

: Quality Assurance



Does your business have a recall fallout strategy?

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Recalls were at their highest in 2014, with on average one food recall in Australia per week. This was the highest level of recalls in 10 years. So what are the main causes of these recalls? The top three offenders were:

1. Microbial contamination
2. Incorrect labelling or undeclared allergen
3. Foreign body contamination

All businesses could be at risk of a recall because of one of the above and any number of other issues that cause a food recall. A recall can have serious repercussions on a business including business interruption, brand damage, drain on time and resources and the costs to manage the recall. According to FSANZ the cost of a recall can average at \$250,000, although some companies have reported costs in the millions.

The costs associated with a recall can add up quickly – and it's not just the cost implications of the returned product and costs involved along the entire supply chain. What about advertising costs? Your business might need to advertise or use certain communication methods to get the message out to consumers – then also to rebuild your brand and consumer confidence.

In the case of a product recall the old adage 'there is no such thing as bad publicity' does not hold true. The approach a business takes in reacting to the recall and to communications has a direct impact on the businesses reputation. Communications aren't just restricted to television, radio and print – modern communications spread instantaneously across multiple regions simply with the click of a button.

With social media, the news can go viral in a matter of minutes. Even businesses who are social media savvy and have robust response strategies in place, can still suffer from a disgruntled customers post online.

The Real Effect - example

The recent frozen berries recall has impacted on the distributor Patties Foods – with the share price falling 12% within days of the recall and more than \$1.7 million worth of product has been lost – not including other costs associated with the recall operation, ongoing damage to the Pattie brand and business reputation and the rise they will expect in their insurance premiums.

Don't risk recall fallout!

Your business needs to be confident in the strength of your risk strategies. For example, if we look at the three major contributors – how can or does your business ensure these risks are reduced or eliminated?

1. *Microbial contamination*

- Don't rely on or assume the people supplying your produce have tested it at various stages in the process i.e. on farm, on receipt in packing house, on dispatch, to ensure there is no microbial contamination throughout their processes. Your business can include your own risk strategy into your QA systems/programs.
- As part of your approved supplier program – have your supplier provide you with their temperature control records/testing for the produce when delivered to your business.
- Have a testing program in place for all produce received that may be at risk of microbial contamination – even if the grower has had the produce tested previously.

1. *Incorrect labelling or undeclared allergens*

- Although your business may not process pre-packed produce and produce is largely devoid of any allergens – there are still some things your business can do to mitigate any risk. It is still a requirement to adhere to labelling protocols within your QA system/programs and to ensure produce is not contaminated by allergens also kept on site.
- Bulk product sold should still have a label accurately indicating the type of product, supplier and country of origin. With both pre-packed and bulk produce you should have a process in place to check the labelling is correct at various stages from receipt to dispatch.
- Storage of allergens – if your business also stores or sells food products that are considered allergens or contain allergens – you need to ensure your QA program has a clear policy regarding the segregation of this product to avoid cross-contamination.

1. *Foreign body contamination*

- All businesses should have a foreign object management policy as part of their QA program. Brismark recently received information from Woolworths via their 'Fighting Foreign Bodies' supplier update – regarding cable ties being found in product, having broken off equipment and contaminated product. This is only one recent example, however your business should ensure your policy highlights the issue and outlines the process to ensure there is no contamination. For example:

1. Glass, ceramics and hard brittle plastics
2. Soft/hard plastics
3. Wood, paper and cardboard
4. Metals

If your business needs any assistance with implementing Testing protocols or QA systems/programs, contact Brismark on 3915 4222.

Source: www.saiglobal.com, February/March 2015, Recall Fallout Strategy: Complacent or Confident?