

Roles & Responsibilities of Industry and Government in Managing Relationships with Global Food Suppliers

Workshop on *Managing Food Safety Practices from Farm to Table*
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The Risk Management Environment

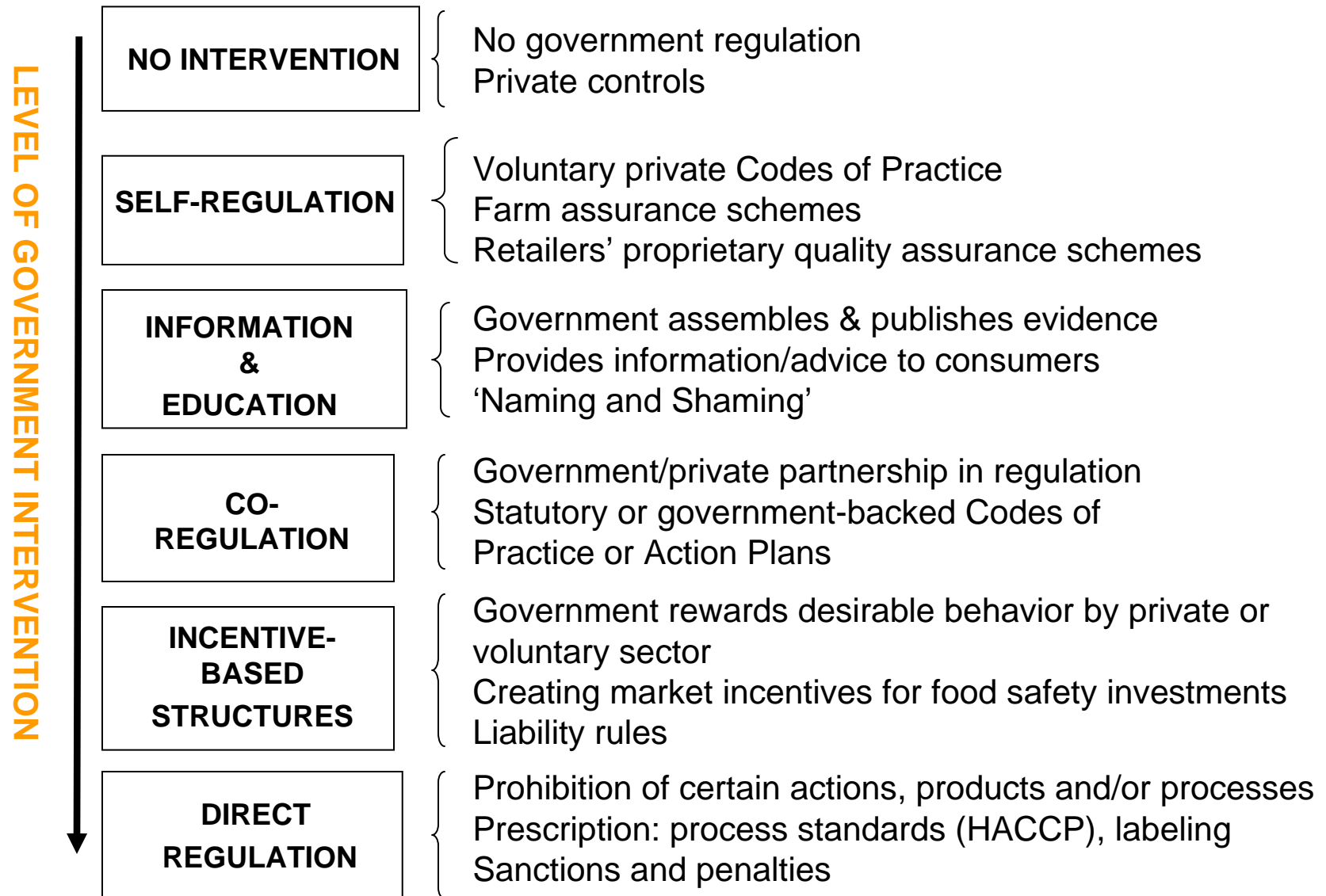
- Food safety is jointly produced by the private market and government oversight/regulation
 - Regulation operates in the context of the private market for food safety; companies and consumers have incentives to produce safe food
 - Markets operate in a regulatory context; they respond to (e.g., finding ways to reduce compliance costs) and ahead of (first mover advantage and added value) regulation
- On-going regulatory shift from ‘command and control’ to a more ‘performance’ oriented approach
 - Responsibility is more squarely with food business operators
 - Rapid development of private standards
- Result: a more complex and demanding policy space involving public and private sector incentives and controls



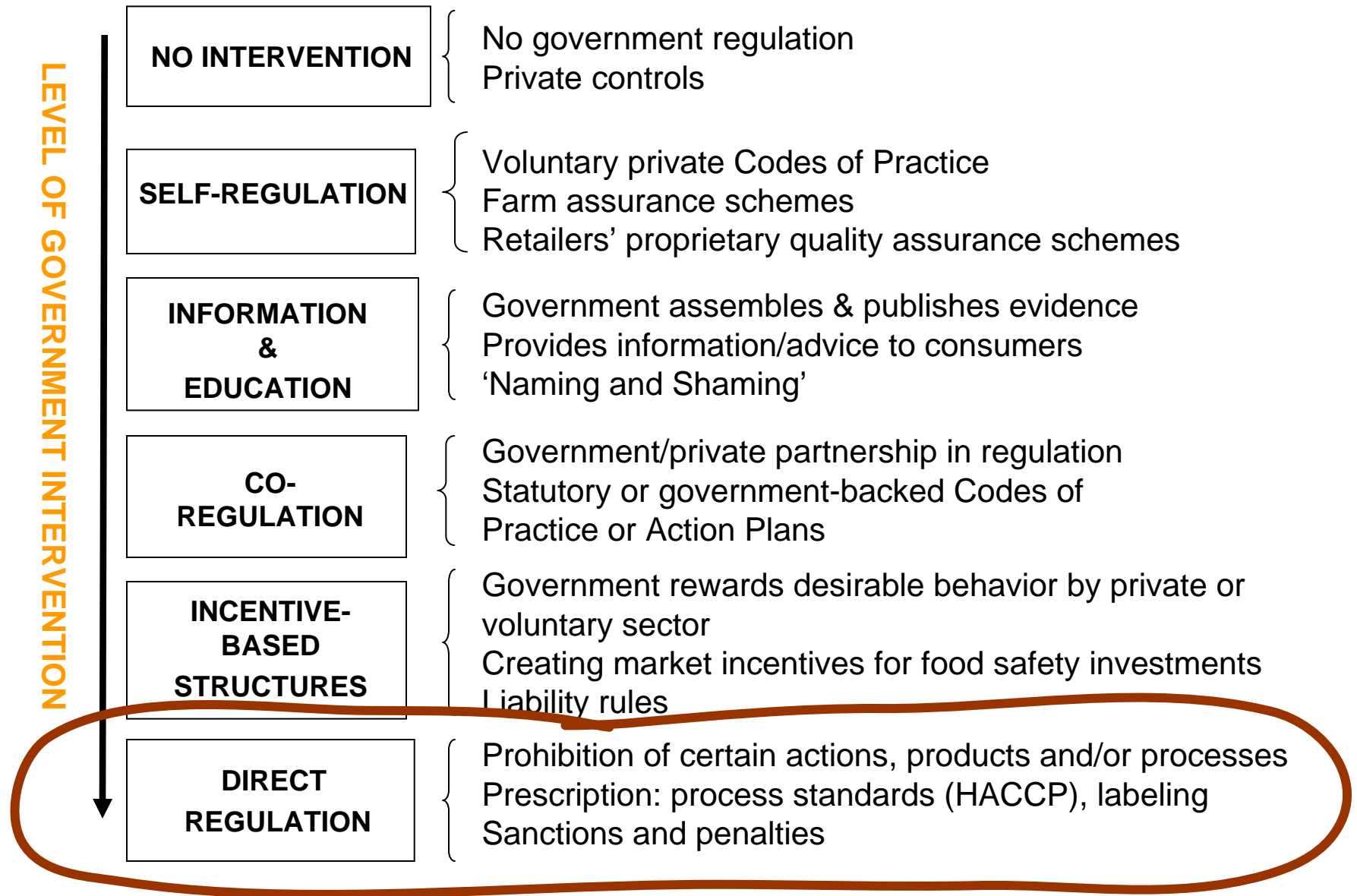
Stepping Back—The Big Picture

- Risk management for food safety is complex
 - Risks
 - Sources of origination, transfer, and magnification of risks in the supply chain
 - Diverse supply chains internationally and domestically
 - Control technologies and processes
- Focus on incentives for and mix of:
 - Private (business, consumer) controls
 - Public (regulatory) controls
- Generic approaches to this mix


Options for Public/Private Actions




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Direct Food Safety Regulations Differ in Degree of Intervention

Degree of Intervention				
Lower				Higher
Information Requirements	Standards			Prior Approval
	Target	Performance	Product or Process	

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Choices in the Standards Setting Process

	National		International	
	Public	Private	Public	Private
Standard Setting				
Process Implementation				
Monitoring & Enforcement				

Range of Standards— Examples of Private Standards

	Public Mandatory	Public Voluntary	Private	
			Collective	Business-to-Business
National	National Legislation	Food Safety Enhancement Program HACCP Advantage (SQF)*	Dutch HACCP BRC Global Standard Assured Food Standards Qualität und Sicherheit Integrale Keten Beheersing	Nature's Choice (Tesco- UK) Field-to-Fork (Marks and Spencer-UK) Filière Agriculture Raisonnée (Auchan- France) Filière Qualité (Carrefour-France) Terre et Saveur (Casino)
International	EU Regulations	ISO 9000 ISO 22000	International Food Standard SQF 1000/2000/3000 EUREPGAP	Wal-Mart Nestle

*Until 2003. Source: Henson (2008)



The Public/Private Continuum

- Distinction between public and private regulations is less discrete than often assumed
- In most markets, public and private safety regulations co-exist
- Considerable inter-relationships and dependencies between the two
 - Private regulations and standards can evolve as a mechanism to facilitate compliance with regulatory requirements
 - Regulations can reference private standards as part of their requirements
- What mix provides superior outcomes?
 - Food safety effectiveness
 - Economic efficiency

Examples of Public-Private Mix in US

United States	Setting Standard	Process Implementation	Enforcement & Monitoring
Biotechnology Introduction	Public-Private	Public-Private	Largely private
<i>Listeria</i> in Ready to Eat Meat	Public (private sector selects options)	Public-Private	Public-Private
Animal ID	Public (states are putting premise ID in place)	Public (infrastructure) Private (voluntary compliance)	Private (voluntary so far)

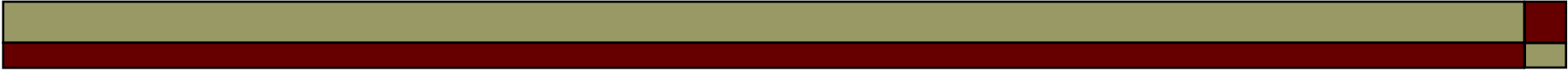
Source: Fearne et al. 2005.

Examples of Public-Private Mix in UK

United Kingdom	Setting Standard	Process Implementation	Enforcement & Monitoring
ZAP Salmonella Programme	Private (voluntary) (with funding from government and a multi-stakeholder group advising on ongoing developments)	Private (with funding and facilitation from government)	Private (part of farm assurance schemes' requirements) (public sector provides on-farm support and advice to high-risk producers)
Lion Quality Scheme	Private	Private	Private (Third party audits)
Eat Safe Scheme	Public (with a multi-sectoral stakeholder group advising on ongoing developments)	Public	Public (Environmental Health Services)

Examples of Public-Private Mix in Canada

Canada	Setting Standard	Process Implementation	Enforcement & Monitoring
•HACCP Advantage	Public-Private	Public	Private (Third party audits)
•Traffic lights system and Dine Safe programme	Public	Public	Public
•On-farm Food Safety	Private (with funding from government)	Private (with funding and facilitating measures from government)	Private (voluntary)



Is There a Consensus on Overall Approach to Food Safety Assurance?

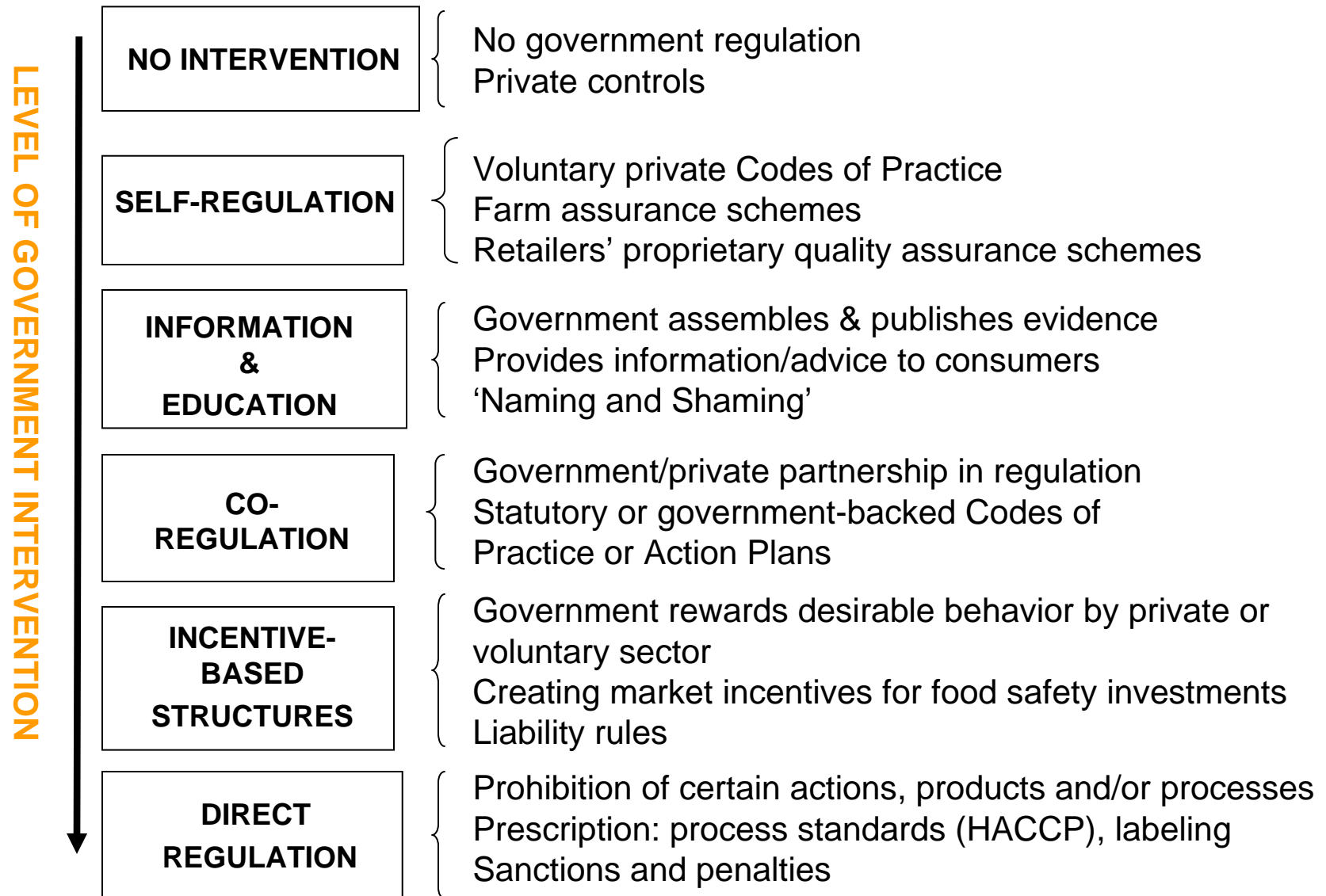
- Set of choices is same across risks:
 - Pick level(s) on regulatory action
 - Assign responsibilities for developing standards
 - Design and assign responsibilities for enforcement
- Currently these are mostly decided:
 - On a risk by risk, food by food, or risk/food by risk/food basis
 - On an as needed basis as crises arise (so are behind the curve)
- Not comprehensive or flexible enough for quickly changing international and national supply chains




For Farm to Table Management

- Need comprehensive decisions on approaches
- If this and this and this: Use this approach
- Criteria:
 - Public health risk
 - Market impact risk
 - Character and strength of public regulatory systems
 - Character, strength, and reach of private standards
 - Trade environment
- Comprehensive decisions would locate the choice of public and private actions for classes of risk in the boxes in these three tables:

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Public/Private Mix?



Selected References

- Fearne, Andrew, Marian Garcia, Julie A. Caswell, Spencer Henson, and Yunus Kharti. 2005. *Exploring Alternative Approaches to Traditional Modes of Food Safety*. Final Report, Imperial College, London. Prepared for the United Kingdom Food Standards Agency under Contract D03004.
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