



Global Conference on Aquaculture 2010

Farming the waters for People and Food

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**Global Conference
on
Aquaculture 2010**

**Expert Panel Presentation IV.2:
Consumer assurance: market based
quality schemes, certification and
traceability, ecolabelling, retailer
specifications**

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WTO SPS AND TBT AGREEMENTS

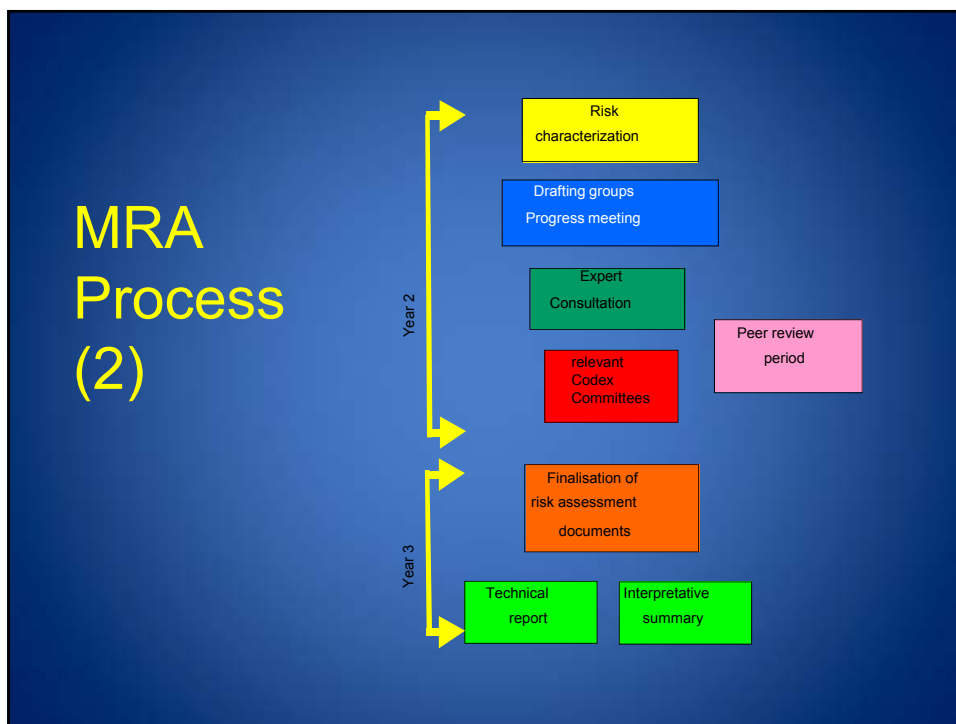
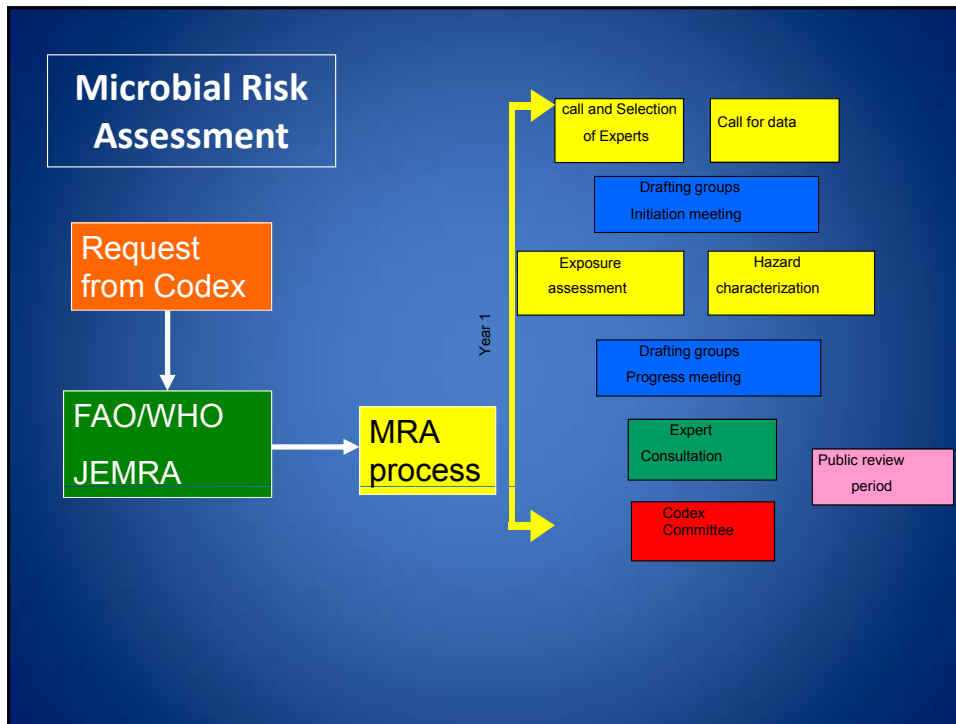
- **RIGHT:** to ensure that consumers are being supplied safe food; Safe by the standards the country considers appropriate
- **OBLIGATION:** to ensure that strict health and safety regulations are not being used as an excuse for protecting domestic producers
- Restrictions should be minimum necessary to human, animal or plant health
- They should be based on scientific principles and not maintained without sufficient scientific evidence

WTO SPS AND TBT AGREEMENTS

- Members are encouraged to adhere to international standards- **Codex Alimentarius Commission, OIE, IPPC**
- **Higher standards can be enforced, if there is scientific justification provided in accordance with internationally accepted risk assessment techniques**
- Members are encouraged to promote international harmonisation and equivalency agreements

INTERNATIONAL PUBLIC STANDARDS

- **Standard setting** (Codex Alimentarius Commission)
- **Adoption** (National Governments)
- **Implementation** (Government agencies)
- **Conformity assessments** (public/private agencies)
- **Enforcement** (Government agencies)



ISSUES IN INTERNATIONAL FISH TRADE

- **Quality and safety of the products**
 - WTO Sanitary and Phytosanitary (SPS); Technical Barriers to Trade (TBT) agreements
 - Codex Alimentarius Commission
- **Animal health and welfare**
 - OIE guidelines
- **Sustainability, certification**
 - FAO Code of conduct for Responsible fisheries, Guidelines for ecolabelling, Guidelines for aquaculture certification
- **Social and environmental issues**
 - FAO Code of conduct for Responsible fisheries

PRIVATE STANDARDS- EXAMPLES

- **Marine Stewardship Council**- sustainability and environment
- **Global GAP**- food safety, animal health, environment,
- **Global Aquaculture Alliance** (Aquaculture Certification Council)- food safety, animal health, environment, social-ethical issues
- **International Standards Organisation (ISO)**- food safety, quality, environment
- **WWF aquaculture dialogues**- Standards to be certified by Aquaculture Stewardship Council

INCREASING ROLE OF LARGE BUSINESS HOUSES IN INTERNATIONAL FISH TRADE

- In 2007, large scale retailers had 61% share in seafood trade in Italy
- Supermarkets and hypermarkets had a 43% share in seafood market in Spain
- WALMART pledges to buy only ACC certified farm raised products
- DARDEN Restaurants require all farm raised shrimp to be certified by ACC

SUGGESTED REASONS FOR EMERGENCE OF PRIVATE STANDARDS

- **Shifting of responsibility to Food Business operator** – Need to demonstrate due diligence
- **Global sourcing** and need for improved supply chain management
- **Increased consumer interest** in food safety, environment and sustainability

CONCERNS ABOUT PRIVATE STANDARDS

- Stringency of food safety requirements as compared to Codex
- Prescriptive rather than outcome focussed
- Costs of certification/requirement for multiple certifications
- Impact on access to markets and public health
- Transparency/Involvement of stakeholders in decision making
- Legitimacy of PFS and their potential to undermine public food safety regulatory system

STRINGENCY IN RELATION TO CODEX STANDARDS

- Two major groups of standards:
- Numerical standards eg maximum residue limits (MRL) or microbiological criteria
- Process standards that stipulate elements of good practice in the management of all operations along the food chain and in procedures for establishing compliance with these
- In general, private standards do not set additional requirements, but some retailer standards do.

STRINGENCY IN RELATION TO CODEX STANDARDS

- Import alerts due to presence of *Vibrio parahaemolyticus* in raw fish/shrimp
- Import alerts due to *Listeria monocytogenes* in raw fish/shrimp
- FAO/WHO Risk assessment for *L. monocytogenes* in ready to eat foods has led to adoption of Codex Criteria in these products – separation of products in which growth can occur and those in which no growth can occur

STRINGENCY IN RELATION TO CODEX STANDARDS

- Traceability: Codex definition- the ability to follow the movement of food through specified stages of production, processing and distribution.
- Some private standards require companies to be able to trace all raw materials used in their operation from source and the end product, throughout distribution chain.
- ISO 22000 requires that “the traceability system shall be able to identify incoming material from immediate suppliers and the initial distribution route of the end product.

PRESCRIPTIVE RATHER THAN OUTCOME FOCUSSED REQUIREMENTS

- Codex Codes of practice have global range- recognise wide range of realities facing member countries
- National governments, food business operators play a role in translating international guidance into actionable and auditable provisions
- Prescriptive provisions can inhibit innovation within the industry and add costs

COST OF CERTIFICATION

- Processing fee
- Inspection fee (daily consultation fee ranging from \$400 - \$800)
- Travel accommodation of auditors
- Cost to bring about changes in infrastructure and culture practices to meet the standard.
- Producers have to comply with importing country national standards (eg EU) and that of private retailers.

BENEFITS OF COMPLIANCE

- Access to new markets or consolidation of position in existing markets
- Reductions in detentions and rejections at border inspection posts (?)
- Price premium (?)
- Investments in technology capacity (?)

IMPACT ON TRADE

VIEWS OF OIE MEMBER COUNTRIES ON WHETHER PRIVATE STANDARDS CREATE TRADE PROBLEMS OR BENEFITS

OECD Classification and number of responses	Private standards for sanitary safety			
	Create problems		Create benefits	
	Agree	Disagree	Agree	Disagree
Developed countries (36)	84%	8%	87%	3%
Developing countries (28)	80%	7%	30%	47%

UNDERMINING OF OFFICIAL CONTROL SYSTEMS AND MIS-INFORMATION TO CONSUMERS

VIEWS OF OIE MEMBER COUNTRIES ON ROLE OF PRIVATE STANDARDS IN FACILITATING IMPLEMENTATION OF OFFICIAL STANDARDS

OECD Classification and number of responses	Private standards and certification can be a useful aid to the implementation of official standards		
	Agree	no opinion	Disagree
Developed countries (36)	89%	11%	0%
Developing countries (28)	53%	20%	27%

QUESTIONS

- Is the growing importance of private standards due to failure of public standards enforced by Governments to protect consumers? Or is it a marketing tool?
- Codex food safety standards are based on risk assessments. What is the rationale for higher standards?
- Can higher standards (eg zero tolerance) be achieved with good practices?
- Are there any examples of scientific risk assessments performed by private standard setting agencies?
- Are the foods complying with national standard, but not with private standard unsafe?

ISSUES AND CONCERNS

- Exclusion of small producers
- Could be a trade barrier
- In the absence of regulatory framework, companies with market power may manipulate prices in supply chain
- Multiplicity of standards claiming to achieve same goals would confuse the customer

ECOLABELLING SCHEMES

- NGO schemes
 - Dolphin safe
 - Marine Stewardship Council
 - Friends of the Sea
- Industry bodies
 - Marine Ecolabel-Japan
 - Pescanova label
 - IFFO Assured Label

ECOLABELLING SCHEMES

- Government/Public bodies
 - EU, France
- Retailers
 - Carrefour- Peche Responsable

ISSUES WITH ECOLABELLING SCHEMES

- Cost (About 62% successful labels funded by industry alone, 28% combination of industry, government, external grant, 10% government alone)
- Poor market penetration- concentration in certain markets
- Price premium?
- Consistency in certification