

HM Government

# Review into the Integrity and Assurance of Food Supply Networks

## Note of roundtable discussion with journalists

**Location:** Nobel House

**Date:** 30 September 2013

**Attendees:**

Ed Bedington – Meat Trades Journal

Sheila Dillon – The Food Programme

Professor Chris Elliott – Review into the Integrity and Assurance of Food Supply Networks

David Foot - Review into the Integrity and Assurance of Food Supply Networks

Julia Glotz – The Grocer

Nick Hughes - Review into the Integrity and Assurance of Food Supply Networks

Felicity Lawrence – The Guardian

Mary Newman - Review into the Integrity and Assurance of Food Supply Networks

### **1. Chris Elliott (CE) introduction**

CE opened the discussion by providing a progress report on the Review. He explained that his main task was to provide recommendations on how the resilience of food supply networks to fraud can be increased by industry and government. He noted that to date he has engaged with a wide range of stakeholders including industry representatives, government officials and consumer organisations. He intends to publish his interim report in December and a final report in spring 2014.

### **2. Intelligence sharing**

CE said that commentators to the Review have stressed that one factor that allows food fraud to flourish is information not being shared properly. In the UK, weaknesses in information sharing between industry and authorities leads to a gap in the intelligence needed to identify and thus prevent fraudulent practices. Industry claims to be wary of sharing information with the FSA because the latter's commitment to transparency has occasionally been interpreted as a name and shame policy. The point was made that the FSA could consider more carefully what information it puts into the public domain; however it was also suggested that the FSA should not be put in the position of having to choose between the industry and the consumer. CE noted that under EU law food operators have

no obligation to report on a food fraud issue as they do with food safety issues, and that this seemed unreasonable.

There was discussion of whether there is a better way of monitoring fluctuations in commodity prices so that potential areas of high risk can be identified in advance.

### **3. Tolerance of food fraud**

The evidence received by the Review was clear that all parts of the industry said no food fraud is ever acceptable. In order to effectively target resources it seems important to have some kind of risk matrix in place whereby fraud that has a direct impact on public health is viewed as more high risk than fraud which is of less direct impact, such as mislabelling of Organic or geographical origin. Attention should be paid to all types of fraud but certain types require extra vigilance:

### **4. Labelling**

CE said that commentators accepted that additional labelling of products is not a means of preventing food fraud, although it has the value of giving more information to the consumer. The more labelling on a product the more ways there are to commit fraud. He added that traceability systems are equally susceptible to fraud and said it is vital that businesses verify the traceability systems they have in place and supplement these systems with testing. He noted that at present audits are not there to prevent fraud but to ensure compliance with food safety measures.

### **5. Shorter supply chains**

The shorter your supply chain the less activity is needed to ensure verification. Businesses that operate complex supply chains need to invest in more rigorous systems of verification to ensure the product is of the highest integrity.

### **6. Enforcement**

CE noted that on the current evidence it is difficult to achieve a successful prosecution for food fraud. Local authorities have neither the resources nor the expertise to successfully prosecute for fraud and on the occasions that they do the penalties are meagre. While charges are being considered and prosecutions prepared, information must be withheld from the public domain if this would prejudice the course of proceedings.

He noted that the European Commission will be pushing for much more stringent penalties for food fraud; recognising that most necessary legal infrastructure is already in place but is not currently being used effectively.

It was noted that retailers will take it upon themselves to fine suppliers over incidences of non-compliance. It was suggested that the industry was happy to deal with the horsemeat incident internally but by doing so consumers do not get the justice they deserve. It was suggested that if you want to regain consumer confidence in the wake of the horsemeat incident then you need to prosecute companies implicated in the fraud. To date the only measures taken have been to protect the reputation and market share of retailers, rather than to secure justice for the public.

It was also suggested that retailers are not in a position to be able to fire large suppliers because they cannot replace the volume due to a lack of capacity in the market. The extent to which food supply is concentrated within a small number of players leaves very little wriggle room. It was agreed that, as a result of this lack of capacity in the market, pledges to source more product locally will be very difficult to fulfil. This presents even more of an opportunity to commit food fraud relating to geographical origin. It was also suggested that there is disconnect between the codes of conduct of food retailers and the actions of supermarket buyers at the heart of which is a constant downward pressure on prices. There is a need to tackle the anti-competitive nature of the market but the question was posed of whether there is the political will to do this?

In answer to a question on whether food fraud is perpetrated by those inside the industry or by outsiders, CE said fraudsters were opportunists to whom the food industry presented an appealing target due to the perceived combination of poor enforcement and weak penalties.

## **7. Machinery of Government changes**

There was general agreement that the reorganisation of the FSA in 2010 had led to confusion about the roles and responsibilities of the various authorities. The current picture seemed muddled following the machinery of government changes. It was suggested that the greatest confusion was about authenticity issues, but also that once the FSA gave up its nutrition remit to the Department of Health it lost much of its day-to-day contact with the industry which in turn damaged lines of communication overall. One view was that the more contact points the FSA has with industry in its day-to-day work the better the chances of effective information sharing between the two. Reversing the machinery of government changes might detoxify some of the debates over what the FSA should be responsible for.

The point was made that having a regulator that is perceived to be strong is important in a time of crisis. A strong FSA is also vital to regaining consumer trust.

It was also stressed that the horsemeat incident was a case of food fraud and was first and foremost a police issue.

## **8. Contamination**

CE asked whether the arbitrary figure of 1% as a threshold for adulteration was sensible. It was noted that for some religious groups any contamination, no matter how small, is unacceptable. It was also suggested that where meat has been produced in a multi-species plant it should be labelled as such. CE said there is no such thing as 0% and that we have to be realistic that if something comes from a multi-species plant it cannot be expected to have 0% contamination.

## **9. Other comments**

It was suggested that the whole debate around food systems needs to be reframed in terms of health inequalities. Affluent consumers were relatively unaffected by the horsemeat incident because they can afford to pay a premium for better quality food and it was generally poorer consumers who had little choice but to buy cheap processed food

products who were most affected when this was adulterated. The question about whether we are paying enough for our food was also considered pertinent.

The point was raised that the food industry's reliance on casual labour can accentuate the risk of food fraud going undiscovered, because it is the workforce who are often the first line of defence. Were the industry to ensure its labour force was fairly paid and organised with union representation then employees would feel more confident in reporting incidences of bad practice. However, it was acknowledged that this would require a major change in the current direction of travel.

Frustration was expressed that the UK government has yet to publish a report that explains exactly which businesses were implicated in the horsemeat incident and details the investigations that have taken place and are ongoing. It was suggested that the subjudice rules were being leaned on too heavily.

It was suggested that interest in food fraud has fallen since the horsemeat incident both among consumers and the media. It was noted with surprise that the recent Cranswick mislabelling of a pork product did not receive much media coverage. This was partly attributed to a general fatigue with food fraud stories following the horsemeat incident but also a growing acceptance among consumers of the inevitability of food fraud.

A general comment was made that food is not seen as a serious political subject or equal to other important UK industries, and that the UK government is disengaged in comparison with other sectors.

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