



Who's Minding The Costco Warehouse ?

Food Safety & Quality at Costco

Food Safety Summit

May 9, 2018



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 vendors”**

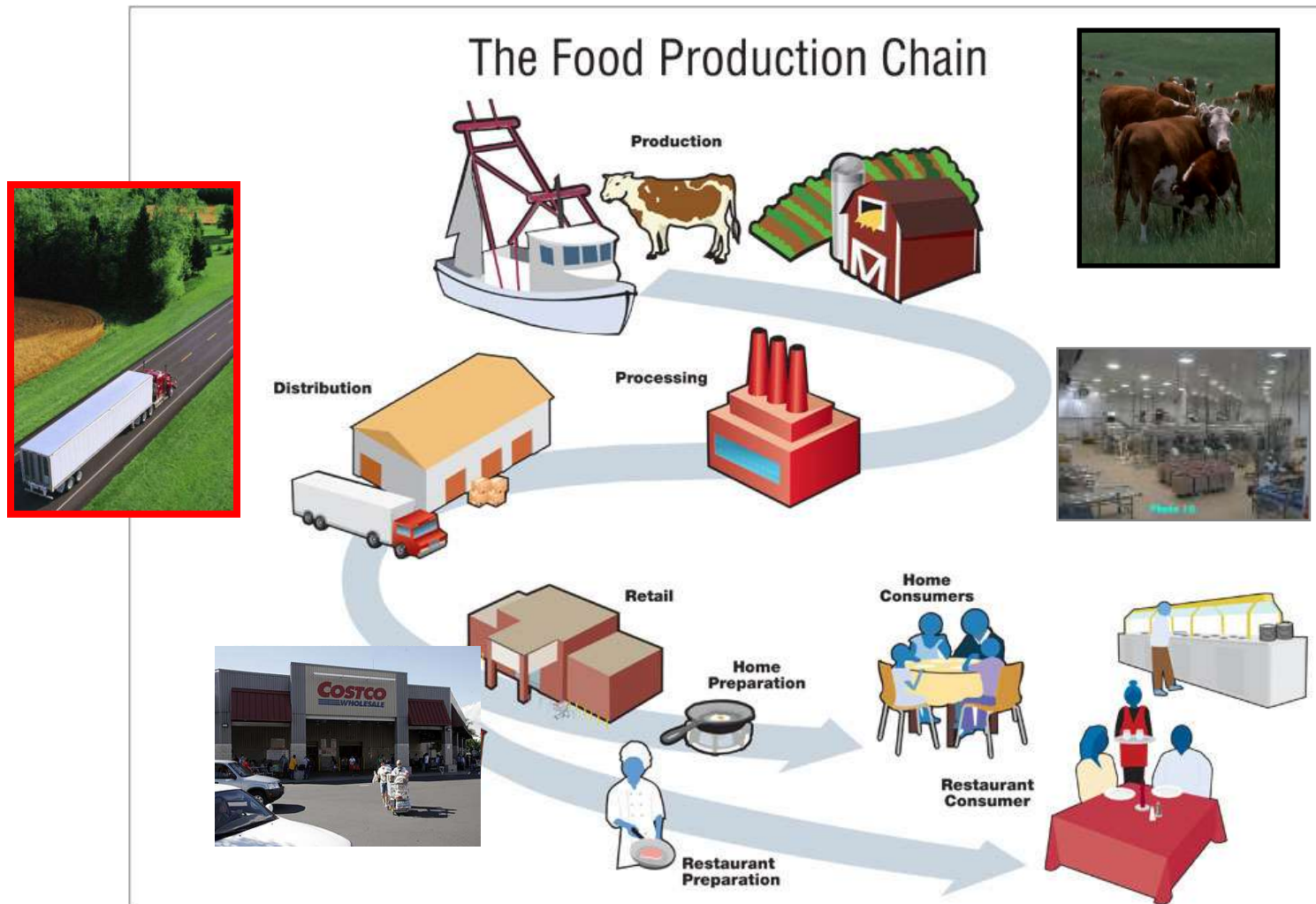


The Guiding Food Safety Premise at Costco:

“Prevention is much easier than
any of the alternatives” !!!



Costco Food Supply Chain





Food Safety and Quality at Costco

A Global Perspective

Consistent Framework

- **Food Safety Training**
- **Food Safety Operations**
- **Quality Assurance**
- **Food Safety Audits**
- **Working with Regulators**
- **It's the Culture**





Food Safety Training at Costco

- Global Cultural Approach, each country is different and the same.
- 100% in-house training program written by Costco
- Costco/NEHA/NSF/ANSI Approved
- Costco is used as a training site for health inspector training in 4 countries and many US states
- Provides us with a Food Safety staff of about 220,000 employees that understand !!!
- 100% Top Down Support



Food Safety Operations

Buildings and Plants



Food Safety Operations

Buildings and Plants

- Regulatory Relationships
- Inspection Report Review
- SOPs/SSOPs
- Recalls/Special Situations
- HACCP/Preventive Control Programs
- Member Complaints/Inquiries
- Building Issues
- Demo Services / Vendor Performed Demos and Roadshows
- Safe Harbor
- Communication---Food Safety Intranet Site



Costco Auditing Programs

- **Food Security / Bio-Security (domestic and foreign)**
- **Food Safety (domestic and foreign).**
- **Animal Welfare (domestic and foreign).**
- **Code of Conduct/Social Accountability (domestic and foreign).**
- **Factory Evaluations—Good Manufacturing Practices/Best Practices (domestic and foreign).**



Global Audit Perspectives Today

- Inspect what you expect !!!
- Audits are designed to meet regulatory and Costco requirements.
- All audit areas are media rich.
- Costco the 1st company at retail to do food safety audits. Direct & 3rd party.
- Standardized audit formats now used by the auditing industry.
- Never punitive--Improvement
- Costco Audit Standards-Above and Beyond



Costco Food Safety Audits

- **Costco FS Audit Expectations Manual**
- **HACCP/Preventive Controls--every facility!!!
(Costco Requirement)**
- **Vendor Ingredient Program (PCA)**
- **International Information Exchange**
- **Trace Back**
- **Constantly Improve the “Standard of Care”**
 - **Test & hold**
 - **X-ray, microbial methods, testing improvements**





Item Trace Back---Working Together Go Beyond Regulatory Requirements

- Vendor distribution information. **ASN's—Block Chain**
 - Purchase Specifications.
- Costco Vendor Ingredient Validation Program
 - Where do they come from? Purchase Specifications.
- All items are scanned multiple times (Vendors must comply with Costco standards)---both in and out of our system.
- Electronic data storage and mining (real time). Trace forward and back
- No paper records



Item Trace Back---Working Together Illness Outbreak Investigations !!

- Working with all involved regulatory groups.
- Blockchain ???
- Share records with all regulatory groups as appropriate.
- Epidemiology---Work with all regulatory agencies. Outbreak investigation and management
 - What did the member really buy & when?

Buying Success in Food Safety

What's in the Item Specification ?

- Purchase Specifications—They Key
 - Prevention Through Specifications !!
 - All quality specifications must be included.
 - Taste, color, packaging, sizing, import requirements, organic, GMO, label accuracy
 - All food safety requirements must be included.
 - Microbial testing requirements including an appropriate test and hold program.
 - Required audit evaluations.
 - Costco Vendor Ingredient Responsibility Program
 - Allergen accuracy
 - Label accuracy





Food Safety Recalls at Costco

(All Recalls at Costco)

- Always protect the Costco Member.
- One step back----
- One step forward----
- Quickly
 - Member Notification--Who? Why?
- Phone calls/text messaging---3,400,000 per hour on the day of the recall or incident. 
- Letters to members to explain details.
- Never Wait !!! Always protect the member. 

Microbial/DNA Testing at Costco

What We Test

- Meat & Bakery plants
- Ready to eat produce
- Pet treats
- All ingredient items for all ready eat foods
- KS and national brands
- Food Fraud
- 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 never an issue.
- We use materials and methods that are appropriate for the item being tested.
- We can also require vendor COA's that we then verify.



Today's Risk

- Media Management
- Social Media Management
- IT Systems Management, staying ahead of the curve from a supply chain systems perspective (Block Chain)



Delighting Our Members

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



Food safety efforts should always be invisible to our members!!!!

Questions?

