Produce Traceability Initiative

Traceability 2012 - Getting From Here to There

Idaho Grower Shipper Association

IPC Marketing Committee Meeting

September 2, 2009

Sun Valley, Idaho

Dan Vaché
Vice President, Supply Chain Management
United Fresh Produce Association
dvache@unitedfresh.org
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United Fresh
PRODUCE ASSOCIATION

AGENDA

The need for traceability

The Produce Traceability Initiative

What PTI is about

What the PTI is not about

The standards being used

What is being asked of industry

The Need for Traceability

March 2009 – Dept of Health & Human Services Report

Able to trace fully only 5 of 40 foods up and down the chain

Records not detailed enough

77% could identify originating facilities

4 items they were unable to identify facilities

70 of 118 food facilities did NOT meet FDA record keeping requirements

FDA consider seeking stronger legal powers

H.R. 2749: Food Safety Enhancement Act of 2009

Passed to Senate, July 30, 2009.

H.R.2749 - Food Safety Enhancement Act

This bill <u>proposes</u> greater FDA regulatory powers over the national food supply and food providers, namely granting it the authority to:

• regulate how crops are raised and harvested
• to quarantine a geographic area,
• to make warrantless searches of business records, and
• <u>to establish a national food tracing system.</u>
• Concurrently, the bill would impose annual registration fees of $500 on all facilities holding, processing, or manufacturing food and require that such facilities also engaged in the transport or packing of food maintain pedigrees of the origin and previous distribution history of the food. Source:http://www.opencongress.org/bill/111-h2749/show

IGSA

United Fresh
PRODUCE ASSOCIATION

The Produce Traceability Initiative

Sponsored by United Fresh Produce Association, CPMA and PMA

- Steering Committee comprised of 54 organizations including:
- Foodservice and Retailers
- Distributors, Terminal Markets, Brokers, and Processors
- Growers/Packers/Shippers
- Supply chain Trade Associations
- Met five times, January - August 2008

Initiative Mission

- 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.

Initiative Goals

To provide guidance and enable produce <u>whole chain</u> traceability by 2012

Whole Chain Traceability = Internal + External traceability

Initiative Goals

- <u>Internal Traceability</u> = confidential or proprietary data and processes companies use within their own span of operations to track/trace product.

- <u>External Traceability</u> = the data exchange and business processes that take place between trading partners to track/trace product.

The Produce Traceability Initiative
Steering Committee

- Defined what is being asked of industry
- Obtained Buyer endorsements to commit to an Industry Action Plan
- Suppliers also asked to endorse
- Buyers/Distributors/Sellers discussed challenges to incorporate standards
- Must clearly define what industry must do
- Suppliers need firm commitment from buyers

The Produce Traceability Initiative
Steering Committee

- Endorsed case coding/identification strategy
- Need one case label standard
- Need consistency in strategy to assign case numbers (prevent SKU proliferation)
- Established seven specific milestones
- Established timelines for each milestone
- Agreed on creating vehicle for public declaration
  - www.producetraceability.org

PTI PROCESS

Created Sub-Groups

- Communication
- Buyer
- Case Label
- Pallet Label
- Repacking
- Supplier
- Synchronization

What PTI is about

- Use of GS1 standards

- CASE level

- Data Synchronization

- Reading AND storing case information

- Farm to Store

- Bio Terrorism Act of 2002
  - One step up, one step down

What the PTI is not about

- Not about ITEM level

- Not about DataBar

- Not about serialization

- Not about a central repository

- Not about "farm TO FORK"

- Not about scanning at each store

The Standards Being Used

- GS1 Standards
- Used in 108 countries world-wide, by more than a million companies in over 25 different industries.
- There are more than six billion transactions a day using GS1 System of Standards.

- GS1 has standards for:
  - Product identification (e.g. UPC, GTIN)
  - Asset identification (e.g. AIN)
  - Location identification (e.g. GLN)

What is being asked of industry?

Brand owners <u>obtain</u> a GS1-issued Company Prefix <u>and</u> <u>Assign</u> 14-digit GTINs to all case configurations. Complete by**: 1Q 2009**

Brand Owners provide (and maintain) GTINs <u>and</u> corresponding data to their buyers. Complete by**: 3Q 2009**

What is being asked of industry?

Case packers provide GTIN and Lot # on each case in human-readable <u>and</u> GS1-128 barcode formats. Complete by: **3Q 2010**

Each touch point in the supply chain reads <u>and</u> stores the GTIN Lot # of INBOUND cases. Complete in: **2011**

Each touch point in the supply chain reads <u>and</u> stores the GTIN and Lot # of OUTBOUND cases. Complete in: **2012**

Best Practices

- Best Practices on Pallet Labeling
- Best Practices for Repacking/Comingling
- Best Practices for GTIN Assignment Strategy
- Best Practices for Formatting Case Labels
- Best Practices for Internal Substitutions
- Best Practices for External Substitutions
- Best Practices for Data Synchronization
- Best Practices for Cross Docking/Load Only
- Best Practices for Private Label/Brand
  - www.producetraceability.org

Food and Drug Administration

- Met July 8, 2009 College Park, MD
- Issues with all food segments
- Presented the PTI process and 7 Milestones
- FDA liked the framework of the PTI
- We asked FDA to identify gaps in the PTI
- Currently
  - Challenges with weak document control at store and restaurant level
  - Time line not fast enough
  - Difficult to measure industry progress

Food and Drug Administration

- Case information is strong

- PTI is a template for other market segments
  - Meat/poultry
  - Dairy/Deli

- Continue to communicate with the FDA

- PTI Webcast with the FDA hosted by <u>THE PACKER</u>, October 6, 2009.

Conclusions

- Supply chain traceability is not inexpensive
- Supplier costs to label every case
- Wholesale/retail distributor costs to scan and record case movement
- But must become a cost of doing business
- Adoption will be phased in through the marketplace
- Retail leadership is paramount
- Food Safety Enhancement Act of 2009

The End Game

- Future produce outbreaks will occur
- We can track product from retail to farm immediately through <u>computer records</u>
- Retailers know immediately if they have implicated product and can remove it
- Consumers know immediately that potentially dangerous product was removed, and can easily choose other safe produce

The End Game
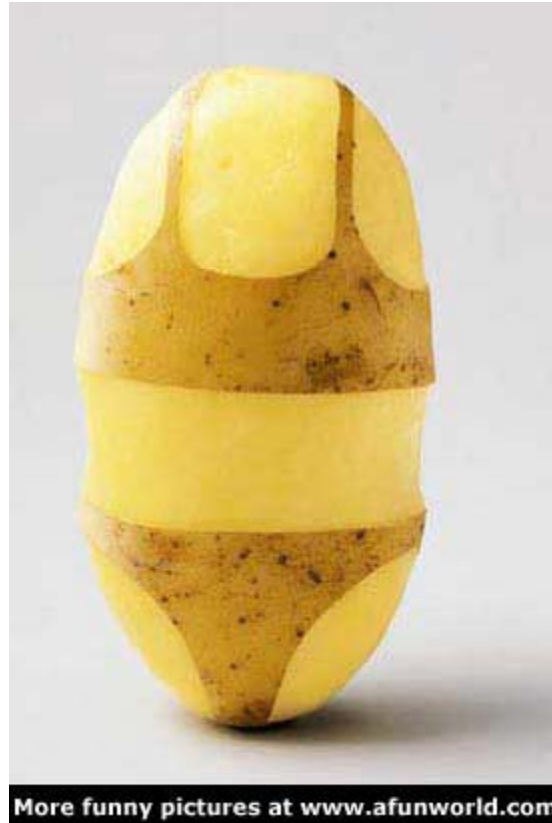
- Produce suppliers, wholesalers and retailers who aren't implicated are unaffected

- Produce consumption continues to grow

The PTI can be a hot potato!

More funny pictures at www.afunworld.com

Questions?

THANK YOU!

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