



Trusted supplier embraces the Produce Traceability Initiative and implements GS1 Global Trade Item Numbers® for food safety.



CHALLENGE

Food safety is a top priority for Paramount Citrus. The company has decided to implement traceability via the Produce Traceability Initiative.

SOLUTION

Paramount Citrus has assigned 2,500 Global Trade Item Numbers® (GTINs®) to their products for case-level identification. The next step is to generate carton labels where the GTINs and lot numbers will be encoded in GS1-128 barcodes.

BENEFITS

- The GTIN combined with the lot number will enable Paramount Citrus to better trace forward to the retailer or operator. If faced with a recall, the company will know exactly which cases were shipped to whom.
- GTINs provide detailed data that helps Paramount's conveyor systems route the right carton to the right place for the right customer.
- Paramount Citrus is revising its plant processes to be more efficient, applying barcode labels at the points of packing. This will help reduce the waste and labor from discarding pre-printed, un-used boxes. Estimated annual savings is \$100K.

Paramount Citrus Controlling Its Destiny

Paramount Citrus is the largest integrated grower, shipper and packer of fresh citrus in the United States. It owns, cultivates and harvests more than 30,000 acres of fresh citrus, supplying customers year-round with Clementine/Mandarins, Navel and Valencia oranges, lemons, minneolas and other citrus varieties. The company's packing facilities can process up to 10 million cartons of citrus annually, which are shipped throughout North America and the Pacific Rim.

When asked what it's like to head the company's supply chain, Vice President Rick Burnes doesn't hesitate. "We have to be nimble and quick to adapt to customers' and consumers' expectations. We have to think ahead and carefully plan to be where we need to be in the future."

Burnes' responsibilities span two major areas: field logistics, including grower relations; and within the plants, transportation, purchasing, information technology and geographical information systems. A "product" of California's fecund valley, Burnes fully understands quality farming practices, yet his expertise is logistics and operations.

"The majority of the fruit we process is our own – grown on Paramount farms. For the independent growers we do use, we

provide farm management for many of them," says Burnes. "It's truly an advantage to have an integrated supply chain. We are in control of our own destiny."

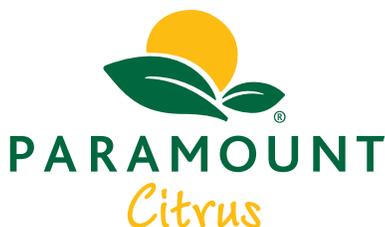
Taking a Stand

Like most growers, Paramount Citrus faces daily challenges from the market and Mother Nature – rising costs, invasive pests, and limited water supplies head the list. "Rising costs definitely impact us," explains Burnes. "Rather than passing these costs on to our customers, we are constantly re-evaluating our processes to be more efficient and our portfolio of fruit to optimize our mix."

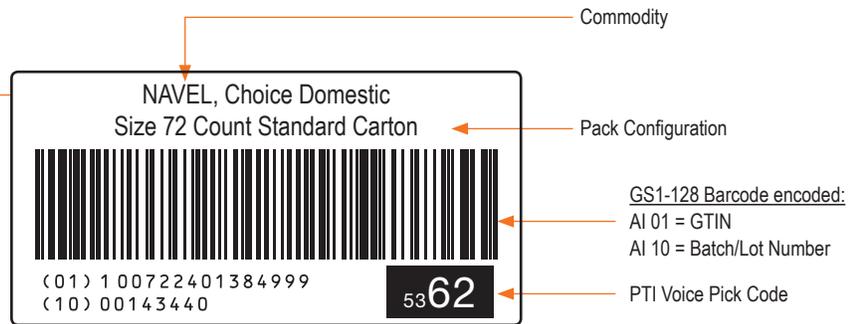
In the midst of these challenges, Burnes clarifies the company's top priority is food safety. "Every day, food safety is becoming a bigger concern for all of us in the food industry as well as the consumers who purchase our products."

"We have taken a deliberate stance to implement traceability for food safety. We believe it's what we need to do – to lead in the Produce Traceability Initiative versus follow."

– Rick Burnes,
Vice President of Supply Chain



PTI Case Label



The PTI-recommended case label provides detailed product information for improved traceability.

“Paramount’s long-standing relationships with customers are based on trust. So, we have taken a deliberate stance to implement traceability for food safety. We believe it’s what we need to do –to lead in the Produce Traceability Initiative versus follow.”

Getting Out in Front

The Produce Traceability Initiative (PTI) is sponsored by the Canadian Produce Marketing Association (CPMA), GS1 US™, the Produce Marketing Association (PMA) and the United Fresh Produce Association (UFPA). The initiative provides

practical, useful information and tools, and is designed to help members in the fresh produce industry maximize the effectiveness of their current traceability efforts.

“The PTI is voluntary; however, for those companies taking action, the PTI outlines a course of action to help them implement case-level traceability,” says Burnes. “The PTI milestones are in place to give us all dates to strive for – which is a good thing so we, the industry, can continue to make progress.”

Another benefit of the PTI is clear for Burnes. “When we consider the recalls from past years, we understand the need for a universal approach to traceability – one that leverages standards that everyone in the chain can use versus everyone just doing their own thing,” explains Burnes. “While an individual company can handle tracking and tracing its own products, it’s very hard for the government to conduct effective recalls throughout the entire supply chain involving multiple companies. GS1 Standards allow all of us to speak the same language; by implementing them, we can put in place a better, industry-wide recall process.”

Traceability and the Food Safety Modernization Act

Traceability refers to a company’s ability to follow its products (or ingredients) forward and backward through its supply chain. Passed by the U.S. Congress in 2010, the Food and Drug Administration (FDA) Food Safety Modernization Act requires that all players in the country’s food supply chain be able to quickly trace from whom they received a food product and to whom they sent it. Called “one step forward, one step back” traceability, the requirement is designed to make it easier for the FDA to identify the source of an outbreak of food-borne illness, trace its path and swiftly remove it from the food supply. The Produce Traceability Initiative advocates the use of GS1 Standards such as GTINs to uniquely identify products as they travel throughout the entire supply chain – its multiple systems, processes and hand-offs – and enable all trading partners to speak a common language for universal traceability.

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Vice President of Supply Chain

"In our existing plants, we applied our labels upstream, but now we have a chance to change and apply the labels at the points of packing. This will give us the needed flexibility to help reduce the waste and associated labor that comes from discarding pre-printed, un-used boxes. This translates into huge savings for us at approximately \$100,000 each year."

*– Rick Burnes,
Vice President of Supply Chain*

Moving Beyond its Walls

With support from the PTI and GS1 US, Burnes is implementing traceability based on GS1 Standards. And as more and more trading partners – growers, distributors, operators and retailers – implement the GS1 System of standards, this will help them move beyond their own company's walls when tracing produce and other food items. "Taking a standards-based approach will enable 'universal' traceability in our industry for quicker and more laser-like recalls."

To date, Paramount Citrus has assigned 2,500 Global Trade Item Numbers® (GTINs®) to their products for case-level identification. To do this, the company simply assigned a GTIN to each item in the item master data in its Oracle database. The GTIN is a GS1 Standard for uniquely identifying a product. The addition of GTINs provides Paramount Citrus with more details about the produce in each case, and provides a common "license plate" for each case that can be used throughout the industry.

"GS1 US was very helpful in educating and helping us along the way," advises Burnes. "They provide one standardized approach to set-up and create GTINs – any company can easily get on board and have one constant experience. We're now storing the GTINs in our Oracle ERP system, and our next step is to generate carton labels."

The GTINs will be encoded in GS1-128 barcodes for labeling cases as they flow through Paramount Citrus' packing plants and out to buyers. "The barcode

will provide the lot number and GTIN to identify exactly what the item is," explains Burnes. "In the past, we identified several attributes of the fruit – such as a navel orange - from a specific lot. The lot number allowed us to track the orange back to its specific ranch block and field as well as its route and the details – the pickers and hauler – from the field to our packing plant. It also told us what farming practices were in place like fertilizers and, if used, pesticides."

With the GTIN, Paramount Citrus and its customers know the details about the type of fruit – a fancy navel orange, size 88, packed in a Paramount Citrus 40-pound carton. Burnes continues, "When the fruit gets packed, this is where the PTI-recommended barcode comes into play. The GTIN combined with the lot number enables us to track back to the field and improves our ability to trace forward to the retailer or operator. If there is a recall, we can very quickly access this information electronically to minimize the impact to customers and consumers."

Burnes also points out another benefit of having the detailed barcode. "It helps our conveyor systems in the plants. We need a granular level of product information to route the right carton to the right place for shipping to the right customer."

Planning for Transformational Efficiencies

As Burnes prepares for producing the new barcodes in each of the plants, he stresses how Paramount Citrus is turning this investment into an opportunity for

future business returns. "In the next six to twelve months, as we retrofit our existing plants and plan for our new plants, we are also revising our existing processes to be much more efficient."

Burnes and his team are evaluating when and where to apply the barcode labels. "In our existing plants, we applied our labels upstream, but now we have a chance to change and apply the labels at the points of packing. This will give us the needed flexibility to help reduce the waste and associated labor that comes from discarding pre-printed, un-used boxes. This translates into huge savings for us at approximately \$100,000 each year."

Paramount Citrus will also seize the opportunity to achieve improved accuracy and reduce shrinkage by applying barcode labels at the source of packing, which means reduced costs and greater customer satisfaction. "Our customers may realize faster door-to-door efficiencies. And with the new GTIN-based barcodes, they will have access to more information for managing their inventories. With improved traceability, we believe we are better serving our customers and continuing to earn their trust."

Sizing Up the Opportunity

Burnes believes investing in traceability is for all sizes of companies. "Whether big, medium or small, a company needs to invest in ways to drive efficiencies. To size up the return on traceability investments, I recommend companies fully understand the PTI -- what it is, how it works and what it can mean for their businesses."

In the fresh produce market, Burnes returns to his earlier definition of success. "It's about thinking ahead and taking action to control your own destiny."



CASE STUDY: Paramount Citrus



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– Rick Burnes,
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CONTACT US

To learn more about traceability and how GS1 US can support your company, visit www.gs1us.org/sectors/fresh_foods and/or contact the GS1 US Fresh Foods Customer Service Team at +1 937.610.4234.

ABOUT PARAMOUNT CITRUS

Paramount Citrus is the largest integrated grower, shipper and packer of fresh citrus in the U.S., yet it is nimble and quick to adapt to help its customers build long-term success in meeting consumer expectations. Paramount Citrus owns, cultivates and harvests more than 30,000 acres of fresh citrus – Clementine/Mandarins, Navel and Valencia oranges, lemons, minneolas and other citrus varieties – to ensure a year-round supply. www.paramountcitrus.com

ABOUT GS1 US™

GS1 US is a not-for-profit organization that brings industry communities together to solve supply-chain problems through the adoption and implementation of GS1 standards. More than 200,000 businesses in 25 industries rely on GS1 US for trading-partner collaboration and for maximizing the cost effectiveness, speed, visibility, security and sustainability of their business processes. They achieve these benefits through GS1 US solutions based on GS1 global unique numbering and identification systems, barcodes, Electronic Product Code-based RFID, data synchronization, and electronic information exchange. GS1 US also manages the United Nations Standard Products and Services Code® (UNSPSC®). www.GS1US.org

ABOUT THE PRODUCE TRACEABILITY INITIATIVE

Sponsored by Canadian Produce Marketing Association, GS1 US, Produce Marketing Association and United Fresh Produce Association, the Produce Traceability Initiative (PTI) is designed to help the industry maximize the effectiveness of current trace-back procedures, while developing a standardized industry approach to enhance the speed and efficiency of traceability systems for the future. The PTI has a bold vision, which outlines a course of action to achieve supply chain-wide adoption of electronic traceability of every case of produce by the year 2012. The PTI website serves as a central resource to provide industry members with extensive education, outreach and guidance on implementing these recommendations by the goal year. www.produceTraceability.org



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