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Food supply chains under increasing scrutiny

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The United States Federal Trade Commission (FTC) issued a monetary penalty[1] for "greenwashing" last month, the first such penalty imposed on a company for falsely claiming its products were organic. The company, Truly Organic Inc., was ordered to pay USD 1.76 million to settle the FTC complaint, is prohibited from making false or unsubstantiated claims regarding its products (e.g., that they're organic, good for one's health, good for the environment) unless backed by scientific evidence, and is also prohibited from providing anyone else with the means to make those claims.

In a statement,[2] FTC Commissioner Rohit Chopra lamented the fact that several similar cases — including a case against Aromaflage[3] and several "Made in USA" fraud cases—"were resolved for no money, no notice to victims or competitors, and no findings or admissions of liability." Chopra called for a policy statement addressing fraudulent and dishonest claims and asserted that "no-money settlements are inadequate."

The Truly Organic case and the first-of-its-kind monetary penalty for fraud represent a much larger trend that goes back some 30 years, when Western consumers started paying attention to where their products come from, who makes them, and the vast system that ensures we have organic strawberries in winter, cheap beef year round and all the cheap clothes and gadgets we could ever possibly need.

That vast global supply chain is under increasing scrutiny, driven by regulatory pressure, consumer choice and consumer rights associations, non-governmental associations trying to save a fragile ecosystem, and trillions of U.S. dollars in investment funds trying to stay ahead of the latest consumer surge and thereby turn a profit.

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