

One on one with GS1 India

Q 1. How important is traceability and food safety, how would you describe the current scene for supply chain and food safety in India and the emerging markets?

Consumer safety has become one of the most critical and priority issues for the food supply chain around the world. In spite of the best efforts of supply chain participants, food safety problems may never be eliminated totally. Safety in the food supply chain can be ensured only if the company has traceability guidelines implemented. Implementation of traceability systems by means of automated data capture, electronic data processing and electronic communications can significantly improve accuracy and speed of access to information about the batches/products in the supply chain. They can reduce risk and uncertainty across the supply chain and between trading partners. This, however, requires a holistic view of the supply chain, which is only attainable by deploying international traceability standards. Traceability is considered as one of several elements designed to improve security, control quality, combat fraud and manage complex logistical chains.

Q 2. Could you enlist some of the challenges that prevail in the supply chain and food safety space in the segments of food processing and agriculture?

The challenges in the industry range from consumer safety, product quality, health hazards and issue management, economic impact of recalls, non-compliance, system efficiency, and market transparency.

Q 3. Please provide the details of the traceability standards/solutions available? Any successful case studies?

Before we get into the traceability standards/systems, we should note the key principles attached to any traceability system - which are accurate and unique identification of products, automated data capture, recording, links management and data exchange.

The GS1 system of standards enables efficient supply chain management by providing tools that allow all supply chain participants to communicate in one global language of business. Key concepts driving GS1 system application can be summed-up in three areas:

- Automation of business processes by means of automated identification and data capture (AIDC) and electronic data processing (EDP). Use of GS1 global supply chain standards enable unique and universal identification of products and batches. This unique product ID is then captured in AIDC technology for accurate and speedy data capture. This enables all trading partners across the supply chain to talk to each other in one language
- Communication of information in the fastest and most accurate manner by means of electronic data exchange standard that enables computer applications to share and receive data from trading partners.
- Time compression, which offers strategic opportunities to improve customer satisfaction, not just by efficient produce traceability, but also by reengineering business processes across the supply chain.



Q 4. What is /should be the India game-plan to thwart food safety and supply chain issues? What is your suggestion to the regulator?

The food processing industry is governed by the Food Safety and Standards Act in 2005. Vision 2015 of the government lays the roadmap charted for massive restructuring of the sector, including steps to rationalise the tax regime so that food products become affordable; a boost to farm and food processing sector financing; tightening food standards and safety systems in line with international norms; focusing R&D on global challenges; building Indian food product brand consciousness, particularly overseas; and to provide incentives for public-private partnerships on infrastructure strengthening. However, 'The Food Safety and Standards Bill 2005' has failed to pay the deserved attention to the crucial issue of traceability guidelines for the food supply chain – an exclusion that is detrimental to the goal of consumer safety..

Tracking, tracing and food safety is a food chain problem. It is not possible for any one member in a food chain to design a tracking and tracing systems on his own. Members have to collaborate for this to happen. The reason for using internationally accepted supply chain standards is to overcome the barriers to commerce that national, Industry and company specific standards create when they are used in place of international industry and technology agnostic standards. The

presence of a traceability system in the supply chain prevents crises like the SUDAN-1 Red Chilli crisis of 2005. The incident had resulted in a product recall worth over 15 million pounds worldwide and a withdrawal of 580 products from the food chain. A traceability system would have allowed for a focused and limited withdrawal of a particular offending batch/pallet/consignment (as the case may be), thereby resulting in invaluable savings in terms of money as well as brand equity – a benefit for not only the manufacturer, exporter and industry, but also for the citizens of the country.

Q 5. Blockchain has entered into the Food industry and the use of technology in the Industry. What is your opinion about it? What are the trends you see?

Blockchain is a technology that will enable traceability system become more robust because of its unique features, such as inability to manipulate the data captured as compared with centralised or decentralised systems of data storage.

In 2019, blockchain has been piercing the food industry at an accelerated pace. According to recent research, 20% of the top-10 global grocers will use blockchain by 2025.

ASPA urges Indian Government to implement Tax Stamp under FCTC protocol on illicit tobacco trade, release Report for Nation

Authentication Solutions Providers' Association has released an advisory report urging the Government of India to eliminate illicit tobacco trade in India according to WHO FCTC requirements. The Prime Minister has ratified FCTC protocol last year as India's commitment towards fighting illicit tobacco trade. The findings titled "Report for Nation- Confronting illicit tobacco trade in India for economic & development", provides an overview of illicit tobacco trade in India, global examples & usage of Phyigital Tax Stamp as solutions in combating it.

According to report findings, only 10 percent of total tobacco consumption in the country constitute Legal Cigarettes. Illicit tobacco such as chewing tobacco, Bidis and Gutkas, etc. etc. comprise 90 percent of the market in terms of volume. In the last three decades, the legal cigarettes' share amongst total tobacco consumption in India has declined from 21percent in 1981-82 to 10% in 2016-17. On the other hand, during the exact period, the overall tobacco consumption within the country has increased by 33%. This drop-in legal cigarette revealed in the shift to the illegal cigarette and the 3 unorganized sectors of the Industry.

Illicit trade in tobacco products contributes to numerous health, economic, and governance challenges.

- **Impact on public health:** All tobacco products are harmful to human health, even if they are produced and marketed legally. But, illicit tobacco harms individual and population health in additional ways. It has been estimated that the illegal cigarette market reduces average cigarette prices by about 4 percent and is accountable for about 2 percent higher cigarette consumption.
- **Impact on society and youth:** Illicit trade makes tobacco products more affordable and accessible to individuals from low-income groups, as well as children increasing consumption. According to reports, the average street price of cigarettes was 50 to 60 percent lower in comparison to taxation paid cigarettes.
- **Impact on government:** Illicit trade siphons tax revenues away from governments impacting the capability of authorities to provide good governance. It also reduces the allocation of resources for socio-economic development, particularly in low-income nations that rely on consumption taxes. Recent consensus among experts estimates the yearly loss of income from tobacco taxation globally at US\$ 40-50 billion,