

Restoring consumer confidence

The peanut and pistachio industries ramp up food safety efforts

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by Erica Shaffer

Peanuts and pistachios have had a tough time so far in 2009. Two major food recalls seriously impacted sales and consumer confidence. But representatives from both industries say they aren't looking back — they're looking ahead determined to restore consumer confidence and ramp up their food safety programs. Strategies will focus on educating consumers about the nutritional value of peanuts and pistachios, while growers and processors re-evaluate Good Agricultural Practices (G.A.P.s) and Good Manufacturing Practices (G.M.P.s).

Patrick Archer, president of the American Peanut Council, said the peanut industry had several food safety initiatives under way since 2007, when the industry had a previous Salmonella outbreak.

"We set up an industry expert committee on food safety, which was made up of microbiologists and other experts in the industry, and they did a top-to-bottom review of all known literature, research, studies and anything they could find on Salmonella and inactivation of Salmonella," Mr. Archer said. "We revised our G.M.P.s we initiated work on a couple of study protocols. One was a prevalence study to determine what the prevalence of Salmonella is on raw shelled peanuts."

The industry also designed a killstep study of heat and how processes such as dry heat and oil roasting may kill Salmonella and at what temperatures.

"All of these things were under way when the P.C.A. recall was announced," he said. "Since then, we have redoubled our efforts."

Mr. Archer said the industry has revised almost all of its G.M.P.s and G.A.P.s. The kill-step study is complete, while the prevalence study is ongoing. The industry also sponsored a four-day webinar in conjunction with the National Confectioners Association.

"Our target audience for that was small nut processors and small confectioners, trying to get food safety information out especially to smaller companies that may not have as much in terms of internal resources that a large company would have," Mr. Archer said.

These programs cost the council alone "hundreds of thousands of dollars," Mr. Archer said. The costs do not include what individual businesses in the peanut industry are spending on food safety initiatives, he added.

"I think it would be fair to say the members of the peanut industry have increased budgets for food safety practices," he said.

Salmonella contamination at the Peanut Corporation of America's Blakely, Ga., facility sparked the largest food recall in history. By February, 600 illnesses and 9 deaths had been linked to the contaminated products, and more than 2,000 products were recalled.

Major peanut butter brands that were not involved in the recall suffered significant sales losses because of the incident. In the four weeks ended Jan. 24, jarred peanut butter sales totaled \$72.5 million, down 12% from the previous four-week period and down 4% from the same period in 2008, according to Nielsen Co. data. The decline followed eight consecutive months of double-digit growth in the category.

Marie Fenn, president and managing director of the National Peanut Board, said the recall caught many in the industry off guard. But the incident did not lead to major changes to the board's marketing plans.

The N.P.B. already had planned to sponsor events at family friendly settings such as Busch Gardens in Tampa, Fla., and SeaWorld in Orlando, Fla., when news of the recall broke, Ms. Fenn said. At that time, she said the board had no idea what kind of feedback board members would receive as they handed out samples of snack peanuts to the public.

"But we decided it was important to be there and answer any questions," Ms. Fenn said.

Bob Coyle, N.P.B.'s marketing team leader, said the board commissioned three national consumer surveys that helped gauge consumers' level of knowledge about the recall and what the board may do to help mitigate the situation. He said the survey showed consumers wanted to meet stakeholders from the industry, and felt it was appropriate for the N.P.B. to be out in public spreading positive messages about peanuts.

"We literally talked to tens of thousands of people," Ms. Fenn said. "It was pretty uniform. People were coming up to us and saying I love my peanut butter, please tell me my brand is not impacted."

Mr. Coyle said the most recent survey showed "a real understanding among consumers about the products that were affected."

In the 52 weeks ended May 16, jarred peanut butter sales totaled \$1.25 billion, up 10% from the same period in 2008, according to the Nielsen data. In total, more than 427 million lbs of jarred peanut butter were sold in the most recent 52-week period, down 3% from the same period a year ago.

"We are seeing a robust return to peanut butter," Mr. Coyle said.

Ms. Fenn said consumers' emotional attachment to peanut butter is what brought them back to the product. It's also what makes peanut butter an American icon.

"One of the things that was very clear (from the recall) is you need to have a relationship with your consumers," she said. "If that doesn't exist, there's nothing to rebuild from."

From peanuts to pistachios

The California pistachio industry also is doing some rebuilding after Setton Pistachio of Terra Bella in California recalled all of its 2008 nut crop.

The U.S. Food and Drug Administration claimed the company knew it had a Salmonella problem after the pathogen was detected by internal tests. The F.D.A. alleged that company managers may have used the same machinery to process reconditioned product and the raw product. Setton Pistachio refuted the F.D.A.'s allegations.

Richard Matoian, executive director of the Western Pistachio Association, Fresno, Calif., declined to attach a dollar amount to the cost of the recall, but he did say the recall impacted pistachio sales for a time.

"I can tell you anecdotally that in the first few weeks of the recall sales were down," he said. "But I can also confidently tell you that prices have risen above pre-recall levels."

"I think that has a lot to do with the fact that there's a world-wide shortage of product and that has caused prices to increase both domestically and internationally."

Mr. Matoian said the recall surprised the industry, but he remained optimistic that the market would recover from the recall soon because there were no confirmed illnesses in connection with the contaminated pistachios.

He said the W.P.A. is assembling a marketing plan on a generic level. The bulk of the W.P.A.'s rebuilding efforts will be in print media, he said. The association also is considering enlisting celebrity spokespeople and representatives from the health and nutrition fields.

"We want to focus on the nutritional aspects and healthy aspects of our product and why consumers should continue to consider eating and to consume our commodity," he said. "There will be a very small part where we will have some dialogue regarding what the industry does regarding food safety."

Mr. Matoian added that the industry has had G.M.P.s and G.A.P.s in place since 2000, and the association plans to emphasize that the industry is strengthening those programs and maintaining communication with the F.D.A.

"The dialogue with the F.D.A. to this point has not been F.D.A. telling us what we must do," Mr. Matoian said. "Rather, they want us to develop and strengthen our program and submit it to them."

As part of its program, the industry is focusing on identification of product down to the grower level and being able to identify product faster than the industry is currently capable, Mr. Matoian said. Validation of kill steps is another focus.

Finally, the industry is considering additional testing of product once it is in the plant, particularly after it has gone through the kill steps, he said.

The almond industry's experience

Even before pistachios and peanuts, the almond industry faced recalls in 2001 and again in 2004. In 2001, traces of Salmonella were found in almonds already on store shelves that were traced back to three farms. In the 2004 outbreak, more than two dozen consumers were sickened, which prompted a nationwide recall. The contaminated product was traced back to Paramount Farms, which was not involved in the 2001 outbreak. Paramount Farms voluntarily recalled 13 million lbs of raw almonds.

As a result of those recalls, the California almond industry voluntarily implemented a mandatory pasteurization plan.

Tim Birmingham, associate director of quality assurance and industry services for the California Almond Board, Modesto, Calif., said before 2001 the industry hadn't focused on pasteurization, although there had been a focus on food safety and food quality through G.M.P.s and G.A.P.s.

"After 2001 the industry did rally behind increasing the robustness of that program — really looking at what the growers could be doing to mitigate the effects of potential contamination at the orchard level through G.A.P.s," Mr. Birmingham said.

The industry devised an Almond Action Plan, and made it mandatory after the 2004 outbreak. Under the plan handlers must use pasteurization technologies that achieve a minimum 4-log reduction of Salmonella bacteria in almonds. The plan states one pasteurization method or a combination of methods may be used to achieve the mandated reduction level.

"Each piece of machinery involved in the pasteurization process must be validated," Mr. Birmingham said. This may include conventional dry roasters, oil roasters, blanching lines, rotary dry roasters, propylene

oxide chambers and "a number of novel steam processes where the almonds are quickly exposed to steam under a vacuum or atmospheric steam under a lower temperature," he said.

Mr. Birmingham said the program helped the industry maintain consumer confidence.

"Consumers understand that these are raw agricultural commodities that we're talking about, and that there is the potential for contamination," he said. "But what we've been able to do is show them that we recognize this and we don't accept it at face value."

The program so far has prevented additional food safety recalls involving almonds, and the industry has avoided the costs of dealing with a recall.

Others in the nut segment have taken note. Mr. Birmingham said the C.A.B. has been in contact with representatives from the peanut and pistachio industries. He added that regulators have sometimes referred other industries to the board to discuss the Almond Action Plan and how it may be used in the processes of other food safety programs.