

Collaborating to earn consumer trust and supply safe infant milk around the world

Supporting food safety, quality, and consumer confidence
through transparent product traceability



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Turning a crisis into a positive

Introduction

The world's largest dairy exporter, Fonterra™ Co-operative Group limited is a global dairy nutrition company operating in New Zealand, owned by about 10,000 farmers and their families. Fonterra's business ethics are centered on caring for the environment and the community it serves. So it was all hands on deck when, in 2013, it had to manage a high-profile and sensitive precautionary product recall, following a potential contamination that could have health implications.

"Brand compliance is precious to us," said Rekha Baptista, Traceability Centre of Excellence manager, for Fonterra. "In this event, a contamination was eventually ruled out, but it took a significant effort and too much time to accurately identify all the effected products and their destinations down to the last kilogram. We were able to trace all our product, but as our traceability process was not fully automated and relied on an array of systems involving a mix of electronic information, as well as manual logs and spreadsheets, we recognized that this was not good enough. It highlighted to us the urgent need to improve our traceability systems and processes."



"Trust in source" traceability

As a business, Fonterra had been expanding rapidly. Thirty manufacturing sites in New Zealand produce more than 16 billion liters of milk every year, 95 percent of it destined for the export market. A high degree of automation had been introduced in the supply chain, yet capturing data to trace products and validate the provenance was still not fully automated.

Fonterra committed to invest in a full "trust in source" traceability program that would deliver capability for product to be traced within three hours. Taking this a step further, it identified that having traceability within the supply chain was not sufficient, but information needed to be available at the consumer's fingertips too, giving them complete trust and visibility of the source of their purchase.

Baptista said, "A parent buying infant formula for their baby must have the confidence that what they are feeding their child is completely safe. We want to connect consumers to their food, provide transparency through the supply chain, and allow them to see the origin of the food they are purchasing."



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Rekha Baptista

“Our products meet people when they are at their most vulnerable; new mothers needing to feed their babies. There is absolutely no safety risk worth taking in that scenario, and our collaboration with OpenText gives our consumers that trust.”

Rekha Baptista



Collaborate for success

After exploring more than 75 available solutions, Fonterra selected five to go forward to RFI stage. No one company could quite deliver a 100-percent match to its requirements, but OpenText was the closest match and of such a high quality that Fonterra selected the company. “Although OpenText didn’t have the exact capability we needed, we were struck by their willingness to work with us to develop a solution that would have a much closer fit to our requirements,” Baptista said.

The result of this collaboration is the Fonterra-customized version of the OpenText™ Core Product Traceability Service offering. This enables the data collection and business intelligence reporting for actionable analytics and alerts. The investment allows Fonterra to very efficiently show consumers where and when the product was manufactured, its expiry date, and its authenticity.

An initial pilot deployment in Fonterra’s Auckland production plant included full SAP® integration and was live in just seven weeks. Unique codes are distributed to the manufacturing systems, where they are laser etched directly onto the product containers.

Trust in source with GPAS

Flagship infant formula brand Anmum, using Fonterra dairy nutritional products, was the first to leverage GPAS. Using their mobile phone, consumers can scan the unique QR code on each Anmum product. A multilingual consumer portal will interpret up to 20 data attributes, giving them information about its provenance before they buy it, or afterwards. More than 86 percent of the Anmum brand products are now covered by GPAS.

The internal traceability has also proved very useful. “A few months ago, we were investigating a batch of raw milk from a farm,” Baptista said. “The milk had already been collected and combined with other collections and delivered to our processing site. Because we were able to very quickly identify and isolate the product that was manufactured, we were confident that we had ring-fenced all product containing milk from this batch. This meant the product could be tested to confirm that it was safe to use. Without full electronic trace capability, this would have been a complicated process that took a long time, and we would have had to put all our processing on hold. Safety is paramount and our highest priority as we make food, so when it comes to food safety, we have a zero risk appetite.”

Members of the Fonterra family around the world have access to user-friendly traceability dashboards and analysis reports to answer customer queries and enable fast decision-making.





Impact: Recall ability down to minutes

The industry and regulatory response to Fonterra's traceability initiative has been overwhelmingly positive, with other industries learning from its experience to adopt similar principles. Globally, Fonterra is the first dairy producer to have introduced this level of traceability, instilling huge confidence to its consumers. Customer survey results reflect this feedback as they understand that food safety is Fonterra's highest priority. Thankfully, there has been no need to use the functionality in real life.

To ensure robust trace capability, Fonterra regularly performs traceability exercises, and can demonstrate that it not only meets the three-hour target, but exercises can be done in a shorter time. This provides the confidence that fully transparent automated processes can be quickly activated at any time to effectively trace products.

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