Q3 Rise In Food, Medical Device And Pharmaceutical Recalls

ExpertRECALL Index

Indianapolis, IN – According to the ExpertRECALL Index, the third quarter showed a rise in the number of incidents and injuries associated with the use of recalled infant and children's products, as well as the number of medical device, foods and pharmaceutical units recalled. Additionally, the number of international recalls increased during the third quarter of 2013, with one out of every three FDA recalls tracked by the index having an international component.

"Recall activity has escalated across many sectors, but a new and notable trend is the rise in international recalls," said Kevin Pollack, Vice President of Recalls, ExpertRECALL. "With this continuing trend, companies should be mindful of areas that are having an incremental impact on recalls, including: the increased international regulatory collaboration, requirements for importation of products and raw materials, sourcing and supplier verification processes, and traceability protocols."

While medical device recalls have commonly been issued both nationally and internationally, this quarter indicated an increase of recalls across pharmaceuticals and food as well. For instance, 236 medical device recalls that affected customers in the United States also affected one other country or territory in the third quarter; an increase of more than 19 percent from last quarter. Of the 171 pharmaceutical recalls documented in the third quarter, 20 recalls affected customers in the U.S. and at least one other country or territory.

"There's a lot to be said about the rewards for a company when it moves into the global marketplace, but recalls are a clear reminder of the risks. Companies should be sure to develop and continually test their recall plans on a global basis, in addition to establishing their marketing and customer support efforts specific to new markets," said Pollack.

The U.S. Department of Agriculture (USDA) reports that while the number of recalls of meat, poultry or processed egg products was slightly down in the third quarter, more than 85 percent of USDA recalls were classified as Class I, which is the most serious classification. As seen in previous quarters, undeclared allergens were the leading cause of USDA recalls.

For Consumer Product Safety Commission (CPSC) related recalls, the Index highlights that five companies had more than one recall in the third quarter of 2013. Of note is that the total retail value of all recalled units for the children and infants product category in the third quarter was more than $41 million, which is a 15 percent increase from last quarter. Further, the average price of a single unit

recalled in the third quarter was approximately $67, more than six times the average price of a unit recalled in the second quarter.

“Companies should continue to be proactive in their efforts to mitigate the scope of recalls due to the overall potential impact on brand loyalty and the financial cost of a recall. One improperly handled recall can be damaging to a company’s brand and come with a large price tag. More than one recall can be disastrous,” said Pollack.

Children’s and infant recalled products were responsible for 159 product safety incidents in the third quarter, a 55 percent increase from the previous quarter. This quarter also marked the highest number of reported incidents and injuries associated with the use of recalled products in the past five years. In fact, a single recalled product this quarter was responsible for over 96 percent of these reported injuries.

“Through mining data such as customer reviews, social media conversations, and product usage reports, companies can proactively identify a situation that may warrant a recall and effectively limit the amount of exposure to a recalled product,” said Pollack. “This is an important step in safeguarding consumers and a company’s brand before and during a recall event.”

The 2013 third quarter ExpertRECALL Index is the only report that aggregates and tracks cumulative recall data from the U.S. Consumer Product Safety Commission (CPSC), the FDA and the USDA. The ExpertRECALL Index report is available online at http://www.expertrecall.com/wp-content/uploads/Q3-2013_ExpertRECALL-Index.pdf [1]

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