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Session 5: “Managing Food Safety in Global Supply Chains”
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It’s a pleasure to be here today. The reason I’m here is that I’m the president of the Association of Food Industries, a trade association of approximately 900 companies around the world involved in the U.S. food import industry.

Over the past few weeks, knowing time would be limited today, I’ve kept a file of bullet points I wanted to raise today. So here’s the USA Today version of my thoughts.

Risk-Based Sampling

- Importers want improvements in sampling and are in favor of increased sampling, if a risk-based approach is used and the system can determine if it’s needlessly repeating sampling on low-risk items.
- PREDICT, if it works as touted – and there’s no reason to doubt that - would be a blessing; OASIS is outdated and not able to pick targets well. FDA reps tell us many of the problems are with infrequent importers; that should be a risk factor. Even without an increase in sampling, PREDICT should greatly enhance FDA’s sampling program.

Standards

- Standards of Identity would be a great help to the industry. AFI has created standards for products such as hazelnuts, cashews, Brazil nuts and dried apricots. Throughout the industry, product is sold against these standards.
- Earlier presentations mentioned economic adulteration. Two industries represented well within AFI – honey and olive oil – have petitioned FDA to create standards of identity for those products. With FDA’s resources limited, there’s been no action taken by the agency. Both industries have turned to states and both have had success. These standards will better allow for action to be taken against violators but since each state’s standard is slightly different it will likely create an absolute need for action by FDA.
- The U.S. actively participates in CODEX but has never adopted a CODEX standard as a U.S. standard. If the U.S. agrees to a CODEX standard and the industry in the U.S. supports it, the logical step is to adopt the standard. Standards spell things out in black and white and provide protection for industry and consumers.
- A mention was made earlier of incorporating standards into marketing orders. That is not feasible because marketing orders are focused on domestic products. With varying soil

conditions, climate, tastes, etc., an imported product may be perfectly acceptable but not meet a standard based on U.S. conditions and tastes.

Voluntary Safety Program

- Great in theory but there has to be benefits; As mentioned by FDA in an earlier presentation, the decision on whether or not to sample an entry is made in 45 seconds and will be even shorter with PREDICT. Those proposing this type of program are saying it's going to speed the import process but as you can see, it really won't. If, however, the fact that a company is participating in the voluntary safety program is factored into the risk assessment and results in fewer inspections, that's a tangible benefit. Customs and Border Protection has a similar program and its benefits have been spotty at best. Nonetheless, we encourage our members to participate and would do the same with an FDA program because going through the process helps companies see weaknesses in their operations.
- Great care would have to be given to make sure such a program would not inadvertently discriminate against small businesses. They would have fewer resources to be able to immediately participate in such a program. If participation is a factor in the entry process, their entries could continually be pushed back while entries for participants – larger companies, most likely – were given priority.

Managing Risks

- Importers use a combination of tactics to manage risk, such as visits to processing plants, third-party audits and product testing. Risk determination is also based on the inherent risk level of the product, knowledge of the company and perhaps the country of origin.
- We were asked about the role of trust in determining what suppliers to work with. In the beginning, there is no trust. That's something that's developed over time, based in part on the tactics mentioned above.

Impact of Detained Product

- Routine inspections are a factor and a cost of doing business. But when the inspections/testing take a long time or entries of identical products made within a short time are sampled, it creates problems in terms of meeting customer demand and storage costs.

Country of Origin

- We were asked whether customers care where their food comes from and does that influence industry purchasing decisions. Country-of-origin marking is a marketing issue, not a food safety issue. Very few consumers look at labels for country-of-origin information and purchasing decisions they might make based on the origin of the product are made with little knowledge. Food safety is not a country issue; it's a company-specific issue.

- Some companies have told me they're avoiding product from China when possible because of the backlash from the melamine issue.

Mutual Recognition Agreements

- This is another one of those things that sounds great; that's why it's included in some of the pending legislation. The problem is, these agreements take years to develop. We're involved in one in which there's very little disagreement between the U.S. and the foreign country over things but it's taken nearly three years and we're still a long way from a resolution. Imagine if hundreds or thousands of these agreements are mandated by legislation.

Traceability

- Traceability back to the farm is next to impossible, whether it's in the U.S. or abroad. That's why several U.S. groups lobbied hard to get exempted from traceability requirements in the proposed food safety legislation.

Summary

Importer Food Safety is driven by a company's own ideas of food safety, customer requirements and regulations. Whatever level the first component puts a company at, it's further defined by what its customers demand and the laws of the country of import.