

The Blockchain Opportunity for Ag Tech Partners

By Mark Kurtz

Blockchain is all about proof. Proving that your brand, along with the products and services you represent, can be trusted.

Growing up in the rural part of the Bay Area (that's the original Bay Area of Green Bay, Wisconsin) the food economy was the driving industry supported by independent, family farmers that supplied cheese factories, butcher shops, and boutique ice cream parlors.

Product proof was based on knowing the reputation of who raised the herd or farmed the land. Trust and reputations were built over time. There were no cost effective mechanisms to articulate and differentiate 'local trust' to warrant higher margins. Hence, focusing on cost savings meant smaller farms could not compete.

As corporate consolidation occurred, proof became ambiguous because the informal checks and balances of personally knowing the source became obfuscated. In some cases, the obfuscation could be seen as a 'plausible deniability shield' in case the trust was broken (i.e. a food contamination or recall). The equity of personal trust was diluted in exchange for increased economies of scale, cost cutting and better yields. NOTE: This is not necessarily a bad economic outcome and our ability to produce food – especially in the United States – is benefitting the world.

However, proving trust in the food supply becomes harder when provenance is not transparent.

Along comes blockchain. In a recent presentation with a global consumer brand, the implementation of a blockchain based solution allowed this company to prove that the product actually came from a specific farm in Africa. That farm also happened to be a woman owned entity. Because of blockchain, there was public proof that the product was from a unique place, raised by specific people and shipped via socially conscious means. The result? The product sold out for 3X what their competitors priced a similar type food.

Why is this? Consumers will support something they believe in and know what they are ingesting.

Don and Alex Tapscott, [the authors of Blockchain Revolution](#) describe blockchain "... as an incorruptible digital ledger of economic transactions that can be programmed to record not just financial transactions but virtually everything of value." Blockchain can prove that value – whether it be food, cosmetics or pharmaceutical products.

Partners involved in providing blockchain solutions act as enterprise solution architects, designing and building blockchain-based data systems that build trust, accountability and most importantly, reduce risk for brands.

Consumers are looking for trust. Give them a way to believe in you and what you are doing. Prove it to them. Blockchain based solutions provide that underlying foundation.