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Good enough to eat?

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In the not quite three months since he took office, Barack Obama has had a daunting array of issues with which to concern himself - but one the US president may have least expected was peanut butter.

"When I heard peanut products were being contaminated earlier this year, I immediately thought of my seven-year-old daughter Sasha, who has peanut butter sandwiches for lunch probably three times a week," he told the nation in one of his weekly addresses from the White House. "No parent should have to worry that their child is going to get sick from their lunch."

Citing the "troubling trend" that had seen the average number of disease outbreaks due to food contamination rise to some 350 a year, up from just 100 or so in the early 1990s, Mr Obama announced he was setting up a working group on food safety made up of cabinet secretaries and senior officials. He also promised to overhaul America's "underfunded and understaffed" Food and Drug Administration.

After a spate of illnesses across the US that started late last year, investigations showed that many of the patients had eaten products made by Peanut Corporation of America, a family-owned manufacturer based in Virginia. PCA supplied food companies, hospitals, nursing homes and cafeterias. Its spreads had become contaminated with a strain of salmonella.

By last month, nine people had died, one of the biggest food product recalls in US history was under way and PCA had filed for bankruptcy. Officials have since been conducting hearings into what was wrong with the country's food supply - a reassessment similar to that being made on the other side of the world by the Chinese government. The Beijing actions followed a scandal there last year over the adulteration of dairy products with melamine, which claimed six infant lives and made 300,000 babies ill.

Both countries have experienced food-related scandals in the past. The peanut scare was followed only weeks ago by a US pistachio recall, again because salmonella was found. In 2006, an e.coli outbreak killed three Americans and led to the destruction of most of the country's spinach crop, costing producers of the vegetable linked to the incidents some \$100m (£67m, €76m).

Indeed, outbreaks of food-borne disease - whether caused by micro-organisms such as salmonella and e.coli or synthetic chemicals like melamine - are rising sharply around the world, both emerging more rapidly than ever and spreading faster, according to the World Health Organisation. It estimates that up to 30 per cent of the population even in some industrialised countries suffer from food-borne diseases each year; even higher percentages are affected in the developing world. Jorgen Schlundt, the WHO's director of food safety, says: "I don't think we can say we have seen improvements in food safety - it's rather more going the other way."

Why are deadly incidences on the rise, then, and what can be done to curb them? The ongoing industrialisation of food production, which "catalyses" the spread of new pathogens, is one reason. This was a factor in the new variant of Creutzfeldt-Jakob disease recognised in the 1990s, which was linked to exposure to bovine spongiform encephalopathy, or "mad cow disease". Poor regulation is another. The US Department of Health and Human Services in March released results of an investigation showing that it could track only five out of 40 food products back through each stage of the supply chain. One bag of flour contained wheat from more than 100 farms.

The globalisation of the food chain, which has seen more and more food that is grown in one part of the world but processed and consumed in others, means that a disease outbreak or food scare in one country can quickly be felt elsewhere. The chief supply officer at one multinational food company says that three to five years ago, a food scare in the US was likely to be confined to that country, because the ingredients for its products were sourced and manufactured there. But now, some 60 per cent of ingredients are sourced and used globally.

Sourcing ingredients from around the world also makes it "more complex" to manage the food supply chain, says Jean Spence, vice-president for research, development and quality at Kraft Foods. "There are lots of different standards around the world, which makes it challenging when you work with suppliers." Of Kraft's 168 manufacturing plants, 110 are located outside the US - in some 45 countries.

Pat Conroy, head of the US consumer practice at Deloitte & Touche, the consultancy, puts it more bluntly: "There are so many more potential failure points now . . . A much more diverse supply chain becomes much harder to control."

The Food and Agriculture Organisation - like the WHO, a branch of the United Nations - points out that governments in the past have been loath to impose too many safety standards on food manufacturers, because these can hamper trade. They can also be costly. "When the levels of mycotoxins [toxins produced by fungus, often found in crops] are very strict, they can become trade-restrictive," says Ezzeddine Boutrif, chief of food quality in the FAO's food and nutrition division. "This is very political."

The question is, is it even possible to make the global food chain safe? There are no global food safety standards and, one multinational food company points out: "It's not practical to test for every potential hazard - there are thousands of potential hazards." In addition, although governments monitor locally produced products for human consumption, regulatory systems have not yet been established to monitor the animal feed system - one of the sources of

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melamine contamination in China.

Yet the Chinese government's attitude to the recent scandal is "180 degrees different" from a previous scandal involving melamine contamination in pet food exported to the US in 2007, says Murray Lumpkin, deputy commissioner of the FDA, which has recently opened offices in China. "The Chinese have tried to be infinitely [more] transparent with the last incident," he says. Last time, Chinese officials are said largely to have stonewalled overseas regulators.

Outside China, companies' shortcomings are also under increased scrutiny as governments realise how vulnerable their food chains are, not just to disease outbreaks but also to deliberate tampering, which could include bio-terrorism. At a hearing into the US salmonella outbreak by the House Committee on Energy and Commerce last month, food companies that bought contaminated products from PCA - including Kellogg, the cereals maker - were criticised for relying on "flawed inspections" by third-party auditors.

For their part, food companies have been trying to address weaknesses in their supply chains. One multinational has changed its quality control system so it can deal quickly with problems on a global basis. Any food safety incident must be reported to the chief supply officer within 24 hours. Previously, such incidents were dealt with on a local and regional basis. Another multinational says it is putting more emphasis on making all its products itself rather than outsourcing some manufacturing to third parties.

In China, everyone in the dairy industry is now testing for melamine, a chemical additive that artificially boosts the apparent protein content of diluted milk. Previously, such tests were not done - because melamine should not be found in milk in the first place. Now, companies with a brand to protect are trying to predict what other substances might end up in their dairy products. None underestimates the ingenuity of adulterators who can make a quick profit by flying under the regulatory radar.

Some companies that used simply to batch-test products from suppliers have started testing every shipment; those that outsourced testing have brought procedures in-house; and the concept of the "trusted supplier" has largely fallen by the wayside, industry officials say.

The principle of "trust but verify" has been found to be flawed, says Gene Grabowski of Levick Strategic Communications, an expert on managing food quality scandals for overseas brands: "Now, no one is trusting any more - they are just verifying."

Nestlé, which was among the companies not testing specifically for melamine, has introduced systematic testing across the world for raw milk delivered to the factory gate as well as for products leaving the factory. It is aiming for a "not detectable" result. Kraft has brought in additional quality specialists to oversee suppliers.

"There are definitely signs of changes in corporate behaviour regarding oversight of their supply chains in China," says Drew Thompson, director of China studies at the Nixon Center in Washington. "There is a clear trend towards increasing direct involvement with suppliers, stepping up inspections and conducting more thorough due diligence before selecting a supplier," he adds, but "it is hardly universal at this point".

Ultimately, those best able to bring pressure to bear on companies and governments to improve standards are consumers themselves.

Dali Yang, political science professor at the University of Chicago, says the Chinese public has finally been spurred to demand better quality. "The Chinese media have been emboldened in the reporting of quality issues and there is a healthy interaction between media and regulators. This has led regulators to be more proactive . . . whereas previously they largely abdicated their responsibility in the case of the melamine-laced milk powder."

Local authorities at first tried to cover up the latest melamine problem but, when Beijing learnt of it, it rapidly stepped in, dispatching an army of inspectors to dairy companies throughout China. One foreign infant formula brand that was not one of the 22 companies whose milk tested positive for melamine nevertheless had government inspectors resident 24 hours a day for several weeks - and still has daily visits from inspectors.

Indeed, perhaps the most important spur to safer behaviour will come from the fact that even brands whose products were never tainted with melamine have still suffered from the baby milk scandal. Companies now have a "vastly increased incentive to police themselves", says Levick's Mr Grabowski. In particular, foreign brands present in a country recognise that in order to satisfy public opinion, they need to uphold the best of standards, adds the FDA's Mr Lumpkin. In the end, that will also lead to safer Chinese products, he says.

Douglas Powell, associate professor of food safety at Kansas State University, says food companies will have to start providing consumers with clear evidence of their quality tests. "We're long past the day where it is OK to say it is safe . . . You have to prove it."

Tracking technology

From piglet to pork chop

The antiseptic Ng Fung Hong slaughterhouse outside Shanghai - where every pig has its own water supply, its own shower and identity tags that follow it from piglet to pork chop - symbolises a growing seriousness in China about food safety, writes Patti Waldmeir .

Last year's scandal over tainted baby milk, which killed six and injured 300,000 Chinese infants, has catalysed public opinion both inside and outside the country. Cleaning up the notoriously fragmented and unregulated food industry will take years rather than months but industry officials say the crisis has prompted the government - and foreign brands that source foods there - to increase testing, monitor middlemen and strengthen the supply chain.

Ng Fung Hong, a Hong Kong food company that owns a 51 per cent stake in the Shanghai slaughterhouse on the fringe of this vast city, is one such foreign brand. The plant, which it says is one of the world's most advanced, was chosen by Shanghai's government in 2006 to test a farm-to-store tracking programme for pork to identify and isolate tainted foods. Shanghai now requires all pork producers to provide such tracking - though compliance is spotty.

Several other provinces have small pilot tracking programmes for vegetables and other foods, including Beijing, which instituted several such schemes for last summer's Olympic Games.

Ng Fung Hong uses radio frequency identification (RFID) to keep tabs on its carcasses. Each pig shows up at the slaughterhouse wearing a plastic ear-tag with a number traceable back to its home farm. Everything that happens after that is tracked by computer.

The pigs are encouraged to drink, relax and take a shower in the pigpen. "If they are feeling well, they taste better," says Wang Qianjiong of Shang Shi Wu Feng, the joint venture that operates the plant. They are then knocked out by electric shock, bled and the carcasses are hung from vast metal hooks bearing RFID tags. When the carcass is split and innards tumble into a pan below, the same RFID number goes on to the pan "so that we know which pig insides are which", says Mr Wang, who points out that five or six government inspectors are present full time at the plant.

If any of those innards cause problems, Ng Fung Hong can locate the source "with one click of the mouse" and quickly recall all affected products, Mr Wang says. The process adds about Rmb2-3 per kilogramme to the cost of pork in the supermarket, he says.

But although such technology is widely available, industry officials warn that in China it is used only sparsely. Consumers, says Mr Wang, are unwilling to pay extra for "psychological security".

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