

# Leche Pascual Plans to Use RFID to Pack and Track Food Products

The Spanish producer of dairy products and other packaged foods hopes data from the RFID tags will optimize production, improve food safety and reduce shipping errors.

By Beth Bacheldor

Nov. 1, 2006—Grupo Leche Pascual, a Spanish producer of packaged foods, is readying an RFID project to track goods as they are produced and packed at its dairy production plant in Gurb, in the Barcelona province, then shipped to distributors. The company, which also produces juices, breakfast cereals, soft drinks and other products, will kick off the trial in early 2007 to test EPCglobal Gen 2 UHF RFID tags on cases and pallets, according to MD Soluciones de Identificación. The provider of codification, identification and industrial labeling systems has operations in Spain, Portugal and Germany, and is serving as the lead integrator on the project.

Leche Pascual hopes to leverage data from the RFID tags to optimize its production processes, such as the storage, picking and packing of products. It also wants to improve food safety along the supply chain, as well as reduce shipping errors that can cause product returns and losses and delay invoices, according to Santiago Depares, managing director of MD Soluciones.

"RFID is revolutionizing the [consumer packaged goods] market and will save millions for businesses through the optimization of their processes," Depares says.

To track the goods as they move through the manufacturing process and are picked and readied for shipment, Leche Pascual is working with MD Soluciones to implement applicators that automatically affix RFID tags to cases and pallets, as well as deploy RFID interrogators on palletizers (specialized machines that load cases onto pallets) and interrogators at loading bays. The RFID readers will capture production times for completing a full pallet or case, and the movement of products throughout the plant, as well as the pallet contents as they are shipped out of the Gurb plant and on to distributors.

The trial is intended as a precursor to a company-wide RFID implementation involving Leche Pascual's 15 manufacturing plants and 22 warehouses. Leche Pascual processes about 130,000 pallets of goods daily, according to Depares.

The CPG company ultimately wants to feed the RFID data captured within its plants and warehouses to its back-end information technology systems. This will allow it to analyze and correlate that data to improve production processes and productivity across the company.

Though Depares declined to reveal the number of RFID tags Leche Pascual's company-wide RFID implementation will include, he says that once it is up and running, the number will be "quite a lot bigger" than that of China's Guangshen Railway Co. (GSH). The railroad recently announced it will consume 125 million RFID-enabled single-use tags annually (see Chinese Railway Switching to RFID Transit Cards).

The size of Leche Pascual's RFID implementation might even cause tag prices to drop, Depares says. "The scale of the project will make chip labels available at competitive prices, even for consumer industries," he says.

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