Driving a Food Safety Culture

June 8, 2017

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Overview

• Why does culture matter
• Biggest challenges in food safety
• Approaches to assessing risks
• Approaches to managing risk
• Driving back to culture
Why Does Culture Matter

• Setting the tone from the top
• What matters to the company
  – Brand and reputation
  – Maintaining a safe environment – for people and products
• Understanding the risk today is important to convey the correct cultural message
Constant Challenges

- Constant innovation
- Consumer demands
  - Low cost
  - Zero risk
  - Exciting flavors
- Economic pressures
- Continued growth
- Being familiar with the current challenges
- Brand protection
The Changing Food-Safety Landscape

- Complex supply chains
- Consumer demands
- Emerging threats
- Improving epidemiology
- Influence of media
- Litigation
- Regulatory changes
- Criminal prosecutions
Supply Chain Risks

Your brand protection is our highest priority.
Risks in the Supply Chain

- Who is in your supply chain?
- Are there unknown sources upstream?
- Do you rely on someone upstream to control major risks for you?
- Do your rely on audits?
- Do you have a one size fits all approach to supply chain risk control eg COA and third party?
- Do you have transportation risks?
- How to balance risk with resources
• Drug residues
• Chemicals
• Heavy metals
• New microbes being found
  • E. coli O104
  • E coli 0121
• Antibiotic resistance
  • Real challenges
  • Perceived challenges
• Allergens
Changing Science of Food Safety

- New risks identified with foods
- Greater capacity to link food with illness
- Ability to measure lower levels of chemicals
- Improvements in genetic testing
- Whole genome sequencing
- Linking specific isolates with illness
Consumer Expectations and Media Influence

- Consumers expect all types of food will be available all the time
- Zero tolerance for unsafe food
- Consumers place responsibility for safe food on the producer
- Increased desire for local and unprocessed food
- Consumers ability to damage a brand
  - Main stream media
  - Social media
Consumers

- Consumer view of science
- Move toward clean labels
- Understanding risks
  - Preservatives vs no preservatives
- Thought leaders and “agitators”
- Demonization of processed food
New Regulations

• Food Safety Modernization Act in the US
• New regulations in Canada
• Moving from reaction to prevention
• Focusing on corporate responsibility
• Greater consequences
• Holding companies accountable
Regulatory Directions

• FSIS fairly clear on the direction they are heading
  – Performance standards
  – Physical contaminants
  – Focus on Salmonella
• FDA – under a lot of pressure
  – FSMA implementation
  – Inspector General report
  – Lack of understanding of the food industry
  – The impact of WGS
  – Direction of leadership
Other Key Players

- Center for Disease Control
- States
- Consumer organizations
- Congress
- Department of Justice
Litigation

- Let CDC do the work
- Going after the deep pockets
- Strict liability
- Doesn’t matter where you are in the supply chain
Criminal Investigations

• Peanut Corporation of America - Salmonella
• ConAgra - Salmonella
• Jensen Farms – Listeria
• Iowa egg company - Salmonella
• Bluebell Ice-cream – Listeria
• Chipotle – Norovirus
• Dole – Listeria
High Risks

• Congress has made it a prohibited act to introduce adulterated food into interstate commerce
• This is a strict liability offense, meaning that a company or individual who violates the law and can face misdemeanor charges whether or not it intended to distribute adulterated food
Misdemeanor prosecutions, particularly those against responsible corporate officials, can have a strong deterrent effect on the defendants and other regulated entities.
Centers for Disease Control use FoodNet to track human foodborne illness. First used in 1996, it captures illness from nine important foodborne agents. It tracks illness in approximately 45 million people in 10 states. An annual report of trends provides indications for regulatory focus and where the risks are.
• 2016 FoodNet data

Salmonella

Morbidity and Mortality Weekly Report
April 21, 2017
2016 FoodNet data
### How Are We Doing?

- 2016 FoodNet data – percent changes 2016 vs 2013-2015 averages

<table>
<thead>
<tr>
<th>Pathogen</th>
<th>2016 IR</th>
<th>% Change</th>
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<tbody>
<tr>
<td>Campylobacter</td>
<td>11.79</td>
<td>-11</td>
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<tr>
<td>Listeria</td>
<td>0.26</td>
<td>+4</td>
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<tr>
<td>Salmonella</td>
<td>15.40</td>
<td>+2</td>
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<td>Shigella</td>
<td>4.60</td>
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<td>STEC</td>
<td>2.84</td>
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<td>Vibrio</td>
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<tr>
<td>Yersinia</td>
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<td>+29</td>
</tr>
<tr>
<td>Cryptosporidium</td>
<td>3.70</td>
<td>+45</td>
</tr>
</tbody>
</table>

*Source: Morbidity and Mortality Weekly Report, April 21, 2017*
Major Causes of Trouble

• Supply chain failures
• Labeling mistakes
• Environmental contamination of ready to eat foods
Approach to Risk

• Risk assessment
• Risk management
• Risk communication
Continuous Improvement

Reactive

Preventive
Approach to Managing Risk

• Limited resources, so need to identify top priority risks
• Not all risks are the same
• Some risks are tolerable
• Some risks need to be managed aggressively
• How to approach risk
  • Assess the risk
  • Manage the risk
Risk Management Approach

- Regulatory Risk
- Operational Risk
- Reputational Risk

Brand Protection

Your brand protection is our highest priority.
Operational Risk

• Food safety risks internally and in your supply chain
  • Factors you can have control over
  • Lack of management commitment and critical resources
  • Lack of food safety culture
  • Failing to adequately document and maintain standards, policies, procedures and expectations
  • Risks from failing to be proactive
• Risk from being out of compliance with regulations
  • Failing to be compliant with all national or local regulatory requirements for food safety
  • Failing to properly execute on inspectional findings
  • Failing to adequately manage recall related events
  • Failing to monitor upcoming regulatory changes that can adversely impact the business
  • Failing to understand regulatory direction and expectations
Reputational Risk

• Risks related to perceptions that impact your brand
  • Protecting your brand with your customers, media, government and the public
  • Risks that are emerging that we often don’t see coming
  • Risks driven by the media – especially social media
  • Risks involved from mis-managing consumer, customer and/or employee complaints
  • Outside groups do not know how good you are with food safety
Risk Maturity Model

Good

Better

Best

Compliance
Compliance + Company Standards

Industry Leading Practice

Your brand protection is our highest priority.

www.AchesonGroup.com
• Culture should run right through an organization
• Understanding why you follow procedures
• Speaking out when you need to
• Executives have to set the standards and goals for a company
  • Driven by risks
  • Appropriate use of resources
• Understanding the changing landscape is important to manage risk, protect the brand and set the right culture
Summary

- Senior executives and food safety professionals have to manage many different aspects or risk.
- Navigating the current food safety landscape is challenging.
- Stay current with multiple challenge areas.
- Building relationships.
- Prevention focus with strong reactive capabilities.
- The need for a strategic and holistic approach.
- Setting the right culture.
Thank You
Questions?