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Peanut Recall's Ripples Feel Like a Tidal Wave for Some Companies

By [KARLA COOK](#)

Big food companies were not the only ones troubled by the peanut recall.

Small businesses in all corners of the United States bought potentially tainted peanut products from the [Peanut Corporation of America](#) and are now part of one of the largest food recalls ever in this country. There is the chef in Las Vegas, for instance, who used them in protein bars, the packager of nuts and dried fruits in Connecticut, the cannery in Montana that sold chocolate-covered nuts and the ice cream manufacturer in New York State.

In all, more than 2,100 processed and packaged foods have been recalled in the wake of a [salmonella](#) outbreak linked to the [Peanut Corporation's products](#). More than 660 people became ill, and infection may have contributed to nine deaths, the [Centers for Disease Control and Prevention](#) reported.

The recall opens a window not only onto the [ubiquity of peanuts](#) in food, but also into the complexity of the nation's food system. Without the resources of big companies, small businesses have a particularly difficult time navigating that system. Even the businesses that thought they had complied with [food safety](#) practices ended up with potentially tainted products.

And now, in dealing with the recall, they are at a continued disadvantage. While big companies like Kellogg, Kraft and [General Mills](#) have the experience and staff to handle recalls, many small businesses have never had to deal with anything like this.

Some have had to keep employees on overtime or hire additional help to handle the recall-related work — records have to be searched to identify and track products, and replacement products manufactured. And company officials say they are spending a lot of time

reassuring their customers.

“It’s not our fault this recall went through,” said Tom Lundeen, who co-owns Aspen Hills Inc., in Garner, Iowa, which makes frozen cookie dough for fund-raisers. “We do everything correct and we have an incredibly high level of quality control, and we still have to pay for the mistakes of P.C.A.”

The lesson to small businesses in all this, food safety experts say, is that they need to know their ingredients and the risks, and know what to ask of suppliers.

Jenny Scott, a microbiologist and vice president of science policy and food protection for the Grocery Manufacturers Association, a trade group in Washington, said small businesses need to know their suppliers’ food safety culture and practices, and whether the suppliers are capable of doing the right thing. Last week, she helped teach a Web seminar for 60 participants, “The Ingredient Supply Chain: Do You Know Who You’re in Bed With?”

Benjamin Chapman, food safety extension specialist at [North Carolina State University](#) in Raleigh, went further. “If you’re in the peanut butter industry, you need to be thinking about salmonella,” he said.

Learning about suppliers is challenging when the supplier is not local, and the layers of the national food system are difficult to pierce.

Stephanie Blackwell said she knew about the danger of salmonella in nuts. She buys pasteurized almonds for Aurora Products, an 11-year-old manufacturing and packaging company she co-owns in Stratford, Conn. She said she required a Certificate of Analysis, essentially a contract for quality and purity, for peanuts she bought from the Peanut Corporation. She said she conducted spot testing of nuts and submitted to outside auditing, as Ms. Scott recommends. She said anyone could eat off her plant’s floor.

But she was caught up in the recall and calculates her losses at about \$1 million. Plans to hire two people are on hold, she said, raises will probably be trimmed and helping out with [Habitat for Humanity](#), as the company previously did, is now a question mark.

She had asked for recall insurance in January before news of one arrived, and is hoping a portion of her costs will be covered.

But not all companies have insurance.

Mr. Lundeen of Aspen Hills said that only 5 percent of a year’s supply of peanut-themed

products were affected by the recall, but product replacement costs are “a lot.”

As part of quality control, the company undergoes a mock recall every six months, but in this case, the drill was a prelude to tracking every unit of product and notifying every customer. Jay Littmann, a Las Vegas chef who in 2004 automated production of his power bars, cookies and brownies for Chef Jay’s Food Products to minimize human contact with the food, had to recall 10 products and said he worried that the problem could tarnish the reputation of his products.

“I take great pride in my work,” Mr. Littman said. “My name and my picture are on my products.”

Now, at trade shows where he would like to do “good will,” he said he finds himself talking about the recall.

He has hired a full-time employee for recall work and paid overtime to manufacture more products. “We were compromised because of actions of a food supplier that we trust,” he says. “When something like this happens, it just blows my mind.”

Ed Springman, a co-owner of Huckleberry Haven, in Kalispell, Mont., said he knew the peanut supplier for the chocolate-covered peanut candies he outsources the production of, then repackages and labels.

Over the years that he and the supplier had been doing business, he met the managers and developed a relationship. But his supplier bought his peanuts from the Peanut Corporation, and when the supplier’s peanuts were recalled, so were his candies.

Mr. Springman said it had been a learning experience. The recall affected less than 1 percent of his products and his supplier is paying the recall bills, but the effort has taken a lot of his time.

Perry’s Ice Cream, in Akron, N.Y., was more prepared for a recall than most small businesses. Its chief, Robert Denning, said he gathered his crisis management team when he heard the news. The group identified the affected products — eventually about two dozen peanut butter-flavored ice creams and yogurt products, less than 10 percent of the business, he said — then created a communication plan that emphasized consumer health and safety.

The company has had its team in place for about 20 years. “I would think it’s a requirement, when you look at the quantity and frequency of recalls,” he said.

Byron Chism said his company, Bad Byron's Specialty Food Products, of Santa Rosa Beach, Fla., was only "brushed" by the recall. Fewer than 30 cases of his barbecue-seasoned roasted peanuts were affected, and the publicity, he says, is generating interest in his Butt Rub Seasoning.

But he said he had learned a lesson. "I need to be prepared to communicate with my stores; I need e-mail addresses. If this was something of high alert, you move very slowly when you have to hand-call each store."

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