



ROYTHORNES  
solicitors

FOOD SERVICES



# PRODUCT RECALL RESEARCH ANALYSIS



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## INTRODUCTION AND THANKS

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The product recall process has been brought into the public eye after a string of high-profile incidents have appeared in the mainstream news.

Whilst the media spotlight has brought food health and safety issues to the attention of consumers, some food and drink manufacturers have failed to develop a contingency plan, should a recall need to be executed.

This report is a snapshot of the food and drink sector's approach to product recalls and looks at how prepared manufacturers are for the possibility of a product recall.

We would like to thank the organisations who participated in this research by responding to our 2015 survey, including: the Fresh Produce Consortium, the Food and Drink Forum, the British Frozen Food Federation, the Artisan Food Trail and Tastes of Anglia.

## OVERVIEW

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Product recalls in the food industry are rife. The spate of recalls in 2015 on the back of the introduction of new EU allergen labelling regulations has dragged food safety and traceability further into the limelight.

The proliferation of 'scandals' has highlighted the importance of product traceability and should have influenced manufacturers to review or develop a plan to rectify any mistakes that slip through the net.

The purpose of a product recall is to stop the delivery and sale of the product in question by removing it from the marketplace as quickly as possible.

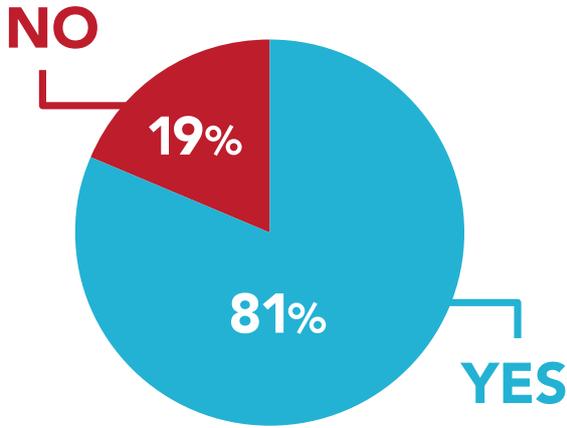
Whether the company is big or small, policies and procedures need to be in place to ensure that the recall process runs as smoothly as possible, with the overall aim of protecting the consumer whilst preventing damage to the company name and reputation.



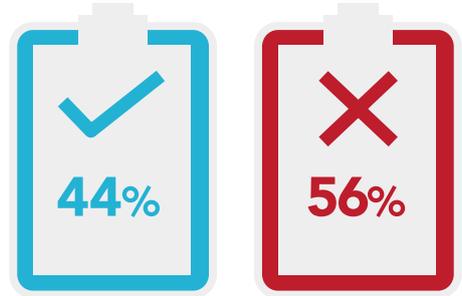
**“A recall plan shows due diligence. The risk is massive reputational damage if a recall is handled badly.”**

TONY GOODGER, NCB FOODSERVICE LTD

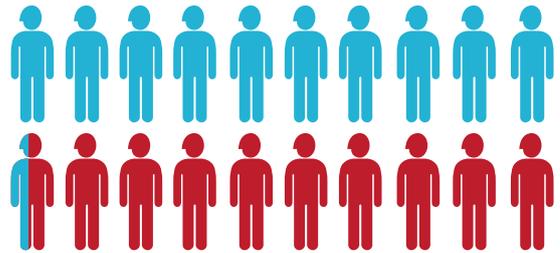
DO YOU HAVE A PLAN IN PLACE IN CASE OF A PRODUCT RECALL?



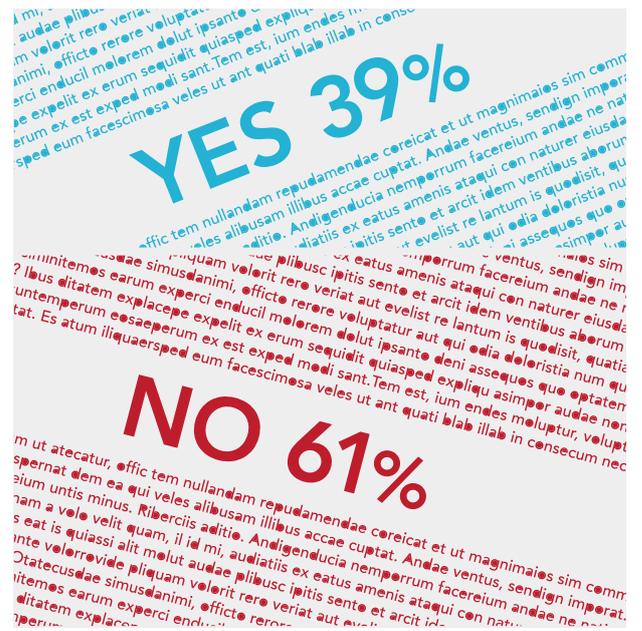
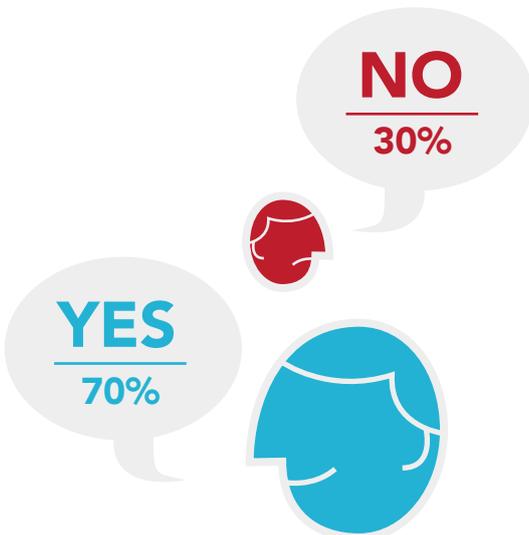
DO YOU HAVE CUSTOMER AND SUPPLIER COMMUNICATION TEMPLATES IN PLACE?



DO YOU HAVE A DEDICATED RECALL TEAM?



HAVE YOU APPOINTED A SPOKESPERSON IN THE CASE OF A RECALL?



HAVE YOU INCLUDED PRODUCT RECALLS IN YOUR CONTRACTS WITH SUPPLIERS?

**“If you’re prepared to sell something you should be prepared to take it back. At the end of the day the customer is always right.”**

ANDREW WILES, BRINVALE BIRDFOODS LTD



## DO YOU HAVE A PLAN IN PLACE IN CASE OF A PRODUCT RECALL?



YES 81%

NO 19%

With the amount of high-profile cases of product recalls in recent times, it is surprising that 19% of food manufacturers do not have a plan in place in the advent of a product recall.

The General Food Law Regulation (EC) sets the requirement that food manufacturers withdraw food which is not in compliance with food safety requirements and notify the competent authorities, suggesting that manufacturers should implement a formal recall procedure as part of company policy.

Having a carefully constructed recall plan may reduce a company's liability, while a non-existent or poor recall programme can have serious economic and legal consequences. Product recalls can be a very traumatic experience; being properly prepared for the eventuality can make the difference between a recall being a learning experience or a nightmare.

## IS YOUR PLAN DOCUMENTED IN A WRITTEN PRODUCT MANUAL OR POLICY?



YES 98%

NO 2%

Out of the companies that do have a plan in place, the vast majority (98%) have their procedures documented.

It is essential to have a written document to reference and follow, but it is also important that records of all actions and decisions, and who was responsible are recorded and retained. This means that any information can be easily communicated effectively through the supply chain.

Having a plan documented in writing is good business practice; an official document that states company policies and necessary actions will allow a firm to manage risks and protect its brand name whilst speeding up the process of reclaiming the products.

## DO YOU TEST THE PLAN WITH TRIAL RECALLS?



YES 80%

NO 20%

It is surprising that 20% of the manufacturers and processors surveyed do not test their plan, meaning they are unlikely to know whether the plan works or whether they can handle a recall situation.

It is important that the plan is tested and evaluated to improve efficiency; it has been suggested that mock recalls are carried out at least twice a year to identify any potential problems and allow the workforce to become familiar with recall procedures.

If deficiencies are identified, whoever is responsible for the recall plan should correct the problems and retest the programme with another trial.

## DO YOU HAVE A DEDICATED RECALL TEAM?



YES 52%

NO 48%

Although the majority of the manufacturers revealed that they have a recall plan in place, nearly half of them do not have a dedicated recall team.

It is important to have a dedicated team responsible for co-ordinating all aspects of the recall process, with a particular emphasis being placed on traceability.

Identifying recall team members and assigning recall duties enables the recall procedures to be conducted quickly and smoothly.

## HAVE YOU APPOINTED A SPOKESPERSON IN THE CASE OF A RECALL?



YES 70%

NO 30%

If a product recall is handled badly, it has the potential to destroy the company's reputation. Appointing a competent spokesperson to represent the company and interact with the media should be a fundamental part of the plan - yet 30% of the surveyed manufacturers have not done so.

Product recalls usually attract negative publicity, but appointing a credible spokesperson can contribute to successful crisis management by controlling the message that is portrayed to the public.

Studies have shown that consumers' attitude towards the company is more positive when a figure of authority is present in the immediate crisis response.

## DO YOU HAVE MEDIA AND COMMUNICATIONS STATEMENTS IN PLACE?



Effective and proactive communication is a key contributor to successful recall management, yet 72% of the respondents said that they did not have media and communications statements in place, should a recall need to be instigated.

Developing recall communication templates and holding statements for the media before an actual recall event will ensure that all key stakeholders receive the right message in a timely manner.

## DO YOU HAVE CUSTOMER AND SUPPLIER COMMUNICATION TEMPLATES IN PLACE?



Over half of the respondents answered 'no' to the above question, which is relatively surprising as external communications are usually a key focus of food and drink manufacturers.

During a food product recall, it is essential that key stakeholders are incorporated into the external communication plan, including customers, suppliers, distributors, and regulatory agencies.



**“A recall in our business would be met with a bespoke statement rather than a template”**

MANDEEP GREWAL, TECHNICAL DIRECTOR  
JDM FOOD GROUP LTD

## HAVE YOU INCLUDED PRODUCT RECALLS IN YOUR CONTRACTS WITH SUPPLIERS?



YES 39%

NO 61%

Despite the food industry facing an escalating barrage of lawsuits, the results show that over 60% of food manufacturers do not address this eventuality in the negotiation of contracts.

In order to minimise the 'blame game' culture that has recently occurred between manufacturers and suppliers during times of crisis, it is good practice to incorporate product recall procedures within the contract between the two stakeholders.

## HAVE YOU INCLUDED PRODUCT RECALLS IN YOUR CONTRACTS WITH CUSTOMERS?



YES 52%

NO 48%

Our research shows that only half of food manufacturers have included product recalls in their contracts with customers.

Transparency is key in the communication of product recalls, therefore if a company has a strategy or plan then all stakeholders should be made aware of this.



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In this highly competitive, constantly evolving industry, a legal team that understands your business is a powerful asset.

Our field-to-fork understanding has given us an exceptional reputation across the industry. From crisis management and contract disputes to negotiating corporate transactions, our Food and Drink team focuses on the key issues to help clients achieve their objectives.

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## OFFICES:

**Nottingham**  
0115 948 4555

**Spalding**  
01775 842500

**Peterborough**  
01733 558585

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01638 561320

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