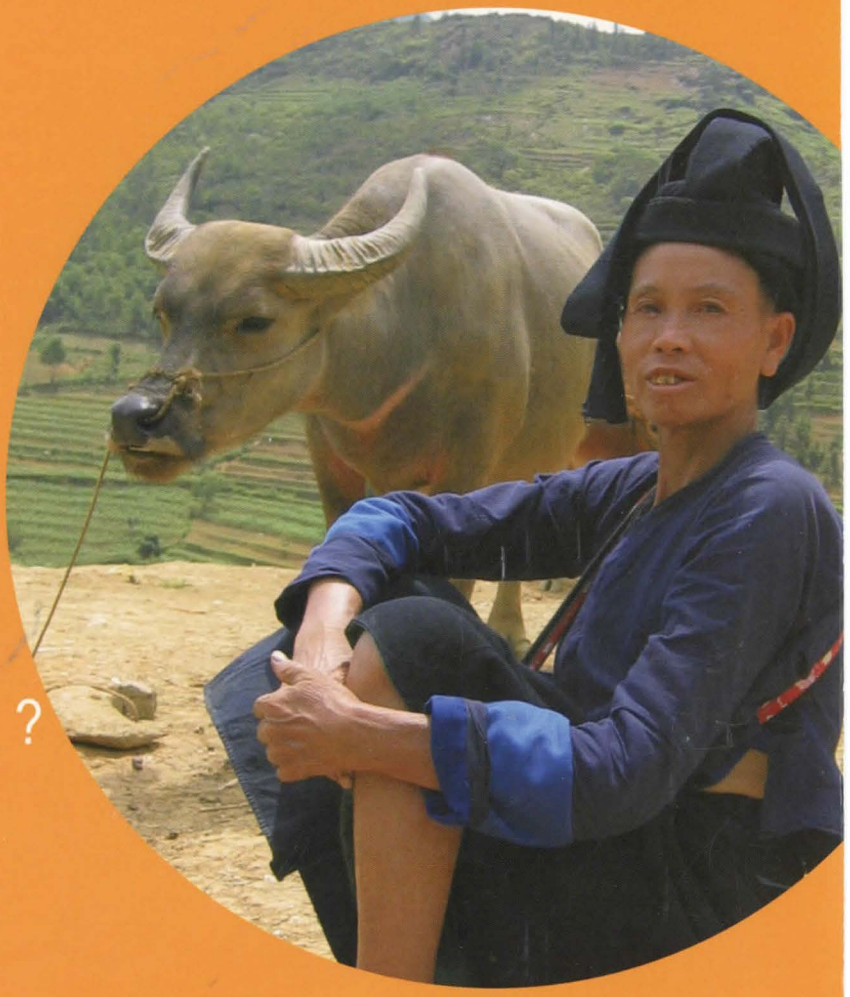
Proceedings

The 12th International Conference of THE ASSOCIATION OF INSTITUTIONS FOR TROPICAL VETERINARY MEDICINE



Does control of animal infectious risks offer a new international perspective ?

Montpellier, France
20-22 August 2007

AITVM

CIRAD

THE REQUIREMENTS OF THE NEW EU FOOD LAW: IMPACT FOR THE AQUACULTURE PRODUCTION CHAIN

DABBADIE L.[1], REGIDOR S.[2], PELAYO L.[2], DIAZ A.[2], LAZARD, J.[1]*

1.Cirad, Aquaculture and Aquatic Resource Management Research Unit, Campus international de Baillarguet, 34398 Montpellier Cedex 5, France
2.BFAR, Quezon City, Philippines

ABSTRACT

In a context where world economy is everyday more global, food safety standards and regulations have become a key topic for most food industries, as well as a structuring force for entering or competing on some markets. The shrimp aquaculture chain of the Philippines is currently facing this big challenge, as it has to adapt itself to the requirements of international food safety standards, among which, the new European Food law can be considered one of the strictest as it is aimed at providing a very high level of protection to the consumer. This presentation aims at explaining the experience gained by Philippines' operators in complying with the new European law, as well as discussing some of its consequences.

EU FOOD LAW AND RELATED RISKS FOR SUSTAINABLE DEVELOPMENT

During the last decades, the European consumer has been facing several severe food crisis (BSE, Listeria, Residues, PCBs, Dioxins, Mercury etc.) that have generated a broad public concern about the safety of the European food supply. More specifically, the low public trust was focusing on how food crisis had been handled by the authorities, as well as on the regulatory system itself, which was considered at the same time too complicated and also unable to ensure the high level of food safety sought by the consumers. In 2002 the EU white paper on food safety was published, laying down the framework that would soon serve as a guideline for the development of the new legislation. Its main keywords could be listed as: Consumers' interests, Precautionary principle, Transparency and responsibility of all operators for active implementa-tion of food safety requirements, Generalized Risk analysis, Traceability, Alert and Documented procedures.

*Contact author : E-mail : jerome.lazard@cirad.fr

In this globalizing context, the market of food and agricultural products faces unprecedented changes, as a consequence of the need to adapt to new market trends and new trade barriers. In aquaculture, shrimp market is a good illustration of these tendencies. Although demand for this crustacean still increases (+26% between 2002 and 2004 only for France), production offer increases yet more quickly (+65% between 2002 and 2004), already inducing a decrease in market price whereas several new countries with a strong production potential (China, Brazil, Vietnam etc.) are about to express it.

In this dull economical context, the new constraints such as the US anti-dumping taxes imposed on many shrimp-producing countries, or the new EU food law (often referred to as a "zero tolerance policy") appear like an aggravating factor for the most vulnerable producers. As regards to EU policy, the requirements can be understood to restore the confidence of consumers in the safety of food, but they require practices, institutions, investments and knowledge that many countries do not have, so that it could create social exclusion of the small producers, vertical integration, increased cooperation etc., as well as a suspicion of unfair trade practices (non-tariff trade barriers).

Many works tried to assess the impact of international food safety standards on income of exporting countries. Using field data, Enamul Haque (2003) developed a simulation exercise on the impact of food safety requirements on Bangladesh shrimp chain to show that, under the current situation, the trend in the industry would be toward intensive shrimp farming. This would threaten the ecosystem and the social fabric in rural Bangladesh and increase social conflicts. As a matter of fact, the extensive shrimp farms, are predominant in Bangladesh and because of their smaller size they cannot afford to implement the monitoring mechanism required under HACCP. At the same time, these family-operated farms are not at all compatible with the frozen food exporters.

THE COMPLIANCE OF THE PHILIPPINES WITH EU REQUIREMENTS AND PERSPECTIVES

The compliancy of the European and third countries with EU regulations is checked by inspectors of the EU-Food and Veterinary Office (FVO). The inspection is long, very meticulous and the inspectors are trained on detecting any non-compliancy. They check both the CA (Competent Authority, body in-charge of enforcing EU food law at a national level)

and the private operators exporting to Europe. Of the 36 tropical countries that were inspected by this office over the course of the years 2005 and 2006, only 13 were found in condition to ensure a food safety level at least equivalent to the requirement of EU food law. Philippines belong to this group.

But in 2004, the Philippines were inspected and did not succeeded. Many serious deficiencies were identified during FVO inspection and the CA (BFAR, the Bureau of Fisheries and Aquatic Resources) was judged not in the position to enforce EU requirements (FVO, 2004). The shock resulting from this setback led to an in-depth restructuring of both CA and private sector, under the leadership of the head of BFAR. In October 2006, the country was re-inspected and the dramatic changes made over two years by public and private sectors were acknowledged by FVO inspectors, who, this time, concluded that BFAR and Philippines should be in the position to ensure the high level of food safety required by Europe.

However, this success in a relatively short course of time could only be reached by focusing on priorities. Progresses were achieved in many areas, but the ones that might have affected more in-depth the sustainable development of the national shrimp chain could be:
– transparency of all stakeholders; this is a requirement under EC regulation 178/2002 and it was a deep change, taking into account the tradition and culture in the country;
– generalized risk analysis (risk assessment, risk management and risk communication); this is another requirement under regulations EC 178/2002 and EC 852/2004, and it lead to improved hygienic practices resulting from an intensive training and financial investment from both Filipino government and private sector;
– top-down approach; the changes were made under the impulse of BFAR, particularly its leadership and official control staff. As a consequence, the CA and its staff have often been object of pressures and accused by some unsuccessful private operators of being keener on defending European interests than Philippines' interests. However, without this impulse, it is very unlikely that so much change could have been achieved in such a short course of time.

However, if the situation is now satisfactory in terms of food safety of products exported to European Union, it is not satisfactory in terms of local sustainable development because it has also induced drawback, particularly exclusion.

- For processing plant, only 2 are now approved for exporting shrimp products to Europe. The plant inspection process put in place by CA is compliant with International rules but as a consequence, it is very elitist. However, this can not be reversed, so that it will only be solved by improving hygiene and practices in establishments that are not yet approved

- For auction markets (*consignacions*): these establishments play a strong social role by giving to many small farmers access to a limited number of exporters. They also play many other socio-economical roles (*e.g.* funding of farming activity by loans, price definition etc.) but the practices in these establishments are incompatible with EU requirements, mostly because of hygiene and traceability. As a consequence, BFAR had no other solution but exclude this sector from EU distribution chains, as long as they are not compliant.

- For farms: most Filipino farms ("primary production" as it is called in EU regulations) are already compliant as long as HACPP on farms is not yet mandatory. However, the exclusion of *consignacions*, combined with the traceability obligation led the 2 approved processing plants to firm direct contracts with a very limited number of large farmers (less than 10 for the whole Philippines). The immediate consequence is that the majority of farms, particularly the smallest ones, although EU-compliant, are now excluded from EU market.

CONCLUSION

In order to promote a more sustainable and fair development, the main two lines of actions of the Philippines might be:
– to fight exclusion without compromising food safety, and prepare future. This includes intensive training, but also considers how Philippines will be in the position to comply with the next major changes in international food safety requirement: HACCP on farm; as of today, it is not mandatory, by EU makes it clear that it will become on "medium term";
–to valorize Philippines' quality: the process of compliance with EU standard was very expensive, but it will not lead to any added value; however, it permitted to the country to improve and be ready for entering quality certification schemes. The Philippines have some very high quality aquaculture products, such as *Bonuan Bangus* or *Pampanga jumbo prawn* and the local consumer perfectly knows and valorizes this

quality. However on the international market, this fame is limited to very few countries. For most markets that do not have specific links with the Philippines, it is not enough to claim that the product is good or better than other, evidences must be given that demonstrate why it is good. The challenge will be to put in place such schemes.

REFERENCES

Enamul Haque A.K., 2003. Sanitary and Phyto-Sanitary Barriers to Trade and its Impact on the Environment-The Case of Shrimp Farming in Bangladesh. Institut International du Développement Durable (Publ.), Winnipeg, Manitoba, Canada: 56 p.

FVO, 2004. Final report of a mission carried out in The Philippines from 11 to 22 October 2004. Assessing the public health conditions of production of fishery and aquaculture products intended for export to the European Union. DG (SANCO) 7355/2004, 19 p.