

DNV Forum

2008

Food and beverage industry voices on
quality, safety and sustainable
performance.

Special edition



Food safety under scrutiny

Bringing trust back to frozen food

Leading Japanese frozen food producer Katokichi has responded with force to the nationwide food scandals that has troubled Japan recently. The company is leaving no stone unturned to find solutions to improve their food safety management and rebuild customer trust. **TEXT: ANDERS ØVREBERG PHOTO: DNV**

At the beginning of this year, frozen dumplings made in China and imported to Japan were discovered to be tainted with pesticide, causing those affected to experience a temporary illness. The dumplings were produced by a supplier of JT Foods, the food division of Japan Tobacco, which also owns Katokichi. Food scandals such as this one have had severe effects on the whole frozen food market in Japan.



KAZUO KOBAYASHI

Mr Kazuo Kobayashi, Executive Vice President for Katokichi Co. Ltd., is focusing on food quality and safety by implementing a number of activities throughout the global Katokichi organisation.

“The misconduct that caused this and other scandals has made the customer focus more severe on the whole industry. Customer trust fell dramatically, and sales fell by 40% for the entire frozen food sector in Japan following the scandal. For Katokichi, the reaction caused a sales decrease of about 85% for a time,” says Kazuo Kobayashi, Executive Vice President for Katokichi Co. Ltd.

BALANCING COSTS AND QUALITY

Handling the risks of food production, especially after such scandals, is a challenge. Katokichi’s response is to strengthen their focus on quality in every link of the supply chain to reduce risk.

“Risk is a broad word. For us the subject is the balance between quality and the cost of the raw material. That is the main challenge. And, while we won’t compromise on quality, the cost of food has gone up, so this has become more difficult. In addition, the competition is tough, so we cannot increase our prices,” says Mr Kobayashi.

FOOD SAFETY MANAGEMENT

What Katokichi, now merged with JT Foods, has done is to contract DNV to assess and certify their production plants according to the Food Safety Management System standard ISO 22000.

“The certification is an improvement for Katokichi. However, we feel this is not enough, and have added further safety measures. We have hired additional people to control and improve the quality. We have invested in equipment to check the food materials for contaminants, which is very expensive, and also we have decided to use a third party which can go deeper into the quality situation,” says Mr Kobayashi.

DNV was also chosen to perform several second party food safety audits. About 50 audits of manufacturing factories and suppliers in Asia and Europe are underway, based on Katokichi’s own quality management plan and protocol. Also, DNV will certify 20 of Katokichi own plants in Japan to the ISO 22000 standard by the end of 2009.



Facts about Katokichi CO. Ltd.:

- 50 years ago, the company started with frozen food. (Frozen rice)
- Bought by Japan Tobacco (JT) December 2007.
- JT has also a food division, JT Foods, and now the two companies are merged under the name of Katokichi.
- The new food group has a total of 5500 employees.
- About 60% of turnover is frozen food.
- The group has 16 factories in Japan. Overseas Katokichi has six factories, mainly in China.

CAUSE FOR SCANDAL UNKNOWN

The cause for the dumpling scandal has not yet been discovered.

“It’s still unclear to us what happened. At the time, there were many problems in China, especially with how to control food production. JT Foods informed us throughout, as Katokichi handled some food from the same factory in China. Immediately, we stopped selling all foods from that factory, and issued a nationwide food recall of the affected products. We also issued a press release, stating what our counter measures were. The openness in this event was dictated by our number one concern, which is the health risk to customers,” says Mr Kobayashi.

Still customers in Japan are doubtful of imported food, and the recent baby milk formula scandal in China will do little to build trust. However, Katokichi’s actions have been met with positive reactions both in the industry and among the public.

FOOD INDUSTRY TRENDS

According to Mr Kobayashi, the food producers in Japan are now looking for safer foods in order to survive in the market. Smaller companies may not have the resources to follow this trend.

“The investments we have made in the quality assurance of every aspect of food production are expensive. Small companies cannot invest in these measures, which means that in this severe market they cannot survive,” says Mr Kobayashi.

Of course, as Katokichi and JT Foods are merged under the ownership of Japan Tobacco, the new company is larger and stronger than ever. Mr Kobayashi points out that one of their main strengths now is purchasing.

“We can purchase food materials and make many different types of products, and we have a strong sales presence in the market for our products. JT Foods is also strong within the development of new food

products, and as JT Foods and Katokichi have merged under the Katokichi brand name we find that our two product lines have good synergy; there are no conflicts between the two product selections. With these synergies, we believe that we will be the number 1 company in Japan within frozen food,” says Mr Kobayashi.

EXPANSION

While the main market certainly is Japan, Katokichi now eyes expansion possibilities. “We want to expand to overseas markets, but are still not sure which area is most profitable; Europe, USA or Asia,” says Mr Kobayashi.

So you can expect Katokichi products to hit the frozen food section of your local supermarkets quite soon, and behind those products there is an unflinching commitment to quality.

Taking care of the environment takes care of business

Kraft Foods is implementing its global environmental management system at an impressive rate. Not long after starting this process, the company achieved ISO 14001 certification for several of its facilities around the world. "Now, we can better measure how much we care about the environment and at the same time leverage these efforts to enhance our business," says Thomas Ingermann, Director Safety and Environment for Kraft International Manufacturing. TEXT: SVEIN INGE LEIRGULEN PHOTO: KRAFT



Kraft Foods, the world's second largest food and beverage company, is well known to most people. For over 100 years, consumers have enjoyed Kraft's products – today produced in manufacturing and processing facilities worldwide.

"Kraft's commitment to the environment has continued to accelerate since the early 1980s," says Thomas Ingermann. "This is



THOMAS
INGERMANN

Director Safety and Environment,
Kraft International Manufacturing.

particularly true in Europe, primarily because of traditionally higher energy costs and a higher public demand. Today, however, in all corners of the world, the focus is on corporate responsibility and environmental stewardship. Authorities mandate reduced air emissions, spills, solid waste, and water and energy consumption during manufacturing. Also, non-governmental organisations encourage transparency and environmental responsibility. And let's not forget increasing energy prices that constitute a major concern for all companies."

BUILDING A SUSTAINABLE BUSINESS

Kraft Foods has implemented an overall corporate responsibility strategy that includes operating in a sustainable way while simultaneously growing its business.

According to Thomas Ingermann, "Kraft recognises that its business success is only sustainable if it maintains and strengthens the economic, social and envi-

ronmental foundation on which it is built." Kraft Foods has therefore established an Environmental Roadmap. The Roadmap defines Kraft's environmental policy goals and action plans to promote a sustainable global organisation, and includes planning and operating procedures for management of actual or potential environmental impacts.

A SPEEDY MOVE FROM MULTI-LOCAL TO GLOBAL

Before the Roadmap, Kraft Foods used a multi-local approach. Several Kraft plants had their own environmental management system, certified by as many as 16 different certification bodies.

"This old system was inefficient. Kraft needed one global and consistent environmental management system that could be certified by one single body," Thomas Ingermann explains. "We realised that by facing our environmental challenges in a systematic manner globally, we can

enhance our company's business and at the same time be responsible to the environment."

Kraft EMEA (Europe, Middle East and Africa) implemented the framework for the ISO 14001 system throughout the organisation within only one year – an impressive accomplishment. In addition, Kraft will have all of its manufacturing plants in EMEA and in Latin America certified to the ISO 14001 standard by year end 2006, followed by Asia Pacific in 2007 and North America in 2008.

"Our current focus is on manufacturing, but later we hope to integrate other parts of the supply and consumption chain, such as raw materials, packaging and transportation," he explains.

NEW WAYS OF WORKING

Kraft took a top-down approach to the implementation.

Says Thomas Ingermann, "We encouraged all managers, employees and plants

to understand and adapt to the new way of thinking. At the same time, managers and employees needed to learn that a new environmental management system would not be a burden, but only required that they work in a more coordinated way."

To get the message across, Kraft established an implementation team, consisting of key people in the Kraft organisation.

"The implementation team defined the need for resources and provided motivation. They were successful," Thomas Ingermann says.

A SHEET OF PAPER OR SOMETHING MORE?

Kraft realises that ISO certification means more than having a framed certificate on the wall.

Says Thomas Ingermann, "Certification to an ISO standard requires that you do what you say and say what you do."

Kraft benefited from working with DNV. "By using DNV as a certification partner, Kraft took advantage of DNV's unique

risk-based approach to quickly identify performance gaps and remedy them. At the same time, Kraft understands that the real work starts after the certification. We continually aim to improve our defined Environmental Performance Indicators (EPIs). Now, as we are being certified to one standard, it will be significantly easier for us to derive reliable and comparable data for measuring a monthly progression of water consumption, water discharge, energy usage, carbon dioxide emissions, solid waste generation and recycling rates," Thomas Ingermann explains.

"Our environmental management system is now a real tool for a dynamic operation that fulfils our strategy of growing our business and caring for the environment at the same time. A clear win-win situation," he concludes.



Danisco is a company that embraces an extensive range of ingredients for industrially produced food, not to mention sustainable energy, detergents, textiles, plastics and many other consumer products across the world.

Social responsibility is good business

Danisco is setting an example to other companies. For the sixth consecutive year, it has reported on its performance in the sustainability area. Benefits for the environment, consumer health and company image have been achieved. **TEXT: STUART BREWER PHOTO: DANISCO**

Danisco is a world-leading biotechnology company with activities at 142 locations in 47 countries. Its products are used in ice cream, jam, bread and many other food products. With more than 100 million people regularly eating or using products containing its ingredients, the responsibilities are huge.

“Our ability to perform responsibly towards society is decisive for the company’s position in the marketplace,” says Liselotte Carlsen, project coordinator in Danisco’s Corporate Sustainable Development Division. She leaves no doubt that sustainability is more than just a sector interest. “Sustainable development is a fully inte-

grated part of our business model and considered by management as a basic driver for creating an effective and socially responsible organisation. Our image and credibility rely on top-class sustainable performance,” emphasises ms Carlsen.

“For us at Danisco, it is essential that we work in harmony with our surroundings. As sustainability attracts growing attention around the word, this attitude is greatly to our advantage. Today, when developing new foods or consumer products, we regularly find that our approach is one both customers and consumers prefer.”

Liselotte Carlsen,
project coordinator in Danisco’s Corporate Sustainable Development Division.



COMMITTED TO SUSTAINABLE DEVELOPMENT

“Danisco’s decision to integrate sustainable development into its business platform is not only due to legal or customer requirements but also to an equal extent because it will benefit the company financially,” ms Carlsen explains. “We also consider it an insurance for Danisco as well as our customers against potential problems in relation to sustainability. As a demonstration of our commitment to this area, we signed the Business Charter for Sustainable Development in 1992 and the UN Global Compact in 2003.”

Danisco’s sustainability-related initiatives have led to its inclusion in both the Dow Jones Sustainability and FTSE4 Good Indexes, which impose strict requirements on businesses.

According to ms Carlsen, Danisco’s foundation in sustainable development is a continuous and dynamic process to support the company’s production and sales function.

“It should not only be seen in a traditional sense – eg, health and safety or fighting pollution – Danisco is also striving to develop new products with less negative impact on the environment in the customer’s application process, or food ingredients with health-promoting effects, for instance in relation to overweight or dia-

betes. In addition, Danisco focuses on reducing the overall energy consumption in the entire value chain for its products,” ms Carlsen points out.

OPTIMISED EFFICIENCY

One example of this can be found within Danisco’s sugar division which, over the years, has optimised efficiency and processing at its factories, turning them all into state-of-the-art facilities. As a result, Danisco is one of Europe’s most efficient sugar producers, in terms not only of yield but also of energy consumption. Relations with the surrounding communities are also strong.

Ms Carlsen believes that successful sustainability performance depends first and foremost on leadership and commitment. “This can only be achieved through a structured approach. We must establish goals and plans, set standards for how to operate our facilities, take account of any negative impact related to our products, develop people’s skills and knowledge, and establish a follow-up system for monitoring our progress and taking corrective action,” says ms Carlsen.

ADVANCED LEVEL OF REPORTING

DNV has been commissioned by Danisco to verify Danisco’s 2006 sustainability reporting in both its printed format, the

report entitled “Energy and balance at all levels”, and online format. The scope of assurance included social, environmental, health and safety indicators and sustainability data and activities.

Ms Carlsen comments, “This year we have, for the first time, employed the new Global Reporting Initiative G3 as our reporting guidelines. Both we at Danisco and DNV confirm that the GRI “C+ application level” has been met.

The report demonstrates Danisco’s efforts to embed its sustainability approach into business and manage its reporting activities at an advanced level.

“We like to think that being responsible is not always an expense. It can result in exciting new products and reinforce the company’s stance as an attractive collaboration partner,” says ms Carlsen.

“Consumers also expect companies to be good citizens. They want to feel good about grabbing a product from the supermarket shelf, not weighed down by a guilty conscience about the environment, obesity problems or the people involved in production,” says ms Carlsen, and concludes, “Through our efforts, we are working to make all this possible. That helps to make us an attractive partner.”

Rieber & Søn – local taste champion

Rieber's Toro factory outside Bergen in Norway manufactures 700,000 packets of soup, sauce and other quality food a day. Robotised, automated, efficient and – not least – huge investments – are key words for this well established company, which puts quality, food safety and local taste at the top of its agenda. **TEXT: HARALD BRÅTHEN PHOTO: NINA E. RANGØY**

The Toro facility has been expanded nine times since 1967 and now has a floor space of 43,000 square metres. The company has invested almost MNOK 500 in automation during just the past decade. Nonetheless, the 370 employees still have enough to do – and enough to taste. Flavourists – taste judges – are on the payroll. Toro's work is all about what the products taste like, and the human element cannot be avoided.

TASTE AS A TOOL

"Taste is one of our tools. Toro is a pioneering company here, and unique in this industry," says Magne Sjøbakk, Quality System Manager in Rieber & Søn. He emphasises that Toro's taste department and laboratory are essential to the company. A separate process department's goal is to

be the best at 'Norwegian taste' and, on a worldwide basis, Rieber's goal is to be the 'local taste champion'.

"This is where we boil the meat, fish and other ingredients that form part of our recipes," explains Factory Manager Jan Arne Vevatne. "We develop the basic tastes for our own products here and we sell these tastes as ingredients to other industries. We export a lot of tastes and finished products such as soups and sauces in paste form to major consumers, such as hotels and restaurants. We produce more than 100 tonnes of these products to the French market," says Mr Vevatne, who underlines that a product is not released onto the market unless it is better than those of Toro's competitors.

"Our flavourists play key roles in both developing new products and maintaining old ones. We also test all our raw materials against a benchmark sample. And in the same way as for machines that have to be calibrated, we also calibrate our flavourists every year."

TRACEABILITY AND FOOD SAFETY

The Toro products are made according to 750 recipes and contain 450 different raw materials bought from all over the world. It is obvious that there may be many threats to food safety. 60 major raw materials account for 80% of the ingredients used. Therefore samples are taken of all the raw materials and are checked in the laboratories.

"It must be possible to trace all the raw materials back to their place of origin and





THE ISO 22000, WHICH IS A STANDARD FOR FOOD SAFETY MANAGEMENT SYSTEMS, WILL PROBABLY FORM THE CORE OF ALL OUR CERTIFICATION IN THE FUTURE.



growth,” says Mr Sjøbakk. “For example, when we use chicken meat, we know where the chickens came from, what kind of feed they have been given – and if relevant what kind of medicines they may have been given.”

X-ray detectors check the products that are being sent out and immediately remove stones, hard plastic and glass. A small stalk could get through, but everything possible is done to deliver completely clean products. Toro has a revolving 12-month production schedule and promises a 98% ability to deliver to its four main Norwegian customers, Rema 1000, Norgesgruppen, ICA and Coop.

BENCHMARK AND SUPPORTER

Rieber was one of the first food companies in Norway to introduce certification when the Toro factory was certified in accordance with a Danish standard as early as in 1994. The factories in the Czech Republic and Poland are certified by DNV. Now all the other factories will gradually be certified by DNV.

“We want to try to get more out of the certification by sticking to one certification body,” says Mr Sjøbakk. “When we’re sure that the measurement systems are the same we can benchmark our various factories against each other. We also see that the certification body can be a useful help and support, suggesting areas for improvements to our systems. Annual top-level meetings will provide the quality assurance work with the necessary authority and give us a better overall picture of the ‘threats’ that we as a company are facing.”

ISO 22000 GAINING GROUND

Consistency and effectiveness are important, and Rieber was interested in DNV’s Risk Based Certification™ approach.

“The ability to listen and to adapt the certification to what is important and to our needs, is crucial for success,” says Mr Sjøbakk. He states that, to Rieber, speaking the local language and having local auditors were important criteria when DNV was chosen. On the whole, Rieber has used the Quality Management System standard ISO

9001 and the Environmental Management System standard ISO 14001, but business sector standards such as the British Retail Consortium Standard (BRC), the Dutch Certification Scheme for HACCP based Food Safety Systems Hazard Analysis Critical Control Points (HACCP) standard and Germany’s International Food Standard (IFS) have also been used.

“We now see that the whole industry is maturing and approaching a common standard. The ISO 22000, which is a standard for food safety management systems, will probably form the core of all our certification in the future, although still with links to the BRC and other existing standards,” according to Mr Sjøbakk.

A research collaboration between Rieber and DNV Research and Innovation concerning new inspection methods. A company that wants to ensure good taste – in the future too – has a lot to look out for.

“When dealing with, and distributing a fresh product we are very vulnerable. Food safety is vital,” says Magne Sjøbakk, Quality System Manager in Rieber & Søn.



Fresh goods

While Toro products are dehydrated and do not contain preservatives. Rieber in Norway recently entered the fresh food industry with dinner dishes under the trade name “Velbekomme” (Enjoy your meal). This is an area where food safety is extremely important.

“When dealing with, and distributing a fresh product we are very vulnerable. Food safety is vital,” says Magne Sjøbakk, Quality System Manager in Rieber & Søn. “Velbekomme is a complete dinner that is intended to provide just as much energy and enjoyment as a normal dinner. Up to now, this has been a huge success which has achieved new sales records month after month.

! Facts about Rieber & Søn: An international food group

- Rieber & Søn is one of Norway’s leading food conglomerates.
- Its main markets are Western Europe and Central and Eastern Europe, where the Group has considerable market shares in the retail grocery sector.
- Aims to be the Local Taste Champion in its main markets. Attractive and sought-after food products based on consumer requirements are developed through their knowledge of established eating habits.
- The Group has a workforce of 4,000 (of whom 1,050 are in Norway), production plants in seven countries and sales and marketing offices in a further six countries.



An Italian tradition since 1780

Farchioni Olii SpA, the Italian Extra Virgin Olive Oil producer, has implemented traceability and quality management systems in order to strengthen the Farchioni brand. In a growing and highly competitive industry, the company is committed to further developing consumer confidence in their product. **TEXT: ELLEN KONGSNES**

The late October evening sun is reflected in the glossy leaves of the olive trees in the valley of Umbria. The pouring rain has finally stopped, allowing Andrea Violetti, quality manager for Farchioni Olii SpA, a chance to sample his product. He reaches for an olive and crushes the delicate skin in his mouth, sucking out the pulp. “Just as juicy as only the best Farchioni olives can be!” he declares. Behind a mask of concentration, Violetti smiles and gently rolls the olive between two fingers, looking for damage.

LOCAL OWNERSHIP

This is where Farchioni’s 223 years of tradition and experience make a difference. Farchioni has built its reputation on its knowledge, creating consumer confidence and trust in the marketplace.

Farchioni is located in Umbria, two hours drive north of Rome in central Italy. With about 800,000 inhabitants living mostly in small, agricultural villages tucked into rolling hills, Umbria remains a vital region with its own strong cultural identity. No less than 100,000 farmers supply





IN THIS ITALIAN OLIVE FIELD, NEAR THE VILLAGE OF ASSISI, EUROPE'S OLDEST OLIVE TREE, DATING BACK TO THE 12TH CENTURY, IS STILL BEARING FRUIT.

Farchioni with olives. About 100 local olive presses, organized into 50–60 press companies, supply Farchioni with cold pressed, natural oil. Once delivered, the Farchionis complete the process of blending, storing, bottling and branding the oil before distributing it to the marketplace.

Farchioni's decentralized production supply requires a high level of quality assurance to secure quality consciousness at every point of the olive oil production chain. This focus embraces both Farchioni factory and the suppliers.

TRACEABILITY

"The numerous phases of production are the most important reason to establish a traceability system," says Andrea Violetti. The traceability system at Farchioni's is certified by DNV.

Food safety issues should be met with a systematic approach designed to minimise the possibility of unsafe food. The process is most successfully and effectively implemented when it is integrated with a quality management system. Farchioni's system is certified by DNV in compliance with the ISO 9001:2000 standard.

Every bottle of Extra Virgin Olive Oil produced at Farchioni can be traced back step by step from the table to the fields. Printed on the label of every bottle of extra virgin olive oil is a number. By punching the number into the olive factory's website, the consumer can obtain information about the olive, the farmer and the press.

As of January 1 2005, food chain traceability, the assessment of the entire production chain, will become part of European Union legislation. It works both

on a company level, concerning all the food ingredients, as well on a food chain level, identifying all the operators involved. Farchioni will implement a declaration which places the threshold of quality far beyond the European Union's (EU) regulations.

A SECOND SIGNATURE

According to Pompeo Farchioni, the company's chief executive, "Extra virgin olive oil is a natural product, produced in large volume. The challenge is to achieve qualitative stability. The Farchioni brand should guarantee quality, and DNV constitutes the second signature."

Farchioni sees DNV as a necessary resource for the market and customers.

"DNV has developed a range of services in the food and beverage industry, offering

a comprehensive response to these quality and safety requirements in order to increase safety in the production process and retain consumer's trust," says Stefano Crea, DNV's global food product manager.

TRADITION AND CONTINUITY

Pompeo Farchioni is committed to maintaining the traditions established by his family over four generations. Even his father, Lanfranco, the previous chief executive, still makes frequent visits to the factory floor. Pompeo notes with satisfaction that the next generation, two sons and a daughter, are currently being trained to assume control of the family business when he retires.

In February next year, Farchioni will relocate to new premises. The 22 million euro investment will make Farchioni the

largest extra virgin olive oil factory in Europe.

"I'm concerned that the amount of customers, not the volume of sales, is getting lower. The concentration in the wholesaler's business gives them the power to affect product quality as well as prices," Pompeo says.

"Today, consumers are more demanding and increasingly aware of food quality and food safety issues. Certification is the answer to this growing demand, as well as a helpful tool we can use to distinguish our products," says Gaetano Trizio, DNV's global food project owner and regional manager for South Europe certification.



ANDREA VIOLETTI

Quality and information systems manager of Farchioni Olii SpA

Bottling the flavour of Argentina

In the 1950s Don Alberto Zuccardi set up his own irrigation system and transformed parts of a desert into flourishing vineyards. Today, the Zuccardi family is one of Argentina's most respected wine producers.

TEXT: PER WIGGO RICHARDSEN PHOTO: WWW.FAMILIAZUCCARDI.COM

“When we say we are bottling passion, we really mean it. Passion is the pay for us. We believe that good wines are created by good people in healthy vineyards.” This is José Alberto Zuccardi's quote. Since 1985 Familia Zuccardi has been managed by him, the son of Don Alberto.

INNOVATION – A MOTIVATING FACTOR

In the 1950s Don Alberto Zuccardi was a young, innovative man who started his own irrigation company. His company specialised in irrigation techniques for

the grape and soft fruit industries in the region of Mendoza, close to the Andes Mountains of Argentina.

Some years later – in 1963 – as a way of demonstrating the effectiveness of his pre-fabricated concrete and irrigation system, the founder of the Familia Zuccardi purchased a part of the desert himself. Here he demonstrated the system to growers.

Innovation has ever since been an important motivation for the Zuccardi family. They have their own research area and all in all 32 different types of grapes are grown





“ Good wines are created by good people in healthy vineyards.”

José Alberto Zuccardi



Don Alberto Zuccardi with his son José Alberto Zuccardi, who has managed Familia Zuccardi since 1985.

in their yards. All grape picking and pruning is carried out by hand. Almost no chemicals are used, and 60 percent of the grapes are grown organically.

Since the computer was introduced two decades ago, every aspects of production is recorded in minute detail on the winery's database. All this to ensure the best quality of every bottle produced. But even more important, “We are always looking for something better,” states José Alberto Zuccardi as another example of the family's innovative spirit.

FORTH LARGEST EXPORTER Familia Zuccardi is not among the largest wineries in Argentina. In terms of production, they are medium size, but in terms of export they are the fourth largest. 65 percent of Zuccardi's wines are distributed to some 35 different countries. Only 35 percent of their production is sold in the Argentinean market. The average for the 1200 wine producers of Argentina is 10 to 90–10 percent export and 90 percent to the domestic market.

“During our first 10 years, we produced wine only for our domestic market. The

export started in 1983, and has been through a healthy growth since. Today, every day is a step into a more globalising world and our challenge is to always be perceived as a respectable provider. By differentiation, not by copying, we believe Familia Zuccardi will strengthen its position, but the ambitions will never be to become huge,” states José Asensio, the export manager of Familia Zuccardi.

Q FOR QUALITY He continues: “Right now there is an oversupply in the global wine market. There are many vineyards that have more focus at their financial situation and price of the wine, rather than the quality of the wine. But the customers will be looking for alternatives to volume suppliers; in the long term they will pronounce their judgement of poor quality.”

Mr. Zuccardi explains: “We have no ambitions of being a volume producer. Our goal is to focus on quality. It might be though in a short run, but it will be good in the long run. We will stay consistent on quality.”

Zuccardi has a brand that emphasis this – it is represented by the letter Q – Q for quality. Zuccardi Q is the Zuccardi's

premium quality range. It is made from grapes aspecially selected and hand-picket from the winery's top vineyard, and matured in oak barrels for one year prior to release to the market.

LOOKING FOR SOMETHING BETTER They also use another letter in the alphabet to brand their wine – Z as in Zuccardi. Since they always are searching for something to top what has already been achieved, a new brand will soon be released: Zuccardi Zeta. “This is why bottling passion is a factual statement, not only a profiling statement for our family,” says José Alberto Zuccardi. “Some grapes are good, but certainly some are superior. Some lots in the yard are better than others, but we the people working at all parts of the process can do a better job at all single parts. As a result of all these, we can stretch for the next, higher level.”

It is not that many wineries that are certified to meet international requirements of management systems and food safety. Zuccardi has.

Zuccardi says: “Certification fits into our philosophy – to be better today than yesterday. For us, the certification process is

an important tool in developing the winery and in the end, the wine.”

SEARCHING FOR THE RIGHT PERSONALITY But wine is not only about innovation, it is also about passion, about tradition and about roots. Ema, the 75 year old wife of Don Alberto and the mother of José Alberto is still taking care of one of the most important functions at the winery. When the Zuccardi family are searching for new employees, no one is employed without Ema's acceptance. All first interviews are carried out by her – not only searching for the right skills, but for the right personality.

“The next generation will follow the original values, trust me,” says José Asensio, the export manager, before he corrects himself. “Trust Ema!”

“Certification fits into our philosophy – to be better today than yesterday.”

José Alberto Zuccardi

Food safety at risk

When the authorities revealed a lack of food safety in one of Norway's largest high-end grocery store chains, the media attack was a crushing blow. To counter the negative media and manage public pressure, the company had to make a few changes. Their credibility was at risk. **TEXT: BEATE VIKTORIA ØRBECK**

"It was frightening to see how a few small deviations threatened our business within days," says Christian Stabell Eriksen, CEO in the Meny chain. "From representing a brand based on high quality food we were suddenly portrayed on the front page of all the newspapers as the bad guys. Instead of putting the blame on others, we were self-critical and took action. The criticism from the authorities proved to justify itself. We did not have a good enough quality system to intercept individual deviations in our shops. Our credibility was tottering and something had to be done."

UNBIASED RISK ASSESSMENT

With 123 shops spread around the country, Meny is one of the largest high-end grocery stores chains in Norway. 65 of these are privately owned, the rest owned by the Meny chain. All shops that previously were operating in different organisational structures were brought together under a total marketing concept in 2001. The stores offer consumers a wide and tempting selection of over 12,000 products, focusing especially on fresh produce and fixed low prices.

The Norwegian authorities stated publicly that four of the shops had frozen meat defrosted and sold as fresh goods, and that old meat was minced and sold as processed meat products with new sell-by dates. The authorities demanded that changes had to be implemented immediately to prevent similar episodes from happening again.

"We were in urgent need for an unbiased risk assessment of all our shops to be able to improve the existing quality system," says Stabell Eriksen. "We called upon DNV, known by our customers as one of the leaders in safeguarding quality in shipping, to help us improve our monitoring of food safety in the shops. DNV investigated one-third of the shops, established the causes of the deviations and put forward improvement measures that are being implemented now.

It turned out that the attitudes and routines of some of our staff were not good enough. To be able to re-establish our tottered credibility, we decided to implement a total quality system that could work for all employees throughout the chain. The danger of doing business today is not to realize

the consequences of our ambitions. If we let commercialism become our predominant objective, it becomes very easy to forget that the basis of any success lies in the ability to have a quality system that is good and works throughout the organisation."

WAKE-UP CALL FOR THE INDUSTRY

For the past five years, food industry in Europe has been exposed to several food scandals such as "mad cow" disease in England and the Dioxine scandal in Belgium. This has led to very strict rules for food producers and manufacturers. However, the Norwegian commodity trade seems to have suffered from a kind of a Sleeping Beauty.

According to Gunnar Jordfall, CEO of the Norwegian Food Control Authority (SNT), 95% of the Norwegian food safety regulations are based on EU requirements, but the industry still has a way to go before attitude change.

"The Meny scandal was a wake-up call for the Norwegian food industry," says Jordfall. "Except for the big food scandals in other places in Europe, Norway has not



CHRISTIAN STABEL ERIKSEN

"It was frightening to see how a few small deviations threatened our business within days," says Christian Stabell Eriksen, CEO in the Meny chain.



GUNNAR JORDFALL

"The Meny scandal was a wake-up call for the Norwegian food industry," says Gunnar Jordfall, CEO of the Norwegian Food Control Authority (SNT)

! New food safety law

The Norwegian authorities are implementing a new food safety law 1st January 2004. The new law is revolutionary in the way that it requires more transparency in monitoring food safety. It is based on EU's new food directive, and includes some specific measures such as:

- The authorities should inform public of any deviations found in the industry
- The industry is encouraged to keep public informed about how their quality systems are working
- All food should be traceable from the producer to the shop
- The authorities will be entitled to issue penalty if lack of food safety is discovered.

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