

Quarterly Trends Update: Annual Update and Action Plan 2020: 2019-Q3

Webinar: Tuesday, October 1, 2019
2:00 to 3:00 PM ET

John Spink, PhD & Douglas C Moyer, PhD

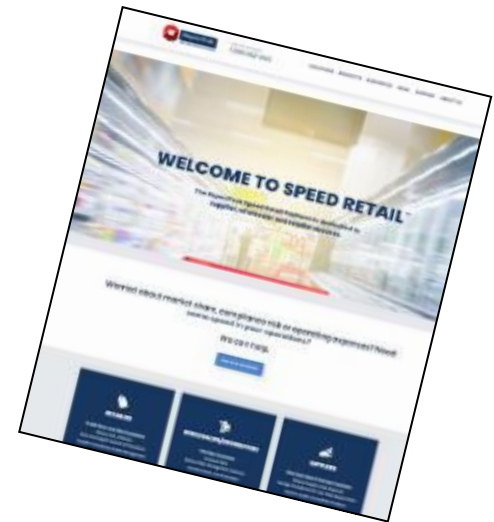
Director & Assistant Professor, Food Fraud Initiative

<NEW> **Eli Broad Business College, MSU**

<NEW> **Department of Supply Chain Management**

Introduction to Supply Chain Management (SCM 303)

Procurement and Supply Management (SCM 371)



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Food Fraud Curriculum

Massive Open Online Course (MOOC – free, open, online)

- With a **'certificate of completion'** based on an **assessment**
 - On-demand, monthly instances, Ten Contact Hours
1. Food Fraud Overview MOOC
 2. Food Fraud Audit Guide MOOC
 3. Food Defense Audit Guide MOOC
 4. Training: FF VACCP (Vulnerability Assessment & Food Fraud Prevention Strategy)

Conference (High-level update on key topics)

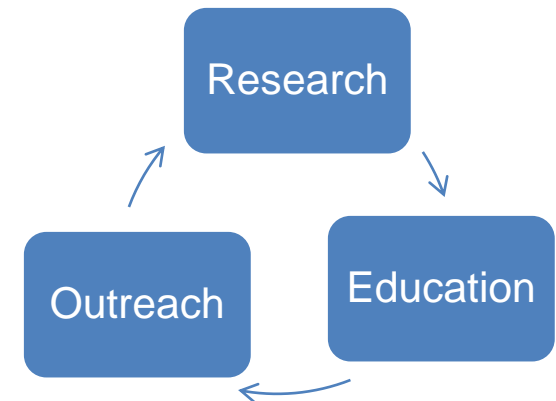
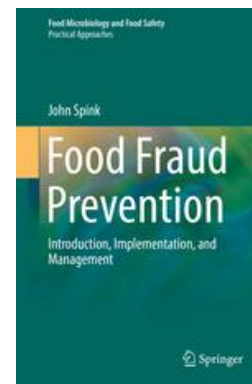
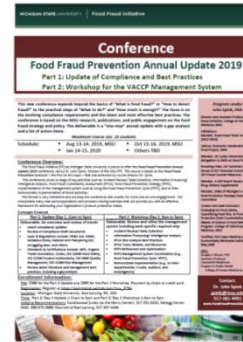
- **Food Fraud Prevention Annual Update 2019 & Workshop**
 - Oct 15-16 & Jan 14-15, 2020

Executive Education (In-depth education)

- **Food Fraud Management Strategy & FFVA Workshop**
 - Sept 10-11-12, 2019 & Feb 4-5-6, 2020

Textbook: Food Fraud Prevention

- Release November 3, 2019



Our Approach: The Science and Sciences of Food Fraud Prevention

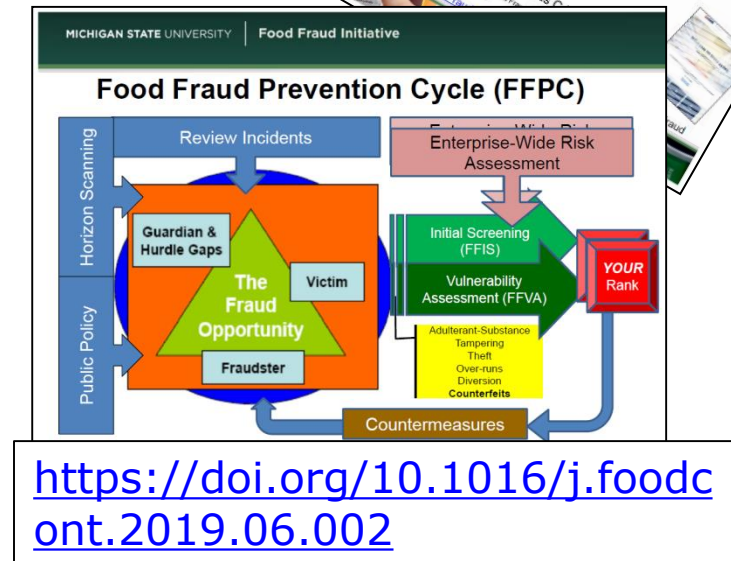
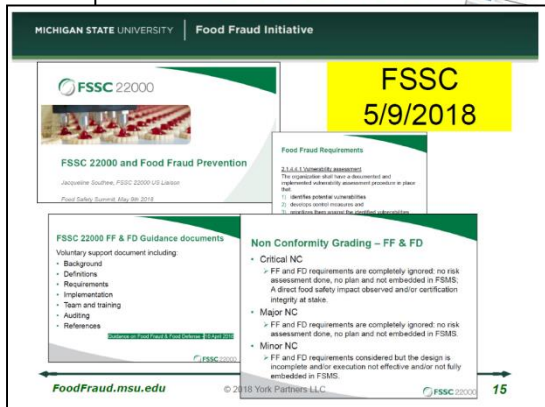


Quarterly Trends Update Webinars Series

- 2018-3Q
- Non-conformity

- 2018-4Q
- GFSI FF Document

- 2019-1Q
- Managing information
- FFPC



Quarterly Trends Update Webinars Series

- 2019-3Q

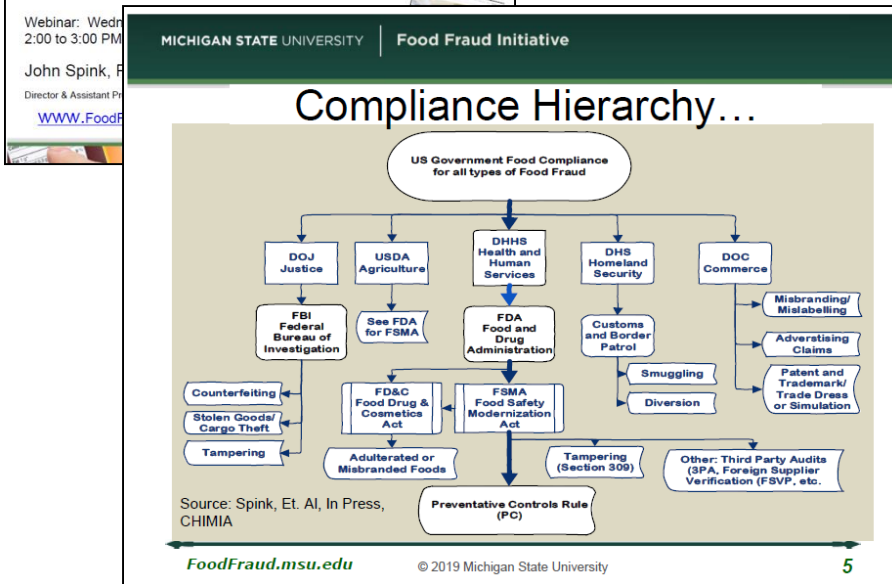
- **Future...**

- **Codex?**

- **Brexit/ EU?**

- **ISO 28000**

- **Supply Chain Security?**





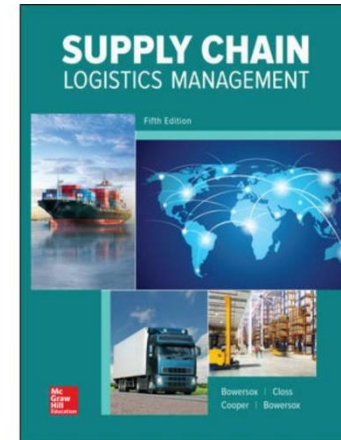
		determined and provided.
FSM AI 13.1	Purchasing and supplier performance	A purchasing procedure shall be established, implemented and maintained to ensure that all inputs to the process including externally sourced materials and services which have an effect on food safety, conform to specifications as well as food safety and regulatory requirements.
FSM AI 13.2	Purchasing and supplier performance	A procedure for the evaluation, approval and continued monitoring of suppliers which have an effect on food safety shall be established, implemented and maintained. The supplier approval process shall include means to procure in emergency situations. The results of evaluations, investigations and follow up actions shall be recorded.
FSM AI 13.3	Purchasing and supplier performance	Outsourced processes that may have an effect on food safety shall be identified and controlled. Such controls shall be documented in the FSMS.
FSM AI 13.5	Purchasing and supplier performance	Specific policies shall be in place for the procurement of feed from approved, certified sources.

Food Safety Management System (FSMS) requirements for commercial standards by BRC, IFS, SQF, FSSC 22000, etc.

GFSI REQUIREMENTS FOR PURCHASING

Modern “Integrated Supply Chain Management”

- “a multi-firm collaboration within a framework of key resource flows and constraints.
- ...structure and strategy results from efforts to operationally align an enterprise with customers as well as the supporting distributor and supplier networks to gain a competitive advantage”(B).
- Challenges: Globalization, Disruptors, Quality Management, and Risk Management
- Adaptation: ***Dis-Continuity (5/436 pages)***
- Reference: Bowersox, Closs, Cooper & Bowersox (2020), Supply Chain Logistics Management, McGraw-Hill



SCM Uncertainty

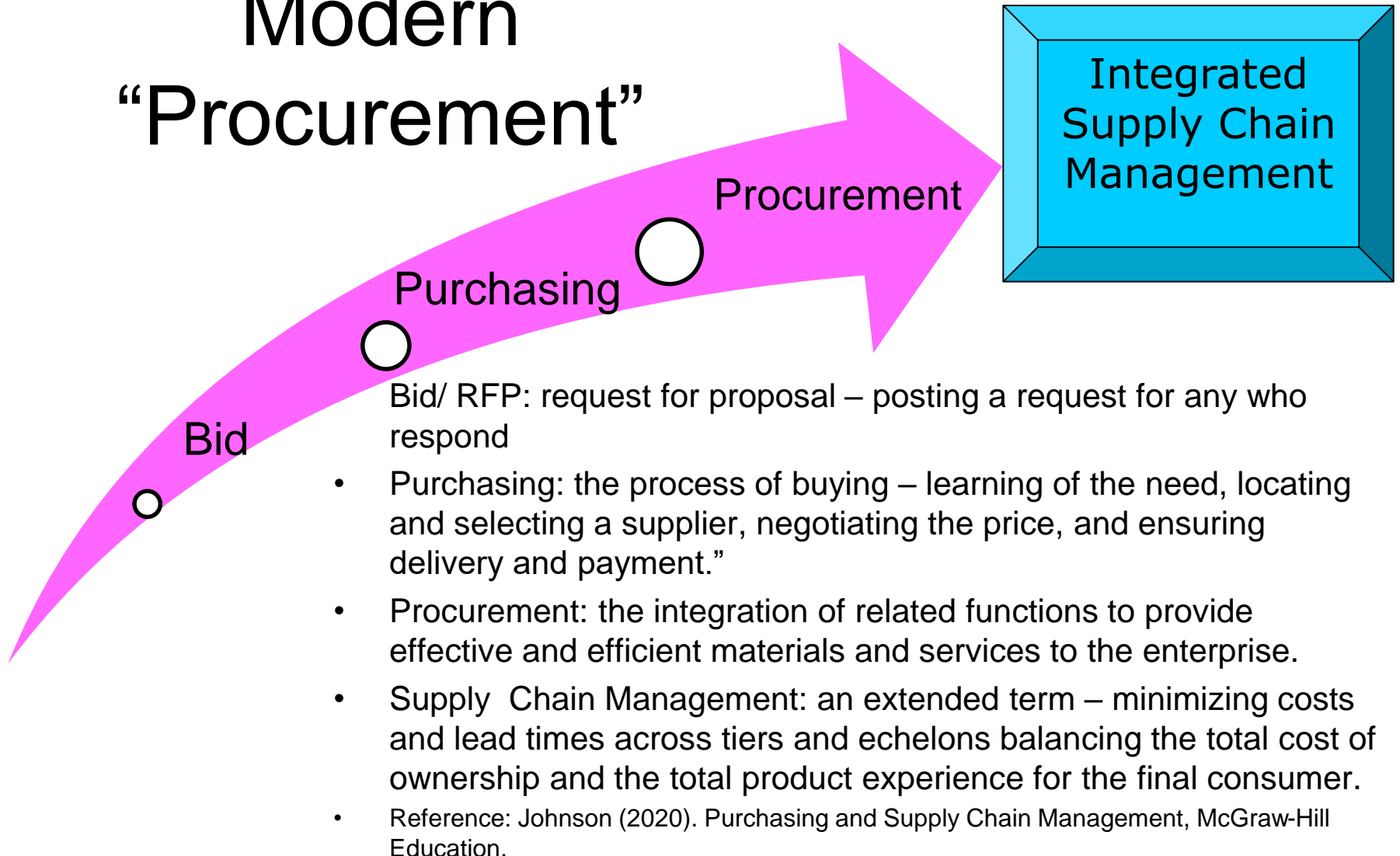
Quality: performance, reliability, durability, conformance, features, aesthetics, serviceability, and perceived quality.

- Risk Management

- Demand uncertainty
- Lead time uncertainty
- Complexity management
- Security

- “Protecting the product from theft or damage”
- “import/export of contraband”
- sidebar on traceability: “...counterfeiting, raw material falsification, and theft for resale... provide many opportunities for sale through gray markets...”

Modern “Procurement”



Procurement “Top-10”?

- Top focus areas
 - Total Cost of Ownership (TCO)
 - Balanced with Total Product Experience (TPC)
 - While considering “What could go wrong?”
 - Managed by “Plan-Do-Check-Act”
- Top-10?
- **→ Balanced Scorecard—overall competence: You’re getting fired, and your boss!**

Topic	Detail	Rank	Warning
a	a	1	Red
b	b	2	Blue
c	c	3	Yellow
d	d	4	Green
e	e	5	Blue
f	f	1	Blue
g	g	2	Orange
h	h	3	Blue
h	h	4	Blue
h	h	5	Blue
h	h	6	Blue
h	h	7	Blue
h	h	8	Blue
h	h	9	Blue
h	h	10	Blue
h	h	11	Blue
h	h	12	Blue
h	h	13	Blue
h	h	14	Blue
h	h	15	Blue
h	h	16	Blue
h	h	17	Blue
h	h	18	Blue
h	h	19	Blue
h	h	20	Blue

The GFSI Requirements for: Procurement

- There are specific Food Safety Management System requirements for:
 - (1) purchasing of ingredients and all materials
 - Glossary: “Acquiring **raw materials, ingredients, inputs** or other product needed to produce the site’s end product(s), **or**
 - **buying a service such as pest control, laundry**, etc.”
 - (2) traceability
 - Glossary: Not defined; “...to ensure product identification from the supplier (minimum one step back) through... recipient of the product... (minimum one step forward).”

Note

- NOTE: v7.2

1. GFSI FSMS requires FFVA/ FFPS
2. FSMA/FDCA requires a hazard analysis

AI 15.1	Purchasing	The standard shall require that the organisation controls purchasing processes to ensure that all externally sourced materials and services, which have an effect on food safety conform to <i>food safety management</i> , <u>including food fraud mitigation plan requirements</u> .
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- Changed to v8.0

FSM AI 13.1	Purchasing and supplier performance	A purchasing procedure shall be established, implemented and maintained to ensure that all inputs to the process including externally sourced materials and services which have an effect on food safety, conform <i>to specifications as well as food safety and regulatory requirements</i> .
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Scope AI - Farming of Animals for Meat/ Milk / Eggs / Honey

SECTION 2: FOOD SAFETY MANAGEMENT REQUIREMENTS

13.1	Purchasing and supplier performance	A <u>purchasing procedure</u> shall be <u>established, implemented and maintained</u> to ensure that all inputs to the process including externally sourced materials and services which have an effect on food safety, <u>conform to specifications as well as food safety and regulatory requirements.</u> ←
13.2	Purchasing and supplier performance	A <u>procedure for the evaluation, approval and continued monitoring of suppliers which have an effect on food safety</u> shall be established, implemented and maintained. ←
13.3	Purchasing and supplier performance	<u>Outsourced processes that may have an effect on food safety shall be identified and controlled.</u> Such controls shall be documented in the FSMS. Hazard Analysis
13.5	Purchasing and supplier performance	Specific policies shall be in place for the <u>procurement of feed from approved, certified sources.</u> ← GFSI Compliant

Agents, Brokers, Suppliers, etc.:

Definitions

Agent	An organisation or individual that does not own but trades any type of food, feed and/ or packaging. Such activities exclude production, <u>storage and any physical handling of the product</u> ; they can be performed under specific customer requirements or not.
Approved supplier	A supplier that has been evaluated to <u>demonstrate conformance to specific requirements</u> by the audited site. See also "Supplier" definition.
Broker	See "agent"
Consumer	A person who is a <u>member of the public</u> , takes possession of food, is not functioning in the capacity of an operator of a food establishment or food processing plant, and does not offer the food for resale.
Customer	Person or <u>organization that could or does receive a product</u> or a service that is intended for or required by this person or organization.
Outsourcing	A firm, company or individual carrying out a process or activities on behalf of the site audited.
Raw material	A component of a food, feed or packaging that has not undergone processing.
Supplier	<u>An entity from whom the audited site purchases raw materials, ingredients, products, and/or services.</u>

Agents, Brokers, Suppliers, etc.:

Requirements

- How far back? Until YOU have to test/ trust
 - “Trust but verify”.

N FII	Food Broker / Agent	Buying and selling of food, feed and/ or packaging products, excluding the production, storage and any physical handling of the product.
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FSM FII 8.4	Food fraud	The agent / broker shall ensure that their suppliers comply to key elements FSM 8.1, 8.2, 8.3.
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8.1	Food Fraud	(Food Fraud Vulnerability Assessment)
8.2	Food Fraud	(Food Fraud Prevention Strategy)
8.3	Food Fraud	(Connect FFPS to FSMS)

WHAT IS “REGULATORY COMPLIANCE”?

Food Fraud Compliance Requirements: Dates

- GSFI (FSSC, SQF, BRC, IFS, etc.) – January **2018**
 - Food Fraud Vulnerability Assessment (all fraud)
 - Food Fraud Prevention Strategy (all products)
 - **No documents = audit non-conformance**
- GFSI – Some mentions (BRC, IFS, etc.) – July 2015
- FSMA-Preventive Controls – September **2016**
 - **“The hazard analysis must be written regardless of its outcome” [21CFR507.33 (a)(2)]**
 - **“The hazard may be intentionally introduced for purposes of economic gain.” (iii)**
- Food Drug & Cosmetics Act & Adulterated Foods – **1938**
 - **Adulterated Foods**
 - **Misbranded Foods**
 - **+ others such as Sec. 301 Smuggling**
- Sarbanes-Oxley Act – **2002** and 2007
- ISO 22000: now added note of Food Fraud and Food Defense (Food Safety)
- ISO 12931, 22380, 27000, 28000 Supply Chain Security, etc. (Product Fraud)
- Codex Alimentarius: Food Fraud being defined with a management system

UPDATING YOUR PLAN FF ANNUAL UPDATE

GFSI Issue 8

Food Fraud Requirements



FSM AI 21 Food fraud vulnerability assessment

- The standard shall require that ***the organisation*** has a **documented food fraud vulnerability assessment procedure** in place to identify potential vulnerability and prioritise food fraud mitigation measures.
 - ***GFSI/ FSMS = At least annually***

FSM AI 22.1 Food fraud mitigation plan

- The standard shall require that ***the organisation*** has a **documented plan** in place that specifies the measures the organisation has **implemented to mitigate** the public health risks from the **identified food fraud vulnerabilities**.
 - ***GFSI/ Demonstrate Implementation***

Food Fraud Annual Update: Process Review

1. Update incidents, review incident collection method and competence
2. Consider best practices and changes in the requirements
3. Develop modification plan
4. Get approval
5. Implementation plan for 2020 – document, get approval, schedule
 1. Finalize incident review for all fraud and all products
 2. Update FF vulnerability assessment -- document, get approval
 3. Update FF Prevention Strategy -- document, get approval
 4. Adjust all methods and processes -- get approval
 5. Prevent, Mitigate or **DISCLOSE** all unacceptable risks – document, get approval

SSSSSSOOOOO WHAT???

Required Documents

- Food Fraud Vulnerability Assessment
 - Clarify details: at least annual, etc.
- Food Fraud Prevention Strategy
 - Clarify details: covers all fraud and all products, etc.

Plus:
FF
Policy

FFVA:
Rank

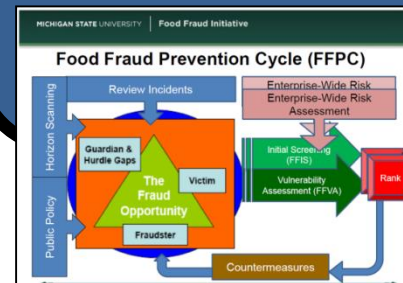
FFPS:
Method

Plus:
FF Audit
Results

MICHIGAN STATE UNIVERSITY | Food Fraud Initiative

Case Study: Corporate Risk Map

	Likelihood	VH	H	M	L	VL	Detail
Consequence		1	2	3	4	5	Incoming 1-VH*M: xxx 2-VH*M: yyy Outgoing A-VH*M: zzz B-VH-M: aaa D-VH-L: bbb
VERY HIGH	A	1	2	3	4	5	
HIGH	B	1	2	3	4	5	
MEDIUM	C	2,A 1,B	3	4	5,C,G		
LOW	D	3	4,E,F H	5			
VERY LOW	E	3	4	5			



Food Fraud Compliance Requirements: Scope



3
NEW

“Food Fraud Compliance Requirements — The general compliance requirements for Food Fraud prevention are:

1. Conduct a Food Fraud Vulnerability Assessment (Y/N)
2. Written (Y/N)
3. Create a Food Fraud Prevention Strategy (Y/N)
4. Written (Y/N)
5. **<NEW> Demonstrate Implementation (Y/N)**
6. **<NEW> Executive Level Sign-off (Y/N)**
7. Minimally conduct an annual Food Fraud Incident Review (Y/N)
8. **<NEW> Method to review your incidents and general market incidents (Y/N)**
9. Note: Address all types of Food Fraud (Y/N)
10. Note: Address all products from both incoming goods (e.g., ingredients) and outgoing goods (e.g., finished goods) through to the consumer.” (Y/N)

Reference:

- Food Safety Magazine, Feb 2017, “*Food Fraud Vulnerability Assessment and Prefilter for FSMA, GFSI and SOX Requirements*”, <http://www.foodsafetymagazine.com/magazine-archive1/februarymarch-2017/food-fraud-vulnerability-assessment-and-prefilter-for-fsma-gfsi-and-sox-requirements/>

New Food Magazine, Feb 2017: *Food Fraud Prevention – how to start and how much is enough?*, <http://www.newfoodmagazine.com/33890/new-food-magazine/past-issues/issue-1-2017/issue-1-2017-digital-version/>

“Just a Check Box” – yes and no

- There is often a criticism that some audits are just a checkbox – did it, check.
- Is this OK for Food Fraud? For this stage right now?
- **YES!!!!**
- The formal and official process has started



Q: YES OR NO?

Acknowledgements

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- **The Citadel:** Dr. Roy Fenoff

Discussion

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MOOC programs: www.FoodFraud.msu.edu/mooc/