



**78th Plenary Meeting – Brisbane (Australia)
MINUTES
First Open Session
Traceability Seminar – Part 1**

11:00 hrs, Monday 2 December 2019

Chair: Dr Steve Hatfield- Dodds, Executive Director, ABARES

Ms. Leanne Kemp, Chief Entrepreneur, Queensland Government, Australia.

Ms. Kemp spoke on the topic of, “Megatrends to stretch future thinking.” She noted that cotton has been a significant crop for humanity throughout history; and that the precipice of the next industrial revolution and must consider the role not just of cotton but how it is produced and used. She indicated that cotton research is being done at Queensland University of Technology’s Institute for Future Environments looking at how to transform cotton waste into next generation battery technology. Research that is working towards a cleaner and more sustainable future. Ms. Kemp said that the circular economy is the norm and people are in a mindset of being intentionally transparent whereby supply chains have high visibility. She encouraged everyone to stop treating waste as simply an environmental safety hazard but rather as a source of valuable material and products. She concluded by inviting ICAC members to consider their own mindset and if necessary, to change to a innovation mindset where you can see possibilities and think beyond what is just in front of you. Innovation is about finding the solution to a gap that is not seen by everyone else; it’s about asking the right questions to help solve for the future.

Dr. Ann McDonald, Assistant Secretary, Export Legislation Taskforce & Traceability Project, Department of Agriculture, Australia.

Dr. McDonald spoke on the subject of, “The Australian Government Department of Agriculture and the Future of Traceability: Roles & Responsibilities.” She noted that Australian agricultural supply chains produce commodities for both the domestic and export markets and traceability is important for all commodities. Exports are very important to the country’s economy as Australia exports around two-thirds of the agricultural products it produces. Dr. McDonald said that trading partners and domestic consumers want any claims made about food and other agricultural products to be well supported by fast and effective traceability systems. For the Australian government traceability is a commercial issue and the government’s position was not to regulate unless it was required because of bio safety but rather to support traceability systems. Australia ran a “National Traceability Project”, which aimed to assess the current state of Australia’s agricultural traceability systems, across most agricultural commodities and review global drivers for the future. The project also involved the development of an industry-government national framework and action plan for enhancing Australia’s agricultural and traceability systems. Dr. McDonald emphasized that the framework and industry action plan provide a common vision and set of principles to guide the development of enhancements to the country’s traceability systems. The enhancements will be implemented in a way that minimises any risk of trade disruption and strengthens the confidence of consumers and trading partners in the country’s food supply chains. Dr Macdonald emphasised that

the government would not mandate any traceability system and commercial suppliers must take on the cost of traceability if they wished to enhance the desirability of their product.

Ms. Emma Weston, CEO and Co-Founder, AgriDigital, Australia.

Ms. Weston spoke on the topic of, “Getting started with Blockchain.” She noted that today’s supply chains are manual, fragmented and risky, and mentioned that agriculture is the least digitalised industry in the world. She highlighted that blockchain — a peer-to-peer distributed ledger technology — is a potential solution, including the fact that users access shared databases; transactions are immutable and approved by network consensus; and transactions are timestamped and recorded in ‘blocks’ that are linked and cryptographically secured.

Mr. Alan McClay, CEO, Better Cotton Initiative, Switzerland.

Mr. McClay spoke on the topic of, “The pros and cons of mass balance.” He explained that BCI uses a chain of custody model called Mass Balance, which encourages supply chain actors to buy and use more Better Cotton in a cost-efficient manner. He noted that the model is less complicated than physical traceability and is therefore less costly. He stated that the supply chain is generally opaque to most companies, but that pressure is on companies to demonstrate traceability as a component of their sustainability strategy, with little regard for the associated costs. He concluded by saying that ‘in any kind of sustainability initiative, there’s a cost. And until stakeholders are willing to make that investment — or governments mandate it — the cotton industry needs to be as pragmatic as possible, moving forward’.

The Chair thanked each of the speakers. He noted that consumers are increasingly demanding information on the origin and history of the products they buy, putting pressure on retailers to provide transparency. The session aimed to provide information about some of the big issues in technology solutions to address the challenges in the cotton industry.

Meeting was adjourned at 12:35 hrs.