

CONNECTED SOLUTIONS
FOR A NEW ECONOMY

Produce Traceability Update Today and Tomorrow

October 20, 2010

Agenda

- The History of PTI
- PTI Mission
- PTI Milestones
- PTI's New Leadership Council & Working Groups
- PTI voice pick code
- Fresh Food Industry Initiatives
- Current Food Traceability Legislation on Capitol Hill
- Recommendations
- Upcoming PMA Traceability Events

Legal Disclaimer

- Neither Produce Marketing Association nor the PTI can endorse or recommend any of the companies, products or services participating in or that may be mentioned during this webinar

The History of PTI

- 2007
 - Industry asked their associations to help facilitate an initiative to attain whole chain traceability after the Spinach and Tomato/Pepper recalls severely impacted the industry
- 2008
 - PMA, UFPA and CPMA engaged to form the PTI
- October 2008
 - PTI Action Plan launched
- February 2010
 - Steering Committee met in Dallas
 - Decision to bring GS1 US into PTI as a partner with PMA, UFPA and CPMA
 - Decision to implement a new Governance Structure
- May 2010
 - Milestone 4 and 5 dates were aligned with milestone 6
- October 2010
 - New Governance Structure put into place with Leadership Council and working groups

PTI Mission

- To create an Action Plan for the produce industry to adopt an effective **Whole Chain Traceability** program by incorporating the use of technology and use of common standards to serve as linkages between internal traceability programs

PTI Milestones

Targeted completion: 2009

Milestone 1: Obtain a Company Prefix from GS1

Milestone 2: Assign GTINs to Cases

Milestone 3: Provide GTIN Information to Buyers

Targeted completion: 2011

Milestone 4: Show Human-Readable Information on Cases

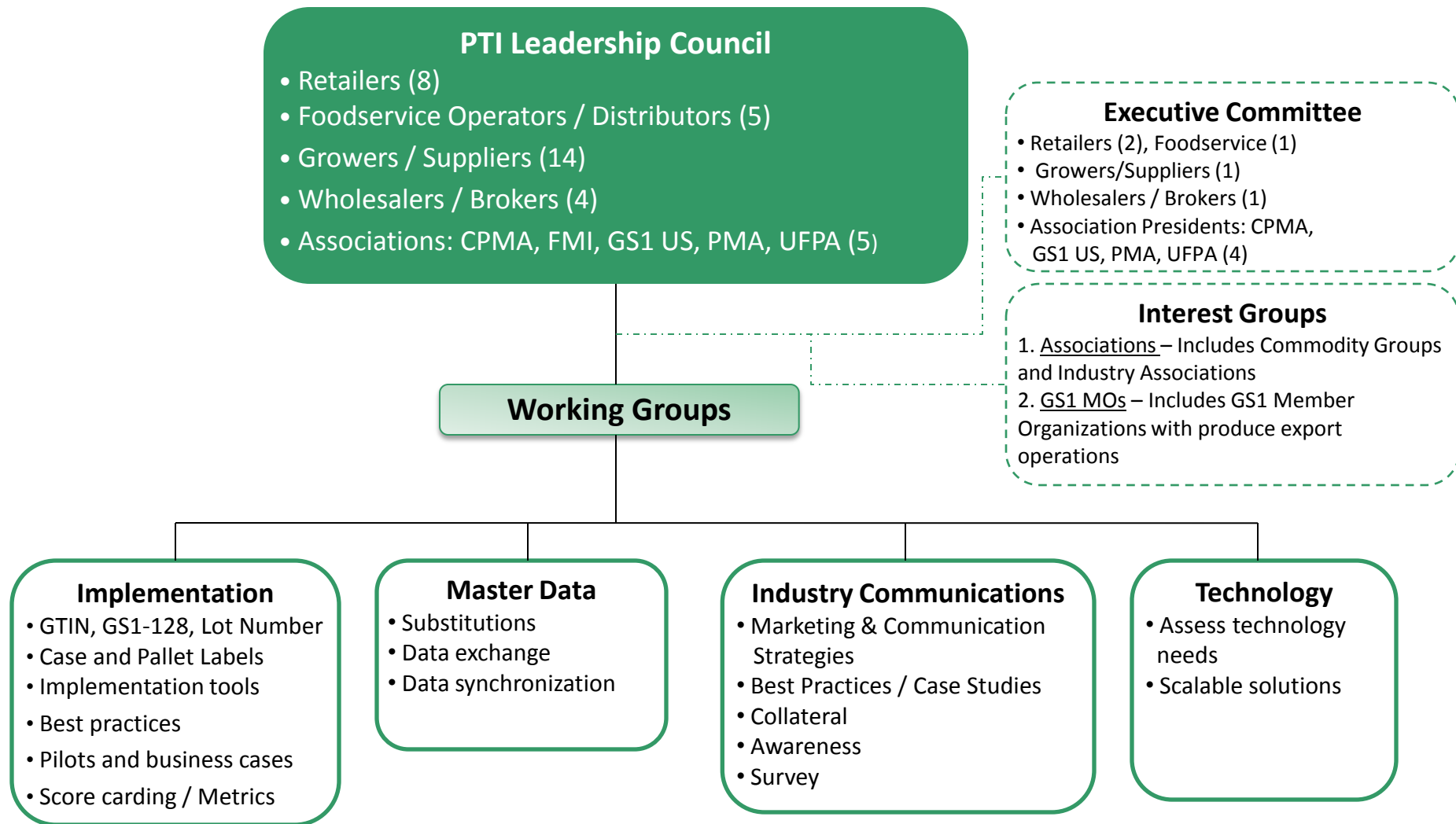
Milestone 5: Encode Information in a Barcode

Milestone 6: Read and Store Information on Inbound Cases

Targeted completion: 2012

Milestone 7: Read and Store Information on Outbound Cases

PTI Governance Structure



PTI Leadership Council

- Chair – Cathy Green – President, Food Lion
- 7 Retailers – Wal-Mart, Kroger, Safeway, Supervalu, Publix, Food Lion, Wakefern
- 5 Foodservice Operators/ Distributors: Darden, Sysco, US Foodservice, Markon, Pro*Act
- 14 Suppliers: Oppenheimer, JD Marketing, Dole, T&A, Frontera, Driscoll's, L&M, CH Robinson, Chiquita, Del Monte, Paramount Citrus, Sunkist, Wada Farms, Taylor Farms
- 4 Wholesalers / Terminal Markets: Castellini, Four Seasons, D'Arrigo Brothers of NY, Liberty
- 4 Association Presidents: CPMA, GS1 US, PMA, UFPA

PTI Leadership Council

- First meeting was October 13, 2010
- Council members shared their implementation plans and experiences, and provided their input on the PTI's development moving forward
- They validated PTI's goal of whole-chain, electronic traceability and its milestones
- Chairs and co-chairs of the PTI's new working groups provided updates on their groups' initial meetings
- The council approved a proposal from the new Implementation and Technical Working Groups to update the labeling requirements to include a four-digit voice pick code

Implementation Working Group Charter

This working group will monitor, guide, and promote voluntary adoption of GS1 standards in alignment with the milestones of the Produce Traceability Initiative.

Objectives:

- Develop template for industry adoption for all trading partners, growers to retailers
- Address and develop solutions for implementation issues
- Define, lead, and facilitate pilots identified for the initiative
- Create implementation tools, best practices, and key learnings identified by the produce industry that are needed for milestone adoption
- Define performance metrics for individual companies who voluntarily adopt and implement milestones in the initiative
- Identify measurement tools to capture Key Performance Indicator's with quarterly surveys

Implementation Working Group - Pilots

- Business Problem:
 - Whole-chain traceability for produce at case-level
- Goals:
 - Identify and share industry best practices
 - Identify and document implementation costs and benefits
- Scope:
 - Will conduct several pilots by commodity to address differences in business process flows

Technology Working Group Charter

This working group will provide an open forum for technology providers within the produce industry to come together on a regular basis to discuss strategies and collaborative processes that will help accelerate voluntary adoption.

Objectives:

- Educate technology providers who offer products and services to companies in the produce industry on GS1 standards and the Produce Traceability Initiative
- Provide a forum for Produce Traceability Initiative trading partners to collaborate with technology providers to drive successful implementations
- Help trading partners assess their technology needs as well as appropriate partners to help them implement the GS1 standards
- Develop and provide solutions for all size companies, this includes the small grower, packer, shipper, etc. to the mid-size and larger organizations in the industry

Master Data Working Group Charter

This working group will address industry issues that focus on the identification of product attributes and communication of that data between trading partners as they are identified.

Objectives:

- Address and develop options for product substitutions
- Provide best practice options for data exchange; how to exchange the product data and how to properly store that data
- Provide best practice options for data synchronization via product attributes spreadsheet template
- Provide best practice options for data synchronization via the GS1 Global Data Synchronization Network (GDSN)

Industry Communications Working Group Charter

This working group will facilitate marketing and communication to the Industry.

Objectives:

- Develop, review, and approve marketing/communication strategies
- Review and approve marketing collateral and communication supporting awareness of the Initiative
- Drive adoption and implementation by sharing best practices and case studies for the produce industry
- Develop and execute external communication of:
 - Initiative highlights and progress (to promote voluntary adoption among companies who participate in the produce supply chain)
 - Consistent messaging to related industry initiatives and regulatory updates
- Capture scorecard metrics and report to PTI Leadership Council

Association/Commodity Interest Group Charter

This working group will facilitate two way communication between PTI and other associations and interest groups representing the produce industry.

Scope:

- Forum for stakeholders from commodity groups or regional produce associations to introduce their issues and inputs relative to PTI implementation
- Mechanism for consultation with these groups relative to Council or Working Group efforts

GS1 Member Organization Interest Group

This working group will facilitate consistent communication and understanding of the PTI in countries exporting produce to the US.

Objectives:

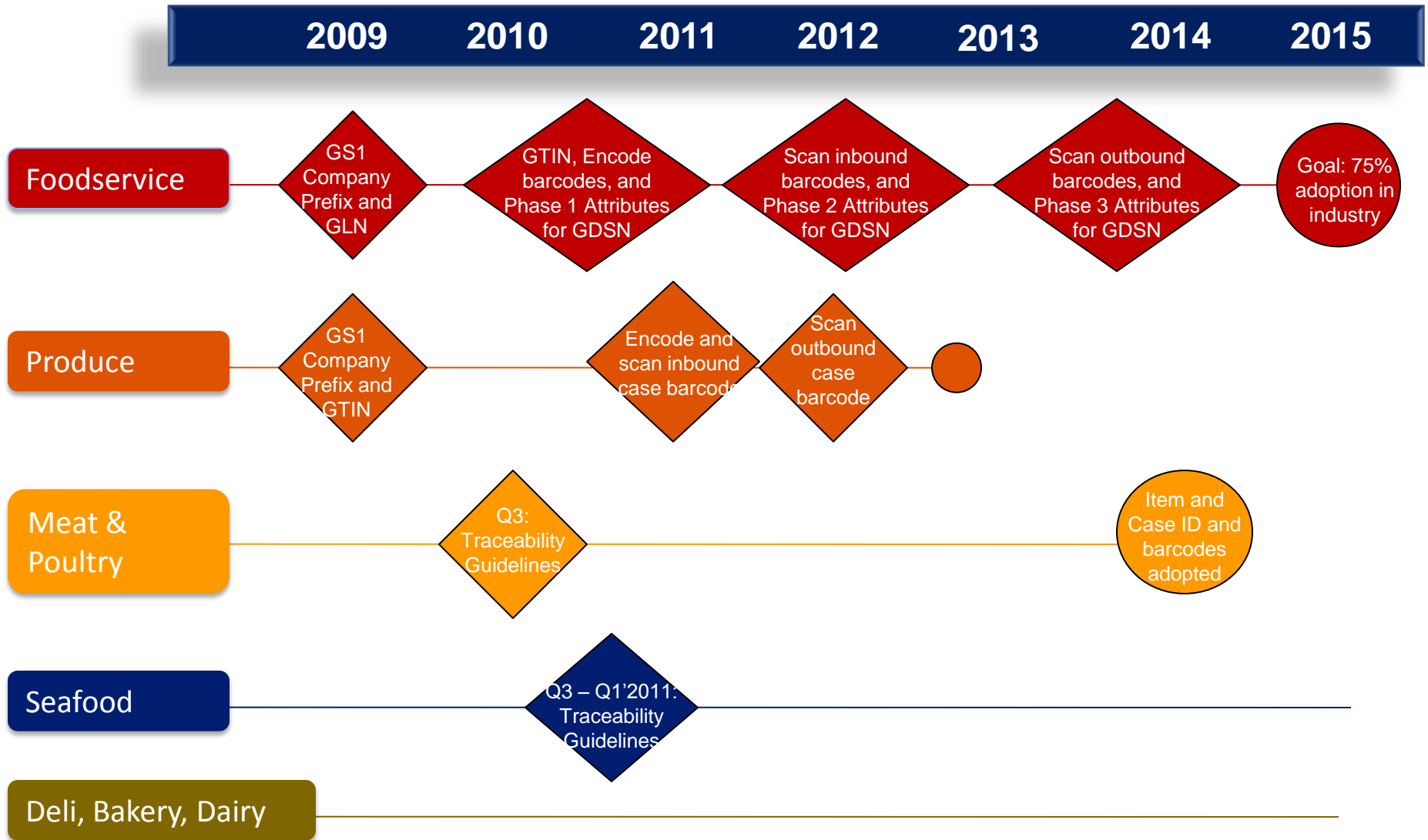
- Share industry, information plans, successes and learnings
- Align and understand PTI recommendations and country-specific regulations / business operations
- Provide country level inputs to the PTI Leadership Council and Working Groups

PTI voice pick code

- Milestone 7 could be cost prohibitive for large DC's using voice pick technology
- A retail task force reviewed options known to be available to resolve the issue
- A common algorithm, CRC 16, will translate the GTIN and Lot Code into a 4 digit number, eliminating the need to scan the label at time of order selection
- This number will be printed on the PTI case label
- The order selector speaks the quantity picked and the last 2 digits of the 4 digit code
- The business process of using the CRC 16 algorithm for traceability has a patent pending
- A non assertion agreement has been submitted by patent owner and has passed 2 legal reviews for survivability



Fresh Food Industry Initiatives



Legislative Update

- Food safety bill has passed the House
- Food safety bill has not made it to the Senate floor due to the mid-term elections
- It is anticipated it will make it to the Senate floor before year end
- FDA has stated that they have the authority and mandate to implement traceability regulations and they will move ahead if the bill does not make it through the Senate
- FDA has stated that their regulations will not be more prescriptive than PTI as PTI satisfies their 2 requirements:
 - Increasing the speed of trace-backs and trace-forwards
 - Electronic storage of traceability information

Recommendations

- Do not fear PTI, embrace it
- Do not wait until the end of next year to start looking at implementing PTI
- Keep it simple
- Do not over think it
- Consider using the data generated from the implementation of PTI to enhance your business
- Engage in pilots with your trading partners
- Learn from others who have implemented PTI

Upcoming PMA PTI Educational Events

- Traceability Symposium - Tuesday November 9th in Los Angeles

- Speakers:

- Sherri McGarry of FDA
- Mike Agostini of Wal-Mart
- Jamie Strachan of Growers Express
- Tom Nunes of The Nunes Company
- Jack Gyben of Progressive Produce
- Evan Smith of Cherry Capitol Foods
- Michele Southall of GS1 US



- Fresh Connections - Tuesday November 30th in Philadelphia

- Focused on Food Safety and Traceability

- Speakers:

- Dr. Bob Whitaker,
- Johnna Hepner
- Ed Treacy
- Industry Panel Discussion

www.pma.com/events-conferences





www.pma.com

Ed Treacy
etreacy@pma.com

www.producetraceability.org