

FIGHTING FOOD & DRINK FRAUD



In January 2013, the horse meat scandal rocked the food industry across Europe. Horse DNA was found in frozen beef burgers being sold by supermarkets in both Great Britain and Ireland, while pig DNA was also present in 85 per cent of tested samples. Almost four years on, what progress has been made in fighting food fraud and what risks remain for R&C businesses?

What is food & drink fraud?

Food & drink fraud is the deliberate replacement or addition of ingredients, or the intentional mislabelling of food & drink, ingredients or packaging. Despite the 2013 horse meat scandal, it remains a risk across large parts of the food & drink industry and creates complex challenges and responsibilities for businesses operating in the R&C sector.

A recent study by Oceana, an ocean conservation organisation, found more than 20 per cent of 25,000 seafood samples were mislabelled. The report reviewed more than 200 published studies from 55 countries. Its findings highlight the need for businesses to have a detailed and thorough understanding of their food supply chain.

In July 2014, the Elliott Review into the Integrity and Assurance of Food Supply Networks offered recommendations to counter food fraud based on eight pillars of food integrity. The report's author, Professor Chris Elliott, urged the UK's Food Standards Agency to establish a separate Food Crime Unit in response to the food fraud opportunities offered by broader and more international supply chains: "tackling food crime will require ongoing effort by the Government regulators and industry," he said.

What are the risks to R&C businesses?

Food & drink fraud has traditionally been viewed as a safety issue: if a product is incorrectly labelled, or contains unsafe or toxic ingredients or has been made using incorrect methods, how can consumers be guaranteed it is safe to eat? But safety is not the only risk.

► Economic fraud

R&C businesses are at risk of economic fraud as supply chains and traceability becomes increasingly complex across the food and drink industry. Organised criminal gangs have the logistics and networks in place to facilitate fraud, and they view it as a significant commercial opportunity. For example, media stories recently exposed a fraud where 'standard' olive oil was being supplied as premium extra virgin olive oil, with a premium price to match, driving up costs for buyers and delivering substantial profits for food fraudsters.

► Safety

In Oceana's study, more than half (58 per cent) of the samples substituted for other seafood were a species that pose a health risk to consumers. How well do you know your supply chain? You might know who you are buying from, but who are

they buying from? What steps have you taken to ensure you are buying what you think you are buying? Complacency is no longer acceptable. R&C businesses need processes in place to determine where the product or ingredients have originated, or potentially face substantial commercial, regulatory and reputational consequences.

► **Corporate social responsibility**

The impact of food & drink fraud extends beyond commercial or safety concerns. It can also lead to severe and damaging reputational issues. Without a full awareness of its supply chain, how can a business be sure that employees involved in production – for example, the fishermen, warehouse workers and fruit farmers – are being treated correctly? Issues such as modern slavery can be found and exposed only if a business takes the time and responsibility to track its supply chain.

How well do you know your supply chain?

The onus is on businesses operating in the R&C sector to counter food & drink fraud through increased supply chain vigilance. More investment is now going into this area, but there is still much more to be done.

Food & drink fraud can occur across a huge range of different food & drink products from olive oil and spices to counterfeit vodka.

Dr Kimberly Warner, a senior scientist and Oceana’s report author, said: “Because illegally caught seafood, some caught or processed with slave labour, could be making its way onto our dinner plates disguised as legal catch, it is doubly important to improve transparency and accountability in the global seafood supply chain.”

The same can be said for supply chains across all areas of the food and drink industry. Traceability is now a crucial part of your supply chain knowledge. It is vital all businesses operating in this sector take appropriate steps to protect both themselves and their customers.

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