



Tracking with Traceability

Speedy response, definitive answers and reducing collateral damage are all potential benefits of case-level traceability.

October 9, 2009

By Jody Shee

A produce recall is an ugly beast.

Weeks, months or even years can pass between the time an item is implicated and the time it safely returns to shelves and to consumers' shopping baskets.

A recall could be a tamer animal once all seven milestones of the Produce Traceability Initiative (PTI) are completed in 2010. Instead of months and boxes of paperwork to rifle through, the FDA could pore through computerized data in a matter of days.

Better still, entire commodities likely won't be demonized as we saw last summer with the *Salmonella Saintpaul* outbreak first attributed to tomatoes and later linked to peppers. Instead, specific lots would be calmly removed from the appropriate shelves and replaced with the same commodity from a different lot, batch or supplier.

That's one of the many beauties Dave Corsi anticipates when all the PTI pieces are in place. He is vice president of produce for Wegmans Food Markets, Rochester, N.Y.

"We would minimize and narrow the scope of a recall, and it would expedite the return of product to the shelf," he says. "It limits the financial impact because you are removing less of the item."

PTI supporters want to ensure they continue to build consumer confidence and trust, and implementing appropriate systems and processes to strengthen the food supply chain are vital to that effort, says Cathy Green, chief operating officer for Food Lion LLC, Salisbury, S.C. She chaired the PTI Steering Committee throughout 2008.

At this point in the three-year timeline of the PTI Action Plan (see www.producetraceability.org), suppliers should have contacted global standards organization GS1 to obtain a company prefix number to make up the Global Trade Item Number (GTIN), which, along with lot/batch numbers, is central to the traceability initiative.

Challenges to address

Corsi says he applauds the industry for rallying behind a solution to traceability.

But it's not a done deal, and looming issues could unravel the plan. Some grower-shippers say they don't want to invest unnecessarily in an initiative if buyers may not support them for it, and they're concerned about competing with local growers who may not be required to complete the same costly requirements. And the initiative addresses only cases and pallets, stopping short of item-level traceability.

On the other hand, there's the government. The FDA is poised to hand down a produce traceability mandate, and then there won't be a choice. "The industry has been proactive in its efforts and has a strong lobbying and consultative

relationship within the FDA," says Jane Proctor, director of industry technology and standardization for the Canadian Produce Marketing Association, Ontario. "All those meetings and dialog will ensure that as traceability becomes regulatory, PTI will be very well-positioned to meet those requirements. The produce industry is way out ahead in this one."

CPMA, the Produce Marketing Association, Newark, Del., and the United Fresh Produce Association, Washington, D.C., initiated the PTI last year. All segments of the produce supply chain, including growers, retailers, producers, distributors and institutional businesses, joined to help develop the initiative, Green says.

Bruce Peterson of Peterson Insights Inc., Bentonville, Ark., long has beat the drum for a traceability plan with a common nomenclature. The former Wal-Mart Stores Inc. senior vice president, perishable food division, says he thinks it would be a positive thing if the government stepped in and issued a mandate.

"Traceability shouldn't be an option. I think there has to be recognition that there's an implementation period and that it's not free. But it can't be an option, because the industry is only as good as its weakest link," Peterson says.

At the retail level, stores are still working through roadblocks to implementing PTI. Wegmans conducted a successful test with one of its suppliers on inbound product, Corsi says. He found that the 73-store chain's distribution center system and equipment successfully read and stored the codes on inbound pallet tags. But the time and effort required to scan all the codes on the individual cases outbound to the stores from the distribution center remains a challenge.

"I don't believe today's systems and environment will provide an easy transition for outbound boxes," he says, adding that there needs to be more discovery and technology before the data can be efficiently captured. But Wegmans is on board with PTI and is moving forward, he says.

Other retailers that have publically endorsed PTI include Wal-Mart, Supervalu, Safeway and Kroger.

Supplier concerns

Among suppliers taking a wait-and-see approach to PTI is strawberry shipper California Giant Berry Farms, Watsonville. The company has yet to get a GS1-issued company prefix number.

"I think we have a long way to go to get every interested party on the same page. There seems to be confusion in the marketplace about what PTI is and what the expense and buy-in might be," says Cindy Jewell, director of marketing. The company is leaning on the California Strawberry Commission, Watsonville, to help determine if item-level or case-level identification is best, where the demand is coming from and whether PTI works.

California Giant has had PTI discussions with retailers. "They understand, too, it's a big project to take on for them as well," Jewell says. "No one is entering this lightly... Everyone has to get on board to make it work. ... Who's going first? Other suppliers?" She notes that the grower is the one that usually bears the expense for new programs and initiatives, so they want assurance that it's going to work.

Corsi with Wegmans understands those concerns. "What we've done, and what others have done, is communicated, via a formal letter, to support PTI to our suppliers who are asking for our support. We've reassured the supply side, asking for their support of the initiative, and we will be there for them once it's established," Corsi says.

Robert Verloop, senior vice president of sales and marketing for Naturipe Farms, Naples, Fla., also supports the idea of a common standard that the entire industry can use to exchange information. "However, there are hidden costs that will have to be supported in the value chain—all the way to the consumer," he says.

Local growers

Besides the cost of implementation, Verloop also worries that buyers might select locally grown product because it's the "marketing buzz of the day" over that which has complied with PTI.

"Locally grown product will have to be held to the same trace-back standards in order for the full value of the PTI to be realized," he says.

Peterson gives pause to that concern as well. "If I'm a year-round supplier and you make me go to this expense (of PTI compliance), but for five weeks I go in and see you bought from a local guy that hasn't gone to the expense, that's a bad deal," he says.

The leaders of the PTI effort take the position that the rules must apply to small as well as large producers. "Otherwise you end up with holes in the safety net," says Julia Stewart, PMA's public relations director.

PTI subcommittees are focusing on ways to address and help the locally grown segment, Green says.

As the PTI comes further along, Corsi plans to require "human-readable" lot numbers on cases from local growers to help stores do trace backs on local product. But he notes that most local growers deal directly with a few stores, and their products don't go through the entire distribution chain, making their product much more contained if an issue arises. Those growers don't need the same level of sophistication. "We will communicate with local growers at a future date to supply human-readable lot numbers at the case level," he says.

Item level

The traceability requirements of the PTI end once produce leaves the distribution center. "It will be the job of the DC that ships to individual stores to capture outbound data," says Gary Fleming, PMA's vice president of industry technology and standards. "The only responsibility the individual store has is identifying to the FDA the distribution center. They do that via a purchase order." Some grower-shippers think that item-level traceability from the consumer's kitchen back to them is an important element missing in the plan.



HarvestMark, the food traceability provider from Redwood City, Calif.-based YottaMark, is working on an item-level solution that lets consumers use their smart phones to trace products they buy.

California Giant is testing an item-level coding program with HarvestMark, the food traceability solution from YottaMark, Redwood City, Calif. It uses a datamatrix code (dots rather than bar codes). Consumers can type the code number into their computer and go to the HarvestMark Web site where they see a California Giant Web page that talks about the product and the growers. The goal is to build brand loyalty, Jewell says.

The 3G iPhone can read the HarvestMark code, and by Christmas, the company anticipates launching a free iPhone application that will allow consumers to take a photo of the code to bring up the supplier's page on the HarvestMark site, says Elliot Grant, YottaMark's chief marketing officer.

But that item-level code number is not a part of the traceability initiative, as it is not a GTIN number with a lot or batch number that can be traced through the whole distribution system. (Separately, HarvestMark does offer a GS1-compliant pallet-level scan solution for trace backs and trace forwards for pallet cases.)

Though companies such as HarvestMark are working on item-level solutions, it's out of PTI's scope for several reasons, PMA's Fleming says.

First, the package with the code is thrown away. "To spend a lot of money to have something on an item that gets thrown away is tough," he says. Second, bulk produce, such as loose beans, radishes or parsley, can't handle a sticker. Even if codes could go on loose items, it could be too costly to implement.

Once the industry has mastered what is achievable at the case level, it will move ahead to item-level traceability, says Proctor with CPMA. The packaged value-added industry has already addressed the issue with code numbers on its packaging that often include company identification and lot numbers.