



Campina Traceability Implementation Case Study



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Background

Campina is an international co-operative specialising in the development, production, sale and distribution of dairy products including ingredients for the food and pharma industries. 84% of Campina's consumer products are sold in Europe, however the co-operative's arms extend to Africa, Middle and Far East, US and UK. Campina recorded turnover of 3.7 billion euro and processed 5.1 billion kg of milk in 2002. The company employs nearly 7000 people. Campina employs a GS1-powered tracking and tracing system for cheese and butter products, which covers the supply chain from raw materials (including processing aids, auxiliary materials and primary packaging materials) to the end consumer.

Improvements in Logistics

In 2001 the Campina logistics management team submitted a proposal to logistically improve the performance for the Cheese and Butter division. They determined that there was a need to standardize the way they labelled their boxes and pallets, implementing the same system company-wide. In 2002, a best practice case study was produced and the results were published. The main conclusion of the group was as described below:

It was crucial that the Campina Cheese & Butter group improve its logistics performance, by enabling the company to identify logistic entities throughout the supply chain. In the year 2000 the project "SPRINT" was initiated, entailing a SWOT Analysis for the cheese, butter and logistics department. This study supported Campina's dual strategy vision of cost leadership and added value. It was found that by collaborating with trading partners throughout the supply chain, cost savings could easily be realized. An additional benefit included better performance and the ability to fulfil client wishes.

Automatic Identification is an important tool to collaborate in the supply chain and to achieve more efficiency. More and more clients demand good identification, for example within EDI. From the customers and authorities points of view, fast and accurate tracking and tracing is an important issue. These different points of views are leading to an Automatic Identification & Data Capture system, based on bar-code technology using the branch standard-code GS1-128.

Based on the conclusions from the Sprint Project, Campina's Board of Directors committed to improving logistics, company wide. In 2003, the company instituted the Product Identification Projects (PI Projects) to start implementation of the above-mentioned recommendations, incorporating the "Tracking and Tracing" Project.

Demand for Traceability

In the summer of 2003, responding to European food safety legislation requiring traceability of products, Campina implemented a "Tracking & Tracing" (T&T) project for its butter and cheese subsidiaries. The aim of the T&T Project was to be able to track products in less than a 2-hour period, having an established process to deal with potential health or financial issues. The end goal was to establish the same system for all 33-production sites throughout the supply chain including raw materials, production, packaging and delivery for food safety and financial feasibility.



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"Today's consumers are requesting that the container of milk or package of cheese at the supermarket contain information about the process and product characteristics throughout the value chain, to the point where it actually impacts their decision to buy our product, or not. By providing a good traceability system we are building consumer trust. Transforming an anonymous piece of cheese or bottle of milk into an identifiable and trustworthy product makes traceability becomes a strategic tool."

Huub Buckx, Project Manager, Campina

Accountability

In order to ensure a complete Tracking and Tracing System, it was crucial that roles and responsibilities along the supply chain were clearly defined. Campina instituted their internal tracking and tracing system, covering the supply chain, including all Campina and outsourced sites involved in manufacturing and distribution. Responsibilities distributed between Corporate R&D, Operations, and Q/A departments included the following:

- Defining minimum requirements for registration and identification and instituting standardized contracts with suppliers and customers.
- Translation of requirements for registration and identification into documented procedures.
- Securing traceability of milk to the co-operative, traceable back to the farm.
- Securing traceability from raw materials via the manufacturing process until storage of the end products. Implementing a unique batch numbering system, which captures all relevant information concerning the manufacture of a product batch including materials and equipment used.
- Securing traceability of supplied end products to the customer. Requiring all delivered batches need to be traceable by product name, batch number and quantity
- Internal Auditing to check the system.
- Dealing with returned goods and the reprocessing of these products, should they re-enter the system.



GS1-128 label on a pallet



GS1-128 label on boxes



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GS1 System Application

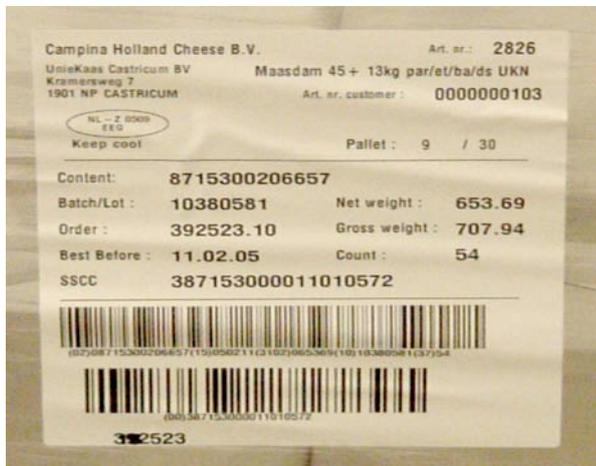
Campina decided to implement the GS1-128 standard because previous barcode labelling systems were ineffective and not universally structured. Boxes are identified with a GS1-128 identification label which contains the following data: Global Trade Item Number (GTIN) Application Identifier (AI) 02, lot number AI 10, and weight of product, AI 3102. Pallets are identified with the GS1 logistics label which contains the Serial Shipping Container Code (SSCC)

“It was very important that all production sites for Campina operate efficiently and in the same way. The GS1 System enabled us to use globally unique barcodes to standardize our way of working within and outside of the cooperative,” said Mr. Buckx.

Benefits

Since implementing the GS1 System company wide, Campina has enjoyed the following benefits:

- Cost savings of over 276,000 Euros per year due to a reduction in repackaging and re-labelling
- Time savings in tracking and tracing a product from over 4 hours to less than 1 hour.
- Efficiency by enhancing logistic performance and increasing reliability
- EU Law Compliancy of the EG General Food Law and the GMP feed and dairy hygienic guideline EG 92/46



Application Identifiers (AIs) indicating:

- AI 02: GTIN (Global Trade Item Number) of trade items contained
- AI 15: Dates
- AI 3102: Net weight
- AI 10: Batch/lot number
- AI 37: Count of trade items contained in a logistic unit
- AI 00: SSCC (Serial Shipping Container Code)

Contacts

Campina has worked at internally improving their systems for traceability and logistics. By approaching the Tracking and Tracing and the Product Identification Projects individually and then incorporating their findings, they have been able to use one system, incorporating needs from both projects. For more information about Campina, please contact huub.buckx@campina.com.

For more information about Fresh Produce Traceability in the Netherlands, please visit the GS1 Netherlands website at <http://www.gs1.nl/>



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