
FOOD SUPPLY CHAINS: THE GOOD, THE BAD, AND THE TASTY



Perhaps more than in any other industry, food and drink manufacturers must be confident in the quality of their goods.

The consequences of supply chain malfunctions or attacks range from merely reputational to full blown health scares, but there are steps that can be taken to minimise vulnerabilities.

With the sheer volume of food travelling from near and far to be consumed around Christmas, now is a good time to take a look at the supply chain and what we can do to ensure its safety.

It goes without saying that the longer and more complex the supply chain, the more vulnerable it is to a range of threats. That being said, whether your food travels 200 metres from farm to table or traverses the globe and spans continents before it gets to you, every supply chain needs protecting from a host of problems and potential attacks.

“victim to fraudulent, malicious or careless behaviour”

There are infamous cases where firms have unknowingly sold contaminated, poor quality, or downright dangerous, food and drink because their supply chain has been victim to fraudulent, malicious, or careless behaviour. Whether it's sprouts from Bedfordshire or prawns from Thailand, make sure your Christmas menu is covered from starters to desserts.

Who and what is threatening my supply chain?

The biggest factor in supply chain vulnerability is, funnily enough, your suppliers. The further removed you are from where your food begins its journey, the more careful you have to be. This is especially true of food and drink fraud, where suppliers secretly replace good quality products with cheaper, poorer alternatives whilst charging the same premium prices. Nobody wants sub-par roast potatoes on Christmas day.

Example I

*The 2013 horse meat scandal is commonly cited as one of the major fraud cases, where horsemeat from eastern Europe was relabelled as it changed hands many times across the continent, eventually being sold as beef in products that made their way into the UK.**

On top of this, the further removed you are, the further your ingredients must travel, exposing a whole new set of risks in the handling, transporting and tracking of your goods. Mistakes along this route can lead to missed orders, damaged goods and unhappy customers at your end, but natural occurrences such as storms can also affect the travel time and quality of your food and drink. Improper storage or transport facilities can cause damp or decay, let rodents and animals into your food, or cause insects/chemicals/disease to be carried with your food. Your customers will adore their maple-roasted carrots with thyme, but not if those carrots are carrying pesticides harmful to human health.

Of course, your supply chain is also subject to the actions of other individuals, such as criminals or idealists, who can purposefully contaminate or damage the products before they get to you. This is 'malicious contamination', and can range from disgruntled employees targeting your production line to activists seeking to disrupt the industry through attacking your firm. Nothing would ruin Christmas dinner more than an urgent recall on Mum's famous gravy.

Example II

*Another example would be the 165,000 bottles of vodka distributed around the UK in 2008 and 2009 that were, in fact, methylated spirits and bleach manufactured by a gang in Leicestershire**. These bore fake labels branding them as Glen's Vodka and were sold to unwary consumers around the country.*

What can I do about it?

Firstly, it is your responsibility to make sure you comprehend, inside-and-out, all the stakeholders involved at each stage of the supply chain. This requires knowledge of anyone who grows, produces, stores, transports or distributes your raw ingredients, works-in-progress, and finished products.*** You must ensure that they are reputable, comply to all legal requirements, and that they comply with the standards, such as the points which follow, that you set out in order to protect your supply chain.

“you must demand of your suppliers complete traceability of goods”

Secondly, you must ensure that your own operations, and the operations of all those stakeholders, are appropriately secure. This could mean:

- Physical measures such as electric fencing, rights of access and private security;
- Digital measures such as cyber security software, verification and authorisation procedures, password protection and other encryption techniques.



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Thirdly, and increasingly importantly, you must demand of your suppliers complete traceability of goods. This could mean, for example, indelibly marking packaging at every stage or digitally recording goods from start to finish.

Digital records, such as the use of blockchain technology, are becoming increasingly popular as a way of improving transparency in food supply from production to consumption. It might not track the Christmas pudding as it leaves the oven for the expectant family, but it will give you peace of mind that they get exactly what they were expecting on the big day.

“The negative impact of a supply chain breach can be enormous”

What is abundantly clear is that you must take the time to vet your suppliers and their procedures in order to protect yourself. The negative impact of a supply chain breach can be enormous, especially when consumers are endangered. Business can be interrupted, products may need recalling, and reputation could be severely damaged as a result. After all, who wants to start the new year with a post-box full of Christmas complaints?

For more information, case studies, and a look at the FSA's Threat Assessment Critical Control Points (TACCP) framework, which has been introduced alongside the Hazard Analysis Critical Control Point (HACCP) principles to combat attacks, see the FSA guide: <https://www.food.gov.uk/sites/default/files/pas962017.pdf>

Consort are always happy to discuss your risk management procedures and how you can make sure you're covered in the event your supply chain is compromised. Please feel free to get in touch.

Sources:

*https://en.wikipedia.org/wiki/2013_horse_meat_scandal

**<http://www.independent.co.uk/news/uk/crime/gang-used-bleach-to-make-illicit-vodka-6268229.html>

***<http://www.globaltrademag.com/global-logistics/food-supply-chain-vulnerability>