

# 7 EMERGING RISKS THAT COULD DISRUPT YOUR FOOD SUPPLY CHAIN

Is Your Business Taking Supply Chain Compliance and Quality Seriously Enough?



With public faith in food security at an all-time low after the horsemeat scandal, we examine seven food supply chain risks that could once again rock consumer confidence.

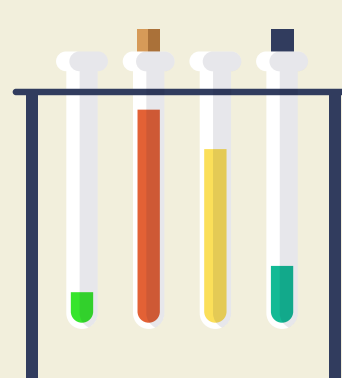
## #1 FOOD FRAUD

Confronting food fraud is a major priority at both industry and policy level. In 2011, Europe's Operation Opson saw authorities seize

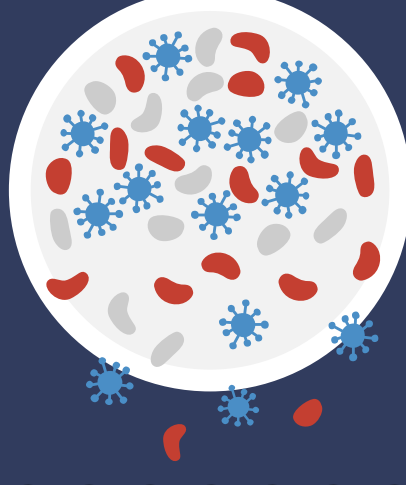
**30 tons of fake tomato sauce and five tons of substandard seafood.**

In the US, the Food and Drug Administration (FDA) takes a leading role in food fraud prevention through the Focused Mitigation Strategies to Protect Food Against Intentional Adulteration provision of the Food Safety Modernization Act.

The Risk-Based Preventive Controls rules also differentiate between intentional vs non-intentional hazards, as well as natural vs man-made contaminants.



## #2 SABOTAGE



Groups or individuals who seek to cause fear and disruption are an ever-present food supply chain risk.

Just one malicious act of widespread poisoning can trigger untold levels of consumer anxiety. In 1984, 751 people in the US state of Oregon were deliberately infected with salmonella in what became known as the Rajneeshee bioterror attack.

## #3 CLIMATE CHANGE

Climate change in a supplier country poses significant food supply chain risks. Price instabilities can generate consumer uncertainty. A recent United Nations report warned that climate change could cause food prices to rise by between

**3% and a staggering 84% by 2050.**



## #4 OVER-RELIANCE ON SINGLE SUPPLIERS

Where a supply chain is under-resourced, there is an increased risk of a 'single point of failure.' This phenomenon threatens to bring a supply system crashing down, damaging consumer confidence as a result.



17%

According to a supply chains report commissioned by insurance giant Zurich in 2012, only **17% of respondent companies had food supply continuity plans in place.**



## #5 POPULATION GROWTH

An increase in population means greater demand for food, which can trigger another food supply chain risk.

After all, the world's population is predicted to hit

**nine billion**

by 2050. But how do you satisfy everyone's needs without causing shortages and damaging public confidence?



## #6 CHANGES IN FOOD CONSUMPTION

With increased migration to the cities in the developing world, many consumers are switching to a meat-based diet. The increased demand for meat can cause fluctuations in global markets, affecting prices and even availability.

In 2013 the US exported

**\$903 million**

worth of pork products to China, cashing in on the change in eating habits.



## #7 POOR FOOD SAFETY

Food suppliers lacking the ability to comply with food safety laws is our final food supply chain risk. The more food that is rejected, the more consumers doubt both the quality and quantity of food on offer.

In the US, the FDA has invested

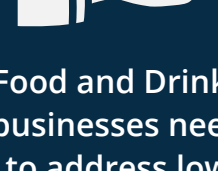
**\$11.5 million**

to give food producers technical assistance in meeting new safety requirements.

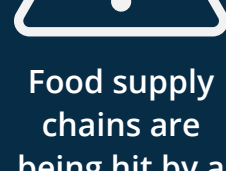
So there you have it, our rundown of seven emerging food supply chain risks...



## TAKEAWAYS:



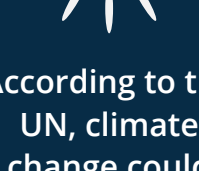
Food and Drinks businesses need to address low public confidence in supply chains.



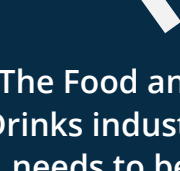
Food supply chains are being hit by a host of emerging, as well as established, risks.



Food supply chain threats are a hazard to both industry providers and consumers



According to the UN, climate change could cause food prices to rocket by as much as 84%.



The Food and Drinks industry needs to be proactive in identifying and addressing current and emerging risks.

Creating a Risk Management Matrix - A Guide for Your Food and Drinks Business

Tackle Food Supply Chain Risk Using Proven Methods. Download:

Creating a Risk Management Matrix - A Guide for Your Food and Drinks Business

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