

# Albertsons Announces Mandate

The second largest U.S. food and drug retailer plans to require suppliers to tag pallets and cases by April 2005.

By Jonathan Collins

March 5, 2004—In another significant boost for RFID deployment in the United States, Albertsons, the nation's second largest food and drug retailer, has launched its first RFID pilot and announced that it will require its top 100 suppliers to tag pallets and cartons by April 2005. The pilot, which the retailer is carrying out with select partners, involves the tagging of pallets and cases of products.

The company, which operates Albertsons, ACME Markets, Jewel-Osco, Osco Drug, Savon, Super Saver Foods and other stores across 31 U.S. states, is the latest in a growing number of giant U.S. retailers that have announced RFID deployment. Last Month, Target, the fourth largest retailer in the United States, told its top suppliers that they will be required to apply RFID tags on pallets and cases sent to "select" regional distribution facilities beginning late spring 2005.

Albertsons' announcement also echoed the one made last summer by Wal-Mart, the world's largest retailer. Like Wal-Mart, Albertsons says that it expects its top 100 suppliers to tagging their shipments to the company at the case and pallet level. Albertsons' deadline, however, is not until April 2005, three months after Wal-Mart's January deadline.

According to Bob Dunst, executive vice president and chief technology officer at Albertsons, the company believes its RFID deployment will improve what it calls its consumer demand chain management by enabling the company to instantly locate products as they flow through its supply chain.

The company has around 2,300 stores across the U.S. supported by 19 distribution centers located in Arizona, California, Colorado, Florida, Idaho, Illinois, Oklahoma, Oregon, Pennsylvania, Texas and Utah.

Although Albertsons would not provide much detail about its plans going forward, the company said the announcement about its pilot and deadline was a way to signal to its suppliers and customers that RFID is part of its future strategy.

The company gave few details about its RFID pilot other than that it covers just one of its many project categories and that it expects it to be expanded to other categories as the trial continues. Details of the pilot and the companies involved could be made available later in the second quarter, according to a company spokesperson. The company also said it expects to hold a briefing for the suppliers its expects to meet its tagging deadline.

Albertsons first revealed its interest in RFID and in particular the Electronic Product Code (EPC) network by becoming a founding member of the EPCglobal—the nonprofit organization charged with commercializing EPC technology—when it was formed last September. The company says it will be an active participant in the EPCglobal standardization process for retail consumer demand chain management.

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