

Global Counterfeit Food & Beverage Packaging: Impacts on Food Safety

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Conference Abstract

- “Counterfeit food threats are becoming more common as supply chains become more global and as imaging and manufacturing technology become more accessible. The Packaging for Food and Product Protection (P-FAPP) Initiative is a partnership between industry, agencies, and academics to quantify the risks, strategic nature of threat organizations, and to thwart threats.”
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Warning Note

*Counterfeiters
attend
Anti-Counterfeit
Conferences*

Counterfeit Preview

Unlike the warnings when purchasing stocks and bonds, past performance of counterfeiting is an indicator of future potential of counterfeiting.

**Product counterfeiting is described as
“...more profitable than heroin...
easier than photo-copying... and with
penalties like jay-walking”. (Illicit,
Naim, 2005)**

MSU/Related Work Groups

- Packaging for Food and Product Protection Initiative (P-FAPP) at MSU
- National Food Safety & Toxicology Center (NFSTC) at MSU
- State of Michigan's Ag & Food Protection Strategy Steering Committee

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Definitions

- Counterfeit
- Diversion
- Unauthorized Production or Over-runs
- Other
 - Simulation/ Look-a-likes
 - Theft
 - Tampering
- ...Fraud

Intellectual Property Right Infringement

- Trademark
- Patent
- Trade Secrets and Processes
- Copyright
- Combination

Scope

- The FBI has called counterfeiting "...the crime of the 21st century."
- The WCO (World Customs Organization) estimates that counterfeiting was a \$512 billion market in 2004, up 100 times over the previous twenty-years, which equates to 7-10% of global trade.
- In addition, only half the trade is in what would be considered "luxury" goods.
- The global counterfeit food threat is estimated at \$49 billion, and the UK's Food Standards Board (FSA) estimates the UK "level of fraud" around 10 percent.

Counterfeiter Actions

- Adulterator
- Tamperer
- Thief
- Over-runs
- Diversion
- Simulation or Look-a-likes
- Counterfeiter

Why Products are Selected for Counterfeiting

- Profit
- Cheap to Copy
- Easy to Copy
- Unsatisfied Market Demands
- Difficulties in Detection and Proof
- Non-Deterrent Laws or Enforcement

Causes of Growth

- Availability and Growth of Technology
- Increased Globalization
- Low Legal Penalties
- Influence and Prevalence of Organized Crime

Food Examples

- Product Substitution
- Product Up-labeling
- Product Adulteration
- Product Copy/ Unauthorized Refill
- Product “Freshening”

Food Safety Risks

- Allergens
- Pathogens
- Poison or Harmful Chemicals
- Inactive Ingredients or Preservatives
- Other Non-GMP Environment Issues

Risks Quantification and Assessment

- FDA "ALERT" Initiative
- CARVER + Shock
- Operational Risk Assessment
- HACCP
- GMP
- ...Emerging Risk Assessment

Anti-Counterfeit Actions

- Overt
- Covert
- Forensic
- Track-and-Trace
- Authentication
- Investigation
- Regulation

Governance Actions

- FDA Counterfeit Drug Initiative
- FDA PDMA
- FDA/California Drug Pedigree
- Food Traceability: Section 306 of the Bioterrorism Act of 2002
- Global Data and Automatic Identification Standards

Governance Concepts

- Legislation
- Enforcement
- Prosecution
- ...Diligence

"The Business Case Analysis for Anti-Counterfeit Food Research"

Food Safety Policy Center, MSU, 2007

- Counterfeit food is a health threat;
- As is done in Food Safety and Food Security, the most efficient and effective implementation is incorporating anti-counterfeit strategic steps into current "Standard Operating Procedures" (HACCP, GMP, etc.);
- Current anti-counterfeit strategies and procedures from elsewhere in industry will be efficient and effective for the food industry; and
- The range of criminals and the range of actions will continue to be more aggressive, bolder, and more effective at infiltrating the legitimate food supply chain.

Discussion

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