

Producers and retailers should be prepared for food product recalls

Just because product recalls in the food and beverage space have been subdued during this year does not mean companies that produce or retail food products should rest on their laurels, as the current potential outbreak of listeriosis in three South African provinces is demonstrating.



Image by [Peggy Chai](#) from [Pixabay](#)

The discovery of high levels of listeria pathogens at abattoirs and retailers in Gauteng, Mpumalanga and the North West has prompted experts to caution South Africans to be vigilant and cook beef products properly before consumption.

While it still remains to be seen how government officials and food manufacturers will deal with this outbreak, retailers should always be ready for a product recall, as it can never be predicted when a crisis will strike.

This is according to Justin Naylor, MD of specialist insurer iTOO Special Risks, who says that product recalls could be expensive, disruptive and even cause irreparable reputational damage to a brand if not organised and managed properly.

“A product recall can have a disastrous impact on the company’s reputation and the public’s confidence in the affected product. If not managed and carried out properly, the entire process could be far more costly and damaging than it should be,” says Naylor.

“Unfortunately, many retailers are simply not ready for a product recall and when it happens, people tend to panic and that’s when mistakes are made. For example, many organisations – instead of being open and transparent with the public – try to keep a lid on things and refuse to speak to media, which can result in misinformation being published.”

If past product recalls have taught producers and retailers anything, it should be that those in the food and beverage space should take out food recall insurance policies in cases disaster strikes, says Naylor. iTOO’s Contaminated Product Insurance Policy is designed to protect clients from incidents and losses as a result of contaminations and malicious tampering that lead to product withdrawals or recall.

“Our proficiency expands across a wide variety of food and beverage manufacturers, processors and retailers offering our clients access to market leading consultants and global expertise,” he says, adding that iTOO offers its clients the services of a team of professional food specialists and recall consultants who will manage the entire recall process from beginning to end.

“By providing these expert services, we can ensure that the entire recall process is conducted effectively, while also keeping the impact on the company to a minimum and ensuring that the situation is resolved swiftly.”

Policyholders get access to a suite of global services and expertise that enable the rapid deployment of local capabilities, an in-depth understanding of the local food-safety regulatory environments, loss mitigation/prevention consulting and best-in-class research and analytical capabilities.

“Our specialist consultants will collaborate with the policyholder through each phase of a crisis, from product recall planning and prevention to post-recall consulting and recovery. We will provide a specially selected team of crisis prevention and management experts with relevant expertise to address the policyholder’s specific needs and challenges,” says Naylor.

He points out that iTOO can arrange for a consultant to develop, plan, prepare, run and provide a report for a tailored crisis scenario relevant to the specific insured site and key contamination risks related to the insurance provided. The report will detail positive observations, as well as recommendations for improvement and, where required, a score to measure performance can be included.

“We can also arrange for a consultant to visit an insured client site to review the process specific to product contamination and provide a report and recommendations to both the client and iTOO. The consultant will obtain details of the site process and current identified risks prior to the visit to ensure it is scoped correctly,” says Naylor.

In addition, he notes that iTOO can ensure that consultants review the recall and crisis management systems in place with the selected insured client. This will entail a review of all the relevant procedures and may also include meetings with the client to discuss the procedures and look at any further documentation, such as previous recalls, complaints history and site incidents.

“At iTOO, we understand that no matter how well managed your production lines, cold storage or retail spaces are, there’s always the danger of an unforeseen outbreak or sabotage. When you’re faced with a complex recall, make sure you have the best in class experts who know how to make the right calls for your business,” Naylor concludes.

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