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**BLOCKCHAIN IN THE AGRI-FOOD CHAIN:  
EVOLUTION, REVOLUTION, OR HYPE?**

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This is a case of the Research Division of San Telmo Business School, Spain. It has been written by Professor José Antonio Boccherini Bogert of San Telmo Business School and is intended as a basis for class discussion only and not to illustrate any judgement on the effective or ineffective management of a specific situation.

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## BLOCKCHAIN IN THE AGRI-FOOD CHAIN: EVOLUTION, REVOLUTION OR HYPE?<sup>1</sup>

Blockchain technology, which appeared in 2009 as the technological support for the virtual currency Bitcoin, has been described in recent years as the great revolution that will change the economy and many businesses. In 2014, Marc Andreessen, co-founder of Netscape and inventor of the first web browser, referred to Bitcoin (and its underlying technology, blockchain) as the most important technological invention since the creation of the Internet in 1993. The Economist defined blockchain as "*the great chain of being sure about things,*"<sup>2</sup> and stated that "*the technology behind Bitcoin lets people who do not know or trust each other build a dependable ledger, and this has implications far beyond the cryptocurrency.*"

### WHY DO WE NEED A TECHNOLOGY LIKE BLOCKCHAIN?<sup>3</sup>

According to the original document that described it<sup>4</sup>, "*Bitcoin is a peer-to-peer electronic cash system (...) that allows for online payments to be sent directly from one party to another without going through a financial institution.*" In other words, Bitcoin makes digital economic transactions possible without a "trusted intermediary." Blockchain technology was invented to support this electronic currency. Why was this necessary?

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<sup>2</sup>"The great chain of being sure about things." The Economist, October 31st, 2015, <https://www.economist.com/briefing/2015/10/31/the-great-chain-of-being-sure-about-things> (accessed on February 10th, 2019).

<sup>3</sup> This section is an adaptation of the explanation included in the document "What is blockchain technology?" CB Insights, September 11th 2018. The document can be downloaded following this link: <https://www.cbinsights.com/research/what-is-blockchain-technology/>

<sup>4</sup>Nakamoto, S., "Bitcoin: A Peer-to-Peer Electronic Cash System," October 31st 2008, <https://bitcoin.org/bitcoin.pdf>, accessed on February 11th 2018. Satoshi Nakamoto is a pseudonym. A programmer or group of programmers published the document in a mailing list that operated under that pseudonym, remaining anonymous thus far.