

Facilitating compliance to food safety and food quality for cross-border agri- food trade

at

*APTFF Capacity Building Workshop on Facilitating Trade of
Perishable Goods in the Context of WTO Trade Facilitation
Agreement*

(7 September 2017, Yogyakarta, Indonesia)

Ms. Shashi Sareen

International Food Safety, Quality and Nutrition Expert

E-mail: Shashi_sareen@Hotmail.com

Global scenario



- **Globalization** –increasing demand for variety in foods
- **Trans-boundary movement** and trade–US \$1.486 trillion (International Trade Statistics 2015, pub WTO)
- **Increasingly new challenges** & risks to the health & safety of consumers - 1 in 10 affected (WHO, 2015)
- **Food safety & quality** incidents acquiring global focus – impacting cross-border agri food trade
- Standards & procedural issues important creating barriers to trade - SPS/TBT Agreements / TF Agreement
- Presentation looks at FS&Q from cross-border trade perspective

Outline

1. Key food safety and quality issues that impact cross-border trade
2. Strategies for trade facilitation in terms of food safety systems and quality
3. Guidance to governments/ policy makers for implementing effective food and agriculture control systems for cross-border trade
4. Conclusion

Key food safety and quality issues impacting cross-border trade

Basis/Types of rejections – various sources

- **EU Rapid Alert System for Food and Feed** – reports on risks identified in food/ feed/ food contact materials - market or an EU point of entry at border – 2993 notifications in 2016
- **Japan** – Yearly *imported food monitoring programme* by Dept of Environmental Health & Food Safety (Min of Health, Labour and Welfare) - in 2015, **859/195,667** consignments in violation
- **US** – Border rejection data from a UNIDO study (2002-08)
- **INFOSAN** - voluntary network of 186 national FS authorities - aim to prevent spread of contaminated food and FBDs and strengthen food safety systems globally - by promoting rapid exchange of information during FS events

Major food safety & Q issues

- Pathogens & spoilage micro-organisms (*Salmonella sp.*, *E.coli*, *Vibrio sp.*, *L.monocytogenes*, *B.cereus*, *Staph aureus*)
- Residues & contaminants – pesticides/vet drug residues, heavy metals, toxins, dioxins, food additives, adulterants, cleaning chemicals
- Filthy and unsanitary conditions
- Allergens
- Unregistered processes or manufacturers



A farmer destroys iceberg lettuce in Germany, *E. coli* cases



Hepatitis A in semi-dried tomatoes



Pesticide residues in Thailand

Standards and compliance to standards

- SPS/TBT Agreements lay down rules & disciplines to prevent indiscriminate use of standards - creating barriers to trade
- Terminology – measures, standards and technical regulations

- **Code Alimentarius Committee** like **Standards relate to:**

- Intergovernmental body
- **Established** 1962 – joint FAO/WHO
- **Mandate**
 - protect health of consumers
 - ensure fair practices in international food trade
- **Membership** - 186 countries + 1 member org (EC)
- **Observers:** 220 international organizations: scientific, industry, trade, consumers

- End product criteria
- Code of practices - Hygienic Practice
- MRLs for pesticides, v.ds
- Food additives
- Contaminant limits
- Packaging & labelling
- Inspection, sampling, testing procedures/methods

Issues and Challenges (standards & TRs)

- **Multiple standards and overlap** - Food safety is a **cross cutting area** across sectors – multiple agencies & coordination important
- **Compositional and quality related standards**
- **Lack of data** for risk-based standards – FBDS, food monitoring
- **Participation in international Codex standards development**
- **Procedure for standards development** – esp regulatory
- **Notification of regulatory standards to WTO**
- **Types of standards** – regulatory, voluntary, **private**

**Streamlining and harmonization of standards
important for trade facilitation**

Infrastructure capacity

- **Cold chains** - weak in many countries as operation costs high
- **Primary processing, processing, auction/ consolidation centres, transportation** - poor hygiene facilities
- **Testing infrastructure** - capacities of equipment, manpower, consumables & MS is critical. *Reliability of health/ quality certificates based on testing?*
- **IT systems** - with real time data needed to determine and manage the food safety situation in countries (*LIMS, electronic registries; traceability systems; alert systems; import control systems;...*)

Infrastructure and logistics capacity is absolutely essential to maintain quality and safety of products and thereby facilitate trade

Certifications and accreditations

Certification

- Food safety certification is a third-party verification that products, processes or systems in the food supply chain meet acceptable food safety standards/ characteristics defined in standards.
- It is based on the results of tests, inspections and audits
- ***Importance in claims, labels, private certificate requirements, exports***

Accreditation is third party attestation related to a CAB conveying formal demonstration of its competence to carry out specific conformity assessment tasks (ISO 17011) - it helps to facilitate cross-border trade by acceptance of certifications, inspections and testing worldwide

Issues & Challenges (certification/ accreditation)

- **Voluntary and regulatory** certifications
- Implementing **principles of certifications in regulatory regime** - impartiality, competence, confidentiality and openness, access to information, responsiveness to complaints and appeals and responsibility; accreditations
- **Export certifications often based on end-product testing** rather than verifying conformity of food control system
- **Testing, a weak area**

Credibility of certifications is very important in cross-border trade - entire CA structure in countries needs strengthening

Food Fraud

Includes adulteration (deliberate/ intentional), dilution, simulation, tampering, counterfeiting, or misrepresentation of food, food ingredients, or food packaging; or false or misleading statements made about a product for economic gain.

- An emerging issue impacting trade
- **Some well-known cases of food fraud - global concern -** infant milk formula contaminated with melamine in 2008 and the issue of horsemeat sold as beef in 2013
- Common food fraud issues include – formalin, plastic rice, fake eggs

Labelling Issues

- Labelling standards **differ across countries** - high compliance costs
- **Absence of clear labelling requirements in legislation**
–products without ‘clear ingredient list’ or ‘BB’ dates being dumped in market
- Labels in **language of exporting country** - not understood in importing country
- **Knowledge of requirements of importing country** – important to ensure compliance

Food safety and quality control strategies for trade facilitation

1. Preventive approaches

The food chain

Production

Transport and
processing

Retail and
storage

Preparation

Consumption

Emphasis on food chain approach & prevention - food safety hazards may arise at different stages of food supply and may need to be prevented from entering, reduced or eliminated

Roles and responsibilities for food safety - all actors in the food chain namely- farmer or producer, processor, handlers, government, consumer

Regulators to implement risk-based systems of controls that focus on preventive approaches – address foodborne risk factors, evaluating HACCP plans & implementation (not end-product testing)

Who is Responsible?

The Farmer

- Implementing GAP
- Maintaining systems/ records
- Implementing group systems in case of producer groups

The Processor

- production of safe food
- proactive dialogue with regulatory bodies
- Up-grade facility, design system, implement it

Handlers (transporters, storage...)

- Maintaining appropriate conditions

The Government

- enabling environment (scientific, technical, financial, infrastructure, regulatory) favorable to compliance by stakeholders

The Consumer

- demanding safe product;
- following directions for storage & use



2. Harmonization of Standards

- Harmonization with international standards

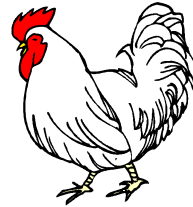
Food safety &
Animal health

Codex



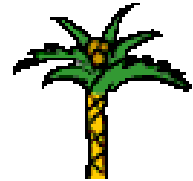
Animal health
& zoonoses

OIE



Plant health

IPPC



For more stringent requirements, a clear scientific justification or risk assessment

- Rationalizing of standards scenario within the country – for clarity and streamlined imports - trade facilitation

3. Transparency and Communication

Standards, procedures and protocols need to have clarity/ predictability so that can be met - exporters, importers and exporting government/ consumers to be aware of these

- Many agencies each with own set of requirements, generally **no comprehensive guidance** available (decision making criteria, etc) – leads to NC to mostly procedural aspects. Verbal information by government authorities.
- **WTO requires notifications** – many countries still not notifying fully
- **Consumer confidence** important – effective communication including to media

4. Implementing effective food control systems

Effective food control systems facilitate trade – domestic, imports and exports – market access, national reputation, Eq/ MRA



5. Strengthening value chains

Understand the hazards and risks in specific value chains

Aspects to be considered:

- *Domestic or export focus* - many countries focus on export-based value chains
- *Type of market* - more food safety sensitive markets (EU, Japan, US) or the lesser sensitive ones
- *Type of value chain* - sectors like fishery, livestock, fruits and vegs are higher risk (food grains, sugar, low moisture foods are low risk)

Food safety hazards to be controlled in production and trading of aquaculture shrimp value chains – example from Vietnam

Stage	Hazard	Categorization of hazard
Production	Pathogenic microorganisms (<i>Salmonella</i> , <i>E.coli</i>)	Low
	Banned anitbiotics	High
	Restricted anitbiotics	High
	Heavy metals	High
Collection	Pathogenic microorganisms (<i>Salmonella</i> , <i>E.coli</i>)	Medium
	Sulphite	Medium
Processing	- Pathogenic microorganisms (<i>E.coli</i> , <i>Salmonella</i> , <i>S.aureus</i> , <i>L.monocytogenes</i>)	High
	CAP	High
Trading	Pathogenic microorganisms (<i>Salmonella</i> , <i>E.coli</i>)	High
	CAP	High
	Sulphite	High

6. Strengthening coordination

- Food safety is a **multi sectoral and multi disciplinary** subject
- Food control systems often not **comprehensive systems** but many independent systems by different Ministries/ Agencies.
- **Good coordination, cooperation, communication** important – food safety/ Q controls and cross-border trade
- **Specific areas for coordination** - standards, participation in international standards, monitoring FBOs, managing FS emergency and recalls, managing data, lab testing, awareness and trainings,...
- **Border controls coordination** - often lack capacity in a single authority, laboratories, manpower capacity on RB control

7. Research activities & food safety

- **Data** - generally scattered - not collected & used effectively for standards development and RM decisions
- Importance of **research** in FS & control decisions is recognized by countries but not well implemented.
- Research organizations, educational institutions & laboratories (public/private) have significant data - not used by govt
- **Policy makers** to establish better mechanisms to use data from research - scientific base (standards/RM decisions) - **benefit countries in case of WTO disputes (trade facilitation)**

Sri Lanka - "...that restrictions were being imposed for entry of Sri Lanka Cinnamon to European markets as the content of metabisulphite in the tested samples was found to be at levels higher than permitted and Sri Lanka was able get redressal at the WTO forum based on results of research carried out."

**Guidance to governments/
policy makers for implementing
effective food and agriculture
control systems for cross-
border trade**

1. Assessments and profiling of country's food control systems

- To ensure effectiveness of FC systems, first step is to **assess and profile** the country's FC system - identify weak areas
- Use a **common assessment tool** and cover all related Ministries/ Departments (main/other)
- **FAO/ WHO tool for food control systems assessment** (under development); builds upon FAO/Codex Guidance
- May **focus on export and import competencies** - but domestic food controls of exporting country also significant in providing confidence to importing countries

Food Control - a mandatory regulatory activity of enforcement by government to provide consumer protection and ensure that all foods (all stages) are safe, wholesome and fit for human consumption and are honestly and accurately labelled as prescribed by law – includes domestic and cross-border trade

Assessment Dimensions/ sub-dimensions

A. Inputs and Resources

- Policy & legal frameworks – drafting process, elements of legislation, inst'al framework
- Infrastructure & finances – financial, infrastructure & equipment, analytical
- HR - Qualifications & trainings; staff management & motivation

B. Control Functions

- Routine controls – domestic, import, export controls
- Monitoring surveillance and response – for specific hazards, FBDS, food safety emergencies

C. Interactions with Stakeholders

- Domestic – Private sector on training needs & information flows; consumers
- International – CA of other countries, engagement with Int organizations

D. Science, Knowledge base and Continuous Improvement

- Evidence/ risk base
- Continuous improvements

4 Dimensions/ 9 sub-dimensions (185 assessment criteria)

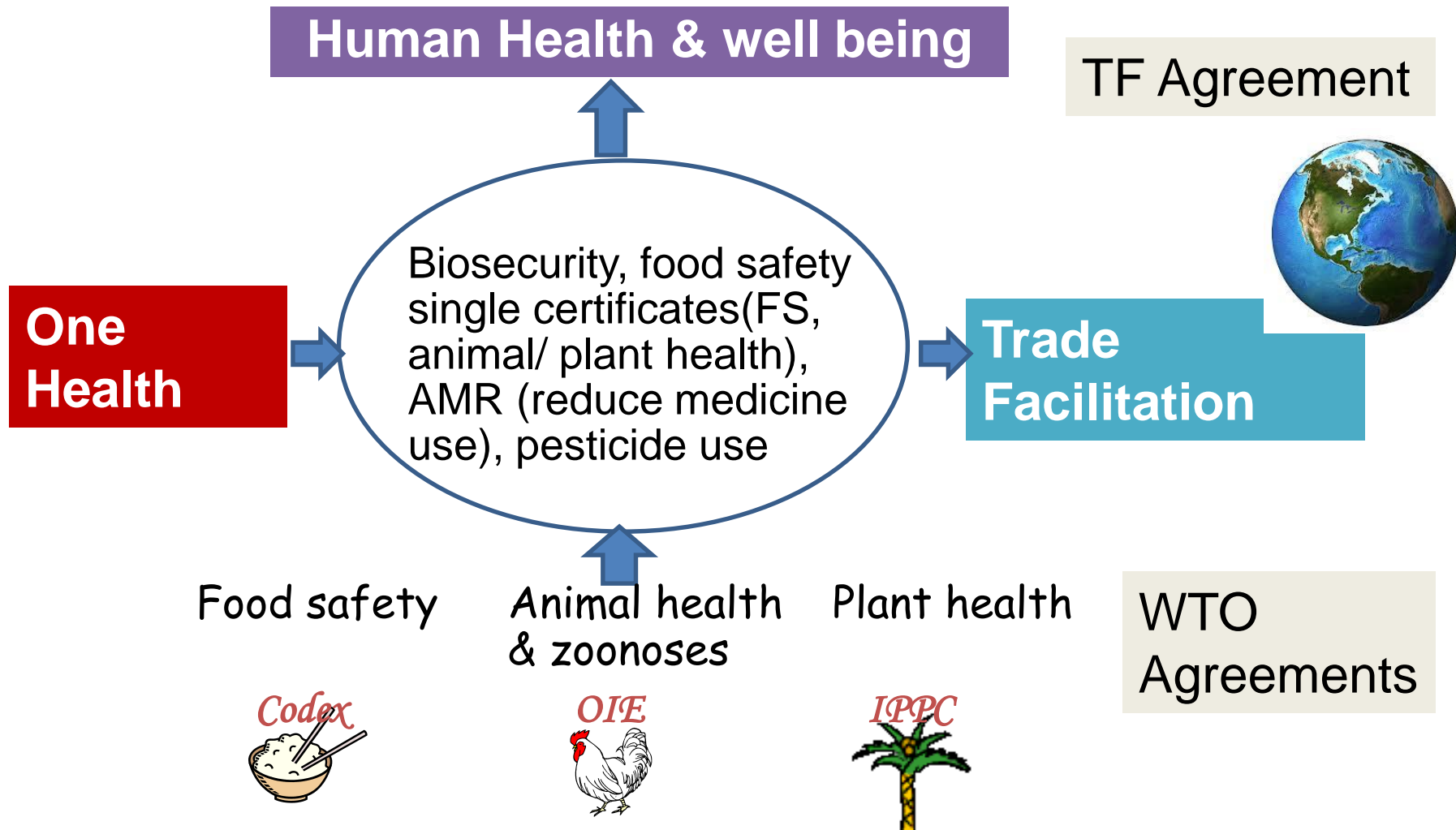
2. Food safety and Quality Objective

- Identify FS and Q Objective and develop strategic action plan
- Helps in achieving results in focused manner
- Policy objectives may include
 - building preventive risk-based approaches for food safety
 - strengthening coordination
 - reducing clearance times at customs points
 - minimizing rejections of exported products by importing governments
 - developing recognition agreements with identified countries
 - improving communication with govts in relation to rejections or NC
- Many countries developing food safety and quality strategies – Vietnam, Mongolia, etc

Many objectives have direct relevance in facilitating trade; others have an indirect influence towards trade facilitation – e.g implementing good practices will lead to better Q/safety and thereby meet importing government requirements

3. One-Health and Trade Facilitation

An approach (multi-disciplinary) for preventing and mitigating health threats at the **Animal-Human-Plant-Environment interface** with the objective of achieving **public health and wellbeing**.



4. Strong partnerships and agreements

Food control – responsibility for food safety all actors in the chain

National Level

- **Private sector** – Producer, processor, handlers, certifiers
- **Government** - Enabling environment (MOA/ MOH/ MOC/ Customs); enforcement
- **Border control – Single window**
- **The Consumer/ Civil Society**

Regional & Global

- Research and data - ARAC
- **Agreements - border controls, CA, equivalence**
- Test facilities
- Universities

WTO Trade Facilitation Agreement

5. Incentives for implementing FS/Q measures

- FBOs normally comply with basic **min regulatory parameters** - additional reqts (GAP) motivated by incentives/ benefits
- **Visible benefits** - cost benefit, increased market share/ exports, better profits, availability of a continuous market
- **Impact seen over time** - SLDBs do not have sustenance power to wait for impact and require support
- **Incentives by governments:**
 - financial subsidies certifications; laboratory set ups/ export testing, testing of soil/ water
 - preference in government procurements, farm loans
 - support ads & awareness campaign, trade fair participation

Governments need to provide incentives for food safety or quality schemes **especially those facilitating trade** and when meeting new requirements. May be included in governmental plans and policies.

6. Use of automation, traceability and electronic certification systems for effective compliance to food safety and quality standards

Food trade and information

- To facilitate food trade and effectively comply with standards/ requirements and address other concerns
 - ✓ Information needed and managed
 - ✓ Structured across food chain (producer – consumer)
 - ✓ Move across food chain – adding to it/ building up as it moves
 - ✓ Information to be accessible to users (regulators, consumers, businesses)

Information Needs

Sanitary and phytosanitary information

- Hygiene, food safety and related export procedures
- Disease control
- Food safety information for recall purposes

Food nature and history

- Origin (linked to compliance, consumer health and choice, food Safety)
- Certification and practices (e.g., Halal, fair trade, labour conditions)
- Consumer information, in particular related to correct labelling

Customs and regulatory agencies

- Information for efficient trade
- Avoidance of illegal activities
- Exporter blacklists

Food security

- Production prediction models based on history information
- Avoidance of waste

Control of illegal activity

- Importers/ exporters
- Lack of trade permits

Information may be paper-based or paperless

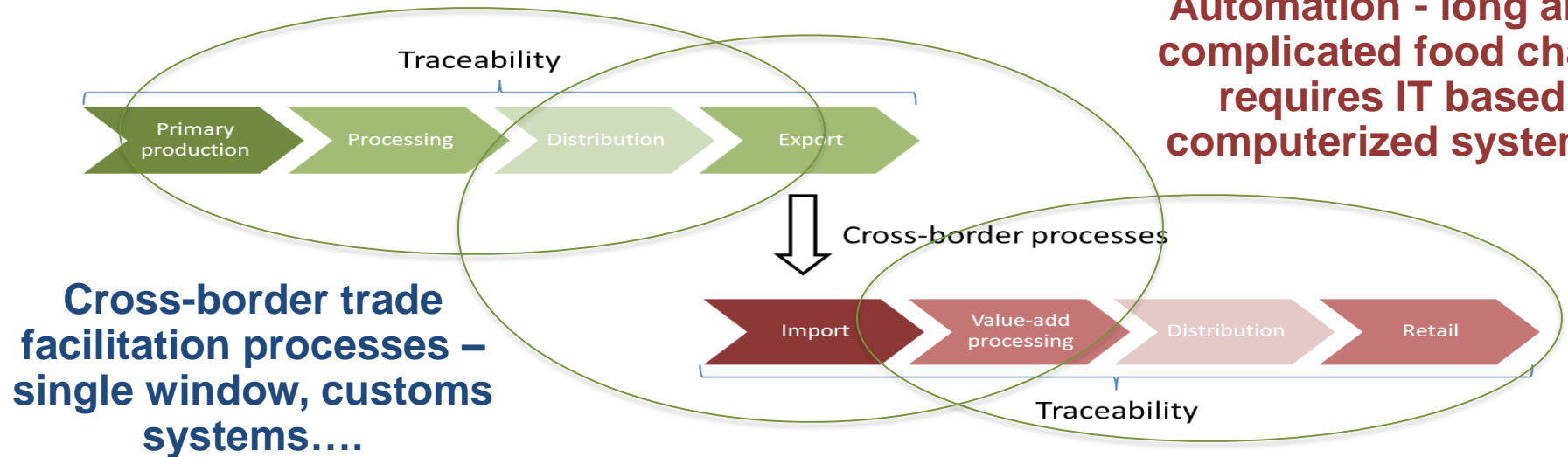
Agrifood chain information management

- Is the **collection, storage and distribution of information** about food and food trade along the **whole food supply chain** (farm to fork) - used for any type of purpose that helps in making agrifood trade inclusive, safe and accessible

Agrifood chain management – main areas to be addressed

Traceability required for targeted & accurate **withdraw or recall** and validation of **claims** such as “organic”, GIs, halal, free from allergens...
(CAC/GL 60)

Automation - long and complicated food chain requires IT based computerized systems



Electronic certifications (CAC/GL 38-2001)

- ✓ Both countries to agree on data elements to be exchanged
- ✓ assuring integrity of the certification system during electronic data exchange
- ✓ contingency plan - minimize trade disruption if system failure

7. Cost of compliance for cross-border trade

Any measures need to be based on an understanding of the economic impacts – cost benefits & investment costs

C O D E X
International Food Standards

A L I M E N T A R I U S



World Health
Organization



Food and Agriculture
Organization of
the United Nations

**Focus on testing – not
preventive measures**

Standards

**infrastructure costs
(processing, storage, transport, test)**



Certifications



Quality requirements

National reputation

**Poor compliance –
destruction & recalls**



**Excessive/ multiple
government controls**

**IT based computerized
systems**

A poorly understood area – more studies needed

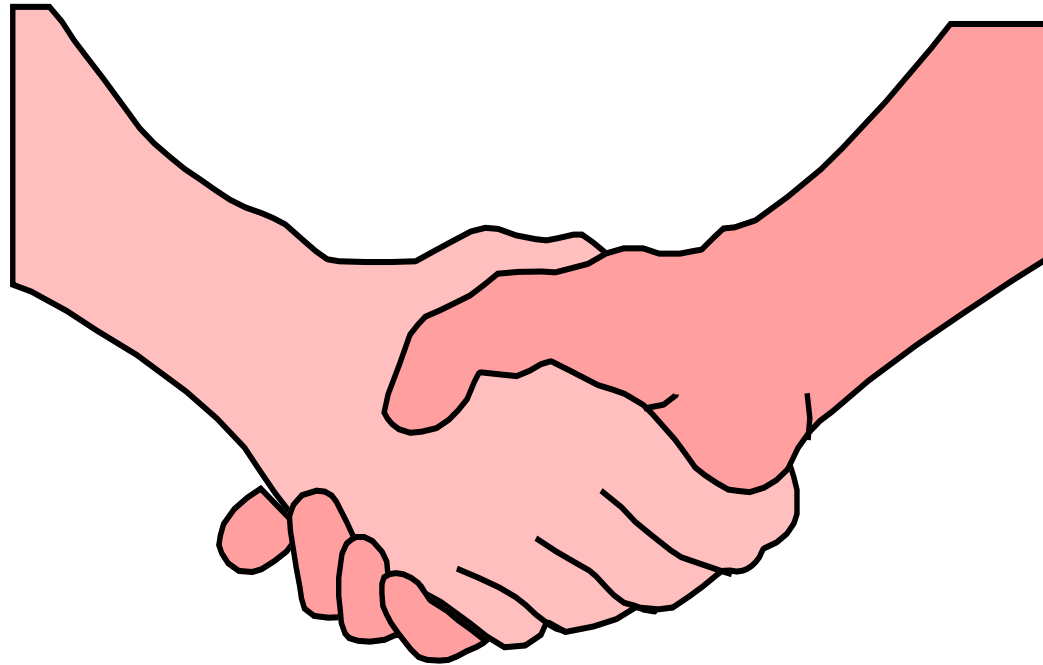
In conclusion....

- Food safety and quality, a major global agenda with significant impact on cross-border trade.
- SPS/ TBT Agreements importance in that standards and regulations not used as trade barriers
 - The recent TFA contains provisions for expediting movement, release and clearance of goods (addresses procedural issues)
- Government to understand implications of Agreements and address issues on standards, simplify and streamline procedures, coordination, electronic certification,....



Trade facilitation

THANK YOU



Any Questions?

Shashi_sareen@hotmail.com