



# The Motley Fool

## Chipotle Has a Perception Problem, Not a Food Safety Problem

Consumers remain wary even though the company has made major changes in its kitchens.

By Daniel B. Kline

Jul 24, 2017 at 9:15AM

Just when it appeared **Chipotle** ([NYSE:CMG](#)) had begun winning back the customers it lost after a series of food safety problems at its restaurants, the company had to [close a Virginia store](#) last week due to an outbreak of norovirus. The incident, which reportedly caused at least 13 customers to get sick, led the company to close the restaurant for a "deep cleaning." Chipotle has since reopened the location and no other restaurants in the chain were impacted.

Unlike the 2015 incidents, some of which were food-supply related, this latest issue was likely caused by a sick employee or customer. Norovirus is the leading cause of illness and outbreaks from contaminated food in the United States, according to the national [Centers for Disease Control and Prevention](#).

The news halted the Mexican chain's slowly building stock rally. Shares in the company closed at \$395.83 on July 14, the Friday before the incident. They [fell throughout the following week](#) to close July 21 at \$356.05, a 10% drop.

That's a fall that shows how tenuous Chipotle's situation has become. Diners were slow to come back after the 2015 incidents and any hint of new trouble may send them away again.

That's the reality the company faces, but the public may be overreacting to the situation, according to attorney Steve Kronenberg. A specialist in handling cases where individuals have been catastrophically injured after consuming food allergens and pathogens, Kronenberg believes that it's safe to eat at Chipotle.

### Chipotle has made changes

[Kronenberg](#) works at The Veen Firm where he litigates food-related class action lawsuits. "Since the 2015 food poisoning outbreaks, Chipotle has taken major steps to improve food safety at every level of the supply chain," he wrote in an email to [The Motley Fool](#).

Kronenberg noted that the company added well-respected industry veteran James Marsden to its corporate ranks as executive director of food safety. He also said that the Mexican chain traces ingredients from its sources, "which can help identify, isolate, and minimize food safety risks." It has also changed some food safety procedures including preparing produce at centralized commissaries that can more thoroughly control microbial contamination.

"Food service is also a high-turnover industry with many entry-level workers, so providing food safety training in any restaurant can be challenging," he wrote. "However, it appears that Chipotle is teaching these practices to its staff and hiring independent inspectors to verify sanitation."

Chipotle, he added, unlike some other restaurant chains, also offers employees paid sick leave. That minimizes the chances of a sick worker coming in because the employee needs the paycheck.

### **Is it safe to eat at Chipotle?**

"Given the company's comprehensive and transparent efforts to improve food safety, consumers should not fear eating at Chipotle," Kronenberg wrote.

But people are not always rational and the attorney believes Chipotle has a significant perception problem to deal with. Even though the Virginia case may have had nothing to do with Chipotle's ingredients or employees, the public may not see it that way.

"Although food poisoning happens frequently, few people ever identify the cause(s)," he wrote. "However, because many people are aware of the company's past problems with food safety, they may be more inclined to attribute illness to Chipotle than other possibilities."

That's a major hurdle for the company to jump over, according to [Aptean](#) Vice President of Product Management and Solution Consulting Jack Payne, who writes regularly on food safety. Aptean is a provider of software solutions. Payne has a monthly column at [Food Online](#), a web publication dedicated to covering safe processing and packaging, which identifies him as a "noted expert in food safety." He agrees that people should have no more fear about eating at Chipotle than they do dining anywhere else.

"Should people fear eating at any restaurant, or at any family picnic or any friend's house, because of a concern for food safety?" he wrote in an email to The Motley Fool. "Should they fear eating food prepared in their own kitchens because a family member is sick, and they have no way to swab and test food preparation counters for bacteria?"

Basically, people can get sick, whether it be from contaminated food or a random sick person passing on an illness. No chain, or any other place people eat, can completely eliminate risk. Chipotle however has taken aggressive steps to combat food safety issues even if the public remains wary.

### **10 stocks we like better than Chipotle Mexican Grill**

When investing geniuses David and Tom Gardner have a stock tip, it can pay to listen. After all, the newsletter they have run for over a decade, *Motley Fool Stock Advisor*, has tripled the market.\*

David and Tom just revealed what they believe are the **ten best stocks** for investors to buy right now... and Chipotle Mexican Grill wasn't one of them! That's right -- they think these 10 stocks are even better buys.

---

*Daniel Kline has no position in any stocks mentioned. The Motley Fool owns shares of and recommends Chipotle Mexican Grill. The Motley Fool has a [disclosure policy](#).*