Consumer Products

Consumer product recalls increased by 4% to 59 – tied with Q3 2017 as the second lowest quarter since Q1 2015 and third lowest since Q1 2004. Recalled units decreased 45% to about 3.5 million - second lowest since Q4 2012.

RECALLS POWER UP

At 40.8%, power supplies made up the top product category based on units for the first time.

CONNECTING THE DOTS

1. After a quarter that saw the largest single fine in CPSC history, there were no fines issued in Q3 2018.
2. The top product category based on recalls for the second consecutive quarter was sports & recreation, with 40.7% of the recalls. No other product category broke 16%.
3. Incidents decreased 38.5% from Q2 2018 to the lowest level since Q1 2015. Injuries increased 560% to the highest level since Q3 2017 but lower than the average quarter over the last 5 years.

TOP REMEDIES BASED ON UNITS

- Replacement 58.4%
- Refund 19.2%
- Revised labels/instructions 13.6%
- Repair 8.8%

TOP HAZARDS BASED ON UNITS

- Fire 2.03MM
- Childproof Packaging Violation 471K
- Shock/Electrocution 280K
NHTSA recalls increased just 3% to 195 - the second lowest quarter since Q2 2017 and lower than 14 of the last 17 quarters. NHTSA recalled units declined 29% to 6.2 million - lower than 16 of the last 18 quarters.

**STRAPPED IN FOR RECALLS**

At 26.7%, seat belts were the top cause of recalled units for the first time since Q4 2016.

**CONNECTING THE DOTS**

1. Equipment was the top cause for NHTSA recalls for the sixth consecutive quarter, accounting for 22.6% of NHTSA recalls.
2. Automobiles accounted for 93.5% of NHTSA recalls and 80.5% of recalled units. In Q2 2018, automobiles made up 89.1% of NHTSA recalled units.
3. Airbags were the cause of just 3.6% of NHTSA recalls and only 0.2% of recalled NHTSA units. This is in sharp contrast to last quarter, when they were the second highest cause of recalled units at 9.6%.
Pharmaceuticals

Pharmaceutical recalls increased 19% to 92 - the second highest quarter since Q3 2013. Recalled units declined 56% to just over 7 million - lower than 10 of the last 13 quarters.

CONNECTING THE DOTS

1. Failed specifications were the top reason based on recalls for the ninth consecutive quarter.
2. The average recall size was 76,432 units - lower than 8 of the last 9 quarters.
3. Only 2% of the recalls were distributed both domestically and internationally, tied with Q1 2017 as the lowest percentage since at least 2012.

DEVIAITION DUPLICATION

At 36.9%, cGMP deviations were the top cause based on units for the third consecutive quarter.

TOP PHARMACEUTICAL CAUSES BASED ON RECALLS

- Failed Specs: 25%
- cGMP Deviations: 23.9%
- Sterility: 12%
- Mislabling: 10.9%
- Foreign Materials: 7.6%

% OF PHARMACEUTICAL UNITS BY CLASS

- Class III: 52.2%
- Class II: 45.9%
- Class I: 1.9%

OF PHARMACEUTICAL RECALLS WERE NATIONWIDE

78%
Medical Device recalls decreased 21% to 284 – lower than the last two quarters but higher than the three quarters before that. Recalled units decreased 31% to around 29.4 million – the lowest since Q1 2017.

**MACHINE MISFORTUNE**

At **48.1%**, machine failure was the top cause based on units for the first time since **Q1 2016**, mainly due to one large recall. Last quarter, it made up just **0.3%** of recalled units.

**CONNECTING THE DOTS**

1. The average recall size was 103,375, down slightly from last quarter’s 117,774 and the lowest since Q1 2017.
2. At 21.8%, software was the top cause based on recalls for the tenth consecutive quarter.
3. 171 individual companies reported recalls in the quarter – the highest number since Q3 2014.
FDA food recalls decreased 12% to 129 – the lowest quarter since Q1 2016. Recalled FDA food units decreased 96% to about 8.5 million – although a steep drop, this is higher than the previous two quarters. USDA recalls decreased 10% to 26. Recalled USDA pounds decreased 58% to 731,462 – the second lowest since Q3 2014.

**RIPE FOR RECALLS**

Produce made up 38.5% of recalled FDA food units, making it the top product category.

**CONNECTION THE DOTS**

1. After two quarters with beef at the top, poultry was the top category for USDA recalled pounds at 60.0%.
2. Undeclared allergens were the top cause of FDA food recalls at 42.6%, while the leading cause based on recalled units was bacterial contamination at 75.0%.
3. There were 8 recalls and 6,476 units recalled due to contamination with cyclospora. Although this is only 6.2% of the recalls and 0.1% of the units recalled in the quarter, it is the first time cyclospora has been a recall cause since at least 2010.
Stericycle Expert Solutions & the Recall Index Explained

Stericycle Expert Solutions helps partners minimize risk to the public and to their company brand by executing and planning for product recalls efficiently, effectively, and compliantly. Each quarter, we analyze cumulative recall data across five product categories. This helps our partners navigate the regulatory environment and identify trends.

How the Stericycle Recall Index is Compiled

The Stericycle Recall Index gathers and tracks cumulative data from the four primary federal agencies that oversee recalls in the United States: the Consumer Product Safety Commission (CPSC), the Food and Drug Administration (FDA), the Food Safety and Inspection Service (FSIS) of the United States Department of Agriculture (USDA), and the National Highway Traffic Safety Administration (NHTSA).

FDA Data

To track trends in food, pharmaceutical, and medical device recalls, the Stericycle Recall Index uses information publicly available in news releases posted on the FDA website. For additional insight into recalls governed by the FDA, Stericycle collects and analyzes data from the agency’s weekly enforcement reports, which provide additional details including recall class, quantity of units affected, and number of reported incidents.

CPSC Data

For further insight into consumer product recall trends, Stericycle analyzes data from CPSC recall announcements. When compiling statistics and analyzing trends for consumer product recalls, the Stericycle Recall Index uses standard product categories and hazards recognized by the CPSC.

USDA Data

For additional insight into food recall trends involving meat, poultry, and egg products, the Stericycle Recall Index collects and analyzes data from recall announcements posted on the USDA’s FSIS website. Statistics and trends are compiled using standard product categories, classifications, and reasons for recalls as recognized by the USDA.

NHTSA Data

To understand trends in the automotive industry, the Stericycle Recall Index analyzes data from NHTSA reports on recalls of autos, child seats, equipment, and tires.

Terminology

Announced recalls represent those recalls documented in news releases published on agency websites. Enforced recalls refer to those recalls documented in weekly FDA enforcement reports that are summarized based on the FDA assigned Event ID. Their documentation can lag behind announced recalls by weeks or even months because the recall process may take time to complete.

A Class I recall, according to the FDA, is a situation in which there is a reasonable probability that the product will cause serious adverse health consequences or death. A Class II recall is a situation in which the product could cause temporary or medically reversible adverse health consequences or where the probability of serious adverse health consequences is remote. The FDA defines a Class III recall as a situation in which the product is not likely to cause adverse health consequences.