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APAC integrates blockchain technology into food supply chain

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The APAC Provenance Council supported by government, export and industry bodies, standards agencies, packaging and labelling service providers, finance giants and blockchain technology providers, is established to integrate blockchain technology into the food supply chain finance in Australia-China trades. Currently, the core founding members include Fresh Supply Co, Source Certain International, and Laava, joined by affiliate members VeChain, FoodAgility CRC (Cooperative Research Centre), DNV GL Business Assurance, Australian Made, GS1, Blockchain Australia and several others.



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The New Roadmap To a Post-COVID Food Industry

In February 2020, the Australian Government published The National Blockchain Roadmap, proactively addressing opportunities in the Agritech & Food industry, which directly accelerates the establishment of the Council.

The impact from COVID-19 further lifts the urgency of pushing forward this initiative. On one hand, the pandemic is posing a direct threat to food & beverage vendors around the globe, particularly in cross-continental trading, the suppliers are heavily impacting their cash flows, which calls for immediate invoice finance to quickly unlock unpaid invoices and stimulate business growth. On the other hand, the public awareness of food safety is unprecedentedly high. According to a study of InTarget Shanghai, Chinese consumers have become more health and safety-conscious and this will continue to be reflected in future.

Blockchain-enabled APAC Provenance Council To Stimulate The Market

By combining resources from all members, the Council aims to provide a comprehensive blockchain-enabled food supply chain finance ecosystem, bridging traceable, safe and trusted trades with shorter billing terms between Australian suppliers and Chinese importers.

David Inderias, APAC Provenance Council Executive Chairman says, "Many solution providers have offered â??track and traceâ?? services, but havenâ??t addressed industry needs in a comprehensive way. In a post-COVID world when many commercial entities are in decline, we are growing by making sure to deliver real economic value, meeting industry needs, as well as including funding sources for industry."

Powered by AliPay in Australia, all the B2B payments for China-destined trades from Australian food suppliers will receive milestone-based payments of the total fiat payment upfront upon meeting the first milestone of their delivery terms. For food suppliers in Australia, when they export food products traced by VeChain ToolChain™, the entire process of product delivery will be recorded, including logistics information, temperature during the process and so forth. Acting as the "trust machine" in multiparty collaboration, blockchain provides immutable and authentic records, which not only ensures the secured process of logistics transfer, bringing transparency and trust into the cross-continental trade, but also helps shorten the billing period for suppliers.

VeChain To Be The Sole Public Blockchain Protocol In The Consortium

VeChain is dedicated to enabling its partners to implement blockchain technology in various industries to solve real problems. The proven cases such as FoodGates, pave the way for making the supply chain finance more effective at an all-new level.

Sunny Lu, CEO at VeChain, stressed that, "Guided by the mission of powering the real economy, VeChain positions itself to be an Enabler to empower our partners with blockchain to build business applications in various sectors. The implementation of blockchain certainly contributes to buffering the immediate economic impacts of the pandemic for the enterprises, and will help improve productivity by unleashing more resources and growth opportunities."

The Australian Department of Agriculture predicts China will account for 43% of global growth in demand for agricultural products by 2050. Since the Australian products have an enviable reputation for being high-quality, Australian exporters can strongly take advantage of Chinaâ??s growing demand for quality produce and its need for food security. With the market evolving, the demand for business-ready standard blockchain tools will also see a dramatic growth, which positions VeChain ToolChain™ to seize the opportunity to support more enterprises and create more value.