Albertsons Companies to Join Blockchain-based IBM Food Trust Network to Pilot Increased Transparency for Romaine Lettuce

Grocer is the latest company to adopt blockchain-based traceability system for global food ecosystem

ARMONK, N.Y. and BOISE, Idaho, April 11, 2019 /PRNewswire/ -- Albertsons Companies, one of the largest food and drug retailers in the United States, is joining the blockchain-based IBM Food Trust network and will begin piloting the technology to improve how food is traced from farm to store shelf. The addition of Albertsons Companies to the Food Trust ecosystem of more than 80 brands brings blockchain-based food traceability to more consumers and industry players – from producers to suppliers to retailers – by helping enable greater transparency and collaboration, and ultimately, a safer food supply.

Blockchain is a system of record that establishes a shared environment for food transactions in which all participants can collaborate in a highly secured and transparent way to build trust. Food Trust enables network members to share digital, distributed and immutable data, so that stakeholders across the supply chain can work together to trace and authenticate products or optimize supply chain processes. The solution creates a digital record of transactions or interactions – from a packaging date, to the temperature at which an item was shipped, to its arrival on a grocery shelf.

The growing number of participants using the technology helps address a broad range of food system issues, such as supply chain efficiency, freshness, waste reduction, sustainability and participants' ability to verify certifications, such as fair trade and organic. It is being used to make the end-to-end food ecosystem more transparent and trustworthy, and has the potential to transform broad, nationwide food recalls into efficient, precise eliminations of recalled products. Already, more than five million food products digitized on the solution are on retail shelves.

Albertsons Companies, which operates nearly 2,300 stores across the U.S., will pilot Food Trust for tracing bulk romaine lettuce from one of its distribution centers, then will explore expanding to other food categories throughout its distribution network. Albertsons Companies plans to pilot the solution to help overcome the obstacles that have existed when a traceback is initiated for a product like romaine and is evaluating ways to use the technology to highlight the provenance of its extensive Own Brands portfolio.

"Blockchain technology has the potential to be transformational for us as we further build differentiation on our fresh brand," said Anuj Dhanda, Chief Information Officer, Albertsons Companies. "Food safety is a very significant step. In addition, the provenance of the products enabled by blockchain — the ability to track every move from the farm to the customer's basket — can be very empowering for our customers."

"Multiple high-profile consumer advisories from the Centers for Disease Control and Prevention and the Food and Drug Administration demonstrate the need to find more efficient ways of tracing products and identifying likely sources of contamination in a timely manner," said Jerry Noland, VP of Food Safety & Quality Assurance, Albertsons Companies. "Consequently, retailers are exploring new technologies to improve the infrastructure that underpins the global food supply chain."

A blockchain network is strongest when it includes multiple, diverse members that form a transacting ecosystem. That is why the solution can enable an ecosystem of companies from across the food industry to onboard and share data. Already, members are recommending or mandating that their supply chain partners, such as downstream suppliers, join the network. This is intended to bring a more complete view of the entire lifecycle of a food product.

"Establishing IBM Food Trust and opening it to the food ecosystem last year was a major milestone in making blockchain real for business," said Raj Rao, General Manager, IBM Food Trust. "Today, we are focused on ensuring that the solution scales and is accessible to participants across the food ecosystem, such as Albertsons Companies. By bringing more members into the network and enabling them to share greater cross-sections of data in a secured environment, we believe our vision of a transformed food ecosystem using blockchain is closer than ever."

By creating a transparent, secured information-sharing platform, the food ecosystem can benefit from greater efficiencies and lower barriers to critical information access to help make the food supply chain safer. Built on Hyperledger Fabric-based open source technology, the solution uses permissioning to ensure companies can set rules about who can see the data they upload to the solution and for how long, and that they maintain control of their data even after it has been uploaded to Food Trust.

Food Trust is one of the largest and most active non-crypto blockchain networks in production today. It is available as a subscription service for members of the food ecosystem to join. For more information on availability, please visit <u>here</u>.

About Albertsons Companies

Albertsons Companies, Inc. is one of the largest food and drug retailers in the United States, with both a strong local presence and national scale. Albertsons Cos. operates stores across 34 states and the District of Columbia under 20 well-known banners including Albertsons, Safeway, Vons, Jewel-Osco, Shaw's, Acme, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market, Haggen and Carrs, as well as meal kit company Plated, based in New York City. Albertsons Cos. is committed to helping people across the country live better lives by making a meaningful difference, neighborhood by neighborhood. In 2018 alone, along with the Albertsons Companies Foundation, the Company gave nearly \$262 million in food and financial support. These efforts helped millions of people in the areas of hunger relief, education, cancer research and treatment, programs for people with disabilities and veterans outreach.

About IBM Blockchain

IBM (NYSE: IBM) is recognized as the leading enterprise blockchain provider. 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.

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