

## Produce Traceability: *Needs and Solutions*

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Vice President – Supply Chain Management  
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## UFPA Organizational History

- UFPA result of long history of service to industry, merger of those with shared goals
  - Formed by 16 produce wholesalers in Chicago in 1904 as Western Fruit Jobbers Association
  - United Fresh Fruit & Vegetable Association name in 1937 merger of WFJA and American Fruit and Vegetable Shippers Association
  - 1952 merger with National League of Wholesale Commission Merchants
  - 2006 merger of UFFVA and IFPA



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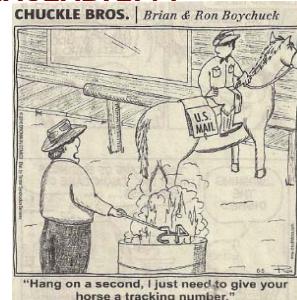
## Traditional Principles

- Legislative, regulatory representation
  - First Congressional visit in 1905
  - Wrote the PACA in 1930s
  - Moved office to Washington, DC 1942
- Commitment to grow sales, consumption, profitability of industry
  - Training, education, networking, conventions
- Scientific and technical support



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## TRACEABILITY



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## Produce Traceability Initiative

- Agenda
  - Who?
  - What?
  - When?
  - Where?
  - Why?



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## 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



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### Government Traceability Assessment

- March 2009 – Dept of Health & Human Services
  - 4 items they were unable to identify facilities
  - 70 of 118 food facilities did NOT meet FDA record keeping requirements
  - ¼ of company managers unaware of requirements
  - FDA consider seeking stronger legal powers



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### Government Traceability Assessment

- March 2009 – Dept of Health & Human Services Continued
  - Able to trace fully only 5 of 40 foods up and down
  - Records not detailed enough
  - Only able to trace 12.5% of items
  - 31 of 40 could identify facilities
  - 4 items they were unable to identify facilities



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### Ben Chapman



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### 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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### Produce Traceability Initiative

- Sponsored by United Fresh, PMA, CPMA and GS1 US
- Steering committee of 41 companies
  - 9 foodservice; 13 retail; 19 produce
- Allied trade associations providing input
  - NGA, FMI, CCGD, NRA, IFDA
- Review Meeting February 19, 2010
  - Restructure with Leadership Council
  - Provide more opportunity for engagement



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### 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 48x40 pallets, common PLU coding)
  - Agree on an action plan and timeline
  - Provide motivation, education and support for industry adoption



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### Initiative Goals

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



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### Initiative Goals

- 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.



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### Committee Recommendations

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



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### 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



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### What is being asked of the industry?

- ✓ Brand owners obtain a GS1-issued Company Prefix and assign 14-digit GTINs to all case configurations. Complete by: **1Q 2009**
- ✓ Brand Owners provide (and maintain) GTINs and corresponding data to their buyers. Complete by: **3Q 2009**



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### What is being asked of the industry?

- ✓ Case packers provide GTIN and Lot # on each case in human-readable and GS1-128 barcode formats. Complete by: **2011**
- ✓ Each touch point in the supply chain reads and stores the GTIN and Lot # of INBOUND cases. Complete in: **2011**
- ✓ Each touch point in the supply chain reads and stores the GTIN and Lot # of OUTBOUND cases. Complete in: **2012**



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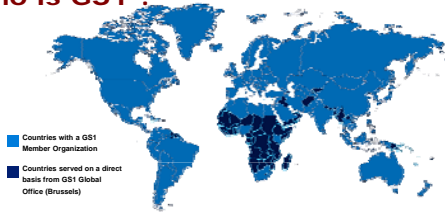
## GS1 US & the GS1 Standards

Angela Fernandez  
 Director, Strategic Partnerships  
 GS1 US

### Who is GS1 US?

- Pioneered the U.P.C. barcode – the foundation for today’s global GS1 standards
- Neutral, not-for-profit, user-driven, organization serving more than 200,000 member companies
- Supports over 20 major sectors including consumer goods, foodservice, healthcare and retail industries
- US-based Member Organization of GS1
- Backing more than 5 billion U.P.C. scans every day

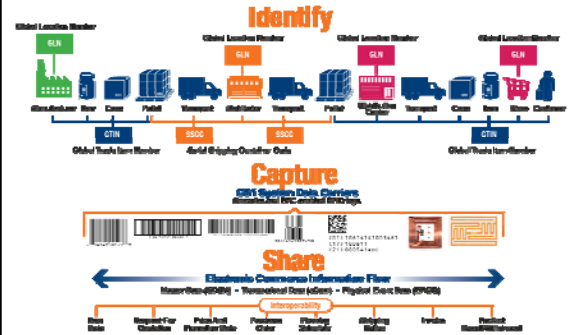
### Who is GS1?



- 108 country-based Member Organizations
- Over one million companies doing business across 150 countries
- Operates in multiple sectors and industries
- Over 20 represented sectors ranging from consumer packaged goods to healthcare, transport, defense, aerospace...
- Manages the GS1 System of standards

### GS1 System of Standards

Enabling you to identify, capture and share value chain information globally



### The Foundation: GS1 Company Prefix

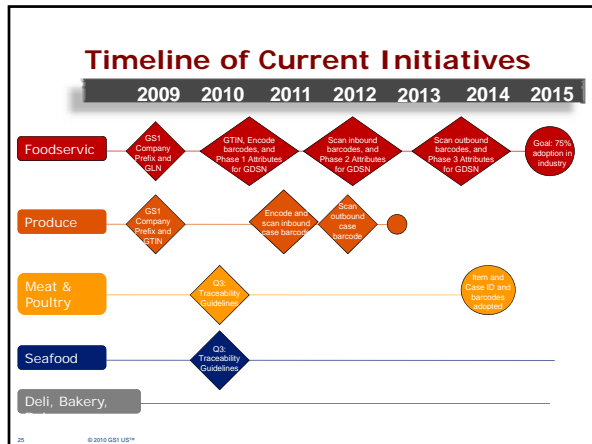


- Assigned to the Brand Owner
- Used to create globally-unique identification numbers for:
  - Products (GTIN)
  - Inner Packs, Cases, and Pallets (GTIN)
  - Locations (GLN)
  - Assets
  - Services



### Using GS1 Standards for Traceability Helps to

- **Ensure** interoperability within and across organizations, and across borders
- **Eliminate** trade barriers associated with product identification
- **Reduce** production and supply chain costs
- **Reduce** the risk associated with the adoption of new systems
- **Ensure** longevity of investments
- ...and more



### Contact Information

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Connect with the GS1 US community on

[LinkedIn](#) [Twitter](#) [YouTube](#)

### Where is the industry headed 2010?

- 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

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### 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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### Conclusions

- Supply chain traceability is not cheap
  - 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
  - Unless government imposes a "solution"

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**FOR MORE INFORMATION:  
[www.producetraceability.org](http://www.producetraceability.org)**



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## The Legislative Front

- **House Food Safety Bill (H.R. 2749) – Passed July 2009**
- Now in the Senate
  - Unclear when Senate will tackle food safety
  - Tax Extenders
  - War Supplemental Bill
  - Dept. of Defense Reauthorization Bill
  - Supreme Court nomination of Elena Kagan
    - Summer Break August 9- Sept. 10
    - Lame Duck Session balance of 2010



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## The Legislative Front

- Key Components to Address in Senate include:
  - Registration fees need to be targeted to specific FDA activities related to food safety
  - Developing in law “categories of risk” is dangerous with trading allies and consumer confidence
  - Eliminate Finished Produce Testing Provision
  - Create stronger outbreak management structure within FDA and throughout government
  - Geographic Quarantine provision is overkill



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## QUESTIONS?

THANK YOU!

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