

Department for Environment, Food and Rural Affairs

Food supply networks: integrity and assurance review

Note of meeting with Martin Forsyth, 3663

Location: Nobel House

Date: 17 January 2014

Attendees:

Martin Forsyth (MF) – Technical Director - 3663

Professor Chris Elliott (CE) – Reviewer - Review into the Integrity and Assurance of Food Supply Networks

Sarah Appleby – Secretary - Review into the Integrity and Assurance of Food Supply Networks

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

1. Overview of 3663 business

MF welcomed the opportunity to contribute to the Review and thanked CE for taking the time to discover more about the catering sector which he described as very complex. MF stressed that there were many differences between foodservice and food retail and he also highlighted the difference between delivered wholesale and cash & carry. He explained that 3663 operated within the delivered wholesale space supplying a large variety of businesses ranging from high street restaurant chains to independent pubs. He added that 3663 was also a major player in the 'cost sector' supplying food to public sector institutions such as hospitals, schools and prisons. He said 3663's product offering consisted of branded goods (c.70%) and own-brand goods (c.30%). He explained that 3663 takes full responsibility for its own brand products but limited responsibility for branded products. Around 1060 sites produce products for 3663 of which around 120 produce own-brand products. All sites must be accredited to GFSI (Global Food Safety Initiative) standards.

2. Discussion around supply chain integrity

MF said 3663 had a more intimate knowledge of the supply chain for its own label products. He believed that there had been a step-change in supply chain assurance in the wake of the horsemeat scandal with more businesses seeking to know about the suppliers of their suppliers rather than purely their direct suppliers. Direct Suppliers to 3663 have a list of approved raw material suppliers that they are able to source from. Whereas in the past this list may have included as many as 50 raw material suppliers there has been a determined effort to reduce the list to around 4/5 raw material accredited suppliers for each 3663 supplier. It is down to the technical and buying teams to identify any risks in using these suppliers and ensuring that the quality of the product is right. For new raw material suppliers 3663 would most likely do some raw material product testing but would be unlikely to carry out a site visit to all raw material supplier sites.

MF noted that there is a lack of willingness by food businesses to share information and there is little root cause analysis carried out of the causes of food fraud incidents. This is partly due to there being a lack of a safe space in which to share this information. He suggested that learning from other people's mistakes is absolutely key. CE noted that one of the recommendations in his interim report was for the establishment of a safe space for information where businesses can deposit sensitive information for it to be sanitised and then made available to others. MF welcomed the idea and suggested that companies who signed up to such a service would be demonstrating some due diligence. However, he worried about the level of industry buy-in if businesses had to fund the service themselves and suggested using licensing as a means of generating the necessary funds. He believed there were a limited number of organisations who could run the safe haven and there would likely be resistance from industry if the FSA were involved. CE agreed to consider the idea of licensing as a possible funding model.

CE asked whether fraud appeared on 3663's risk register. MF said it was on 3663's radar but, whilst it carried out regular risk assessments, these tended to focus on allergens and halal products. He added that it was important to build a level of knowledge on food fraud to make the risk worthwhile pursuing. He added that there is a growing expectation for technical teams to have expertise in a much broader range of areas, however foodservice companies like 3663 tend to employ generalists as, unlike the major retailers, they do not have the resources to employ a wide range of technicians with specific expertise.

It was noted that since the horsemeat incident 3663 has started doing more product testing on a reactive basis and the budget for testing has increased since the incident. In the aftermath of horsemeat it introduced a positive release system for beef products, which lasted for six months but has now stopped as it did not identify any issues and the risk had reduced. MF made the point that the cost of verification will inevitably be pushed back up the chain. CE said protecting your business against fraud doesn't have to cost a fortune and talked about the need to be clever in how you put in place countermeasures to protect your business. He gave two examples of businesses putting in place countermeasures to guard against fraud and said he would be considering how to communicate such countermeasures to businesses in his final report.

On the recommendation to move towards unannounced audits, MF said 3663 was still considering the proposal and would like to see some more evidence of the advantages of unannounced audits over announced. He added that 3663's visits to suppliers needed to make a clear distinction between visits to discuss new product development and formal site audits. CE made the point that there is currently significant duplication of audits and that one of his aims is to reduce the number of audits that suppliers face. He said unannounced audits have to include measures to address fraud such as product sampling. MF suggested that getting all retailers to agree to one standard would be a difficult task.

3. Any other business

MF asked for clarity on whether EU rules currently require food businesses to report incidents of adulteration to the FSA. CE said there is only a requirement to report food safety incidents however the Commission is considering extending this requirement to include food fraud under proposed revisions to the official food and feed controls regulation.

MF suggested there is a challenge in identifying the correct laboratory techniques for testing. He believed that instructions should have been clearer to EHOs over how to take samples and what to test for. Information on new techniques needs to be widely available

as does information on where these tests are available. Methods also need to be standardised. CE agreed and said that we need a national ability to undertake high quality analysis in a short space of time to certified methods.

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