



# Exploring Keys to Produce Industry Traceability: An Update from the Steering Committee

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## **PRODUCE TRACEABILITY INITIATIVE**

Moderator – Cathy Green, COO Food Lion  
United Fresh Produce Association – David Gombas  
Canadian Produce Marketing Association – Jane Proctor  
Produce Marketing Association – Gary Fleming

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## **AGENDA**

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- The need for traceability
- The Produce Traceability Initiative
- The standards being used
- What is being asked of industry

## **THE NEED FOR TRACEABILITY**

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- We cannot track and trace product quickly and effectively today.
- Industry members are using multiple standards, making data gathering difficult and tedious.
- Information being captured is inconsistent, leaving gaps in the traceability path.
- Most companies are not held accountable, and therefore are not doing enough pre-recall to ensure effective traceability.
- Lack of traceability leaves multiple suppliers, entire commodity vulnerable in event of recall.

## **THE NEED FOR TRACEABILITY**

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- Minimizing recall = \$\$\$ SAVED
- Effective traceability decreases the scope
  - + Minimizes product affected – entire brand/growing season vs. one batch/lot
  - + Minimizes time to execute
  - + Minimizes effects to consumer confidence
- Penalties to suppliers may be assessed by buyers
- Labor costs throughout the supply chain – internal and external with trading partners

## **PRODUCE TRACEABILITY INITIATIVE**

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- Sponsored by PMA, CPMA and UFPA
- 41 participating companies including:
  - + 9 Foodservice / Distributors
  - + 13 Retail
  - + 19 Growers/Shippers
- 6 additional participating trade associations
  - + NRA, IFDA, FMI, CCGD, CHC, NGA
- Met on January 9<sup>th</sup>, February 22<sup>nd</sup>, April 11<sup>th</sup>

## INITIATIVE MISSION

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- To create an Action Plan for the produce industry to adopt an effective whole chain traceability program by incorporating the use of common standards to serve as the linkage between internal traceability programs.
- Intended to work with established standards, not to create new.

## JANUARY 9<sup>TH</sup> MEETING

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- Consensus on 4 key points:
  - + “GS1” standard is to be used to achieve whole chain traceability
  - + Timeline is needed to move industry into action
  - + “Public Declaration” is needed by each company
  - + Start at the case level, with strong provision to move to item



## **FEBRUARY 22<sup>ND</sup> MEETING**

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- Buyers/Distributors/Sellers discussed challenges to incorporate standards:
  - + Must clearly define what industry must do
  - + Suppliers need firm commitment from buyers
  - + Need one case label standard
  - + Need consistency in strategy to assign case numbers (prevent SKU proliferation)

## **APRIL 11<sup>TH</sup> MEETING**

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- Defined what is being asked of industry
- Endorsed case coding/identification strategy
- Subgroup appointed to develop case label standard
- Obtained Buyer endorsements to commit to an Industry Action Plan.
  - + Suppliers also asked to endorse.
- Subgroup formed to do detailed analysis of impact
- Created alternative to scanning every inbound case
- Outreach to entire affected produce supply chain

## **JUNE 12<sup>TH</sup> MEETING TO OCCUR**

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- Will be held in Chicago
- Outreach to Canadian and US government agencies
- Will include other fresh food associations (meat, dairy/deli/bakery, pork, chicken, turkey, fish)
- Will establish timelines for each milestone
- Will create vehicle for public declaration

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## **The Standards Being Used**

## **WHY THE USE OF STANDARDS?**

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- Enables use by entire global supply chain
- Prevents misinterpretation and errors
- Avoids duplication
- Ensures consistency
- Ensures completeness
- Eliminates cross-references
- Allows for efficient and quick identification
- Needed for supply chain technologies

## **THE GS1 STANDARDS**

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- Used in 108 countries world-wide, by more than 2 million companies in over 25 different industries.
- Has standards for:
  - + Product identification (e.g. UPC, GTIN)
  - + Asset identification (e.g. AIN)
  - + Location identification (e.g. GLN)

## THE GS1 STANDARDS

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- Already used by every retail operation using a UPC or EAN on packaged goods
- Created standard communication protocols for:
  - + Electronic Commerce (e.g. EDI)
  - + Automated Data Capture (e.g. Barcodes, RFID, DataBar)
  - + Data Synchronization



## TYPES OF STANDARDS

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- Data Standards
  - + Master Data = data that seldom change (product number, product description, buyer identifier, location identifier, etc.)
  - + Transactional Data = data that are unique for each transaction (ship date, lot number, quantity, etc.)
- Informational Standards = what pieces of information are mandatory vs optional (e.g. case ID, grower ID, product description, lot number, etc.)



## WHAT IS AVAILABLE TODAY?

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- Global Data Standards
  - + For identifying pallets, cases or items
  - + For identifying companies, locations, assets
- Informational Standards
  - + Best Practices/Implementation Guidelines
- Supply Chain tools that use GS1 Standards
  - + Barcodes
  - + RFID
  - + Electronic Commerce

## WHAT IS AVAILABLE TODAY?

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- Whole chain traceability based on one-step-up/one-step down
  - + Caution:
    - ✗ Not actively enforced
    - ✗ No current proactive means to verify compliance
- Vendor traceability solutions
  - + Caution:
    - ✗ Internal traceability = YES
    - ✗ External traceability = NO (unless each and every trading partner of yours uses the same vendor solution)

## **BASIC PRINCIPLES AVAILABLE TODAY**

- Unique identification of products
- Capturing and recording traceability data
- Sharing traceability data between trading partners
- Linking in-bound product through packing or repacking to new out-bound product

## **A CASE FOR GLOBAL STANDARDS**

- Value of Canadian Annual Domestic production:
  - + \$1,631,363,915
- Value of Canadian Annual Exports:
  - + \$1,187,801,019
- Value of Canadian Annual Imports:
  - + \$4,071,108,806

**Incorporation of global standards are needed to prevent risk to domestic supply chain.**

\* According to Statistics Canada

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**What is being asked of industry?**

### **CONFUSION ON DEFINITIONS**

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- Internal Traceability = confidential or proprietary data and processes companies use within their own span of operations to track/trace product.
- External Traceability = the data exchange and business processes that take place between trading partners to track/trace product.
- Whole Chain Traceability = Internal + External traceability.

## **WHAT IS BEING ASKED OF INDUSTRY**

- Brand owners must obtain their GS1-issued Company Prefix
- Brand Owners must assign 14-digit GTINs to all case configurations. It is highly recommended that companies use the GTIN Assignment Strategy as a guide to allow for consistency.
- Brand Owners must provide and maintain their GTINs (and corresponding data) to their buyers.
- All parties must have the systems to capture and store GTINs and subsequent information.

## **WHAT IS BEING ASKED OF INDUSTRY**

- Those packing the product are responsible for providing human-readable information on each case (GTIN, LOT # and Pack/Harvest Date (OPTIONAL if already embedded in Lot #)).
- Those packing the product are responsible for encoding the GTIN, the Lot #, and the Pack/Harvest date (OPTIONAL if already embedded in Lot #) in a GS1-128 barcode and human readable using a standard case label.
- Each handler of the CASE must read and store the following information one-step-up and one-step-down

## MANDATORY DATA REQUIREMENTS

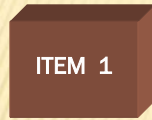
MANDATORY DATA ELEMENTS – CPMA/PMA Traceability Guide to Implementation (V.2)
Buyer/Receiver ID
Lot Number
Product Description
Product ID
Quantity
Unit of Measure
Shipment Id
Vendor/Supplier/Sender ID
Date of Receipt
Ship From Location ID
Ship to Location ID
Shipment Date

## FORMAT OF GS1 STANDARDS

- All GS1 numbers essentially have 3 parts:
  - + **Company Prefix** = a number assigned and managed by GS1 that uniquely identifies a company from any other company across the globe.
  - + **Reference Number** = assigned by the owner of the Company Prefix to identify what is being numbered (e.g. a pallet, a case, an item, a location, etc.)
  - + **Check Digit** = an algorithm that serves as a “checks and balances” to ensure preceding digits were entered correctly.

NOTE: All three parts must not be separated in order to maintain uniqueness

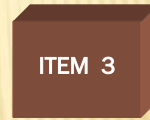
## ITEM (UPC) ASSIGNMENT



533925 000016



533925000023

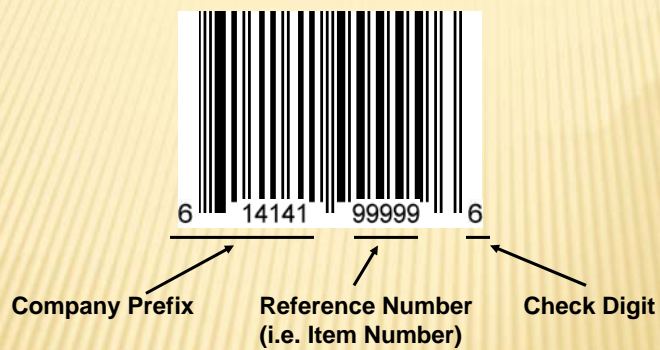


533925000039

	COMPANY PREFIX	REFERENCE #	CHECK DIGIT
ITEM 1	533925	00001	6
ITEM 2	533925	00002	3
ITEM 3	533925	00003	9

NOTE: UPC (Universal Product Code)

## EXAMPLE OF A UPC (ITEM LEVEL)



## CASE (GTIN) ASSIGNMENT



10533925000016



10533925000023



10533925000039

	COMPANY PREFIX	REFERENCE #	CHECK DIGIT
CASE 1	10533925	00001	6
CASE 2	10533925	00002	3
CASE 3	10533925	00003	9

NOTE: GTIN (Global Trade Item Number)

## EXAMPLE OF A GTIN (CASE LEVEL)



0 0 6 1 4 1 4 1 9 9 9 9 6

Company Prefix      Reference Number  
(i.e. Case Number)      Check Digit

## LOCATION (GLN) ASSIGNMENT



5339250000016



533925 0000023



533925 0000039

	COMPANY PREFIX	REFERENCE #	CHECK DIGIT
LOCATION 1	533925	000001	6
LOCATION 2	533925	000002	3
LOCATION 3	533925	000003	9

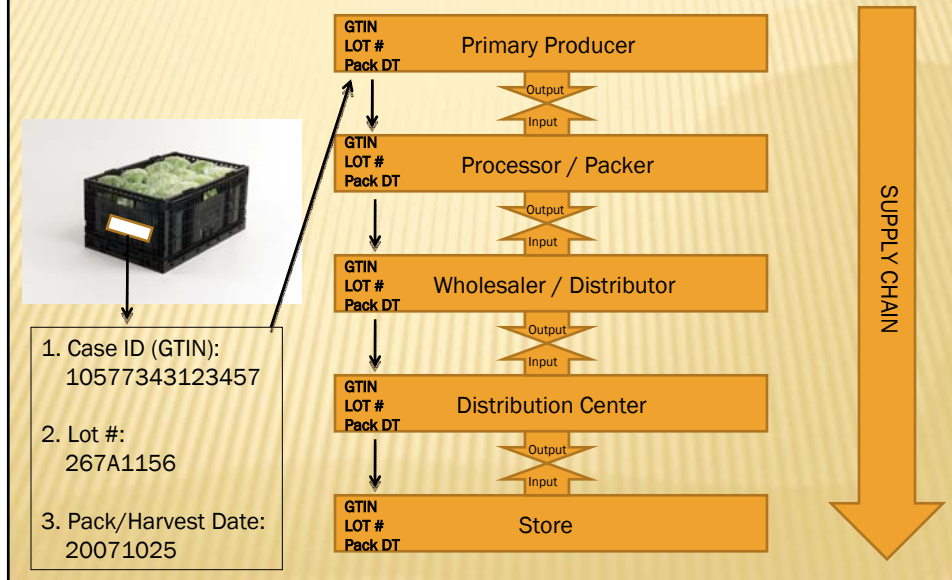
NOTE: GLN (Global Location Number)

## GLN (GLOBAL LOCATION NUMBERS)

- Can be:
  - + Companies
  - + Farms
  - + Distribution Centers
  - + Pack Houses
  - + Billing Offices
  - + Ship To
  - + Ship From
  - + Other.....



## BASIC PREMISE USING 1 STEP UP/DOWN



## IN SUMMARY...

- We've had the necessary tools for decades
- We simply need to stop talking and start executing
- Investments will need to be made
- Next meeting June 12
  - + Timelines for incorporation will be established

