



A FARM ILLINOIS FOREFRONT SERIES REPORT

From Seed to Shelf: Supply Chain Transparency in the Food System

Food quality and safety risks are at the forefront of many companies and consumers' minds. Improved traceability and transparency are becoming exceedingly important to companies as consumers increasingly seek and demand greater access to information on where and how their food is produced.

On September 12, 2017, FARM Illinois held a highly-interactive, business-facing Forefront Series event to explore transparency issues across the "farm to table" value chain. Nearly 50 attendees from across the food and agriculture sector participated in the event and contributed to the findings in this report.

Event sponsored and hosted by:



Objectives & Design

FARM Illinois provided an opportunity for a key group of stakeholders representing Illinois' diverse food and agriculture sector to undertake a forefront-oriented workshop that explored how transparency and traceability are influencing the food and beverage chain. The key features of the September 2017 event included:

- Gathering of a select group of stakeholders to engage in vibrant participatory dialogue around a critical emerging global issue in the food and agriculture landscape.
- Holistic review and context setting from expert presenters spanning the value chain on the influence of transparency and traceability in their line of work.
- Identification of emerging trends and drivers using insight from personal and professional experiences.
- Introduction and definition of a collective agenda for achieving future progress.
- Diversity of perspectives from production, distribution, and processing through and beyond consumption, with both local and global focus.
- Professional networking with a unique and diverse set of experts and leaders spanning the entire food and agriculture value chain.

Distinguished Speakers



Tim Andriesen
Managing Director,
Agricultural Products
CME Group



Rick Kyle
Vice President,
Strategic Business
Planning
Ingredion Incorporated



**Heidi Moorman
Coudal**
Owner & Culinary
Director
Big Delicious Planet



Peter Testa
President
Testa Produce



Jamie Walter
CEO and President
Whiskey Acres
Distilling Co.

Scenario Planning

Approximately 50 food and agriculture stakeholders from the private, public, and nonprofit sectors across Illinois attended the event. The list of participants included farmers, members of the food and agriculture corporate and non-profit sectors, faculty from leading universities, and representatives from various governmental entities.

Through a facilitated process, perspectives were provided on key drivers, challenges, trends, and emergent issues through presentations from five expert speakers across the food and agriculture value chain as well as interactive discussion amongst participants. Following presentations, discussion occurred among small groups and then telescoped to the whole group. Discussions examined speaker remarks and explored "What are the most emergent issues related to transparency and traceability, and what should the key priorities be for impacting the supply chain?"

The following insights were gleaned via discussion during the event and from collected input through a questionnaire response form.

Key Themes

Consumers Driving Transparency & Accountability

- Consumers are driving demand for more transparency in the food chain to inform their purchase decisions. They are interested in where their food comes from, how it is produced, what practices were utilized, and how it affects their health and wellness.
- Too much misinformation masquerades as marketing in the system today, making it harder for consumers to make informed purchasing decisions and for companies to understand actual vs. perceived consumer expectations.
- Responsible marketing, consumer education, and shared definitions for ubiquitous terms (such as local, pesticide free, sustainable, etc.) are all necessary.
- Consumer access to information on food and retail products can be improved by honest, simple labeling.
- Increased transparency means increased trust. Transparency allows for the transmission of information across the supply chain, from food producers to consumers.
- Demand for transparency is not equal across the food chain, but is limited to more affluent consumers. The global goal of feeding 9.5 billion people by 2050 is still a priority. The food chain conundrum exists because there are consumers willing to pay a premium for transparency, but our global food system operates within a complex supply chain designed to feed global populations.
- Livestock is particularly challenged by lack of transparency. "Country of origin" labeling has been seen as a trade barrier. Blockchain may be of interest.

Food Safety

- Food safety and security on a global scale is a fundamental goal. We cannot create a culture where people, especially those who are food insecure, are afraid of food; it is unacceptable and unethical.
- Quality of food is a key aspect of transparency.
- Transparency allows for efficient recalls.

Transparency Infrastructure & Technology

- One big challenge is that there is a lot of complexity and ambiguity in today's supply chains.
- There are costs associated with compliance, both on regulatory and information technology side of implementing transparency.
- Investment is required for the infrastructure needed for traceability (to identify food source), but it is unclear who is willing/able to pay (consumers, farmers, others in supply chain) and if the value is enough to justify the cost.
- It is essential to design for technology interoperability across food systems.
- Research and testing of new supply chain technologies is needed.

Standards & Regulations

- Key questions in terms of transparency are: where does the food come from, and what regulations does that source comply with?
- For smaller farms and emerging value chains, equivalent standards and practices need to be established, but not the same as for larger food industry players. The current regulatory environment is punitive to smaller players, especially with food safety protocols.
- Efficiency and consistency can be attained through aligned rules and standards on the side of retailer expectations, because today traceability expectations vary widely.
- Blockchain tracking and commercial execution management for risk management have potential for tracking standards.

Key Questions & Next Steps for Illinois

- How do food producers build an authentic relationship with food consumers?
- Who will lead efforts to improve supply chain transparency at the state and local levels?
- Can the university system become an unbiased source for delivering science-based information?
- How does the conversation change when discussing short value chains (e.g. perishables) versus longer, more complex value chains (e.g. commodities to livestock and processing)?
- How do we begin to transform infrastructure? What is the cost of bringing more transparency to the food system and who is willing to pay for it?
- How will the market reflect increased traceability and transparency costs?
- How do we manage liability?
- How do we scale up campaigns to address misinformation and dispel myths? (i.e., consumer education, one-on-one, generational, etc.)?
- What role do standards and interoperability have for the future of the food chain?
- How does this all relate back to health outcomes and informed diet recommendations to consumers?
- How do we collaboratively pursue transparency?

Research & Definitions

- Define transparency: what aspects should be prioritized and monitored?
- Develop shared definitions for terms like local, sustainable, fair trade, organic, non-GMO, fresh, and natural. While this may be a federal issue, it is worth understanding what is occurring on the state level.
- Identify best practices for transparency and traceability, in both centralized and decentralized systems.
- Better understand the costs and logistics associated with transparency, with more detailed case studies.
- Better understand the impact of consumer decisions on the supply chain.
- Strengthen consideration of health, food waste, and food security in future discussions.

Standards & Investment

- Increase investment in the logistics side to be more widespread and affordable.
- Consider “carrots/sticks” to promote responsible marketing and discourage dishonesty in food labeling.
- Consider voluntary labeling that simplifies, clarifies, and promotes agreed-upon definitions.
- Work with farmers and food businesses to obtain the correct information on the products they are selling to increase not only transparency but also authenticity and trust.
- Collaborate along the farm to fork data value chain to reduce information asymmetries, improve efficiency, and ensure better accountability and traceability.
- Make explicit the differences across diverse supply chain typologies.
- Segment market opportunities and define the differences between them.
- Pursue strategies for growing Illinois-based producers of products that are consumed and processed in Illinois.

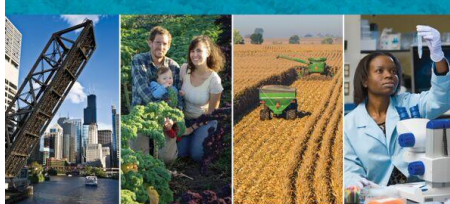
Coordination & Education

- Coordinate across the value chain and across jurisdictions to help move this discussion ahead for Illinois and the region.
- Create food literacy training for K-12 schools in urban settings.
- Create more education opportunities for consumers of all ages; help them ask the right questions.
- Inform/educate key policymakers and industry influencers, as they are not immune to misinformation.

The RoadMap



A FOOD AND AGRICULTURE ROADMAP FOR ILLINOIS



MAY 2015



The FARM Illinois RoadMap, released in May 2015, brought together over 150 leading stakeholders to develop a plan to support Illinois' future stake in food and agriculture. The plan outlined six key priority areas and 23 actionable recommendations.

Mission Statement

The mission of FARM Illinois is to position Illinois as the global leader in food and agriculture system innovation by convening and connecting stakeholders to catalyze and champion actions that will grow the economy, support community health, and sustain the environment.

About

FARM Illinois is an independent, multi-stakeholder initiative working to harness the strengths of Illinois' food and agriculture sector. As a neutral third-party convener and connector, FARM Illinois is building a platform for non-partisan collaboration that convenes government, NGOs, and industry members. Through a collaborative network, FARM Illinois partners are joining forces to align strategic priorities, spark innovation, improve coordination, catalyze new collaborations, increase visibility, and build trust. In short, FARM Illinois is creating the enabling environment to ensure Illinois' food and agriculture sector continues to be a driver of the state's economy while also addressing environmental and societal challenges.

The FARM Illinois Roadmap's six overarching goals:

1. **Leadership for Innovation:** Develop an integrated, statewide, long-term, public-private strategy for achieving the goals of the FARM Illinois strategic plan.
2. **Business Development and Entrepreneurship:** Spur business growth and investment by making Illinois the preferred destination for food and agriculture companies of all sizes.
3. **Workforce and Education:** Develop a high-quality workforce for food and agriculture and educate Illinois policy makers and the general public on sector innovation.
4. **Resource Management:** Ensure that Illinois is sustainably protecting and managing its natural resources.
5. **Infrastructure:** Ensure Illinois' infrastructure is capable of supporting the state's ability to sustainably meet its own needs while being a global leader in food and agriculture.
6. **Branding and Market Development:** Develop larger and more diverse local, regional, national, and international markets for Illinois' agriculture and food products by raising Illinois' profile.

FOR MORE INFORMATION

Tyler Strom, Managing Director,
tyler@farmillinois.org

www.farmillinois.org

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