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Technology Tip

July 2010

Update to the Produce Traceability Initiative…

WaudWare, like many other companies that support businesses in the produce industry, has been receiving many more requests for information on how far businesses need to go to deal with traceability. Here is our take:

On one hand, businesses not only need, but want to provide traceability on the products they buy and sell. On the other hand, they must also minimize the financial impact that traceability has on their operation. Produce businesses, like many others involved in the food industry, are challenged by low profit margins. While there are many ways a produce business can improve the tracking of what came in and went out, it's up to each business owner to decide "how much is enough?"

From the Ground Up: Smaller farms and packing houses, if well-organized, can be proficient at traceability by labelling products as they arrive with a date code or unique identifier; and then making note of what products went out on customer orders. For businesses like these, computerization is not required.

This type of manual tracking system however can be outgrown easily with steady or cyclical volume increases and/or the addition of new products. It doesn't take much for a manual system to become unmanageable. It's at this point a computerized system should be considered, using one of two approaches:

Approach One: Basic Labelling

If you're committed to traceability and decide to go with basic labelling, here's how the process works:

- ✓ enter the information you wish to track (potentially the field or area that the product came from, what kind of product, date picked, date packed, and other relevant information).
- ✓ store the information in a computer tied to some kind of identifier (lot code, Julian date, etc...).
- ✓ print stickers with this identifier (and any other desired information).
- ✓ label the product at either the item level, case level or pallet level.

When you ship the product to customers, the next step would be to:

- ✓ record the identifier (lot code, etc..) that you shipped to each customer.

This process will provide basic traceability. If, down the road, a customer calls with a problem, you can look back at the order, see the lot code, where the product originated and who else the product was shipped to in that time period. Then you can notify the vendor and/or your production people. While basically effective, this is a labour intensive process, AND there is no guarantee you haven't missed notifying a customer or two.

Approach Two: Complete Inventory System

The optimum way to implement traceability in any business (coming from a software company that's naturally somewhat biased) would be to:

- ✓ record the products as they arrive into your inventory system and capture all of the information listed previously (field, area grown, vendor, etc...).

If you sell the product in the form that you receive it, then the system will be able to keep track of which lot codes went to which customers.

If you pack or repack product, the complexity increases because you need to keep track of the inputs that were used to make intermediate or final output items.

As you can see, a produce business can go from a simple manual system if their needs are not complex, to a basic labelling-only system, to a full inventory system to keep track of everything. While industry associations and government agencies here and abroad continue to study the issues surrounding traceability, Canadian produce businesses need to be vigilant in whatever traceability process they use and reactive to changing regulations.

Please note the **revised timetable for PTI requirements**. For additional information and resources go to www.producetraceability.org

Milestone #1: 1st Quarter 2009 - Obtain Company Prefix

Milestone #2: 1st Quarter 2009 - Assign GTIN numbers

Milestone #3: 3rd Quarter 2009 - Provide GTIN Information to Buyers

Milestone #4, 5 and 6: Complete in 2011 -

- ✓ Show Human-Readable Information on Cases
- ✓ Encode Information in a Barcode
- ✓ Read and Store Information on Inbound Cases

Milestone #7: Complete in: 2012 - Read and Store Information on Outbound Cases