



### **Blockchain 101 With CryptoKitties**

Andrew Kennedy, Global Food Traceability Center

### Andrew Kennedy · Global Food Traceability Center



@foodsafetydad

- MBA, Duke · BA Economics
- Co-Founder of FoodLogiQ
- GFTC Director Emeritus
- IFT's GFTC Vision is to become the global resource and authoritative voice on food traceability.
- IFT Led the FDA FSMA traceability pilot in 2012



# **Blockchain 101**

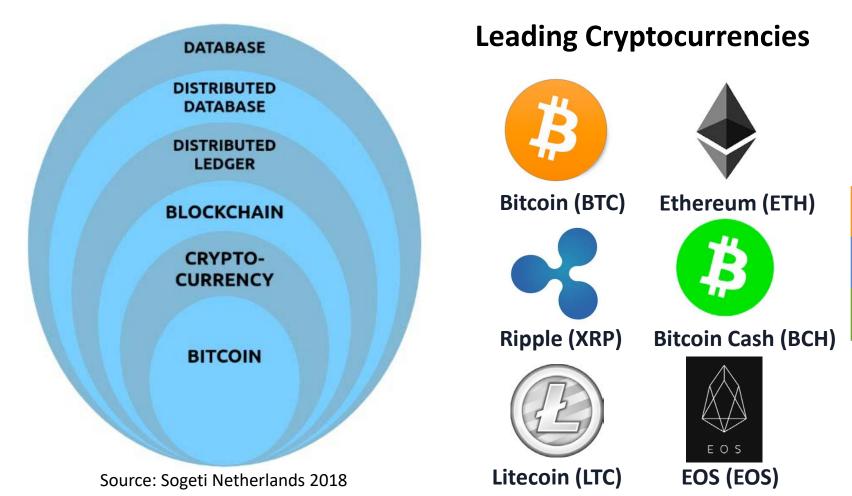
### Why Blockchain Matters:

"This is not about the technology, it's about trust." David Furlonger, Research Vice President, Gartner

"The blockchain does one thing: It replaces third-party trust with mathematical proof that something happened." Adam Draper, Founder of Boost VC

"The interesting thing about blockchain is that it has made it possible for humanity to reach a **consensus** about a piece of data without having any authority to dictate it." Jaan Tallinn, Co-Founder Bluemoon

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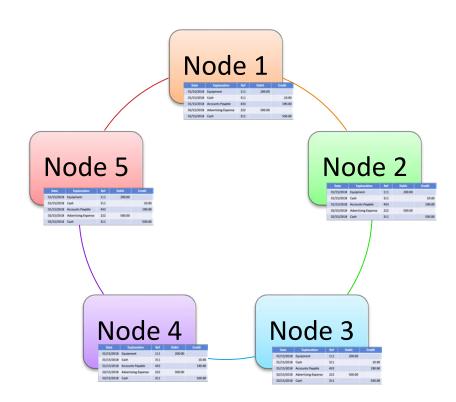
### Ledger

Is the principal book or computer file for recording and totaling economic transactions measured in terms of a monetary unit of account by account type, with debits and credits in separate columns and a beginning monetary balance and ending monetary balance for each account.

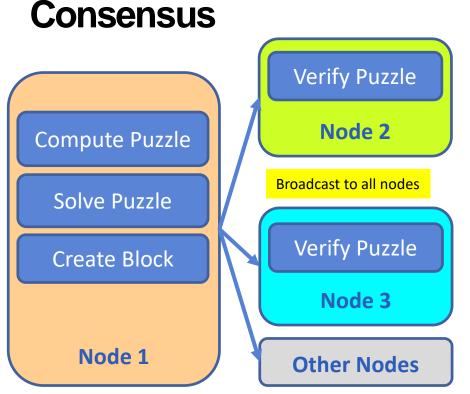
Source: https://en.wikipedia.org/wiki/Ledger

Date	Explanation	Ref	Debit	Credit
01/15/2018	Equipment	111	200.00	
01/15/2018	Cash	311		10.00
01/15/2018	Accounts Payable	433		190.00
02/15/2018	Advertising Expense	222	500.00	
02/15/2018	Cash	311		500.00

# Shared (or Distributed) Ledger



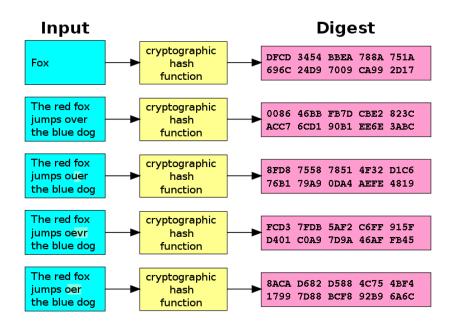
- It is a consensus of replicated, shared, and synchronized digital data geographically spread across multiple sites, countries, or institutions.
- There is no central administrator or centralized data storage.
- A peer-to-peer network is required as well as consensus algorithms to ensure replication across nodes is undertaken.
- One form of distributed ledger design is the blockchain system.



- The critical challenge in a distributed ledger is that there is no central authority to determine what to add to the ledger.
- Consensus procedures enable nodes to reach agreement on what to add next to the ledger.
   Proof of work, proof of stake are examples.

https://blockgeeks.com/guides/blockchain-consensus/

# **Cryptographic Hash Function**

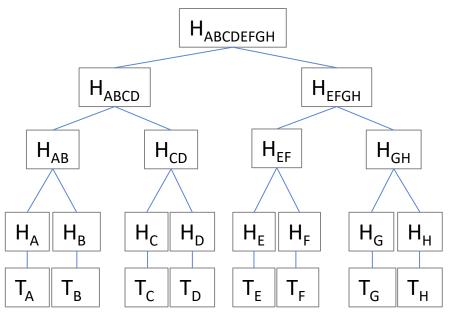


- It is a mathematical algorithm that maps data of arbitrary size to a bit string of a fixed size (a hash)
- and is designed to be a oneway function, that is, a function which is infeasible to invert.

#### Source: https://en.wikipedia.org/wiki/Cryptographic hash function



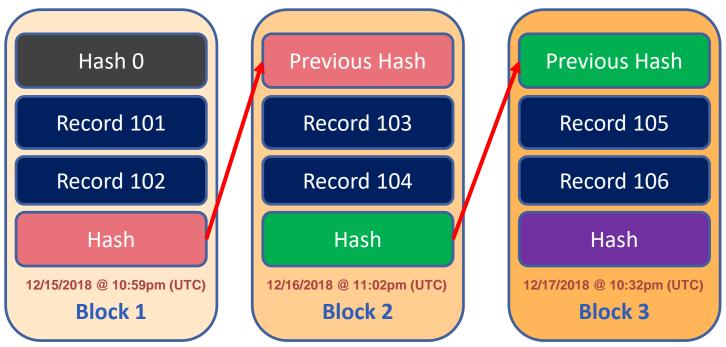
### **Blocks, Merkle Tree**



https://www.investopedia.com/terms/m/merkle-tree.asp

- Blocks hold batches of valid transactions that are hashed and encoded into a Merkle tree;
- Each transaction (example: T<sub>A</sub>) is hashed;
- Then each pair of transactions is concatenated and hashed together, and so on until there is one hash for the entire block;
- "T" designates a transaction, "H" is a hash;
- A typical block has over 100 transactions.

- It is a growing list of records, called blocks, which are linked using cryptography.
- Each block contains a cryptographic hash of the previous block, a timestamp, and transaction data.



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**Blockchain** 

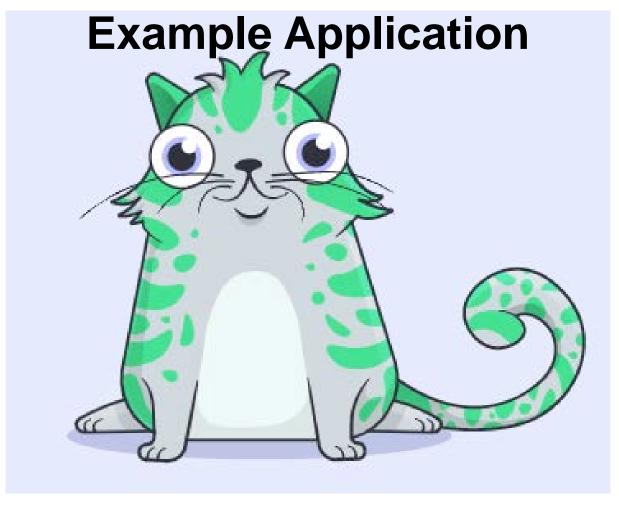
### **Smart Contract**

- Is a computer protocol intended to digitally facilitate, verify, or enforce the negotiation or performance of a contract.
- Allow the performance of credible transactions without third parties.
- Transactions are trackable and irreversible.
- Aim is to provide security that is superior to traditional contract law and to reduce other transaction costs associated with contracting.



https://www.tradefinanceglobal.com/posts/ethereum-competitor-to-bitcoin/

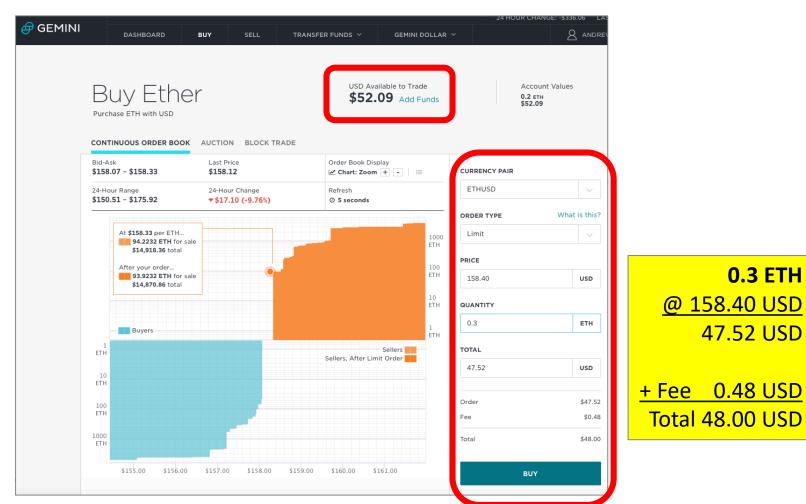
https://en.wikipedia.org/wiki/Smart\_contract



### **CryptoKitties Workflow**

- 1. Setup Account on Gemini to buy Ethereum (ETH)
- 2. Setup Metamask Wallet (Google Chrome Plugin)
- 3. Setup Account on <u>www.cryptokitties.co</u>
- 4. Wire transfer USD from my bank to Gemini Account
- 5. Transfer ETH from Gemini to a Metamask Wallet
- 6. Purchase Two CryptoKitties
- 7. Breed them
- 8. Now I have Three CryptoKitties!

#### Transfer Fiat (USD) from My Bank into Gemini Account and Buy Ether (ETH)

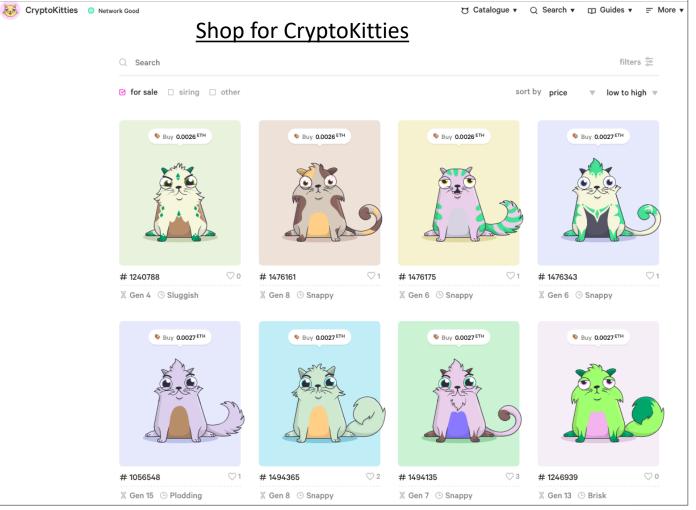


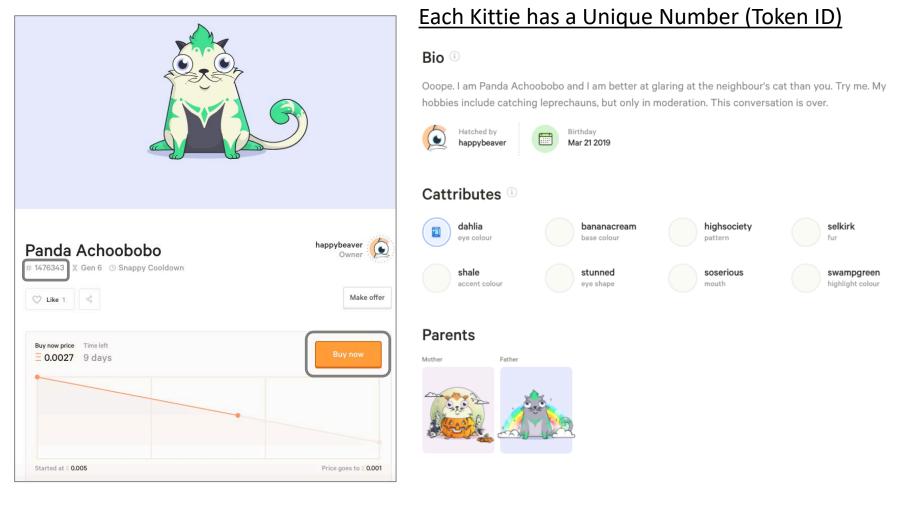
#### Transfer Ethereum (ETH) to Metamask Wallet

🖨 GEMINI	DASHBOARD	BUY	SELL	TRANSFER FUNDS 🗸	×	Main Ethe	reum Network 🗸	٩
					Ξ	Acco 0x3962		
Withdraw ETH								
USD (BANK TRANSFER)	USD (WIRE TRANSF	ER) BTC	ETH ZEC	BCH LTC		<b>0.1</b>		
DESTINATION ADDRESS	-858/364638f63355B	0.1	VAL AMOUNT	MAX		DEPOSIT	SEND	
0,3502,450033313523			tely \$15.79 USI		History			
REVIEW WITHDRAW	/AL					You have no	transactions	

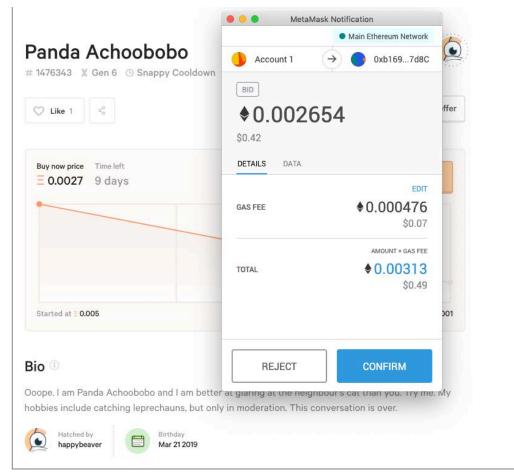
	Etherscan Eth: \$159.79 (-8.08%)	Blockchain -		arch by Address / Txhash / Block / T Resources - More - OSig	
	Transaction Details			Earn Interest 🗸	Grypto Loan 👻
	Sponsored: 🔰 Nexo - Get instant cas	h in 40+ currencies using crypto as colla	teral without selling it. Get Crypt	to Loan!	
	Overview State Changes New	Comments	Transaction	n Hash	1
	Transaction Hash:	0x1c054e98535740e5fb56aa51b6de	81676d51b64496da894c014ba5	5e8bae980c7	
	Status:	Success			
	Block:	7504176 35 Block Confirmations	Block # 750	)4176	
	TimeStamp:	© 8 mins ago (Apr-04-2019 09:45:58	PM +UTC)		
	From:	0xd24400ae8bfebb18ca49be86258a3	3c749cf46853 (Gemini 1) 🗇		
Destinat	ion Address	0x3962a3d0553155e56c858436d638	633a5bc0118 []		
	Value:	<b>0.1 Ether</b> (\$15.98)	0 100000 (6		va eferme el
	Transaction Fee:	0.000147 Ether (\$0.02)		15.98) ETH Tra	
	Gas Limit:	90,000	0.000147 (	\$0.02) ETH Tra	isaction ree
	Gas Used by Transaction:	21,000 (23.33%)			
	Gas Price:	0.00000007 Ether (7 Gwei)			
17 ©	Nonce Position	524534 28			

Etherscan Eth: \$159.36 (-8.33%) Block #7504175		lock 7504175	All Filters V Search by Blockchain V Token	Block that Contains	The Tran	saction
Overview Comment		IUCK / 5041/5				
Block Height:		7504175 < >	Etherscan Eth: \$159.46 (-8.27%)	Block 7504176	All Filters V Search by Ad Blockchain V Tokens V	
TimeStamp:		© 13 mins ago (Apr-04-2019 09:45:41 PM +UTC)	Block #7504176	DIOCK / J041/0	1 Etherscan	All Filters V Search by
Transactions:		125 transactions and 1 contract internal transaction	Overview Comments		Eth: \$159.28 (-8.38%)	Block 7504177 Home Blockchain ~ Tokens
Mined by:		0x52bc44d5378309ee2abf1539bf71de1b7d7be3b5 (	Block Height:	7504176 < >	Block #7504177	
Block Reward:		2.0152039323 Ether (2 + 0.0152039323)	TimeStamp:	③ 9 mins ago (Apr-04-2019 09:45:58 PM +UTC)	Overview Comments	
Uncles Reward:		0	Transactions:	111 transactions and 47 contract internal transactions	Block Height:	7504177 < >
Difficulty:		1,856,640,632,997,485	Mined by:	0xea674fdde714fd979de3edf0f56aa9716b898ec8 (Ether	TimeStamp:	© 11 mins ago (Apr-04-2019 09:46:02 PM +UTC)
Total Difficulty:		9,710,880,209,000,243,275,107	Block Reward:		Transactions:	104 transactions and 44 contract internal transactions in this block
Size:		29,292 bytes		2.03981917296027438 Ether (2 + 0.03981917296027438	Mined by:	0x829bd824b016326a401d083b33d092293333a830 (F2Pool 2) in 4 secs
Gas Used:		7,975,848 (99.70%)	Uncles Reward:	0	Block Reward:	2.12200886665309304 Ether (2 + 0.05950886665309304 + 0.0625)
Gas Limit:		8,000,029	Difficulty:	1,856,640,641,386,093	Uncles Reward:	1.75 Ether (1 uncle at Position 0)
Extra Data:		PPYE nanopool.org (Hex:0x50505945206e616e6f706	Total Difficulty: 6	9,710,882,065,640,884,661,200	Difficulty:	1,857,547,212,587,877
Hash:	lash	0x3ee26aaec5dc94076878f7a2b7666c6263b3b31e34	Size:	28,082 bytes	Total Difficulty:	9,710,883,923,188,097,249,077
Parent Hash:		0xa54b10164f13066ccaa86e931547a55520be4060e2	Gas Used:	7,985,370 (99.82%)	Size:	27,792 bytes
	$\overline{}$		Gas Limit:	8,000,000	Gas Used:	6,858,108 (85.64%)
			Extra Data:	PPYE-ethermine-eu1-12 (Hex:0x505059452d657468657	Gas Limit:	8,007,811
			Hash: Hash	0x164691ccab0ae32d26b05effce4ab47eaed8c52f2614c		ppye 七彩神仙鱼 (Hex:0x7070796520e4b883e5bda9e7a59ee4bb99e9b1bc)
			Parent Hash:	0x3ee26aaec5dc94076878f7a2b7666c6263b3b31e3443	Hash:	0xc96b0c53a33c8213810e66b9e335fe2172340e0a7de997d089c0807ccba3d56c
		Par	ent Hash		Parent Hash:	0x164691ccab0ae32d26b05effce4ab47eaed8c52f2614c665c8b237a14174e290
18					Parent H	lash



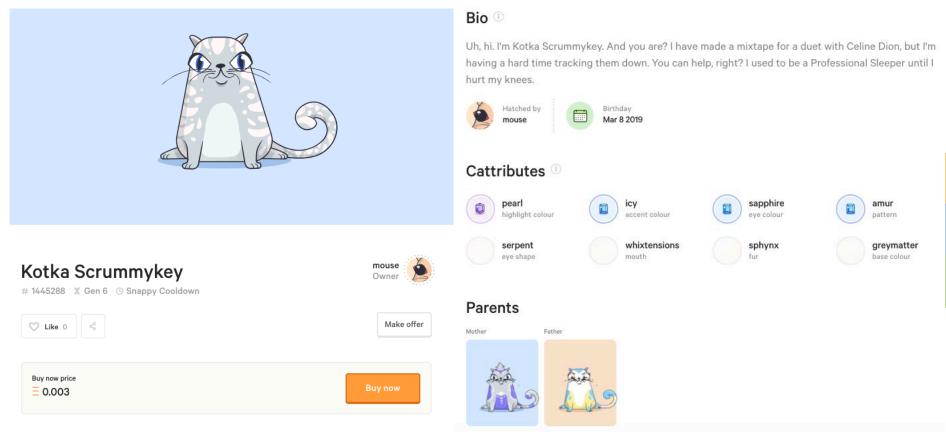


#### To Buy a Kittie, the Application Opens Metamask Wallet to Pay For It

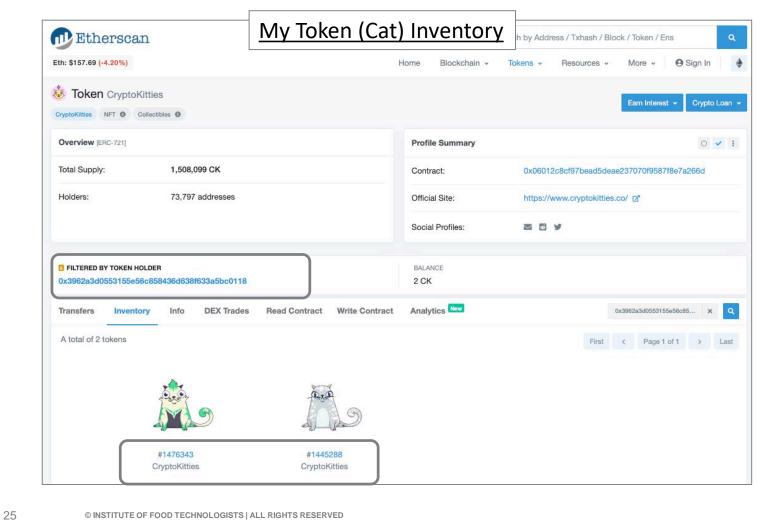


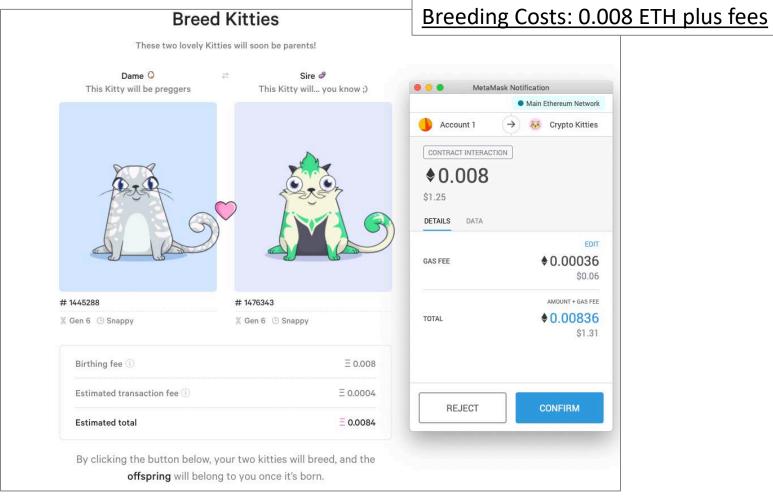
x57ec3d69753b26004a54630edf614d1e977ddac99cbc90e1038b4d6e3de7bfaa D Success 504479 39 Block Confirmations 0 10 mins ago (Apr-04-2019 10:51:19 PM +UTC) x3962a3d0553155e56c858436d638f633a5bc0118 D
504479 39 Block Confirmations 0 10 mins ago (Apr-04-2019 10:51:19 PM +UTC)
) 10 mins ago (Apr-04-2019 10:51:19 PM +UTC)
x3962a3d0553155a56c858436d638f633a5bc0118
Contract 0xb1690c08e213a35ed9bab7b318de14420fb57d8c (CryptoKitties: Sales Auction) 📀 [ - TRANSFER 0.002554046850887347 Ether From 0xb1690c08e213a35ed9b To 0x9f7064dfe6ca5856b3af - TRANSFER 0.000000187496066673 Ether From 0xb1690c08e213a35ed9b To 0x3962a3d0553155e56c8
From 0xb1690c08e213a3 To 0x3962a3d0553155 For ERC-721 TokenID [1476343] & CK
0.00265374266581976 Ether (\$0.42)
.000181524 Ether (\$0.03) tokenId = Cat
58,820
0,508 (38.1%)
.00000003 Ether (3 Gwei)
F

#### You Need Two Kitties to Breed



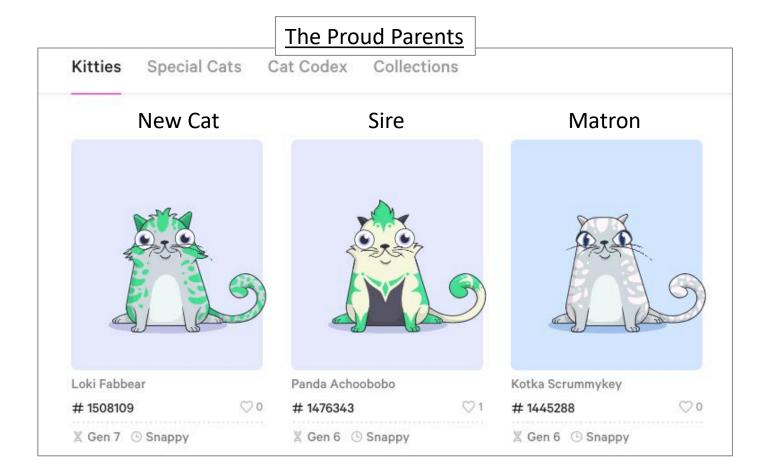
Overview Internal Transactions		Transaction	1
Transaction Hash:	0x95ee9ba8d846df529c05c4291b00b1	171c0fae4745c9254f4029c116ea2bad45b	Ů
Status:	Success		
Block:	7504496 2 Block Confirmations		
TimeStamp:	© 30 secs ago (Apr-04-2019 10:56:17 P	PM +UTC)	
From:	0x3962a3d0553155e56c858436d638f63	33a5bc0118 ①	
To:		b7b318de14420fb57d8c (CryptoKitties: Sal 08e213a35ed9b To 0x7045540552d1fcc2ab1	es Auction) 🥑 [
Tokens Transfered:	• From 0xb1690c08e213a3 To 0x39	062a3d0553155 For ERC-721 TokenID [14	445288] 🎄 CK
Value:	0.003 Ether (\$0.47)		
Transaction Fee:	0.000125616 Ether (\$0.02)		
Gas Limit:	125,815		
Gas Used by Transaction:	41,872 (33.28%)		
Gas Price:	0.00000003 Ether (3 Gwei)		
Nonce Position	1 73		
Input Data:	# Name	Туре	Data
	0 tokenId	uint256	1445288





Transaction Details	reeding Tra	nsaction on Blockchain	
Etherscan - Sponsored slots available. Book yo	our slot here!		
Overview Event Logs (1) State Cha	anges New Comments		
Transaction Hash:	0x04e6265ba830145f12ed5a	c898df1faa561897d8e62edd50764cbb462ab44714 🗘	
Status:	Success		
Block:	7504579 4 Block Confirmati	ions	
TimeStamp:	© 57 secs ago (Apr-04-2019	11:14:10 PM +UTC)	
From:	0x3962a3d0553155e56c8584	36d638f633a5bc0118 ①	
To:	Contract 0x06012c8cf97bead	15deae237070f9587f8e7a266d (CryptoKitties: Core) 🦿 🗍	
Value:	0.008 Ether (\$1.27)	Breeding Cost	
Transaction Fee:	0.000239955 Ether (\$0.04)		
Gas Limit:	119,977		
Gas Used by Transaction:	79,985 (66.67%)		
Gas Price:	0.000000003 Ether (3 Gwei)	Parents	
Nonce Position	2 68		
Input Data:	# Name	Туре	Data
	0 _matronId 1 _sireId	uint256 uint256	1445288 1476343

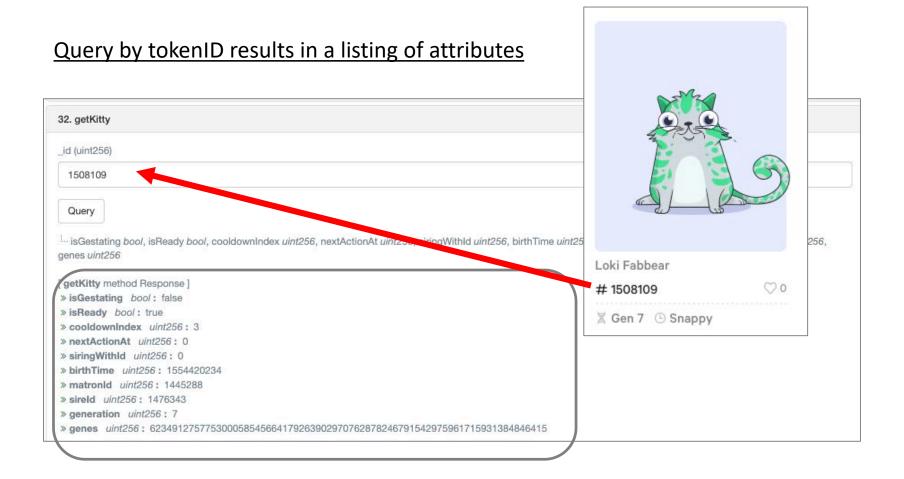
1 Etherscan				A	ll Filters 🗸	Search by Addre	ess / Txhash / Bloc	:k / Token / En	s Q
Eth: \$158.64 (-1.56%)	<u>N</u>	/ly Transa	ction Histor	Y	Blockchain ~	Tokens 🗸	Resources v	More ~	\varTheta Sign In 🍦
B Address 0x3962A3d	0553155E5	6c858436d638f63	3a5Bc0118 🗘 📰					Earn Interest	• Crypto Loan •
Sponsored: 🕅 Ethereal Virtua	al Hackathon	- Compete for \$50K ir	prizes, hosted by Gitcoin + M	icrosoft <mark>S</mark>	ign up now! 🗊				
Overview				More I	nfo				۰ :
Balance:	0.08579934	9830246913 Ether		Transa	ctions:	4 txns			
Ether Value:	\$13.61 (@ \$1	58.64/ETH)							
Token:	1		~						
Transactions Internal T	xns Erc	721 Token Txns	Analytics New Comments	S					
↓≓ Latest 4 txns									:
TxHash	Block	Age	From		То		Value		[TxFee]
0x04e6265ba83014	7504579	10 mins ago	0x3962a3d0553155	OUT	CryptoKittie	es: Core	0.008 Ether		0.000239955
0x95ee9ba8d846df	7504496	28 mins ago	0x3962a3d0553155	OUT	CryptoKittie	es: Sales	0.003 Ether		0.000125616
0x57ec3d69753b26	7504479	33 mins ago	0x3962a3d0553155	OUT	CryptoKittie	es: Sales	0.00265374266	5819 Ether	0.000181524
0x1c054e98535740	7504176	1 hr 38 mins ago	Gemini 1	IN	0x3962a3d05	53155	0.1 Ether		0.000147



× ×	Loki's Ti	ransaction, Cattrib	utes, ID and Linl	<u>k to Matro</u>	
A CONTRACTOR	8	Event Logs (2) State Changes New	Comments		
		0x2fe6241ece12722f12caeecb9bf5baa89	97423c34bfa505afd07747ec3286b01c [		
		Success			
		7504621 36 Block Confirmations			
		© 10 mins ago (Apr-04-2019 11:23:54 PM	+UTC)		
		0xab5622d7da96c571c6abe08e4b85e462	eb666e4f 🗘		
Loki Fabbear # 1508109 X Gen 7 ③ Snappy Cooldown	Food Safety Dad (you) Owner	Contract 0x06012c8cf97bead5deae2370     L TRANSFER 0.008 Ether From 0x06012c8cf97bea	070f9587f8e7a266d (CryptoKitties: Core)	Ū.	
<ul> <li>♡ Like 0</li> <li>c<sup>2</sup><sub>5</sub></li> <li>Bio <sup>①</sup></li> </ul>	🥏 Breed 💊 Sell 🞽 Gift	• From 0x00000000000000000000000000000000000	a3d0553155 For ERC-721 TokenID (1508)	109] 🎄 CK	
Good day. I'm Loki Fabbear. Let's cut to the chase. I can whistle any T entertains most people. Pffft, whatever.	Fom Jones song. It's a weird talent, but it	0 Ether (\$0.00)			
Food Safety Dad		0.0029631284139 Ether (\$0.47)			
		350,000			
Cattributes <sup>(1)</sup>		260,266 (74.36%)			
	dahlia eye colour fur	0.000000011385000015 Ether (11.3850000	015 Gwei)		
	Nonce Position	38333 11	Mat	ron	
	Input Data:	# Name	Туре	Data	
		0 _matronId	uint256	1445288	

#### Querying a Smart Contract on the Blockchain

<b>D</b> Etherso	an	All Filters ~	Search by Address / Txhash / Block / Token / Ens
Eth: \$158.30 (-1.70%)		Home Blockchain ~	Tokens - Resources - More - O Sign In
Token Cryp	toKitties		Eam Interest 🛩 Crypto Loan
CryptoKitties NFT 0	Collectibles 0		Earn interest V Gypto Loan
Overview [ERC-721]		Profile Summary	0 🗸 1
Total Supply:	1,508,113 CK	Contract:	0x06012c8cf97bead5deae237070f9587f8e7a266d
Holders:	73,799 addresses	Official Site:	https://www.cryptokitties.co/
Transfers:	3,825,117	Social Profiles:	204
Transfers Hole	ders Inventory Info DEX Trades	ead Contract Write Contract Analytic	cs New Comments
Read Contract	t Information		[Reset]

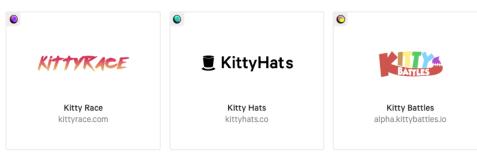




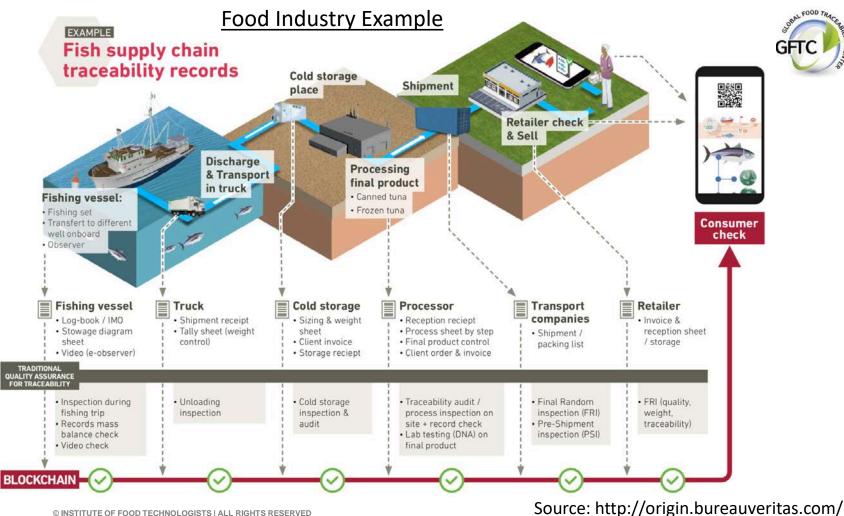
#### Take your Kitties to new heights

Your CryptoKitty unlocks a universe of infinite experiences.

You can still breed and collect the CryptoKitties--but now, your favourite Kitty can participate in races, get in a literal catfight, and much more!









#### **Blockchain 101 With CryptoKitties**

Andrew Kennedy, Global Food Traceability Center



