



GS1 US Buyer Interviews: January – February 2010

GS1 US conducted interviews with selected retailer, wholesaler, and distributor members. The goal of the 1:1 interview was to gain insight on each organization's perspectives and intentions regarding the Produce Traceability Initiative (PTI), understand their current produce operations (for shipping/receiving), as well as their current procedures for produce recalls. For each interview, GS1 US reached out to the key contact on file for each firm, in addition to the produce contact provided by PMA and UFPA.

Companies Interviewed

- GS1 US Members who currently endorse the PTI and/or participate on the Steering Committee
- GS1 US Members who do not currently endorse the PTI or participate on the Steering Committee
- Grocery Retailers, Operators, Wholesalers, and Distributors
- Targeted 32 companies; completed 12 interviews to date

Buyer Awareness and General Benchmarking

Awareness of the PTI and the seven milestones was high at 83%. It is important to note that the titles of the 17% that did not have a high awareness of the PTI included a Produce Manager and Produce Purchasing Manager. Based on the **83% who were aware of PTI, of those respondents 70% are currently working toward implementing the PTI**. The 42% who are not implementing the PTI stated reasons such as 'wait and see' with government regulations and the company was focusing on other projects.

When respondents were asked about perceived benefits of PTI adoption, responses included:

- Compliance with government regulations
- Traceability and speed of access of information (trace back and trace forward)
- Moving produce suppliers to the same processes as all other categories will enable efficiencies such as business analysis
- More efficient means for recalls, will be more timely and targeted
- Improve category management and inventory management

Industry Concerns and Comments

- **Milestone 6 and 7 will be difficult. Shipments received and sent are at the pallet level**
- **Government regulations**
- Identifying critical data elements for the GTIN (should align with FDA)
- Communicating critical data elements needed to the industry
- **Communication and training – expectations are not consistent across the industry**
- Time it has taken to reach internal consensus on changes to our system
- For suppliers; the size of the label. Mixed pallets are already causing challenges
- Need to understand approach for all fresh food categories; cannot build a system for produce alone
- **Agreed upon one best practice by the industry**
- Need a more complete understanding of requirements for lot number and allocation of internal resources to complete implementation
- **Costs for implementation – both hardware and software**



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Buyer PTI Expectations and Communications

Of those who are aware of PTI (83% of all interviewees), 30% indicated they currently have *internal* programs to support the PTI. Most of the remaining 70% have plans to launch their program or use GS1 US to support their internal programs. And when asked about external communications, **60% of these companies indicated they have already communicated to *their trading partners* about the PTI and its milestones.** Overall, negative reactions have been at a minimum. Most respondents indicated they will hold branded products and private label to the PTI milestones. All of the respondents indicated uncertainty about local farmers; no decisions have been made at this time.

Only 20% of the firms are scanning produce cases today, and only at the DC location(s). The remaining 80% do not have the capability and do not have a project in place to begin scanning cases or pallets received/shipped.

Buyer Recommendations

When asked about what additional support would be needed to assist these companies in implementing the PTI milestones the below was provided:

- **A lot of education and guidance for how to implement Milestones 6 and 7.**
- Better communication to the industry on the importance of PTI and how it will expedite traceability in a FDA recall scenario. This would result in significant savings to the industry because of the speed of the process and will mean a quicker return to market.
- **Ensuring there is a conduit to work on best practices.**
- **Ensuring growers are aware of the Initiative.**
- Working sessions are needed and should include: What are GTINs, How are they assigned, etc.

Buyer Recall Process

Most respondents handle recalls manually and can access the information within minutes or under 24 hours. **Only 20% can identify specific produce lots today.** However when a produce recall was issued, all of the commodity was pulled, not just the affected lot. The remaining **80% who cannot specify by lots today indicated that are 'unsure'** as to whether they would pull the affected lot v. the entire product category if they had the capability to identify at the lot level.