalled, how much and from where.
- If you label food products you need to include the food's name, lot identification and supplier name and address in Australia or New Zealand.
- If you're a primary producer or processor you must meet the specific requirements of your commodity under the relevant standard in the Code.

Getting it right

You should be able to trace all the inputs you use (including all ingredients, packaging, etc.) and the customers that receive your product. Have a strong traceability system that includes:

- ✓ procedures for identifying producers, suppilers, customers and products
- ✓ contact details of your suppliers and a list of what they supply
- ✓ contact details of your customers and a list of what you supply them
- ✓ dates of transactions and deliveries
- ✓ batch numbers or lot identifiers
- ✓ quantities of products supplied or received
- ✓ any other records relating to production that are relevant to your business.

Need more information?

Safe Food Australia is a guide to the food safety standards in Chapter 3 of the Food Standards Code. Food receipt is covered under Standard 3.2.2 clause 5 and food recall is under clause 12.

Copies of the guide, some translated fact sheets and other information is available at www.foodstandards.gov.au/safefood or by emailing information@foodstandards.gov.au.

https://www.foodstandards.gov.au/sites/default/files/2023-10/Food%20traceability_Final.pdf

2: Regulatory Compliance - E & S & other

AUSTRALIA

- ASIC Greenwashing Interventions
  - Court proceedings are in progress against Vanguard Investments Australia, Mercer Superannuation (Australia) Ltd, and LGSS Pty Ltd (Active Super) for misleading statements and conduct in relation to ESG screening and the nature of sustainable investment options.

- ACCC Greenwashing Focus
  - 'Greenwashing by businesses in Australia' (2023) identified 57% of the 247 Australian businesses subject to the 'sweep' had made concerning claims about their environmental credentials.
  - Not yet prosecuting.

- Modern Slavery Act 2018 (Cth)
  - The statutory review of the Modern Slavery Act 2018 (Cth) was tabled in Parliament on 25 May 2023.
  - Reporting-only approach has not always translated to accountability.
  - "Tick-a-box" rather than genuine attempts to identify and manage risk.
  - 30 recommendations which will be considered by the government.
    - Penalties for non-compliance.
    - Reduced reporting threshold ($50m).
    - A public complaints mechanism be established.

- Forced Labour Protocol
  - https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/2014protocolforcedlabour/Report/section?id=committees%2Freportjnt%2F024911%2F79284

- Country of origin labelling (CoOL)
  - Hospitality businesses will need to show if seafood is either:
    - Australian (A), imported (I), mixed origin (M)
  - Implemented under Australian Consumer Law

- Native logging ban in Western Australia and Victoria
  - Prevents the state's native hardwood trees from being chopped down and sold commercially.

There is a pattern of increased reach, increased requirement for information and increased penalties.

2: Regulatory Compliance (snapshot)

EUROPE

- **Sustainable Finance Disclosure Regulation (SFDR)**
  - Requires financial market participants that actively market their products in Europe to substantiate environmental, social and governance claims and to provide reliable and comparable ESG data.
- **Corporate Sustainability Due Diligence Directive (CSDD)**
  - Affected companies must check exactly where the supplied goods come from, how they were produced, and what consequences this has had for the environment and climate.
- **European Union Deforestation Regulation (EUDR)**
  - The EU's new Deforestation Regulation requires companies trading in cattle, cocoa, coffee, oil palm, rubber, soya and wood, as well as products derived from these commodities, to conduct extensive diligence on the value chain to ensure the goods do not result from recent (post 31 December 2020) deforestation, forest degradation or breaches of local environmental and social laws.
- **Taxonomy Regulation**
  - A classification and screening tool that provides clarity for companies, capital markets, and policymakers on which economic activities are sustainable and seeks to support investment flows into those activities.
- **Modern Slavery Act 2015**
  - 29% of organisations required to produce a modern slavery statement have submitted it to the UK government registry for 2022.
  - Submissions to become mandatory for qualifying businesses.

US

- **Section 1502 of U.S. Dodd Frank Act**
  - The rule applies to a company that uses 'conflict minerals' including tantalum, tin, gold or tungsten if:
    - The company files reports with the SEC under the Exchange Act.
    - The minerals are "necessary to the functionality or production" of a product manufactured or contracted to be manufactured by the company.
  - The law requires persons to disclose whether any conflict minerals "necessary to the functionality or production of a product" originated in the Democratic Republic of the Congo or an adjoining country.
    - The company must conduct a reasonable 'country of origin' inquiry
- **Uyghur Forced Labor Prevention Act (UFLPA)**
  - Goods sourced "wholly or in part" in Xinjiang are assumed to be the product of forced labor and banned from the U.S. unless there is "clear and convincing evidence" proving otherwise.
- **2024 National Defense Authorization Act (NDAA) (not passed)**
  - Will focus on securing critical mineral supply chains is essential to fortify the country against future domestic and geopolitical challenges.
  - Will require contractors that provide advanced batteries and components to DOD to disclose the countries in which the lithium, nickel, cobalt, manganese, and graphite used in the battery were mined and processed as well as the countries in which the battery cells were manufactured.

There is a pattern of increased reach, increased requirement for information and increased penalties.

EUDR regulated requirement for provenance of products

The European Union's Deforestation Regulation (EUDR) has brought focus to transparency in supply chains across various industries. As this regulation takes effect, it becomes crucial for businesses to understand its implications and ensure compliance.

1 Businesses must guarantee products are deforestation free before EU import.

2 Latitude and Longitude (GPS) of product's source must be supplied to EU regulators.

3 Fines of 4% of EU-wide turnover may be issued.

Checks on operators to include

- Examination of the due diligence system, including risk assessment and risk mitigation procedures.
- Any technical and scientific means adequate to determine the exact place where the relevant commodity or product was produced, including isotope testing.

EUDR applies to

- Beef
- Soya
- Palm oil
- Natural rubber
- Cocoa
- Coffee
- Timber

The law also applies to derived products such as leather, oil cake, chocolate, furniture, paper, charcoal.

Life   19 APR 2023 10:05 PM AEST   Share

EU Takes Major Step to Promote Deforestation-Free Trade

Our capabilities

✅ Recognised as leaders in supply chain transparency strategy.

✅ Blue chip customers including global brands and governments.

✅ A globally recognised proprietary technology for determining the origin of a product.

✅ Evidence-based, scientifically validated through peer review.

✅ Extensive annual investment in ongoing R&D.

✅ 40 years of research across various disciplines.

✅ Sought after thought leadership for speaking and advisory roles.

✅ Accepted by legal jurisdictions internationally.

What bit do we do?

SourceCertain Provenance Database

| FARM |
| FISHERY | VESSEL | PROCESSING | DISTRIBUTION | RETAILER | CONSUMER |
| Origin of farmed or wild caught seafood | Catch and on-board storage on fishing vessel | Third party processor | Transportation and distribution | Sale of seafood product | Purchase of product with attached values |

Step 1
Physical source sample collected at site of production.

Step 2
Physical sample

Physical sample

Physical sample

Physical sample

Physical sample

Physical samples collected from within the supply chain and sent to the Source Certain laboratory for verification testing.

SourceCertain LABORATORY

Reference Fingerprint constructed from source sample collected at verified source of origin. Entered into Provenance Database.

Physical sample analysis compared against Reference Fingerprint in Provenance Database.

SourceCertain PROVENANCE DATABASE

Samples will either match or not match with Reference Fingerprint.

PROVENANCE: SINGLE POINT OF ORIGIN

TRACEABILITY: ABILITY TO TRACK AND TRACE

CHAIN OF CUSTODY: CHRONOLOGICAL RECORD OF OWNERSHIP

Source Certain TSW Trace® Provenance Verification Sol...

SourceCertain

Verifying provenance with TSW Trace®

Watch on YouTube

https://youtu.be/T4w3o-BdDUc

1 Naturally derived products absorb characteristic markers from where they are grown or made. These markers come from the underlying geology and can differ significantly within short distances.

2 Source Certain uses a proprietary verification solution to analyse the markers of a physical product.

3 The markers – chemicals, molecules, and elements are used to construct a reference 'fingerprint' that represents a product's origin.

4 While other service providers can identify the country or region of origin, we have developed our methods to pinpoint provenance to a specific farm, fishery, aquaculture pond or plantation.

Traceability

Legal

Origin verification

Risk assesment

Certification

Digital

Due diligence

- A level of supply chain transparency is required to enable the necessary due diligence to be confident around claims associated with ESG.

- Traceability can, in part, be used to support a due diligence process.

- The integrity of the supply chain and the authenticity of the product is also critical.

- We need to put the various parts together to ensure trust in both the product and its promise.

Thank you

SourceCertain

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THANK YOU!

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