SQF – Past, Present and Future

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Agenda

- Where we began
- What has Changed
- How does it apply to the whole chain
- How to effectively implement
- Where we are 3 years into the program

Where we began

- Started the process in 2006 where we trained on Edition 5 of the code
- Got our first plants certified in 2007 and continued into 2008.
- Currently starting our fourth round of audits this month.
- Will be updating our programs to reflect the changes in Edition 7 which are required as of July 1, 2012.

What Has Changed?

- Edition 5 (and the beginning of the process with edition 6)
  - Very strict requirements
  - Bar was set high with very little wiggle room
  - Auditors not well trained so the audits were very “interpretation” oriented
  - Huge variation between auditors
  - Guidance document was late in coming out after we already had plants audited

What has Changed?

- Edition 6
  - Wording was changed to be more general – this initially led to even more variation between auditors
  - Auditors were given guidance documents to follow (some we had access to and some we did not)
  - Auditors started annual training/meetings and being “graded” by FMI
  - Audit questions were very repetitive
  - Added the Wal-Mart and McDonald’s Addendums
  - Middle of the process changed the scoring

What has Changed?

- Edition 7 (due out January 1, 2012)
  - Totally reformatted to reduce the repetitive areas
    - Edition 6 has the code along with the Building and Grounds and Pre-Requisite Program requirements.
    - Edition 7 has Part A with the implementation requirements and Part B which determines which modules you will need to have in place dependent upon your food sector categories.
  - Changed the grading system (again)

What has Changed?

Point Scoring

Non-Conformance	Edition 6	Edition 7
OIP – Opportunity For Improvement	1 Point	0 Points
Minor	2 Points	1 Point
Major	25 Points	10 Points
Critical	50 Points	50 Points

Rating

Edition 6

0-59 – Fails to Comply
60-75 – Marginal (does not comply)
76-85 – Comply
86-95 – Good
96-100 – Excellent

Edition 7

0-65 – Fails to Comply

66-80 – Comply
81-95 – Good
96-100 - Excellent

How Does it Apply to the Whole Chain – Farm to Customer?

- This process really hit home for us when we had an auditor come in and do what we called a “mock recall on steroids”
  - Picked a product from the cooler during the initial walk through of the facility
  - Gave us as much time as we needed to gather the necessary documentation
  - Wanted each department to walk through their section of the paperwork
    - What did he ask for?

How Does it Apply to the Whole Chain – Farm to Customer?

Receiving:

- Who inspected the trailer upon receipt?
- Show their training records
- Show that the raw materials are on the raw material register
- Show the supplier is approved
- Show there was an SOP for receiving the trailer
- If Milk Tanker – all applicable wash tag/seal information/ rBST free records if applicable/ antibiotic testing results and sensory if part of a CQP (Critical Quality Point)/ trace milk trucks back to the farm

Batching

- Who batched the product? Training records
- Was the formula followed
- Testing results of the batch – was the lab person trained?
- Lot traceability of ingredients
- Specification available on the raw material and finished product

How Does it Apply to the Whole Chain – Farm to Customer?

Processing

- Training records/SOP available
- Show the chart that has been signed and verified
- Show their HACCP training specific to the CCP (Critical Control Point)
- Show on the chart how much product was made

Packaging

- Training records/SOP available
- Quality checks during production
- Lot traceability on packaging supplies
- How much was packaged versus how much was batched
- If sensory grading is a CQP (Critical Quality Point), records of training and testing

How Does it Apply to the Whole Chain – Farm to Customer?

Warehouse/Cooler

- Calibration records for cooler thermometers/Cooler charts or monitoring records
- Training/SOP's for the area
- Finished product traceability through the storage and shipping
- Where did the product get shipped
- How much was traceable
- How much went to rework/where was it reworked and their records

Other

- New product development if it is a product developed in the past year.
- Any applicable lab records

This process takes multiple people and departments and while they are digging up the records the auditors is still going through records and/or out on the plant floor ☺

How to Effectively Implement

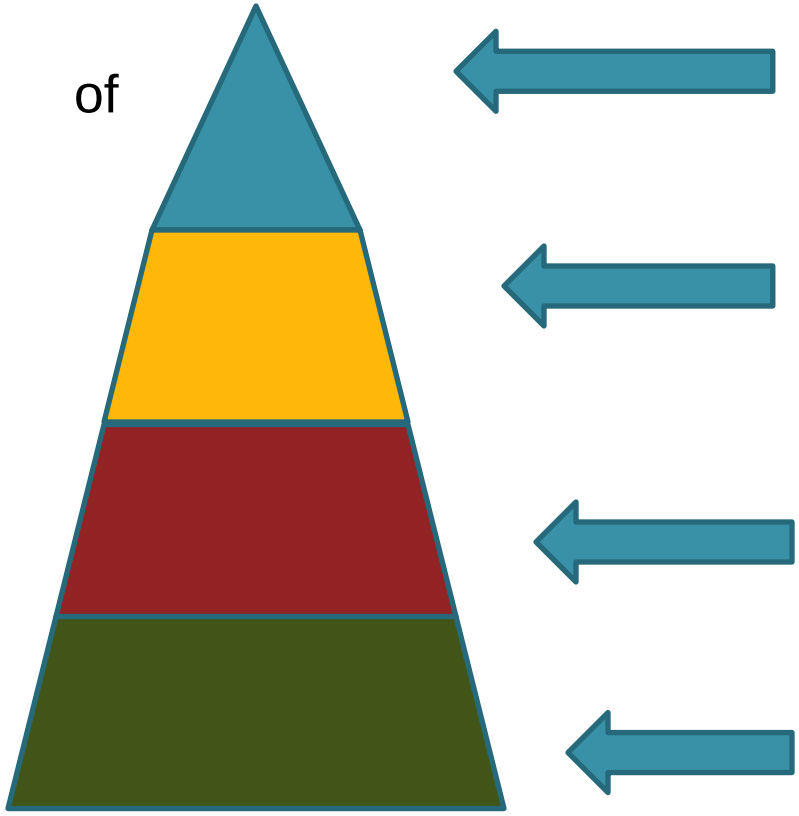
- Need a multi-disciplinary team
  - Assign Responsibilities so no one person is doing the majority of the work
  - The Practitioner is there to oversee the program, not do all the work
  - Everyone should have a piece of the puzzle
- Training, Training, Training
- Internal Audits need to mean something
- Follow up activities for EVERYTHING (GMP audits, regulatory audits, internal audits, pest control findings, chemical company audit findings, third party audits, etc. – this can

How to Effectively Implement

- Organize your SQF Manual to follow the code – this way the auditor just flips through your manual.
- If you haven't started, complete a pre-assessment on your own using the SQF audit questions. This should help you identify where your gaps are.
- Don't be afraid to get employees involved

How to Effectively Implement

- Document Control – Auditor will look for four levels of documentation



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Policy Manual – Brief overview your whole system.

Policies/Procedures – More in depth process of how you will control your system.

SOP's/Work Instructions – description of how to do

Records to support the process

Where are we 3 years later?

- All 16 plants are on an annual audit cycle
- Most of our plants are starting their first round with a new auditor, some of our plants have had a new auditor each year.
- SQF is now the culture in the plant, not the “new program on the block”
- We continue to improve and share best practices
- We have two company wide SQF meetings (one face to face, one teleconference) each quarter to discuss “What’s New” and help brainstorm best ways to handle new concerns that arise. Share new developments
- Each facility meets monthly with their internal

Where are we 3 years later?

- We have made significant improvements in both our programs/procedures and our facilities.
- Staff is better trained
- Employee morale is up due to the improvements in the facilities and also being part of the auditing process – they feel empowered.
- Our programs are already “beefed” up and ready for the FSMA requirements to be handed down in 2012.

Questions?