

FFI Report

Review: Review of the New GFSI Guidance Document Issue 7 Regarding Food Fraud <WORKING PAPER>

By Spink & Moyer

February 11, 2016

**OPEN COMMENT PERIOD UNTIL FEBRUARY 19, 2016
TAKE THE TIME TO REVIEW AND POSSIBLY SUBMIT COMMENTS**

SUMMARY

On February 8th GFSI issued a public request for comments on the new Guidance Document Issue 7 including new Food Fraud requirements which is open until February 19th. Instructions and links to provide comments are included below.

Both FSMA and now the GFSI require food producers and distributors to address economically motivated food safety hazards or Food Fraud health hazards (FFH, as opposed to Food Fraud economic threats or FFE). There are four new Food Fraud clauses that are included in each of the thirteen GFSI sections. Addressing Food Fraud is **not optional**. For FSMA and now GFSI, to address **all** economically motivated food safety hazards, addressing **all** types of Food fraud is **not optional**.



Contact
Dr. John Spink
SpinkJ@msu.edu
517-381-4491
FoodFraud.msu.edu

BACKGROUND

MSU FFI Submission to the Request for Comments

We have no major comments. Minor comments include:

- The direction is currently not prescribed or detailed which is logical for the start of new effort.
- A firm foundation is provided in the GFSI Food Fraud Position Paper and the SSAFE Food Fraud Vulnerability Assessment Tool. This tool was endorsed by GFSI in the “GFSI Position Paper on Food Fraud” and subsequent the GFSI publications.
- The drafted “Section F” does not mention sections FSM.11 or FSM.15

PART I – GFSI OVERVIEW

In 2000 the [Consumer Goods Forum](#) (CGF) created the [Global Food Safety Initiative](#) (GFSI) to harmonize and strengthen food safety management and compliance. The first Board of Directors was created in 2005 and included Tesco, Wal-Mart, Metro, Carrefour, Migros, Royal Ahold, Loblaw and Delhaize. GFSI focuses on managing all risks or issues that could lead to a food safety hazard or incident. Overall the GFSI certification system includes several key steps.

GFSI Certification System includes:

- **Regulations – “The Reason”**: GFSI was created to help harmonize the overall process since there were many standards and certifications that were very similar but often different in minor ways.
- **GFSI – “The Idea”**: GFSI establishes what is expected in a FSMS. GFSI does *not* create, manage, or own any auditable standards.
- **Scheme Owners – “The Standard”**: The scheme owners write and publish their own standards or audit scheme. But schemes owners seek GFSI’s approval recognize their unique scheme.
- **Companies – “Do It”**: Companies implement the standards according to the applicable and GFSI-approved scheme.
- **Auditors – “Check It”**: The auditors — specifically accredited third-party auditors — confirm that the companies are completely and thoroughly implementing the standard. This is such an important aspect of the process that the US Food Safety Modernization Act (FSMA) has a specific Final Rule dedicated to “Accredited Third-Party Audits” (see our blog post [LINK](#)).

GFSI oversight is performed by a [Board of Directors](#) who are typically vice-president level representatives from food manufacturing and retailing leaders overseeing their own company's food safety or food quality. The work is managed by volunteer Technical Working Groups (TWG) comprised of members from across the food industry including suppliers, scheme owners, auditors, and other experts.

In July 2012, a GFSI Food Fraud Think Tank was created to provide insight and recommendations on the topic of Food Fraud. The MSU Food Fraud Initiative was one of six entities represented in the TT. In July 2014, the GFSI Board of Directors published the [GFSI Position Paper on Food Fraud](#) (see our review [LINK](#)). The GFSI Position Paper defined Food Fraud, outlined the expectations of a Food Fraud Vulnerability Assessment (FFVA) and subsequent Food Fraud Mitigation Plan (FFMP), and confirmed that Food Fraud would be required for future GFSI compliance.

PART II – GFSI Food Fraud Position Paper

The output from the GFSI TT was a recommendation that was endorsed and published by the GFSI. From our blog post:

“GFSI Position on Mitigating the Public Health Risk of Food Fraud: Broad Definition of Food Fraud. GFSI formally defined their broad definition of Food Fraud to include adulteration, but also all fraud – explicitly *including* misbranding and stolen goods. Stolen goods present an especially complex challenge because authenticity testing would, of course, identify the product correctly as genuine. Stolen goods can present a public health threat since they may have been mishandled. Also, the date or lot codes could have been tampered with.”

The GFSI Position Paper specifically included the GFSI's definition and scope of Food Fraud.

“Food Fraud, including the subcategory of economically motivated adulteration, is of growing concern. [Food Fraud] is deception of consumers using food products, ingredients and packaging for economic gain and includes substitution, unapproved enhancements, misbranding, counterfeiting, stolen goods or others. ... The GFSI Board recognizes that the driver of a food fraud incident might be economic gain, but if a public health threat arises from the effects of an adulterated product, this will lead to a food safety incident.”

- **FFI INSIGHT:** *The GFSI scope of Food Fraud is all types of fraud beyond adulterant-substances to include stolen goods, mislabeling, and counterfeiting. Any type of fraudulent activity that could lead to an “economically motivated food safety hazard” is within the GFSI Food Fraud scope.*

PART II – GFSI Guidance Document Issue 7

Food Fraud is mentioned in two sections of GFSI Issue 7. The first is in the “Executive Summary of Changes” (emphasis added):

- “[The Scope] includes the minor language changes, harmonisation of terms across the scopes, the inclusion of **food fraud** and food defence clauses (and the changes required in the FSM sections to recognise these new aspects). “
- “Food defence and **food fraud** have been incorporated into all scopes and in the format agreed by the working group.”

GFSI Issue 7 includes Food Fraud clauses in each of the thirteen sections. The four clauses are repeated in each section:

- “**Food fraud vulnerability assessment’ requirements:** The standard shall require that the organisation have a documented food fraud vulnerability assessment in place to identify potential vulnerability and prioritise food fraud vulnerability control measures.”
- “**Food fraud vulnerability control plan requirements:** The standard shall require that the organisation have a documented plan in place that specifies the control measures the organisation has implemented to minimize the public health risks from the identified food fraud vulnerabilities.”

Food Fraud versus Food Safety or Food Defense

GFSI presentations define three separate pillars under the GFSI Food Safety Management System:

- Food Safety — traditionally uses HACCP (Hazard Analysis and Critical Control Point)
- Food Defense — needing TACCP (*Threat* Analysis and Critical Control Point)
- Food Fraud — requiring VACCP (*Vulnerability* and Critical Control Point)

The GFSI Position Paper reiterates that assessing Food Fraud requires a different approach than Food Safety or Food Defense. The GFSI compliance requirement is based on this premise. Per the paper:

“The work of the Food Fraud Think Tank emphasizes that mitigating food fraud, and the potential harm these incidents can bring to public health, requires a different perspective and skill-set than food safety or food defence, because socio-economic issues and food fraud history are not included in the traditional food safety or food defence risk assessments.”

An example of this is species swapping such as horsemeat illegally added to beef. Traditional Food Safety or Food Defense risk assessments would rank this as a “low” risk because — in hindsight — there were no known illnesses or deaths from the European horsemeat incident.

But due to the major public outcry and economic impact, it is clear this Food Fraud must be addressed by companies and governments. Furthermore, while the horsemeat fortunately did not have a health hazard, it could have, and there would have been no way to track, monitor, or recall the product. There is also no way to monitor or assess the manufacturing or distribution practices. (To note, regardless of the FSMA or current health hazard, this product would be a violation of the “Adulterated Foods” section of the US Food, Drug & Cosmetics Act – that is still in effect – so the product would be unfit for commerce and subject to a recall.)

There are four clauses (Table 1) that are included in each of the thirteen sections (see Appendix). The clause numbers are the same in each section.

Table 1: GFSI Sections that include Food Fraud (emphasis added)

Clause Number	Clause Name	Requirements
Food Safety Management Requirements		
FSM 11	Internal audit	The standard shall require that the organisation has an internal audit system in place to cover the scope of the food safety system, including the HACCP Plan or the HACCP based plan, the food defence and food fraud mitigation plans .
FSM 15	Purchasing	The standard shall require that the organisation control purchasing processes to ensure that all externally sourced materials and services, <u>which have an effect on food safety</u> , conform to food safety management, including food fraud mitigation plan requirements . Where an organisation chooses to outsource any process that may have an effect on food safety, the organisation shall ensure control over such processes. Control of such outsourced processes shall be identified and documented within the food safety system.
FSM 22	Food fraud vulnerability assessment	The standard shall require that the organisation have a documented food fraud vulnerability assessment procedure in place to identify <u>potential vulnerability</u> and prioritise food fraud mitigation measures.
FSM 23	Food fraud mitigation plan	The standard shall require that the organisation have a documented plan in place that specifies the measures the organisation has implemented <u>to mitigate the public health risks</u> from the identified food fraud vulnerabilities . This plan shall cover the relevant GFSI scope and shall be supported by the organisation’s Food Safety Management System.

The GFSI focus is naturally on incoming goods and in-process hazards that expand from traditional HACCP Food Safety programs. The GFSI Food Fraud scope expands this to include finished goods in the supply chain (e.g., stolen goods, package tampering, etc.), products not in the direct control of the brand owners (e.g. contract manufacturing or technology transfer licensing), and even consider products that never enter the authorized or legitimate supply chain (e.g., counterfeits). While these are not in the scope of traditional food safety HACCP programs they are usually managed – in one way or another – in other corporate functions such as Corporate Security, Brand Integrity, or Supply Chain Security.

Audit Frequency

There currently are no best practices or science-based reports regarding the optimal frequency for GFSI or internal Food Fraud Vulnerability Assessments. For now, the overall GFSI audit frequency is set at a minimum of annually. GFSI Issue 7 states:

“2.5.1 The scheme owner shall have a clearly defined and documented audit frequency programme, which shall ensure a minimum audit frequency of one audit per year of an organisation’s facility and has the scope to assess all elements of the scheme’s standard.”

Auditor Requirements and Competence

While not specially addressed in Issue 7, the PP reviewed Food Fraud auditor responsibilities and competencies. The clauses do require the auditor to confirm the demonstration of a process and documentation not a judgement of the effectiveness or thoroughness. The clauses do **not** require the auditor to be an expert in Food Fraud prevention or to investigate Food Fraud incidents. Essentially, at this point, the auditor requirement and responsibility stated in the clause is to make sure companies “have a documented plan in place.”

The GFSI Position Paper addresses this by stating (emphasis added):

“During a food safety certification audit, conducted against GFSI recognised schemes, the auditor will review the documentation related to the vulnerability assessment process and confirm that a comprehensive control plan, as outlined in the Appendix, has been developed and implemented by the company. ***The auditor is not expected to detect fraud or affirm that an anti-fraud program is capable of “preventing fraud”.***”

This approach is very much in line with the verification of a HACCP plan during the food safety audit. The GFSI Board will furthermore specify any additional auditor competence needed for the above activities.

GFSI Compliance Guidance

The GFSI Position paper stated:

“The GFSI Board will support SSAFE’s¹ initiative which aims to develop and publish practical guidelines for companies on ‘how’ to assess and control food fraud vulnerabilities within their organizations and supply chains. SSAFE is working to have these guidelines available before the release of Version 7 of the Guidance Document, so that companies and scheme owners can prepare their organisations before the new requirements are effective.”

SSAFE conducted extensive research and held product development workshops around the world. In January 2016, SSAFE publish FFVA guidelines and coordinated with the consultancy PWC to deliver this as an [online tool](#).

- **FFI INSIGHT:** *A key is that GFSI supports the SSAFE efforts which were designed to specifically meet their own GFSI compliance requirements.*

CONCLUSION

GFSI has taken a collaborative, inclusive, leadership role in advancing global Food Safety. GFSI has expanded since they recognized that Food Fraud is a contributor to Food Safety hazards. They also realized that preventative controls and control plans would be an effective way to reduce the vulnerability.

Addressing Food Fraud is a GFSI food safety management system requirement but it should be addressed reduce the overall corporate liability. Regardless of regulatory or industry compliance requirements, Food Fraud vulnerability is a general threat that even poses criminal liability. For example, there have been US Federal prosecutions for food safety hazards that led to illness and deaths.

The SSAFE/GFSI guidance is in place and being updated. Users have the confidence they are following a GFSI endorsed process that will already has active researchers and risk assessors.

The GFSI Issue 7 is another example of the Food Fraud prevention becoming more formalized, more of a discipline, and now being codified. The GFSI Issue 7 provides a collaborative starting point for Food Fraud prevention.

¹ To note, “SSAFE (Safe Supply of Affordable Food Everywhere) is a non-profit organisation addressing pre-competitive issues for the food industry through public private partnerships.”

FUTURE RESEARCH: The FFI will continue to review other aspects of Food Fraud laws, regulations, certifications, standards, and practices. There will be a specific focus on changes in definitions of terms and specific reviews of concepts (e.g., “hazard,” “reasonably foreseeable hazard,” a “qualified person,” and a “qualified auditor.”)

Note: MSU’s Food Fraud Initiative (FFI) conducts a wide range of teaching, research and outreach projects. The “FFI Report” series was created to review specific emerging topics or recent laws, regulations, certifications, standards, or best practices. The summary and insight is not legal advice and is not intended to replace the counsel of a food law expert.

- Authors: John Spink & Douglas C Moyer
- Contact Information: www.FoodFraud.MSU.edu, spinkj@msu.edu. (517) 381-4491

APPENDIX

The FFVA and FFMS are included in each of the GFSI sections summarized here in Table 2:

TABLE 2: Review of GFSI Subjects

A1 Farming of Animals: <i>Animals (other than fish and seafood) used for meat production, egg production, milk production or honey production; Growing, keeping, trapping and hunting (slaughtering at point of hunting)</i>
B1 Farming of Plants: <i>Growing or harvesting of plants (other than grains and pulses) for food</i>
C Animal Conversion: <i>Lairage, slaughter, evisceration, bulk chilling, bulk freezing of animals; Gutting, bulk freezing of fish; Storage of game</i>
D Pre-Process Handling of Plant Products: <i>De-shelling of nuts; Drying of grain; Grading of fruit and vegetables; Storage; Cleaning, washing, rinsing, fluming, sorting, grading, trimming, bundling, cooling, hydro-cooling, waxing, drenching, packing, re-packing, staging, storing, loading and / or any other handling activity that does not significantly transform the product from its original harvested form.</i>
E1 Processing of Animal Perishable Products: <i>Production of animal products including fish and seafood Meat, eggs, dairy and fish products; Deboning, cutting, washing, trimming, grading, pasteurisation, cooking, curing, fermentation, smoking, chilling, freezing, packed in modified atmosphere, packed in vacuum packing</i>
E2 Processing of Plant Perishable Products: <i>Production of plant products (including grains, nuts, and pulses); Washing, slicing, dicing, cutting, shredding, peeling, grading, pasteurisation, cooking, chilling, juicing, pressing, freezing, packed in modified atmosphere, packed in vacuum packing or any other activity that significantly transforms the product from its original whole state</i>
E3 Processing of Animal and Plant Perishable Products (Mixed Products): <i>Production of animal and plant products; Mixing, cooking, chilling, freezing, packed in modified atmosphere, packed in vacuum packing</i>
E4 Processing of Ambient Stable Products: <i>Production of food products from any source that are stored and sold at ambient temperature; Aseptic filling, baking, bottling, brewing, canning, cooking, distilling, drying, extrusion, fermentation, freeze drying, pressing, frying, hot filling, irradiating, milling, mixing and blending, packed in modified atmosphere, packed in vacuum packing, pasteurising, pickling, roasting, salting and refining</i>
F Production of Feed: <i>Production of feed from a single or mixed food source Drying, cooking, milling, mixing, blending and extrusion</i>
<ul style="list-style-type: none"> • NOTE: the draft for Section F did not mention section FSM.11 or FSM.15
J Provision of Storage and Distribution Services: <i>Perishable food and feed storage and distribution Non-perishable food and feed storage and distribution</i>
<ul style="list-style-type: none"> • Note: there is no "K"
L Production of (Bio) Chemicals: <i>Additives, Vitamins, Minerals, Bio-cultures, Flavourings, Enzymes and Processing aids</i>
M Production of Food Packaging: No examples.
N Food Brokers and Agents: No examples.