RECALLS CAN DEVASTATE A COMPANY'S FINANCES, PROFITS & REPUTATION

They are timely and costly.

Are your food manufacturing clients prepared for a recall?

<u>2009 recalls include:</u> peanut butter, sprouts, pistachios - that's just in the first five months. And, for 2008, the FDA and USDA reported 222 recalls - that's an average of 19 recalls a month.

Do your clients know they are legally responsible for the safet y of food and beverage products they manufacture? Governmental agencies do NOT discriminate based on the size of a manufacturer!

There are many stringent guidelines, rules, and timelines associated with a recall -

DO YOU KNOW WHAT THEY ARE???

1. The Federal Government immediately notifies:

- General public through nationwide consumer alerts via AP wire alerts
- Several Government Divisions with the FDA, including International Relations, Media Relations, Division of Compliance Information & Quality Assurance, Federal / State / Local Health Authorities, Emergency Operations and a host of others
- USDA
- Food Safety & Inspection Services (FSIS)
- Food Nutrition Service (FNS)
- Department of Defense
- Canada Government Authorities

2. Within 24-48 hours of recall notice, FDA inspectors may visit:

- Your client's factory (inspection + affidavits)
- Your client's customers to verify if your "required notices" have been received

3. Immediately following press releases, "effectiveness checks" begin (required) for all steps mandated in a recall

- FDA oversight / evaluation of your actions letters, calls, responses, inventories
- If ineffective FDA warning notices are sent to your client's factory

4. Audit checks:

- Begin within 24-48 hours from onset of recall
- · Occur through weekly on-site visits & throughout entire recall event (government oversight)

5. Weekly product reports from the manufacturer accounting for:

- Quantities
- Locations
- Destruction or Rework

Aside from government regulations other potential recall outcomes may include:

- National adverse media
- Loss of contracts
- Cancelled orders
- Drop in sales
- Customer dissatisfaction and
- Possible closure of your client's business ...

National & International Recalls

National Recalls:

- Arizona: AZ Hydroponic Farming Recalls <u>4oz Alfalfa Sprout Cup</u> Because of Possible Health Risk
- California: Firm Recalls <u>Frozen Pork Sausage Products</u> Due To Undeclared Allergens California: Rio Pluma LLC is Reissuing its Recall of <u>Peanut Products</u> Because they may be Contaminated with Salmonella
- California: Western Bagel Baking Corporation Issues an Allergen Alert for Undeclared Egg In Publix Brand 100% Whole Wheat Sliced Bagels
- California: Firm Recalls Beef and Pork Products Due To Undeclared Sulfites
- Illinois: Firm Recalls Ground Beef Products Due To Possible E. coli O157:H7 Contamination
- New York: Firm Recalls Ground Beef Products Due To Possible E. coli O157:H7 Contamination
- New York: Sugar Foods Issues Allergy Alert on Undeclared Milk in The Farmers Market Butter & Garlic Crouton Products
- New York: Domega International Co Ltd, Issues an Alert on Undeclared Sulfites in FMD Brand Spiced Bean
- North Carolina: L&M Companies, Inc. Recalls Whole Cantaloupes Because Of Possible Health Risk
- Pennsylvania: LeClerc Foods Announces a Limited Nationwide Voluntary Recall of Market Pantry Chocolate Chip Chewy Granola Bars due to Unlabeled Peanut Allergen
- Washington: Edaleen Dairy Recalls Tin Roof Sundae Ice Cream And Chocolate Peanut Butter Nut Ice Cream Because Of Possible Health Risk
- Wisconsin: Kleen-Pak Recalls Spinach Because Of Possible Health Risk
- National: Tofutti Brands Inc. Announces Precautionary Recall of 12 Pallets of Vanilla Cuties Due to Possible Trace Level Milk Contamination

International Recalls:

Canada:

- Piller's Taste Better Than Bacon Products May Contain Listeria
- Undeclared Milk in Sensational Soy Beverages
- Undeclared Sulphites in Rocky Mountain Grain Products "More Than A Square Meal" Bar with **Raisins**

United Kingdom:

- Sesame seed products recalled because of salmonella
- Marks & Spencer withdraws some paté
- Some Rotstern Crispy Rounds withdrawn
- Spice mix contaminated with Sudan I



The Recall Crisis Recovery program offers:

- Limits up to \$5,000,000
- No minimum premium
- · Quick turnaround
- Accidental Contamination Covered
- Malicious Contamination Covered
- Products Extortion NO DEDUCTIBLE APPLIES!
- Business Interruption for loss of gross or net profits
- Coverage for Recall Costs & Customer Recall Costs
- New! Customer Loss of Profits Coverage available
- Rehabilitation
- Direct access to experienced, HACCP certified Underwriters and Claims personnel

While dealing with government requirements, help is here

Crisis Management is included in the policy:



- Nationally Ranked Certified Crisis Managers, HACCP Certified Specialty Risk Management, Inc.®
- Media / Public Relations
- Help with governmental agencies during the recall (FDA, FSIS, USDA and more)
- Assistance with government compliance with onerous pre- and post-recall reporting
- 24/7 real time / live response support throughout the policy period
- · Customer/Crisis Information Line
- · No deductible applies to Crisis Management

On-site inspection by SRM® is also available, but this service is outside of the policy.



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