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**FOR MORE INFORMATION, CONTACT:**  
CPMA: Jane Proctor, [jproctor@cpma.ca](mailto:jproctor@cpma.ca), 613-226-4187 x212  
PMA: Julia Stewart, [jstewart@pma.com](mailto:jstewart@pma.com), 302-738-7100 x3008  
United Fresh: Amy Philpott, [aphilpott@unitedfresh.org](mailto:aphilpott@unitedfresh.org), 202-303-3425

### **34 Supply Chain Leaders Endorse Plan for Chain-wide Electronic Produce Traceability**

Thirty-four companies from throughout the produce supply chain have endorsed a new plan developed by the Produce Traceability Initiative (PTI) to move the supply chain to a common standard for electronic produce traceability by the end of 2012. The plan involves adopting a standardized system of case bar-coding for all produce sold in the United States, to allow product to be tracked throughout the distribution chain. The plan will maximize the effectiveness of the industry's current traceability procedures, improve internal efficiencies and assist public officials when they need to quickly trace back a product. Intended to enhance overall supply chain traceability in speed and efficiency, a standardized system could significantly improve the industry's ability to narrow the impact of potential recalls or similar problems.

The PTI is administered by Produce Marketing Association (PMA), United Fresh Produce Association (United Fresh) and the Canadian Produce Marketing Association (CPMA). The 34 companies endorsing the plan are members of the PTI's supply chain-wide Steering Committee. Established in late 2007 to establish industry traceability best practices and set goals for their adoption and accountability, the PTI Steering Committee has been working since then to develop a plan for moving industry to chain-wide, electronic traceability.

"We've seen the need for supply chain-wide, electronic traceability across the industry so that we're able to trace product more quickly and efficiently than we can now," said PTI Steering Committee Chair and Food Lion, LLC Chief Operating Officer Cathy Green. "The new plan is achievable by companies large and small across the entire supply chain, works with companies' existing information management systems, and supports public health goals as well as provides industry benefits. Implementing this initiative across the industry will require a multi-year transition effort, but is achievable."

The PTI's genesis dates back to 2002, when PMA and CPMA first began working to address produce traceability by promoting the adoption of standardized, state-of-the-art processes across the industry. The PTI's plan will maximize the effectiveness of the industry's current traceability procedures, improve internal efficiencies and assist public officials when they need to quickly trace back a product.

Steering Committee member Tom Casas, vice president of information technology and mechanization at Tanimura & Antle, Salinas, Calif., noted that electronic traceability will offer new-found benefits to the produce supply chain, stressing that the increased cost should be viewed as an investment in the industry, and another step toward enhancing industry practices.

“This will help our industry and food safety regulators to narrow the impact of recalls, protecting both consumers and industry members who aren’t directly involved,” said Casas.

“This is a huge, but necessary, undertaking for our industry. The good thing about this solution is companies don’t need to scrap their current tracking systems, just augment them,” said Steering Committee member Steve Grinstead, president and CEO of Pro\*Act, Dallas.

In addition to endorsement by the boards of directors of both PMA and United Fresh, the following companies have endorsed the plan to date:

- Amerifresh, Scottsdale, Ariz.
- Ballantine Produce Co., Inc., Reedley, Calif.
- C.H. Robinson Company Worldwide, Eden Prairie, Minn.
- Consumers Produce Co., Inc., Pittsburgh, Pa.
- Domex Superfresh Growers, Yakima, Wash.
- Driscoll's, Watsonville, Calif.
- Duda Farm Fresh Foods, Inc., Oviedo, Fla.
- Food Services of America, Woodburn, Ore.
- Food Lion, Salisbury, N.C.
- Fresh Express, Salinas, Calif.
- Fresh Innovations, LLC, Yuma, Ariz.
- Friedman's Freshmarkets, Butler, Pa.
- Frontera Produce, Ltd., Edinburg, Texas
- H-E-B, San Antonio, Texas
- International Foodservice Distributors Association, McLean, Va.
- L&M Companies, Inc., Raleigh, N.C.
- Mann Packing Company, Inc., Salinas, Calif.
- National Grocers Association, Arlington, Va.
- Naturipe Farms, LLC, Salinas, Calif.
- Pandol Brothers, Inc., Delano, Calif.
- Pro\*Act, Dallas, Texas
- Procacci Brothers Sales Group, Philadelphia, Pa.
- Safeway, Inc., Pleasanton, Calif.
- Schnuck Markets, Inc., St. Louis, Mo.
- SUPERVALU/W. Newell Co., Urbana, Ill.
- Sysco Corporation, Houston, Texas
- Tanimura & Antle, Salinas, Calif.
- The Kroger Co., Cincinnati, Ohio
- The Oppenheimer Group, Coquitlam, B.C., Canada
- Tom Lange Company, Inc., Springfield, Ill.
- U.S. Foodservice, Inc., Rosemont, Ill.
- UniPro Foodservice, Inc., Roswell, Ga.
- Wal-Mart Stores, Inc., Bentonville, Ark.
- Wegmans Food & Pharmacy, Inc., Rochester, N.Y.

CPMA supports the enhanced implementation of traceability in the United States via this initiative, and will continue to support those members who move to implement the action plan to meet U.S. market needs.

“I invite every member of the supply chain to join with these industry leaders who have already agreed to take the necessary steps to help fulfill this important initiative,” said Green.

### **Plan features sharing of common information across supply chain**

Building on companies' current *internal* traceability systems, and using the existing foundation provided by international standards from the GS1 organization, the initiative provides the capacity to achieve *external* traceability by standardizing the incorporation of two critical pieces of traceability information: a Global Trade Identification Number (GTIN), and a lot number. Whereas most information necessary for traceability is already captured during each company's normal business processes (such as the ship to, deliver to, and purchase order number details recorded in shipping documents), the inclusion and tracking of the GTIN and lot number will bring the connectivity between companies and across the supply chain that is currently missing. The GTIN will identify who the "brand owner" is (i.e., the company whose brand appears on the produce case) and the type of product inside; while the lot number specifically identifies the lot or batch from which the produce came.

This information will be labeled on each case in human-readable form, so that it can be read and understood by personnel throughout the supply chain, as well as in a machine-readable barcode which each member of the supply chain will be able to scan and maintain in their computer systems.

The group has identified seven steps to move the supply chain to chain-wide, electronic traceability by late 2012. By first quarter 2009, "brand owners" (i.e., the owner of the brand that appears on the product in the case) will (1) obtain GS1-issued company prefixes required to create GTINs, and (2) assign 14-digit GTINs to every case configuration they pack. They will then (3) provide those GTINs to their buyers by third quarter 2009, so that buyers can input this data into their information management systems. By third quarter 2010, brand owners will begin placing the GTIN and lot number on case labels in (4) human-readable form and (5) machine-readable barcodes. Each subsequent handler of the case will be able to scan and store the GTIN and lot number on (6) inbound cases in 2011, and (7) on outbound cases in 2012.

"We think this timetable is imminently achievable, especially with the help that is and will be available from the three associations," said Green. "We encourage companies to follow the timetable as closely as possible and stay on top of the changes that they'll need to make to their current traceability systems."

While compliance is voluntary, Green expects that market forces will come to bear as buyers request compliance from their suppliers, or links in the chain independently opt to adopt to reduce their potential recall costs.

### **Implementation help is available**

The three associations plan industry outreach, communications, education, and public advocacy. The PTI has already issued a strategy for assigning GTINs, for example. The associations are planning a broad range of education activities to help industry to move to enhanced traceability including establishing a single Web site where industry members can go for information and tools; and education, which may include workshops at association conferences, speeches at industry gatherings, Webinars, audio and/or video recordings and online courses.

PMA and United Fresh are also planning outreach to U.S. regulators, legislators and consumer groups, to address pressure the U.S. industry is receiving to improve its traceability capability. The PTI's plan also includes working with national regulatory agencies, to ensure they will be ready to make the transition as well.

"We already have a great story to tell about how we saw a need and moved to address it ourselves, voluntarily, without government involvement," said Green. "And there will be plenty of help, so that we can all get to our goal together, to finish that story with a great ending."

#### **About Produce Marketing Association (PMA)**

Founded in 1949, the Produce Marketing Association is the leading trade association representing nearly 3,000 companies from every segment of the global produce and floral supply chain. Members rely on PMA year round for the business solutions they need to increase sales and consumption, build strong professional relationships, and expand their business opportunities. For more information, visit [www.pma.com](http://www.pma.com).

#### **About Canadian Produce Marketing Association (CPMA)**

The Canadian Produce Marketing Association is a not-for-profit association founded in 1925 and committed to increasing the market for fresh fruit and vegetables in Canada, by encouraging cooperation and information exchange among all segments, in both the domestic and international arenas. The CPMA represents over 675 Canadian and International companies within a vertically integrated membership involving all levels of the produce supply chain from the grower/packer/shipper to retail and foodservice. For more information, visit [www.cpma.ca](http://www.cpma.ca).

#### **About United Fresh Produce Association (United Fresh)**

United Fresh Produce Association is a leading industry trade association committed to driving the growth and success of produce companies and their partners. United Fresh represents the interests of member companies throughout the global, fresh produce supply chain, including family-owned, private and publicly traded businesses as well as regional, national and international companies. The association was founded in 1904 to represent the produce industry, and recently took the name United Fresh as a result of the 2006 merger of the United Fresh Fruit & Vegetable Association and the International Fresh-cut Produce Association. For more information, visit [www.unitedfresh.org](http://www.unitedfresh.org).

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