

Case Study
on
Developing and Implementing a
Preventive Food Safety Plan
APEC TIN Managing the Supply Chain



Beijing, China
November 5, 2010



Bumble Bee is the leading provider of shelf stable seafood in North America and one of world's top 10 seafood companies

Market Share by Revenue



	<u>Position</u>	<u>Share</u>	<u>Position</u>	<u>Share</u>
Albacore	#1	54%	#1	44%
Lightmeat	#1	45%	#3	18%
Total Tuna	#1	48%	#2	31%
Sockeye	#1	48%	#1	30%
Pink Salmon	#1	38%	#2	19%
Total Salmon	#1	45%	#2	21%
Sardines	#1	77%	#1	61%
Total Specialty	#1	27%	#1	49%
Total Seafood	#1	48%	#1	33%



We operate under a number of brands with Bumble Bee being the market leader in the U.S. and Clover Leaf in Canada

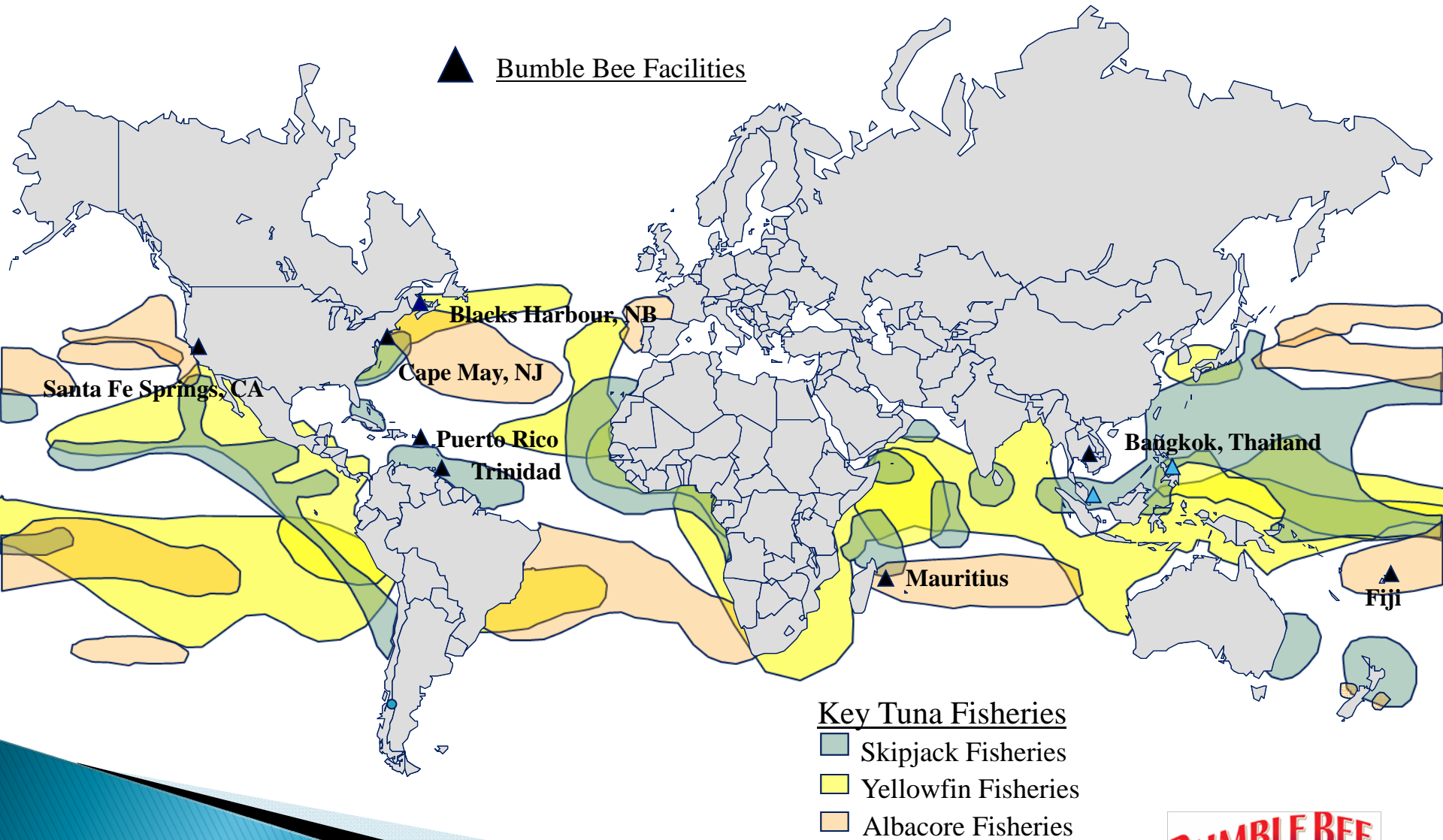
Brands



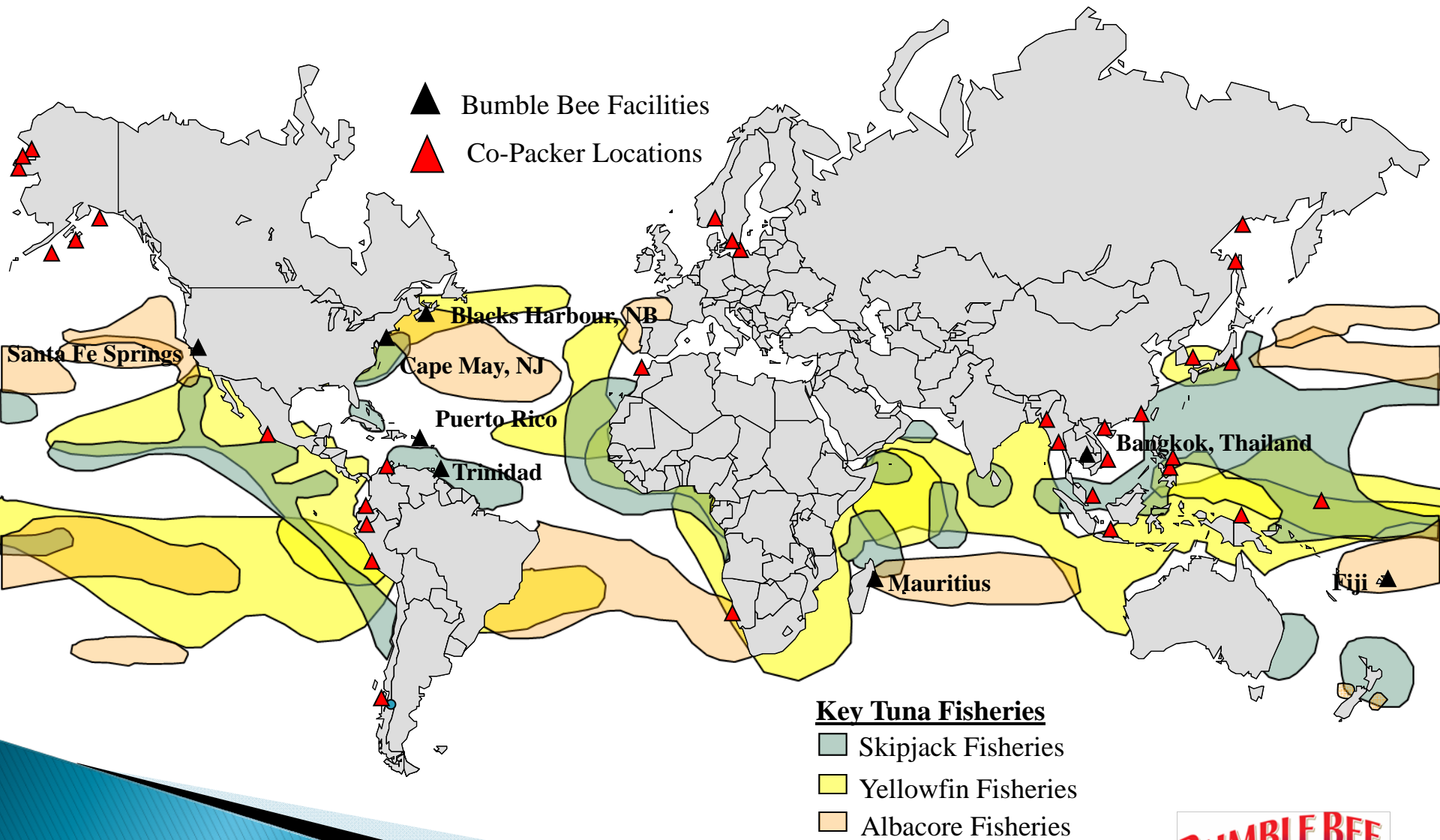
Selected Products



To support our business we operate 8 seafood processing and canning facilities and have a minority interest in a company in Thailand



In addition, we have co-pack relationships in about 20 countries with a heavy concentration in SE Asia and China



Consumers buy our brands and products because they represent a trusted and affordable source of high quality protein.

Product safety & quality can never be in question!!!



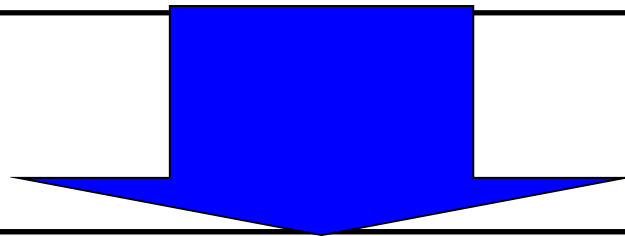
*Embrace Life:
Eat Well. Bee Well.*



**The primary responsibility for food safety & quality lies with us --
the leaders of the food industry**

Food Safety & Quality

- It's not the responsibility of our consumers
- It's not the job of the retailers
- It's not the responsibility of government or the regulators



As the owners of the brands, suppliers and the ones distributing food to the public, we – the food industry leaders – must develop processes to **ENSURE** product safety and quality



Global Supply Quality Program



Food Safety in USA and EU

- **Infrequent major failures occur**
 - **Overt food Safety Failures**
 - **Overt GMP failures**
- **We must learn from our failures**
- **GMP failures outnumber Food Safety failures**

Improper labeling of products containing allergens is one of the leading cause of recalls in the US, Canada, Australia and New Zealand.

The following Case Study is Bumble Bee's own experience of an allergen recall. This would illustrate why the HACCP and all pre-requisite programs are crucial to Food Safety.

Case Study of Product Recall

Issue:

Undeclared Allergen on Chicken In Barbecue Sauce With Crackers (Ready To Eat Kits)

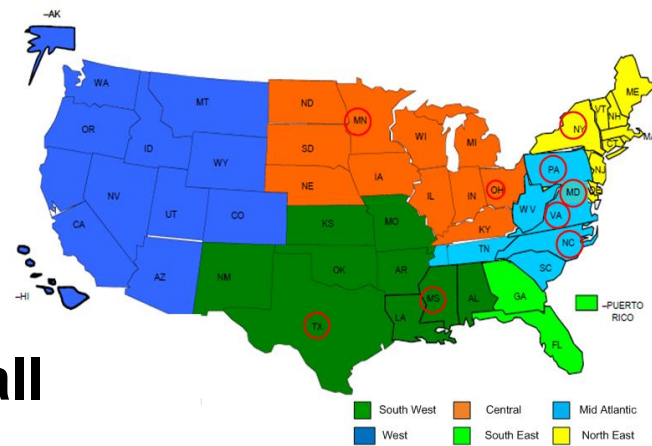
Feb 4, 2009- our consumer affairs received a report that the crackers in the kit contain butter (cream, salt), but milk was not listed on the label's list of allergens.

- The family bought the BBQ RTE for the first time and the father packaged it for his 11-yr old son, for school lunch. The boy had a dairy allergy and developed rashes and hives.**
- No one else in the family is sensitive to milk and the rest of the RTE packages purchased were consumed in a camping trip. No one else got sick.**
- No non-life threatening illness was reported as of Feb 4, 2009.**



Case Study

Action Steps



I. Product Tracking, Investigation & Recall

- Immediate product tracking was conducted, Supplier was informed for investigation. All products still in the system was placed on Hold. Distribution was traced to 9 retailers.
- After review of initial investigation, Bumble Bee decided to do a voluntary recall of the affected product out of an abundance of caution.
- Within 24-hours after receipt of the consumer report FDA was informed and provided with the Recall Strategy.



II. Recall Summary:

- 1. Identification of Scope: 25,909 cases of various lot codes manufactured by a co-packer, 3195 cases for the affected UPC remained on hold in our distribution system.**

- 2. Depth of recall: up to retail customer level administered by 9 retail customers.**

- 3. Retail Notifications to customers:**
 - Were issued Feb 5, 2009 listing affected lot numbers.**
 - With instructions to destroy or return any of this product UPC regardless of code date to specific DC's that was tasked to consolidate recalled products for proper disposition.**



4. Public Notification:

Strategy:

- **A press release was issued to the Food Allergy and Anaphylaxis Network.**
- **Our consumer response center was likewise advised and provided with instructions for any consumer call.**

Outcome:

No further complaint or consumer contact was received during the duration of the recall.

Although no further complaint was received, as initially indicated, Bumble Bee operated under an abundance of caution with respect to the health of our consumers, and this is one of the primary considerations in voluntarily instituting the recall.



6. Disposition of recalled products:

Strategy:

Products to be destroyed or relabeled once we had acknowledgement that all has been returned and with FDA concurrence secured for the Recall Strategy.

Outcome:

A total of 3,955 cases were reworked with the correct bottom card and returned to distribution.

A total of 375 cases were destroyed in the field by the customers.



III. Learning –Corrective Action moving forward

On receipt of the consumer complaint, the co-packer/supplier was immediately contacted for investigation.

1. Root Cause Analysis findings:

- Miscommunications between co-packer and art-house on the updated kit label.**
- Failure of co-packer 's review process for final proof.**
- Failure of co-packer's review on receiving printed labels and production monitoring control**



Corrective Action:

- 1. Destruction of non-compliant label**
- 2. Review of all other existing label stock**
- 3. Complete review of label approval and inspection process which includes a Bumble Bee sign-off for changes**
- 4. Entire process review to strengthen:**
 - a. Label receiving**
 - b. Storage of labels/packaging materials**



Case Study [III. Learning –Corrective Action moving forward]

- 4. Process review to strengthen [cont'n...]**
 - c. Delivery Controls to Production**
 - d. Control, monitoring and verification at production**
 - e. Return to storage, inventory, and proper identification of unused labels**
 - f. Start-up/Shutdown/Change-Over procedures**

- 5. Verification: BBF audit team audited the co-packer to review corrective actions system was implemented as planned and BBF has enhanced audit tool to improve scope of audits on Allergen control.**



Case Study

Key learning:

Despite our already comprehensive Supply Quality Program, the incident had brought out opportunities to:

- 1. Work with our suppliers to review and improve their Materials Supply Quality processes.**
- 2. Enhance our Corporate Supply Quality Program by providing additional focus on pre-requisite programs, which is essential to a HACCP – based system.**

We Had an Opportunity to Be More Preventive and Less Reactive!



In *Summary*....

Some important points to always keep in mind:

- **Do things right the first time**
- **Just because you have no problem, do not sit on your laurels and assume everything is fine.”**
 - **We need to continue asking questions...and more questions...**
- ❑ **This will pave the way to identify possible issues and preventive control measures, a significant strategy in applying food safety programs such HACCP.**



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