



Supporting the Food Industry

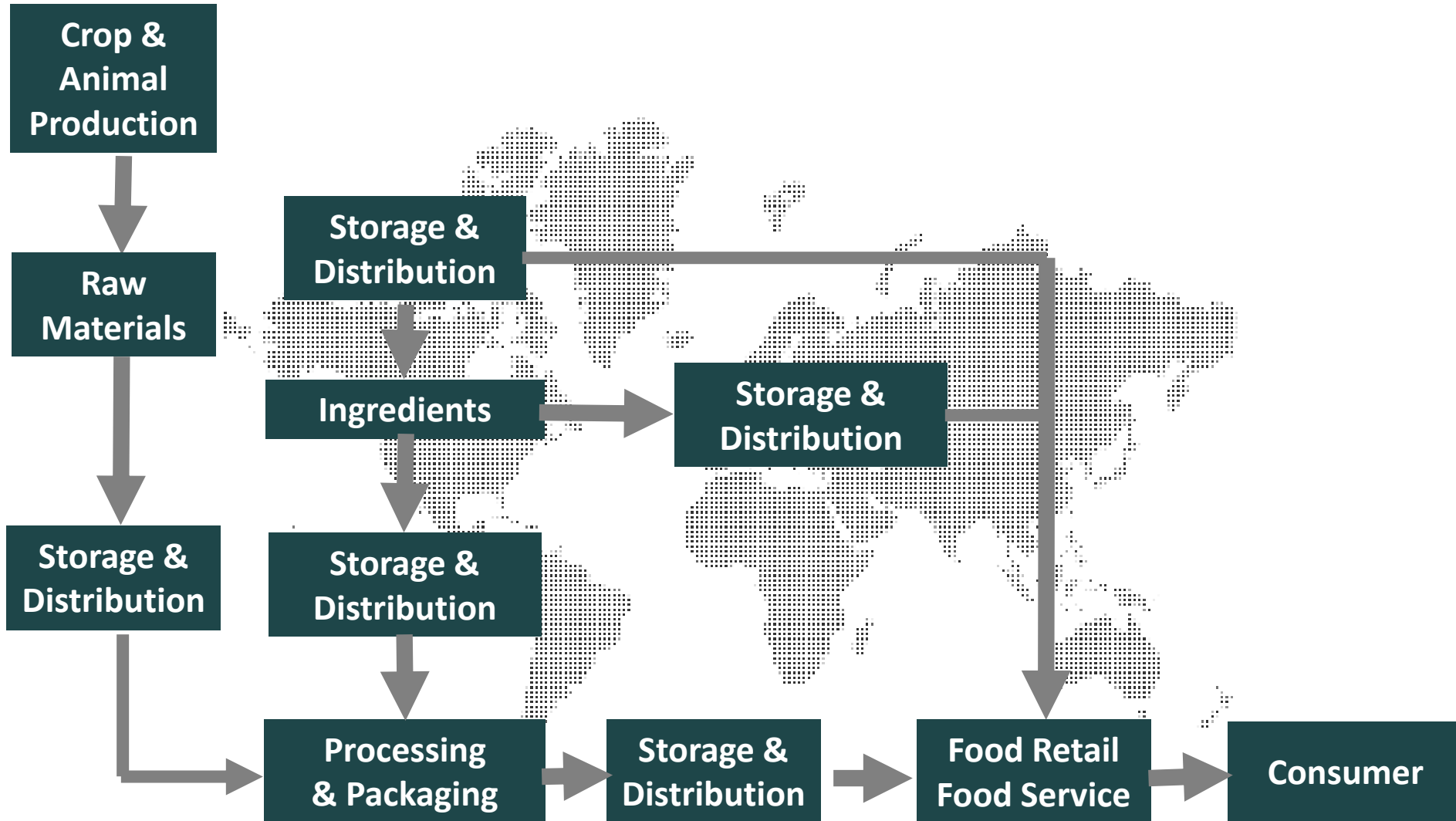
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Global Food Supply Chains



Global food supply chains

- Food production and processing is becoming increasingly globalised and complex

- Ingredients from multiple suppliers, globally
- Increased need for traceability
- Customer requirements
- Regulatory requirements
- Consumer expectations



Food and Consumer

AVAILABLE? ACCESSIBLE?
AFFORDABLE?



PATHOGENS
TOXINS
CONTAMINANTS
ALLERGENS



AUTHENTIC?
MEAT SPECIES
FISH SPECIES
INGREDIENTS



ANIMAL WELFARE
ENVIRONMENTAL



COUNTRY OF
ORIGIN



ORGANIC



FAIRTRADE

Industry issues

HEALTH & WELLBEING

Contribute to disease prevention and healthy ageing



SUSTAINABILITY

Optimise resource use to reduce waste and energy



SAFETY
ESSENTIAL &
NON-NEGOTIABLE



COMPETITIVENESS

Efficiency and cost control.
Product match to market need



**NATIONAL &
INTERNATIONAL
REGULATIONS**
Underpin trade



Food Safety Schemes



Good Agricultural Practice



Red Tractor Assurance



Other schemes



Audit burden

- 1998 Food Regulation review (Blair report)

Multiple audits by industry and governments

A major problem recounted across the food industry is the increasing number of audits required of agrifood businesses. Government regulators (both export and domestic) and the private sector impose these audits. Most large retail chains and medium-to-large manufacturing companies are now requiring, or moving towards the requirement for, quality and safety audits for all their suppliers. Consequently, government requirements for auditing are often seen as an unnecessary impost on top of the private audits.

Examples were often cited of agrifood businesses being subjected to 10 or 12 separate audits by different auditors in any one year. In the chicken meat industry, for example, companies can be required to undertake 19 separate audits in any one year.

Audit burden

- Australian Food and Grocery Council (AFGC)
 - 2016 survey which indicated that:

In addition to compulsory food safety regulations a large number of private (proprietary and commercial) standards have been developed which incorporate requirements for safe food production as well as additional requirements which relate to other aspects of quality or methods of production. Retailers, quick service restaurants, food service companies and major manufacturers commission many audits of their suppliers for compliance with these private standards. These are in addition to enforcement agencies conducting food safety audits.

There is appreciable overlap with companies being audited against similar but different private standards, multiple times over short time periods representing a significant cost and resource burden on companies.

The net result is an approach to food safety audit and certification across the industry which is given to replication and inefficiency.

How can these schemes be supported by IAF and ILAC?



Infrastructure

- Many of these schemes operate within the international infrastructure
 - Require ISO/IEC 17021-1, ISO/IEC 17065, ISO/IEC 17020 accredited bodies to provide certifications under the schemes
 - Some have sought endorsement from IAF (GLOBALGAP and FAMI-QS) allowing recognition of equivalence of certificates
 - GFSI has sought recognition of the benchmarking process
- Work with IAF MLA signatories in scheme delivery
 - Involved in IAF User Advisory Committee, IAF WG on Food, ISO standards committees

Global Food Safety Initiative

- Initiative of the Consumer Goods Forum
 - Established in 2001
 - Owners are major retailers, manufacturers and food service organisations
- Benchmarking framework
 - Established to ensure that recognised schemes deliver on
 - To partner with ABs and CABs in performance improvement
 - Current document Version 7, includes requirements for:

Global Food Safety Initiative

- GFSI objectives

- Reduce food safety risks by delivering equivalence and convergence between effective food safety management systems
- Manage cost in the global food system by eliminating redundancy and improving operational efficiency
- Develop competencies and capacity building in food safety to create consistent and effective global food systems
- Provide a unique international stakeholder platform for collaboration, knowledge exchange and networking

Global Food Safety Initiative

GFSI Board of Directors

Members from major retailers, manufacturers and food service operators provide the strategic direction for ongoing and new work streams.



Source: GFSI General Presentation, www.mygfsi.com

Key relationships

- Scheme owners and GFSI
 - Deliver against key retailer and manufacturer food safety outcome requirements through benchmarking
 - Deliver on regulatory requirements through inclusion in each GFSI benchmarked scheme
- GFSI and IAF and CABs
 - To partner with IAF in scheme endorsement activities and
 - To partner with ABs and CABs in performance improvement
- ISO and IAF and CABs
 - Feedback implementation issues back into standard development

National Approach to Food Safety Certification (NAFSC)

1. Certification to a GFSI (Global Food Safety Initiative) Benchmark Scheme; **and**
2. Assessment against Category Guidance for nominated food safety elements.

Base Scheme + Category Guidance

1. Base Scheme = GFSI Benchmark Standard
one of A-D:

a) BRC (British Retail Consortium) Global Standard for Food Safety

b) International Featured Standards (IFS)

c) Safe Quality Food (SQF) Standard

d) Food Safety System Certification (FSSC) 22000

2. Category Guidance

Food Safety Elements:

Allergen Management & Labelling
Foreign Matter control

Source: AFGC website, www.afgc.org.au/key-projects/food-safety-auditing-project/



Are these schemes achieving desired outcomes?



GFSI key figures

KEY FIGURES

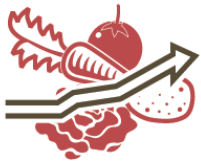


Source: GFSI_infographic_2016, www.mygfsi.com

GFSI key figures

5 BENEFITS

61%



say certification to a GFSI-recognised scheme **increases the ability to produce safe foods**

72%



would **choose to become certified** to a GFSI-recognised scheme if they were not already

90%



agree that GFSI **raises employee awareness and knowledge** about food safety

72%



say certification to a GFSI-recognised scheme **enhances company food safety practices**

68%



say certification to a GFSI-recognised scheme helps to **prepare for forthcoming regulatory**

Source: GFSI_infographic_2016, www.mygfsi.com

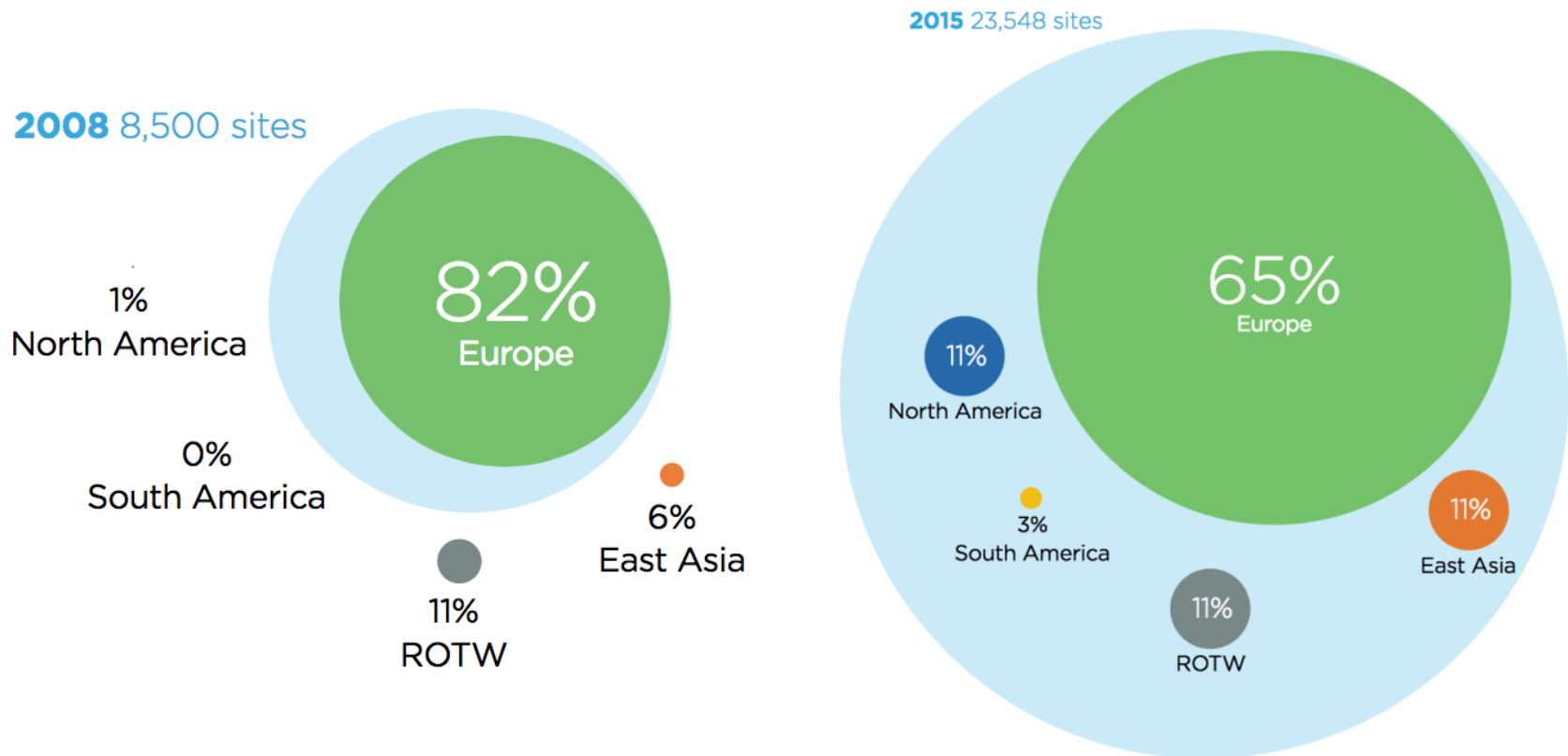
IFS Scheme research

- 17% reported a reduction in food recalls than the general market
- 27% reported a reduction in customer claims/complaints related to food safety and food quality
- 51% reported reduction in regulatory uncertainty
- 40% reported a reduction in product error/defect rates.

Source: Survey of approved businesses (IFS, 2010)



BRC scheme data



Source: BRC Global Standards Compliance Programme 2016, www.brcglobalstandards.com/media

BRC scheme data

Certification bodies ratings

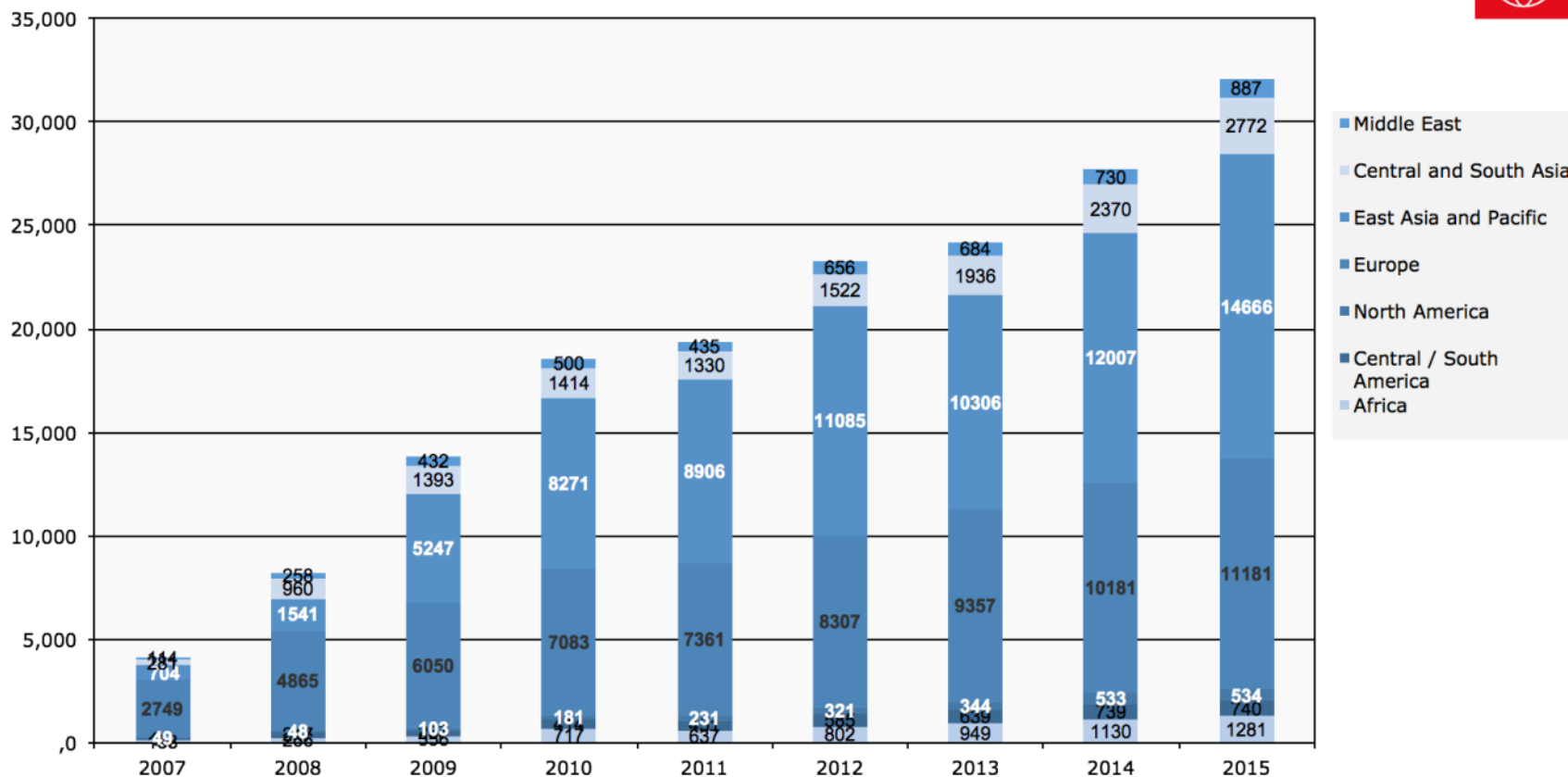
Six monthly period	Total number of certification bodies	Percentage of 4 and 5* certification bodies	5*	4*	3*	2*	1*	Not rated
July – Dec 2015	70	96%	42	25	2	0	0	1
Jan – June 2015	71	94%	54	13	3	0	0	1
July – Dec 2014	74	97%	58	14	0	0	0	2
Jan – June 2014	74	98%	47	26	1	0	0	0
July – Dec 2013	81	91%	40	34	7	0	0	0
Jan – June 2013	86	84%	45	27	9	2	0	3
July – Dec 2012	97	77%	54	21	7	1	0	14

Source: BRC Global Standards Compliance Programme 2016, www.brcglobalstandards.com/media



Number of ISO 22000 certificates issued

ISO 22000 - Worldwide total



Source: ISO Survey 2015, www.iso.org/the-iso-survey.html



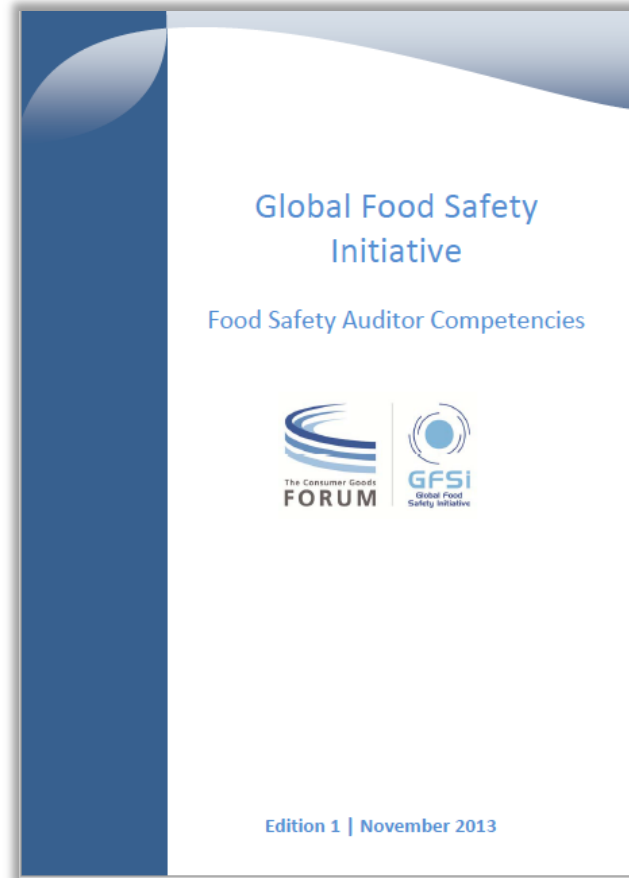
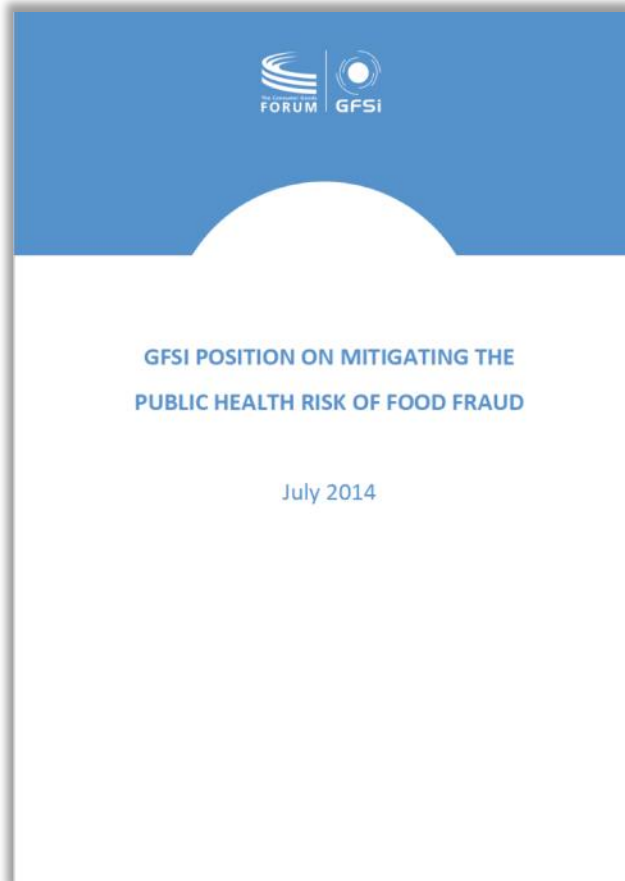
Scheme implementation issues

- Auditor competence requirements
- Checklist approach to auditing
- Audit methodology
- Integrated audits
 - Multiple sets of requirements
 - Different audit report templates
 - Different databases requiring reports to be uploaded

OK – so where are we heading?



GFSI



Consumer and customer

Health & Wellness

Health & Wellness is one of the four strategic pillars of The Consumer Goods Forum.

THE HEALTH & WELLNESS COMMITMENTS

By 2018: Stop targeted advertising to children under 12 for products that do not fulfil specific nutrition criteria

ADVERTISING TO CHILDREN

Studies have shown that while children's food choices are influenced by many factors, food marketing plays a key role. CGF members are therefore committed to reducing the impact on children from direct marketing and thereby honoring the rights of parents and caregivers to make the appropriate choice for their children.

EMPLOYEE HEALTH & WELLNESS

By 2016: Implement employee health and wellness programmes

With a potential 100 million people being reached by these programmes, the goal is to use a variety of communication and educational programmes to help raise employee awareness on health, wellness and the importance of eating a healthy, energy balance.

NUTRITION & PRODUCT FORMULATION

CGF members are to offer consumers and shoppers a range of products and services that support the goals of healthier diets and lifestyles through a number of different initiatives. In 2014, alone, members reformulated over 22,000 products.

By 2016: Make company policies public on nutrition and product formulation

PRODUCT LABELLING & CONSUMER INFORMATION

By 2018: Industry-wide implementation of consistent product labelling and consumer information to help consumers make informed choices and usages

CGF members aim to provide consumers with the clear and information that empowers them to make decisions for a healthy life. Public health challenges including obesity and NCDs and consumer desire to live healthier and be more active are significant drivers of today's challenges for consumer packaged goods. Members accept the importance of clarity and transparency, increased information and harmonization.

SCALING UP COMMUNITY PROGRAMMES

The Health & Wellness Steering Committee took stock of existing positive actions, with more than 100 collective and individual industry actions that aim to improve quality of life. In response, the CGF is currently reviewing these to see where it can better support positive action, while also driving and leveraging CGF-member best practices.

THE HEALTH & WELLNESS RESOLUTIONS

- 1. ACCESS & AVAILABILITY:**
 - "Offer consumers and shoppers a range of products and services that supports the goals of healthier diets and lifestyles".
- 2. PRODUCT INFO & MARKETING:**
 - "Provide transparent, fact-based information that will help consumers and shoppers make informed product choices and usages".
- 3. COMMUNICATION & EDUCATION:**
 - "Use communication and educational programmes to help raise awareness on health and wellness and energy balance to inspire healthier diets and lifestyles".

Empowered, Healthy Consumers Globally www.tcgfhealthandwellness.com

Environmental Sustainability

Sustainability is one of the four strategic pillars of The Consumer Goods Forum.

THE SUSTAINABILITY COMMITMENTS

DEFORESTATION

Securing consumer trust through positive and innovative business actions and greater transparency.

COLLABORATION

The CGF is uniquely positioned as the only organisation bringing retailers and manufacturers together globally to help drive sustainable and collaborative business practices across the industry and around the world.

FOOD WASTE

Food waste represents an enormous inefficiency for both industry and for the planet. The CGF is actively involved with its members in coordinating a way to tackle this growing waste challenge. The CGF is proud to have helped coordinate the Food Loss & Waste Protocol and is currently leading further conversations around food waste.

REFRIGERATION

"We are taking action to mobilise resources within our respective businesses to begin phasing-out HFC refrigerants as of 2015".

The CGF works with its retailer and manufacturer members, together with tech suppliers from around the world, to collaborate on a global refrigeration modernisation and find solutions to the barriers affecting a faster and geographically wider uptake. A number of refrigeration surveys and webinars have been hosted, while member companies are leading the way in the phasing of natural refrigeration systems.

SOLID WASTE

In 2014, the CGF Board agreed a plan for waste that embraces the concept of a circular economy and will work to eliminate the concept of waste from their products and services, throughout their lifecycles, including supply chain, manufacturing operations, distribution, use and post-use recovery. CGF members also developed the Global Protocol on Packaging Sustainability Framework to look at the sustainability of packaging.

THE SUSTAINABILITY RESOLUTIONS

ON DEFORESTATION:

"We pledge to mobilise resources within our respective businesses to help achieve zero net deforestation by 2020".

ON REFRIGERATION:

"We are taking action to mobilise resources within our respective businesses to begin phasing-out HFC refrigerants as of 2015".

Sustainable Value Chains and Business Practices Globally www.tcgfsustainability.com

End to End Value Chain & Standards

End to End Value Chain & Standards is one of the four strategic pillars of The Consumer Goods Forum.

4 KEY FOCUS AREAS + 1 GLOBAL VALUE NETWORK = GREATER CONSUMER TRUST & BUSINESS EFFICIENCIES

THE FUTURE VALUE NETWORK

The CGF periodically produces reports on both future developments in the industry value chain, highlighting strategic implications for the industry and for the CGF members in particular.

Previous reports have indicated those looking at the shape of our industry by:

2016	2018
2020	2022

What do you think will shape the future of our industry beyond 2022?

THE CONSUMER ENGAGEMENT PRINCIPLES

7 Consumer Engagement Principles approved by 50 Board CEOs

Industry has committed to new guidelines on consumer engagement and data privacy

TRACEABILITY

Industry looks to create a common language that links traceability systems and databases to each other across borders – allowing companies to handle recalls and crisis management more efficiently.

OMNICHANNEL

"Future proof" your supply chain data and fulfilment systems by keeping you abreast of timely required data attributes.

IMPLEMENT A COMMON "DIGITAL SHIELD" to share additional accurate supply chain data in an open-channel environment

REDUCE WASTE by enabling fulfilment systems to take account of product variants and time sensitive data

GIVE DATAERS THE MORE ACCURATE DATA THEY NEED

Working Together to Benefit the Entire Value Network www.theconsumergoodsforum.com

Examples of Regulator adoption of infrastructure

- Voluntary schemes impose requirements over and above many regulatory requirements – and therefore could be recognised by regulators
- Food Safety Modernisation Act (FSMA)
 - Recognition of accredited certification bodies by US FDA
- UAE Halal certification scheme
 - Scheme based on ISO/IEC 17065 (product certification)
- MPI NZ
 - Uses Accredited Inspection bodies

Summary

- The infrastructure is in place and is largely meeting the needs of the sector
- There is still room for improvement from both the perspective of the scheme owner and also infrastructure partners – the key is effective partnerships