

**Global Solution Networks for
Climate-Resilient Agriculture and Global Food Security**

Transcript of Interview with John Keogh

Guest:

John Keogh, the President and Managing Principal, Shantalla Inc., specializing in food supply chain management, particularly in critical areas such as traceability, recall and anti-counterfeit measures. A sought-after speaker and panelist, he currently liaises with and provides advice to the EU Health and Consumers Directorate General (DG SANCO); the Organisation for Economic Co-operation and Development's Committee on Consumer Policy; the World Customs Organization anti-counterfeiting initiative; the Asia-Pacific Economic Cooperation (APEC) sub-fora on food safety, food security and global data standards; the Association of Southeast Asian Nations (ASEAN) sub-forum on consumer safety; and the World Bank's Global Food Safety Partnership technical committee.



Interviewer:

Alastair Marke, a project leader of Global Solution Networks and a fellow of the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA), dedicated to driving social progress and spreading world-changing ideas. Previously a researcher at the Overseas Development Institute and The ResPublica Trust in the UK, he has extensive policy research experience in with various publications on climate change, sustainability and new economies issues.



The Interview:

Marke: Let me start with your views on the current global food system. How has a globalized food supply chain changed the respective roles of industry and governments?

Keogh: I think what has happened over the last couple of years is that industry has taken over from government. The industry is really in control and government needs to step out of the way a little bit. So the policy partnership for food security at APEC is a very tentative approach, where APEC and APEC economies are actually looking at how we work with the industry; whether we can work with the industry; and whether we can balance policy with profit. That's the key issue when you see both parties around the table. One side is looking for policy dialogue and the other is looking for profit.

The policy people don't trust the industry and the industry people don't trust the government to make any decisions that would help them move forward.

I am sensing a lot of frustration. In fact, it took 18 months for the APEC group to move forward based on a stalemate primarily coming from the Japanese Government – they have very great difficulty working with each other. This is another issue that I would suggest you highlight, i.e., within governments themselves it is very difficult to get governments to collaborate in the area of food security, based on my experience. When you have governments like the United States, the government goes fully loaded with a team including industry and has a very cohesive approach. Other governments do not have that same approach. Canada tries to have the same approach, but it is a weak effort versus what the United States does.

Marke: Do you think digital technology can enable better collaboration between industry, government and other stakeholders?

Keogh: I think none of the countries I mentioned is looking at technology enablement apart from the United States. The US has suggested that some of the high tech companies like Microsoft and Oracle and others that are US-based have a very strategic role to play in enabling the average consumers across APEC to get access to food security information and to participate in that.

If you look at the economies themselves, Southeast Asia, and Singapore in particular, are obviously leaders, as you can imagine, in bringing services as fast as possible to the consumers to make them aware and to help them engage. I would put Singapore out there as a city economy similar to Hong Kong, but a city economy that has made very bold steps in enabling its constituents. If anyone can do something for food security across Asia or across the world, I think Singapore is in a position to be the leader in that.

I think second to them may be Australia and New Zealand as two economies where both government and industry are well tuned in together and focused heavily on the role of food to both of their economies. In New Zealand, with the recent recall from *Fronterra*, which is the largest food producer in Australia and New Zealand and also the largest company in New Zealand, the baby food scare 6 months ago not only caused the company stocks to drop by more than 12 %, it also reduced the national currency overnight by 2.4%. So, food is pretty serious and significant to those economies.

I think the big opportunity, though, is in economies like Indonesia, Vietnam, Malaysia, Thailand, India and China where there is good access to smart phones that could allow the consumers to engage with governments to find out more about food and to take a more active role.

In one of the projects that I was involved in last year, I learned that Vietnam lost 70% of its rice crop. No digital technology is going to replace the rice, but capacity building at the farmer level is critical. Being able to deliver education, knowledge and training to farmers in those countries will be very important. The issue you have, though, with these economies is that a lot of farmers are illiterate and need people with local language on the ground to literally show them how to put rice into a sack, how to label it, how to store it and how to keep it out of the way of pests and rodents and so forth. There are lots of opportunities, lots of challenges.

Marke: John, you have talked about “trust.” Do you think the emerging digital media would help increase transparency to facilitate that?

Keogh: Absolutely. In fact, from an end product perspective, by scanning the GS1 bar code, there is not enough real estate on a consumer food product or consumer product to have all of the data that is required for transparency. There is the nutrition label but there are over 430 competing sustainability labels in the world. I was at a briefing with the European commission last week. They pointed out over 430 competing labels that you can put on a product and 80 different practices on how to execute.

So there is a need for harmonization across the area of food security to have consistent practices or at least harmonious practices across the world. The word “harmonize” is very important. But in some of the Asian countries, they prefer to talk about “cohesive” – not being “harmonized” but being “cohesive.” In other words, don’t tell us how to do it, but just tell us the results you want. A lot of them are sensitive to their own sovereignty and the needs of their nation for food security.

Marke: When it comes to food sovereignty, an increasingly globalized food system is raising a lot of difficulty. There are concerns, for example, about large agribusinesses patenting seeds or produce, and corporations engaging in land grabs, which have pushed farmers in developing countries into a very difficult situation. Have you encountered these problems in your experience?

Keogh: I think you are on to something critical. Personally, I completely disagree with companies getting IP rights on food. It is fundamentally wrong. In the Global Food Safety Initiative, which is organized by the Consumer Goods Forum, they talked about food safety being a non-competitive issue, and food security should also be a non-competitive issue. When companies claim ownership and are allowed to claim ownership of particular foods and change the genetic structures of corn and other products, we have a serious problem.

I’m sure you have spotted the articles on land grab in Africa. There is one organization that is actually tracking the land grabs. It is quite startling to see the results. In fact, if you Google “land grab in Africa,” you will see a significant amount of information about how countries like China, Japan, India, Korea and others are dramatically leasing, or in some cases, buying or investing in land in Africa, but also in Cuba, Argentina, Brazil, Venezuela, to be able to guarantee production of food to alleviate the food security issue in their countries. The issue that came up last week in Anaheim and in recently published documents is that food is being extracted from countries that are heavily dependent on food aid. That is a big issue!

If one country is getting US \$500 million in food aid to improve production and hundreds of millions of dollars in food is leaving the country and not solving their national need, then we have a major problem. But again, as I mentioned at the onset, follow the money and you will follow the issues. It’s all about money. It’s all about the dollar and how people can get that dollar and manipulate the system for personal benefit.

Marke: Why have governments proven largely unable to provide adequate food security for their citizens?

Keogh: I think it is very political. When you are dealing with food security, you are dealing with issues where everyone is trying to get a competitive edge. Food safety and food security should not be competitive issues, but I think they have become competitive issues with governments.

Then if you look a little deeper down, everyone is looking for an economic advantage. For example, last year I lived in Bali, Indonesia, for six months. The Balinese rice is very high quality. While the government is trying to encourage the Balinese people to diversify their diets away from rice to soy and other products, a lot of people that I spoke to believed that the government just want the rice to be exported to generate higher economic benefits. So there is some mistrust in the system.

The second issue is food loss, which is well documented but can be very embarrassing. Vietnam and Thailand have quite large food loss in rice, between 50% and 70%. I believe Vietnam is the worst at about 70% and you can look this up on the website IRRI, International Rice Research Institute. When you look at the high rice loss, that, of course, attracts international attention from the multinational bodies that provide them with hundreds of millions of dollars in funding, and those hundreds of millions of dollars are unfortunately being used for corrupt practices. On one hand, you can say that some foreign governments may be embarrassed by the level of ineptitude. But on the other hand, you may say that this is playing into their hands because it can attract foreign aid, and therein lies an opportunity for individuals in the government and within industry to benefit personally. You may have recently read about the corrupt practices in the Thai government's subsidy program. About three weeks ago, China cancelled its order for Thai rice because of corrupt practices.

Marke: How does the problem of food loss affect the least developed countries?

Keogh: Well, it affects everyone when you have substantial food loss. The farmers can't bring their products to market. Then they look for subsidies. When the government subsidises them at the cost of someone else you have a vicious circle.

There are two elements to food security, one is food loss and the other one is food waste. There is research from the English Institute of Industrial Engineers, which came out this time last year, saying that 50% of all food produced is never consumed if you aggregate across food loss and food waste. There is another institute in the US, they claim that 24% of future food requirements can be covered if food waste is reduced. They talked about just food waste, not food loss, but food waste. They talked about research in a university in the US where they took away the trays that people put their food on. When they took away the trays, food waste was reduced by about 30%.

Food loss education and capacity building are critical to teach farmers about doing things right – proper use of water, irrigation, good farming practices, good agricultural practices. But you can't get away from the fact that many developing countries don't have the infrastructure to bring products to market. It is the physical infrastructure – it is the roads, it is the highways, it is the trucks – but it is also the sanitary conditions of the trucks that are making the shipments, and sanitary conditions of the storage facilities. All of these compound to accelerate food loss.

Marke: Do you think there is something these international institutions or businesses could do themselves to alter the current situation?

Keogh: 1) There are too many organizations; and (2) The current situation is too fragmented. I don't believe there is a single organization that really has a grasp on the problem, although many may

disagree with me. As there are too many entities involved, they are all claiming funding in some shape or form from their stakeholders. We lack a consistent and cohesive and harmonized approach worldwide.

International organizations have also become so big and too bureaucratic that they have lost sight of the real issues. On their websites, you look at all the beautiful words that they write about their visions and their missions. You know “the mission” should be very simple – reduce hunger in the world and increase the availability of food and water to areas that don’t have it today. It’s very, very simple, one liner, or two one liners. Even as educated people, it’s hard for us to interpret the mandates and the convoluted programs that these organizations have in place.

In fact, when you look at India or China, you actually have organizations like Metro Germany, a German retailer, which is doing more to advance the Chinese farmers than the Chinese government and all of the institutions together because, as a retailer, they go out and have various programs, education and capacity building. They could be working with up to 1 million farmers! Just one western retailer working with up to 1 million farmers in China in bringing them up to good and safe agricultural practices! You have other companies like Nestlé, the largest food producer in the world, who has set up a university to train farmers in China with a lot of investment. I think that the private sector is probably doing more effective work on the ground than some of these larger bodies, which reminds me of a comment I heard last week at the Global Food Safety Initiative in Anaheim: “Governments don’t actually control the food chain – more than 80% of the global food chain is controlled by industry and not governments.” I think therein lies part of the issue.

Marke: Do you see an opportunity for digital networks, organized by the ordinary people, to boost global food security?

Keogh: Absolutely. The secret to success is engaging small communities to drive towards efficiencies. One of the examples that I use in APEC’s PPFs briefings is a small community. I picked a country like Indonesia with 17,500 islands. On an island in Indonesia, a small community might have 3 farmers that produce a crop and those 3 farmers can inform the local community through cell phones. The cell phone usage in Indonesia is massive, informing them that next week we will be harvesting a particular crop, to give them the price of that crop and the availability of that crop. Then people order from them using the smart phone or a simple phone. In this way, they engage with their consumers in a small region. Based on the demand, farmers are able to send out messages on their smart phones to schedule laborers to work the farm and produce the crop. Once it is in, it is clean and it is ready, they send out messages to people who have placed orders that they can pick up their orders at say 3 o’clock tomorrow in the city center or in the village square.

So I think engaging local organizations using technologies, in other words, using networks to educate the farmers in local languages about the practices that they can deploy, following that up with on the ground expertise of people who know the culture (not someone who flies from the US into a remote village in Indonesia and tries to explain what happens in the US) is the key. The local context is always critical. The language sensitivity, the culture sensitivity and the pragmatics of doing something locally is so important. We are dealing with people who get \$1, \$2, \$3 or \$4 a day, \$1 or \$2 a day would be a lot for these people. You are trying to educate and, you can’t fly in and have a lack of sensitivity if you want to make progress.

Marke: Can governments or local authorities help scale these grassroots initiatives? For example, APEC member countries have acknowledged the problems facing smallholder farmers and have committed to engaging with them.

Keogh: I think they will not do it effectively. I think it's just another slogan or a program for program's sake. We need long-term sustainable efforts that are embedded into the community. It can't be a political program. It has to be a food security culture. That's the problem: people and governments are driving programs because it is politically correct, it gets them votes, it gets them sponsorship, it gets them funding and it gets people to nod and say, "Yah, aren't we great? We're doing the right thing!" But at the end of the day, it will not solve the problem. The issue lies in changing a culture.

The culture change is required from top down. It need buy in from industry leaders and governments at the highest level in each nation. They can go out to all the media available to talk to the people with local sensitivity, telling them about how important the production and storage and preparation of food is, not only to their health but also to the wealth and health of the nation. They should talk about it in the context of being healthy.

We know from other studies that within a generation women can actually grow taller with better nutrition. When they grow taller, they have fewer problems with childbirth, which reduces the infant mortality rate. What they need to figure out is the local sensitivities of those messages to get them out in several developing countries, in African countries, in Asian countries. When people get sick from consuming food they believe they have done something to madden the gods, there are religious and cultural elements and aspects that people believe in. This is why sensitivity needs to be locally managed and engagement has to be local.

To knit that up, it needs to be a culture change driven by political and business leaders in each economy taking into account the local sensitivities, but the culture needs to be one that goes across food security and food safety.

Just on that point, most of the pushback from the industry in PPFS is to engage with the women because a significant portion of the smallholders and the people who make decisions are actually the women of the house. In a lot of cases, more than 50% of women are actually running the farm. They are also collecting the food, preparing the food and feeding the family. The gender imbalance also comes up very, very often – you need to be able to address the women in the developing countries to make a sustainable change.

Marke: What role do standards play in ensuring food security?

Keogh: I had a recent experience in a non-APEC country, India, where a government minister called me in to help with their particular issues with fish. US \$500 million of fish exports to the European Union were being blocked, turned away or disqualified from entry into European markets. I had 30 people in the room, 2 of them were representatives of industry. Basically, the industry guys were blocking things, they were blocking progress. When the minister was asking me why the fish is being blocked and turned back, my answer is that globally acceptable practices for fish inspection are not being followed, and products are not properly labeled and packaged. When they arrive in Europe, no

one knows where they came from or where they are going, and it looks spurious when items are mislabeled or out of compliance with global standards.

Global standards should ensure that everybody, including a simple farmer, can understand how to label and package their products. Once everyone is following the same system, it drives intra-operability and everyone can be part of the system. Again back to the small farmers and their roles, hearing their voices matters, but allowing a small guy to sell to a big guy is also of critical importance within an economy.

Marke: How about diaspora networks? Could diasporas play a role in building capacity for food security?

Keogh: If I look at my own country, Ireland, more than 10 million people have left Ireland over the years. The population now is 4.5 million. But the Irish diaspora, people of Irish descent, are 70 million around the world. I think maybe the success of the future is connecting the global diaspora back to its nation to help them learn how to do things better by tapping into that wealth of knowledge.

The diaspora from Indonesia will spread out all over the world and should be seen as a national asset. I think governments should tap into that national asset for various reasons. One of them could be to improve the culture for food safety and food security within the country, introducing new ideas. But if you look at the importance and relevance of this diaspora, the remittances sent back to the home country are massive. In some countries they are among the top two or three sources of funding coming into the country. In some cases, it's a larger contributor than tourism. If remittances stopped for any reason, there could be issues. But if that money continues to come back, and it becomes easier for an Indonesian fisherman working in Europe to send money home to his family to improve their situation, those at home become more secure – they can buy additional or different foods or improve their lifestyle.

Marke: Do you think open sharing of data among networks and institutions can optimize efforts to promote food security?

Keogh: Yes, sharing of data is sharing of knowledge. I think information is all available but unfairly shared. We have an abundance of information available, but being able to disseminate that information is part of the issue. Today, we have moved beyond the information age. Everything now is connected, so we are now in the connected age.

Governments like the UK Government, US Government and other governments including the EU are using algorithms created by DERI to share more public information with the private sector. In other words, there are tons and tons of valuable data locked up inside fortresses that should be open data. The future networks need to use linked open data concepts to extract the data from valuable sources which, in most cases, would have been paid for by taxpayers' dollars. Future networks also need to expose that data to relevant stakeholders. Part of the problem with a lot of major stakeholder groups today is the information being locked behind fortresses, and the information exists but is not accessible.

For example, I heard a year or two ago that more than 100 million food safety tests are done every year, but they aren't connected. If you have two incidents of an outbreak of food problems in

Holland, and there is no connection to data from its neighboring countries, they might never be assessed. But if data bases were connected, and it was possible to do connected food safety tests, it might give us trends and we can take action on that. We are not doing enough with what is now termed “big data” and making data available to stakeholders who can use it properly. That is my closing comment.

Marke: Thank you so much for your valuable time and excellent insights. These are extremely helpful!

Keogh: No problem. Thanks! Let me know if I can help you move forward, Alastair.