

HM Government

Review into the Integrity and Assurance of Food Supply Networks

Note of meeting with the British Frozen Food Federation

Location: Defra, Nobel House, London

Date: 27 February 2014

Attendees:

Brian Young - Director-General, British Frozen Food Federation

Su Dakin - Technical Director, British Frozen Food Federation

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

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

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

1. Introduction

Professor Chris Elliott (CE) provided brief background to the Review process. A Call for Evidence had been issued in July 2013 and that had been supplemented by over 100 meetings with stakeholder organisations. An interim report had been issued in December 2013 containing 48 detailed recommendations. The second stage of the Review involved further engagement with stakeholders to discuss the practicalities of implementing the recommendations. CE said that some industry sectors had raised concerns about the content of the interim report and had asked for meetings. CE said that his subsequent discussions had enabled him to learn more about their concerns and to seek their contribution on solutions to address any problems. He therefore welcomed the opportunity to engage with BFFF.

2. Discussion

Brian Young (BY) and Su Dakin (SD) provided background to their role in BFFF and previous experience in the food industry. BFFF had 320 members covering all sectors of the supply chain including producers, wholesalers, importers and retailers. So BFFF had a comprehensive knowledge of the various sectors, not just frozen food. More than 50% of members were within the food service sector and more than 50% were SMEs. SD emphasised BFFF's commitment to a constructive approach and its ability to develop solutions to better ensure the integrity of food supply networks. For example, BFFF have a Technical Committee. Members were technical directors and it met 6 times a year.

Members were drawn from across the supply network. BY sits on the Seafish board and chairs the Seafood Importers Committee. SD chairs a hygiene group that interacts with the FSA and is a member of the BRC Global Standards panel that developed the standard for Agents and Brokers and also the one that will develop issue seven of the Global Food Safety standard.

BY said that BFFF had three issues they wished to discuss namely food company audits, concerns about comments in the interim report about cold stores and development of intelligence gathering mechanisms.

3. Audit

Audit was a particular area of interest and BFFF actively engaged with BRC Global Standards. BY said that BFFF had undertaken a comprehensive assessment of the many existing certification and accreditation schemes and had provided information to the Food Standards Agency (FSA). Around 120 existed. Around 60-75% were used by BFFF members but the remainder were largely inactive. Use of many of the schemes was a requirement of the large retailers and placed a significant burden on BFFF members. Schemes were too paper based and systems driven. There was duplication and the audits were of variable quality. SD said that the BRC Global Standard had initially seemed a solution to reduce the number of audits, but many other audits remained in place driven largely by the individual requirements of large retailers. As a result much of the time of technical staff in companies was often taken up with preparation for audits. SD said that while companies only required one financial audit the same did not apply for food production. A solution had to be found.

CE agreed with the concerns raised. He had received comments from other organisations that there were too many audits, that there was too much duplication and audits were often of poor quality. Auditing had become a business in itself. He had raised these concerns in discussions with BRC Global Standards. BY and SD said that there was a danger in focussing just on BRC Global Standards as an answer to all the problems. As a commercial operation they would inevitably have their own agenda which to an extent was driven by the needs of their larger members, the major retailers. That required an element of compromise to meet those demands. BFFF had also been concerned that a separate assurance scheme had been developed for companies supplying the NHS. The argument had been made by the scheme developer that a different approach was necessary because hospital patients were the ultimate customers. BFFF's position was that safe food should be supplied no matter who the customer was. CE acknowledged the need to rationalise the audit landscape and queried whether the major retailers should lead on developing a new approach since it was they who largely required the various audits to provide differentiation within the market for, it seemed, competitive gain. BY said that audits should not be a competitive issue. SD acknowledged that even if there was only a single audit of companies, customers like major retailers would still visit suppliers, for example where new products were being launched or to deal with any production problems for their products. SD suggested a modular approach could be one way forward. Agreement could be reached on a common underpinning audit. The retailers could then set their own requirements above that basic level. Their audits would only then be on the higher level issues and would not repeat the common level audit. CE queried who might lead on developing that approach. Should it be the major retailers as the main drivers for the audits? BY suggested an independent third party could lead, such as a food research body. That might counter any tendency for the resulting scheme to overly favour the

demands of large retailers against those of SMEs. It was agreed that BFFF would set out their thinking in more detail so that CE could consider when drafting his final report.

SD noted that current audit systems do not look for fraud. She said before you could audit businesses for food fraud they needed to know what to were look for, how to go about it and how to assess risks. BY added that food safety experts may not be the best people to consider the risks of food fraud and businesses should engage people from other departments such as purchasing and finance.

4. Cold Stores

BY said that BFFF had been concerned about the emphasis the interim report had placed on the risks posed by cold stores holding meat and meat products. BFFF believed that the fact that meat was held in a frozen state made it more difficult for tampering to occur. Their view was that ambient storage of other foods posed similar if not greater risks of tampering. CE acknowledged their concerns. The interim report had reflected the fact that much of the information he had received about cold stores during his Review had focussed on known and suspected food crime in cold stores holding meat. His final report would address the issue more broadly by looking at the storage of food and the need to have controls in place to deter food crime. BFFF welcomed that clarification.

5. Intelligence Gathering

SD said that all food businesses needed information about the risks posed by food crime and all would need access to good quality information collected. There could be a possible cost barrier for SMEs. That could benefit the bigger companies and allow them to dominate the market. CE acknowledged those concerns and said that following the publication of the interim report he had been considering further the practical aspects of an industry intelligence hub and how it would work in practice. He had discussed the intelligence hub at a meeting of major company technical directors organised by IGD. He had made it clear that it would be for the major retailers and other large companies to fund the costs of setting up the intelligence hub. They had agreed to take work forward and were preparing tender specifications. His intention was that the cost to each company to access the information would depend on the amount of information they needed to access. So an SME producing say fish pies would need access to far less data than a major retailer. The final report would be clear that the intelligence hub would only be effective if all companies could access the data. BY welcomed the clarification but remained concerned that SMEs could still lose out. He worried that the risk was that the largest and safest businesses would end up putting money into the hub and become even safer whilst businesses around the margins of the food supply chain would be excluded. CE suggested there might be a role for trade associations to support their smaller members.

SD queried how the FSA would be involved in intelligence gathering and dissemination. CE said that his intention was that FSA would receive data from the industry intelligence hub but would only be able to receive it in a sanitised form to ensure company confidentiality was protected. CE said that FSA had until recently only provided intelligence they had collected about problems to local authorities. During the course of the Review they had decided to also make the information available to the industry. His Review had demonstrated that FSA lacked the ability to gather intelligence effectively. FSA were developing their own intelligence hub which would collect information from different sources to the industry hub, e.g. the EU (including the new food fraud unit with DG Sanco), the police and those dealing with intellectual property. The FSA would be able to add the

additional information received from the industry intelligence hub to their own system and then be in a position to disseminate more robust information to local authorities and the industry.

SD made the point that shared knowledge was extremely powerful and having transparency about the information held by businesses and regulators acted as a deterrent to criminals. She also said she did not believe a focus on shortening supply chains was the answer to reducing the risk of food crime and said that transparency in supply chains was more important.

6. Conclusion

BY concluded by saying that BFFF fully supported the Review and would be happy to contribute as necessary. CE thanked BFFF for engaging with the Review and said that he looked forward to receiving their vision for improved audits.

4 March 2014