

# Are You Prepared For A Mock Recall?

Mock recalls & the case for robust traceability technology



**PRODUCT RECALLS POSE THE SINGLE GREATEST THREAT TO FOOD COMPANY PROFITS.**

Having a recall plan, conducting mock recalls, and using an electronic traceability system all can help to reduce this risk. This document explains how preparing for a recall is key to avoiding major costs down the road.

Companies unprepared for a product recall can face devastating consequences. Between direct recall costs (e.g., disruption in operations, recalling stock, purging inventory), potential lawsuits, foregone revenue from lost sales, brand reputation damage, and investor flight, some businesses are unable to recover financially from a recall. Some declare bankruptcy. <sup>[1]</sup>

**RISK-MANAGEMENT AND FOOD SAFETY EXPERTS AGREE: IT'S NOT A QUESTION OF IF A RECALL WILL OCCUR, BUT RATHER WHEN ONE WILL OCCUR.**

## BY THE NUMBERS

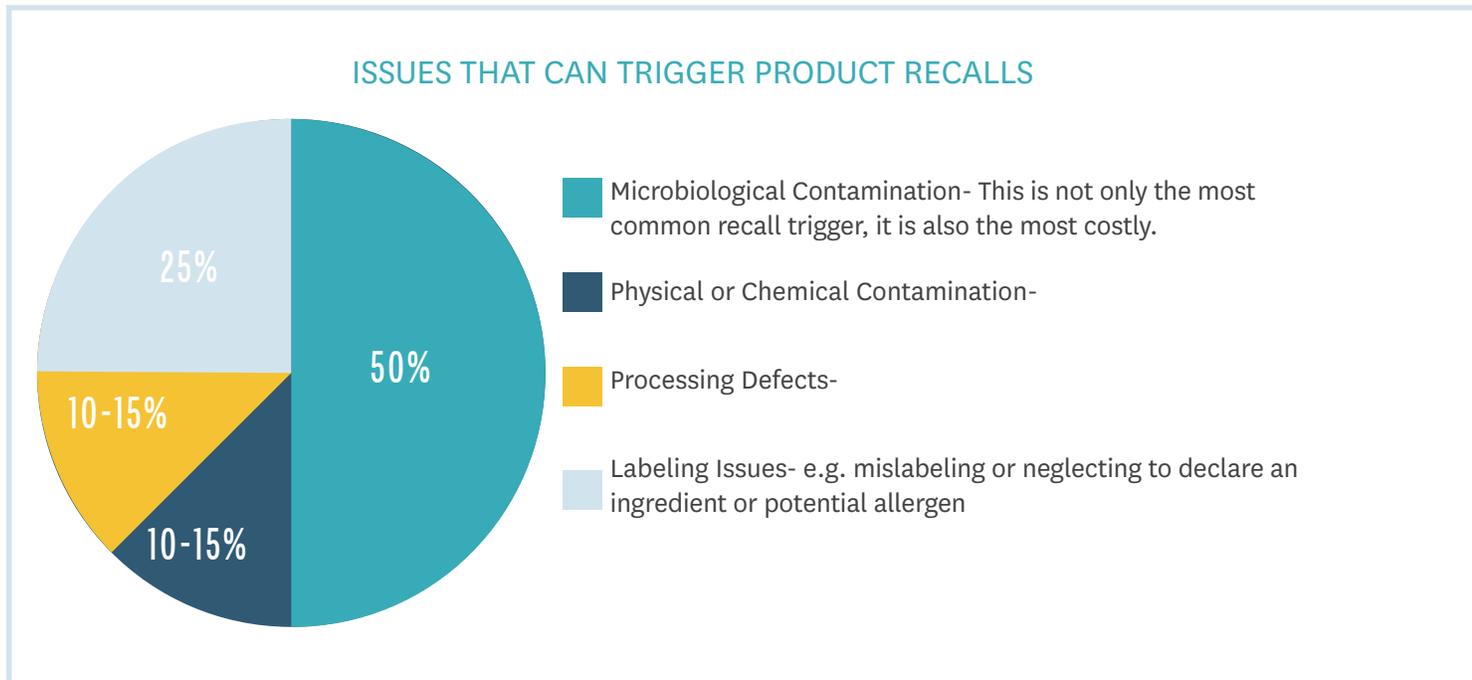
**550** food recalls  
in 2017

issued in the US by either the USDA or the FDA

~**10%** of product recalls  
involve seafood <sup>[2]</sup>  
that's **DOZENS** of recalls of seafood alone

*recalls cost*  
**tens of billions of dollars**  
*per year*<sup>[3]</sup>

and the number of annual recalls is increasing due in part to better detection methods, but also because of the increasingly global and complex food supply chain.



REGARDLESS OF THE REASON, RECALLS ARE COSTLY. THE MORE A COMPANY ANTICIPATES AND PREPARES FOR A RECALL THE MORE THEY CAN MITIGATE THOSE COSTS.

## WHAT IS A RECALL PLAN?

**A RECALL PLAN IS A COMPREHENSIVE HOW-TO GUIDE FOR CONDUCTING A PRODUCT RECALL.**

Recall plans are not only useful, but often are a prerequisite for operations- a complete HACCP plan requires a mock recall process to be in place

**A ROBUST RECALL PLAN INCLUDES, AT A MINIMUM, PROCEDURES FOR:**

- Convening the recall team
- Making the decision to do the recall
- Identifying the scope of the recall
- Conducting traceability activities to determine where the product came from and where it went
- Notifying affected suppliers customers, relevant authorities
- Notifying investors, lawyers, or other stakeholders
- Drafting external communications or press releases
- Conducting additional testing if applicable

## WHAT ARE MOCK RECALLS AND WHY ARE THEY NECESSARY?

Mock recalls are the food industry's equivalent of emergency-preparedness drills. They are the best way to determine if a company is ready for an actual recall.

### MOCK RECALLS CAN:

1. Help prepare for an actual recall
2. Test the effectiveness of the recall plan, traceability systems, and procedures involved with a recall.
3. Highlight whether areas of a system (or the recall plan itself) need attention or improvement.

**IN ADDITION, MOCK RECALLS ACROSS TRADING PARTNERS ALLOW COMPANIES TO TEST THE EFFECTIVENESS OF THEIR EXTERNAL TRACE AND TRACK SYSTEMS** (also known as trace-back and traceforward procedures). This is especially important as delays or imperfections in trading partners' systems can impede the recall process overall.

**UNFORTUNATELY, FEW COMPANIES CONDUCT REGULAR MOCK RECALLS**, presumably because (a) they're not required by law, and (b) they take time [4]. Even fewer companies work with their trading partners to conduct supply-chain level mock recalls, likely for similar reasons.

### BUT SUCH DECISIONS ARE SHORT-SIGHTED.

Like any drill, mock recalls provide opportunity for recall teams to practice the recall plan, leading to a more efficient and effective process. In the event of a real recall, time is of the essence and the quicker a recall can be conducted, the lower the financial costs, the lower the public health costs, and lower the brand damage.

## HOW TRACEABILITY CAN HELP WITH A RECALL

**FIRST, TRACEABILITY IS A VITAL COMPONENT OF THE RECALL PROCESS**, as it determines the scope—identifying which products, lot numbers, batches, dates, facilities, inventory, etc. are affected. A company using a robust electronic traceability system with detailed batch-level labeling can target the scope of a recall fairly precisely because the system is designed to identify exactly which products are affected, minimizing the costs of the recall. In contrast, a company with a paper-based system and zero batch-level labeling must target the scope of a recall very broadly, because its system is not designed to precisely identify which products are affected. That company takes on greater risk as well as higher costs due to discarding a wide buffer of unaffected product along with affected product.

**SECOND**, Electronic, full-chain traceability makes for a much less tedious mock recall process, especially for supply-chain level trials.

**A MOCK RECALL INVOLVES TESTING THE PERFORMANCE OF THE TRACEABILITY SYSTEM BY CONDUCTING TRACEABILITY ACTIVITIES** (i.e., proving and documenting that the affected product can be traced “one-down” to the supplier and tracked “one-up” to the customer). In the event of an actual recall, regulatory agencies may require a company to show paperwork proving the traceability system's ability to trace backward and track forward.

### SUCH PAPERWORK MAY INCLUDE RECORDS OR REPORTS INVOLVING:<sup>[5]</sup>

- Suppliers of raw materials in affected product
- Formulations or recipes of finished products involving raw materials
- Quantities and dates of raw material receipt
- Production records (e.g., facilities, equipment, staff involved with manufacturing or testing affected product) during timeline in question
- List of customers that received the affected product and the quantity each customer received
- Number of units of each affected product type manufactured or processed on the date identified for recall
- Amount of affected product still in inventory or in storage
- Amount of write-offs or waste of affected product
- Mass-balance of product received vs. product sold, stored, written-off

**A ROBUST, ELECTRONIC TRACEABILITY SYSTEM CAN QUICKLY AND ACCURATELY PRODUCE SUCH REPORTS.** Overall, it helps make for a more efficient mock recall process, which saves time and allows for more consistent trials to be conducted.

**THIRD, TRACEABILITY WILL ALSO INDICATE WHICH SUPPLIERS AND CUSTOMERS NEED TO BE NOTIFIED OR ENGAGED IN THE RECALL PROCESS.** Indeed, if there is a health concern, it's necessary to know with certainty where a product came from and where it went so that any affected product can be removed from the supply chain as rapidly as possible. Conducting supply-chain level mock recalls make this process far more efficient—the benefits of walking through procedures and practices under a low-stress environment, especially when testing systems across trading partners, cannot be underestimated.

**A REAL RECALL CAN HAPPEN AT ANY TIME, DAY OR NIGHT, WEEKDAY OR WEEKEND, OR HOLIDAY.** That unpredictability and the potential for a catastrophic outcome make for an intensely stressful environment, which can result in high error rates, a larger than necessary recall, and lack of personnel confidence. Conducting supply-chain level mock recalls, especially when facilitated by robust electronic traceability systems, make this process far more efficient and less prone to missteps. The benefits of walking through procedures and practices under a low-stress environment conditions, especially when testing systems across trading

## SOME FINAL WORDS ABOUT THE BENEFIT OF A RECALL PLAN

**WHEN IT COMES TO FOOD SAFETY RECALLS, THE QUESTION IS NOT IF IT WILL HAPPEN BUT, RATHER, WHEN IT WILL HAPPEN.** The best way for a company to prepare for the inevitability of a product recall event is to practice conducting mock recalls on a quarterly or semi-annual basis.

**WHEN IT COMES TO PRODUCT RECALLS, HAVING AN ATTITUDE OF, "IT'LL NEVER HAPPEN TO US," ISN'T A GOOD WAY TO BE.**  
— HACCP MENTOR

**MOCK RECALLS DO NOT HAVE TO BE COMPREHENSIVE RECALL SIMULATIONS EVERYTIME.**

Instead, mock recalls can be thought of similar to food safety checks: it's not necessary to check every can of tuna, every day. Instead, companies can spot check; alternating which parts of their supply chain are tested and when. When done routinely, these tests ensure companies can catch issues early and counter threats to their supply chains, public health, or their bottom line through improving traceability practices and emergency procedures. Once the current system is perfected, continuing to perform mock recalls helps keep staff trained and prepared, while also improving efficiencies.

## OTHER RESOURCES

- [Top 5 Tips for A Successful Mock Recall](#)
- [Traceability Activity V a Mock Product Recall](#)
- [Mock Recalls: What Are They, Why Are They Important, And How Do I Perform One? \(Part One Of Three\)](#)
- [Food Recalls - Statistics & Facts](#)
- [How To Survive a Product Recall](#)
- [Practice Makes Perfect: How and Why to Perform a Recall](#)

## SOURCES

This document was created by Future of Fish, in collaboration with FishWise, Global Food Traceability Center and World Wildlife Fund, under the Gordon and Betty Moore Foundation's Oceans and Seafood Markets Initiative.

- [1] <http://www.foodqualityandsafety.com/article/the-business-of-recalls-from-booming-to-bankrupt/>
- [2] <https://google2.fda.gov/search>
- [3] <http://fortune.com/food-contamination/>
- [4] <https://www.inc.com/guides/2010/06/how-to-survive-a-product-recall.html>
- [5] <https://haccpmentor.com/verification/traceability-activity-v-mock-product-recall/>