



Dear Valued Supplier:

Over 48 companies representing the entire produce supply chain participated on the Produce Traceability Initiative (PTI) Steering Committee formed by PMA, United Fresh, and CPMA last year. Representatives from the steering committee came to consensus that now is the time to move aggressively to adopt a consistent industry-wide approach to electronic traceability. To this end, they have created the PTI Action Plan (see below), which embodies 7 key milestones and accompanying dates for implementation.

We at *Food Lion, LLC* support the PTI Action Plan and plan on following the individual timelines and milestones part of this plan. We also expect our supplier community to do the same. This is necessary if we are to have a process to address recalls in this industry, especially in light of each company having different internal traceability systems. Although the PTI Action Plan will create some additional expenditures for buyers and sellers alike that will vary with each company, the option to do nothing is unacceptable. The federal government and the consumer are demanding change, citing that traceability does not work in this industry. The PTI has gone to great lengths to find a solution that does work, while minimizing the amount of change. It utilizes standards that are already existing in the marketplace, technologies (i.e. barcodes) that are already existing in the marketplace, information needed for traceability that are already existing in the marketplace and recognizes that companies have their own internal traceability systems. Collectively, these ingredients are necessary to get all of this information stored electronically. This will then give the FDA the ability to quickly and accurately track product up and down the entire supply chain, while minimizing the necessary expenditures. The alternative is to have the federal government tell industry how to do this. We believe the PTI Action Plan is the right solution for the produce industry and one that addresses the concerns from the FDA.

As you will see from the Industry Action Plan below, the timelines are fairly aggressive and therefore all of us in the supply chain have to get started now, not later. We will work hard ourselves and with our suppliers to meet these timelines.

KEY ELEMENTS: There are two key elements that must appear on every case of produce and subsequently stored at each point in the supply chain:

1. GTIN (Global Trade Item Number) - a 14-digit identification number that encompasses a Company Prefix and a Reference Number. The Company Prefix is assigned and managed by GS1 (www.gs1.org) and uniquely identifies the brand owner from any other company in the world.

2. Lot # - information vital to the grower/shipper/packer/processor pointing to the location of the field or plot of land from which the product was grown. In the case of a packer or processor, this could also be their batch #. This number is assigned by those who are packing the product.

NOTE: If the batch/lot number is not unique by pack/harvest date, include the pack or harvest date.

Subsequent information that must be tied to the key elements above include: who you received it from, when you received it, where you received it, quantity, who you shipped it to, when it was shipped, and where it was shipped from, including both the transporter and non-transporter.

PTI Action Plan

MILESTONE #1: Obtain Company Prefix **COMPLETE BY:** Q1 2009
Brand owners must obtain their own GS1-issued Company Prefixes. To find the GS1 organization in your country, visit www.gs1.org.

MILESTONE #2: Assign GTIN numbers **COMPLETE BY:** Q1 2009
Brand owners must assign 14-digit GTINs (Global Trade Item Numbers) to all CASE configurations. It is highly recommended that companies use the GTIN Assignment Strategy as a guide to allow for consistency (see www.producetraceability.org for GTIN Assignment Strategy).

MILESTONE #3: Provide information to buyers **COMPLETE BY:** Q3 2009
Brand owners must provide their GTINs (and corresponding data) to their buyers. This is necessary in order to understand the information behind the GTIN once the number is scanned.

MILESTONE #4: Show human-readable information on case **COMPLETE IN:** 2011
Those packing the product are responsible for providing human-readable information on each case (GTIN, Lot #). At minimum, the information should be shown together on at least one side of the case.

MILESTONE #5: Encode information into a barcode on the case **COMPLETE IN:** 2011
Those packing the product are responsible for encoding the GTIN and Lot # in a GS1-128 barcode. In order to get accurate scans of the 128 barcode, the barcode must be printed ideally on a white label, and then the label affixed to the case. (See Best Practices on Case Labeling at www.producetraceability.org)

MILESTONE #6: Read and store information on INBOUND cases **COMPLETE IN:** 2011
Each subsequent handler of the CASE must have the systems and capability to read and store the GTIN and Lot # from each case of produce received. (See Best Practices on Pallet Labeling at www.producetraceability.org)

MILESTONE #7: Read & store information on OUTBOUND cases **COMPLETE IN:** 2012
Each subsequent handler of the CASE must have the systems and capability to read and store the GTIN and Lot # for each case of produce shipped.

Additional information on traceability best practices can be found at www.produceTraceability.org. If you have any questions regarding the content of the PTI Action Plan, please contact your trade association representative as follows:

Produce Marketing Association
Ed Treacy
ETreacy@pma.com
302-607-2118

United Fresh Produce Association
Dan Vache
dvache@unitedfresh.org
425-629-6271

Canadian Produce Marketing Association
Jane Proctor
jproctor@cpma.ca
613-226-4187

Sincerely,

Jim Corby
Vice President of Produce Merchandising

Randy Scott
Produce Category Manager

Teri Miller
Produce Category Manager