Trace, farm-to-fork transparency and traceability

Section 1: Concept Overview

Project Objective: Time calls for transparency and traceability. As a business, knowing where your products come from and who was involved in the production is the first step in being able to take responsibility for and solve any issues in the chain. In two pilot projects, Fairfood and Solidaridad will prove the business case for transparency and traceability, while simultaneously exploring and developing new functionalities of an existing traceability tool, Trace, that will help raise the income of (coffee) farmers.

Brief Description: As the world population is growing, and there are more mouths to feed, global food supply chains become longer and more opaque. Sadly, this allows for poverty and exploitation to persist and worsen. The solution starts with greater transparency and traceability - with all stakeholders in the chain knowing where their products came from and/or end up, and improved connections between different supply chain partners.

In a new 5-year-programme, in collaboration with the Dutch Ministry of Foreign Affairs and Solidaridad among others, Fairfood is accelerating disruptive innovations to ensure inclusive sustainability. The programme includes two pilot projects within coffee value chains originating in Honduras and Uganda, in which Fairfood will prove the business case for transparency and traceability. By creating added value through data collection and storytelling, and sharing this proportionally with supply chain partners and farmers, the income for the coffee farmers will be raised. Simultaneously, the project will see the development of new functionalities for their tool Trace, e.g. direct payments that can be made to the (coffee) farmers. The programme is now looking for private sector partners to tap into these pilots.

Trace is a blockchain-based tool, developed by the NGO Fairfood, that allows businesses to trace their products back to the farmers, while sharing the transparent product story with the consumer. It is currently being used by over 40 companies. Here you can find the interface where a batch of Ethiopian coffee is traced for their partner Trabocca.

In addition to the opportunity for partners to directly tap into the two aforementioned pilots, Fairfood is always looking for new partners who want to use Trace to improve transparency and traceability for the sake of fair value distribution within their supply chains.

Country of Focus: Honduras, Uganda, with possibilities in other regions

Key Performance Indicators:

Indicator	Metric	Baseline	Project Target
Number of farmers connected	Farmers with verified payments	TBD	TBD
Amount of coffee traced (kg)	Kilograms of verified deliveries	TBD	TBD
Amount of "fair value" shared	USD/EUR paid back to farmer	TBD	TBD

Please indicate how this project aligns with the 2025 Targets:

Χ Resilient supply   Χ Improve well-being & prosperity

☐ Strengthen market demand ☐ Conserve nature

Resilient supply: Ideally, farmers have access to a smartphone and internet connection, so they too can actively use Trace to create a better understanding of the chain, and the quality and value of their produce. Even if that isn't the case, the most basic use of Trace involves the use of an NFC card to securely add transaction data to a farmer's digital profile, allowing her or him to build up a digital file including proof of transactions and, for example, proof of quality. Potentially this could provide new access to finance, allowing farmers to build a more resilient business.

Improve well-being & prosperity: Through the use of Trace, businesses improve the transparency and traceability of their product chains. Living income/wage benchmarking on the spot, in combination with an improved understanding of the origins of products and well-being of farmers, should help in establishing the living income/wage gap. Direct payments are a possible solution to closing this gap: the possibility for the brand to pay a premium that surpasses any other supply chain partners to end up directly in the farmer's pocket.

Another key functionality of Trace is the verification of claims, e.g. a fair price for the farmer. Consumers may find the proof for such a claim in an interface.

Project Status: In progress

Project Timeline: 01-01-2021 - 31-12-2025

Section 2: Partnerships

Involved Parties:

Organization Name	Role in Project	Contribution
Dutch Ministry of Foreign Affairs	Donor	Cash
Fairfood	Lead/Implementer	In-kind
Solidaridad	Lead	In-kind
Trust Africa	Implementer	In-kind

Expectations for partner engagement:
The consortium is looking for partners from the private sector (buyers, brands, traders) that either have existing coffee supply chains (that ideally start in the before mentioned countries) that they would like to apply Trace to, or want to buy a batch of coffee from the pilots.

Deadline for partnership opportunities:
For the two pilots: On-going
For any other partnership opportunities regarding the use of Trace: n/a

Section 3: Funding

Project Costs*:

Total project costs	EUR 450,000
Secured funding	EUR 330,000
Funding needed	EUR 120,000

*specific to the Honduras and Uganda pilots. The funding mentioned is for multi-year commitments and could also be a cost sharing structure between traders and different brands. Smaller collaborations are possible. Contact Fairfood (contact details below) to get more information on the costs of applying Trace to any supply chains outside these projects.

Explanation of Funding Use:

This additional funding will be used to co-design new functionalities and promote fair value distribution among other private sector partners (buyers, traders, brands), with the use of digital Fairfood tools to enhance supply chain traceability and transparency. In practical terms, this means onboarding partners and supply chain actors to the Trace platform, developing value adding interfaces, and validating fair value claims.

For more information on this project, please contact John Cherek, Project Manager Value Chain Innovation, at john@fairfood.org