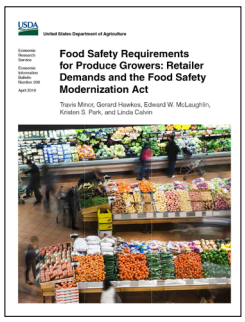
United States Department of Agriculture

A report summary from the Economic Research Service April 2019



Food Safety Requirements for Produce Growers: Retailer Demands and the Food Safety Modernization Act

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What Is the Issue?

Foodborne illness linked to contaminated produce is a public health concern. The Food Safety Modernization Act (FSMA), signed into law in 2011, is the Federal Government's most recent effort to reduce the risk of microbial contamination that can cause human illness. The law's "Standards for Growing, Harvesting, Packing, and Holding of Produce for Human Consumption," commonly known as the "Produce Rule" (PR), may pose a challenge for farms that grow produce and sell into retail markets.

While the PR is the first Federal regulation focusing on microbial food safety at the farm level, it is not the first effort to improve the safety of produce. Commercial buyers (retailers, foodservice firms, and produce processors) have demanded certain food safety practices from growers for years. Produce growers and grower organizations have also been instrumental in raising food safety standards.

Retailers play an increasingly active role in food safety programs because they are often the final point of contact for consumers before they eat the food, and so consumers may associate the food with the retailer. While the PR does not specifically call for retailers to do anything, retailers have long required growers to have third-party food safety audits, which have helped shape the food safety landscape.

Information on the retail sector is scarce because retailers' competitiveness and disclosure concerns make them difficult to survey. This report represents a first look at this part of the produce supply chain. Using information from interviews with nine diverse retailers prior to the 2018 implementation of the PR, it focuses on the role of retailers in the development and implementation of food safety standards for produce. It covers the food safety requirements imposed by retailers on their produce suppliers, how the requirements evolved, if the requirements will change when the PR is implemented, and whether retailers will demand more than the PR requires.

What Did the Study Find?

Retailers have required food safety audits for decades to minimize their risk of being associated with a foodborne illness outbreak.

- The PR does not require third-party audits, although it does "recognize the role that third-party audits can play in promoting food safety." All nine retailers interviewed require audits from their suppliers, although one does not apply the requirement to its smallest suppliers. The retailers expect to continue to require third-party food safety audits to certify that growers conform to the PR.
- Three retailers interviewed require the same types of audits for all their suppliers, large and small. Three retailers allow smaller suppliers to use less demanding reviews. The remaining retailers obtain food safety certifications from wholesalers, which often apply standards uniformly. The PR does not apply to certain small growers.
- Interviewed retailers require audits for all produce and may require more stringent audits for commodities they perceive to carry a greater risk for foodborne illness outbreaks. The PR does not cover certain commodities rarely consumed raw, such as potatoes and beets, but most of the retailers require audits for these commodities as well.
- Some of the retailers have lost suppliers in the past when new food safety standards were introduced because of the increased cost of compliance. They expect this may happen again, particularly for their smaller suppliers.
- Retailers believe implementation of the PR will not drastically affect their growers. Rather, they expect the PR to have its greatest impact on produce growers outside these supply chains (direct-to-consumer sellers, smaller retail suppliers, and other less traditional sellers).

How Was the Study Conducted?

Researchers at Cornell University interviewed retailers using questions developed jointly with USDA, Economic Research Service (ERS) economists. The interviews complied with U.S. Office of Management and Budget rules requiring clearance only for surveys of more than nine people. Interviews were conducted by phone from December 2016 through February 2017. The retailers were selected to obtain the broadest possible geographic representation, a variety of store-format types, and a mix of company sizes. Respondents did not receive any incentives to participate. Given the various formats, sizes, and geographic distribution of the companies interviewed and the range of responses regarding food safety programs and strategies, the results provide insights into the food safety policies of U.S. supermarket companies and how these practices and the PR may affect growers. This report supplements companion studies of statistical survey results and open-ended interviews with produce growers.