



SUPPLY-CHAIN RISK in **'Produce' Deliveries to Restaurants**

-Letter Grades are Not Enough



For restaurant owners with the highest standards of operation and highest grades regarding their operation and inspection, are still at risk at the supply-chain level. Furthermore, a contaminated item arriving at your foodservice operation can migrate to other items and snowball into a major crisis.



e Coll Bacteria

This brief article emphasizes the need for restaurant owners to check their suppliers' food origins, credentials, transportation and procedures carefully before ordering produce from them. Supply-chain visibility in produce is not strong. A lot of restaurants buy produce from multiple suppliers and, therefore, cannot know all the details of the origin of the produce they use. Although the restaurants generally do a good job of knowing reliable companies who deliver produce items to them year over year, over the last few years, anecdotal and substantiated evidence have increased, wherein customers are getting sick after eating foods in restaurants that normally would not be considered health risks, or even when buying the produce directly in grocery stores and consuming them in their homes. Risk of contamination seems to be carrying further and further down the supply chain.

It's In Season In A Different Hemisphere

Often, unbeknownst to the restaurant owner or food service operator, the picking, packing and shipping of produce is coming from further parts of the US and different parts of the world. Requests for further varieties of foods to meet the needs of more sophisticated menu offerings is one factor. Furthermore, the reach has increased due to the need for produce items that are out of season in one part of the world, but growing in another part. Lastly, where vendors and distributors focus more on price points that are cheaper from faraway lands, the tradeoff may be on quality and the supply chain risk may increase.

Examples of Contamination

The cleanliness of picking methods, washing of the fruit and vegetables and packing them into appropriate containers is showcasing the stresses of the prolonged supply chains in the food industry. In 2011, cantaloupes that were sold by Jensen Farms caused over a hundred people to get sick and over 33 people died due to the *Listeria* outbreak. The produce was not properly washed and contaminated machines were used in the plant. In 2015, contaminated cilantro from Mexico and other food products caused many restaurants and food outlets to switch to other countries or use domestic cilantro. These and other instances not only impacted the customer's faith in the safety of products, but it has also hurt the bottom line of restaurants.

Chipotle

When certain food items get scarce due to decreased supplier deliveries, prices go up and the restaurant can either substitute, change the recipe or just raise the price. None of these choices are pleasant and each has its own consequences for the restaurant, the repeat customer and the survival of an industry. The restaurant itself is already under other stresses of rules and regulations, employee costs, and the challenge of maintaining profitability. The current case of Chipotle highlights the importance of carefully managing the produce and keeping it safe.

...continues on page 27



Listeria Bacteria

SUPPLY CHAIN RISK *from page 26*

Certainly, restaurant owners cannot know the details of all the stops that the product may have made before hitting their receiving areas. However, they can take several steps to mitigate supply-chain risk. The origin of the produce is clearly and carefully marked on the packaging and should be the starting point for researching the origin of the product. Interviewing suppliers and learning about where the produce was made and conditions of the location is critical and is possible in today's time by using the Internet and even visiting some farm sites. Owners should understand some of the operational issues that suppliers may be facing in bringing produce to their restaurants. In case of doubt, they may wish to replace the supplier. The operational issues could be weather, local practices, lax oversight laws, packaging materials, moisture in containers and a host of other reasons. Reliable suppliers should be picked with a good track record of product safety. Although there are detailed laws for restaurant hygiene, beginning with the most common being the instruction for employees having to wash their hands, there are fewer rules for produce pickers in farms in domestic and foreign countries.

At the very minimum, receiving produce, storing it properly, and cleaning it thoroughly should already be part of your standard foodservice operation procedures. However, oversight of the source of the produce, hence the supply chain, is more critical to the survival of the restaurant or operation, because it is out of your immediate control and requires a little research. After due diligence and your supply-chain research is complete, I will lastly and strongly remind you to revisit the issue with your vendors regularly, as they do change their suppliers and sources frequently.



- by Sudhir Sachdev, The OysterBridge Group & President, APICS NYCLI, The Premier Association of Supply Chain and Operations Management



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