

CHANNEL REFERENCE

# The Channel Partner's FSMA 204 Brief.

A reference document for foodservice distributor account managers who need to explain FSMA 204 to their accounts and recommend a credible path forward.

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AUDIENCE

Account managers at foodservice distributors (Aramark, Sodexo, Compass, Gordon Food Service, Sysco, US Foods) and value-added resellers serving institutional fresh food accounts

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Reference document — designed to be used in account conversations and as a leave-behind

## Your accounts are starting to ask about FSMA 204.

If you manage institutional foodservice accounts — health systems, university dining, corporate dining, managed services — your customers are starting to ask harder questions about food traceability than they used to. They are asking because their own buyers (or in some cases, the FDA) are requiring documentation they don't currently have. They are asking you because you are the supply chain professional they trust on operational questions.

This document gives you what you need to respond credibly. It covers what FSMA 204 actually requires in language an account manager can use in a customer conversation, what the realistic operator timeline looks like, what major buyers in the industry are already asking for, and how to position your role and the relevant solutions without overselling or underclaiming.

It is not a sales script. It is a reference document. You can read it through in 25 minutes; you can also use it section by section in specific conversations. The questions in Section 5 are particularly useful in scoping calls with accounts that are early in their FSMA 204 thinking.

### SECTION 1

## Why this matters to you specifically.

FSMA 204 changes the relationship between distributors and their accounts. For the past two decades, the distributor's job has been to deliver product. The expansion into supplier qualification, food safety reporting, and traceability data exchange has been gradual and largely additive.

FSMA 204 makes this expansion non-optional. Distributors who can help their accounts achieve traceability compliance become more valuable. Distributors who cannot become commodity vendors that accounts will eventually leave for someone who can.

The opportunity, framed honestly:

- **Account retention.** Accounts that achieve FSMA 204 compliance with your help are accounts that stay yours. Accounts that achieve it without your help start looking at the relationship as transactional.
- **Wallet share expansion.** Accounts that trust you on operational questions are accounts that consolidate spend with you. The FSMA 204 conversation is the entry point into a broader operational relationship.

- **Differentiation against other distributors.** The institutional foodservice distribution market is consolidated and competitive. Distributors who can credibly help with FSMA 204 implementation differentiate themselves on a real operational dimension, not just on price.
- **Margin protection.** Compliance-related services typically support higher margins than commodity distribution. The distributors who become the FSMA 204 partner for their accounts are accessing margin that did not exist five years ago.

The risk, framed equally honestly: distributors who do not develop a credible FSMA 204 position by 2027 will be answering uncomfortable questions from their accounts about why they are not helping with what is clearly a major operational concern. The window to develop position is open now and will close as the deadline approaches.

## SECTION 2

# FSMA 204 in language you can use in an account conversation.

Most regulatory summaries are written in legal language. Account managers need operational language. Here is how to explain FSMA 204 to an account in three minutes without overstating or understating.

### The one-sentence version

FSMA 204 is a new FDA rule that requires institutional food manufacturers handling certain high-risk foods to maintain electronic traceability records that the FDA can request and receive within 24 hours.

### The two-paragraph version

Starting July 20, 2028, the FDA can request — at any time, with no warning — that an institutional food operator produce complete traceability records for a specific food product. The operator has 24 hours to deliver the records. The records have to show, in electronic format the FDA can analyze, every ingredient lot received, every transformation that occurred, every storage location involved, and every shipping destination for the product in question. Paper logs are not sufficient. Spreadsheets are not sufficient.

The rule applies to anyone manufacturing, processing, packing, or holding foods on the FDA Food Traceability List — fresh-cut fruits and vegetables, certain cheeses, shell eggs, nut butters, leafy greens, melons, peppers, tomatoes, ready-to-eat deli salads, and finfish, among others. Institutional fresh food production is squarely in scope.

## What it means operationally

The operator needs a system that captures lot codes at receiving, links input lots to output lots when production happens, records cooling cycles at the moment they occur, and produces FDA-format traceability records on demand. The operator who cannot do these things by July 2028 will be operating without compliance, which means operating under the threat of FDA enforcement action and — earlier than that — losing accounts that require demonstrated traceability from their suppliers.

### **The most common account misconception you will need to correct.**

Accounts frequently believe that because the FDA deadline was extended from January 2026 to July 2028, they have plenty of time. They do not. Their largest buyers — Sysco, Walmart, Kroger, Compass Group, and others — are requiring traceability documentation well ahead of the FDA deadline. The operational timeline most accounts actually need to plan against is 12–18 months, not the 2028 FDA date.

## SECTION 3

# What major buyers are already requiring.

This section is the most important one in account conversations. The FDA deadline is far away. The buyer audit pressure is here now. Accounts who understand the buyer pressure timeline will take FSMA 204 seriously; accounts who only see the FDA deadline will delay until it's too late.

The following are publicly documented programs from major institutional food buyers. These are not predictions; they are current realities.

## Sysco

The largest foodservice distributor in the U.S., serving approximately 730,000 customer locations through 340 distribution facilities. Sysco announced its FSMA 204 traceability initiative in 2023 and began implementation in 2024 in partnership with iFoodDS. Sysco expects supplier alignment with its traceability standards as part of ongoing commercial relationships. Suppliers who cannot meet Sysco's data requirements face commercial pressure independent of any FDA action.

## Walmart and Sam's Club

Walmart has implemented some of the most concrete supplier-facing traceability requirements in the industry. Through Walmart's Supplier One portal, food suppliers must self-declare at the item level

whether each item is on the Food Traceability List. All food suppliers must provide an Advanced Shipment Notification containing Key Data Elements for every shipment, and pallets containing food must be labeled with an SSCC-18 barcode linked to that ASN. These requirements are in production today. Suppliers who cannot meet ASN-with-KDE requirements at the line level lose the ability to ship.

## **Kroger**

Kroger has publicly disclosed building a central traceability system that consolidates supplier information, inbound shipment data, and outbound traceability into a unified data layer. The system has been under development since 2023 and continues to expand. As with Walmart, suppliers cannot reconstruct records reactively when Kroger asks — the data must be generated automatically and available through Kroger's data interfaces.

## **Compass Group**

Compass Group, operating approximately 50,000 client locations globally, publishes a Food Safety Policy that explicitly requires "similarly high standards from our suppliers and contractors" and commits the Board to annual policy review against legislative changes. Suppliers feeding Compass-operated institutional dining — hospitals, universities, corporate campuses — face direct policy-level pressure to align traceability practices with Compass's commitments.

## **Aramark and Sodexo**

Both Aramark and Sodexo operate extensive institutional foodservice programs across health systems, education, and corporate accounts. Both have published food safety expectations for suppliers that extend to traceability documentation. Specific supplier audit programs vary by account; the consistent direction is toward documented traceability as a baseline qualification requirement.

## **ReposiTrak and industry networks**

ReposiTrak, the largest food traceability and regulatory compliance network in the U.S., now publicly states that major retailers, wholesalers, foodservice operators, and quick-service restaurants are "demanding broader traceability practices across all product categories" — including traceability for products outside the Food Traceability List, additional KDEs beyond FDA minimums, and accelerated implementation timelines that exceed federal deadlines.

#### THE POINT YOU WANT TO LAND IN AN ACCOUNT CONVERSATION

**The relevant deadline for most accounts is not July 2028. It is whatever date their largest buyer starts requiring documentation.**

For most institutional fresh food accounts, that date is somewhere between Q4 2026 and Q3 2027. An account that has not started planning their FSMA 204 work by mid-2026 is already late relative to their buyer audit timeline, even though they are early relative to the FDA timeline.

#### SECTION 4

## How to diagnose where your account actually is.

Accounts vary widely in how prepared they are for FSMA 204. Some have begun planning; most have not. A quick diagnostic conversation reveals which bucket the account is in and what they actually need help with.

## The four account categories

CATEGORY	WHAT YOU'LL HEAR FROM THEM
<b>Already prepared</b>	"We have a system in place. Our records are audit-ready today." Rare. Verify by asking how long it would take to produce records for a randomly selected lot from six months ago. If the answer is under an hour, they are genuinely prepared.
<b>Actively planning</b>	"We're evaluating systems." "We've assigned someone to lead our compliance work." "We're scoping the project." This account knows the problem exists and has the right organizational response. They mostly need help with vendor selection and implementation.
<b>Aware but unmoved</b>	"We know about it. We're going to deal with it." "We have a 2028 deadline so there's time." This account knows FSMA 204 exists but has not yet internalized the buyer audit timeline. They need urgency, not awareness.
<b>Unaware</b>	"What's FSMA 204?" Less common than it used to be but still present, especially in smaller operations and at the operations director level (often the food safety team knows; the operations team has not been briefed). This account needs the basic education before any other conversation.

## The diagnostic question that reveals which category

Ask the account this single question and let them answer in their own words:

### QUESTION TO USE IN ACCOUNT CONVERSATIONS

*"If your largest customer called you tomorrow and asked for complete traceability documentation for a specific lot of finished product from six months ago, what would your team actually do?"*

The answer tells you which category they are in. An "already prepared" account answers in operational terms: "We'd pull it from our system, takes a few minutes." An "actively planning" account answers with

planning detail: "We don't have it now, but here's our timeline for being able to." An "aware but unmoved" account answers vaguely: "I think we could put it together, we'd probably need to ask the food safety team." An "unaware" account answers with confusion or asks what FSMA 204 is.

The conversation that follows depends on which answer you got. For "already prepared" accounts, your job is to keep them informed about evolving buyer requirements. For "actively planning" accounts, your job is to help them with vendor evaluation. For "aware but unmoved" accounts, your job is urgency: walk them through the buyer pressure timeline in Section 3. For "unaware" accounts, your job is education: this brief is a useful starting point.

## SECTION 5

# How to position the solution conversation.

Once an account has internalized the urgency, the conversation turns to "what do we actually do." This is where account managers can add the most value, and also where they can do the most damage if they overclaim or recommend the wrong category of solution.

## The three categories accounts will encounter

The institutional food software market has three main solution categories competing for FSMA 204 budget. Accounts who understand the categories make better decisions. Accounts who don't tend to over-rely on what their existing ERP vendor tells them, which is the most common expensive mistake.

### Their existing ERP, extended

The path of least resistance. The account already has NetSuite, SAP, Oracle, Acumatica, or a similar ERP. The ERP vendor will offer an FSMA 204 module or recommend customization. This works in some cases and fails in many. The structural issue is that ERPs are designed for transactional financial work, not for production floor workflow capture. ERP-based FSMA 204 implementations often produce compliance-looking records that fail under buyer audit scrutiny because the records were generated retroactively, not at the moment of work.

### Compliance documentation platforms

SafetyChain, TraceGains, Trustwell, and similar platforms. These are real products serving real customers. They are strongest for HACCP plan documentation, supplier qualification management, and SOP libraries. They are weaker for the actual workflow capture that FSMA 204 requires, because they sit alongside existing operational systems rather than running the operation. Accounts who already have a documentation gap (rather than a workflow capture gap) are well served by this category.

## Execution-layer platforms

A newer category. These platforms run the production floor — capturing every receiving event, transformation, cooling cycle, label print, and shipping event at the moment of work, by the operator doing the work. They produce FSMA 204 compliance records as a byproduct of normal operations rather than as a separate compliance task. Shrink Manager (Shrink Software LLC) is in this category. The category is best suited for institutional food operations with multi-site complexity and active production workflows, which describes most accounts who are struggling with the rule.

## How to recommend without overstepping

Account managers should not be pitching specific software. The right framing is to help the account understand the three categories and ask the right diagnostic questions to identify which category fits their gap.

### SAMPLE FRAMING FOR AN ACCOUNT CONVERSATION

*"There are basically three kinds of solutions in the market for this. Some of your team probably wants to extend your existing ERP, and that works for some accounts and fails for others — depending on whether your ERP module was built for the production floor or for the back office. There's a category of compliance documentation tools that work well if your problem is mainly paperwork. And there's a newer category called execution-layer software that runs the production floor and generates compliance records automatically. The right answer depends on where your actual operational gap is. If you want, I can connect you with operators in each category so you can hear directly from people who've been through implementations."*

This framing positions you as a trusted advisor without committing you to any specific vendor recommendation. The account learns enough to make their own informed decision, and they remember that you were the person who helped them think clearly about it.

### SECTION 6

## How to keep up as this evolves.

FSMA 204 implementation is going to be a moving target through 2028 and beyond. Buyer requirements will tighten. New software offerings will appear. FDA guidance will continue to be released. Specific reference customer outcomes will accumulate. The account managers who stay current on these developments will be more valuable to their accounts than those who don't.

A few specific resources worth tracking:

- **FDA Food Traceability Rule page.** The agency publishes guidance documents, FAQ updates, and stakeholder engagement announcements as they become available. The Partnership for Food Traceability is also a stakeholder forum worth knowing about.
- **Buyer supplier portals.** Walmart Supplier One, Kroger supplier communications, and equivalent portals for the major buyers you work with. The requirements posted in these portals are the operational reality your accounts will eventually face.
- **Industry trade press.** Food Safety Magazine, Food Logistics, and The Packer all cover FSMA 204 evolution. Subscribing to their newsletters keeps you ahead of the curve.
- **Reference customer outcomes.** As FSMA 204 implementations mature, public case studies and audit outcome reports will start to appear. These will be the strongest evidence base for your account recommendations.

Shrink Software publishes updates to our material as the landscape evolves. The FSMA 204 implementation guide on our website is the most current source of integrated information we maintain. Account managers are welcome to use our materials in customer conversations.

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## SECTION 7

# About Shrink Software.

Shrink Software LLC builds Shrink Manager, an execution-layer platform for institutional fresh food production. The platform has been in production for over two years at 10 institutional food sites, with compliance output flowing through partner distribution channels including Aramark, Sodexo, and Compass Group to over 200 institutional buyer accounts.

For channel partners and account managers: we work directly with distributor channel programs and value-added resellers. If you have accounts that fit the execution-layer category — multi-site institutional fresh food operations facing FSMA 204 and buyer audit pressure — we can support those conversations with technical resources, joint customer calls, and partner-friendly commercial terms.

For accounts directly: if you have read this brief through your distributor or VAR relationship and want to learn more, the easiest first step is a 30-minute conversation in which we walk through your current state and identify whether Shrink Manager fits your operation.

## **Shrink Software LLC**

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