Traceability Is a Critical Need, but Plotting the Path Forward Remains a Challenge

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Executive Summary

Highlights from the Inaugural Session of the 78th Plenary Meeting:

- Consumers today are increasingly demanding information on the origin and history of the products they buy, putting pressure on retailers to provide transparency
- Multiple technologies have the potential to provide that traceability, including blockchain and a host of products from private companies
- Implementing traceability technologies carries a cost for businesses — but the cost of a damaged reputation for companies that don't provide it might be higher

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Brisbane, Australia — The ability to identify the source of cotton and verify its path through the supply chain is a growing need because consumers today are increasingly interested in the social and environmental impact of their purchasing decisions.

'Traceability', then, is a backward look at the origin and history of a given item — which is somewhat ironic, because what most industries need to achieve traceability is a peek at the future to show them how to get there.

That challenge is the primary reason the International Cotton Advisory Committee (ICAC) dedicated both a morning and an afternoon session to the topic on the opening day of its 78th Plenary Meeting.

The two-part session was chaired by Dr Steve Hatfield-Dodds, Executive Director of the Australian Bureau of Agricultural and Resource Economics and Sciences, and Allan Williams, General Manager of R & D Investment for Australia's Cotton Research & Development Corporation.

The extended session, which had two 90-minute sessions, covered a wide range of topics:

- In her presentation entitled, 'Getting started with Blockchain', Emma Weston, CEO and Co-founder of AgriDigital, said that agriculture is the least digitised industry in the world, characterised by tight margins and fragmented supply chains. 'Right now, traceability is more of an aspiration than a reality', she said. But Blockchain — a peer-to-peer distributed ledger technology — is a potential solution for a host of reasons, 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.
- Alan McClay, CEO of the Better Cotton Initiative, 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.

Despite the pressure, he explained, 'in any kind of sustainability initiative, there's a cost. And until stakeholders are willing to make that investment — or governments mandate it — we need to be as pragmatic as possible, moving forward'.

- During the roundtable discussion in the afternoon, an expert panel discussed some of the better-known traceability technology companies, including Oritain, Applied DNA Sciences, and FibreTrace. Jannice Cameron-Chapital, Chief Marketing Officer of Himatsingka America, also discussed the needs of brands and retailers, saying, 'When consumers buy a brand, they're buying trust' — and brands that break that trust could suffer irrevocable damage to their reputations.