BRC Global Standards. **Trust in Quality**

Contents






FRANCE
POLAND
Berlin
Paris
London
Prague
Lyon

CAMBODIA
VIETNAM

introduction

The Global Standard for Food Safety

The BRC Global Standard for Food Safety is all about the measurement, review and assessment of the factors that influence food safety. It provides a robust framework to help manufacturers produce safe food, manage product quality and meet customers' needs and expectations.

The Standard was developed to establish key criteria, enabling manufacturers to satisfy obligations relating to legal compliance and consumer protection. Crucially, the format and content of the Standard also allow for companies' premises, systems and procedures to be audited against BRC requirements. Here's how it works:

- Sites are audited using BRC criteria across a range of areas – for example, pest control, management commitment, housekeeping and hygiene.
- Following a site audit, companies are notified of any Non-Conformities that have been identified.
- These Non-Conformities then have to be corrected before certification can be awarded.

At the heart of the programme is a commitment to share best practice to help improve food safety, with data made available to provide a consistent global picture of manufacturing performance. Given its international reach and the rigour of the auditing process, the Standard has become a benchmark for suppliers and a beacon of quality and trust. In fact, international retailers and food service companies are increasingly looking for BRC certification when assessing suppliers' credentials and capabilities.

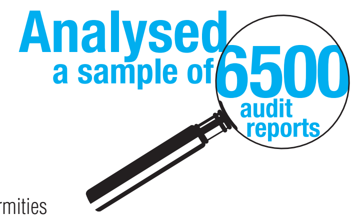
Global view, local insight

Each year, BRC collects a vast amount of data and information during the Global Food Safety Standard audits. In 2012, we conducted audits in 113 countries covering over 16,000 food sites. And thanks to advances in technology, for the first time ever we are now able to fully analyse this data and identify vital trends and developments.

Using material collated and assessed in early 2013, this report sets out key findings and analysis from the 2012 audits. It provides a global view of food safety information and performance data, covering all 18 of our food categories – from raw fish to ready meals. The report also focuses on key regions and countries, offering unique local insights and snapshots, mapping areas of strength and weakness, and showcasing growth markets. In this way, it highlights important learnings on food safety issues that affect manufacturers, retailers and consumers the world over.

But that's not all. Drawing on our extensive audit knowledge bank, this report is part of an ongoing process of global improvement. Indeed, with challenges come solutions. The corrected Non-Conformities and findings described in these pages will help to inform future policies and practices, enhancing the already rigorous safety regime which BRC promotes on behalf of food retailing. Our aim is to use this report – and specifically the experiences of different sites in different countries – to share knowledge and enable progress. In this way, the Global Standard for Food Safety will continue to deliver the very highest and most consistent standards of auditory measurement, review and guidance.

Methodology



To compile this report we analysed a sample of 6,500 audit reports uploaded onto the BRC Directory over a seven month period in 2012. The audit reports were from manufacturing sites across the world. We then looked at Non-Conformities individually and in groupings, and also analysed ABC audit grades and product categories.

With 279 clauses in total, we collapsed these into 56 groups and analysed these across our main countries and territories. Our aim in conducting this research was to highlight commonalities, map areas of strength and weakness, share best practice, identify challenges and suggest next steps.

The Global Standards Directory was our source of all information. It is worth noting that, like any piece of research, this report provides a snapshot in time. Audits were undertaken at BRC-certificated sites and results are therefore not necessarily reflective of the total food manufacturing base in that country or region.

The Top-Ten Non-Conformity Groups Identified From the sample the top ten Non-Conformity groupings we identified were:

1/ Section 2 – HACCP

HACCP is an internationally recognised tool for assessing potential food safety hazards and ensuring controls are in place to manage these hazards so that the food is safe to eat.

One stage in the HACCP process is to construct a process flow diagram. This diagram should be an accurate representation of all the processing steps to make the product. The most common cause of an HACCP Non-Conformity is that this document is not accurate, or that it does not contain enough detail.

2/ Section 4.4 – Building Fabric

The design, construction and maintenance of the interior of the manufacturing facility must be suitable for food production. It must therefore support effective cleaning and protect products from contamination.

The most common Non-Conformity relating to building fabric is the condition of the doors. Doors must be properly fitting, with correct closures and seals so that there are no gaps where pests could get into the building.

3/ Section 4.13 – Pest Control

Companies must have an effective preventative pest control programme in place that minimises the risk of any pest getting into the building. It should also ensure there is a rapid response to any issues involving pests to prevent any risk to products.

Two types of inspection are required as part of the pest control programme – routine inspections of pest control measures, and a detailed on-site survey by a qualified pest control expert. The most common Non-Conformity relating to pest control is that these in-depth surveys are either not completed, are not sufficiently frequent, or are not sufficiently detailed.

4/ Section 4.11 – Housekeeping and Hygiene

Sites must be maintained at a suitable level of cleanliness. This is achieved through a planned schedule of cleaning, which is demonstrated through documented procedures and monitored records.

There are two common causes of Non-Conformity in this area. The first involves the standard of the cleaning procedure documentation, which often fails to include all the correct information or is not sufficiently detailed to enable staff to complete cleaning correctly. The secondly relates to the standard of cleaning, e.g. if equipment is found to be insufficiently cleaned or not cleaned in accordance with the standards defined by the company.

5/ Section 1 – Senior Management Commitment

Adoption and successful implementation of this Standard requires the commitment of senior management to ensure that food safety is part of the culture of their organisation and that support and resources are available.

To this end, senior management must set objectives concerning food safety and quality which help to achieve the company's policy on these subjects. The most common Non-Conformity here is that these objectives are not set, or are not monitored or reviewed with sufficient frequency.

6/ Section 4.7 – Maintenance

All equipment must be suitably maintained to ensure it does not pose a product contamination risk. The most common form of Non-Conformity relating to maintenance is that companies cannot demonstrate that there is sufficient cleaning and sign-off after maintenance is completed.

7/ Section 4.8 – Staff Facilities

Appropriate staff facilities must be provided to enable staff to adhere to the company policies relating to storage of personal belongings, wearing of protective clothing and personal hygiene.

The most common Non-Conformity here is that hand-washing facilities do not fully meet the requirements of the Standard.

8/ 3.4 – Internal Audits

Internal Audits are essential for ensuring continued compliance with the requirements of the Standard. Internal audits demonstrate whether control systems are working correctly and effectively or not.

The most common Non-Conformity in this section relates to the scope, frequency and records of the documented inspections of the factory environment and equipment.

9/ Section 4.9.3 – Glass, Brittle Plastic, Ceramics and Similar Materials Control

Glass and similar breakable materials must be managed to ensure they do not break and contaminate food products. Where an item is vital to the production process, it must be routinely monitored to ensure that any breakage is identified and addressed in a timely manner. The most common Non-Conformity here relates to incomplete lists of items, which leads to incomplete monitoring.

10/ Section 3.9 – Traceability

Companies must be able to trace all batches of raw materials and packaging from their suppliers, through all stages of the processing and despatch (as final products) to their customers.

The main Non-Conformity in this section relates to incomplete systems, or the incomplete application of a system – for example, if batches of packaging cannot be traced, or if labels/records are incomplete.

Food Safety - **A Global View**

Executive Summary

Our analysis of the audit data from 2012 has enabled us to identify vital trends and developments relating to food safety and hygiene.

Across the sites sampled in the 2012 audits, consistent patterns of Non-Conformity emerged. With only a few exceptions, the dominant Non-Conformities were concerned with the identification and management of food safety hazards (Section 2, HACCP), Building Fabric (Section 4.4), Pest Control (Section 4.13) and Housekeeping and Hygiene (Section 4.11). In particular, HACCP presented the most problematic set of criteria, and across all regions sites need to improve the maintenance of their HACCP food safety plans.

The top ten Non-Conformities, based on sampled sites, are set out here:

All regions, all categories, top 10	#	%
2 - HACCP	5,627	9.0
4.4 - Building Fabric	4,512	7.2
4.13 - Pest Control	3,038	4.9
4.11 - Housekeeping, Hygiene	3,012	4.8
1 - Senior Management Commitment	2,547	4.1
4.7 - Maintenance	2,532	4.0
4.8 - Staff Facilities	2,188	3.5
3.4 – Internal Audit	1,816	2.9
4.9.3 – Glass, Brittle Plastic, Ceramics	1,811	2.9
3.9 – Traceability	1,736	2.8

Some regions, however, bucked the global trend. In Southeast Asia, for example, Specifications for Raw Materials and Packaging (Clause 3.6.1), which appears infrequently elsewhere (typically 40th), was the most commonly-occurring Minor Non-Conformity, and issues with the management of processing controls (Clause 6.1.2) the third most common (typically 59th globally). Meanwhile, Southeast Asian sites proved good at controlling risks from non-food chemicals (Clause 4.9.1.1), which is a weak area for most countries, usually ranking second among commonly-occurring Minor Non-Conformities.

In terms of overall performance, the UK emerged as the global leader in BRC food safety standards, with 86.9% of its sample sites receiving a Grade-A rating. The US, a huge growth area for global food exports, recorded the second-highest score, followed by Italy, the Netherlands and Poland (another exciting growth area).

At the other end of the scale, China was lowest-performing country, with only 25.5% of its sample site achieving a Grade-A rating. Spain, too, performed poorly, recording the lowest score for Europe and second-lowest globally; a performance which is at odds with the high quality of Spanish raw materials and produce. Spain's low Grade-A rating is attributable to the large number of Minor Non-Conformities recorded – with 37% of the audited sites containing more than 10 Minors – while the economic crisis appears to have impacted the availability of personnel to oversee and enforce high standards within food production sites.

total sites

20,250

(all Standards)

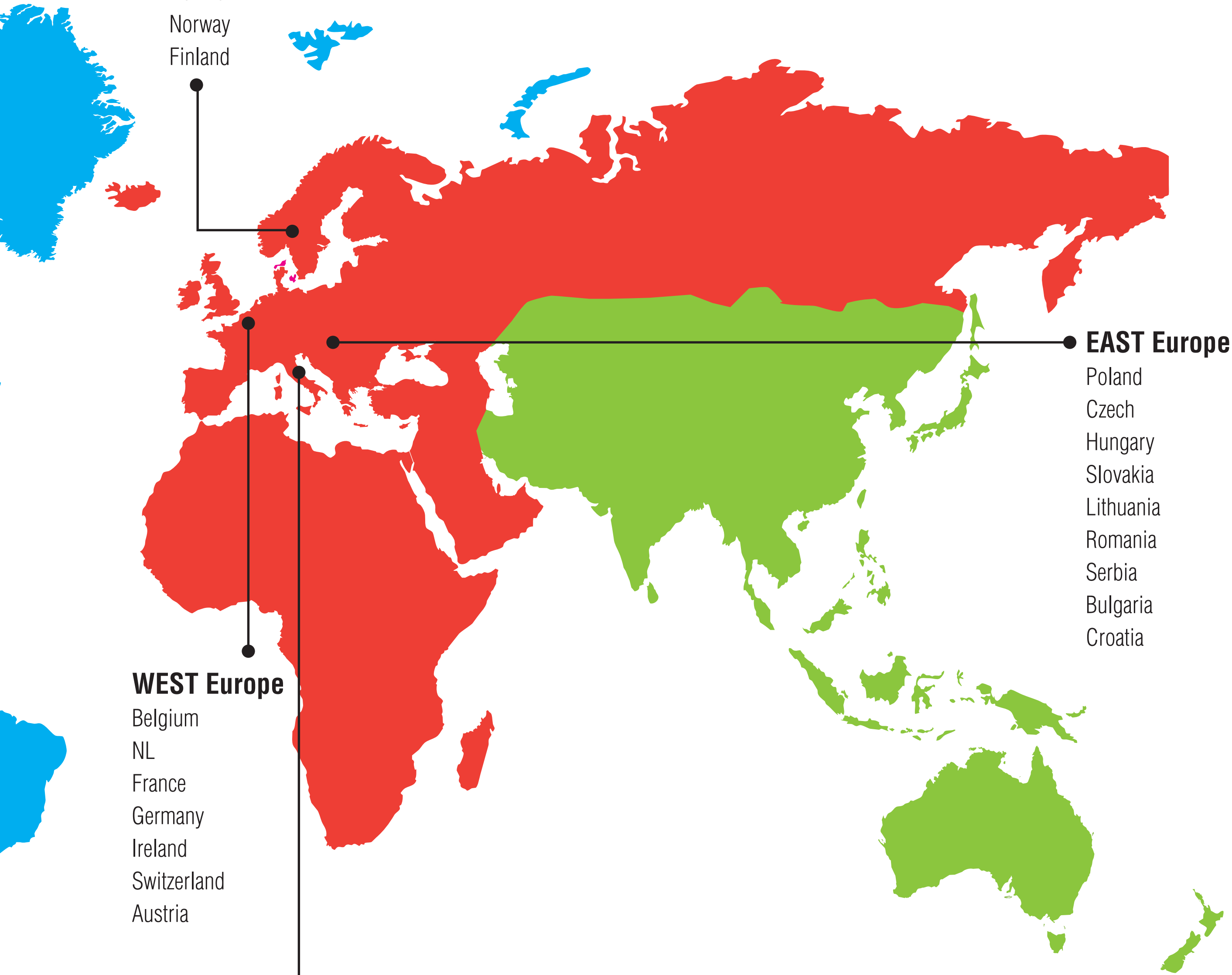
Region	**Total sites** (As of 29/05/2013)
Europe South (inc. Spain, Italy)	3633
Europe West	3091
Europe East (inc. Poland)	826
Europe North	410
Latin America	523
Southeast Asia	485
Country	
United Kingdom	2510
Italy	1784
United States	1478
China	1166
Spain	1218
Poland	525
Canada	404
South Africa	167

Source: sample data of BRC audited sites; BRC Global Food Safety Standard Issue 6, 1 June – 31 December 2012

Region	Sampled sites A grade %
United Kingdom	86.9
Italy	80.9
United States	84.2
China	25.5
Spain	57.9
Latin America	85.5
Poland	76.6

Region	Sampled sites A grade %
Canada	76.1
South Africa	73.2
Europe South (inc. Spain, Italy)	73.8
Europe West	72.9
Europe East (inc. Poland)	72.8
Europe North	68.5
Southeast Asia	Thai 62.7%/Viet 82%

Source: sample data of BRC audited sites; BRC Global Food Safety Standard Issue 6, 1 June – 31 December 2012



Since collating and analysing the data from the 2012 sample audits, we have incorporated it into conference presentations, training packages, guideline documents and webinar programmes. Armed with this new information and materials, we aim to provide an accurate global picture of food safety issues.

We hope you enjoy this report.

Mark Proctor

by country UK

2,510

total sites

6.7

Average minor non-conformities

BRC Global Standards. **Trust in Quality**

UK

Sample size **1,357 sites**

A grade % **86.9%**
(highest percentage across all regions and countries)

Food sector contribution to economy **£96.1bn**

Background

The UK's contribution to world cuisine can be all too easily caricatured. But there is in fact far more to British food than fish and chips and fried breakfasts. Indeed, the UK has a proud and diverse culinary heritage linked to a strong agricultural sector, and is known the world over for the quality of its produce. Traditionally based on home-grown beef, lamb, pork, chicken, fish, flour, butter and eggs, British food also incorporates a wide variety of seasonal fruit and vegetables, such as tomatoes, carrots, potatoes, apples and strawberries.

Crucially, the UK food industry has shown resilience during the economic downturn, with the agri-food sector contributing £96.1 billion a year to the UK economy. And while the total value of UK food and drink exports fell slightly in 2012 to £18.2 billion, this was still £5.6 billion more than in 2005. The industry also has ambitious plans to grow 20% by 2020 .

BRC audit scope and performance

The UK has 2,510 food manufacturing sites audited against the BRC Global Standards Food programme. Of those sites assessed in 2012, 86.9% recorded a Grade-A rating. This was the highest percentage across all regions and countries.

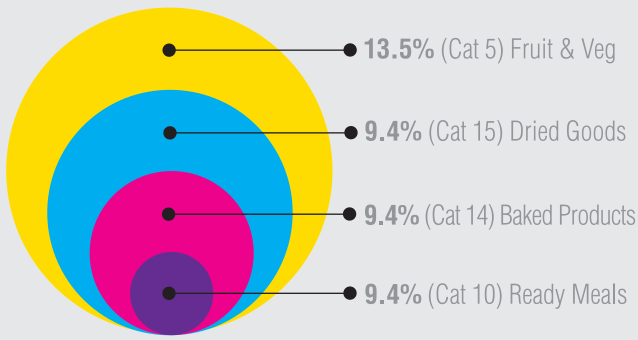
Audit categories

Although there was no singularly dominant category in the UK site audits, Fruit & Veg (Cat 5) was the most commonly occurring, representing 13.5% of all audits. There is a relatively even spread between Dried Goods (Cat 15), Bakery Products (Cat 14), Raw Prepared (Cat 3) and Ready Meals (Cat 10), with each accounting for between 9.4% and 11.9% of all audits. Interestingly, the UK currently accounts for almost 31% of all global Ready Meal (Cat 10) audits – more than double that of Italy. And yet, despite a strong affinity for baked beans and pickled onions, the Brits returned a low number of audits for Canned & Jarred Goods (Cat 11), and less than 40 audits for both Dry Cured (Cat 9) and Beverages (Cat 12).

Non-Conformities

The dominant Non-Conformities across all sites in the UK by and large reflect the global picture, concerned in the main with the identification and management of food safety hazards (Section 2, HACCP), Building Fabric (Section 4.4), Pest Control (Section 4.13) and Housekeeping and Hygiene (Clause 4.11). There is also room for improvement in plant and equipment Maintenance (Section 4.7). The most prevalent Major Non-Conformity concerned meeting due dates for renewal audits (Clause 1.1.8).

Most prominent audit categories



Strength and weaknesses

Overall the UK proved adept at managing food safety flowcharts (Clause 2.5.1). But it was less assured when it came to Documented Procedure (Clause 3.7.1), which was the second most commonly-occurring Minor Non-Conformity. Improvements also need to be made in the area of Training Records (Clause 7.1.4).

by region Europe South

3,633

total sites

8.5

Average minor non-conformities

BRC Global Standards. **Trust in Quality**

Europe South

Sample size **2,047 sites**

A grade % **73.8%**

Fruit & Veg is dominant

Background

The Southern Europe region encompasses a range of countries and food cultures, from Italy, Turkey, Greece and Cyprus in the Mediterranean, to Spain and Portugal on the Iberian Peninsula. As in Western Europe, meat and fish feature heavily in southern diets, while baking, fresh pastry and fruit and vegetables form prominent food sector subdivisions. With a favourable climate, Southern Europe is renowned for its healthy, high-quality raw produce and food products, although rising obesity rates suggest traditional diets are being abandoned in certain areas.

BRC audit scope and performance

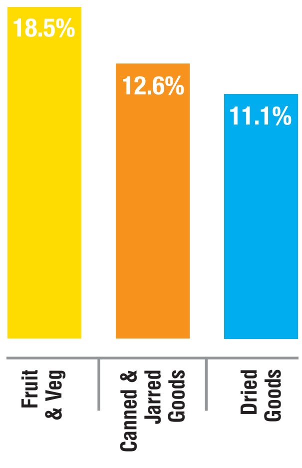
The Southern Europe audit sample comprised 2,047 food manufacturing sites, 80% of which are located in Italy and Spain. The remaining 20% are spread between Turkey, Greece, Portugal and Cyprus. During the 2012 audits, 73.8% of these sites achieved a Grade-A rating – although this figures rises to 80.3% if we remove low-scoring Spain from the picture.

80% of all audits located in Italy and Spain

Audit categories

Audits in Southern Europe covered a range of food categories. Dominant among these were Fruit & Veg (Cat 5), which accounted for 18.5% of all audits, Canned & Jarred Goods (Cat 11) (12.6%) and Dried Goods (Cat 15) (11.1%). Raw Poultry (Cat 2) and Cereals and Snacks (Cat 17), however, were underrepresented with fewer than 30 audits per category.

Top three audit categories



Non-Conformities

In terms of Non-Conformities, Southern Europe reflects the global picture, concerned in the main with the identification and management of food safety hazards (Section 2, HACCP), the suitability of Building Fabric (Section 4.4), Pest Control (Section 4.13) and Housekeeping and Hygiene (Section 4.11). The most prevalent Major Non-Conformity related to meeting due dates and deadlines for recertification audits (Clause 1.1.8), while there were on average 8.5 Minor Non-Conformities per site (7.7 excluding Spain).

The overall performance of Southern Europe is distorted somewhat by Spain, which recorded an exceptionally low Grade-A percentage rate and a high number of Minor Non-Conformities (see page X for more information). The region performed strongly in Documentation Control (Clause 3.2.1), but needs to make significant improvements in its Pest Control Surveys (Clause 4.13.8), which was the most commonly-occurring Minor Non-Conformity.

by country Italy

1,784

total sites

80.9%

A grades

Italy

Sample size **1,010 sites**

A grade % **80.9%**
(highest percentage across all regions and countries)

Food sector contribution to economy **€127bn**

Background

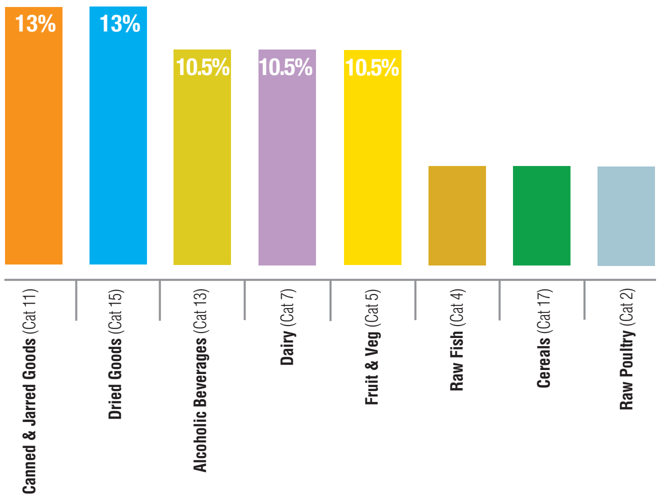
Italy is a food-lover's paradise. The country has a thriving food and drink sector and is renowned for the quality of its domestic produce. From raw materials to pre-processed products and wine, the sector accounts for 6% of Italy's total exports and employs 430,000 people (10% of Italy's manufacturing workforce). Baking and fresh pastry making is the largest food subdivision, followed by dairy, fruit processing and conservation. Overall the sector is highly profitable, turning over around €127 billion a year, €23 billion of which is generated by sales to international export partners.[1]

BRC audit scope and performance

Italy is the second-largest BRC-audited region. It has 1,784 food manufacturing sites audited against the BRC Global Standards Food programme, of which we have sampled 1,010. Of those Italian sites assessed, 80.9% achieved a Grade-A rating, which represents a strong performance.

Audit categories

They say the richness of Italian cuisine lies in its diversity, and audits in Italy certainly cover a range of raw materials and produce. The two dominant categories (both representing 13% of all audits) were Canned & Jarred Goods (Cat 11), containing products such as olives, and Dried Goods (Cat 15) such as pasta. Next were Alcoholic Beverages (Cat 13), Dairy (Cat 7) and Fruit & Veg (Cat 5), which each accounted for around 10.5% of the audits. Elsewhere, there was only minimal focus on Raw Fish (Cat 4), Cereals (Cat 17) and Raw Poultry (Cat 2), with these categories collectively accounting for less than 1% of the audited sites.



Non-Conformities

The Non-Conformities recorded in Italy generally reflect the global picture. There is an average of 7.7 minor Non-Conformities per site, while the most commonly-occurring major Non-Conformities related to the identification and management of food safety hazards – Section 2, HACCP.

average of 7.7 minor non-conformities per site

Strengths and weaknesses

Overall, the Italian sites audited by BRC demonstrated good documentation control. The sites have effective document control systems in place, meeting the requirements of audit Section 3.2, ensuring that correct document versions are available and in use.

But work needs to be done on Pest Control (Section 4.13). In particular, documented pest control surveys (Clause 4.13.8), which have to be undertaken frequently to review the control measures in place, need to be improved. The Italian sites performed badly here, with 4.13.8 their most commonly-occurring Minor Non-Conformity clause.

Additionally, senior Management Meetings are evidently not always a priority. Specifically, Italian sites underperformed on Clause 1.1.4, where companies need to demonstrate commitment to a "demonstrable meeting programme which enables food safety, legality and quality issues to be brought to the attention of senior management."

[1] Based on 2011 figures; source: http://www.eurofound.europa.eu/eiro/studies/tn1207014s/it1207019q.htm

by country Spain

1218

total sites

10.6

Average minor non-conformities

Spain

Sample size	640 sites
A grade %	57.9%
Food share of all merchandise exports	14.37%

Background

Tapas, paella, cured ham, citrus, chorizo. Spanish cuisine and produce is renowned the world over. In fact many people in Spain are looking to food and drink exports to lighten the country's economic gloom . In 2011, the value of food exports in Spain (as a percentage of all merchandise exports) was 14.37% ; and in 2012 food and beverage exports from Spanish companies were up 9.4% to 22.07 billion for the first time . The European Union is the main export destination for Spanish exports (68.3%), followed by the United States (4.3%), China and Hong Kong (2.6%), Russia (2.4%) and Japan (1.8%), with pork, wine, olive oil, fish and olives among the top export products.

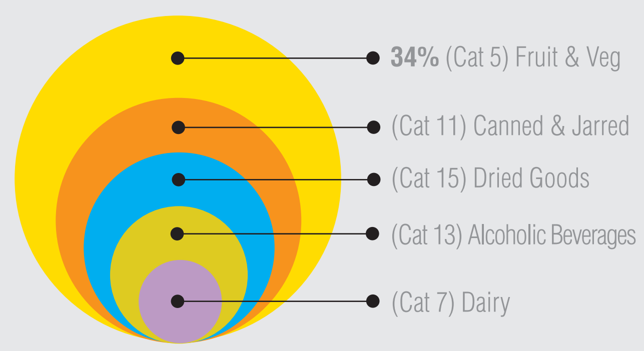
BRC audit scope and performance

In Spain 1218 food manufactures were audited as part of the Global Standards programme. Of the 640 sites sampled, only 57.9% recorded an A Grade rating. This is the lowest score for Europe and second-lowest globally after China; a performance which is at odds with the high quality of Spanish raw materials and produce.

Audit categories

The dominant category across the food sites in Spain was Fruit & Veg (Cat 5), which accounted for 34% of all audits. Thereafter, the categories were fairly evenly spread among Canned & Jarred Goods (Cat 11), Dried Goods (Cat 15), Alcoholic Beverages (Cat 13) and Dairy (Cat 7).

Most prominent audit categories



Non-Conformities

Spain's low Grade-A rating is attributable to the large number of Minor Non-Conformities recorded, with 37% of the audited sites containing more than 10 Minors – significantly higher than the 19% global average. Elsewhere, the Spanish sites' dominant Major Non-Conformity related to the identification and management of food safety hazards (Section 2, HACCP), and here again the number of Non-Conformities was higher (+2.5%) than the global average. Supplier Management (Clause 3.5.1) featured regularly, too, with Documented Supplier Approval and Monitoring System (Clause 3.5.1.2) the second most-commonly occurring Minor Non-Conformity, also significantly higher than in other countries.

37% of audited sites had more than **10** minor non-conformities

Strengths and weaknesses

While supplier management and documentation (Clause 3.5.1) and food safety planning (Section 2, HACCP) exposed sites' shortcomings in Spain, there was a strong performance in Equipment Design and Construction (Clause 4.6.1).

> *"We have noticed since the beginning of the economic crisis that lots of companies have decreased from Grade A to Grade B. Talking with them, most of the time is due to a lack of personnel to control more effectively…the Standard."*
>
> Rosa Gomez, BV Espana

by region Europe East

826

total sites

7.9

Average minor non-conformities

Europe East

Sample size **472 sites**

A grade % **72.8%**

Dried goods are dominant

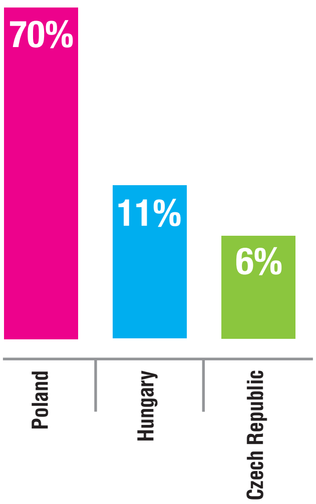
Background

The Eastern European food industry offers up a rich culinary stew of raw produce and food products. From the fish and seafood of the Baltic Sea and the wild game and mushrooms of ancient forests, to the smoked hams and sausages of Poland and the breads and dumplings of Hungary, Eastern Europe has a proud tradition of both hearty and refined cuisine. Fertile farmlands also yield a wealth of grain, fruits and vegetables, with potatoes, cucumbers, kohlrabi, peppers, dill, apples and pears offering additional export potential.

BRC audit scope and performance

In Eastern Europe, 472 food sites were sampled as part of the BRC Global Standards Food programme in 2012. Of these sites, 70% are located in Poland, 11% in Hungary and 6% in the Czech Republic, with the remainder spread across Serbia, Slovakia, Romania, Bulgaria and Lithuania. Following the sample site audits, the region as a whole delivered a 72.8% return of Grade-A ratings, with particularly strong performances coming from Hungary (87% Grade-A sites)

BRC Main audit countries in Europe East



Audit categories

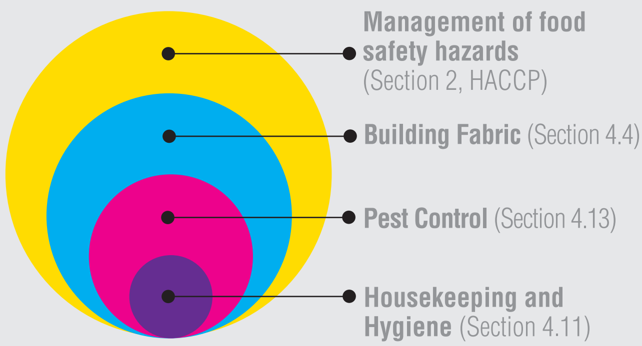
The dominant audit categories across Eastern Europe are Dried Goods (Cat 15) and Prepared Fruit (Cat 6), which each accounted for around 11% of the total sample audits. Notably underrepresented categories, meanwhile, include Beverages (Cat 12) and Oil & Fats (Cat 18).

Non-Conformities

The dominant Non-Conformities across all sites in Eastern Europe by and large reflect the global picture, concerned in the main with the identification and management of food safety hazards (Section 2, HACCP), the suitability of Building Fabric (Section 4.4), Pest Control (Section 4.13) and Housekeeping and Hygiene (Section 4.11). The average number of Minor Non-Conformities per site was 7.9.

Sites in Eastern Europe were better on average at managing Non-Food Chemical Control (Clause 4.9.1.1), but bad at Documented Handling Procedures for glass, brittle plastics, ceramics and similar materials (Clause 4.9.3.2). Improvements also need to be made in the monitoring and management of supplier services (Clause 3.5.3.1), which was the region's most commonly-occurring Minor Non-Conformity.

Main Non-Conformities across the region



by country Poland

525

total sites

7.7

Average minor non-conformities

Poland

Sample size	302 sites
A grade %	76.6%
Food exports value	£17.48bn

Background

Poland has emerged as a major player in the global food export market, with strong growth potential for the future. The Polish agri-food sector employs around 400,000 people, and since the country's accession to the European Union in 2004 sales of Polish produce have been climbing steadily. Food exports, valued at 17.48 billion in 2012, now account for 12.3% of the country's overall foreign sales.[1]

Although famed for its hearty and high-quality cuisine, which typically features pork, chicken, beef, bread, sausages, beetroot, sauerkraut, pickles and mushrooms, Poland received a reputational bruising during the European horsemeat scandal. However, while the negative media attention has threatened to impact demand in Europe, growth markets in the east have opened up new export opportunities.

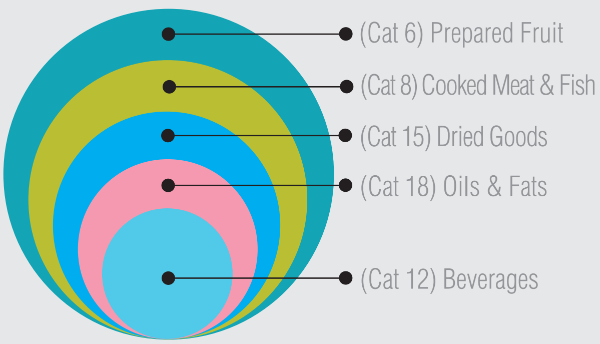
BRC audit scope and performance

In Poland 525 food manufactures were audited as part of the Global Standards programme. Of the 302 sampled 76.6% recorded an A Grade rating in 2012.

Audit categories

The main categories across food sites in Poland were Prepared Fruit (Cat 6), Cooked Meat & Fish (Cat 8) and Dried Goods (Cat 15), which each contributed around 10% of the audits. There was, however, only minimal focus on Oils & Fats (Cat 18) and Beverages (12), with less than 10 audits in each category.

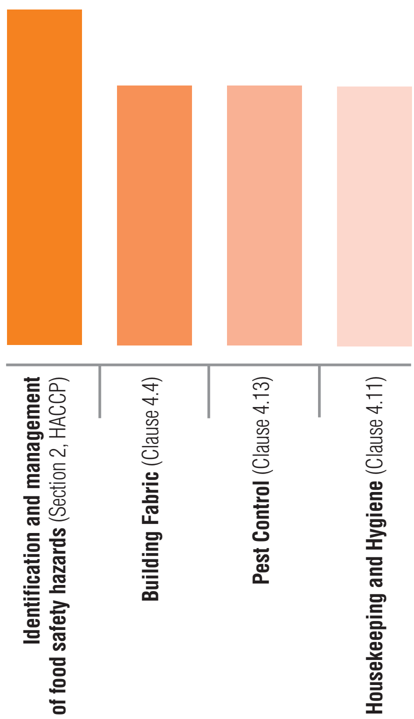
Most prominent audit categories



Non-Conformities

The dominant Non-Conformities across all sites in Poland closely reflect the global picture, concerned in the main with the identification and management of food safety hazards (Section 2, HACCP), the suitability of Building Fabric (Section 4.4), Pest Control (Section 4.13) and Housekeeping and Hygiene (Section 4.11). Additionally, there were on average 7.7 Minor Non-Conformities per site.

Most dominant Non-Conformities



Strengths and weaknesses

Overall Polish sites had fewer issues in managing nonfood chemicals (Clause 4.9.1.1); globally, this is the second most commonly-occurring Minor Non-Conformity, but was a lowly fifteenth across the Polish sites. But there was room for improvement in Documented Handling Procedures for glass and similar materials (Clause 4.9.3.2), which was the most frequent Minor Non-Conformity in Poland (typically fifth worldwide).

[1] http://www.ft.com/cms/s/0/db19979e-b702-11e2-a249-00144feabdc0.html#axzz2fLRFJcnz

> ***"There is still a lack of properly implemented foreign body control procedures either in the area of glass / brittle materials, as in Clause 4.9.3.2, or in area of foreign body detection (Section 4.10)."***
>
> Miroslav Suska, Qualifood

by region Europe West

3,091

total sites

8.7

Average minor non-conformities

BRC Global Standards. **Trust in Quality**

Europe West

Sample size **1,648 sites**

A grade % **72.9%**

meat is prominent

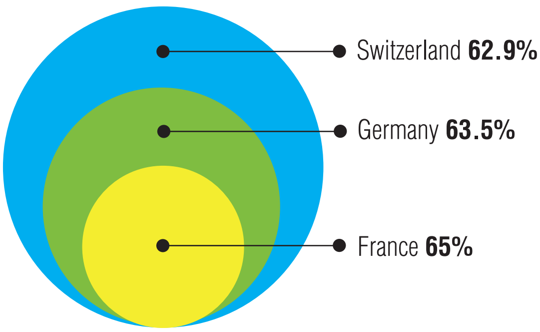
Background

Certain culinary practices are widespread in Western Europe. Meat, for example, is prominent and substantial in serving size; many dairy products are used in cooking processes, while wheat-flour bread, pasta and potatoes are commonly used as sources of starch. But more generally the region's gastronomic landscape is rich and varied. From the cured meat and sausages of Europe's leading food producer, Germany, to the olives, grapes, cheeses and wines of France, to the beef, lamb and dairy foods of Ireland, Western Europe offers a veritable cornucopia of produce to the international export market.

BRC audit scope and performance

The Western Europe audit sample comprises 1,648 food manufacturing sites spread across the Netherlands, Germany, France, Belgium, Austria, Ireland and Switzerland. Of those sites audited in 2012, 72.9% achieved a Grade-A rating. Reflecting the region's culinary diversity, there was little consistency in performance, with low Grade-A returned in some countries, such as Switzerland (62.9%), Germany (63.5%) and France (65%), and high scores in others, such as the Netherlands (81.3%).

Low A-Grade returned



Audit categories

Audits in Western Europe covered a range of food and beverage categories. The most dominant among these were Dried Goods (Cat 15), Dairy (Cat 7), Bakery Products (Cat 14) and Fruit & Veg (Cat 5). There were of course exceptions; in the Netherlands we focused mainly on Fruit & Veg (Cat 5), while in Ireland Raw Prepared (Cat 3) was top of the BRC audit list. And in France, Alcoholic Beverages (Cat 13) was the second most audited category, reflecting the country's dominant performance in the global wine industry.

Germany most likely has many fruit and vegetable sites serving its domestic market, but far fewer focused on exports – which is perhaps why only four Fruit & Veg (Cat 5) sites took part in the 2012 sample audit. Meanwhile, across the region there were less than 50 sites specialising in Raw Fish (Cat 4), Beverages (Cat 12) and Oils & Fats (Cat 18).

Non-Conformities

The dominant Non-Conformities across all sites in Western Europe by and large reflect the global picture, concerned in the main with the identification and management of food safety hazards (Section 2, HACCP), Building Fabric (Section 4.4), Pest Control (Section 4.13) and Housekeeping and Hygiene (Section 4.11). The average number of Minor Non-Conformities per site was 8.7.

"The relative high percentage of Grade-A companies can partly be explained by the long history of BRC in the Netherlands. Most companies already have BRC for 10 years [sic], and because of this are basically well aware of the requirements."

Paula Boult, SGS

by region Europe North

410

total sites

8.6

Average minor non-conformities

Europe North

Sample size **206 sites**

A grade % **68.5%**

Dried goods most audited category

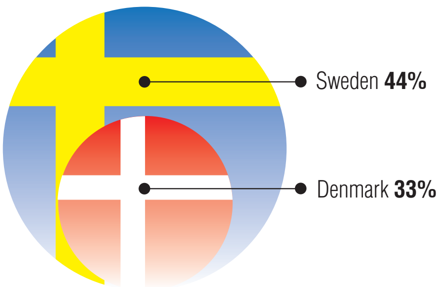
Background

Many people associate Nordic cuisine with the 'smorgasbord'; a long wooden table laden with rich, creamy dishes. In reality, the smorgasbord is a once-yearly feature of Nordic diets. In their day-to-day consumption, Northern Europeans tend to eat a healthy selection of wild fish, game, meatballs, soups, native berries and cold-climate vegetables such as beetroots, kale, cauliflower, cabbage, turnips and potatoes. Specialising in food produce that can endure in cold weather, Northern European exports often consist of smoked and pickled fish, cheeses, crisp-breads and niche products such as reindeer meat.

BRC audit scope and performance

Our Northern European audit sample comprised 206 food sites, of which 44% are located in Sweden and 33% in Denmark, with the remainder spread between Norway and Finland. Of these sites, 68.5% achieved a Grade-A rating in 2012, with Denmark the highest performer (76.4% Grade-As), and Norway the lowest (53.5%).

BRC Main audit countries in Europe North



Audit categories

Regionally, there was no singularly dominant audit type, although Dried Goods (Cat 15) did emerge as the most audited category, perhaps reflecting Northern Europeans' fondness for crisp-rolls and crackers.* And across a fairly broad spread of audit categories, Alcoholic Beverages (Cat 13) was the only notable absence.

* As wheat is hard to cultivate in northern climes, these products are often made from hardier grains such as barley and rye.

Non-Conformities

The Non-Conformities across all sites in Northern Europe by and large reflect the global picture. The identification and management of food safety hazards (Section 2, HACCP) was the most dominant, more than double the second most regularly-occurring Non-Conformity, which related to the suitability of Building Fabric (Section 4.4). The average number of Minor Non-Conformities per site was 8.6.

Overall, the Northern European countries performed well in the Documentation of Housekeeping and Hygiene (Clause 4.11.1). However, the site managers need to get their paperwork in order, with significant room for improvement in documented policies for Metal Control (specifically, sharp implements) (Clause 4.9.2.1), and Documented Supplier Approval and Monitoring (Clause 3.5.1.2).

Average Minor Non-Conformities in the Region

by country USA

1478

total sites

610

Building fabric non-conformities

USA

Sample size **916 sites**

A grade % **84.2%**

Food exports[1] **$137bn**

Background

Food has always been one of the USA's leading exports. But recently, with the Obama administration overcoming trade barriers and moving into new global markets, the USA has expanded its traditional grain-based exports to encompass a range of foods and products. These include non-bulk items like fruits, vegetables, nuts, meats and poultry, plus processed foods like dairy, beverages and frozen goods. Many of these products are being exported to meet demand from the rapidly-growing middle classes in the BRIC economies and elsewhere, and in 2011 the USA exported a record $137 billion worth of food.[1] With US beef and poultry being sent to China, cherries to Korea and potatoes to Costa Rica, the USA is now a huge growth area for global food exports.

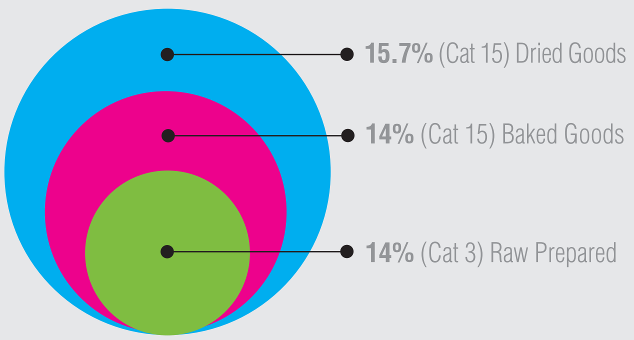
BRC audit scope and performance

In the US, 916 food sites were sampled as part of the BRC Global Standards Food programme in 2012. Of these, 84.2% achieved a Grade-A rating, which was the second highest global score after the UK.

Audit categories

The dominant categories in the USA were Dried Goods (Cat 15) (most probably featuring milling flour), which accounted for 15.7% of all audits, with Baked Goods (Cat 14) and Raw Prepared (Cat 3) both contributing 14% of the audits. The US was also responsible for 12% of all global audits of Dried Goods (Cat 15). There was a low return for Fruit & Veg (Cat 5), but this was due to the strength of BRC competition in the USA rather than a lack of sites.

Most prominent audit categories



Non-Conformities

Following the site audits, the suitability of Building Fabric (Clause 4.4) emerged as the most dominant Non-Conformity group in the USA, as in Canada. With 610 occurrences of Building Fabric Non-Conformity out of 916 audits, the USA exceeded the global average for missed criteria in this area by 2.6%, while its Non-Conformity rating for Document Control (Clause 3.2) was 1.7% higher than the global average. There was also an average of 6.8 Minor Non-Conformities per site.

Document Control
1.7% higher than global average

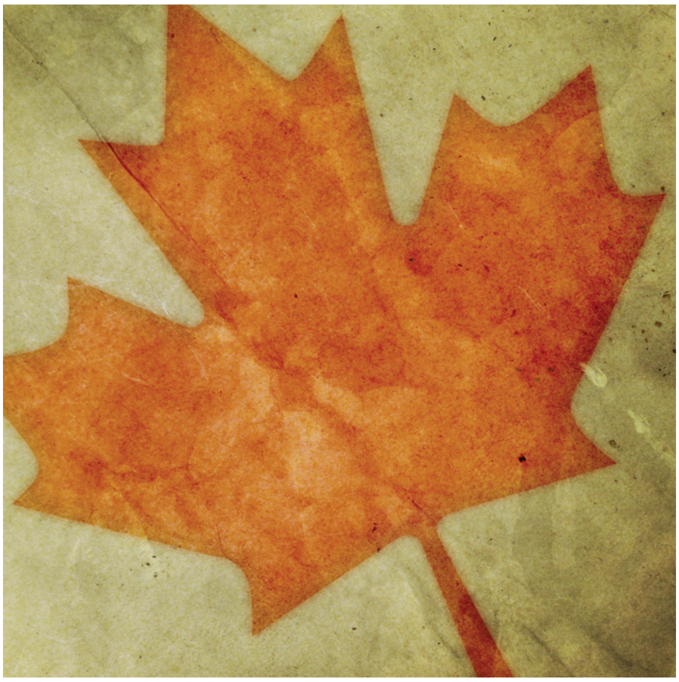
However, the USA displayed 1-1.4% fewer Non-Conformities in the identification and management of food safety hazards (Section 2, HACCP), Pest Control (Clause 4.13) and Housekeeping and Hygiene (Clause 4.11).

Strengths and weaknesses

The USA and Canada were better than the rest of the world in developing systems to manage food safety hazards (Section 2, HACCP), although this was still the second most prominent Non-Conformity group. There was a balanced spread of Major Non-Conformities, and no occurrences of the two globally predominant Majors: Audit Scheduling (Clause 1.1.8) and Supplier Management (Clause 3.5.3.1).

[1] http://www.foodlogistics.com/article/10657446/how-to-feast-on-the-us-food-export-boom-without-fear-of-credit-risk

by country Canada



404

total sites

8% lower than the US

grade A rating

BRC Global Standards. **Trust in Quality**

Canada

Sample size	269 sites
A grade %	76.1%
Grade A rating	3% higher than global average

Background

Canada boasts a wealth of natural resources and is one of only a handful of major net food exporters in the world. Beyond the clichéd associations of maple syrup and bacon, Canada produces a range of food materials and products, from the smoked deli meats of Montreal to the world-famous potatoes of Prince Edward Island. Other key Canadian produce includes cane and beet sugar, fruits, vegetables, snack foods, coffee, tea and wine. At present, the majority of Canada's livestock exports go the USA, as the country's continued policy of protective trade barriers means it is not yet able to fully explore the export markets of Asia and Europe.[1]

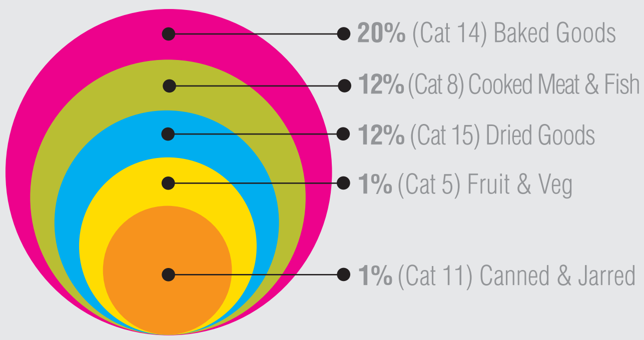
BRC audit scope and performance

In Canada 404 food manufactures were audited as part of the Global Standards programme. Of the 269 sampled 76.1% recorded an A Grade rating in 2012, which is 3% higher than the global average, but 8% lower than the USA. Canada's lag behind the USA can perhaps be explained by the fact that it had more audits in its first round of BRC certification.

Audit categories

During Canada's 2012 sample site assessments, Baked Goods (Cat 14) accounted for 20% of all audits (68 sites), while Cooked Meat & Fish (Cat 8) and Dried goods (Cat 15) each contributed 12%. Fruit & Veg (Cat 5) and Canned and Jarred Goods (Cat 11), meanwhile, each accounted for a mere 1% of all auditory activity, equal to seven sites apiece.

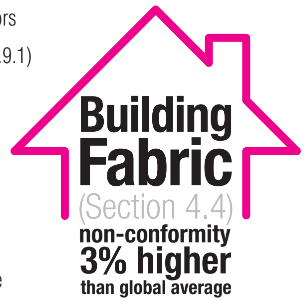
Most prominent audit categories



Non-Conformities

Following the site audits, the suitability of Building Fabric (Section 4.4) emerged as the most dominant Non-Conformity group in Canada – 3% higher than the global average.

Housekeeping and Hygiene (Section 4.11), Doors (Clause 4.4.9) and Chemical Control (Clause 4.9.1) were the most regularly occurring three Minor Non-Conformities, in line with the global average. The management of High Risk Areas and prevention of contamination (Clause 4.3.6) was the most frequently occurring Major Non-Conformity, although there were only three instances of failed criteria here across all site audits.



Strengths and weaknesses

In contrast to the rest of the world, Canada proved effective in developing systems to manage food safety hazards (Section 2, HACCP). In particular, Non-Conformities relating to Process Flow Diagrams (Clause 2.5.1) (the most common HACCP Non-Conformity globally) appeared in less than 1% of the Canadian audits.

[1] http://www.theglobeandmail.com/report-on-business/economy/economy-lab/canadas-food-exporters-are-hampered-by-protective-barriers-says-report/article13534316/

by country South Africa

167

total sites

73.2%

A grades

BRC Global Standards. **Trust in Quality**

South Africa

Sample size	87 sites
A grade %	73.2%
Food share of all merchandise exports	7.98%

Background

South Africa boasts a wealth of arable land, seven climatic regions and over 3,000 kilometres of coastline. This biodiversity enables the production of an equally diverse range of marine and agricultural products, from deciduous, citrus and subtropical fruit to grain, livestock, fish and game. Self-sufficient in nearly all major agricultural products, South Africa is also a net food exporter, with key export goods including maize, grapes, sugar, apples, wine, pears and quinces. And as of 2011, South African food exports accounted for 7.98% of all merchandise exports.[1]

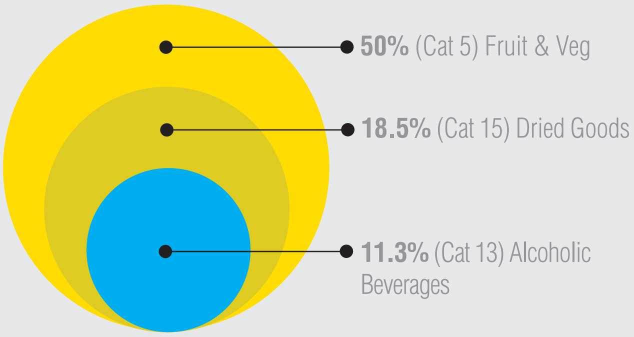
BRC audit scope and performance

In South Africa 87 food manufactures were sampled of the 167 audited against the Global Standards programme. Of those sampled 73.2% recorded an A Grade rating.

Audit categories

During the South African site assessments, the most dominant audit category was Fruit & Veg (Cat 5), which accounted for 50% of all audits. Dried Goods (Cat 15) was the next most dominant at 18.5%, followed by Alcoholic Beverages (Cat 13) at 11.3%. The BRC Standard is used predominantly to provide insurance for overseas customers and exportable products dominate.

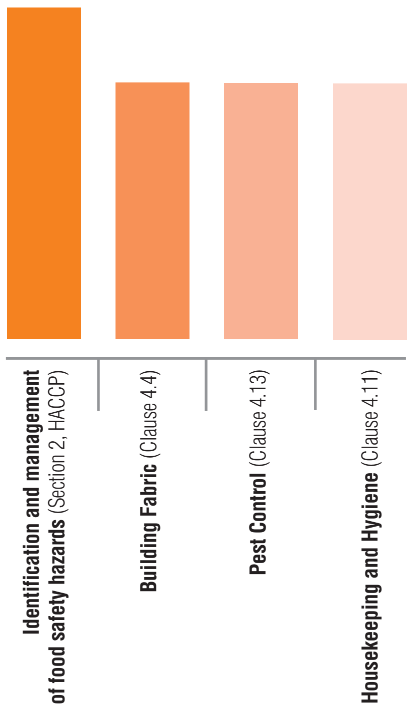
Most prominent audit categories



Non-Conformities

The most dominant Non-Conformity in South Africa related to the identification and management of food safety hazards (Section 2, HACCP). Other Non-Conformities reflect global trends, concerned primarily with the suitability of Building Fabric (Clause 4.4), Pest Control (Clause 4.13) and Housekeeping and Hygiene (Clause 4.11). There were also 6.4 Minor Non-Conformities on average per site.

Most dominant Non-Conformities



Strengths and weaknesses

South Africa performed well in Documented Cleaning Procedures (Clause 4.11.1), Doors (Clause 4.4.9) and Documented Handling Procedures (Clause 4.9.3.2), with only six occurrences of Non-Conformities in each of these areas – no small achievement, given that all three fall within the top five most commonly-occurring Non-Conformities globally.

[1] http://www.indexmundi.com/facts/south-africa/food-exports

"We have been providing very good public training workshops over the past few years, and the training has been sector specific, e.g. BRC training for Fresh Produce Packers, etc."

Wouter Conradie, NSF

by region Latin America

523

total sites

6.1

Average minor non-conformities

Latin America

Sample size **336 sites**

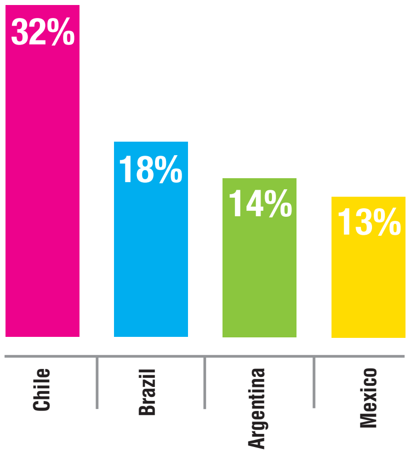
A grade % **85.5%**

Fruit & Vegetables strong

Background

Milk and meat consumption and production are of huge political and economic importance in Latin America. With abundant land and strong grain production, the rearing of livestock is widespread and meat such as beef, often considered a luxury in other parts of the world, is a staple for rich and poor alike. Brazil and Argentina are both leading players in the world beef market. And with increased demand for beef, pork and poultry from the burgeoning middles classes of China, meat exports from Latin America look set to continue into the future. But that's not all – fruit and vegetable production in the region is also strong, with Mexico in particular exporting large quantities of fresh fruit in recent years.

BRC Main audit countries in Latin America



BRC audit scope and performance

In Latin America, 336 food sites were sampled as part of the BRC Global Standards Food programme in 2012. Of these, 32% of which are located in Chile, 18% in Brazil, 14% in Argentina and around 13% in Mexico. Of those sites audited in 2012, an impressive 85.5% achieved a Grade-A rating, with Chile the lowest-scoring at 79.2% and Brazil the highest at 94% – both significantly above the global average.

Audit categories

Fruit & Veg (Cat 5) accounted for 20% of all audits through the region, 11.5% more than for Raw Red Meat (Cat 1).

Non-Conformities

The most dominant Non-Conformity group in Latin America related to the identification and management of food safety hazards (Section 2, HACCP). Senior Management Commitment (Section 1) to the implementation of safety standards was also a little lax, with Non-Conformities in this area 1.5% above the global average. Non-Conformities also occurred in the design, construction and maintenance of Building Fabrics (Section 4.4), although at a rate that was 2% lower than most other regions. The average number of Minor Non-Conformities per site was 6.1 – the lowest globally, reflecting the region's strong Grade-A rating percentage.

Overall, the Latin American sites recorded good Hygiene (Clause 4.11.1) scores (this was only the sixth most-common Minor Non-Conformity in the region, whereas it was the most regularly-occurring globally).

by region Southeast Asia

485

total sites

Thailand - 62.7%
Vietnam - 82%

A grades

Southeast Asia

Sample size **310 sites**

Average minor Non-Conformities in the region **8.4**

rice is prominent

Background

Traditional Southeast Asian food products and exports include vegetables, fish and grains – predominantly rice. With abundant paddy fields and a favourable climate, certain countries in the region are among the world's leading rice producers. Thailand, for example, was once the number-one global rice exporter (although third now behind India and Vietnam), and produces a longer-grain rice much in demand in Iran and West Africa. But in 2012 Thailand shipped only seven million tonnes overseas[1], and in 2013 the Thai Government decided to slash rice prices in order to clear its stockpiles, presenting a major challenge to local exporters[2]. At the same time, rising prosperity in the region means that diets are diversifying, with increasing demand for meat and dairy likely to impact markets both domestic and foreign.

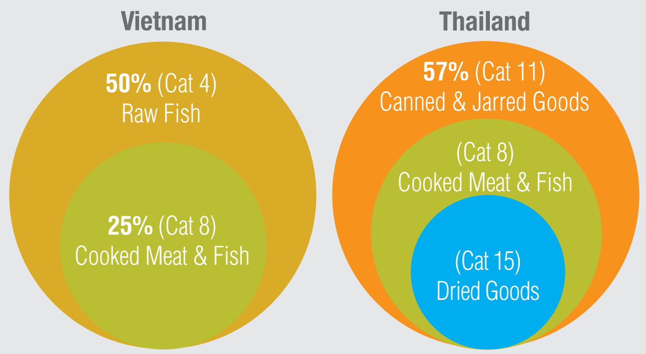
BRC audit scope and performance

The Southeast Asian audit sample included 310 food sites, with contrasting performances across the participating countries. Vietnam, for example, achieved an 82% Grade-A rating, which is above the global average, while Thailand scored 62.7%, which is below average.

Audit categories

Overall, Southeast Asia accounted for the largest number of Cooked Meat & Fish (Cat 8) audits globally, and the second largest number of Raw Fish (Cat 4) audits after China. Vietnam was a case in point, with 50% of the country's audits focusing on Raw Fish (Cat 4), and 25% on Cooked Meat & Fish (Cat 8). In Thailand, on the other hand, 57% of the audits were split evenly between Canned & Jarred Goods (Cat 11), Cooked Meat & Fish (Cat 8) and Dried Goods (Cat 15).

Most prominent audit categories

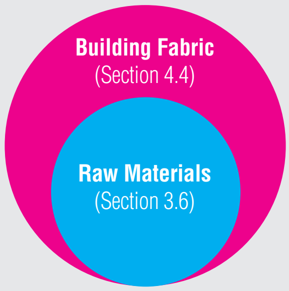


Non-Conformities

There was no single dominant Non-Conformity in Southeast Asia, although the most dominant Non-Conformity group was Building Fabrics (Section 4.4), which relates to the design, construction and maintenance of food site buildings. Specifications (Section 3.6) for raw materials, also appears to be an area for improvement across the region, while there were on average 8.4 Minor Non-Conformities per site.

However, the Minor Non-Conformities did not follow the global pattern: Specifications for Raw Materials and Packaging (Clause 3.6.1), which appears infrequently elsewhere (typically 40th), was the most commonly-occurring Minor in Southeast Asia, and Control of Operation (Clause 6.1.2) the third most common (typically 59th globally). Meanwhile, Southeast Asian sites proved good at management of non-food chemicals (Clause 4.9.1.1), which is a weak area for most countries, usually ranking second among commonly-occurring Minors.

Most prominent Non-Conformities in the Region



Average Minor Non-Conformities in the Region

[1] UN Food and Agriculture Organisation (FAO)
[2] http://www.nationmultimedia.com/aec/Vietnam-suffers-amid-Thai-rice-sell-off-30214963.html

"Regarding chemical control, for around five years the Government has regulated… most factories to have a "Safety Officer" at each location, so that is why all chemicals are controlled [in Thailand]."

Paula Boult, SGS

by country China

1,166

total sites

25.5%

A grades

China

Sample size	**749 sites**
A grade %	**25.5%** (lowest percentage across all regions and countries)
Annual meat consumption	**71m tonnes**

Background

Over the last three decades, China's economic rebirth and industrial transformation has had a major impact on the country's dietary habits. A burgeoning middle class and rising prosperity has led to growing demand for beef, pork and poultry. In fact, China's annual consumption of meat has risen from eight million tonnes in 1978 to 71 million tonnes today[1] (which is more than double the amount eaten annually in the US), while milk and other dairy products are also playing a more prominent role in daily diets. Overall, the Chinese food industry is growing at around 20% annually[2], and as of 2011 Chinese food exports accounted for 2.85% of all merchandise exports[3]. However, as this report shows, the sector continues to be dogged by concerns over quality, hygiene and safety.

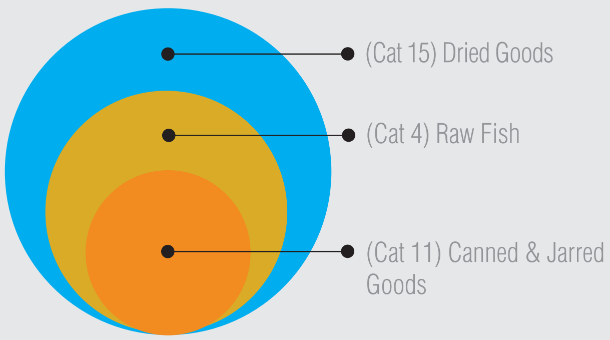
BRC audit scope and performance

In China 1,166 food manufactures were audited as part of the Global Standards programme. Of the 749 sampled Only 25.5% recorded an A Grade rating in 2012, which is the lowest score globally. This poor performance was driven by an exceptionally high volume of Major Non-Conformities, with almost 50% of all audits failing to satisfy key criteria.

Audit categories

The Chinese sample site assessments were generally in response to overseas customer requirements and were dominated by three categories: Dried Goods (Cat 15), Raw Fish (Cat 4), Canned & Jarred Goods (Cat 11). These long shelf-life products accounted for around 65% of all Chinese audits.

Most prominent audit categories



Non-Conformities

The dominant Non-Conformities across all sites in China reflect global trends, concerned in the main with the identification and management of food safety hazards (Section 2, HACCP), the suitability of Building Fabric (Section 4.4), Pest Control (Section 4.13) and Housekeeping and Hygiene (Section 4.11). However, China accounted for 30 of the 33 Major Non-Conformities recorded globally relating to Managing Supplier Services (Clause 3.5.3.1), and 18 of the 26 Major Non-Conformities relating to Metal Control (Clause 4.9.2.1). Meeting due dates and deadlines for recertification audits (Clause 1.1.8) was also an area of concern.

China accounted for 30 of the 33 major non-conformities Managing supplier services clause 3.5.3.1

Additionally, there were on average 8.7 Minor Non-Conformities per site, which is above the global average, and a notably lower rate of Non-Conformities relating to Internal Audit (Section 3.4) (1.4%, which is half the global average percentage).

Strengths and weaknesses

Overall, China contributed 31% of all Major Non-Conformities – that's more than double the number recorded in the UK, but from almost half as many site audits. But it wasn't all doom and gloom, with a good performance reported in Document Control (Clause 3.2.1).

[1] Earth Policy Institute, 2012, http://www.earth-policy.org/plan_b_updates/2012/update102

[2] http://blogs.nottingham.ac.uk/chinapolicyinstitute/2012/05/14/a-bright-future-for-the-chinese-food-and-drink-industry-guang-ming-buys-weetabix/

[3] http://www.indexmundi.com/facts/china/food-exports

"There are very strict [internal] requirements for meat exporting, so that is why so few suppliers go to BRC..."

"Supplier management is the weak point in China; most companies take care of their own operations rather than [that of their] service providers."

Michael Zhu, SGS

Food Safety - **A Global View**

Glossary

Here we provide explanations of some of the key phrases used in this report, and in particular the top ten Non-Conformities encountered during the BRC Global Standard Food audits in 2012.

Clause

Within each Section, a 'Clause' refers to a specific performance issue. For example, within HACCP Clause 2.3.1 is concerned with Product Description.

Directory

The Global Standards Directory hosts all of the BRC audit reports. The public area of the Directory is a fully searchable source of all BRC-certificated sites. In a password-protected area, certificated sites can share their audit reports with their customers. Retailers and specifiers use the Directory as part of their supply chain management.

Major Non-Conformity

A 'Major Non-Conformity' refers to a scenario in which there is a substantial failure to meet the requirements of a 'statement of intent' or any clause within a specified Standard. It can also refer to a situation which would, on the basis of available objective evidence, raise significant doubt as to the conformity of the product being supplied.

Minor Non-Conformity

A 'Minor Non-Conformity' refers to where a clause in the Standard has not been fully met but, on the basis of objective evidence, the conformity of the product is not in doubt.

Section

A 'section' refers to an overall area of the BRC Global Standards Food programme, for example Section 2: HACCP – or The Food Safety Plan – which covers the identification and management of food safety hazards.

BRC Global Standards

21 Dartmouth Street, London SW1H 9BP

T. +44 (0)20 7854 8900 **F.** +44 (0)20 7854 8901 **E.** info@brcglobalstandards.com

www.brcglobalstandards.com

BRC Global Standards. **Trust in Quality**