

Standardization may cut some hassle from audits

By David Mitchell
Special to The Packer

For years, grower-shippers, processors and distributors have complained that buyer demands for audits by specific third-party companies have subjected them to redundant reviews and unnecessary expenses.

Standardization rates as a possible solution.

"This has been a big problem for the industry," said Kathy Means, vice president of government relations and public relations for the Produce Marketing Association, Newark, Del. "About 90% to 95% of the information is the same from audit to audit. The bulk of it is the same. So why is everyone paying several times for the same thing?"

Means said the industry might never get down to one standard audit, but certification companies are benchmarking their audits to standards, such as the Global Food Safety Initiative.

The Food and Drug Administration released guidance for third-party certification in January that describes the attributes a certification program should have to ensure product is safe and be in compliance with certification criteria, qualifications of the inspector, conflict of interest standards, elements of an effective inspection program and other attributes.

The changes could reduce the need for companies to undergo multiple audits to satisfy a diverse customer base.

"Some buyers, instead of dictating one company, are saying, 'Here are the four we like,'" Means said. "If you use one of them, we're good with that."

Will Sumner, director of food and agricultural programs for Emeryville, Calif.-based Scientific Certification Systems, said retailers that have stores in Europe or are owned by European companies are moving to international protocols, such as British Retail Consortium, Safe Quality Food Institute or Global Partnership for Good Agricultural Practice, for auditing.

As rival certification companies become accredited to the various standards, their audits will become even more similar.

"If you're SQF-accredited, it shouldn't make a difference," Sumner said of picking a third-party company. "It should be equal in the case of an audit. There are other bells and whistles people can offer to differentiate themselves."

Those bells and whistles could include testing, consulting, training and physical inspections.

"Standardized inspections are currently available and required by many retailers," said Maureen Olewnik, vice president of audits and technical services for AIB International, Manhattan, Kan. "These documentation-based audits serve that purpose well, but we do feel that there will continue to be a need for a strong physical inspection as well. Documentation review and physical inspection are complementary, but neither can replace the other."

Stacy Stoltenberg, business development for Santa Maria, Calif.-based PrimusLabs.com, said audit execution should be a determining factor for suppliers and buyers when picking a third-party company.

Thus, certification companies can continue to compete based on

the various services they offer, but will there be enough business to go around if grower-shippers and others are able to eliminate redundant audits?

"There may be some attrition among third-party auditors," said Patrick Pimentel, general manager for NSF-Davis Fresh, Davis, Calif. "However, as the industry evolves to higher standards and auditor requirements, companies that are science based, with auditors that have technical expertise and strong industry experience, will be best positioned to help their clients."

Audit standardization could reduce the amount of time a company devotes to preparing for audits and the audits themselves, but it might not reduce costs as much as one might think.

Sumner said that one of his company's typical audits takes one day, but SQF or BRC audit can take two days or more, doubling the cost of the service.

"That's definitely going to impact smaller growers," he said.

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Kathy Means
Produce Marketing Association

