



Trust Alliance Incorporated

2024 Annual General Meeting

Chairman's report

TANZ was established during 2022 to help members develop digital tools, protocols and networks to assist the New Zealand primary sector. A primary goal of TANZ is to enable farmers to store, protect and share their data. Common industry challenges are identified by our members and addressed by co-operating in joint research and development projects. TANZ has focused on decentralised technology; the intention is being agnostic and collaborate interchangeable with other digital technologies. The technologies used by TANZ are digital identities, wallets, verifiable credentials, verifiable presentations, issuers and relying parties.

This enables three challenges to be met; consumers now expect proof that the products they buy are good for them and for the environment; climate change poses systemic risks to agriculture, resulting in more data requirements; and global data standards are becoming essential for exporting.

New Zealand's primary sector increasingly must provide data to prove sustainability and nature-positive attributes to; auditors, verifiers, retail buyers, and consumers.

The first indication of this occurring is the requirement for carbon emissions reporting for large organisations or climate reporting entities (CRE's). CRE's in New Zealand that are now required to produce annual climate reports. This includes registered banks and credit unions with total assets of more than \$1 billion, and equity and debt issuers listed on the NZX with a market value greater than \$60 million. This reporting includes scope three carbon emissions. This impacts on the lenders, insurers and buyers of farm produce. Climate reporting is also being adopted worldwide. Australia has legislated climate reporting mandatory from January 2025, however the thresholds for reporting are much lower than New Zealand. Organizations turning over more than \$50 million required by 2027 to undertake climate reporting.

As part of ensuring that the New Zealand agricultural sector maintains its international competitive ability the concept of a Digital Farm Wallet is currently being investigated by TANZ. The wallet aims to empower farmers, farm enterprises, industry organisations, and other stakeholders to easily share and verify farm management and planning information in a trusted and permissioned manner in the form of verifiable credentials. For example, farm carbon reports, which are needed to calculate farm lenders scope three carbon emissions. Verifiable credentials are a type of digital proof that can be used to share information securely. They are issued by an entity that certifies the validity of data concerning an individual or organization.

TANZ believes that by adopting the verifiable credential model (trusted tamper-proof private data sets) through the wallet, we can show how to create a more secure, efficient, and transparent digital economy for the greater good of NZ Inc.'s food and fibre sector, while protecting and respecting data privacy rights and Māori data sovereignty.

The Digital Farm Wallet project was publicly launched at the Primary Sector Summit in July 2023 with support of the Ministry of Primary Industries (MPI). The project is scheduled to be completed in December 2024. The preliminary results have been encouraging. TANZ has engaged with farmers and stakeholders to understand the appetite for adoption of the digital wallet concept. We are now drafting the business case and identifying barriers to adoption. This business case highlights the due diligence around technology selection based on functionality as per the prototypes, as well as the costings for the different technology stacks. We have held several technical workshops and developed a draft How-To Guide.



Members are now able to leverage the knowledge and know-how from the DFW Pilot project to run their own in-house projects around digital identity and managing digital proofs (verifiable credentials).

The economic environment has been challenging for TANZ members. This has placed pressure on the membership on TANZ and the ability of members to justify contributing to research and development activities. Despite this TANZ has increased its annual turnover to \$990,000 and recorded a surplus of \$36,639. An independent audit of the TANZ finances has been undertaken and the opinion is included in the financial accounts.

The Board of TANZ would like to thank our Digital Farm Wallet project manager: Sharon Lyon-Mabbitt. She has successfully managed the project, stakeholder engagement and reporting through its various phases. It has met its milestones and is now entering its pre-production phase. We also acknowledge the work of Executive Director Klaeri Schelhowe who resigned at the beginning of the year.



Trust Alliance New Zealand

I would like to thank and acknowledge the contribution of departing Board members, Matt Baker and Christina Finlayson.

I welcome the three new members of the Board; Terry Copeland, Mellissa Baer, and Nic Conland.

Finally, I would like to thank the Board of TANZ for their support and to all members and stakeholders who have given their time and energy.

Chairman

Chris Claridge
September 2024