

# Food fraud spoils value for all, study finds

June 26 2018, by Deann Gayman

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Credit: AI-generated image ([disclaimer](#))

Emerging research from the University of Nebraska-Lincoln shows food fraud can have industrywide impacts, beyond just consumers.

Nebraska agriculture economists Syed Imran Ali Meerza and Christopher Gustafson tracked how an incident of fraudulent activity changed consumer behavior toward all extra-virgin [olive oil](#) brands.

The research showed that the value of products from each country's producers declined, some by more than 50 percent.

Meerza said the study illustrates the need for better policing of the food industry in order to protect consumers and producers.

"We've shown there's a negative spillover affecting all producers when consumers see this information," Meerza said. "That has important policy implications because if there is negative activity going on in an industry, what should an industry do? This shows there needs to be a counteraction to that negative information."

Food fraud, or the act of purposely altering, mislabeling or tampering with any edible product, is a growing problem in global food supply chains. According to the U.S. Congressional Research Service, there have been 60 percent as many incidents of food adulteration from 2011 to 2012 than had been identified in the 30 years between 1980 and 2010.

"Food fraud is nothing new, but the intensity and frequency have been on the rise," Meerza said. "Globalization and a much more complex supply chain are contributors. It is also very difficult for consumers to judge the characteristics of the product."

Research surrounding food fraud has largely focused on incidents and effects on consumers. Meerza and Gustafson said very little of [food fraud](#) research has focused on producers' reputations and livelihoods after an incident occurs. Their study is helping increase understanding of the impacts on producers and the industry itself.

For the study, more than 100 consumers were asked to put a value on different brands of extra-virgin olive oil. The brands were from Italy, Greece and the United States. After reading an article about cases of [food fraud](#) involving Italian producers of olive oil, the consumers were

asked again to place a value on each brand of EVOO.

The fraudulent action diminished the perceived value of all EVOOs by [consumers](#). The value of Italian EVOO saw a 51 percent decrease in average valuation, the Greek EVOO was devalued by 13 percent, and United States EVOO was decreased by 9 percent.

Meerza is broadening this line of research and has been sought for his expertise by olive oil producers in the United States.

"They're looking at labeling or certification that will increase trust in olive oil produced in the United States, and that's based on what we found here," Meerza said.

**More information:** Consumer Response to Fraudulent Producer Behavior in the Agri-food Marketing System. [agecon.unl.edu/cornhusker-econ ... od-producer-behavior](https://agecon.unl.edu/cornhusker-econ...od-producer-behavior)

Provided by University of Nebraska-Lincoln

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