

# ***Best Practices in Supply Chain Management: A Food Safety and Quality Perspective***

*Rosalind Zils*

Are your suppliers about to put you out of business? Is this a provocative question or one that you cannot even begin to answer? Rather than trying to answer this, let's focus instead on describing the challenges in qualifying a reliable food material and food contact material supply chain in today's ever-changing world. Imagine the following scenario.

A US-based food manufacturer of moderate size serving retail and food service customers has about 150 global suppliers providing more than 500 ingredients, food processing aids, food chemicals, and food contact materials, in addition to a host of other materials necessary for the day-to-day processing of their finished products. This food manufacturer has modest brand recognition at both the retail and food service level, with a loyal following on Facebook and Twitter, where consumers post positive comments about their products.

Their traditional process for qualifying suppliers has been to start with procurement, identifying potential suppliers for materials and then working out pricing protocols to ensure stable pricing for their customers, ensuring supply by generally having 2 to 3 suppliers capable of providing each material, managing a small number of suppliers who are single-source suppliers, and providing feedback to suppliers on issues such as service and delivery complaints and occasionally complaints for foreign materials and the odd quality concern. As a result of a customer audit, in 2007 the company implemented a quality and food safety review of its suppliers by requesting third-party audits for all food materials and food contact materials. In 2008, the company hired a full-time supplier food safety resource to request those audits and review them for any concerns. In

addition, the customer audit recommended the company strengthen the overall documentation it receives from its suppliers, and it now also asks for annual letters of guarantee, certificates of insurance, and specification review and verification from its suppliers.

For many of the suppliers, this food manufacturer is by no means its largest or most profit-generating customer. Additionally, several of these suppliers are located in emerging economies and have limited resources to handle the annual requests for documentation, let alone completion of a third-party audit. In several cases, the suppliers have been able to find an online certification body, complete a brief questionnaire, pay a fee, and then receive a "certificate of food safety compliance." These have been duly forwarded to the US-based food manufacturer's supplier food safety resource, which has noted the certificates and included them in the supplier's files. Our food manufacturer has been able to demonstrate to its customer auditors a satisfactory set of documents and procedures to complete the requirements set forth by the customer. Safe supply chain, right?

Wrong. Our manufacturer does not have any insight into the risks its suppliers are presenting. Our manufacturer does not have an understanding of its supplier's food safety systems. Our manufacturer is at risk for a supply-related recall similar to those we hear about in the news every day. If you are interested in learning more about how today's food companies can work to mitigate the risks their suppliers are generating, then plan to attend the "Supply Chain Management" concurrent technical session at the 2011 Reciprocal Meat Conference.

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