



The Food Safety Revolution: How Far Have We Come? What's Next?



A Practical Approach

- Without the support of our executive and senior officers all of our programs fail, regulatory and industry.





1993 Seattle WA

- Jack in the Box---The Bellwether Event
 - Tragic event with personal consequence.
 - Unknown or unaddressed food safety failures
 - Shock waves through regulatory and industry
 - Media spotlight on new term “Food Safety”
 - New industries were born and regulators were on a new path.





1994/1998

- *Escherichia coli* O157:H7 **Adulterant !!**
 - The rules have changed !!! What next?
 - Intervention Strategies
 - Testing? How? What—Then what do you do?
- HACCP
 - Completely changes the regulatory and food processing landscape forever---for the better !!



Costco's Quality Assurance & Food Safety Mission Statement

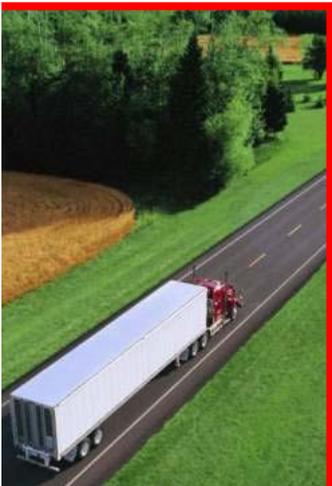
*“Promote continuous improvement in
product quality, and food safety
systems, for the benefit of our members
and suppliers”*



Our Guiding Food Safety Premise

Prevention---

Is much easier than any of the
alternatives !!!



©2011 Costco Wholesale Corp. All Rights Reserved.





The Costco Member Drives Everything We Do.





A Food Safety Program

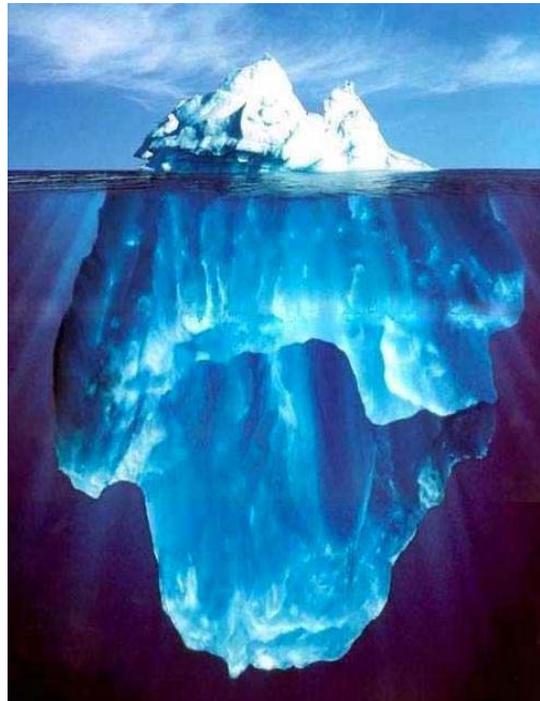
- **A Four Pronged Approach**
 - **Food Safety Operations**
 - **Food Safety Training**
 - **Food Safety Auditing**
 - **Food Quality Assurance**





Food Safety Training

**A Member Health Imperative—An Employee
Mandate**

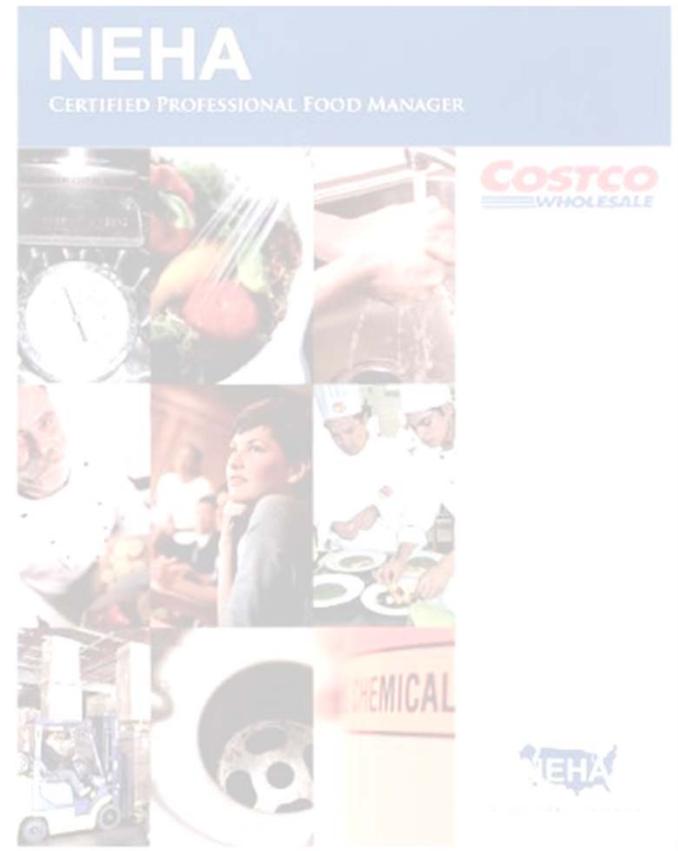




Food Safety Training Today

- **Manager Training (Level 2)**
 - - **NEHA Book**
 - - **Recertification every 3 years**
 - - **Ecolab Trainers**
- **NRFSP Test**

- **Hourly Training (Level 1)**
 - - **Costco Handbook**
 - - **Annual recertification**
- **Costco U for employees**
- **Costco U or CD for Demo Services**
- **CD for Road show Vendors**





A Food Safety Staff of 180,000

And Growing





Food Safety Operations

- **SSOP'S/HACCP at Retail**
- **Inspect What You Expect**
 - Building Walks
- **Specifications**





Food Safety Operations

Things to Think About

- **At the Costco Warehouse:**
 - **Sanitation, SSOP'S/HACCP at Retail ???**
- **At the Costco Warehouse and Production Plants:**
 - **USDA, FDA, EPA, CPSC, OSHA, State, County, City = Minimum Guidelines**
- **Costco Expectations---Above & Beyond**
- **Buying = Prevention Through Specifications-**
- **Special Situations and Recalls---Always protect the member !!!! Quickly**
 - **Member Notification--Who? Why?**





Purchase Specifications

- Purchase Specifications—The Key
 - All of our quality specifications must be included.
 - Taste, color, packaging, sizing, import requirements, organic.
 - All of our food safety requirements must be included.
 - Microbial testing requirements including an appropriate test and hold program.
 - Required audit evaluations. Traceback requirements.
 - Costco Vendor Ingredient Responsibility Program.



Food Safety Auditing

- Inspect What You Expect





Food Safety Audits

- **Costco FS Audit Expectations Manual**
- **HACCP--every facility (Costco Requirement)**
- **Vendor Ingredient Program (PCA)**
- **Traceback—Recall at the audit**
- **Improve the “Standard of Care” ---**
 - **Test & hold**
 - **X-ray, microbial methods, testing improvements**



The Costco FS Addendum

A Requirement

©2011 Costco Wholesale Corp. All Rights Reserved



Food Quality Assurance at Costco





Food Quality Assurance at Costco

- **Specifications-----What are they???**
- **Expectations**
- **Inspect What You Expect**
- **Testing--Check--Check--**
- **Share Information**
- **Standard of Care**
- **Intervention Strategies**





Why do we test?

- **Help ensure that processes are validated and assure safe, high quality items for our members**
- **Document due diligence**
- **Limit liability for Costco & Vendor**
- **Minimizes product recalls**
- **Verify buyer expectations**
- **Increase member satisfaction**

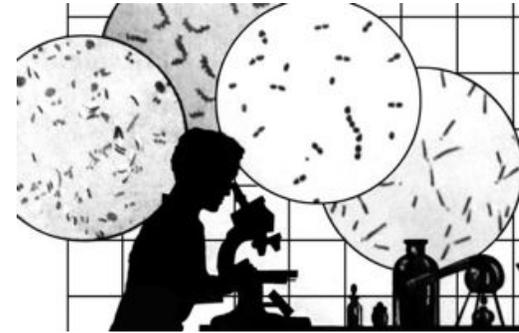




Microbial Testing at Costco

What We Test

- **Meat plant**
- **Ready to eat produce**
- **Pet treats**
- **All ingredient items for all ready eat foods**
- **KS and national brands**
- **And—It seems everything else !!**





Microbial Testing at Costco

Test and Hold

- **Everything we test is done on a test and hold basis. No exceptions**
- **Shelf life is not an issue.**
- **We use materials and methods that are appropriate for the item being tested.**
- **We also can require vendor COA's that we can verify.**



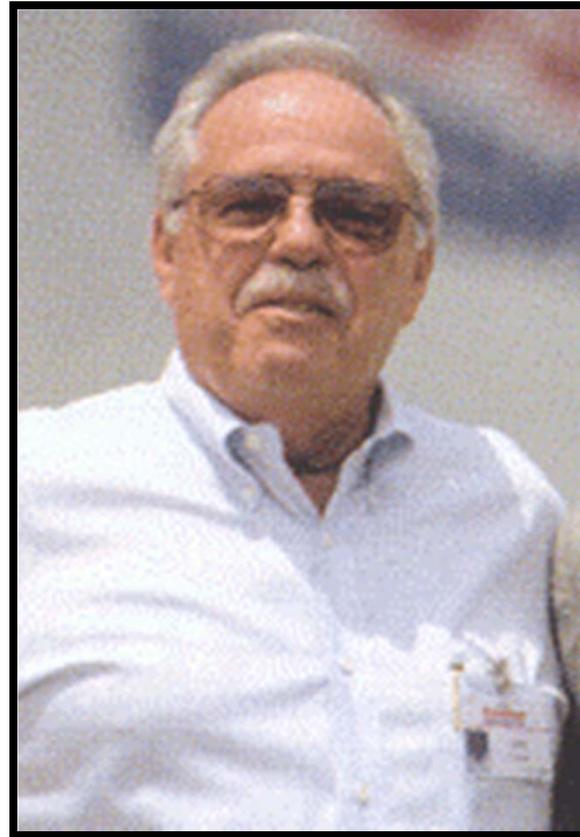
What Costco Expects from Our Suppliers

- **Understand their obligations with the FDA, FSMA, USDA, EPA, CPSC, CPSIA, and COOL. Know the rules.**
- **Meet all specifications. Buyer & Regulatory**
- **Trace back – One step forward, one step back minimum.**
- **Know who your suppliers are.**
- **Keep open communications with us, we can help. Regulatory and suppliers.**



Costco Code of Ethics

- **Obey the Law**
- **Take care of our members**
- **Take care of our employees**
- **Respect our vendors**
- **Reward our shareholders**





Delighting Our Members

- A Costco member should always leave our building delighted with their shopping experience.



- All of our efforts should be invisible to our members. It's part of our culture.



Thank You