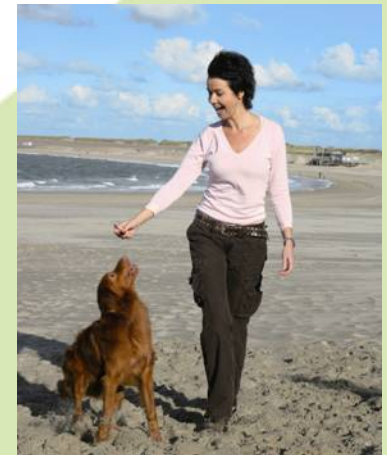




FOOD GROUP

Supply chain governance: crises.

**Bert Urlings
VION: Director Quality Assurance**





Structure

ZLTO / NCB Ontwikkeling

ZLTO is a Farmers Union with approximately 18.000 members

Supervisory Board

VION
Executive Board

FOOD

INGREDIENTS

Fresh pork, beef, poultry and lamb
and convenience food

functional proteins, fat,
gelatine, energy

27.000 employees € 9 billion turnover

NL

DE

UK

Int.



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Market orientation

The Customer and Consumer at the heart of the business

VION Ingredients

VION Food



Nestlé Purina PetCare



SHIONOGI & CO., LTD.



HARIBO



METRO Group



M MORRISONS



M&S



Sainsbury's



ASDA





VION FOOD Activities



Pork

Fresh pork and bacon products are available in the market using high quality raw materials. VION's UK, Dutch and German operations business provides the flexibility to meet the demands of our retail and food service customers.



Beef and Lamb

A market-leading position in the EU beef and lamb markets. Business focus is on the retail and foodservice where consistent quality is a pre-requisite. VION's operations provide high quality and easy-to-use products according to standardised procedures and specifications.



Poultry

A vertically integrated business structure, from hatcheries through to pre-packed fresh chicken portions, is a leading operator in the UK chicken market.



The Consumer

Food safety perception has many colors, many flavors and various preferences.

Government and media are trusted actors in several markets

The retailer is not seen as the prima donna, the manufacturer is

Diversity

Mixed information leads to mixed perception: e.g. GMO and organic products.

Local chauvinism is strong and is even perceived to be safer!



Strategy as producers of consumer goods, meat

- **Control the supply chain: food safety, ethics, animal welfare, healthy food, ..**
 - **Full tracking and tracing**
 - **Certification through the supply chain**
 - **Implement Integrity levels**
 - **Performance standards e.g.:**
 - **Food safety**
 - **Compliance standards, e.g.:**
 - **Animal welfare**
 - **Ethics**
-



Plant crops + Feed production

**GMP / HACCP / Q&S
>> GlobalGap**

Farming

**AFS / Q&S / IKB /
KKM >> GlobalGap**

Eggs

Dairy

Meat

**ISO + HACCP (BRC /
IFS / EFSIS, etc.)**

Food production

**ISO + HACCP (BRC /
IFS / EFSIS, etc.)**

Retail

**HACCP, local
standards, etc.**

Consumers



Identify major hazards

e.g. in the meat supply chain:

- Legally you only need to have data about Salmonella on the products

 - Voluntary private programme on food safety e.g.:
 - *Listeria monocytogenes*
 - Ehec
 - Dioxin
 - Residues of antibiotics
 - And so on

 - Private programme on animal welfare

 - Scientific research on emerging hazards, e.g.:
 - Animal related MRSA
-



Be prepared for the unexpected

- Know how the supply chain functions / performs
 - Full tracking and tracing (test it regularly)
 - The company must be prepared:
 - Tasks
 - Responsibilities
 - Competences
 - Communication:
 - Internally
 - Risk management group
 - Own employees
 - Customers
 - Authorities
 - Public
-



Dioxin Ireland I

- At November 24th a report of a high level of dioxin in a Sow Loin received at October 14th, 2008 from a customer
 - Alert was immediately shared with the Dutch authorities
 - Tracing
 - 1030 deboned sow carcasses 13.10. → 140 tonnes of products
 - 9 slaughterhouses, NL, It, UK, GE, RoI (>1500 sows slaughtered)
 - 342 supplying farms in NL, BE and GE. Number of farms in other countries unknown.
-



Dioxin Ireland II: Private Surveillance

- FBO immediately initiated surveillance program
 - Tracked stored fat – samples
 - First two samplings negative
 - Third sampling positive
 - HETEROGENOUS distribution
 - All traced suppliers were listed (175 NL Farms)
 - 5 samples at next deliveries
 - RESULT: all samples negative
 - Foreign supply of carcasses continued
 - All carcasses sampled and tested in pooled samples
 - UK negative
 - RoI Positive (7 of 23 pools) → sampled Dec 2nd → confirmed Dec 6th.
 - Based on the observed levels of dioxin calculated that approximately 10% of Irish pork would be contaminated
 - **12 Days**
-



Ehec Germany

- Outbreak of E. coli O104
 - Are we involved?

 - All results of latest samples: negative
 - Continuous monitoring in beef slaughter and processing sites

 - Additional
 - Continue monitoring + intensify on some specific products
 - Immediately strengthening of personal hygiene measures in the affected regions.
-

Conclusions: how to govern crisis

- Private companies have a robust standard which shows every time that they are under control
 - Government risk managers use (pro-actively) information and infra-structure of private companies to control crisis:
 - Identify the crisis (hazard)
 - Localise the crisis
 - Eliminate the crisis
 - Trust is the main common denominator to cooperate and govern crisis effectively
 - Authorities should identify who is trustworthy
 - Communication must be professional
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HEALTH AND WELFARE**
