

## Case Study: Preservative Limit Exceeded, Recall Averted

*How expert-led risk assessment turned a potential national product recall into a notification-only outcome – protecting consumers, retailers, and brand reputation simultaneously.*

### \*SORBIC ACID: KEY FACTS

**What it is:** A naturally occurring organic acid used as a preservative in food to inhibit mould, yeast, and bacterial growth. Applied as sorbic acid or its salts (potassium or calcium sorbate).

**Where it's used:** Dairy products, baked goods, dried fruits, beverages, sauces, and dips – among many other food categories.

**Safety:** International bodies (JECFA) has established an Acceptable Daily Intake. Sorbic acid exhibits low acute and chronic toxicity and is metabolised rapidly through normal fatty acid pathways.

**Regulatory limits (FSANZ):** Permitted levels vary by food category and reflect what is necessary for the preservative to function, not a safety boundary. Limits are significantly higher in cheese, dried fruits, and sauces than in dairy dips.

**Key distinction:** Exceeding a category-specific limit does not automatically mean a product is unsafe. The two must be assessed independently.

### The Situation

In March 2025, routine external laboratory testing of a ready-to-eat dairy dip produced by an Australian food manufacturer revealed that the preservative (sorbic acid\*) levels were just above the regulatory limit under Schedule 15-5 of the Australia New Zealand Food Standards Code. The product had already been distributed nationally when the result came in.

The root cause was identified as a reformulation undertaken several months earlier in response to a sustained period of elevated yeast and mould counts that had compromised product shelf life. To address this, the manufacturer increased sorbic acid levels in the product; however, the reformulated product was not verified through post-production testing. By the time the issue was identified, non-compliant product had already been released to the market.

The key question was whether this constituted a food safety risk requiring a national recall, or whether the non-compliance could be appropriately managed through other means.

## Our Intervention: A structured response

@Risk Underwriting was engaged on the same day the lab results came in and took ownership of the crisis response strategy from that point. Our response involved six coordinated actions:

### IMMEDIATE — DAY ONE

#### CRISIS PROTOCOL ACTIVATION & PRODUCTION HALT

We activated the client's recall management plan and advise an immediate halt to new production of the affected product, containing the issue and establishing good faith with the regulators.

### DAYS 1 — 3

#### SCOPE CONFIRMATION & EXTENDED TESTING

We directed confirmatory testing across all affected batches to establish the actual range of sorbic acid levels in market — a necessary input to any credible risk assessment.

### MID — MARCH

#### INDEPENDENT EXPERT RISK ASSESSMENT

We engaged an independent food safety consultant with specialist expertise in food additive toxicology and FSANZ regulatory standards to provide a formal written opinion on the health and safety risk posed by the detected levels.

### MID — LATE MARCH

#### REGULATORY COMMUNICATION STRATEGY

We formulated the regulatory notification approach, ensuring the food authority received a complete, factual account of the incident, the risk assessment and the corrective actions underway.

### EARLY APRIL

#### ROOT CAUSE ANALYSIS & CORRECTIVE ACTION

In parallel, we led a root cause analysis — identifying the absence of post-reformation verification testing as the systemic gap. Corrective actions were formalised: the formula was adjusted back into compliance, and new production was held until confirmatory testing verified the corrected levels.

### THROUGHOUT

#### INSURANCE RESPONSE COORDINATION

Throughout the process, we advised the client on their insurance position and ensured that the response was documented in a manner consistent with the policy obligations — protecting their coverage while demonstrating prudent crisis management.

## ABOUT THIS CASE

This case study is based on a real 2025 incident managed by @Risk Underwriting. Client details, product specifics, and identifying information have been de-identified. The incident outcome and all key facts are accurately represented.

All regulatory references relate to the Australia New Zealand Food Standards Code (FSANZ).

## The Scientific Case for No Recall

The centrepiece of the response strategy was a formal written opinion from an independent food safety expert with specialist expertise in FSANZ additive regulations. The expert's conclusion rested on a distinction that is not widely understood- permitted levels for Sorbic acid under the Food Standards Code are set in line with Good Manufacturing Practice, they represent the level necessary for the additive to perform its function in a given food category. They are not safety thresholds and exceeding them does not automatically mean a product poses a risk to consumers.

The expert confirmed that the preservative in question has a well-established safety profile, supported by international regulatory assessments, and that population dietary exposure due to the levels detected in the product was not a concern. On that basis, the formal opinion concluded that the product did not present a health or safety risk and that a recall was not warranted on safety grounds. That opinion, independent, documented, and scientifically grounded was what allowed the regulatory notification to be made with confidence and the recall to be averted.

## Outcomes

The incident was fully resolved within four weeks of detection:

<b>Units Recalled: Zero</b>  No product was pulled from shelves. Existing stock sold through normally.	<b>Consumer Illness: None</b>  No adverse health events reported at any point during or after the incident.	<b>Resolution Time: 4 weeks</b>  From first detection to regulatory sign-off and return to compliant production.	<b>Retail Relationships: Intact</b>  No customers lost. Retailers retained confidence through transparent, expert-led handling.
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Regulators accepted the notification-only approach, acknowledging the quality of the risk assessment and the transparency of the client's engagement. The outcome was formally documented as a notification-only incident, not a recall.

For context, the direct and indirect costs of a national product recall in Australia are substantial. A comparable recall in the Australian food industry has historically cost manufacturers well into the millions- factoring in logistics, retailer chargebacks, lost production, brand remediation, and regulatory compliance costs. The client was able to avoid all of that with confidence as their product remained on shelves, their retail partnerships remained undamaged, and they emerged from the incident with documented evidence of a functioning, credible crisis management capability, a commercial asset in its own right.

## What This Case Demonstrates

### Day-one engagement matters

Being involved from the moment the issue was identified allowed us to act swiftly and build a systematic defensible response.

### Systematic informed decision making should drive recall decisions, not instinct.

An unnecessary recall carries its own costs: brand damage, retailer disruption, financial loss, and an implicit signal that the product was unsafe when it wasn't. In this case, expert-led risk assessment provides the evidence needed to make the right call.

### Proactive regulatory engagement builds credibility.

Notifying the regulatory body with a complete, well-documented account positioned the client as a responsible operator. Regulators responded accordingly.

### Close-out must be documented and verifiable.

Corrective action is only complete when testing confirms compliance and that result is formally recorded - for regulators, insurers, and retail partners alike.

## Get in touch

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