

## Food Industry Experts and Scientists discuss Food Fraud Control Measures at International Conference in Denmark

**Vejle/ Denmark.** During the International Food Fraud Conference on the 17<sup>th</sup> and 18<sup>th</sup> September 2019, Gerald A. Herrmann from Organic Services gave a presentation on how food fraud can be prevented using a non-analytical mass balance approach. He also referred to other solutions such as analytics, blockchain and crime enforcement and suggests that a combination of various measures suiting different supply chain requirements is needed to efficiently fight fraud in the food industry.

The food industry has changed dramatically over the past decades. Global supply chains, changing consumer demands and new technology developments offer exciting opportunities, but hold unique challenges at the same time. Food authenticity, especially of products with quality claims regarding the way they are produced, where they come from and what they contain, is at risk. Criminal food fraudsters abuse legal loopholes and take advantage of every opportunity open to them to make a profit by selling a less valuable product for a higher price.

Most presentations at the conference focused on analytical ways of detecting food fraud retrospectively. Organic Services' director Gerald A. Herrmann, renowned for his expertise in the organic sector where more and more fraud scandals are unveiling the fragility of the organic control system, gave a presentation on "Countering (organic) fraud through non-analytical supply chain balancing". Once again, he sharply criticized the reliance on paper-based and easily falsified certificates when it comes to proving the organic authenticity of a product. For him, who has worked in the organic food sector his entire life, it is frustrating to see that food fraud is an ongoing problem, whilst there are means and ways to tackle it efficiently. His solution: a **mass-balance approach** based on real-time certification and product transaction data. Organic Services' online-tool "Check Organic" is designed to calculate this mass balance. Utilizing the information uploaded by participating companies and certifiers, the platform can map the flow of goods and monitor the volumes of organic produce traded along the supply chain, checking the plausibility of produced vs. sold organic quantities. What has been proved to work in the organic sector **can be applied to any commodity that has a product claim to defend**. Broadening the scope of the tool, Organic Services has developed "Check Organic" into "Check X" in the course of the EU-funded FOODINTEGRITY project. During his speech, Mr. Herrmann encouraged companies to make use of tools such as "Check Organic" and "Check X" and to thereby create a transparency level that will not only ensure the integrity of supplies, but that will increase competitiveness towards those who prefer to conceal their business practices. But honesty and transparency should not remain voluntary. Therefore, he urged for a system-wide implementation of "Check Organic"/ "Check X" by authorities such as governments, the EU, business sector associations or certification bodies to efficiently prevent food fraud.

Mr. Herrmann also referred to alternative solutions that had been presented during the conference. According to him, **blockchain**, if used effectively, can reduce fraud by providing more transparency, since the person who enters data in a block can be identified forever. This increases the risk of being "caught" in retrospect. However, blockchain cannot prevent the problem of encrypting fake information in blocks; in brief: fraud in – fraud out. In this context, Mr. Herrmann quoted Petter Olsen,

who gave a presentation on the “Significance of the use of blockchain technology in relation to managing vulnerability of food fraud”. Mr. Petter pointed out that blockchain tends to benefit small and medium-sized enterprises because they are less complex, whilst a large variety of products, including ever-changing suppliers, makes it difficult for Blockchains to be implemented.

Mr. Herrmann also stressed the importance of **crime units on the one hand and regulatory transparency enforcement on the other hand**. Companies are generally reluctant to share supply chain information as they worry about their competitors’ and consumers’ reactions. They tend to distrust data security and feel the need to protect their products and brands. Whilst information is being withheld and kept secret to protect single business entities, the big threat for all industries of food fraud undermining food authenticity worldwide is being underestimated. Where distrust and fear reign and transparency hampers profits, authorities must oblige everyone to put their cards on the table.

According to Mr. Herrmann, **efficiently fighting food fraud requires, ultimately, a multifactorial or holistic approach that combines several measures**. And he was not alone with this opinion: Eurofins, for example, an internationally leading provider of analytical services, called for a 360° approach to fight food fraud, stressing that understanding supply chains is key. If supply chains are made more transparent, it is much easier to select the right analytical tools to complement integrity strategies. But a word of warning is required, too: if food fraud prevention and detection measures get too complex, small and medium-sized businesses will not be able to implement them themselves, nor will they be able to afford paying third parties to do this for them. Given the complexity of the situation, a thorough assessment on which measures are most effective is needed, and a solution that fits one company may not fit the other, since every supply chain is different.

The International Food Fraud Conference was organized by Eurofins Steins and the Danish Food Cluster and brought scientists and experts from the food industry together to discuss how food fraud can be tackled effectively.

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