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Agroterrorism: Managing Risk In The Food Supply Chain

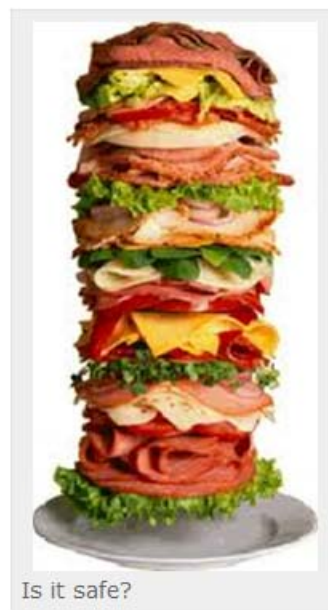
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posted by **ERIC SAVITZ**

Written by Adam Aronson

Terrorism is a threat we face every day. Air travelers, especially, accept security scans and pat downs at airport check-ins as a way of life. America's food supply also is receiving increased scrutiny from companies and government agencies working to make sure food products are safe from farm to fork.

Still, terrorism experts see *agroterrorism*, defined as the intentional contamination of the food supply with a goal of terrorizing the population and causing harm, as an increasing operational risk.



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As a former money manager, I think understanding the nature of risk and managing exposures can apply to preventing risk across various industries. Money managers are taught early that managing risk is far more important in delivering long-term stable performance than chasing high short-term gains.

In the oil industry, deep water drilling had a solid safety record for five years and a low risk was assigned to deep-water drilling until the BP Deepwater Horizon drilling rig exploded in the Gulf of Mexico. That incident led to the largest-ever oil spill in U.S. waters and the loss of 11 lives.

Japanese safety experts believed that backup generators at the Fukushima nuclear plant were more than adequate to withstand any earthquake. When Japan was rocked by a 9.0 quake followed by a tsunami of epic proportions, backup generators failed. Today, Japan still faces the possibility of nuclear meltdown and continued contamination of air, water, food and agriculture.

'Black Swan' events are outliers that combine low risk with large impacts. Black Swan logic as applied to risk suggests that what we don't know about potential threats is far more important than what we do know...which leads us to food defense.

Could a Black Swan event occur in the food industry? What we know about agroterrorism offers clues. In the 1970s, a suspected contamination of oranges reduced Israel's exports of citrus fruit to Europe by 40 percent. In 1989, poisoned Chilean grapes sent to the United States lead to international trade suspensions that cost Chile \$200 million. In 2002, a Chinese citizen poisoned a competitor's food products, resulting in dozens of fatalities. In 2003-2005 in Italy, colorless chemicals used to poison commercial drink containers claimed 33 lives.

That's why manufacturers, law enforcement, the United States Department of Agriculture, and the Food and Drug Administration are more focused than ever on protecting the nation's food supply from intentional acts of contamination or tampering through introduction of a biological, chemical, physical, radioactive contaminant.

A risk assessment tool from the FDA called *CARVER + Shock*, originally developed by the Pentagon, takes food processing companies through more than 100 questions about their facilities to help them identify areas that may be vulnerable to an attack and whether a biological or chemical agent might be used in an attack. The recent *Food Safety Modernization Act* extends these guidelines with new requirements for FDA regulated food companies to establish food defense plans to protect these highest risk production and storage areas.

Managing risk was on my mind when I launched a company twelve years ago that let parents watch their young children at child-care centers through Internet-viewing. I believed that hard working parents should be able to remotely see their children, which would provide immeasurable peace of mind that their child was safe and receiving good care.

In hospitals, some 100,000 patients die each year from preventable deaths, many a result of infections caused by failure of doctors and nurses to wash their hands before touching a patient. When we installed video cameras to monitor hand-washing compliance at hand-disinfectant dispensers in an intensive care unit of a large hospital, compliance rose from below 25% to about 90% in less than five weeks – and these high rates were sustained for over 24 months.

In both cases, video cameras combined with third-party monitoring and feedback reduced risk and increased safety. In fact, data proves that anywhere video cameras are installed and accompanied by remote monitoring with feedback, employees perform better and risk is reduced.

In the food industry, if we use remote video auditing services to monitor employees working in these high risk areas, view what they are doing while inside, and instantly report any infractions back to management, we can greatly reduce the possibility of tainted food ever reaching a loading dock.

Adam Aronson is CEO of [Arrowsight](#), a provider of remote video auditing services for the food processing, quick-serve restaurant and health-care industries.

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