Innovation: OriginTrail – the traceability App for smartphones: a software solution ensuring transparency in values-based food chains.

Categories	Description
1. Which topic does the innovation address?	☐ Innovative technologies for pest management in organic cropping systems ☐ New organic food processing concepts and technologies ☒ New business models of value addition at the local level
2. Short title of your innovation (max. 150 characters)	OriginTrail – the traceability App for smartphones: a software solution ensuring transparency in values-based food chains.
3. Contact person (your name, address, e-mail, telephone)	Žiga Drev Vojkova 63, 1000 Ljubljana ziga.drev@prospeh.com Telephone: +386 31 432590
4. Project partners / partners who contributed to the development of the innovation (names)	Prospeh d.o.o. – web and mobile development and marketing business Celeia Dairy d.o.o. – food processor and business partner Planika Dairy d.o.o. – food processor and business partner Šaleška dolina Farmers' Cooperative – business partner representing primary producers Krka Farmers' Cooperative - business partner representing primary producers Eta Kamnik d.d – food processor and business partner Perutnina Ptuj d.d. – food processor and business partner

5. Short summary (1500 characters) of the innovation, addressing the following: what is the innovation about, what are the main benefits, how can the innovation be used or adopted by others? What are possible drawbacks of the innovation?	OriginTrail is a web and mobile solution bringing **transparency to food value chains. The App for smartphones** ensures traceability of local food from farm to fork. The origin of e.g. the beef cattle becomes **visible** to the shoppers who are scanning the label on the food product package. OriginTrail presents an important step forward for local food producers that enter the platform since, for the first time ever, they are going beyond simply stating the country of primary production instead, unveils the entire path of the product's origin on a particular farm.

OriginTrail consists of two main components. Firstly, it provides shoppers with a **mobile application (iOS and Android)** through which they can check the origin of a certain product all the way back to the farm producing the raw ingredients. Secondly, it is **a dashboard** for managing products in the system. It provides producers with the shopper's insights about their products by enabling direct communication with buyers via push notifications and in-app chat. This **effectively turns the inquiry of the product's origin in front of the shelf into an interaction** between the shopper and the producer.

The OriginTrail software solution has so far been implemented with 4 food companies and 2 farmers' cooperatives from 3 food sectors, namely meat, dairy and vegetable. Currently, we focus on the internationalization of the platform. Our main target groups are organisations of the food sector, namely, quality and certification bodies that already provide some differentiation possibilities for brands. |
| 6. Keyword: 5 keywords describing your innovation | Local food chain, traceability, internet software, consumers' trust, food marketing |
| 7. Context of the innovation. Who were the main actors developing the innovation (private sector, advisory services, farmers' organization, research…)? What made them to develop the innovation? What was the concrete driver? | Food traceability has been quite a buzzword in the last few years due to several food scandals (e.g. mad cow disease, aflatoxins in milk, horse meat in lasagnes). This created a very important shift in the minds of consumers that significantly altered behaviour when buying food products.

Being aware that food traceability is a guarantee of safe and quality food products, shoppers now put traceability as the **second most important factor** when buying food products, right after the price. |

Shoppers therefore reward brands that provide through and through transparency of their sources with loyalty and purchasing preference. Research conducted in the US shows that more than 80% of shoppers choose traceable over non-traceable products, while the origin of products ranks as the second most important factor when making purchase decisions. A similar percentage was noticed also in researches conducted in the UK and in the European Union.

The problem is, however, that local food producers **lack an effective way to differentiate themselves** based on the origin of their main ingredient. One clear case of such problem occurring are **complex food products** where one product can have several different suppliers (e. g. a cup of yoghurt can contain milk from over 100 farms). This creates a **feeling of lost origin** with shoppers and prevents food producers to show a specific origin or characteristic values (local, geographically protected, high animal welfare standards, support of mountain farming etc.). This is even more obvious for **network products** that have a large variety of supplying businesses or might be composed of several different products (e.g. meat, tomato, eggs in lasagnes). Even though such products might be local or of special origin, this information can get lost when the transmission of this information is interrupted within the value chain.

We (Prospeh d.o.o.) have designed the OriginTrail platform to improve the marketing of quality local food producers (farmers, farmers' cooperatives, and processors such as small and medium-sized farmer owned dairies). The software tool helps food products to stand out in the marketplace by unveiling the provenance of the food product and it establishes a direct connection between consumers and producers through a communication module within the application.

For the future, we plan to bundle the application OriginTrail with a new solution FoodCollab that aims to enable small and mid-sized local producers to share their logistic capacities in order to reach distant markets and decrease costs of delivery. Moreover, the tool will provide access to high quality local food for the consumers.

This new solution addresses the particular need of farmers to improve market outreach and the inefficiency of the distribution systems.

8. How widely is the innovation already used and what is the potential use? Do you think the innovation can be easily scaled-up? • In terms of geographical scale • In terms of numbers of adopters • In terms of type of farmers (e.g. small, med., big)	The first version of the OriginTrail platform was launched in October 2014. This early implementation was realised with Celeia Dairy which has also provided significant funds helping us to go through the initial development of the system. The Celeia Dairy management has promoted our software solution significantly when it was featured in the popular Slovenian reality show "Gostilna išče šefa" and in their TV commercials. In May/June 2015, we have also managed to sign deals with Perutnina Ptuj d.d. and Eta Kamnik d.d. which will help us adjust the OriginTrail system to fit three important food sectors, namely dairy, meat and vegetable categories of food products. Currently, we are integrating another 2 companies and 2 farmers' cooperatives with around 400 farmers. At the time, there are approximately 200 local products in the system, and we plan to double this number by the end of 2015. Our goal for the first quarter of 2016 is the expansion of OriginTrail to other EU countries with a special focus on countries with quickly growing e-commerce such as Scandinavia, Netherlands, Germany, France, or the UK. In order to estimate the number of local food producers and farmers (brand owners) representing our Serviceable Obtainable Market (SOM) (i.e. the market we can effectively serve within 3 years), we look at customer businesses that produce food products pertaining to a particular quality scheme We take the following schemes of quality into consideration: - Protected Designation of Origin (PDO) - Certified Organic producer - Various national certifications for geographic indication (Red Tractor (UK), Agrar Markt (AUT), Izbrana kakovost (SLO)…) We aim to address a target group of 25,000 of food producers (brand owners) in the EU and the US holding at least one of the quality certificates.

9. Funding source. How was your innovation financed?	The initial 30,000 € investment for the development of the software solution was provided by cofounders. Later, we received financial support from the Slovenian Entrepreneurial Fund (62,000 € and 50,000 € as convertible loan). In August 2015, we were admitted into the Finish accelerator for start-ups, an organisation based in Bremen, Germany. http://www.finish-project.eu/results-of-the-second-open-call-of-the-finish-accelerator/). This organisation provided us with additional funding of 150,000 €.
10. Links to website, leaflets, audio-visual material…	For more information on the innovative marketing, communication and traceability tool OriginTrail, please see: www.origin-trail.com or www.prospeh.com.
	Mobile applications are accessible on iTunes: https://itunes.apple.com/us/app/id921592659, and Google Play: https://play.google.com/store/apps/details?id=com.origintrail.izvor)
	For the web version of the traceability application which is accessible through Celeia Dairy website, please visit http://www.mlecnacesta.si/izvor_mleka (iframe on the right side of the page)
	For TV commercial featuring the OriginTrail mobile application, please visit https://www.youtube.com/watch?v=tsxBR-vZc-E
	Article in Danish media specialised in food value chains: http://www.food-supply.dk/article/view/188249/slovenere_klar_med_ny_app_til_sporing_af_fodevarer
	The innovative application of OriginTrail was studied in the European research project HealthyGrowth, a Core Organic II project. OriginTrail is an excellent example for new media solutions ensuring the so-called healthy growth of organic food businesses and values-based food chains. For more information on the project and the Slovenian case study, please see www.coreorganic2.org/healthygrowth.