



Submission to
Food Standards Australia New Zealand (FSANZ)
on
primary production and processing (PPP)
requirements for high-risk horticultural products

by

AgKonect Pty Ltd

Contact:

phone

Brisbane, QLD Australia

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Scope

Food Standards Australia New Zealand (FSANZ) has called for submissions to inform its proposal regarding primary production and processing (PPP) requirements for high-risk horticultural products.

The scope of this proposal includes primary production and primary processing activities in three sectors:

- leafy vegetables
- melons
- berries

FSANZ is reassessing the need for a PPP standard to manage food safety in these sectors, including requirements for traceability.

FSANZ is currently seeking comment from the community, growers, industry and other interested parties on a first call for submissions.



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This call for submissions will seek information on the current environment and potential options for regulatory and non-regulatory measures to manage high risk horticulture.

Our submission

AgKonecT thanks FSANZ for the opportunity to make this submission. We would be pleased to provide further information on request, if you need.

Recommendations

1. That FSANZ reviews processes for managing food safety risks in regard to their efficiency, the costs they impose on producers, the supply chain and consumers, and opportunities available to reduce these costs through use of technology
2. That FSANZ develops a framework for the modernisation of food safety data processes
3. That FSANZ engages actively in fostering the adoption of appropriate technology to improve food safety data processes.

Discussion

In making these recommendations, we qualify that we are absolutely committed to the principles of food safety risk management. Our objective is to facilitate food safety through process improvement, using technology as appropriate. We are seeking to reduce the costs of food safety processes to the economy as a whole, while maintaining or even improving food safety outcomes.

Our concern is the heavy use of paper and obsolete data systems for repetitive data processes (see box below). The processes of record keeping, auditing and reporting typically are done on paper, with some extent of re-entry onto computer systems. This causes lack of data richness, delays, loss of some data, and errors in re-entry. The data is often entered to spreadsheets, requiring multiple levels of pivoting to get useful summary data, and risks in data storage or data sharing. The integrity of data records is lost in the process, so that validation requires cross-checking against original paper records. Cumulatively this adds many hours of labour and services to food production, which either reduces profits or increases the final product cost – it is a cost to the economy, regardless of who pays. There is a great opportunity cost, in that the data cannot be used effectively for analytics about food safety and production KPIs.

Generalised process for food production under a food safety standard

1. Development and adoption of a standard
2. Producer becomes compliant through changes to production processes and implementation of record keeping
3. Auditor audits producer compliance
 - a. Identifies non-compliance and supports change
 - b. Reports compliance to standard owner
4. Standard owner accredits producer
5. Producer uses accredited processes to produce product, keeps records, certifies product as compliant
6. Auditor audits producer compliance
 - a. Identifies non-compliance and requires corrective action
 - b. Reports compliance or non-compliance to standard owner
7. Standard owner maintains or removes accreditation.

Producers are well aware of these costs. In AgKonec's experience, producers are highly committed to food safety management, but they are resentful of the processes and would value improvements that:

- Make record-keeping easier
- Reduce the cost of their own inputs to auditing from providing records
- Reduce the cost from the auditor, of travel and the hours spent
- Reduce time delays between action and outcome
- Reduce the cost of accreditation
- Enable use of rich data for other business outcomes.

AgKonec asserts that each of these costs can be reduced dramatically through use of integrated data systems using cloud computing and smart devices, and we have made a business of providing such systems. We can greatly reduce data inefficiencies at each of the steps as follows.

Process step	Change with integrated data system
1. Development and adoption of standard	Provide forms in format amenable to database, with a data standard
2. Producer becomes compliant through changes to production processes and implementation of record keeping.	Producer adopts data system approved by standards owner. Works with consultant (auditor?) to make local adaptations.
3. Auditor audits producer compliance <ul style="list-style-type: none"> a. Identifies non-compliance and supports change b. Reports compliance to standard owner 	Auditor uses electronic data capture and reporting, with reduced time on report preparation and re-keying handwritten notes. Reduced delays.
4. Standard owner accredits producer	Standards owner costs are reduced through electronic accreditation processes.
5. Producer uses accredited processes to produce product, keeps records, certifies product as compliant	Data capture through a smart device, directly uploaded to the cloud. Data capture is constrained to improve accuracy and richness is enabled through use of location, photos, sample tracking etc. Dashboard provides workflow and analytics of performance against food safety standard KPIs. Side benefit to the producer is a dataset that enables analytics and interoperability with other systems, for general business improvement.
6. Auditor audits producer compliance <ul style="list-style-type: none"> a. Identifies non-compliance and requires corrective action b. Reports compliance or non-compliance to standard owner 	Producer makes data available to auditor online. Dashboard summarises data for rapid audit and drilldown. Auditor conducts pre-audit of data online. Audit visit is conducted, possibly with reduced frequency, for validation and process improvement. Audit report is semi-automated for auditor review, comment and sign-off. Reduced delays, improved transparency.

7. Standard owner maintains or removes accreditation.	Standards owner costs are reduced through electronic accreditation processes. Time delays are minimised.
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AgKonect is ready to begin implementing these systems with producers, with auditors and with standard owners, based on our existing mobile data platform and requiring system design and configuration. We can begin implementing system components, with immediate commercial outcomes for producers and auditors. Our concern is that current systems are entrenched, with vested interests and unwillingness or inertia to change, and that there will be impediments to adoption, due to actors in the overall process not being prepared to make changes that one party wishes to make.

We wish to make a further comment about effective innovation. There has been much interest in blockchain in recent years. We believe that this interest is starting to subside, as the limitations and high costs of blockchain become better understood. Innovation should be about identifying a problem and developing the best solution. The tendency with blockchain has been about developing a technology and pressing it into service, without a clear understanding of the problem, and whether the technology is the best solution for it. Technology solutions should be clearly focused on the problem, on user stories, on how to solve them, and will deliver rapid and efficient business outcomes. Aspects that will be important are agility, versatility, interoperability, and a business case that encourages providers to provide solutions that are attractive for adoption.