**Food Safety Issues Carry Increasingly High Risks for Suppliers**

*Managing safety risks are critical for food suppliers*

The financial risks and costs associated with food safety are increasing and food suppliers will face continued increases in food safety costs over the coming years. Until there is reliable traceability throughout the food supply chain, the advanced technology that enables faster identification of food safety issues is also increasing the likelihood of more broad-based food advisories being issued.

A new report from CoBank's Knowledge Exchange Division explains why the stakes are rising for food suppliers in a landscape of continuously evolving food safety challenges, technologies and regulations.

"Contrary to media reports and trending social media, there has not been an increase in food related outbreaks in recent years. This is particularly noteworthy given technology developments, which allow us to better detect food safety issues," said Crystal Carpenter, senior economist of specialty crops at CoBank.

While our ability to detect food related outbreaks has increased, until traceability improves, this improved detection increases the risk of future advisories, such as the romaine lettuce advisories in 2018.

An advisory is issued when consumers are cautioned not to consume a particular type of product due to a food safety concern, but a specific company or brand is not identified as it would be in a product recall. Carpenter said the unfortunate aspect of an advisory is that it casts a shadow of doubt on all suppliers of a product.

"The total impact of an advisory is much greater than a recall and reaches far beyond the company at the source of the contamination," said Carpenter. "The entire industry can be negatively affected by an advisory."

An increasingly complex food chain with many touch points and value-added products has increased the potential points of contact and opportunities for contamination. It has also increased the complexity of traceability. Within the produce supply chain specifically, the greatest challenge in traceability is often in the last mile as product gets closer to the consumer.

"Understanding the risks of food safety incidents, the costs associated with them, and risk mitigation strategies is becoming increasingly critical for profitability and long-term economic sustainability," said Carpenter. "The financial and reputational implications of a food safety incident can be enormous, and the risk is rising."

A brief video synopsis and the full report, "Food Safety Trends and Regulations – The Stakes are Rising for Food Suppliers," are available at [cobank.com](https://c212.net/c/link/?t=0&l=en&o=2455176-1&h=1337311020&u=https%3A%2F%2Fwww.cobank.com%2Fknowledge-exchange%2Fspecialty-crops%2Ffood-safety-trends-and-regulations%3Futm_source%3Dmedia-release%26utm_medium%3Demail%26utm_campaign%3Dknowledge-exchange%26utm_content%3Dfood-safety-trends-and-regulations&a=cobank.com).

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CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture, rural infrastructure and rural communities. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's website at [cobank.com](https://c212.net/c/link/?t=0&l=en&o=2455176-1&h=2342842460&u=http%3A%2F%2Fwww.cobank.com%2F&a=cobank.com).

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