



THE HIDDEN **COST** OF A FOOD **RECALL**

IMPACT TO YOUR BRAND

HOW QUICKLY CAN YOU DEFINE THE SCOPE OF A PROBLEM —
AND LIMIT HOW MUCH OF YOUR BRAND IS EXPOSED?



FOOD MANUFACTURING/
QUALITY CONTROL

The Hidden Cost of a Food Recall— Impact to Your Brand

You've dedicated immense time and energy to **building your brand—creating exceptional products**, developing trusted partnerships across your supply chain, building a committed workforce, earning consumer trust, and positioning your company for continued growth.



fig no: 1

Then a single contamination event, undeclared allergen, or packaging error can bring that momentum to an abrupt halt.

A product recall isn't simply about removing a product from the marketplace. It can put many of those hard-earned achievements at risk.

A **flagship product** that represents years of investment and development can quickly become the focus of a food-safety investigation and public scrutiny.

Vendors, distributors, and retail partners may face immediate logistical disruption, cancelled orders, empty shelf space, lost revenue, and significant administrative burdens—putting long-term commercial relationships under pressure.

Your workforce can shift from a culture of growth to crisis management, dealing with product identification and disposal, customer communications, regulatory scrutiny, and the demands of determining exactly what happened—and what else may be affected and the impact can extend well beyond the recalled product itself. Consumer concerns can affect perceptions of a brand or even an entire product category, while social media and public attention can amplify the situation.

At the same time, capital and resources intended for expansion, R&D, and marketing may be redirected toward recall execution, investigation, legal and regulatory costs, product disposal, and customer recovery.

THE CENTRAL QUESTION

The question isn't simply whether a recall could happen. In the event of a recall—**how quickly could you determine exactly what was affected**, and how much of your brand is exposed?

A Recall Is More Than a Recalled SKU

The product identified in a recall may be only the starting point for determining the **true scope of an incident**.



fig no: 2

An ingredient-level problem can require a manufacturer to look far beyond the original finished product to determine what else may be affected.

A **food-safety** incident can potentially involve relationships between the ingredient, formula or recipe, production lot, finished product, customer, distribution channel, and ultimately the consumer.



fig no: 3

One affected ingredient can sit at the head of a chain that runs all the way to the consumer- each link a place the true scope could expand.

THE CENTRAL QUESTION

The question isn't simply "What was recalled?"
It's "What else did the affected ingredient or lot touch?"

Where one ingredient is affected, how far through this chain can you trace it—**quickly and accurately**?

When One Ingredient Becomes a Supply-Chain Problem

A recall may begin with a single ingredient, but that ingredient can become part of multiple recipes, production runs, finished products, customer shipments, and brands.

In 2025, a *Listeria* investigation involving precooked pasta supplied by Nate's Fine Foods demonstrated how an ingredient-level issue can extend beyond the original supplier and require downstream manufacturers and customers to identify potentially affected products.

Nate's did not sell the affected products directly to retail consumers. The recalled pasta was supplied to downstream customers, including FreshRealm, where it was used in prepared meals. As the investigation developed, downstream companies recalled products containing affected pasta supplied by Nate's.

The diagram below illustrates the complexity involved in **tracing backward to identify the source of a contaminant** and forward to determine where affected ingredients and products may have traveled throughout the supply chain to the end consumer.

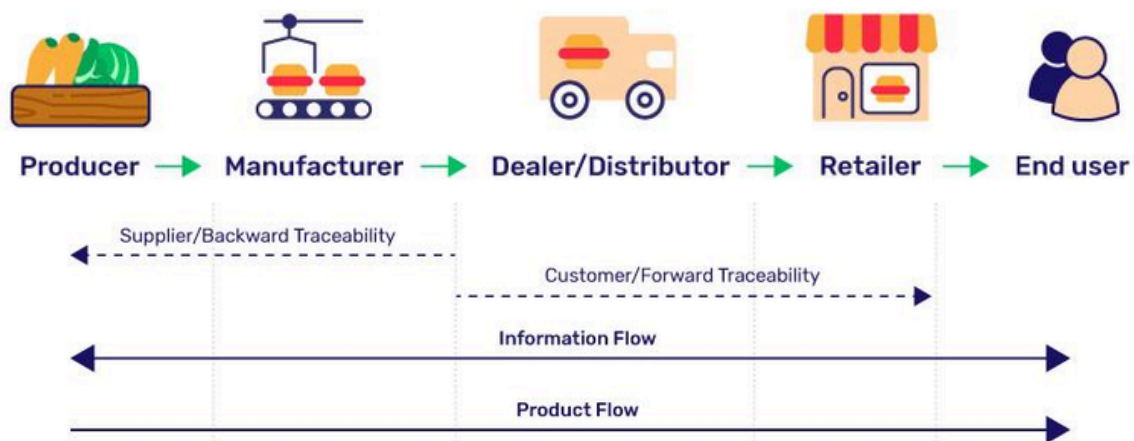


fig no: 4

Illustrative diagram based on publicly reported entities associated with the recall. Specific material flows, distribution routes and upstream ingredient relationships are conceptual and may not reflect the exact documented trace investigation.

THE CENTRAL QUESTION

The **original problem** was an ingredient. The business problem became **determining the full scope of everything** that ingredient touched.

When Private Label Expands the Scope

For manufacturers producing both branded and private-label products, the **potential scope of an ingredient-related recall** may extend beyond the manufacturer's own brand.

In February 2024, Dole Fresh Vegetables recalled a limited number of salad kits after learning that cheese used in the products had been recalled by its supplier, Rizo-López Foods, due to possible *Listeria* contamination.

The affected products included both Dole-branded and private-label salad kits, demonstrating how a single supplier ingredient can potentially connect multiple finished products, brands, customers, and geographic markets.

The diagram below illustrates the added complexity that can arise when a recalled ingredient is used in the production and distribution of both branded and private-label products.



fig no: 5

Illustrative diagram based on publicly reported entities associated with the recall. Specific material flows, distribution routes and upstream ingredient relationships are conceptual and may not reflect the exact documented trace investigation.

THE CENTRAL QUESTION

The manufacturer's brand portfolio may be smaller than its actual recall exposure.

What Happens to the Brand?

A recall may begin with a specific product, ingredient, lot, or food-safety issue. But the business impact can extend beyond the recalled product into operations, distribution channels, customer relationships, consumer purchasing decisions, and ultimately the brand.

The more difficult it is to determine exactly what is affected—and what isn't—the greater the potential for unnecessary disruption, including holding or removing unaffected products, disrupting customer relationships, and expanding the amount of the brand exposed.

The **effects of a recall** can extend outward through the supply chain—ultimately **reaching the brand**.



fig no: 6



The faster you define the true scope,
the more precisely you can contain the impact.

THE GOAL

Isn't simply to respond to a recall. It's to define its true scope quickly and precisely enough to contain unnecessary exposure.

Consumers Don't Always Think in Lots and Production Codes

A manufacturer may define a **recall by a specific lot, production code, or date range**. Consumers don't always make purchasing decisions with that same level of precision.

When a recall becomes public, concern can extend beyond the affected product. Depending on the circumstances, consumers may reconsider the brand—or even the broader product category. That means the technical scope of a recall and its potential consumer impact may not always be the same. Consumer research illustrates **how the effects of a recall can extend beyond** the recalled product itself: gs1us.org

67%

have avoided an entire food product category following a recall

66%

are hesitant to purchase the same product or brand again

59%

have discarded recalled food even when their state or region was not affected

In a study conducted by Xi He of Virginia Tech analyzing U.S. seafood recalls and weekly retail purchasing data from 2010–2022, the research found that consumer purchasing effects can extend beyond the recalled brand—even affecting purchases of unrecalled brands of the same species. academic.oup.com



fig no: 7

THE GOAL

Your recall may have a defined technical scope. Consumer perception can extend beyond it.

The Size of the Recall Isn't the Whole Story

Recall counts can tell us how often recall events occur—but they don't tell us how much product may ultimately be affected.

The scale of exposure can vary significantly from one year to another, and a relatively small change in the number of recall events can be accompanied by a much larger change in the number of affected units.

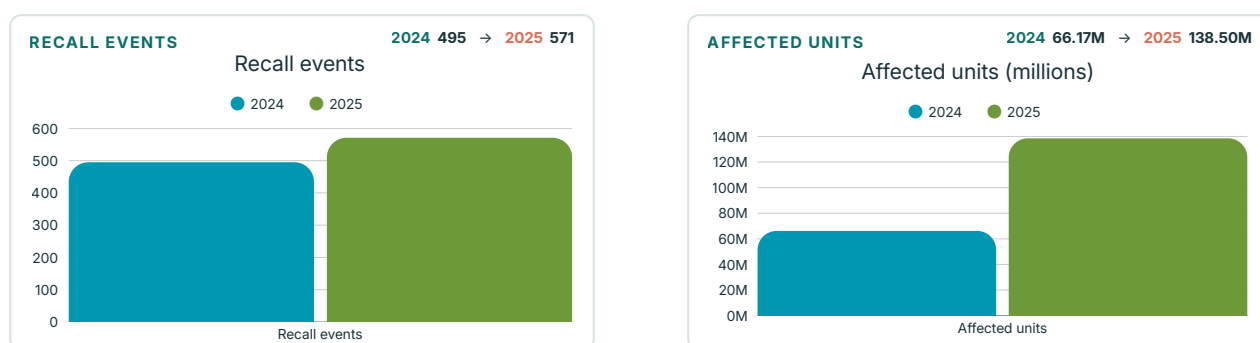


fig no: 8

The number of recalls doesn't necessarily tell you the size of the exposure.

A single event involving a widely used ingredient or high-volume product can affect millions of units across multiple products, customers, channels, or brands.

158

prepared Foods recalls in 2025

27.7%

of all FDA food recall events

Recall frequency is only part of the story. The potential scope of each event is what determines **how much product**—and **how much of the business**—may be exposed.

How Quickly Can You Define Your Scope ?

When a food-safety issue is identified, **determining the source is only the beginning.**

The next challenge is understanding the full scope of what may be affected—and doing it quickly enough to support confident decisions about what should be held, investigated, or recalled.

If an ingredient lot were identified as potentially affected today, how quickly could your team answer these questions?

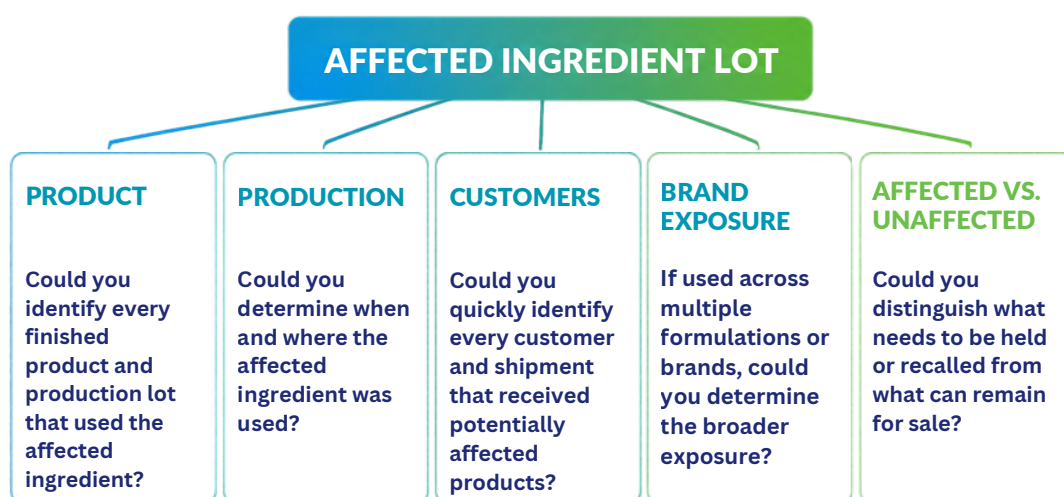


fig no: 9

A **recall response** requires more than knowing where an ingredient came from. You need to know what it touched—and how quickly you can determine the full scope.

Traceability Is Only Part of the Equation

Traceability is essential during a **recall investigation**—but knowing where an ingredient came from and where a finished product went is only part of the picture.

To define the **true scope of an incident**, manufacturers may also need to understand:

- what was inspected or tested,
- where and when an ingredient was used,
- what products were produced, and
- what inventory or shipments may be affected.

That requires information across quality control, traceability, and manufacturing to work together.



fig no: 10

The goal isn't simply to trace a lot. It's to connect the information needed to make a **confident decision**.

FSMA Rule 204 and Enhanced Traceability

The ability to quickly trace food through the supply chain is not only an operational concern. For certain foods, it is also the focus of **enhanced federal traceability requirements**.

The **FDA Food Traceability Rule**, established under **Section 204** of the Food Safety Modernization Act (FSMA), requires covered entities that manufacture, process, pack, or hold foods on the Food Traceability List (FTL) to maintain additional traceability records. [fda.gov](https://www.fda.gov)

At the center of the rule are **Critical Tracking Events (CTEs)** and the **Key Data Elements (KDEs)** associated with those events—creating a more structured record of how covered foods move and change throughout the supply chain.

Supply-Chain Events

Where the food moved or changed?

Farm → Initial Packing →
Processing / Transformation →
Distribution → Retail → Consumer
Representative CTEs: Harvesting,
Cooling, Initial Packing,
Receiving, Transformation,
Shipping

Traceability Data

What information was captured?

Representative KDEs:
Traceability Lot Code, Product
Description / Identifier,
Quantity & Unit of Measure,
Date / Time, Location, Supplier /
Recipient Information

Traceability Output

What the organization can retrieve?
Source Information, Affected Lots
/ Products, Shipment History,
Receiving Locations, Customers /
Recipients, Information to
Support Recall Scope

CTEs and KDEs shown are representative examples; specific requirements depend on the food, activity performed, and applicability of the Food Traceability Rule.

24 hrs

records availability
when FDA requests
them

Covered entities must make records available within 24 hours, or a reasonable time agreed to by FDA. During an outbreak or recall, information must also be provided as an electronic sortable spreadsheet.

In **FDA Traceability Readiness Tabletop Exercises** conducted March 9–April 1, 2026, 15 companies participated across six supply-chain scenarios involving a simulated **24-hour records request**. Most met the 24-hour timeframe. The exercises also highlighted challenges involving data completeness and quality, traceability lot code information, information sharing, and differing buyer requirements. FDA reported that proactive supply-chain coordination mattered more than any particular technology. [fda.gov](https://www.fda.gov)

Regulatory timing note: FDA has proposed extending the Food Traceability Rule compliance date from January 20, 2026 to July 20, 2028. Congress subsequently directed FDA not to enforce the rule before July 20, 2028, and FDA has stated that it intends to comply with that directive.

Enhanced traceability isn't simply about retaining records. It's about being able to retrieve **accurate, connected information** when it's needed.

What Recall Preparedness Looks Like

The **organizations** that manage recalls most effectively are **not necessarily the ones that avoid every incident**. They are the ones that can **quickly identify what happened, determine what products are affected, isolate risk, and respond with confidence**.

CRITICAL QUESTIONS

A **prepared organization** should be able to answer four critical questions within hours, not days:

- What happened?
- What products are affected?
- Where are they now?
- Who needs to be notified?

STAGE	FOCUS	CAPABILITIES	OUTCOME
PROTECT	Reduce Risk Before It Becomes a Recall	• Supplier & Ingredient Controls • Quality & Food Safety Controls • Operational Visibility	Potential issues can be detected earlier, helping reduce recall risk and strengthen operational resilience.
IDENTIFY	Detect and Trace Issues Quickly	• Bi-directional Traceability • Lot & Batch Genealogy • Connected Records	Affected products can be identified quickly and accurately, reducing investigation time and uncertainty.
CONTAIN	Isolate Risk with Precision	• Product hold/quarantine workflows • Inventory segregation controls • Rapid location and lot identification • Recall execution procedures • Cross-functional response readiness	Organizations can isolate affected inventory, prevent further distribution, and reduce unnecessary expansion of the recall scope.
MINIMIZE BRAND IMPACT	Protect Customer Trust Through Rapid Response	• Recall communication plans • Customer/supplier/regulator notifications • Mock recall testing • Executive response playbooks • Performance monitoring	Faster, more transparent responses help protect customer relationships, reduce disruption, and preserve brand value.

Traceability + QC + Manufacturing

When a food-safety issue or mock audit hits your facility, speed becomes a **critical measure of preparedness**. The faster your business systems can connect the right information, the faster your team can investigate, make decisions, and respond.



fig no: 12

In a **disconnected environment**, data lives in isolation—tracking an ingredient may mean digging through filing cabinets, cross-referencing spreadsheets, and pulling manual logs. In a **connected environment**, ingredient lots, recipes, production records, quality checks, inventory locations, and customer shipments form a continuous digital thread: when a lot is flagged, the team can trace it backward toward its source and forward through production, inventory, and customer shipments.

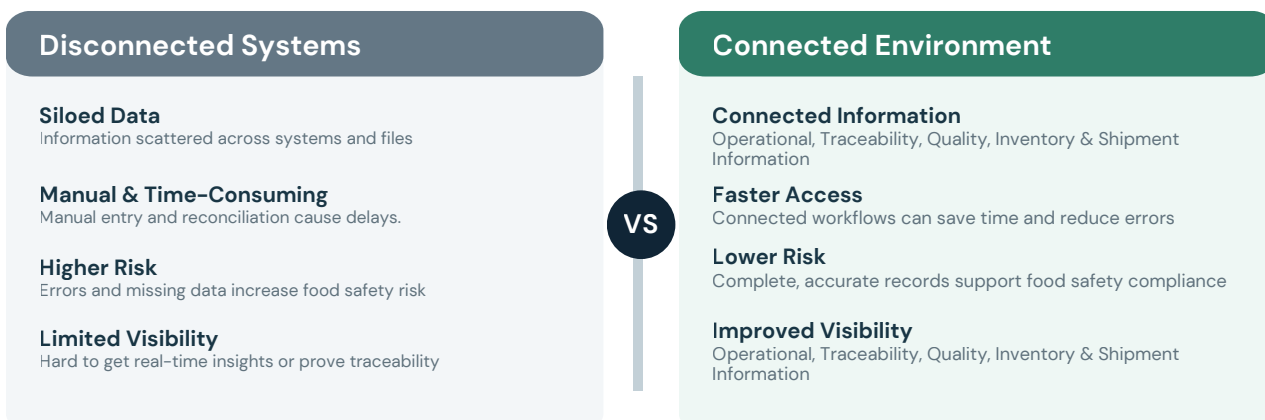


fig no: 13

The difference isn't simply having the data.
It's **how quickly your team can connect** it when it matters.

Key Inquiry For Food Organizations

They invest significant time and resources in food safety, quality, traceability, and recall preparedness. But when an incident occurs, the real test is whether your team can quickly connect the information needed to understand **what happened, what is affected—and what isn't**.

The challenge isn't simply having a recall plan or maintaining traceability records. It's whether the information needed to **understand an incident is connected, accessible, and usable** when your team needs it.

THE CENTRAL QUESTION,

In the event of a recall—how quickly could you **determine exactly** what was affected, and how much of **your brand is exposed**?



fig no: 14

The faster you can identify the source, trace affected ingredients and products, determine which customers and shipments may be involved, and distinguish affected from unaffected inventory, the better positioned you are to contain unnecessary exposure and protect the brand.

The goal isn't simply to know that a recall occurred. It's to **know exactly what is affected** and what isn't.

Where Technology Can Help?

Technology alone cannot prevent every recall or determine every aspect of an investigation. But connected business systems can help food organizations bring together the information needed to identify issues, trace affected products, define scope, and respond more quickly and precisely.

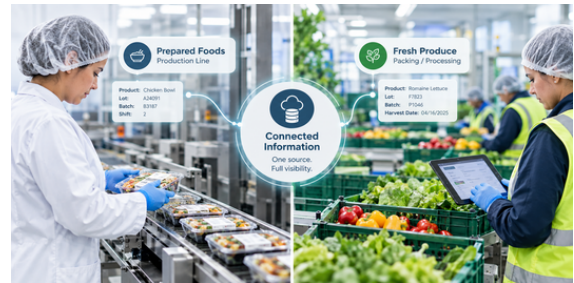


fig no: 15

When information across quality, ingredients, products, lots, operations, inventory, shipments, and customers is connected, teams can spend less time **searching for and reconciling information**—and more time investigating the issue and determining the appropriate response.

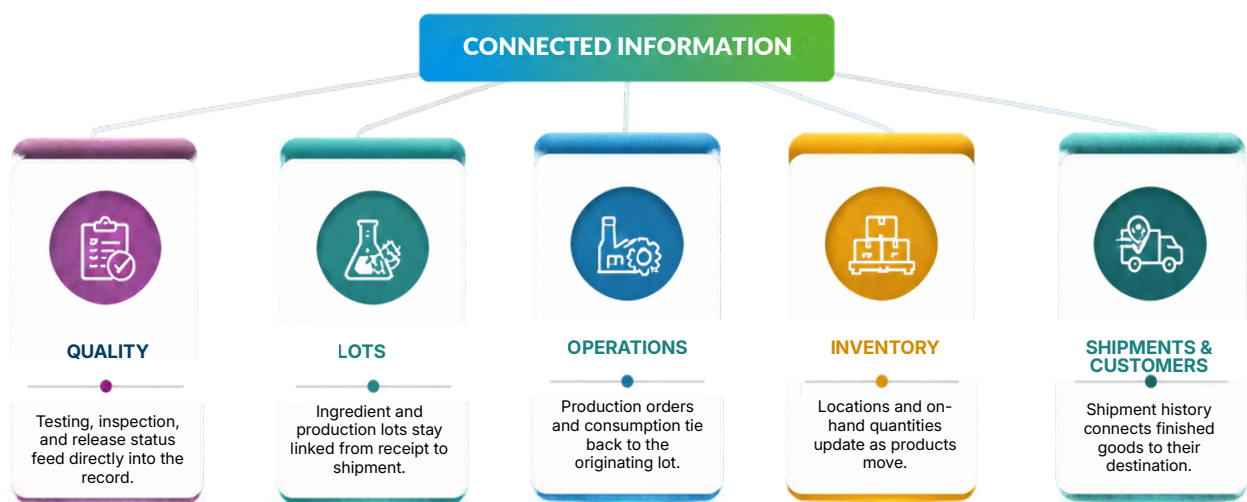


fig no: 16

INDUSTRY-SPECIFIC SOLUTIONS

Microsoft Dynamics 365 Business Central + Aptean

Food & Beverage Manufacturing

Microsoft Dynamics 365 Business Central + Aptean Food & Beverage ERP extends the Business Central foundation with industry-specific functionality for food and beverage manufacturers.

Features:

Lot Traceability; Formulation & Production; Recall Readiness; Quality Control

Fresh Produce

Microsoft Dynamics 365 Business Central + Aptean Fresh Produce ERP, the next generation of Produce Pro Software, addresses the specific processes of growers, packers, and shippers.

Features:

Lot Traceability; Quality & Food Safety; Picking & Repacking; Supply-Chain Ops

fig no: 17

Technology is most valuable when it **connects the information** your team needs to make faster, **more informed decisions**.

Bringing It All Together

When a food-safety incident occurs, the ability to define its true scope can determine how precisely your organization can respond and contain the impact.

That requires more than **identifying the source of the problem**. Your team needs to connect the information to understand:

- what happened,
- what was affected,
- where affected product went—and
- what isn't affected.



fig no: 18

Know What Happened

Connect quality, ingredient/ product, lot, and operational information to support the investigation.

Know What Is Affected

Trace potentially affected products, lots, inventory, customers, and shipments to understand the scope.

Know What Isn't Affected

Distinguish unaffected product from potentially affected product to avoid unnecessarily expanding the response.

Preparedness isn't about predicting every incident.
It's about **being ready to understand and respond** when one occurs.

How Prepared Is Your Organization?

Every **food organization** has different processes, systems, and levels of recall preparedness. The question is whether your team has the information and capabilities needed to quickly understand what happened, what was affected, what can be isolated, and how much of the brand may be exposed.



fig no: 19

Define the Scope. Contain the Impact. Protect the Brand.

How Techminds Can Help?

Connecting Food Industry Requirements with the Right Technology

Techminds Group works with food and beverage organizations to evaluate the business processes and systems supporting their operations—including finance, inventory, production, quality, traceability, warehouse operations, and customer fulfillment.

As a Microsoft and Aptean partner, we help organizations identify opportunities to improve connected information and determine how Microsoft Dynamics 365 Business Central and the appropriate Aptean industry solution can support their operational requirements and longer-term business objectives

Schedule 15–20 Minute Conversation with Techminds

If you're evaluating how well your current systems support traceability, quality, manufacturing or operational visibility, and recall preparedness, we'd welcome the opportunity to learn more about your organization and **compare your current capabilities with the considerations** discussed throughout this eBook.

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Sources, References and Contact

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