Produce Traceability Initiative Action Plan

Introduction

This Action Plan has been prepared by industry leaders as part of the Produce Traceability Initiative launched by the Produce Marketing Association, Canadian Produce Marketing Association and the United Fresh Produce Association in October 2007. This initiative is designed to help the industry maximize the effectiveness of current traceback procedures, while developing a standardized industry approach to enhance the speed and efficiency of traceability systems for the future.

A Steering Committee representing every segment of the produce supply chain from farm to store and restaurant, as well as involvement from nine U.S. and Canadian trade associations, has met five times in person since January 2008 and devoted numerous additional hours in collaborative discussions and sub-groups. These recommendations represent the consensus of that committee. A list of organizations endorsing this Action Plan can be found at this link, http://www.producetraceability.org/endorse_pti/index.cfm.

Traceability in Produce Today

The produce industry handles an estimated 6 billion cases of produce in the United States each year. Most produce can be tracked from company to company through the supply chain, provided companies comply with the one step forward and one step back requirements of the U.S. Bioterrorism Act of 2002. In addition, since 1930 U.S. produce companies have been required to retain records under the U.S. Perishable Agricultural Commodities Act to provide a trail of accounting between buyers and sellers. These records allow product to be traced between buyers and sellers today, and many companies throughout the supply chain have the ability to quickly track produce from the store all the way back to the farm.

However, industry leaders have recognized that a more systematic industry-wide approach could enhance overall supply chain traceability in speed and efficiency. A total supply chain system, standardized across the industry, could significantly enhance our ability to narrow the impact of potential recalls or similar problems, protecting both consumers and industry members. Therefore, the Produce Traceability Initiative was launched to build better transparency, a common framework and nomenclature to identify produce cases, and streamlined connectivity across the supply chain.

Recommendations to the Industry

The Produce Traceability Initiative recommends that all companies involved in marketing produce within the U.S. market adopt this common standardized approach to identify produce cases, allowing for streamlined marking and consistent identification for each case of produce, scanning and collection of case data by all buyers, receivers and

handlers, and electronic storage of such information to allow for timely and efficient recovery in the event of tracebacks or recalls. This includes all companies operating within the U.S. market and those exporting to the United States. Implementing this standardized systems approach across the entire industry will require a multi-year transition effort, at an investment of hundreds of millions of dollars.

The Steering Committee has endorsed an industrywide commitment to case identification based on GS1 standards for the effective management and control of supply chains. GS1 is a global standards organization with affiliates representing 145 countries worldwide in over 25 different industries with a membership in excess of 2 million.

The GS1 System provides standard protocols that help uniquely identify trade items (products and services), logistic units, locations, assets, and service relations worldwide. The Steering Committee recommends that the produce industry universally adopt the use of the GS1 Global Trade Item Number (GTIN). This number is analogous to the UPC used at the item level. What the UPC does for item level identification, the GTIN does for case level identification. Both numbering protocols are managed by GS1. The systematic use of GTIN identification numbers at the case level will enhance total produce supply chain traceability by allowing direct standardized interaction between differing internal coding systems that are unique to each company.

Action Plan

The Produce Traceability Initiative sponsored by the three associations will provide industry members with extensive education, outreach and guidance on implementing these recommendations over the next several years. The Action Plan below provides only an outline of key steps and milestones recommended. Comprehensive background information on each of these steps and the addition of best practices to assist the industry on accomplishing these milestones will be provided to the industry apart from this document.

Milestone #1

Obtain Company Prefix **Complete by Q1 2009**

At the heart of the GS1 numbering system is the requirement that each “brand owner” obtain a unique GS1-issued company prefix, which allows for unique identification of products from that company. This company prefix will then become part of all GTINs assigned to cases of produce from that company, and immediately serve to identify the “brand owner” of that product throughout the supply chain. Companies that repack produce into a new container or alter the case configuration or makeup of the product inside in any way, will become the new “brand owner” and thus will also need to obtain their own unique company prefix.

Milestone #2
Assign GTIN Numbers **Complete by Q1 2009**
Brand owners must then assign specific 14-digit GTIN numbers to all of their various case configurations based on the combination of their company prefix and a reference number. This reference number represents various attributes of the case and of the produce inside the case. It is highly recommended that companies use the GTIN Assignment Strategy provided by the associations as a guide to allow for consistency across the industry. The *Best Practices for GTIN Assignment Strategy* can be found under Best Practices on the following web page, http://www.producetraceability.org/resources_tools/index.cfm.

Milestone #3
Provide GTIN Information to Buyers **Complete by Q3 2009**
After determining the GTINs of their own case configurations, brand owners must then communicate this information and corresponding data to their buyers. This is necessary so that the buyer can understand the information represented by the GTIN once the number is scanned at the receiver location. For additional information, please refer to Milestone #3 at http://www.producetraceability.org/index.cfm.

Milestone #4
Show Human Readable Information on Case **Complete in 2011**
At this milestone, all of those packing the product should be ready to print or affix human readable information specifying the GTIN and lot number on every case of produce shipped. The GTIN and lot number should be shown together on at least one side of the carton in order that buyers and receivers can quickly read the information. The *Best Practices for Formatting Standard Case Labels* can be found under Best Practices on the following web page, http://www.producetraceability.org/resources_tools/index.cfm.

Milestone #5
Encode Information in a Barcode on Case **Complete in 2011**
Concurrently, those packing the product should be ready to encode the GTIN and lot number in a GS1-128 barcode, which can be accurately scanned and recorded by buyers and receivers. Refer to *Best Practices for Formatting Standard Case Labels* for additional information. The human readable information should be shown directly below or above the barcode.

Milestone #6
Read and Store Information on Inbound Cases **Complete in 2011**
All buyers, receivers and subsequent handlers of cases should have systems in place to read barcodes and electronically store the GTIN and lot number from each case of produce received. This will provide readily accessible information on all produce received into each handler's inventory throughout the supply chain, allowing companies to quickly track product within their own control by GTINs and lot numbers. For solutions that address scanning every inbound case, refer to *Best Practices on Pallet Labeling*

under Best Practices on the following web page, http://www.producetraceability.org/resources_tools/index.cfm.

Milestone #7
Read and Store Information on Outbound Cases Complete in 2012
All buyers, receivers and subsequent handlers of cases should have systems in place to read and store the GTIN and lot number for all outbound cases of produce. This final step provides complete information on when the product left your facility, thus completing electronic connectivity of case data across the total supply chain. A document named *Best Practices for Outbound Scanning* is being produced and will be located on the PTI website.

Industry Endorsement

The recommendations made here by the Produce Traceability Initiative Steering Committee are not presented lightly. This is a comprehensive program to standardize industry traceability practices throughout the entire supply chain. Implementing these recommendations will require business process changes for all companies in the supply chain, with costs borne by all sectors. Some of these changes and costs may be significant, depending on each company's readiness to adapt. Yet, both the Steering Committee and association leaders believe this is a critical step forward to enhance total supply chain traceability to better serve our customers, to expedite tracebacks and recalls, and more narrowly isolate potential recalls or other problems when they do occur.

This effort will require the leadership commitment of companies in every segment of the business, and support from government and trade associations to educate and assist the industry in implementing these systems. That commitment begins with the list of companies found at http://www.producetraceability.org/endorse_pti/index.cfm that endorse this Action Plan and intend to work to implement these programs according to the specific milestones and timeline presented.