



# Inside the world of food fraud

Deception on your  
dinner plate

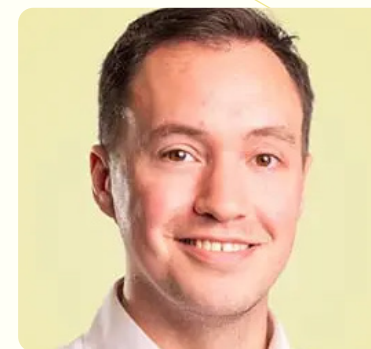




## Counterfeit cuisine: How food fraud is undermining trust and safety

Food fraud is a serious and growing global issue, costing the food industry between \$10 billion and \$40 billion each year. As economic pressures and supply chain vulnerabilities increase, so too does the incentive for criminals to infiltrate the food system.

Sam Pilkington, Underwriter for Crisis Management, outlines how the insurance sector can play a proactive role in mitigating risk and protecting both companies and consumers.



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# What is food fraud?

Food fraud refers to the deliberate substitution, addition, tampering, or misrepresentation of food products or packaging for economic gain. This includes adulteration, mislabelling, counterfeiting, and falsification of documentation.

## Recent cases



### **Mustard-Peanut Contamination (2024)**

British consumers were exposed to risk when mustard powder contaminated with peanut residue, sourced from India, was used in the manufacture of mustard based sauces and sandwiches sold under a number of brands in the UK.



### **Adulterated Honey (2023)**

An EU investigation revealed that nearly 50% of honey products on the European market were adulterated – often diluted with syrups to cut costs and increase margins.

# Common types of food fraud



## Olive Oil Fraud (2025)

A recent FoodNavigator report confirmed olive oil remains a primary target for food fraud. Fraudsters increasingly blend premium olive oils with cheaper alternatives, a sophisticated operation that is difficult to detect and highly profitable on the global market.



### Adulteration

adding, removing or replacing ingredients within a product  
e.g. diluted honey



### Mislabelling

deliberately misstating a product's origin or ingredients  
e.g. farmed fish sold as wild-caught



### Counterfeiting

producing inferior quality versions of well-known products



### Substitution

replacing an ingredient with a lower quality alternative  
e.g. olive oil adulterated with vegetable oil



### Tampering

such as amending the label of a product to extend the use-by or sell-by date



### Document fraud

e.g. forged country-of-origin certificates



“The increasing economic pressures on the global food supply chain have made food fraud more attractive to criminal networks. As fraudsters become more sophisticated, businesses face escalating risks from reputational damage to regulatory fines and public health crises.”

**-Sam Pilkington**



# Why criminals choose food fraud



## Higher rewards

i.e. replacing an ingredient with a cheaper, lower quality alternative e.g. olive oil adulterated with vegetable oil



## Smarter operations

Food fraud techniques have become more advanced, making adulteration harder to detect using standard testing



## Difficult to trace

Complex supply chains make it easier to conceal fraudulent activity and harder to hold perpetrators accountable



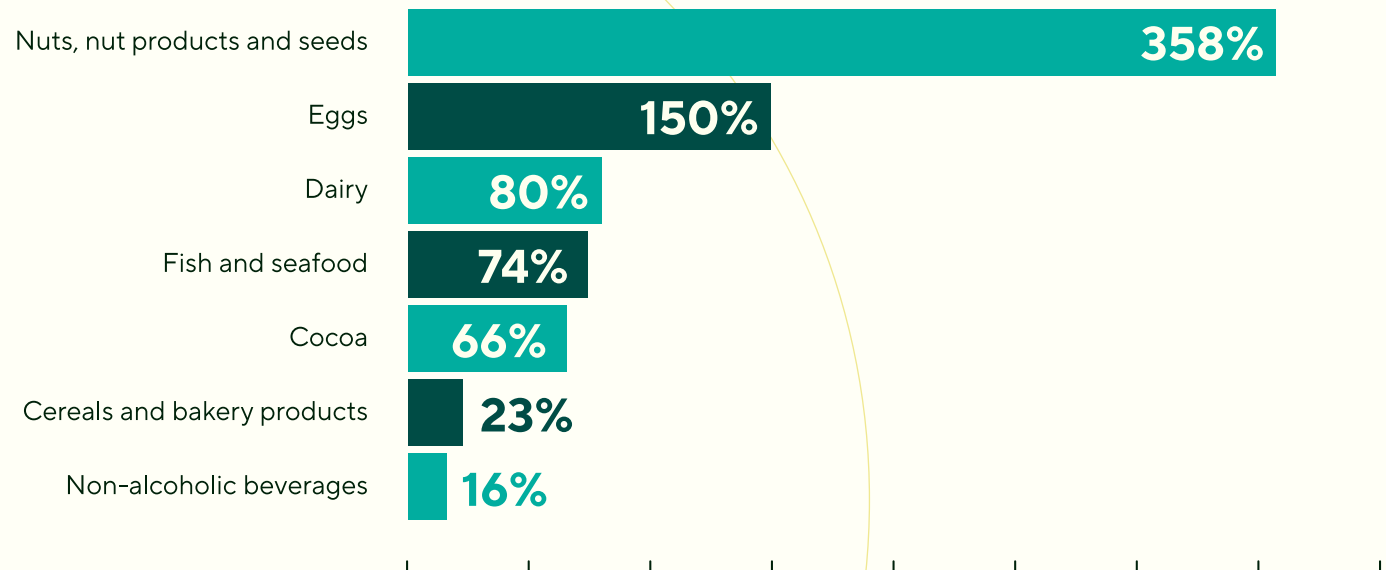


# A rapidly growing global problem

Food fraud is no longer an occasional issue – it's a booming criminal enterprise.

According to the Global Food Fraud Surges in 2025 report, incidents of food fraud have increased tenfold over the past four years. This alarming rise highlights how fraudsters are aggressively targeting the food supply chain, taking advantage of higher food prices, global instability and gaps in regulatory oversight.

## Alarming growth by product category (2021–2025)





# Rising threat fuelled by instability

Global food supply chains are becoming increasingly complex. As manufacturers source ingredients from multiple countries, often through several layers of suppliers, it becomes more difficult to trace the true origin and authenticity of raw materials.

This complexity is creating new vulnerabilities for food manufacturers, particularly when sourcing from regions where food fraud is on the rise.

Even the country of origin for key ingredients can no longer be taken at face value. Fraudsters may deliberately mislabel or falsify documentation to disguise the true source of products, bypassing quality checks and taking advantage of price differentials between markets.



## **Regional disruption:**

Conflicts in Ukraine and the Middle East continue to destabilise major agricultural supply routes, forcing manufacturers to seek alternative, sometimes less secure, suppliers.



## **Climate volatility:**

Extreme weather events are reducing yields in key growing regions, driving up prices and incentivising substitution or adulteration.



## **Document fraud:**

Ongoing tariff wars are inflating the cost of imported goods, making cheaper—potentially fraudulent—alternatives more financially attractive.



## Where the risk is highest

According to the WellnessPulse 2025 Food Fraud Vulnerability Index the most exposed regions are:

- #1 Yemen
- #2 Sierra Leone
- #3 Ivory Coast
- #4 Chad

These countries face unique supply chain vulnerabilities, driven by local instability, weak regulatory frameworks, and financial pressures that increase the risk of fraudulent activity.





These countries are also influenced by broader global forces impacting supply chains, including:



### **Climate change**

Leading to poor and low yields.



### **Poor infrastructure**

Inability to transport and distribute goods efficiently.



### **Political instability**

Including displacement of people, lack of access to land and resources.



### **Unstable trade**

Sanctions, blockades and tariffs.



## How insurance can help

Products affected by food fraud present serious challenges. Ensuring their safety and tracing the true origin of their ingredients can be extremely difficult, especially within complex global supply chains.

Because of this, food fraud is not just a financial crime, it is a critical food safety issue.

For businesses targeted by food fraud, the consequences can be wide-ranging and severe, including:



### **Business interruption**

Including your own loss of profit and your customer's financial losses



### **Brand and reputational damage**

Lasting harm to consumer trust and market credibility



### **Regulatory scrutiny**

Increased attention from regulators, potential investigations and legal consequences



# How insurance can protect business

## Crisis Management Add-ons

Covers public relations, customer communications and crisis response



## Reputational Risk

Product Rehabilitation coverage to help your brand recover faster



## Supply Chain Disruption Cover

Provides protection for your costs of recalling and replacing product as well as your loss of profit due to product destruction and delays in sourcing replacement product



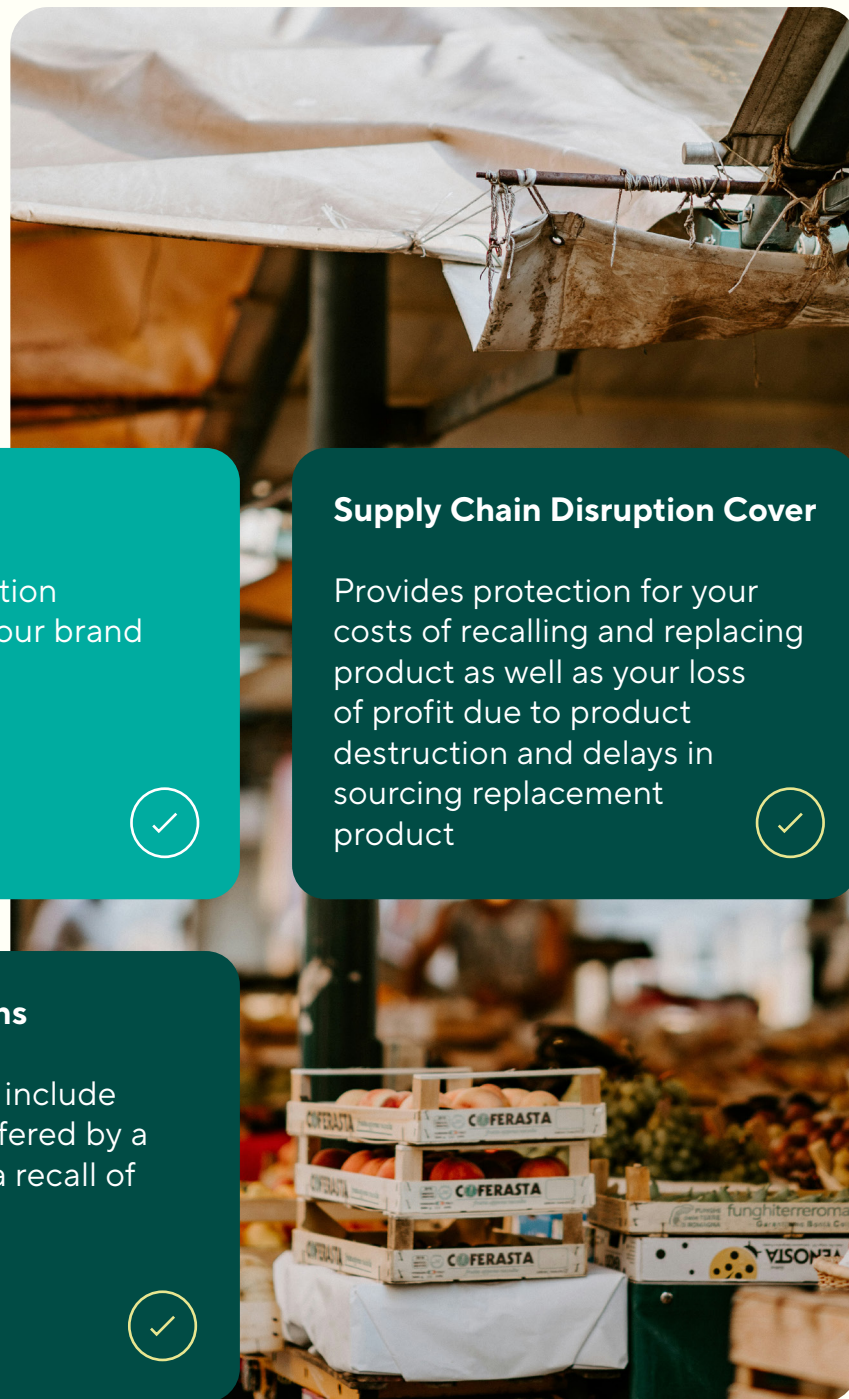
## Detection & Prevention Services

Includes risk assessments, due diligence tools, and forensic investigations, conducted in partnership with RQA, the leading food safety consultancy



## Liability Extensions

Extended cover to include financial losses suffered by a third party due to a recall of your products





# What can the food chain business do?

Food producers, suppliers and retailers can take several steps to reduce their exposure to fraud:

- ✓ Conduct regular background checks on all suppliers
- ✓ Implement traceability and supply chain verification tools
- ✓ Testing incoming ingredients to verify quality and safety
- ✓ Monitor regulatory alerts and emerging fraud trends
- ✓ Maintain accurate and complete documentation
- ✓ Work with insurers to tailor product recall and fraud cover



# IQUW's commitment

At IQUW, we work closely with brokers and clients to provide comprehensive protection against food fraud - before, during and after an incident. Whether it's offering specialised insurance solutions or providing strategic crisis management advice, our goal is to help food businesses build resilience and respond quickly to emerging threats. We intelligently underwrite Specialty insurance and reinsurance risks, combining data, intelligent automation and human expertise to make fast, informed decisions, so every risk is made seamlessly simple.

Speak to our Crisis Management underwriting team today to assess your clients' vulnerabilities and learn more about tailored protection options.



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We work with RQA, the leading food safety consultancy, to provide you with the latest food safety insights, helping you to proactively protect your business.

<https://www.rqa-group.com/food-safety-consultancy/#fooddefence>

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