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# A Path to Total Supply Chain Traceability:

## *Fresh Produce Case Study*

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Robert Guenther

Senior Vice President, Public Policy

United Fresh Produce Association

[rguenther@unitedfresh.org](mailto:rguenther@unitedfresh.org)

# The Need for Produce Traceability

- We cannot track and trace produce quickly and effectively today
  - Companies use multiple standards, making supply chain tracking difficult and tedious
  - Information being captured is inconsistent, leaving gaps in the traceability path
  - Tracing through paper records is not efficient
- Lack of traceability leaves all suppliers, wholesalers, retailers vulnerable in event of an outbreak

# THE NEED FOR ACTION

- In 2007 – 2008 Over 900 product recalled
  - Peanuts (Salmonella) 8 dead, 500 ill
  - Tomatoes (Salmonella) 1400+ illnesses
  - Cantaloupe (Salmonella) 51 illnesses
  - 124 million lbs Ground Beef
  - 90 SKUs Related to Botulism
  - 3 people dead, 200 sick (26 states)-bagged Spinach
  - 52 reports of Salmonella from a veggie snack
  - Tomatoes (then Peppers)

# THE NEED FOR ACTION

- FDA continued to publically make statements that “produce is hard to trace”
- Media reports related to high profile produce outbreaks related to traceability
- Government Regulators taking broad action to hold entire categories of produce accountable because of traceability problems
- Investigations were taking weeks (and sometimes months) before any definitive conclusion by FDA

# The Benefit of Traceability

- Quicker tracing of potential problems may reduce illness
- Narrowing outbreak investigations brings definite \$\$\$ savings to supply chain
  - Minimizes product affected – entire brand or commodity vs. one production run or lot
  - Minimizes time frame of concern, market disruption
- Minimizes effect on consumer confidence

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# Benefits of Whole Chain Traceability

- Common language, standards reduces redundancies
- Facilitated trace-backs in the event of a recall
- Enhanced supplier performance evaluations
- Enhanced inventory control

# Produce Traceability Initiative

- Sponsored by United Fresh, PMA, CPMA
- Steering Committee Established Q1 2008
- Steering committee of 41 companies
  - 9 foodservice; 13 retail; 19 produce companies
- Allied trade associations providing input
  - NGA, FMI, CCGD, NRA, IFDA
- Commitment to action
  - Strong sense of urgency

# Produce Traceability Initiative

September 2, 2009

To: Produce Suppliers

The purpose of this letter is to update the produce supplier community of our collective support and endorsement of the Produce Traceability Initiative (PTI).

As key trading partners within the produce industry, our expectation is that you, our valued suppliers, adhere to the milestones and timelines of the PTI. We, ourselves, are committed to these same timelines and milestones and are not able to achieve them without your conformance and active participation. The management of our companies has committed to make the investment and have their full support as we move forward together. We look forward to a comprehensive, standardized case level traceability system to be fully implemented.

Those suppliers that do not conform and provide the necessary information required by the milestones of the PTI will ultimately put us and our consumers at risk. Achieving whole-chain traceability and enabling the FDA to rapidly identify, isolate and remove tainted product from the supply chain is a shared responsibility of both industry and government. We take this responsibility very seriously as buyers, and strongly urge and expect you to do the same. We understand the costs involved in this, as we too have changes and major investments to make. However, this underscores the importance of the need to do this now, rather than waiting for the government to tell us how to do this tomorrow. Demonstrating cohesive industry leadership to our elected officials and the FDA regarding whole chain produce traceability is paramount.

**The first three of seven milestones are already upon us:**

Milestone #1: Obtain your GS1-issued Company Prefix (Complete By: 1<sup>st</sup> qtr 2009)

Milestone #2: Assign GTINs to your case configurations (Complete By: 1<sup>st</sup> qtr 2009)

Milestone #3: Communicate GTINs to your trading partners (Complete By: 3<sup>rd</sup> qtr 2009)

The balance of the milestones and timelines part of the PTI can be found on the official PTI website at [www.produceTraceability.org](http://www.produceTraceability.org). If you have any questions, please contact your trade association representative at PMA, UFPA or CPMA.

Let us work together as an industry to learn from the challenges of the past and address full chain produce traceability as we move forward to maintain consumer confidence and expand fresh produce consumption.

Yours in Produce





# Mission

- Create a framework for total produce supply chain traceability that can be embraced and implemented by industry
  - Incorporate the use of common standards
  - Drive consistency across the industry (think of common PLU coding)
  - Agree on an action plan and timeline
  - Provide motivation, education and support for industry adoption

# Produce Traceability Initiative Goals

- To provide guidance and enable produce whole chain traceability by 2012
- Whole Chain Traceability = Internal + External traceability
  - 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.

# Committee Recommendations

- Adopt GS1 standards – all companies
  - External vs. internal traceability
- Brand owners assign 14 digit GTINs (*Global Trade Item Number*) to all case configurations
- Packers (repackers) print GTINs, lot number, pack/harvest date on all cases
  - Both GS1-128 barcode and human readable
- All GTIN data must be captured and stored through outbound to final store

# WHY THE GS1 STANDARDS

- Used in 145 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)
- Already used by every retail operation using a UPC on packaged goods

# Basic Principles of Traceability

- Unique identification of products (cases) from the farm (first packer)
- If product is repacked, linkage of incoming case code to new outgoing code
- Capturing and storing of data along the supply chain
- Final tracking outbound from DC to retail store, restaurant

# PTI PROCESS

- Steering Committee
  - Consensus on creating standard platform
- Create Sub-Groups
  - Communication
  - Buyer
  - Case Label
  - Pallet Label
  - Repacking
  - Supplier
  - Synchronization

# WHAT IS BEING ASKED OF INDUSTRY

1. Brand owners obtain a GS1-issued Company Prefix and assign 14-digit GTINs to all case configurations. Complete by: **1Q 2009**
2. Brand Owners provide (and maintain) GTINs and corresponding data to their buyers. Complete by: **3Q 2009**
3. Case packers provide GTIN and Lot # on each case in human-readable and GS1-128 barcode formats. Complete by: **3Q 2010**
4. Each touch point in the supply chain reads and stores the GTIN and Lot # of INBOUND cases. Complete in: **2011**
5. Each touch point in the supply chain reads and stores the GTIN and Lot # of OUTBOUND cases. Complete in: **2012**

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# GOVERNMENT REACTION

- PTI shared with FDA Associate Commissioners
  - Positive reception of produce industry efforts
  - Positive reception of PTI direction, milestones
- Subgroup being formed to include FDA
  - Ensure that PTI meets FDA needs in event of product traceback



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# Industry Challenges

- Reasons those on the supply side who are not working toward implementation:
  - Unexpected complexity and costs
  - Not aware of the PTI or lack of information
  - Inconsistent adoption across the industry
  - Widely held views on what's needed
  - Government's role is very confusing
  - Implementation problems/barriers
  - Commitment from customer side

# Moving Forward

- Many industry members are making solid, concrete steps toward whole-chain traceability
- Need for greater stakeholder involvement across the industry
- Need for clearer understanding of the most cost-effective strategies for addressing each milestone
- PTI needs to be aligned with other fresh food initiatives if retail commitment expected
- PTI/Fresh Foods need to be aligned with Foodservice GS1 Standards Initiative, and learn from that effort

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# Education

- Implementation methods
- Understanding tangible benefits of implementation.
- Help foster a consistent set of expectations among all stakeholders
- Create a discussion forum for the industry to discuss what is working and what needs to be improved upon

# The End Game

- Future produce outbreaks
  - We can track product from retail to farm immediately through computer records
  - Retailers know immediately if they have implicated product, and can remove
  - Consumers know immediately that potentially dangerous product was removed, and can easily choose other safe produce
  - Produce suppliers, wholesalers and retailers who aren't implicated are unaffected
  - Produce consumption continues to grow

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**THANK YOU!**

**QUESTIONS?**

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