

New RFID Centre Opens in Canada

Retail, perishables and consumer products firms get \$1.7 million life-size testing facility to aid technology's rollout



A box of apples heads down a conveyor for scanning.

Markham, Ontario, September 21, 2005 – Boxes of laundry detergent, cases of fresh produce, and packages of frozen chicken are just some examples of products that will be easier to track through the supply chain with the help of the new Canadian RFID Centre announced today.

Canadian companies will now have the opportunity to experience RFID-enabled business processes in the perishables, consumer packaged goods and retail industries in their own backyard. With an initial investment of approximately CDN\$1.7 million, the Centre will enable the Canadian industry to better understand, experience, experiment with and test the latest RFID technologies and demonstrate the potential business case for tracking products. According to IDC, worldwide RFID consulting, implementation, and managed services expenditures are forecasted to be approximately US\$800 million in 2006.

The Canadian RFID Centre will be unique in Canada -- created by industry for industry to help understand RFID, its benefits and implications. Initially, this Markham, Ontario facility will allow producers, manufacturers, distributors and retailers to experience how RFID will enable food traceability but plans call for the inclusion of other products and processes in the near future.

The founding partner organizations that have joined forces to develop the Canadian RFID Centre include: Canadian Council of Grocery Distributors, Canadian

Federation of Independent Grocers, Canadian Produce Marketing Association, EPCglobal Canada (GS1 Canada), Food and Consumer Products of Canada, IBM Canada Ltd., Intermecc Technologies Corporation, Symbol Technologies Inc., and Agriculture and Agri-Food Canada.

"IBM has created other RFID briefing centres and labs around the globe, and this facility is truly a first for Canada," said Shai Verma, RFID practice leader, IBM Canada Ltd. "We have joined forces with key industry organizations and technology partners, and collectively, we have created a capability that will help companies better understand RFID's business process impacts and how it will work in some very challenging physical situations, ensuring they can reap the benefits of the technology quickly and with low risk."

Additionally, this Centre will be the first in North America to demonstrate the use of Generation 2 technology which increases its applicability and stability to operate in many different industries and environments. Built as a permanent facility, the Centre will act as a focal point for Canadian industry RFID discussions. The Centre will become known as the industry RFID resource centre in Canada and will eventually provide not only an educational capability but a product testing facility. The Centre will initially focus on the retail, produce and consumer packaged goods industries and demonstrate how RFID can enable a more accurate and cost effective way of implementing food traceability of frozen, fresh and dry goods.

"The Centre will help the Canadian food industry continue its leading edge technological advancements in the supply chain," said David Wilkes, chair, Canadian RFID Centre Steering Committee, and senior vice president, trade and business development, Canadian Council of Grocery Distributors. "Global competitiveness in this area will keep Canadian food businesses at the forefront of continuous cost improvements."

"The Government of Canada encourages innovative solutions such as the RFID traceability technology," said Agriculture and Agri-Food Minister Andy Mitchell. "That is why we're proud to have invested \$485,000 to support activities that will give Canadian companies an edge."

"A key driver for RFID adoption is the development of standards, which will eliminate proprietary systems, helping to reduce supply chain costs and increase competition across multiple industries," said N. Arthur Smith, president and CEO, EPCglobal Canada. "Industry collaboration in initiatives such as the Canadian RFID Centre ensures that Canadian business requirements are identified and integrated into global standards."

Radio Frequency Identification (RFID) is a wireless system that helps enterprises track products, parts, expensive items and temperature-and time-sensitive goods using a radio frequency transmission. In a typical RFID system, transponders, or RFID tags, are attached to objects. This tag will identify itself when it detects a signal from a reader that emits a radio frequency transmission. Each RFID tag carries information on it such as a serial number, model number, colour, place of assembly or other types of data. When these tags pass through a field generated by a compatible reader, they transmit this information back to the reader, thereby identifying the object.