

# CARGILL'S FSSC 22000 DEPLOYMENT



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# Agenda Topics

- “Get-to-know-the-Audience”
- Cargill’s Latin American Presence
- Food Safety audit landscape evolution
- GFSI background
- How to move forward?
- Cargill’s approach
- Can this work for small companies?
- Summary

# “Get-to-know-the-Audience”

- Have you deployed a GFSI Audit Scheme?
- For those who haven't, are you planning to do a GFSI recognized audit scheme?
- Do you need help to decide which audit scheme and which Certifying Body (CB) to use?
- Do you have the intent to move forward but just don't know where to turn?
- Do you simply want a certificate to give your customers?
- Do you want to improve your food safety systems?

# Cargill's Latin American Presence

- Privately held agribusiness company with 1,200+ plants & 138,000 employees across 63 nations
- 17,000 employees & 26% of gross investment
- Latin American Operations (& number of plants):
  - Wheat flour mills in Venez & Argentina (12)
  - Pasta plants in Venez (3)
  - Starch & sweeteners plants in Brazil (6)
  - Cocoa & chocolate plants in Brazil (2)
  - Grain elevators in Brazil & APBU (160+)
  - Vegetable oil crush & refineries (12)
  - Tomato paste plant in Brazil
  - Chicken & RTE Meat in Central America (9)
  - R&D center in Brazil

# Audit Landscape Evolution

- Audit proliferation in North America & Europe in early 2000s
  - Example: Cargill's St. Clair, MI Salt plant had 12-3<sup>rd</sup> party & 17 customer audits in 2006
- Wal-Mart changed the auditing world in NA with GFSI request
- Peanut Corp of America (PCA) incident swung the pendulum even further; some audits no longer accepted by customers

# Audit Landscape Evolution

- Many US plants had to move quickly: most common choices were BRC & SQF as only those two plus IFS & Dutch HACCP existed
- Multi-nationals' shift in Latin America from conducting all their own audits to focus on suppliers with many non-conformances & those considered high risk suppliers
- GFSI is rapidly gaining traction globally as more customers improve the supplier management programs

# GFSI Background

- Started in 2000; was European-retail centric
- Developed benchmarking & protocols
- Motto: “Once certified, accepted everywhere”
- Gives companies a choice of several options
- Today represents companies across supply chain and across globe
- Has a process to take action on stakeholders’ suggestions, revise protocols, add guidance documents in other segments of supply chain through numerous Technical Working Groups

# Current Food Manufacturing Audit Schemes

- Total of 8 Audit Schemes exist but the four most common are:
  - BRC: British Retail Consortium
  - FSSC 22000: Food Safety System Certification (Roger's "F22K")
  - IFS: International Featured Standard
  - SQF 2000: Safe Quality Food



# Benefits of GFSI Accepted Audit Schemes

- To be accepted, an audit scheme must meet GFSI Guidance Document's minimum requirements
- Certifying Bodies (CBs) must meet GFSI rules
- CBs are audited by Accreditation Bodies to ensure rules are being followed
- CB's auditors must meet requirements for expertise, experience, scheme knowledge, and competency as an auditor

# How to move forward?

- ① Know your customer's expectations
- ① Investigate the audit schemes to determine which one is best for your company's culture; start with [www.mygfsi.com](http://www.mygfsi.com)
- ① Benchmark with other companies who have already deployed
- ① Get upper management commitment
- ① Deploy a change management strategy

# How to move forward?

- Determine your criteria for your choice of a CB (ie. number & qualifications of auditors, audit timeliness, reputation, cost, training expectations, others)
- Investigate the merits of several CBs & decide who you will use; remember there are many looking for your business
- Design your training & deployment strategy with your CB

# Cargill's Logic for F22K Choice

- Cargill was waiting for the ISO 22000 to be further developed & benchmarked by GFSI
- Cargill Leadership buy-in & endorsement
- Most transparent to CODEX
- Most transparent to Cargill's existing policies
- Takes a holistic & systematic approach by reviewing interrelated processes; is a “system” audit vs. a “checklist” audit
- It demands management commitment

# Cargill's Logic for F22K Choice

- Plants must “think and justify”
- Prefer Year 1 intensive audit vs. the other schemes' same audit & duration each year.
- It is an in-depth evaluation of our systems vs. an evaluation of retailers' criteria
- Independent ownership
- Syncs well with other ISO standards
- Want same audit and “language” across Cargill

# Cargill's Choice of CB

- ◎ Chose LRQA as primary CB
  - One of few CBs with global reach
  - Have key members who were involved in early development of ISO 22000
  - Similar cultures: private, 200+ years old, strong ethics
  - Understood and were willing to meet our extensive training demands
- ◎ Currently working with DNV to determine how to integrate them into our deployment

# Cargill's F22K Deployment

- Consulted with Coca Cola
- Gap analyses efforts started with Cargill's Policies in May 2009
- Established a 12 member; 6 business unit pilot team
- Developed training and started in NA where we had most customer pressure for GFSI recognized audit schemes
- Modified training approach as we learned

# Cargill's F22K Deployment

- Started audits in November 2009
- Created 5-wave prioritized deployment plan:
  - Food plants with customer pressure for GFSI recognized audit schemes
  - Food plants without GFSI customer pressure
  - Move plants on other GFSI audits to F22K
  - Animal Food plants
  - Grain elevators
- Completed ~100 plants so far (~1,100+ to go)



# Cargill's F22K Learnings

- ⦿ We were not as good as we thought in NA
- ⦿ Plants with ISO 9001 and/or ISO 22000 have done better because they understand management systems
- ⦿ Need greater emphasis on hazard analysis & management systems
- ⦿ The system approach is very effective; we are forcing ourselves to “think and justify”
- ⦿ Effective analysis is key to drive continuous improvement

# Does this strategy work for smaller companies?

- YES!
- As more companies deploy more robust supplier management programs, more suppliers will have customer pressure for GFSI
- What I described can be also implemented at smaller companies....the same principles apply; just on a smaller scale.
- Key factors/choices are: customer expectations, upper management support, audit scheme choice, CB choice, training needs, etc.

# What if you have a supplier who is struggling to deploy GFSI?

- Go to “Global Markets” in [www.mygfsi.com](http://www.mygfsi.com) for a program that helps companies learn and move toward certification
- Over 19 pilots have been completed around the globe with assessments & training materials for Basic & Intermediate Levels
- The assessments & training materials were developed by Michigan State University & GFSI
- Proven successful program if the company has the “intent to comply”

# How many audits did Cargill Salt in St. Clair, MI USA do in 2010?

- 2006: 12-3<sup>rd</sup> party & 17 customer audits
- 2010:
  - How many 3<sup>rd</sup> party audits?
    - 1: F22K
  - What did the 17 customers do?
    - 12 accepted the F22K audit report
    - 3 conducted “targeted customer audits”
    - 2 conducted a customer audit

# Summary

- Don't just go for a certificate!
- You will conduct fewer 3<sup>rd</sup> party audits and fewer redundant customer audits
- You will have more time to make meaningful food safety improvements instead of “hosting”
- Your food safety systems will improve as you will be challenged by the greater GFSI rigor
- If integrated with a robust internal food safety program, you will better protect your customers' and your brands

Thought to ponder....

*"I wasn't scared, but I was up there looking around, and I suddenly realized I was sitting on top of a rocket built by the lowest bidder"*

~ Alan Shepard (first USA man in space, 1961)

*What factors will you use to make your choice of GFSI audit scheme, CB, and training strategy?*