

APPENDIX C
CAN-TRACE BACKGROUND

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In July 2003, the Canadian Council of Grocery Distributors, the Canadian Federation of Independent Grocers and the Food and Consumer Products Manufacturers of Canada joined with the Electronic Commerce Council of Canada to create the Can-Trace Traceability Program. This program was established in response to mounting regulatory and market pressures – both in Canada and internationally. These regulatory and market pressures included:

A. Regulatory Drivers

Within Canada, policy and regulations contributing to the creation of Can-Trace included:

1. The Quebec Department of Agriculture, Fisheries and Food (MAPAQ) will require mandatory traceability of beef by 2005. One up/one down traceability will be a minimum requirement of Quebec's traceability initiative. In addition, MAPAQ will require whole-chain traceback of a product within 24 hours.

Numerous other provinces are examining the issue of traceability within their jurisdictions to better understand the challenges and issues surrounding the tracking and tracing of food products.

2. The Agricultural Policy Framework established an objective of achieving 80% traceability for Canadian food by 2008.

Internationally, the impetus to create Can-Trace came from:

1. The European Union will require full traceability by January 2005.
2. The US is currently in the process of implementing its Bio-terrorism and Country of Origin Legislation.

B. Market Drivers

In addition to regulatory pressures, the creation of Can-Trace was also driven by pressures from within the marketplace:

1. Food Safety and Recall Effectiveness. Public concern regarding food safety has been stimulated through high profile events such as BSE in cattle, avian flu etc.
2. Food Content and Quality Attributes. Markets and consumers are increasingly demanding to know specific content and quality attributes of the products they purchase.

Why Can-Trace?

As a result of these (and other) drivers, many companies and organizations had begun to develop traceability systems for their specific supply chain requirements prior to the creation of Can-Trace. However, the founders of Can-Trace noted that there was little commonality of traceability standards or approaches being undertaken by these various groups. In other words, the various companies and organizations were independently determining what data elements they would record – as well as what system they would use to record and store the data. A major

limitation of such independently created traceability systems is the lack of interoperability between them. For example, rather than adopting a single traceability system to cover all of the products it carries, a food retailer would have to support the unique traceability system adopted by *each* of its suppliers. Recognizing the inefficiencies and cost that this would generate, Can-Trace is therefore dedicated to the ideal of a national, whole-chain, cross commodity traceability system that is capable of meeting *domestic* requirements.

According to the draft Can-Trace *Canadian Food Traceability Standards* document, the primary objective of Can-Trace is:

...to define and develop minimum information requirements for a national whole-chain all-product traceability standard based on the globally recognized EAN/UCC System.

While earlier versions of the *Canadian Food Traceability Standards* document stated that the standards would accommodate both domestic and export requirements, the latest version states that the standard will apply only to “domestic and imported product” (i.e the domestic market). In addition, the issue of how the standard will be implemented in a business setting - or in a particular food sector - falls outside the current mandate of Can-Trace.

At present, the application of the Can-Trace standard is to be voluntary. However, there is currently an internal discussion within Can-Trace regarding a future objective of fostering the development and implementation of legislation to mandate the use of the Can-Trace system. Moreover, it should also be noted that some of the major food retailers in Canada have taken a leadership role in the Can-Trace initiative. As discussed earlier, these retailers would clearly benefit from the existence of a whole-chain all-product system. If they elected to require their suppliers to adopt the Can-Trace standard, these retailers could bring about the widespread use of this standard within the Canadian food industry – without the imposition of legislation.

A Work in Progress

While Can-Trace has undoubtedly made progress toward its objective, it remains a ‘work in progress’. For example:

- To date, they have focused solely upon the development of standards for single ingredient products –multi-ingredient foods have not been considered.
- The *Canadian Food Traceability Standards* document continues to undergo revisions
- While some pilot projects have been completed, a lack of funding has prevented the initiation of the seafood pilot project.
- While the Can-Trace Seafood Guidelines have been quite widely distributed, they are not yet complete. In fact, the current BC Seafood Alliance project has examined seafood export requirements more completely than the most recent Can-Trace document. Therefore, the BC seafood sector cannot look to Can-Trace to guide seafood data requirements.