



The CIES International Food Safety Conference 2006

*“Enhancing Transparency from Farm to Fork”*

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CIES - The Food Business Forum

**In this edition:**

Transparency from Farm to Fork - Plenary Session Summaries **2/7**

Time Out on the Cocktail Cruise **8/9**

Breakout Session Soundbites **10**

Transparency for Stakeholders **11/12**

Debate Session Reports **13/15**

Food Safety Around the World **16/ 18**

Thanks to our sponsors **19**

What is CIES ? **20**

# Food Safety 2006

## Report of The CIES International Food Safety Conference 2006

### Transparency, the key to harmonisation

The good news in food retailing these days is that food retailers and suppliers agree that food safety is a non-competitive issue. It's time to be transparent up and down the supply chain from farm to fork, and work together in the interest of safe food for consumers. And presenters at this conference were simply that – transparent – on diverse and diverging aspects of the food business. Safety in the supply chain, manufacturing, retailing. How to educate staff and how to make safety work at store level. Making food safe in developing markets such as South Africa and Slovenia, and learning from more developed markets such as Japan, and the States. All about current food law, future risks and how to manage them, and public-educating programmes and company-to-consumer communication on topics as varied as fridge temperature to obesity. Food safety is a vast topic! So what's the bad news? That

harmonisation of food safety standards still has a long way to go? As one speaker highlighted,



“Look at the facts : in Europe most retailers accept GFSI standards”!

As Chris Anstey of Tesco pointed out, ‘Think about it, six years ago the world's retailers did not collaborate on non-competitive issues like food safety, and now they do’.

The GFSI platform for exchange on standards now includes suppliers as well as

retailers, has benchmarked BRC, Dutch HACCP, IFS, and SQF 1000 & 2000 standards and is in discussion with ISO22000 to provide clarity for the sector. As Marjan Smit of ISA declared, “progress is not easy but if we stop we will never get there.”

CIES would like to extend its thanks to all those industry actors who, in the name of transparency shared their recent food safety experiences with their international peers at this event.

Catherine François,  
Senior Manager, Food Safety,  
CIES-The Food Business Forum



### The 5th CIES International Food Safety Conference

Almost 500 retailers, suppliers, and service providers from over 40 countries world-wide gathered in Paris from 1<sup>st</sup> to 3<sup>rd</sup> February 2006 for the 5<sup>th</sup> CIES International Food Safety Conference, the most successful in the series of annual events to date.

For the duration of the conference, participants were treated to a programme of plenary ses-

sions on the broad topics of interest to the industry. Plus parallel sessions, hot topic debates, store and laboratory visits, and an exhibition area - all of which were designed so that each food safety expert could explore his or her own, more specific areas of interest, and share ideas on issues with others.

The dynamic event format was

most appreciated by participants as a vehicle for exchange, and participants rated networking opportunities as ‘excellent’!

The 6<sup>th</sup> International Food Safety Conference will take place in Munich, Germany, from 31<sup>st</sup> January to 2<sup>nd</sup> February 2007. Have you got something to contribute? Call Alexia Chignol on + 33 1 44 69 84 82.

## World Trends affecting the Food Business



**Roland Vaxelaire**  
welcoming delegates.

In his welcome address to the conference, **Roland Vaxelaire, Quality, Responsibility and Risk Management Director Carrefour**, and member of the GFSI Foundation Board, outlined the four big trends that will have an impact on the world:

**Population growth:** the world's population is growing by 1 billion every 12 years. This will place demands on the food chain, with 1kg of beef requiring 12kg of protein.

**Emerging markets:** these countries will consume more, including food. In China, as the population has grown from 790 million in 1968 to 1.3 billion today, the number of

chickens has increased from 12 million to 13 billion.

**“Silver generation”:** older consumers will represent 25% of the world's population by 2025.

**Lifestyle changes:** consumers will increasingly insist on quality and safety as nutrition and obesity become major issues.

We all have a role to play in maintaining food safety from the farm to the plate. In particular, there are growing risks at the intersection of agriculture and manufacturing (e.g. avian flu) and at the intersection of manufacturing and consumption (e.g. food conservation, obesity).

The environment in which food retailers and suppliers operate in the near future is going to be harder to predict than ever. We need to help each other to survive. Working in a transparent fashion. Sharing ideas and solutions. Participating in exchange-oriented moments such as the CIES conferences and within the CIES community is the only way forward.

Thank you to the many companies and individuals who have agreed to share their knowledge and experience with us at this event.

## Retailers : Keepers of the Gate

### A presentation by Sean Summers, Chief Executive Officer, Pick'n Pay, South Africa

#### Food safety in South Africa

The supply chain reflects the contrasts of the country: it varies from micro to multinational players. Like in Europe and the US, there has been a lack of cooperation between public authorities, leaving industry to drive standards. South African retailers and manufacturers are now preparing to launch a new food safety agency under their joint FMCG Council formed five years ago.

#### Pick 'n Pay's food safety management

Pick 'n Pay tries to be the equal of companies in the first world. The company has extended auditing from private-label suppliers to all food suppliers, supported by a website that shows the status of each supplier. Moreover, an external audit is now a pre-requisite to supply Pick 'n Pay. Looking forward, the retailer's goal is to implement a GFSI-benchmarked standard under the South African industry's new food-safety body. At the store end, it is a question of “training, training and more training”, Sean Summers argued. Pick 'n Pay organises external audits on a monthly basis, with the results published on a website like for suppliers.

#### The extortion crisis of 2003

Pick 'n Pay faced a serious food safety crisis in 2003, when it was the target of attempted extortion. The perpetrator placed poison in a couple of cans of food and threatened to repeat the attack unless paid. The incident showed how fragile the business is: “It can take 100 years to build a reputation and one second to lose it”, Sean Summers insisted. The company handed over the investigation to the police and went on TV to explain the situation. The key lesson for food safety is to take responsibility and not just blame the politicians: “We are the keepers of the gate. That's why food safety is so mission-critical”, he concluded.

During question time, Sean Summers reiterated “you simply have to take responsibility and be honest. This means accepting you can't have total knowledge and just saying if you don't know. If you are the CEO this is your job, not that of public affairs”.

*“It can take  
100 years to  
build a  
reputation  
and  
one second  
to lose it”*

## GFSI Up-Date by Tesco

**Chris Anstey**, Product Integrity Manager, Tesco Stores Ltd, UK, and Chairman of the GFSI Foundation announced recent developments at GFSI

The past year has been an important one for the Global Food Safety Initiative (GFSI). The GFSI Foundation was created under Belgian law to oversee the initiative.

The Foundation has very simple aims:

1. Implement and maintain a scheme to recognise food safety standards worldwide
2. Facilitate mutual recognition between standard owners
3. Work towards worldwide integrity in the certification of standards and the accreditation of certification bodies
4. Develop a simple set of rules for standards, harmony between countries, and cost efficiency for suppliers.

**In terms of progress towards its goals**, GFSI has benchmarked the following standards against its Guidance Document Version 4 – BRC, Dutch HACCP, IFS, SQF 2000 – and expects them to maintain recognition status. Regarding ISO 22000 – a big question at last year's CIES Food Safety Conference – the new standard is not able to submit itself for benchmarking, but remains in dialogue with GFSI. Another harmonisation topic has been Good Agricultural Practices. However, environment and animal welfare remain outside the food-safety scope of GFSI, although the initiative continues to facilitate discussion.

### A collaborative approach

The number one task if you're working in food safety is to move from interdependence towards an integrated global community with shared values. Today's world of open borders means that incidents affect everybody in all countries. The strongest arguments for harmonisation are to be found in the way we were: six years ago the world's retailers did not collaborate on non-competitive issues like food safety, and now they do.

Asked about the lack of mutual recognition between the BRC and IFS standards, Chris Anstey acknowledged that the road to harmonisation can be rocky. Mutual recognition has been GFSI's aim since the beginning, because if it happened duplication would end. GFSI's approach is to simply try to get everyone talking.

## Scientific Insight

**Bordeaux University toxicologist Jean-François Narbonne brought two key learnings to conference delegates :**

### Hazard characterization

Various approaches exist to measure toxicological risks, such as Tolerable Daily Intake or Margin of Exposure. In general, non-cancer toxins have an acceptable limit, whereas there is no threshold for carcinogens. Dioxin is an example of divergent approaches: the US has treated it as a carcinogen and imposed a very strict Virtually Safe Dose, while the WHO has

recommended a Tolerable Daily Intake. Europe set dioxin limits in 2002, leading to a sharp fall in the contamination of fish with this toxin. This shows that it is ultimately up to politicians and society to decide what is an acceptable risk; often it is the courts that decide as governments don't want to take responsibility.

### National responses to food safety incidents are often misdirected

The 1999 Belgian chicken crisis was treated as a dioxin incident, whereas the origin was PCB contamination of feed. This led

to a 3-month delay in analysis during which time products continued to be sold. The UK Sudan I crisis involved a recall costing ?150M, whereas the opinion of food safety agencies was that there was no health risk. In France, avian flu is managed as a major crisis, costing billions in storing vaccinations and leading to a 30% fall in poultry sales. However, the food safety agency does not see a problem in France, which does not have the bad sanitary conditions affecting farms in poor countries.

**GFSI  
Foundation  
Board  
Members:**

**Ahold  
Carrefour  
Hannaford  
(Delhaize)  
Metro  
Tesco  
Wal-Mart**

**Advisors to  
the GFSI  
Board  
Danone  
Dole**

## Nestlé & Building Trust in the Supply Chain

**Presented by Hans Jöhr, Corporate Head of Agriculture, Nestlé, Switzerland**

*As a large, diverse group, Nestlé has to harmonise its practices and make them understandable for thousands of people in the supply chain.*

Food safety represents the “non-negotiable” part of Nestlé’s food quality management. Legal compliance is central to this non-negotiable area, and has become more complex given the various country regulations that affect a trans-continental food supply. Within this food safety process, the role of individuals is critical. As a large, diverse group, Nestlé has to harmonise its practices and make them understandable for thousands of people in the supply chain. Training is thus vital for capacity-building so people in the field can manage issues.

Nestlé has integrated food safety in its work with producers through the Sustainable Agriculture Initiative (SAI) Platform, developed with other major manufacturers. This programme represents a response to consumers’ “emotional” needs in areas such as fair trade and the environment. SAI, rolled out by Nestlé in 2000, does not involve certification but raises awareness and provides training for farmers. In Thailand, for example, 16,000 trainers and coffee farmers have been trained over the past five years, while in Pakistan over 135,000 buffalo farmers have received basic training in relation to milk production.



**In Pakistan, over 135,000 buffalo farmers have received basic training in relation to milk production.**

Building trust in the supply chain is a cross-functional activity that must be managed across the whole chain. In terms of standards, harmonisation has become more necessary; it is not possible to repeat the proliferation we have seen in food safety in the area of social standards, so let’s talk together, Hans Jöhr urged. Standardisation can only be successful if we have the following elements, he concluded: effective communication across the food chain; agreement on schemes and standards through a political process based on science and commercial visibility; and integration of systems to avoid proprietary internal systems.

### Discussions continue outside the conference rooms



## Reducing the impact of incidents—through communication

**With over 40 years in the food industry, Jonathan Grant-Nicholas, Group Communications Director, Greencore Group plc, UK, had some tried and tested ‘communication imperatives’ to share with delegates :**

### Communication Imperatives

*Be prepared:* in larger organisations, ensuring relevant information is up-to-date and known is one of the biggest challenges. Food manufacturer Greencore, which has 9,000 employees at 28 sites in four countries, does this by using an intranet.

*Keep control:* it is important to maintain confidentiality to essential personnel within the organisation while the facts are gathered. Once the press or other external audiences become aware, the ability to influence what is said is substantially reduced. When Greencore sandwiches were linked to the death of a junior athlete from an anaphylactic shock, the company agreed with the hospital that there would be no comment until the facts were clear; it was then established that the cause was a sandwich from a local sandwich bar.

*Avoid emotive words:* newspaper headlines thrive on emotion but it is important to avoid using such language. Many major companies have a “Crisis Management Team” when it would be less emotive to use the word “incident”.

*Have a clear message:* Greencore always prepares a press release, even if it is not for issue, so it has its key messages ready for any enquiries. The power of a message also depends on the credibility of the person delivering it. For example, when a colleague at a plant contracted an illness, Greencore agreed with the medical authorities that they would handle the response and this proved effective in reassuring staff and the local community.

### Sudan I in the UK

Due to sensational press coverage, the UK’s Food Standards Agency found itself struggling in its communication. It also had a more limited understanding of industry and no experience of dealing with an incident on this scale. The authority reinforced emotive fears by referring in its main public statement to a potential cancer risk. Whereas withdrawals were undertaken without fuss in continental Europe, the FSA published on its website a list of 580 food products affected, leading the press and public to focus on a small number of products to avoid. Chilled ready-meals were one such category and their sales growth fell from 13% to 2% following the incident.

**“We have to encourage national agencies to achieve international agreement on the grading of incidents. Initially, the UK FSA even thought of grading incidents in relation to the amount of press interest! It is vital that consumers are clearly guided and, where appropriate, reassured that many incidents carry less danger than crossing the road. There also needs to be agreement on the tighter classification of foods affected, in order to reduce the damage to the food sector from an incident.”**

### Jamie Oliver - an example to follow

We need to understand that the outside world has pre-conceived and often hostile ideas about the food produced by industry. For example, 18 months ago a UK lobbying group carried out a survey of salt levels in sandwiches, leading to wide and negative press coverage. We must communicate more effectively about our industry to create trust; celebrity chef Jamie Oliver’s campaign to improve school meals shows what impact a well-presented message can have.



**Jonathan Grant-Nicholas sharing convenience foods company Greencore’s experience on incident management**

**“We must communicate more effectively about our industry to create trust.”**

## Food Safety Standards – A Global Manufacturer’s Perspective

**“Safety is not the avoidance of risk but an informed judgement used to choose among levels of risk.”**

**Presented by Robert J. Lawless, Chairman, President & CEO, McCormick & Company Inc., USA**

Spice, seasoning and flavouring manufacturer McCormick runs 47 plants and laboratories in 20 countries and markets its products through retail, industrial and foodservice channels in about 100 countries. But the company is only one piece of a very complex puzzle.

Regulations, for example, rarely cross borders. In Australia, McCormick totally reformulated its Cake Mate line because it contained functional ingredients that are used in most countries but are not approved in Australia. But if we have global harmonisation of standards, the consumer benefits: realistic standards are met and prices are reasonable.

There is a need to define food safety in areas like standards, hazards, and risk. The dialogue

has to involve the food industry, retailers, governments and consumers. The protection of consumers should be the driving force behind food safety. However, they must be educated that “zero tolerance” is not achievable and that there is a trade-off with cost. Safety is not the avoidance of risk but an informed judgement on the choice of risk levels. The term zero tolerance needs to be replaced by common sense.

### Lessons from an incident

McCormick was among those food manufacturers that purchased Worcester Sauce containing the Sudan I dye. The product had apparently been cleared in 2003 when the risk threshold was in parts per million, but 2005 tests in Italy used parts per billion and triggered a recall, including from McCormick. Many believed that the risk to consumers was extremely remote, but the perception was created of a serious risk. Unfortunately, many brands with strong reputations were caught up in the episode as a result of some rogue businesses in India using illegal dyes in their products.

Among the lessons learned were that the entire food chain must be closely watched, and that it is all about supply chain management in order to have control and knowledge of the process from farm to fork. McCormick’s 20-year-old global sourcing programme is an example of how to apply these lessons. The model is based on relationship-building between McCormick personnel and growers around the world who harvest the raw materials. This effort has allowed the company to become more knowledgeable about conditions affecting its supply chain – from the weather to political issues – and meet regulatory standards more consistently and more cost-effectively.



**As per CIES standards, the conference was geared to an international & participating audience. Interpretation into 6 languages & microphones throughout ensured everyone could enjoy the whole event.**

**Question-time** When questioned on how to get across the positive work of the industry, Robert Lawless noted that events like the CIES conference are a great start, since everyone can share facts and knowledge. Jonathan Grant-Nicholas pointed out that journalists are in fact looking for positive information from industry, because they have had so much negative comment until now. However, Hans Jöhr argued that it is not just about telling a story but finding ways to improve products and give direct benefits to consumers. This involves speaking to brand managers and creating systems for safety and quality, he said.

## Food Safety, Consumer Health & Nutrition in the EU

### Highlights of Key Note Speech by Paola Testori-Coggi, Director, Food Safety, Health & Consumer Protection DG, The European Commission.

The EU generates a quarter of the world's GDP and almost a fifth of world trade. It is both the biggest exporter and biggest importer of foodstuffs in the world. In the food and drinks sector, the EU is a net exporter, to the tune of ?45 billion in 2004, while it is a net importer of raw agricultural products (?33 billion in exports versus ?51.6 billion in imports in 2004). In other words, Europe imports raw materials and exports value-added products. In food safety, the EU believes that its model is the best in the world, and it defends this model internationally in order to promote food safety, ensure a level-playing field for European companies, and to ensure imported food and feed have the same level of safety.



Paola Testori-Coggi

#### Regulation

Since 2000, the EU has adopted around 80 pieces of legislation. The pillars of this legislation are:

**General Food Law:** this establishes general principles, such as the separation between risk assessment and risk management, and the precautionary principle. Specific measures include the traceability requirement and application of the same standards to import and exports. As a result, Europe is the only country that does not export anything that is not compliant with its internal rules. Overall, this legislation is heavy, but is worth it for the high level of protection.

**European Food Safety Authority:** this new body is responsible for risk assessment, as separated from risk management under the General Food Law.

**Rapid Alert System on Food and Feed:** this allows product risks to be known everywhere in the EU. It is based on the obligation of companies to alert the authorities in the event of such risks.

**But legislation is not enough:** it must be enforced properly. A new regulation on controls, which entered into force in January 2006, requires member states to produce multi-year programmes, including resources for training. In parallel, the EU is reinforcing its border controls of imports from third-countries, which is very important now given the risk of bird flu. To support these controls, the EU is expanding its network of reference laboratories, which specialise in areas like animal health and biological risks. In terms of training, the EU last year almost doubled its budget for training of inspectors to ?7.5 million, covering issues like HACCP and port inspections, and is due to develop a training strategy from 2007.

#### Nutrition and obesity

In the EU, 20% of children are overweight, while obesity is estimated to take up 7% of the health budget. Obesity thus represents both a health risk and an economic burden, and so is part of the EU's competitiveness agenda. But you can't regulate diet and lifestyle, so the EU has launched a "Platform on diet, physical activity and health" as a call to stakeholders to commit to action against obesity. There are now more than 30 members of the platform, including associations representing sectors like food and vending machines.

In their quest to collect commitments for 2006, Mrs Testori cited UNESDA's commitment to stop selling soft drinks to young children in schools, and EMRA's commitment to give nutritional information on products in restaurants. Overall, the platform is the biggest voluntary effort so far, and it shows that with the help of private partners the EU can do a lot.

#### Delegates' questions to Paola Testori-Coggi

On the separation between risk assessment and risk management, Paola Testori-Coggi explained that in Europe the public had lost confidence in the scientific competence of governments following the BSE crisis. The EU's response was therefore to create an independent scientific body to give guidance. The Commission and national governments can diverge but have to declare their reasons for doing so.

On the planned directive on animal welfare, she said the EU is responding to public demand. This will impose costs but the EU will defend its position as part of phyto-sanitary standards.

On the Rapid Alert System, she explained that the European Parliament pushed for alerts to be published, creating media coverage that can be dangerous. But overall the system is good because it gives transparency, she stressed. Regarding product-safety liability for feed, she explained that a report has been ordered from the Commission because feed has been linked to several crises.

*In the EU, 20% of children are overweight, while obesity is estimated to take up 7% of the health budget... "but you can't regulate diet and lifestyle*





*Imagine inviting 500 food safety experts from some 40 countries to choose one of four hot topics - obesity and nutrition, risk and crisis management, auditing, and food safety in retail outlets - and to discuss it with a panel of experts & a hundred or so of their peers?*

*This is a glimpse of the impassioned discussions that ensued!*

## *Breakout Session Soundbites*

***There is the possibility of class action lawsuits in Europe.***

**Nutrition & obesity** “The issue is not only about safe food but allowing customers to stay healthy. Collaboration is essential because legislation alone is not enough: you can label everything you like but obesity is still rising.”

A comparison of the current dioxin crisis in Belgium with that of 1999 shows really big improvements in the speed of reaction and coordination.”

Obesity is a issue for all players in the food chain. We can learn from GFSI to develop an infrastructure where the industry works together on a non-competitive basis. Governments need to focus on education and information.”

**“An auditor is not a machine and will react differently in different situations.”**

“Risk and crisis management ...it’s all about managing both before and during a crisis.”

*The study evaluated retailers using a four-step matrix: awareness, regulatory compliance, top management commitment, and staff commitment (‘top to mop’). The main learnings were that regulatory compliance has been largely achieved, and that an integrated management system is key to continuous improvement.*

A certified supply chain is made to keep the Quality Manager out of jail.

« In auditing, you get what you pay for. »



**The in-store certification undertaken at Carrefour Belgium was a collaborative effort involving product and service suppliers.**

**“It’s not certification in itself that’s important, but the constant improvement of the food safety management system.”**

**Pascal Léglise, Quality Director, Carrefour, Belgium**

## Comparison and Implementation of GFSI - Recognised standards

**After five years of hard work by GFSI, can we say that it's a failure or a success? Marjan Smit asked.**

**Four standards – BRC, IFS, Dutch HACCP and SQF – are GFSI-approved, which means that the safety is the same but the content is different. But it is not GFSI that decides which standard is accepted, but the individual retailer in a local market.**

Three European countries have had a massive influence on the implementation of standards: the UK, which is driven by due diligence and where the majority of retailers use BRC; Germany, where IFS is now usually required; and France, where retailers developed their own systems but are gradually changing to IFS. The situation in the rest of

the world varies: in the new EU countries, retailers are looking at BRC and/or IFS; US retailers tend to rely more on brand suppliers and government regulations, but SQF is emerging as a third-party standard; while in Asia, companies are flexible and will do what the retail customer asks.

The cultural differences between these standards are significant. For example, BRC will certify a supplier with a

major non-conformity, provided this supplier submits objective evidence that this fault has been corrected within 28 days. In contrast, IFS will never issue a certificate if there is a major non-conformity. However, you

**“Progress is not always easy but if we stop we will never get there.”**

cannot say that one standard is better than the other: the goal is the same but the route to achieve that goal is different, Marjan Smit argued.

The key success factor is the amount of buying power behind a standard, i.e. whether retailers are using it. The initial objective of GFSI was that a private label supplier could be “certified once, accepted everywhere”. All private label producers around the world would like to see this

achieved. But this is not going to happen in the short run so expectations have become more realistic. Retailers will always have their interpretation on standards in their role as “guardian of the consumer”.

GFSI creates a platform for dialogue between all actors so that stakeholders can reach a better understanding. Progress is

not always easy but if we stop we will never get there, Marjan Smit insisted. Looking positively, we can say that in Europe at least, two of the GFSI-benchmarked standards are now accepted by retailers in most countries.

**“Look at the facts : in Europe most retailers accept at least two of the GFSI-benchmarked standards.”**



**Marjan Smit measuring the success of GFSI**

## The challenges of producing an effective food safety standard

**Presented by Olivier Peyrat, Director General, Groupe Afnor, France**

ISO is based on a committee structure that is organised by sector. 50,000 experts are involved in order to guarantee the quality of ISO's work. In addition to experts, ISO needs time, because a consensus is required each time to produce a draft standard. But it is this consensus that guarantees international recognition for the standard.

The benefits of standards include reducing risk by identifying problems more quickly, and harmonising best practices by using the same language. The auto industry, for example, recently agreed that it would be a good idea to share practices between competitors. Harmonisation has become urgent in food safety: on the one hand there is a crisis of confidence among consumers, despite the fact that products have never been safer; and on the other there has been an increase in the number of standards, which lack scale in a world market.

ISO's response to this food safety context has been to develop the ISO 22000 standard. It represents a global approach to food safety management that is complementary to ISO 9001. Its implementation requires a review of auditor training, audit methods and certification processes. To help its application, ISO has issued guidelines (ISO 22004). The first certificates were issued in November 2005, covering companies in various categories (e.g. water, ice cream, packaging). Looking ahead, the aim is to extend ISO 22000 through traceability systems (ISO 22005), a guide to plant production (ISO 22002), audit and certification guidelines (ISO 22003), and good hygiene practices (currently under study). At the same time, standards evolve, so they should be reviewed every five years or less.

**There is a way to combine ISO 22000 and GFSI-recognised standards to meet retailer requirements.**

## ISO 22000 – Transparency in the Supply Chain

**Yves Rey, Corporate Quality General Manager, Groupe Danone, France**

**ISO 22000 provides a framework of internationally harmonised requirements that makes it easier to implement the Codex HACCP system without country differences.**

**As a result, the standard has increased confidence that different actors can identify and control hazards through a continuously improved management system.**

**ISO 22000 does not contain technical specifications like GMPs and PRPs, although ISO is developing a technical specification with basic hygiene elements for PRPs in food.**

**ISO 22000 provides a common platform for a harmonised food safety management system.**

**Sector specific PRPs can be used in addition to the ISO 22000 framework to ensure that company needs are met.**

**In this way, there is a way to combine ISO 22000 and GFSI recognised standards to meet retailer requirements.**

**Overall, the integrity of the food supply is improved by combining these elements, supported by interactive communication between every link in the chain.**

**Danone's approach to food safety management in three steps :**

1. Food safety policy: this is detailed in a set of documents, including directives and self-assessment tools.
2. Identification and evaluation of risks: this is managed by Danone's food safety centre, which conducts scientific analysis to rank risks.
3. Group food safety management: based on HACCP and ISO 22000, this step allows Danone to continuously improve its PRPs and GMPS, thereby reinforcing confidence among public authorities and customers.

## Questions to the Speakers

**Yves Rey** reiterated that ISO 22000 is a framework which can be used in combination with sector specific PRPs and GMPs, such as those included in the GFSI recognised standards, so that the application of both would then meet retailer needs.

**Olivier Peyrat** added that ISO 22000 complemented ISO 9000, which is the building block with lots of experience.

On the role of certification bodies, **Marjan Smit** said that her biggest fear is cost pressure, which leads ISA's competitors to underbid. But certification bodies must do a good job, otherwise retailers will go back to using their own audits.

Regarding ISO and GFSI, **Marjan Smit** explained that ISO is liked by brand manufacturers since it allows them to glue a management system to their own specific PRPs. This is a different goal from GFSI-recognised standards, which deliberately include practices so that the buyer has transparency down to the supplier. Looking forward, **Yves Rey** said his 'dream' is to share in the mapping of Critical Control Points for the whole sector, so we are aware of risks in other parts of the chain.



**Yves Rey, encouraging transparency**

## Debate Summaries

### Auditor Competence & Training

The audience appeared more concerned over the infrastructure surrounding auditor competence, i.e. the environment within which the audit is conducted, than with competence of the individual auditor.

They cited as structural problems:

- Not enough time to perform the audit properly
- Overriding concern of the audited party is compliance at lowest cost, not improvement
- Inconsistency of approach/competence from one auditor to another
- Certification body tourism (inconsistency between certification bodies)

Individual competence (or incompetence) was a factor, and in particular the level of training, education and even the auditor's personality. More specifically, it was felt there was a disinclination to include interviewing senior management within the audit scope.

There was recognition that auditors as individuals were accorded less respect and consideration than the risks and demands of their function would suggest. The 'you get what you pay for' factor is seen as very pertinent

***There was agreement that auditor competence requirements and their measurement ought to be harmonised, but the overriding concern appeared to be that the standards themselves be harmonized. One would result in the other.***

The audience did not respond to any great extent to the invitation to disclose instances of bad audits. Perhaps a reflection that the situation is not as bad as it is sometimes made out to be, or maybe there was a reticence to appear negative in front of colleagues?

#### Concluding remarks:

- An accreditation of the auditors and not only of the certification bodies would improve the quality of audits
- Peer reviews between accreditation bodies is essential
- Standard owners should be responsible for good audits of their standard.
- Feedback from auditees and other partners (retailers) to the standard owners is essential.
- It may be helpful to set up a GFSI working group to define the framework for audits and auditors and define a system of supervision, including accreditation bodies, certifiers, producers and standard owners. No new organisation needs to be set up, but the existing ones have to be activated and coordinated.

*An opportunity for conference participants to be transparent?*

*Industry experts led debates on six different aspects of food safety and have kindly summarised for the benefit of this report what was top of Mind among their participants.*

### Traceability

GSI presented the Global Traceability Standard, a new business process standard describing traceability as a business process independently from the choice of enabling technologies. It defines minimum traceability system requirements for companies of all sizes, sectors and geographies, as well as the corresponding GSI standards used within information tools. Over one million companies from some 140 countries use GSI standards. The new standard allows even more businesses to connect using GSI standards.

From an information management point of view, implementing a traceability system within a supply chain requires all parties involved to associate the physical flow of materials or finished products with the flow of information about them. This requires a holistic view of the supply chain, which is best attained by deploying a common process and standards. GSI's neutrality and universal acceptance makes it well positioned to respond to such requirements.

Hans Kraft, Syngenta: "Because the crop protection market is highly regulated, because of the industry commitment for safety and quality, and because of the FAO code of conduct, that defines not only our responsibilities but also how products are identified, traceability is one of our priorities. Often traceability is combined with other processes, which leads to numerous interpretations and most importantly loss of essence of what traceability really is. The GSI GT Standard brings us back to the real meaning.

Mark Nelson, GMA "For our members, one of the benefits is the fact that it's based on the common language of GSI standards and existing business practices between manufacturers and retailers. This makes it easier when an issue arises to focus on the real issues instead of the process."

Yves David, Casino: "There are two key reasons for us to implement standardisation and traceability in our supply chain processes. First, we know from experience that both standardisation and traceability are enablers for progression of a supply chain. Second, we strongly believe that a supply chain is only as strong as its weakest link. It is therefore important that every item within the chain is traceable all the time."

### Packaging Standards and Risk Reduction

GMP standards and certification for packaging materials are a major help in assessing the quality of suppliers.

*Standards help improve the level of awareness in (packaging) converting plants.*

Is the packaging industry interested in food safety?

Safety aspects of re-usable transportation packaging are often overlooked.

There are no specific standards for re-usable packaging.

Re-usable transportation packaging in fruit and vegetables, poultry and meat can pose a health hazard and needs scrutiny.

What is safe when it comes to aspects of the supply chain that have never caused problems?

Hazard analysis is a necessary basis for any GMP system.



Scenes from the debates



### Labelling & Allergens – Food allergens:

#### Practical solutions along the food chain

##### -Legislation

The new EU labelling regulation Directive 2003/89 is being implemented progressively in the different countries in Europe, focusing on the main 12 allergens and the new labelling rules for each ingredient.

##### -Labelling

*Most allergic consumers would appreciate a real limitation of “may contain” labelling. The relationship between retailers and producers is key to this issue. Retailer-brand products also have a key role to play.*

##### -Risk?

Today, the real risk for consumers is not clearly defined and no thresholds are defined in products. Answers are expected from research projects within two to four years on the risk of cross-contaminations and thresholds in products.

##### -Food chain issue

The allergens issue is a real food-chain issue for suppliers of ingredients, transporters, food producers and retailers. As such it requires multiple approaches in order to manage the risk. Examples were given of actions at the producer level (HACCP approach, supplier database, cleaning procedures, training sessions, targeted validation and controls plans) and at the retailer level (Audit approach with a ranking of the suppliers).

##### -Testing issue

Many test methods are being developed to apply targeted validation and control plans. Methods such as Elisa, PCR or proteomics are available and must be carefully chosen according to each situation. Standardisation and official comparison of methods are currently being undertaken.

##### -Communication issue

The allergens issue is a complex one requiring specific communication programmes with allergic consumers, between actors of the food chain, and within the companies, including extensive training.

##### -Costs

Extra costs can come from new labelling, new production policies (cleaning etc.) or extra control costs. Estimates of 1-3 % of total costs were given in the implementation phase.

##### -Timing

The allergens issue is going to be a priority for the coming months for many actors in the food chain, and it will require an effort over several years.

### **Bioterrorism and Emerging Risks**

#### **– What are the major challenges for a nation facing this threat ?**

General consensus: the risk of food bioterrorism exists but its level is not understood or agreed upon.

The optimal prevention systems are not well understood or accepted.

Communication is critical both internally and externally.

Bioterrorism is an international phenomenon that impacts the well-being of the customer and the brand.

Bioterrorism prevention is much like HACCP Critical Control Points for prevention. A similar approach would be ISO 22000.

Bioterrorism in the food chain would perhaps more likely occur at the beginning or the end of the chain.

Remote video auditing (RVA) could provide a strong 'prevention' tool against bioterrorism; it could make the human factor much more effective and is another insurance policy.

The bottom line is that we should:

Assume that an event will happen

Put systems in place that either prevent the event or raise the difficulty of it happening.

### **Food Legislation & Regulations – New Developments in Food Law 2005 – a critical year for food regulation**

In the EU, new framework regulation took effect on 1 January 2005 and the hygiene package on 1 January 2006. This demonstrates a level of regulation for food equating to measures applied to the pharmaceutical industry.

#### **The new EU Food Law Regime – a year on**

Sudan I/Para Red was the first test of the new regime in 2005.

Expanded range of operators subject to core food safety requirements.

Demonstrates shift of responsibility from regulator to food business operator.

Trigger should be "safe"/"unsafe", as defined in the EU framework regulation.

#### **Parallel developments in US and Asia**

US Food Allergen Labelling and Consumer Protection Act (FALCPA) took effect on 1 January 2006, and US Congress is poised to introduce food warning legislation that could stamp out California's Proposition 65.

On 16 January 2006, the EU and China signed a Memorandum of Understanding on Product Safety to encourage the timely notification of relevant information concerning agricultural or food products (particularly when there are problems).

#### **Implications of new regulation for managing risks**

***For food businesses, particularly small ones, there is a steep learning curve with respect to risk management techniques.***

Risk evaluation needs to be precautionary.

#### **Disharmonised harmony in the EU?**

Experience shows different responses by Member States to similar food safety issues in the context of Sudan I and ITX. There are also consistency issues in Member States such as Germany, where a number of state bodies are responsible for food safety issues.

Member States are still 'gold plating' harmonised EU regulation.

#### **Improving ability to respond to food crises?**

There is a sense of progress in establishing a comprehensive food safety system in the EU. But discussion identified a need for greater legal certainty as to the specific obligations placed on food business operators; concerns were expressed that the test of whether food is "unsafe" is not always being approached by regulators in a consistent manner.

## Food Safety Around the World

### 1. Food Safety in Central Europe – Retailers taking the Lead

**Mercator has designated 2006 as a year of education**

**Presented by Manja Strlinar, Head of Quality Control Department, Mercator, Slovenia**

Mercator is the largest retailer in Slovenia and also has a presence in Bosnia, Croatia and Serbia. It has adopted HACCP principles in line with recent regulatory developments in Slovenia. Two laws covering foodstuffs require companies to use HACCP for producing food. To make this understandable, Mercator and other companies developed guidelines for good hygiene practices, which also took into account latest European regulations. As a result, in January 2006 Mercator adopted internal rules on good hygiene practices based on HACCP principles.

Mercator's food safety approach combines hygiene programmes, specific controls covering suppliers and stores, and a management system. At supplier level, Mercator circulates a list of approved suppliers, who are covered by certification and traceability. Controls include temperature and expiry dates at supplier warehouses. At store level, managers have four main tasks for maintaining safe food: ensuring measuring devices are on-site and using them; keeping documents on-site and updated; ensuring that the documents and procedures are in place for traceability and recalls; and organising internal and external audits (the latter once a year).

Looking ahead, Mercator has designated 2006 as a year of education. For 2007, the company is planning an external auditing system to check the internal HACCP-based control, leading to the ISO 22000 certificate for food safety management.

During question time, Manja Strlinar underlined the importance of top-management support for financial resources. Regarding the reaction of store staff to procedures, she noted that people were positive since they understand the consequences if things are not done by the book.

### 2. Food Safety in Japan – The Pursuit of Transparency



**Yasuhide Chikazawa, Vice President, Aeon Co., Ltd., Responsible for Kanto Regional Company, Japan**

**By Yasuhide Chikazawa, Vice President, Aeon Co., Ltd., Responsible for Kanto Regional Company, Japan**

#### The Japanese context

A series of incidents in recent years, particularly the discovery of BSE in 2001 followed by a place-of-origin labelling fraud, have shaken the confidence of Japanese consumers. After the BSE outbreak, a Food Safety Commission was established within the government's Cabinet Office, a Basic Law on Food Safety was enacted, and a system for addressing food safety issues at a national level was put in place.

#### Aeon's undertakings

Aeon's response was based on two principles: putting the consumer first; and learning from European precedents – notably by participating in the first CIES International Food Safety Conference in 2001. In terms of standards, Aeon's product safety standards are far more stringent than legislation in Japan or other countries. Learning from European experience, the retailer also actively discloses information on traceability to consumers. Yasuhide Chikazawa outlined the specific measures introduced by Aeon to reinforce food safety (please see next page)



**Rajan Kamalanathan of Wal-Mart chairing the session on Food Safety around the World.**

### **Specific measures introduced by Aeon, Japan, to reinforce food safety :**

**SQF and traceability for beef:** Aeon has introduced the SQF 2000 certification – combining HACCP and ISO principles – for beef both in Japan and at its company-owned cattle ranch in Tasmania, Australia. The retailer has also adopted EAN 128 barcodes to establish a traceability system for beef. At Aeon stores, computer terminals bring up information on the beef by entering a product code.

**Green-Eye:** this private-label range for fresh produce applies stringent standards covering the use of additives and chemical fertilisers. Traceability is also applied and customers can view product information by pointing their cell phones at the barcode on the pack.

**Labelling:** allergen labelling became mandatory in Japan in 2002 for five allergens, and was recommended for a further 20. Companies were given the choice of giving a summarised or detailed listing of allergens on product packs; Aeon chose the detailed approach after discussions with associations of allergy sufferers. Moreover, after it initially failed to indicate wheat as an allergen in spaghetti, Aeon held a press conference in order to maintain consumer trust.

## 3. The American Perspective: Food Safety, Food Security, Food Intelligence



**Kevin Coupe presenting the American Perspective on Food Safety**

**Video & live analysis by Kevin Coupe, Founder, & ‘Content Guy’, MorningNewsBeat.com, USA**

**Brought to you by JohnsonDiversey**

**Kevin Coupe presented a video featuring interviews with three retailers (Wal-Mart, Sheetz and Hannaford Bros.), two government officials (Barbara Masters of the US Department of Agriculture and Bob Brackett of the Food & Drug Administration) and two consumer experts (Laurie Demeritt of consumer research firm The Hartman Group, and Phil Lempert, consumer advocate and Food Trends Editor for the “Today Show”). He pointed out two major challenges: the mishandling of food by consumers, who nevertheless blame the store for any problem that occurs; and the communication gap between the government, industry and consumers.**

### **The retailers themselves highlighted the following issues:**

- **Joan Menke-Schaenzer**, Vice President, Quality Assurance, Food Safety & Security, **Wal-Mart Stores**, noted the differences between countries in terms of food safety issues. As a result, Wal-Mart has a set of minimum standards which it customises to meet government and consumer needs around the world. Regarding consumer perceptions, she said that consumers are both concerned about the issue but reluctant to read labelling. This is related to the misconception that “the food that comes to them is completely safe and they have no responsibility to insure that they cook it and handle it.” Wal-Mart has found that an effective medium for communicating food safety messages is in-store TV, which customers will spend time watching.
- **Mike Magner**, Director Quality Assurance & Food Safety, **Sheetz Inc.**, described an outbreak of salmonella in 2004 that was partly linked to food sold by the convenience store chain. Based on two pieces of information provided by the authorities – the patients had all eaten lettuce and tomatoes, and were suffering from the javiana strain of salmonella – Sheetz did its own research and found out that javiana had been previously linked to Roma tomatoes.

*(please see next page)*

*The American Perspective, continued from page 17*

As a result, the company decided to withdraw all its tomatoes and to hold a press conference to explain what it knew, before the media took up the story. After the incident, Sheetz reinforced its food safety controls by extending auditing to every fresh-produce supplier. It also changed the way it selects suppliers, focusing on those that had the best reputation for food safety.

- **Cory Hedman**, Director of Food Safety & Quality Assurance, **Hannaford Bros.** (Delhaize Group), underlined the role of training in developing a culture of food safety; this means that people handle food safely because they think it's the right thing to do and not because they've been told to do it. As part of its communication to consumers, Hannaford offers on its website 26 tips for the home, although Cory Hedman acknowledged that it is difficult to reach consumers who are bombarded with information. More generally, he stressed the challenge of understanding science: as this gets better we find out about illnesses and causes that we didn't know before.

In conclusion, Kevin Coupe asked the participants what food safety issues keep them awake at night. **Joan Menke-Schaenzer** cited two things that are on Wal-Mart's 'radar screen': an emerging pathogen called campylobacter, and avian flu. **Bob Brackett** of the FDA pointed to the danger of complacency on the part of consumers and companies, as well as the problem of more and more viruses being detected. This point was echoed by **Cory Hedman** of Hannaford, who singled out Noro (or Norwalk) viruses, which can be spread both by food and person-to-person contact.

## Closing Remarks from Roland Vaxelaire



**Roland Vaxelaire, Quality, Responsibility and Risk Management Director, Carrefour Group, France**

Roland Vaxelaire stressed that transparency only comes if we each take our responsibility and use the same language. In terms of standards, we need to move towards a unique global standard. But we also need to understand the different interpretations of standards by using protocols. This will support a global approach to quality.

## Thank you

**In addition to the speakers already named, CIES—The Food Business Forum would like to thank the following for their most valued contributions to this conference :**

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## Food Safety 2006

*REMEMBER -  
CIES International Food Safety Conference  
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### What is CIES?

**CIES - The Food Business Forum** is the only independent global food business network. It serves the CEOs and senior management of 175 retailer and 175 supplier member companies, and their subsidiaries, in over 150 countries.

CIES retailer members alone generate over \$2,000 billion, employ 4.5 million people and operate close to 600,000 stores representing a total sales area of 160 million square metres.

CIES has been growing with the food business for over 50 years. Its strength lies in the active commitment of its member companies and its privileged access to key industry players.

With its headquarters in Paris and its regional offices in Washington, D.C. and Singapore, CIES – The Food Business Forum serves its members throughout the world. In China CIES works in partnership with the China Chain Store & Franchise Association and in Japan with the Japan Chain Store Association.

#### **CIES Mission** is:

- to provide a platform for knowledge-exchange, thought-leadership and networking and
- to facilitate the development of positions and tools on key strategic and practical issues affecting the industry.

**CIES Products** include international management programmes, newsletters and studies as well as tailor-made member services.

Each programme is headed by a retailer-led committee or a task force whose role is to identify top-of-mind issues.

Current programmes are The World Food Business Summit, Future Leaders, Marketing, IT, Supply Chain, Food Safety & Food Business in Society.

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