

Company Logo

# Recoup and Salvage SOP

## PURPOSE

The purpose of this Standard Operating Procedure is to detail the procedure to handle distressed foods (e.g., damaged, infested, and temperature abused products), and salvageable foods in a manner that will prevent unacceptable and unsafe products from being distributed to customers. This SOP does not apply to the relabeling or reconditioning of meat, poultry and processed egg products, because these products are governed by the Federal Meat Inspection Act, Poultry Product Inspection Act and Egg Product Inspection Act, and applicable Food Safety and Inspection Service (FSIS) regulations and may be reconditioned and/or relabeled only at official establishments under the supervision of a USDA inspector.

## SCOPE & RESPONSIBILITY

This Standard Operating Procedure (SOP) for Recoup and Salvage is an enterprise-wide standard and shall apply to all [Company] associates and associates of any [Company] subsidiary (hereinafter collectively referred to as "You"). Compliance with this Procedure shall be an expectation of employment. This Procedure also shall apply to all third parties performing services on [Company]'s behalf. For such third parties, compliance with this Procedure shall be a condition of access to [Company] facilities and resources, and of being permitted to perform services for [Company].

The [Company] Operating Company (OpCo) President/General Manager shall be responsible for compliance with this SOP. The OpCo Vice President of Operations is responsible for implementing and executing this procedure. The Quality Assurance and designated OpCo personnel are responsible for following this Procedure to ensure the products [Company] distributes are wholesome and safe.

## PROCEDURES

1. Products to be destroyed may NOT be sold or donated as salvage or returned to normal inventory.
  - a. Products to be destroyed shall include but are not limited to:
    - Product that may be injurious to health or otherwise unfit for food or animal feed.
    - Product exposed to contaminants such that it may be injurious to health or otherwise unfit for food.
    - Products distressed by deterioration, filth, insects, rodents, pesticides or other chemicals.
    - Potentially hazardous foods that have been exposed to temperatures above 41°F (5°C) for a period exceeding 4 hours or which have evidence of spoilage by appearance or smell.
    - Frozen foods which have signs of partial thawing and have evidence of spoilage by appearance or smell.
    - Recalled products as notified by suppliers and/or regulatory agencies.
    - Products time-dated to ensure safety and the date has passed.
    - Metal containers that leak; appear to be abnormal ("swells", "flippers", and "springers"); are pitted or rusty; have severe, sharp dents; have dents in the side-seam or in any end double-seam; or are unable to be opened by a normal can opener.

[Date]

- Containers, including metal, retort pouches and glass containers with press caps, screw caps, pull rings or other types of openings which have been in contact with water, liquid foam, or other deleterious substances, as a result of firefighting efforts, flood, sewer backups or similar mishaps.
  - Containers showing evidence of partial usage, unauthorized opening or tampering.
  - Containers found unfit for salvage upon examination
  - Products packaged in paper or other porous materials which have been subject to contamination by absorption.
- b. Acceptable methods of destroying and defacing products (including proprietary items) would include:
- Crushing contents of packaging in a secure trash compactor.
  - Sending products to a landfill.
  - Denatured according to USDA FSIS/CFIA Guidance.
- c. Photographic evidence will be filed as necessary to document destruction of large quantities.
- d. Proprietary items cannot be destroyed unless written approval is provided.
- e. A Certificate of Food Destruction shall be obtained or prepared by the OpCo with destruction method noted as appropriate (Certificate of Food Destruction Forms). A government agency or the vendor may require a Certification of Destruction
2. Salvage products that cannot be returned to normal inventory.
- a. Salvage products are products that cannot be returned to inventory because of the following conditions, however can be sold to a third party or donated to charity:
- The product has quality issues which do not render it injurious to health or otherwise unfit for food.
  - Product for salvage/donation intended for animal feed must meet regulatory requirements (i.e. ruminant animals).
  - The packaging and containers are intact but show signs of soiling or moderate crushing.
  - The product is beyond shelf life, but the container integrity is not compromised and the food is not rendered injurious to health or otherwise unfit.
  - The product has been subject to temperature abuse that does not render it injurious to health, unfit for food or critically affect the performance, functionality, and quality of the product.
  - Metal containers that have dents which do not involve the side weld or double seams.
  - The product does not meet any of the criteria in 1) above for products to be destroyed.
- b. Labeling of salvaged food products
- All products to be salvaged shall be defaced in one of the following ways:
    - “Salvage - Sold As-Is” shall be stamped or stenciled with indelible ink on two sides or on one side and the top of the [Company] primary container where the product description and/or product code information is printed.
    - For salvaged products with internal packaging, bearing labels that potentially could be sold or distributed separately as individual units, each unit will also be marked “Salvage - Sold As-Is.”
    - Labels shall include the name and address of the OpCo that is salvaging the food.
  - All labels and label declarations required by the Federal Food, Drug and Cosmetic Act, the Fair Packaging and Labeling Act, CFIA Consumer Packaging and Labeling Act and all other applicable state laws shall be present on each product unit container and outer container, if any.

- Time-dated commodities shall not have their sell-by, use-by, expiration date, or other date removed, obliterated, altered, extended, or obscured.
  - Labels for food containers may be removed prior to cleaning if adequate precautions are taken to ensure that the same labels or same complete label information is reapplied to the containers.
  - Product traceability shall be maintained at all times.
- c. Salvaged products that are donated to an organization and will not be resold are also required to have each carton marked “Salvage - Sold As-Is” and include the name and address of the OpCo that is salvaging the food. Exception - Salvaged products that are donated to a charitable food organization such as a Food Bank, Pantry or the Red Cross in which a written agreement is on file (see “Charitable Organization Donation Release” template) and will not be resold, are exempt from requirement to being marked and defaced the same as Salvage product that will be re-sold or for which no written agreement is on file.
  - d. A completed Agreement for Salvage Sale shall be signed by the salvage agent and/or the organization prior to the release of the product.
  - e. Proprietary items cannot be donated unless written agreement is on file.
3. Acceptable Products may be returned to normal inventory if they meet the following conditions:
- a. The shipping container is sealed, properly labeled and free of crushing and tampering.
  - b. The product does not exhibit any apparent signs of temperature abuse and relevant temperature logs, if required, show no deviation from proper storage temperature.
  - c. The product has an acceptable remaining shelf life.
  - d. The product shows no sign of quality being compromised.
  - e. The product can be split and the damaged portion is removedThe product is not normally sold as a split-able item but the damaged portion is removed and a notification is placed in the case to provide notice to the customer of credit for the missing portion of the product
  - f. Complete Damaged Product Log for any items, as necessary
4. Contact [Company Subsidiary] for recoup and salvage instructions regarding products received from a [Company Subsidiary].

## **PROCEDURE REVIEW AND REVISION**

These Procedures shall be reviewed annually or more frequently as required by changes in legal, regulatory or [Company] requirements, or to correct identified deficiencies.

<b>Date</b>	
<b>Version Number</b>	
<b>Reason for Revision</b>	[Reason such as “Annual Reassessment]. Added [Changes - what,where]