Farmer Connect Uses IBM Blockchain to Bridge the Gap Between Consumers and Smallholder Coffee Farmers

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At CES, Farmer Connect announces "Thank My Farmer," a mobile app to show consumers the origin of their coffee

LAS VEGAS, Jan. 6, 2020 /PRNewswire/ -- At the 2020 Consumer Electronics Show (CES), Farmer Connect and IBM (NYSE: IBM) today announced a new consumer mobile application called "Thank My Farmer," which will allow coffee drinkers to trace their coffee to understand its quality and origin, and even support the farmer who grew the beans. Developed with leading companies across the global supply chain including Beyers Koffie, The Colombian Coffee Growers Federation (FNC), ITOCHU Corporation, Jacobs Douwe Egberts (JDE), The J.M. Smucker Company, Rabobank, RGC Coffee, Volcafe, Sucafina and Yara International, Farmer Connect is a traceability platform powered by IBM Blockchain designed to help increase traceability, efficiency and fairness in the coffee supply chain.

Coffee drinkers today consume more than half a trillion cups per year, and as many as two-thirds of consumers aged 19-24 surveyed <u>say</u> they prefer to buy coffee that is sustainably grown and responsibly sourced. But despite progress by international certifying bodies, there still a lack of knowledge around the need for coffee farmers to earn a sufficient living for bringing their product to market.

Its large, global supply chain makes tracing coffee difficult. Once grown, beans make several stops, including at coops, exporters, shippers, importers, roasters, distributors, and retailers before finally reaching the consumer. Each participant in this complex system tracks only their small segment of the journey, and each uses its own system to log data. This means that information about the product is fragmented.

Consumers hoping to close the gap between their neighborhood barista and the farmer who grew their coffee now have a solution, thanks to the same blockchain technology behind IBM Food Trust. Farmer Connect is introducing the "Thank My Farmer" app, a consumer-facing application that pulls information directly from the blockchain in a standardized way that can be used across the industry. It connects the user to farmers, traders, roasters and brands. The information is presented on an interactive map, allowing each product to tell a story in a simple and scalable way. The "Thank My Farmer" app also presents sustainability projects in coffee communities and an opportunity for consumers to support them.

Blockchain technology brings all the parties in the coffee supply chain together, simplifying the exchange and tracking of information and payments, and enabling greater trust. It creates a permanent digitized chain of transactions that cannot be altered. Each network participant has an exact copy of the data, and additions to the blockchain are shared throughout the network based on each participant's level of permission. Farmers, wholesalers, traders and retailers can interact more efficiently using comprehensive, near real-time access to this data, and consumers can have new insights about the origins of the products they consume.

"The aim is humanizing each coffee drinker's relationship with their daily cup," said David Behrends, Founder and President of Farmer Connect. "Consumers now can play an active role in sustainability governance by supporting coffee farmers in developing nations. Through the blockchain and this consumer app. we're creating a virtuous cycle."

The new mobile application will launch to the general market at the beginning of 2020. Users in the U.S. and Canada will be able to scan QR codes on 1850® brand premium single-origin coffee. European consumers will be able to access the "Thank My Farmer" app through a new single-origin brand, Beyers 1769, roasted at Beyers Koffie.

As the app expands in 2020, large and small companies will be invited to join, and coffee drinkers will be able to support the communities where their coffee is grown by funding local projects. Farmer Connect is currently incorporating self-sovereign identity, a new form of digital identity built on distributed ledger technology, in collaboration with the Sovrin Foundation. This closes the loop on a circular economy that will enhance smallholder livelihoods while delivering transparency and a better experience for the consumer.

This work with Farmer Connect is another example of IBM's impact extending blockchain technology adoption across many industries and use cases, transforming entire business processes and providing consumers with more trusted insights. IBM has convened groundbreaking blockchain networks in areas including food safety, global shipping, trade finance, responsible mining and many more.

"This project is another example of how blockchain technology can enable a channel for real change," said Raj Rao, General Manager, IBM Food Trust. "Blockchain is more than aspirational business tech, it is used today to transform how people can build trust in the goods they consume. For business, it can drive greater transparency and efficiency."

For more information on <u>Farmer Connect</u> and the "Thank My Farmer" app visit ibm.com/food. You can see it in action during CES by visiting the IBM Booth, LVCC Central #14028, or by watching this <u>video</u>.

About Beyers Koffie

Beyers Koffie is a leading, sustainable private label coffee company serving the major players in retail and coffee roasters in Europe, dating back since 1880. Beyers offers a wide range of coffee products: beans, roast and ground, pads, and a large variety of capsules produced in 2 sites in Belgium and Italy.

About the Colombian Coffee Growers Federation (FNC)

In 1927 the Colombian coffee growers organized themselves to create an institution that would represent them both nationally and internationally, defend their rights and seek ways to improve their quality of life. The Colombian Coffee Growers Federation (FNC) is a non profit and politically independent organization. As the foremost coffee association in Colombia, FNC is present in every rural region where coffee is grown. Its work revolves around 540 000 coffee growers and their families ensuring Colombian Coffee is grown in a sustainable manner, strengthening common interests within coffee growing communities while positioning Colombian Cofee as the best coffee in the world. The FNC advocates for economic sustainability and believes it represents the most important pillar of sustainability. The FNC sees Farmer Connect as a platform that has the potential to generate more transparency along the supply chain and help promote remunerative prices for coffee producers. http://www.cafedecolombia.com

About IBM

IBM is recognized as the <u>leading enterprise blockchain provider</u>. The company's research, technical and business experts have broken barriers in transaction processing speeds, developed the most advanced

cryptography to secure transactions, and are contributing millions of lines of open source code to advance blockchain for businesses. IBM is the leader in open-source blockchain solutions built for the enterprise. Since 2016, IBM has worked with hundreds of clients across financial services, supply chain, government, retail, digital rights management and healthcare to implement blockchain applications, and operates a number of networks running live and in production. The cloud-based IBM Blockchain Platform delivers the end-to-end capabilities that clients need to quickly activate and successfully develop, operate, govern and secure their own business networks. IBM is an early member of Hyperledger, an open-source collaborative effort created to advance cross-industry blockchain technologies. For more information about IBM Blockchain, visit https://www.ibm.com/blockchain/ or follow us on Twitter at @ibmblockchain.

About ITOCHU Corporation

The history of ITOCHU Corporation dates back to 1858 when the Company's founder Chubei Itoh commenced linen trading operations. Since then, ITOCHU has evolved and grown over 160 years. With approximately 110 bases in 63 countries, ITOCHU, one of the leading sogo shosha, is engaging in domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as business investment in Japan and overseas. www.itochu.co.jp

About JDE

For more than 264 years, we have been inspired by the belief that it's amazing what can happen over a cup of coffee. Today our coffee & tea portfolio is available in over 140 countries around the world through iconic household names including Jacobs, Tassimo, Moccona, Senseo, L'OR, Douwe Egberts, TiÒra, Super, Kenco, Pilao & Gevalia. For more information visit www.jacobsdouweegberts.com

About The J. M. Smucker Company

Inspired by more than 120 years of business success and five generations of family leadership, The J. M. Smucker Company makes food that people and pets love. The Company's portfolio of 40+ brands, which are found in 90 percent of U.S. homes and countless restaurants, includes iconic products consumers have always loved such as Folgers®, Jif®, and Milk-Bone® plus new favorites like Café Bustelo®, Smucker's® Uncrustables® and Rachael Ray™ Nutrish®. Over the past two decades, the Company has grown rapidly by thoughtfully acquiring leading and emerging brands, while ensuring the business has a positive impact on its 7,000+ employees, the communities it is a part of and the planet. For more information about The J. M. Smucker Company, visit imsmucker.com.

The J. M. Smucker Company is the owner of all trademarks referenced herein, except for the following, which is used under license: *Rachael Ray* is a registered trademark of Ray Marks Co. LLC.

About RGC Coffee

RGC Coffee is a 50-year-old privately held importer of green coffee. Privately-owned & operated, providing in-depth expertise to roasters and retailers in the premium and specialty coffee markets. As a forward-thinking company, RGC promotes sustainable development to preserve and enhance the communities and ecosystems where coffee grows. RGC Coffee 3E (Elevate, Empower, Elevate) Sustainability Program currently covers 23 active projects in 5 Latin American origin countries to help promote the social well-being of farmers, their families & communities. We believe that collaboration is the key to unlocking the power of our work in sustainability. To learn more about RGC Coffee, please visit recoffee.com

About Volcafe Ltd.

Established in 1857, Volcafe is one of the world's largest coffee merchants, providing beans for over 80 million cups a year. We pride ourselves on our quality and range, sourcing from small farms selling a few kilos of coffee cherries in Papua New Guinea to large plantations in Brazil dealing in hundreds of tonnes of export-ready product. Our reputation has been built on great client relationships based on service, quality, reliability and sustainability, and we continually aspire to be 'the world's best sustainable coffee partner'. We play our part in sustainable coffee through our in-house programme, Volcafe Way, through which over 250 Volcafe agronomists in ten origins help achieve our goal of farmer economic sustainability. https://volcafeway.com/.

About Rabobank

Rabobank is an international financial services provider operating on the basis of cooperative principles. It offers retail banking, wholesale banking, private banking, leasing and real estate services. As a cooperative bank, Rabobank puts customers' interests first in its services. It serves approximately 8.3 million clients around the world and is active in 40 countries. It is committed to making a substantial contribution to welfare and prosperity in the Netherlands and to feeding the world sustainably. www.rabobank.com

About Sucafina Group

Sucafina is a leading sustainable "Farm to Roaster" coffee company, with a family tradition in commodities that stretches back to 1905. Today, with more than 900 employees in 28 countries, the Group is a leading player in the world of green, roasted, instant coffee merchanting. With its main trading arm based in Geneva, Sucafina sources coffee from most producing countries, often directly from farmers, to provide its partners with sustainable value across the global supply chain. Learn more at www.sucafina.com

About Yara International

Yara grows knowledge to responsibly feed the world and protect the planet, to fulfill our vision of a collaborative society, a world without hunger and a planet respected. To meet these commitments, we have taken the lead in developing digital farming tools for precision farming and work closely with partners throughout the whole food value chain to develop more climate-friendly crop nutrition solutions. In addition, we are committed to working towards sustainable mineral fertilizer production. We foster an open culture of diversity and inclusion that promotes the safety and integrity of our employees, contractors, business partners, and society at large. Founded in 1905 to solve the emerging famine in Europe, Yara has a worldwide presence with about 17,000 employees and operations in over 60 countries. In 2018, Yara reported revenues of USD 12.9 billion. www.yara.com

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