



Protecting your brand from fish and seafood recalls





Seafood is making a big splash with health-conscious consumers. In fact, seafood sales were up 28.4% in 2020 – the leading food category in terms of grocery sales growth during the pandemic. That growth is likely to continue as 74% of seafood consumers, and 43% of non-seafood consumers, express a desire to learn more about the nutritional benefits of seafood.

As consumers look to add more varied protein sources to their diets, it's only natural to swap "turf" for "surf." Since fish and seafood are top picks for nutrient-dense, low-calorie recipes, the industry is encouraged to cast a wide net and make sure their products are more available.

The latest subscription meal plans give consumers an easy way to purchase and prepare fish and seafood right at home. Plus, there's an ever-expanding market for new restaurant menu trends, as well as ready-to-eat meals at grocery stores.

But this growth presents increased risk. No matter where consumers get their fix for fish, consumers want to know that their protein is safe. In the event of a recall, it can be difficult for brands to maintain customer loyalty and compete.

The seafood Hazard Analysis Critical Control Point (HACCP) regulation requires processors to identify potential hazards, yet developing the proper action plans can be a challenge. In order to reel in a recall situation, companies must know how to mitigate their food safety risks and manage communication and logistics effectively.

Mismanaging a recall can have serious consequences for a company's brand and bottom line, including:

- Regulatory fines
- Civil lawsuits
- Criminal prosecutions
- Loss of customer trust and loyalty
- Charge backs and other fees incurred from retailers

With so much at stake, it is important that companies understand the most common causes of recalls within their industry, keep up to date with the changing regulatory environment and prepare for the likelihood of a recall by developing a comprehensive plan.

Recall risk landscape



Seafood recalls accounted for 7.5% of all U.S. Food and Drug Administration (FDA) food recalls from 2015-2020, with 211 seafood companies affected by a recall event.

Bacterial contamination was the leading reason for seafood recalls in the U.S. from 2015-2020. But in 2020 alone, the top reason for seafood recall events was undeclared allergens such as milk, egg and wheat – more than doubling the number of recalls caused by bacterial contamination that year. Undeclared allergens was also the leading cause of recalls in terms of units impacted from 2015-2020, while bacterial and quality concerns led 2020 recalls in terms of units. These are common risks for processed or prepared foods. These events are often a result of mislabeling issues, but can also be caused by ingredient suppliers.

Mislabeled seafood or fish can also rock the boat, even when allergens aren't involved. The FDA's guidance in The Seafood List is designed to help manufacturers with the labeling process, but complications and changes in the vernacular can make it difficult to stay current. Seafood is incredibly diverse, and it's common for a single species to have multiple names. High-profile cases of restaurants serving misidentified fish have caused concerns about other misinformation across the industry. Brands that stay informed of the acceptable market names can help consumers identify their products and keep off the hook with any compliance issues.

Understanding rules and regulations for food handling and processing allows companies to deliver on their quality promises. In order to do this, though, they need to have insight on what could go wrong during production, packaging and distribution. Planning ahead is key for food safety. Sensitive products like fish and seafood require special care to make sure recall scenarios are both avoided and swiftly managed when they do occur.

Recall management

When a food recall is announced, even established brands can feel like a fish out of water. That's because the task of managing the details of a recall situation is dramatically different from a company's regular day-to-day operations.

An effective product recall quickly removes impacted products from shelves and restores consumer confidence. If not executed properly, this step can expose companies throughout the supply chain to potential litigation and brand damage. To compete in this ever-changing environment, fish and seafood companies need a combination of unparalleled experience, field-based services and data-driven technology.

As supply chains and industry regulations increase in complexity, fish and seafood recalls are bound to happen. Companies facing recalls will need to effectively execute critical recall tasks such as:

- **Satisfying complex regulatory compliance obligations.** Companies must understand the regulatory environment, effectively communicate the recall to those affected, choose the right remedy and close out the recall as quickly as possible. This requires accurate, detailed recordkeeping from the first complaint investigation through to product disposal.
- **Identifying and notifying affected parties throughout the entire supply chain.** Companies must alert distributors, wholesalers, retailers, customers and other stakeholders in order to ensure affected product is no longer sold. Depending on the level of severity, a news release may also be required to notify the public. A combination of notification services, contact center support and an agile, global product removal team make the difference between a successful recall and a brand in crisis.
- **Coordinating seamless communication with all parties through a multi-channel communication center.** Once the recall is announced, it is critical to have an effective means of responding to consumer questions, including a well-staffed contact center and a dedicated website. A third party may be required to assist with this, depending on the scope of the issue. Customers should be advised of what action they should take and informed of what the remedy will be, such as a reimbursement or refund.

- **Evaluating claims and executing remedies.** When evaluating claims, companies should consider whether offering reimbursement and other remedies that go beyond standard compensation would help protect the brand.
- **Managing recall logistics and product reconciliation.** It is important to quickly coordinate shipment returns from distribution centers and remove affected products from store shelves. In doing so, the instructions for handling recalled products must be crystal-clear. Otherwise, companies can end up throwing other profits down the drain by removing non-recalled products with similar packaging or different batch, lot or code numbers. A field force can also help keep this type of shelf sweeping from occurring. Companies must also consider how they will handle, document and sustainably dispose of any returned product so it is never combined with unaffected product, inadvertently reentering the marketplace.
- **Conducting on-site effectiveness checks and monitoring compliance with product handling requirements through quality audits.** As affected product is removed from the market, effectiveness checks should be performed to validate the process and ensure data is accurately collected for regulatory reporting.

As an added twist, grocers that sell under a private label are held to the same standards as seafood producers themselves. Ensuring compliance with the complex requirements of a global marketplace requires extra attention. In this competitive market, any food preparation slip-ups need to be dealt with promptly in order to maintain a strong company image.

Scrambling to keep the public up to date while overseeing these details can be a logistical whirlwind. That's why it's important to have a recall plan already in place. When company departments, distribution partners and consumers are educated in the proper order, it's easier for brands to ride the wave of a recall and avoid any extra public scrutiny.

Manufacturers and retailers can ensure the quick removal of all affected products from stores by proactively defining a recall management process before events occur. Organizations that take swift action in putting their recall plan into effect are best positioned to mitigate risk and prevent irreparable brand damage.

Recall planning



Creating and maintaining a recall plan– and then testing that plan with mock recalls – should be a top priority.

The plan should include:

- **A designated recall management team with specific responsibilities.** This will help hold individuals accountable for their role in effective recall execution.
- **Consumer complaint evaluation and investigation process.** Companies should determine the process for identifying the root cause of the issue. Companies must also have a detailed plan for determining the nature of the health hazard, with guidelines for actions and remedies necessary depending on the severity of the risk.
- **Process for accurate recall scoping.** Companies need to be prepared to quickly and accurately identify where the product is being sold and how to get it off shelves, out of homes and back to the company for storage and ultimate destruction.
- **Notification procedures for informing regulatory agencies involved and partners upstream and downstream.** It is important to consider the pressures and challenges facing retailers, who may feel compelled to respond to product shortages, recalls and other supply related issues by reallocating shelf space or discontinuing a product line entirely. Failure to take this into account when working with your customers may keep your products off store shelves. If the product is sold direct to consumer, companies should be prepared to handle the complexities of an e-commerce recall.
- **Consumer engagement plan.** Communicating with consumers under normal business conditions is more challenging than ever before. But when food safety concerns make headlines, these challenges increase exponentially. Intense media coverage often leads to a deluge of calls, even from customers who have not purchased or consumed the product in question. Plan now for how to provide immediate, concise and helpful information to consumers and customers across all communications channels. The ability to do so will build rapport and trust with customers while significantly reducing potential miscommunication and opportunities for error.
- **Reverse logistics and product handling process.** Determine how to effectively remove products throughout the supply chain in a way that minimizes risk to manufacturers and grocers around the globe. Consider reconciliation, storage and disposal requirements once the product is retrieved.
- **Process for identifying and providing recall remedies.** When it comes to recall remedies, companies have several options available. A full refund or coupon for replacement is a common option. Be prepared for when a health issue arises, as many consumers will appeal for reimbursement of medical-related costs.
- **Detailed method for closing out the recall.** This depends on detailed data for regulatory reporting. Too often companies need to expand a recall after an initial announcement. These organizations have a much harder time recovering from the regulatory, retailer and consumer fallout. But effective recall planning – from initial investigation through to event close-out – can mitigate these risks.

By starting with a robust recall insurance policy and a comprehensive recall preparedness strategy, companies big and small are better suited to handle these complex scenarios. Delivering high-quality products is easier when the proper regulatory reporting data is organized and ready at a moment's notice.

Conclusion

In the food industry, recalls come with the territory, so it's often not a matter of if that storm will hit, but when. Having expert advice throughout the entire process can help mitigate risks to consumers and companies alike.

Brands that are willing to tackle recall management plans before problems arise are better equipped to navigate the challenges with confidence. In these time-sensitive situations, having recall insurance and a detailed recall plan already in place can save a lot of headaches.

With a robust recall insurance policy and a comprehensive recall preparedness strategy, companies big and small can handle the choppy waters of these complex scenarios.

