

Closing the Vulnerabilities of dealing with Agents and Brokers

7th Annual

FOOD



22 – 24 May 2017

NH Grand Hotel Krasnapolsky
Amsterdam

Safety & Quality Summit

Paul Isherwood







What I'm going to talk about



- BRC issue 7 – tightening up the rules on full end to end transparency
- Challenges of dealing with agents and brokers
- Tracking products to source to remove the risk of food fraud
- Effective authenticity and traceability strategies



End to end transparency?

Figure 6. The interconnected supply chain revealed via the 2013 horsemeat scandal



Source: Adapted from The Guardian.com, February 15, 2013, <http://www.theguardian.com/uk/graphic/2013/feb/15/horsemeat-scandal-food-safety1?guni=Article:in%20body%20link#>, accessed April 8, 2014.

Graphic: Deloitte University Press | DUPress.com

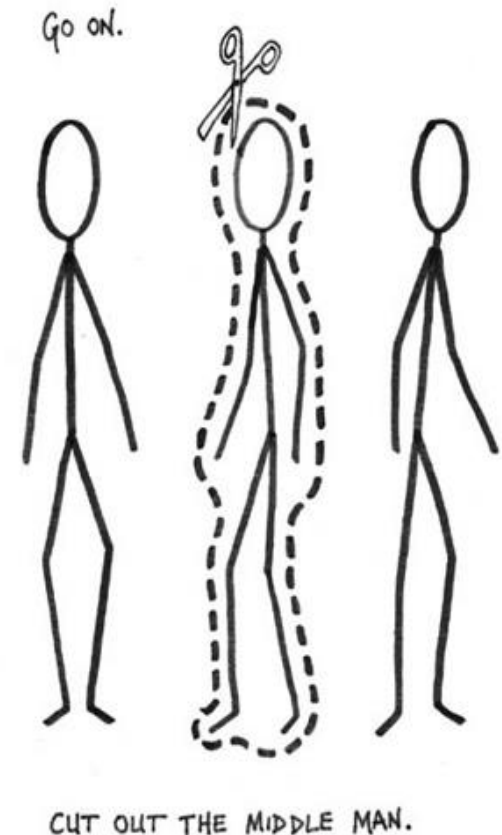
New global standard for food safety

- Key changes in version 7 of BRC standard:
 - Implement systems to reduce exposure to fraud
 - Improve food safety in small sites and facilities
 - Improve label and packaging control
 - **Greater transparency across the supply chain**
 - Increased requirements for supplier risk assessments
 - Verify an effective traceability system for all suppliers
 - Verify traceability to the last manufacturer, packer or grower when purchasing from agents or brokers



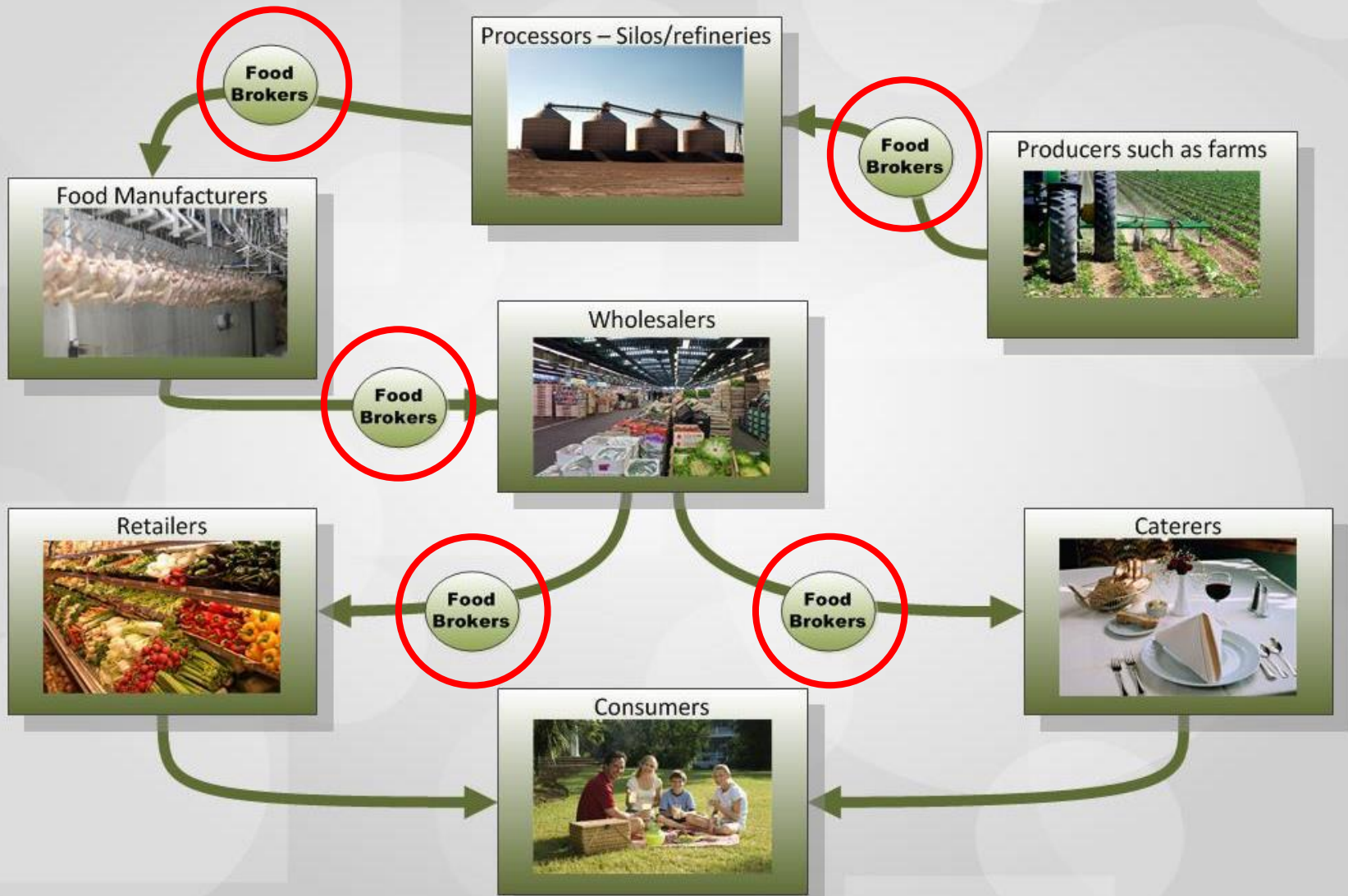
Agents vs Brokers

- **Food agents** – don't take legal ownership or physical possession of the food at any time
- **Food brokers** – take legal ownership of the food but may not take physical possession of the food
- Under food law¹ a business carrying out the supply of food ('placing food on the market') is considered to be a food business, including any broker



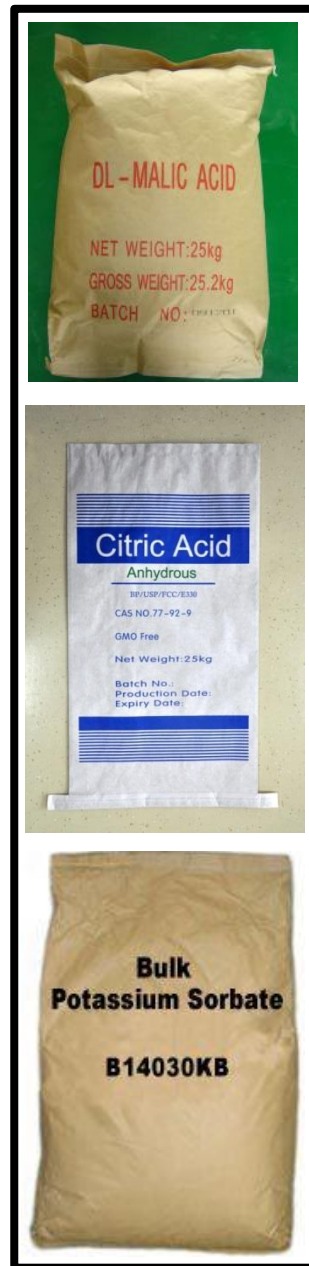
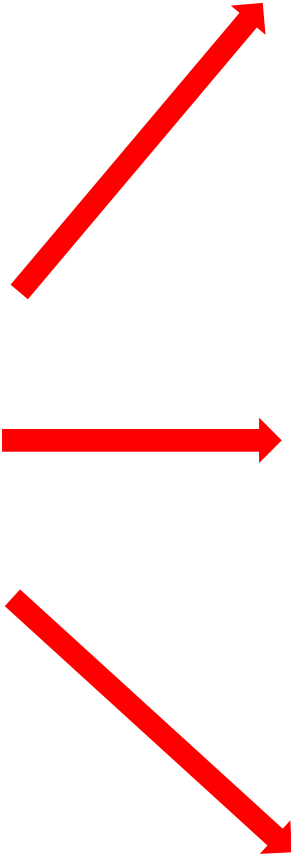
Source: ¹ European Commission Guidance document on the implementation of certain provisions of Regulation (EC) No 853/2004 on the hygiene of foodstuffs, December 2005

Where Food brokers may operate in the food supply chain



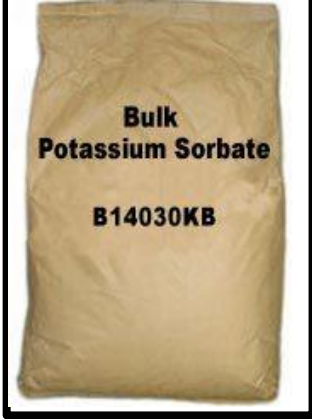
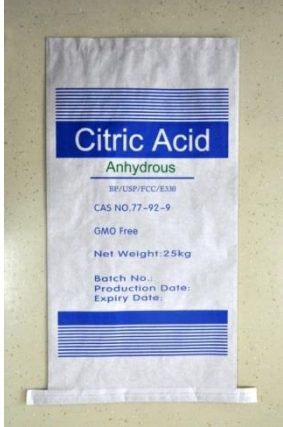
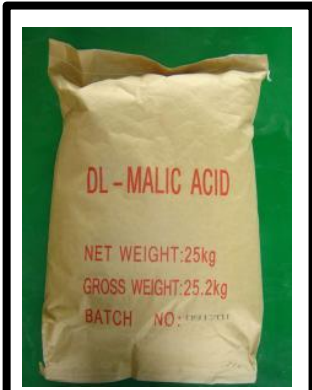
Source: <https://www.food.gov.uk/enforcement/enforcework/food-law/guidance-enforcement/new-guidance-to-local-authorities-on-food-brokers>, April 2016

Supplier/Manufacturer

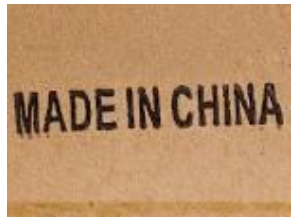


- ✓ BRC/ISO accredited
- ✓ Supplier audit
- ✓ Supplier questionnaire
- ✓ Technical specification
- ✓ MSDS
- ✓ C of A / C of C
- ✓ Vulnerability assessment

Supplier/Agent



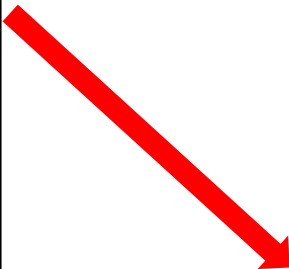
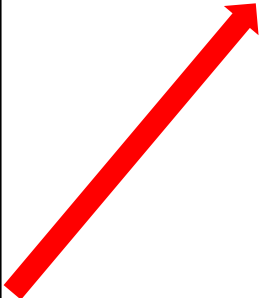
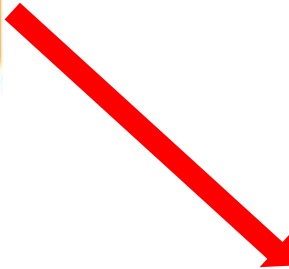
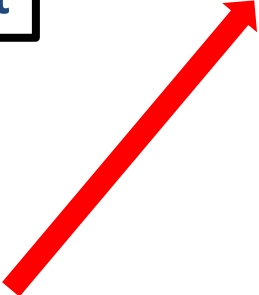
Manufacturer



A
B
C

D
E
F

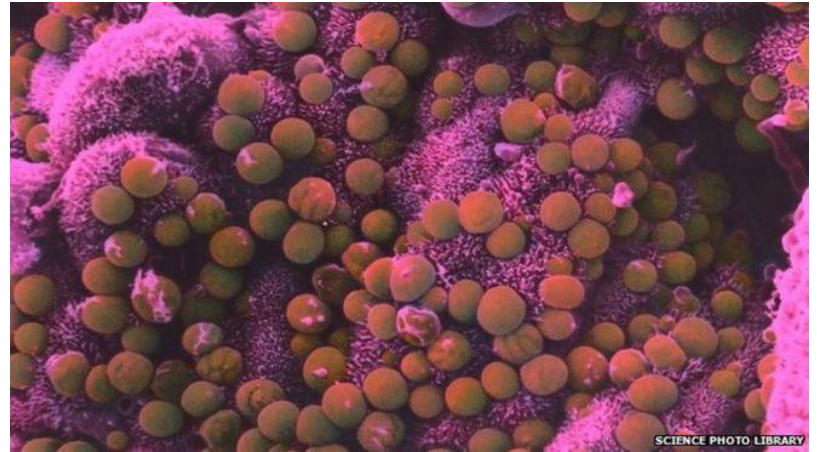
G
H
I



Don't forget the most important ingredient in beverages

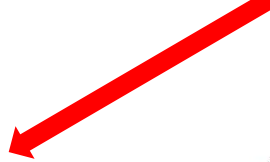


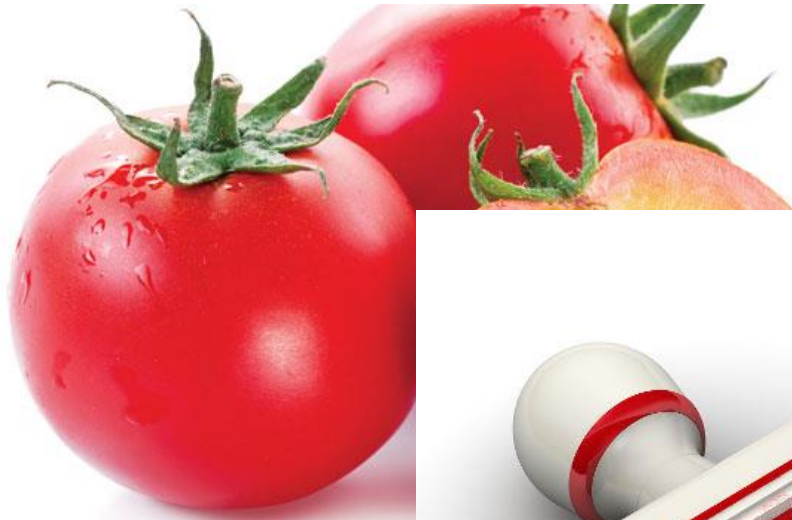
**Lancashire water:
Cryptosporidium 'still
present' in supply**
10 August 2015



**Yorkshire Water
blocks source of
E.coli bacteria near
Doncaster**
03 August 2016







The Food Protection Risk Matrix

Food Security

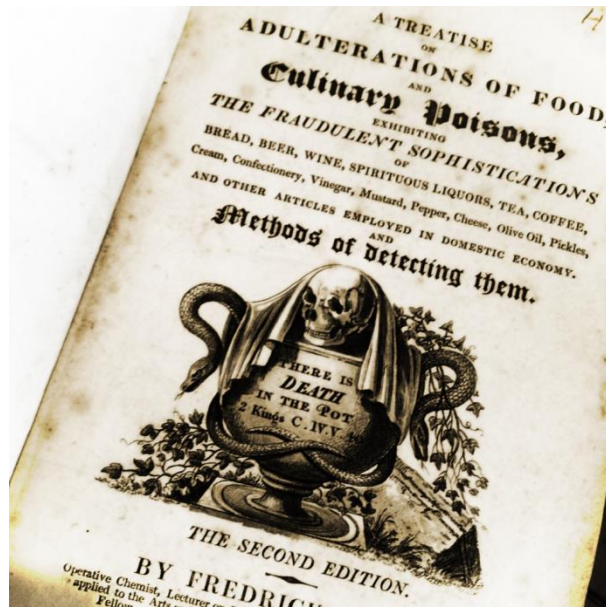
| | | |
|---------------|--------------|--|
| Food Quality | Food Fraud | Motivation Gain: Economic |
| Food Safety | Food Defence | Harm: Public Health, Economic, or Terror |
| Unintentional | Intentional | |
| Action | | |

Focus on food fraud prevention is critical

Prevent by understanding the motivation

Shift from the “what” is the scope to the “how” to implement

Not a new problem!



- Fredrick Accum
- 2nd edition, published 1820
- First serious attempt to expose the nature, extent and dangers of food adulteration
- ***“There is death in the pot”***



New global standard for food safety

- Key changes in version 7 of BRC standard:
 - Implement systems to reduce exposure to fraud
 - Improve food safety in small sites and facilities
 - Improve label and packaging control
 - **Greater transparency across the supply chain**



- Increased requirements for supplier risk assessments
- Verify an effective traceability system for all suppliers
- Verify traceability to the last manufacturer, packer or grower when purchasing from agents or brokers

Food fraud – beyond adulteration



- Types of fraud:
 - Adulteration
 - Tampering
 - Over-runs
 - Theft
 - Diversion
 - Simulation
 - Counterfeiting

5-hour Energy awarded \$20 million



- Potential to pose significant public health risks
- First ever U.S. criminal prosecution in counterfeit food and beverage
- 4 year investigation of tracing the end to end supply chain
- 3 principal defendants who manufactured & distributed counterfeit 5-hour Energy

Source: <http://www.beveragedaily.com/content/view/print/1241367/>, April 2016

Clamping down on counterfeiting

- Provides supply chain tracking of the product
- Detects whether the bottle has been opened
- Addresses potential counterfeit concerns
- Assures consumers of product authenticity



Food Integrity Network

- Food Integrity (FI) Network is a platform for stakeholders and experts to exchange knowledge and expertise in food authenticity, safety and quality
- Key focus is to consolidate, harmonise and mobilise European capability of food authentication to ensure consumer confidence and protect added value



*“Ensuring the integrity
of the European
food chain”*

Food Integrity: a comprehensive concept



Source: <http://www.foodintegrity2016.eu/programme.html>, April 2016

Recent Food Fraud conferences



FOOD FRAUD 2017
GLOBAL UNDERSTANDING

April 4-5 Chateau Frontenac, Québec City, CANADA

The banner features a central graphic of a flask with a green apple and a fork, surrounded by a grid of food images including tomatoes, blueberries, salmon, and a glass of wine.



FOOD INTEGRITY 2017 CONFERENCE
Assuring the integrity of the food chain:
Turning science into solutions

PARMA, ITALY 10-11 MAY

The banner includes the Food Integrity logo, which consists of a green leaf and a bowl, and a grid of food images.



FOOD SAFETY
20.09.2017 Risks, Threats, Vulnerabilities
www.foodsafetytrendsconference.com

20 Food & Drink Brand Speakers

The banner features a stylized orange and yellow leaf logo.



Next-Level Approaches & Technologies Which Ensure Product Authenticity, Increase Supply Chain Transparency & Traceability To Boost

Food & Drink Safety

Get To Grips With Emerging Trends, Legislative Updates & Supply Chain Threats & Vulnerabilities To Identify & Reduce Contaminants, Allergens & Food Fraud Risks In The Day-To-Day & In The Post-Brexit Future

Book Before 8th June & **SAVE £150**

The banner has a yellow background with a red diagonal banner on the right side.



FOOD INTEGRITY 2017

The logo features a stylized barcode with a spoon, fork, and knife integrated into the bars.



ISPA National Research Council
INSTITUTE OF SCIENCES OF FOOD PRODUCTION
MoniQA

Symposium
Food Fraud Prevention and Effective Food Allergen Management
Bari, Italy • 26-27 January 2017

The banner features a photograph of several small white bowls containing different colored powders (red, orange, yellow).



Food FRAUD
A NEW FOOD CONFERENCE
03 MAY 2017 | MANCHESTER
WWW.NEWFOODFRAUD.COM

The banner features the Food FRAUD logo, which includes a small camera icon in the 'd' of 'Food'.

Tackling the threat of food fraud

- Understanding supply chain food fraud
- Recognising the signs and opportunities for fraud
- Reducing the cost of fraud in your organisation
- Building business resilience to food fraud
- Establishing an anti-fraud culture in your company



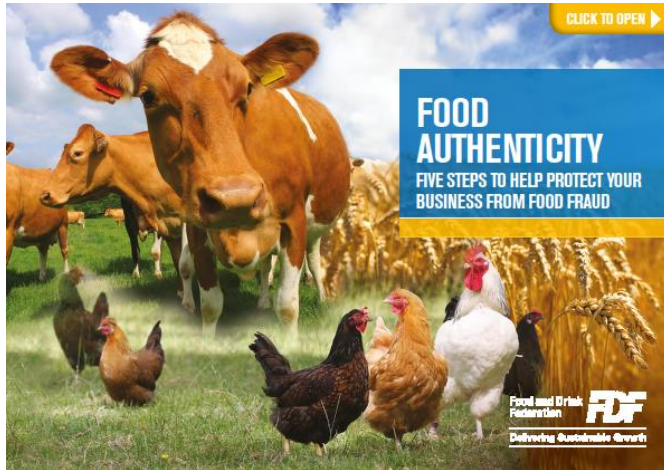
Business
School



NSF International

Source: <http://www.port.ac.uk/centre-for-counter-fraud-studies/food-fraud-group/courses/>, April 2017

Protect your business from food fraud



- Step 1: Map your supply chain
- Step 2: Identify impacts, risks & opportunities
- Step 3: Assess & prioritise your findings
- Step 4: Create a plan of action
- Step 5: Implement, track, review and communicate

Source: <http://www.fdf.org.uk/food-authenticity.aspx#item5>, January 2014

VULNERABILITY ASSESSMENT - RISK MATRIX

| | | LIKELIHOOD OF OCCURRENCE | | | | | |
|--------------------------------|---------------------|--------------------------|---------------|----------|---------------|--------|-------------|
| | | | Very unlikely | Unlikely | Fairly likely | Likely | Very likely |
| | | | 1 | 2 | 3 | 4 | 5 |
| LIKELIHOOD OF DETECTION | Very likely/certain | 1 | 2 | 3 | 4 | 5 | 6 |
| | Likely | 2 | 3 | 4 | 5 | 6 | 7 |
| | Fairly likely | 3 | 4 | 5 | 6 | 7 | 8 |
| | Unlikely/remote | 4 | 5 | 6 | 7 | 8 | 9 |
| | Very unlikely | 5 | 6 | 7 | 8 | 9 | 10 |

RED High profile raw materials with genuine possibility of adulteration

Rigorous controls need to be in operation

AMBER Raw materials may be a target for adulteration

Identified risks need to be managed or monitored

GREEN Raw materials unlikely to be a target for adulteration

Reassessment needed if new information available

LIKELIHOOD OF DETECTION

Historic incidents

Emerging concerns

Economic factors

Geographic origin

Length/complexity of supply chain

Ease of access to raw material

Nature of the raw material

Availability/seasonality

LIKELIHOOD OF OCCURRENCE

Physical form

Existing controls

Routine product testing

Geographic origin

Length/complexity of supply chain

Ease of access to raw material

Relevant audits

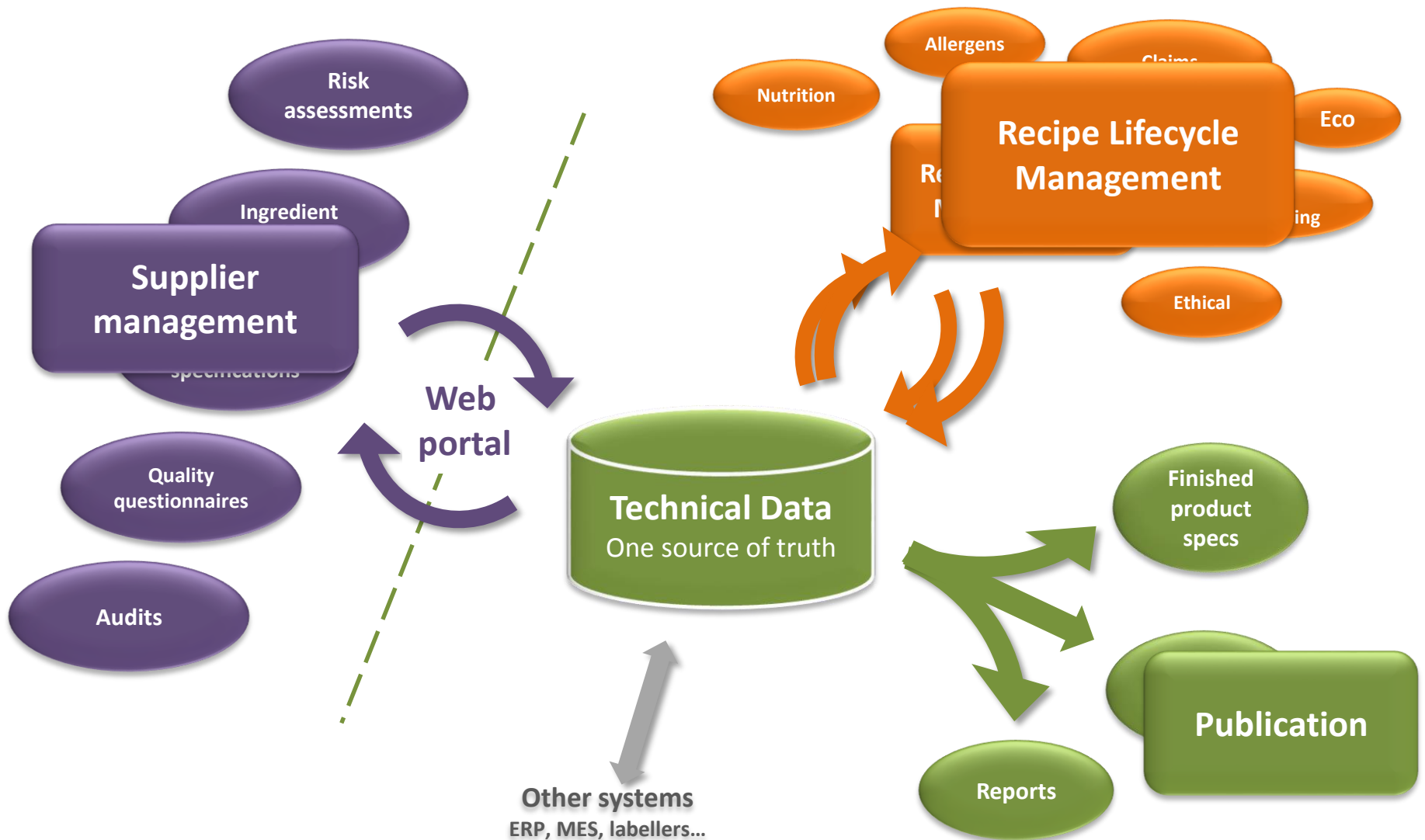
Minimising risk & increasing control

- Centralised robust system for all technical and quality information
- Single database for all raw material and finished product specifications
- Compliance with multiple, rapidly changing regulations
- Reduced supplier and recipe management costs
- Improved speed to market



Making consumer safety your No. 1 priority

End to end technical information



2017 top 10 trends in food & drink

- **#1: Clean Supreme**
 - Cleaner formulations
 - Total transparency
 - New, less invasive processing technologies
 - Supply chain claims:
 - “Environmentally friendly”
 - “Animal welfare”



Source: <http://www.prnewswire.com/news-releases/clean-supreme-leads-top-trends-for-2017-601079836.html>, November 2016

Take out and learnings from today



- BRC issue 7 – tightening up the rules on full end to end transparency
- Challenges of dealing with agents and brokers
- Tracking products to source to remove the risk of food fraud
- Effective authenticity and traceability strategies



Canada recalls Bombay Sapphire gin

- Product should have had 40% abv when the actual figure was 77% abv
- Problem was traced back to the production line, product was not properly diluted
- No illnesses associated with the gin had been reported
- Only one complaint received



Source: <http://www.bbc.co.uk/news/world-us-canada-39802317>, May 2017

Paul Isherwood
Head of Technical & Quality
The SHS Group Drinks Division
E: paul.isherwood@shs-drinks.co.uk
T: +44 7584 677383
www.shs-drinks.co.uk



drinkaware.co.uk

SHS Sales & Marketing works with SHS Drinks in supporting Community Alcohol Partnerships, drinkaware and the Public Health Responsibility Deal

