



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

Human Interest Story
Security, Risk & Governance

At a glance

Industry:

Global dairy co-operative

Partner:

Fonterra Co-operative Group Limited

Location:

New Zealand

Context:

Supporting food safety and quality by introducing transparent product traceability for full consumer confidence

Our Response:

Micro Focus Global Product Authentication Service (GPAS)

Impact:

- Increased customer confidence and satisfaction
- Recall ability significantly improved to minutes
- 86% of the flagship brand Anmum uses GPAS-managed product authentication

Focus Area:

Security, Risk & Governance

**Dairy for life**

Fonterra Co-operative Group Limited is a global dairy nutrition company owned by ~10,000 farmers and their families. Fonterra stands for environmental sustainability, caring for the community, and providing the most nutritious dairy products possible. As the world's largest dairy exporter, Fonterra proudly shares its products with over one billion people every day.

Turning a crisis into a positive

Fonterra's business ethics are centred on caring for the environment and the community it serves. So when, in 2013, it had to manage a high-profile and sensitive precautionary product recall, following a potential contamination that could have health implications, it was all hands on deck to manage this crisis. As explained by Rekha Baptista, Traceability Center of Excellence Manager, for Fonterra: "Brand confidence is precious to us. In this event, a contamination was eventually ruled out, but it took significant effort and too much time to accurately identify all the affected products and their destinations down to the last kg. 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 recognised 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. 30 manufacturing sites in New Zealand produce over 16 billion litres 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, but 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, they 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 says: "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, Traceability Center of Excellence Manager, Fonterra

Collaborate for success

After exploring over 75 solutions available, Fonterra selected five to go forward to RFI stage. No one company could quite deliver a 100% match to their requirements, but Micro Focus was the closest match and of such a high quality that Fonterra selected them. Baptista on the choice for Micro Focus: "Although Micro Focus 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."

The result of this collaboration is the Fonterra-customized version of Micro Focus' Global Product Authentication Service (GPAS) 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 a seven week timeframe. Unique GPAS codes are distributed to the manufacturing systems, where they are laser etched directly onto the product containers.

"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 Micro Focus gives our consumers that trust."

Rekha Baptista

Traceability Center of Excellence Manager, Fonterra



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 their experience to adopt similar principles. Globally, Fonterra is the first dairy producer to have introduced this level of traceability, giving 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.

Baptista concludes: "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 Micro Focus gives our consumers that trust."

