

# Agriculture Blockchain/technologies

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## **Outline**

- **■** Introduction
- **Technology Analysis**
- **Industry Analysis**
- Applications
- S.W.O.T
- Conclusion
- References





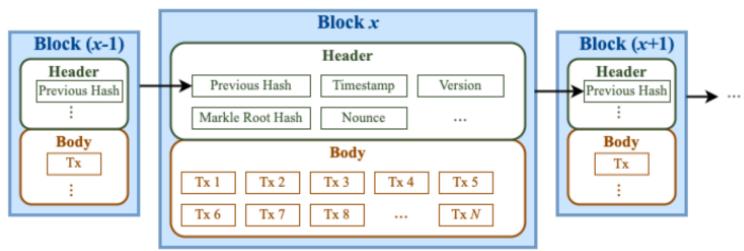
### **Outline**

- Introduction
  - What is blockchain
  - Why to use blockchain in Agricultural sector?
- **Technology Analysis**
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# What is blockchain

A blockchain is a type of <u>distributed ledger technology</u> (<u>DLT</u>) that consists of growing list of records, called blocks, that are securely linked together <u>using cryptography</u>.

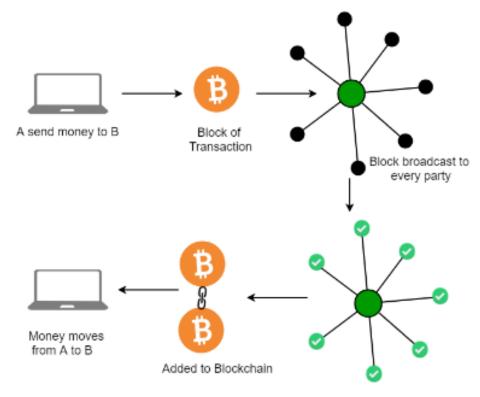






#### What is blockchain

Blockchains are typically managed by a <u>peer-to-peer</u> (P2P) computer network









#### What is blockchain

- Property of Blockchains:
  - **Data Immutability and Integrity:** without the consent from the majority of nodes, no one can add/delete/edit any transaction blocks to the ledger.
  - Decentralized: not like Client-Server model, managed by P2P network
  - **Transparent:** Because every node or participant in Blockchain can access to all transaction data.
  - Consensus-based: Every blockchain thrives because of the <u>consensus algorithms</u>.
  - Flexible: Smart Contract





#### Why to use blockchain in Agricultural sector?

#### Food safety issues

- Data Immutability and Integrity
- Transparent
- Food supply chain may be traceable

#### Smart farming

- track the provenance of food
- trustworthy food supply chains
- build trust between producers and consumers
- facilitates the use of data-driven technologies to make farming smarter

#### More application

Trustworthy platform





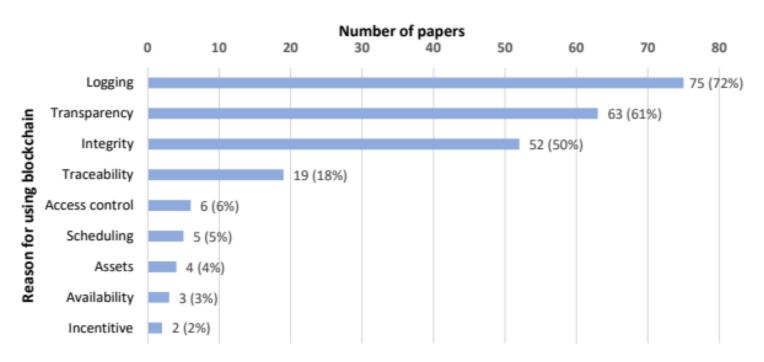


Figure 13. Reasons for using blockchain exploited in the papers included in our scoping review.

Source: Andreas Sendros et al: Blockchain Applications in

Agriculture: A Scoping Review

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### **Outline**

- Introduction
- **Technology Analysis** 
  - How blockchain works
  - Types of blockchain
  - IOT and IPFS
- **Industry Analysis**
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#### How blockchain works

- Cryptography
- **Consensus:** a mechanism for adding new blocks into the blockchain
- **■** Smart contracts
- P2P network





## **Cryptography**

- A method of securing data from unauthorized access.
- Symmetric-Key cryptography
- Asymmetric-Key Cryptography
- Hash Functions
- example of an SHA-256 hash function
  - **Input**: hello my friend
  - Output: 5d575bc10fbfbf62435849d4f8d0382a5acc939e9f92492 d87e70852655d8be9
  - Input with a slight difference: hello my friend!
  - Output: 7f254266b011eec22f0af99bf627143bab758ae5eb 840fffb87e5d24850f1320





- A method of authenticating and validating a value or transaction on a Blockchain or a distributed ledger without the need to trust or rely on a central authority.
- Consensus mechanisms are central to the functioning of any blockchain or distributed ledger.
- PoW, PoS, DPoS
- PBFT, PoET





- POW
- Miners bundle up a group of transactions into a block and try to mine it (try to solve hard puzzle)
  - Hard puzzle defines:
  - Given data A, find a number x such as that the hash of x appended to A results is a number less than B.
- The first problem-solving miner add this block into the blockchain and broadcast this new block to every nodes





### **■ Mining ASIC**

#### Bitmain Antminer KA3 (166Th)



Manufacturer	Bitmain
Model	Antminer KA3 (166Th)
Release	September 2022
Hashrate	166Th/s
Size	195 x 290 x 430mm
Weight	16100g
Noise level	80db
Fan(s)	4
Power	3154W
Voltage	200-240V
Interface	Ethernet
Temperature	5 - 40 °C
Humidity	10 - 90 %



### **■ Mining GPU**

Nvidia Geforce RTX 3080 Ti



15.24Gh/s hashrate	Hash rate
12 GB GDDR6X	VRAM
8nm	Process size





- POS
- The system randomly pick up a validators who confirm transactions and validate block information.
  - Probability(Coin age) of being selected
  - Coin age = days of coin stack \* number of stack coins

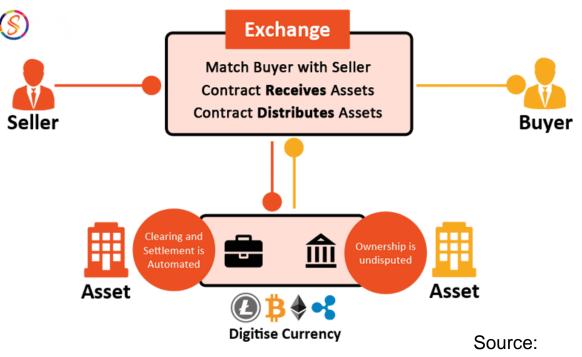
*In Ethereum*, Blocks are validated by more than one validator, and when a specific number of the validators verify that the block is accurate, it is finalized and closed.





## **Smart contracts**

Smart contracts are simply programs stored on a blockchain that run automatically when predetermined conditions are met.

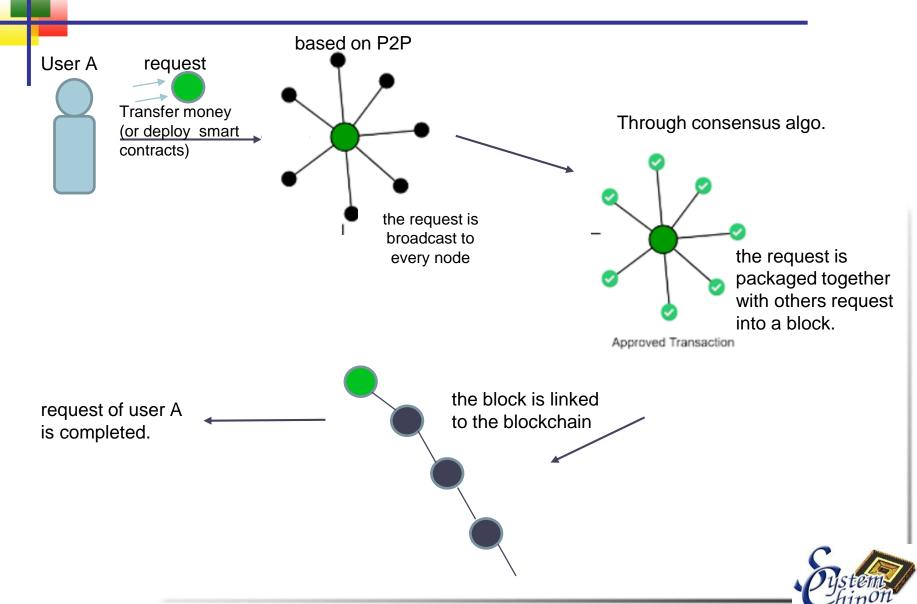


DApp (decentralized application) is an combination of a series of smart contracts.

https://www.scalablockchain.com/smartcontract.html



## How blockchain works





## Types of blockchain

- Public blockchain
- **■** Private blockchain
- Consortium blockchain





#### Public blockchain

- It is a permissionless distributed ledger on which anybody can join and conduct transactions.
- Public Blockchain nodes do not need to know or trust each other, so consensus mechanism is often complexity, such as PoW, PoS, and so on.
- Open and transparent: data on a public blockchain is transparent to all member nodes.









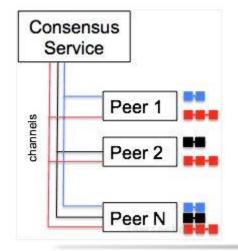
- A blockchain network operates in a private context, such as a restricted network, or is controlled by a single identity.
- it has a similar peer-to-peer connection and decentralization to a public blockchain network.
- They are often run on a small network within a firm or organization rather than open to anybody who wants to contribute processing power.





#### **Consortium blockchain**

- A consortium blockchain is a combination of multiple private blockchains belonging to different organizations.
- each organization manages their own node or blockchain, the data within can be accessed, shared and distributed by organizations within the consortium.
- Hyperledger Fabric was designed for enterprise use.



Source:

https://www.samsonhoi.com/661/blockchain-

hyperledger-fabric





## **IOT and IPFS**

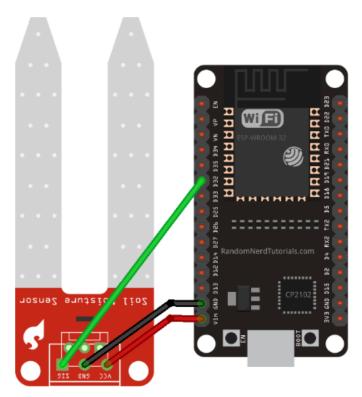
- **IOT in agriculture**
- IPFS
- IOT data with blockchain and IPFS





## **IOT** in agriculture

■ Soil Moisture Data Retrieval using using Tuya Link SDK



fritzing



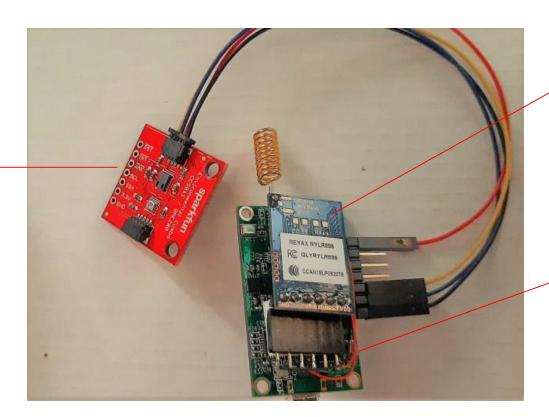


### **IOT** in agriculture

# ■ Himax WE-I Plus EVB Endpoint AI Development Board with SparkFun's Qwiic sensors on farms

#### **Sensors:**

TVOC eCO2 Temperature Humidity pressure



#### LoRa:

is a physical proprietary <u>radio</u> <u>communication</u> technique

Himax WE-I Plus: The ML model used in this application is for basic crop detection.





#### IOT in agriculture

#### Himax WE-I Plus EVB Endpoint AI Development Board

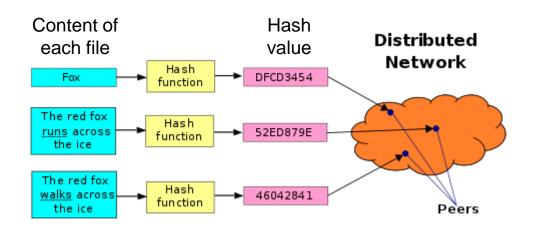


- WE-I Plus ASIC (HX6537-A)
  - ARC 32-bit EM9D DSP with FPU
  - 400MHz clock frequency
  - 2MB SRAM
  - 2MB Flash
- Himax HM0360 AoS TM ultra-low power VGA CCM
  - 1/6" CMOS Sensor
  - 640 x 480 Pixel
  - 60 FPS
- FTDI USB to SPI/I2C/UART bridge
- •LDO power supply (3.3/2.8/1.8/1.2V)
- 3-axis accelerometer (STM LSM9DS1)
- 1x reset button
- 2x microphones (L/R)
- •2x user LEDs
- MicroUSB connector
- Expansion header
  - 1x I2C port
  - 3x GPIOs
  - Power/Ground





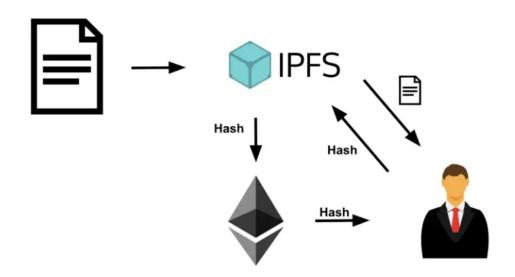
- The InterPlanetary File System (IPFS) is a <u>protocol</u>, <u>hypermedia</u> and <u>file sharing peer-to-peer</u> network for storing and sharing data in a <u>distributed file system</u>.
- IPFS uses <u>content-addressing</u> to uniquely identify each file in a <u>global namespace</u> connecting IPFS <u>hosts</u>.





#### IOT data with blockchain and IPFS

- **IOT** data is too large that is hard to put them all into blockchain.
- **■** Thus, <u>IOT data usually store into IPFS File System</u>.
- Get the <u>hash value of IOT data file</u>, then <u>store it into blockchain</u>. And, other user can get the hash value from the blockchain and get the IOT data.



Source:https://medium.com/pinata/ethereum-and-ipfs-e816e12a3c59

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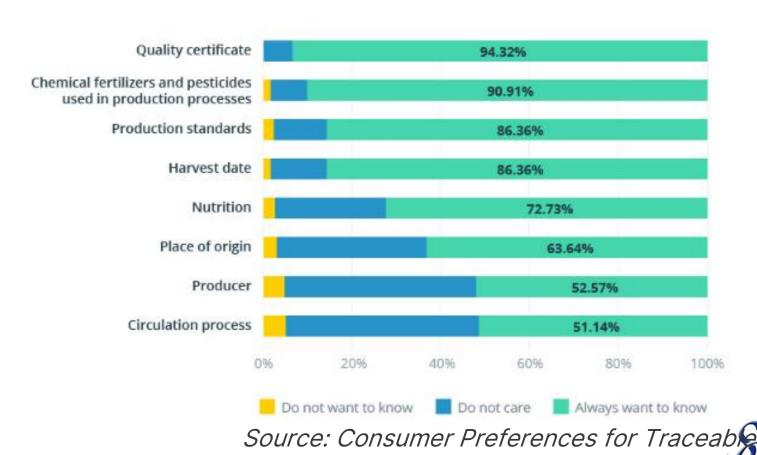
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# **Industry Analysis**

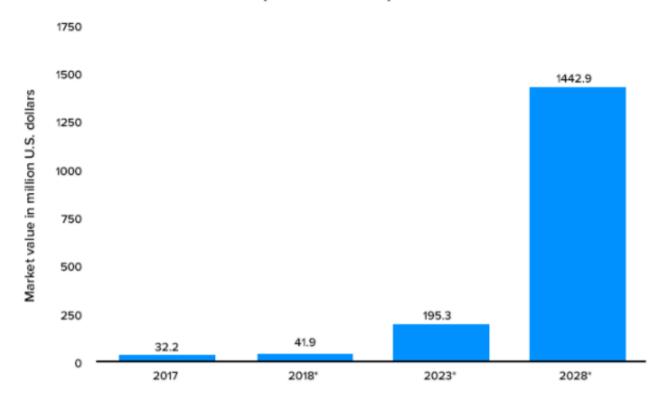
#### Demand for information about food



Food

# **Industry Analysis**

## Forecasted Blockchain Value in Agriculture and Food Market Worldwide (2017 to 2028)



Systems

## **Industry Analysis**

#### Traceability

- Enable consumers to verify the journey of the product
- Help to reduce food waste and keep products fresh USE CASES
  - Provide data on when a product was harvested and processed, and who produced it
- Provide reliable information regarding the origins of food
- Show in which field grass-fed beef (etc.) was raised

#### **Optimization of Food Supply Chain**

- Allow farmers to properly set their own prices and optimize the quantities of products
- Correct the pricing imbalance by recording transactions in real-time
- Make it easier for parties to due diligence each other
- Provide up-to-date supply and demand information to stakeholders



### **Blockchain** in Agriculture

For this Innovation Map, we've analyzed more than 150 startups to see how their Blockchain-based solutions disrupt the agricultural industry.







#### **Crop Insurance**

Communicate loads, geo-waypoints and basic compliance information with carriers

- Provide more visibility across the supply chain
- Register the parties involved, price, date, location, quality, and state of the product
- Secure insurance documents, DOT numbers, and pickup documentation

#### **Transactions**

- Help farmers to sell commodities, lowering transaction fees
- Prevent price coercion and retroactive payments
- Provide an opportunity to receive payments and micro-financing
- Provide lower cost and faster payment options to agro commerce participants

WHO

WHO











Source: StartUs insights



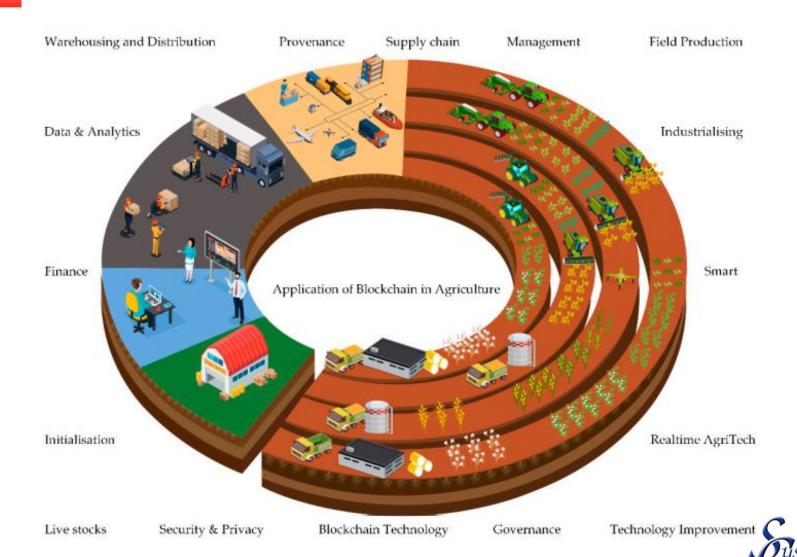


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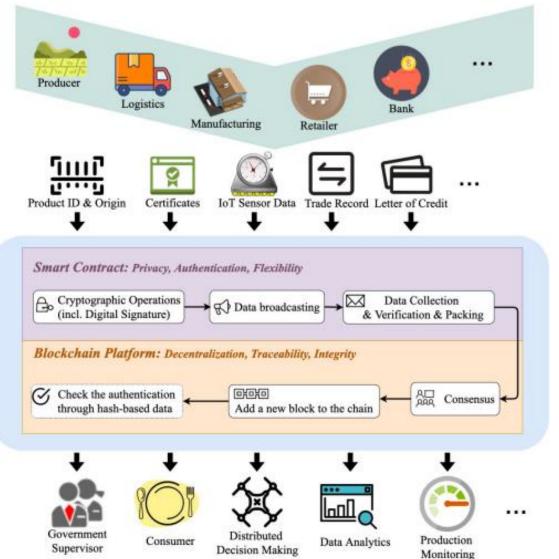


## **Applications**



# Applications

Source: W. Lin et al.: Blockchain Technology in Current Agricultural Systems







## **Applications**

- Product quality control
- Improving supply chains
- AgTech IoT-optimization
- Fair pricing
- Crowdfunding of agricultural production
- Small Farm Insurance
- Corporate Responsibility



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#### Strengths:

Transparency, immutable and integrity Can be more trustable and traceable help solve various security issues

#### Opportunity:

still develop Everything is possible.

#### Weakness:

Still develop
It is not always clear why blockchain is used and the security issues it solves.

#### Threat:

The scandal of some blockchain relative organizations/companies Traditional agriculture





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## **Conclusion**

It is a clear trend that integrating new technologies in the traditional agricultural sector.

However, the field is still in its infancy and most of the solutions are conceptual.

Traceability, optimization of food supply chain, crop insurance and transactions may be the four directions of future development.



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Blockchain Technology in Current Agricultural Systems: From Techniques to Applications

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- Food system jobs (<a href="https://www.worldbank.org/en/topic/food-system-jobs">https://www.worldbank.org/en/topic/food-system-jobs</a>)





- The Complete Guide for Types of Blockchain!

  (<a href="https://www.simplilearn.com/tutorials/blockchain-tutorial/types-of-blockchain">https://www.simplilearn.com/tutorials/blockchain-tutorial/types-of-blockchain</a>)
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