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Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## TWENTY-NINTH FAO REGIONAL CONFERENCE FOR ASIA AND THE PACIFIC

**Bangkok, Thailand, 26-31 March 2009**

### Agenda Item 9

### Food Safety and Trade in Asia-Pacific

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## I. Introduction

1. Trade of food and agricultural products in Asia and the Pacific is crucial for the development of the region and is contributing to the Millennium Development Goals (MDGs) through the eradication of food insecurity and rural poverty. However, increasing diversity and volume of trade in food and agricultural products, together with changing agricultural practices, human ecology and behaviour and new technologies, is a key contributor in the cross-border spread of food safety hazards.

2. Food safety issues are receiving increased attention in Asia and the Pacific following the increase in trade in food and agricultural products and the introduction of the World Trade Organization's (WTO) Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Agreements. Food safety has become a shared concern among all countries in the region, and in response to increasing political and social demands on government regulatory agencies, many countries have revised, or are in the process of revising, their national regulatory systems and applying new methods for regulating food safety.

3. Food safety regulatory trends have several implications on the trade of food and agricultural products. Some new regulatory developments are likely to mitigate potential barriers to trade, while others may actually place obstacles to trade. Along with new approaches to food safety regulations and standards-setting introduced by the public sector, the private sector is increasingly taking a more active role in implementing food safety standards. In certain markets and for certain products these theoretically voluntary private standards tend to become de facto mandatory for exporters.

4. Food safety issues are not only affecting trade but are also causing significant health problems in the region. Countries in Asia and the Pacific region are faced with difficulties in addressing the challenges related to the spread of foodborne illnesses due to limited capacity in the national food control systems and public health sectors.

5. This paper addresses the issues of food safety in relation to trade within and beyond the Asia-Pacific region. It presents figures for trade in food and agricultural products and discusses the main food safety issues and their implications on trade and public health in the region. It also discusses the framework for food safety regulations, standards-setting and regulatory trends in the region to meet the challenges of food safety; enabling environments for increasing production and trade with safe food and agricultural products; and FAO responses to existing and emerging food safety issues in Asia and the Pacific.

## II. Figures for Trade in Food and Agricultural Products in Asia and the Pacific

6. The value of global agricultural exports has increased to over US\$500 billion over the past decade. The share of agricultural trade in total merchandise trade has, however, declined to about 7 percent as agricultural trade has expanded more moderately than trade in manufactured goods.

7. From 1994 to 2004, the value of agricultural exports in the Asia-Pacific region increased by an average of 1.3 percent per year, reaching a total of US\$74.8 billion in 2004. Over the same period agricultural imports increased by an average of 2.4 percent per year to reach a total of US\$89.2 billion. The share of agricultural exports in total merchandise exports in the region reflected the same worldwide declining trend and made up about 4.3 percent in 2003, which was 0.9 percent lower than the share of agricultural imports in total merchandise imports.

### **III. Main Food Safety Issues in Asia and the Pacific and their Implications on Trade and Public Health**

8. Foodborne diseases are an important public health problem as they not only affect human health but also have a significant impact on trade and economic development. Global changes affecting population growth, lifestyle trends, the international trade in food, food production and processing, agricultural and animal husbandry practices and antimicrobial resistance, have all contributed to the emergence of foodborne diseases.

9. The main categories for food safety hazards include those of microbiological origin, residues of substances used in agricultural production and processing systems and environmental contaminants entering the food chain. Microbiological contamination of food, such as salmonella in eggs and broiler chickens, E.coli in fresh produce and listeria monocytogenes in ready-to-eat-foods, can occur at all stages of the food supply chain and is often caused by poor hygiene and handling practices. This type of contamination is widespread in Asia and the Pacific and is considered as one of the major causes for foodborne illnesses. Pesticide residue limits exceeding the maximum acceptable level is another major risk to health and trade. The residues originate primarily from nitrates, fertilizers, pesticides and veterinary drugs and contamination takes place primarily because of poor agricultural practices and overuse of chemical substances on farm lands.

10. Natural toxins, such as shellfish toxins and mycotoxins, constitute another source of concern for countries in the Asia-Pacific region because of their significant impact on human health and international trade. The level of natural toxins can be reduced through Good Agricultural Practices (GAP), bioengineering, processing and cooking; natural toxins are, however, still responsible for significant numbers of foodborne diseases in the region because of gaps in the food control systems and limited awareness and education among consumers, farmers and agribusinesses.

#### *Foodborne disease surveillance systems in Asia and the Pacific*

11. Foodborne diseases are a growing public health problem. At the global level it is estimated that about one-third of the world's population contracts a foodborne disease every year. For developing countries this percentage may be even higher. The true dimension of the burden of foodborne diseases is unknown in the Asia-Pacific region because of limited data, the absence of comprehensive foodborne disease surveillance systems, and the fact that most people do not seek medical care for their illnesses.

12. Diarrheal diseases are recognized as major public health problems in the region. Outbreaks of diarrheal diseases are primarily associated with consumption of contaminated food and drinking water, poor personal hygiene, poor consumption behaviour and general sanitation problems. In Viet Nam the annual burden of foodborne disease is estimated at 128 million episodes of diarrhea per year, 27 million of these cases received medical health care and 3.5 million patients were hospitalized.

13. The nineteenth session of the FAO Committee on Agriculture (COAG) held in Rome from 13 to 16 April 2005 recognized that adopting a food-chain approach is crucial for promoting food safety and protecting consumers from foodborne illnesses. Improving surveillance on human foodborne disease and monitoring of food contaminants is also a great help in establishing and evaluating priorities in the prevention and control of foodborne diseases and in reducing uncertainties related to mitigation strategies. The 53<sup>rd</sup> World Health Assembly (WHA) held in Geneva in May 2000 adopted a resolution (WHA 53.15) recognizing food safety as an essential public health function and called for the development of a global strategy to reduce the burden of foodborne diseases. The resolution also emphasized the importance of a better estimation of the

burden of foodborne diseases and the development of regional and/or national targets for reduction of the incidence of foodborne diseases.

14. In line with this resolution, as well as a request made by the FAO/WHO Regional Conference on Food Safety for Asia and the Pacific held in May 2004 in Seremban, Malaysia, FAO, in collaboration with the World Health Organization (WHO), has progressed in developing a mechanism to facilitate the sharing of information on foodborne disease surveillance in countries in the Asia-Pacific region. The purpose of strengthening surveillance of foodborne diseases is to provide Member Governments with data to monitor trends in food safety outbreaks and ultimately reduce the burden of foodborne diseases by improving national food safety systems. The system is closely linked to the FAO/WHO International Food Safety Authorities Network (INFOSAN).

### *Food contamination and loss of market access*

15. Food and agricultural products are often rejected by importing countries as they do not comply with existing standards and measures. This results in considerable economic losses for many countries in the region, these losses can take the form of a loss in the product's value, transport and other export costs and product re-export or destruction.

16. In 2006, the European Union registered more than 1,300 notifications of products that do not meet European standards and measures originating in the Asia-Pacific region, corresponding to about 20 percent of the total number of notifications transmitted through the European Rapid Alert System for Food and Feed (RASFF). The Asia-Pacific region accounts for the largest numbers of notifications registered by the European Union: 32 percent of the notifications related to products emanating from South-Central Asia.

17. Rejected food products from countries in Asia and the Pacific were due to chemical, microbiological and physical contamination. There are great variations in the number of rejections by country (Box 1).

#### ***Box 1. Rapid alerts transmitted through RASFF in 2006***

In 2006, products containing unauthorized colours, irradiation, carbon monoxide treatment and substance nitrofurans (metabolite) – nitrofurazone (SEM) imported to the European Union from China, Viet Nam, the Philippines and Bangladesh were detected more than five times by the RASFF. They were therefore subjected to either import prohibitions, systematic border controls or mandatory presentation of health certificates.

In 2006, Indonesia accounted for the largest number of rapid alerts for mercury in fishery products (18 notifications) registered in RASFF. This is a significant increase compared to 2005 when only four notifications registered. A likely reason for this increase is the reinforced import control on heavy metals in Indonesian fish by the European Union.

## **IV. The Framework for Food Safety Regulations and its Implications on Trade**

### *SPS and TBT Agreements*

18. The purpose of the SPS and TBT Agreements is to ensure that measures established by governments to protect human, animal and plant life and health from food safety hazards are consistent with obligations prohibiting arbitrary or unjustifiable discrimination on trade between countries where the same conditions prevail and are not disguised restrictions on international trade. It requires that, with regard to food safety measures, WTO members base their national measures on international standards, guidelines and other recommendations adopted by the Codex Alimentarius Commission where they exist. This does not prevent a WTO member country from adopting stricter measures if there is a scientific justification for doing so, or if the level of protection afforded by the Codex standards is inconsistent with the level of protection generally applied and deemed appropriate by the country or countries concerned.

19. The SPS Agreement states that any measures taken to conform to international Codex standards, guidelines or recommendations are deemed to be appropriate, necessary and not discriminatory. Furthermore, the SPS Agreement calls for a programme of harmonization based on international standards. This work is guided by the WTO Committee on SPS measures, to which representatives of the Codex Alimentarius Commission (CAC), the International Office of Epizootics (OIE) and the International Plant Protection Convention (IPPC) are invited. The SPS Agreement requires that SPS measures are to be based on an assessment of the risks to humans, animal and plant life and health using internationally accepted risk assessment techniques.

20. The objective of the TBT Agreement is to prevent the use of technical requirements, or standards in general, as unjustified technical barriers to trade. The Agreement provides that all technical standards and regulations must have a legitimate purpose and attempts to extricate the trade-facilitating aspects of standards from their trade-distorting potential by obligating countries to ensure that technical regulations and product standards do not unnecessarily restrict international trade.

21. For many countries in Asia and the Pacific SPS measures applied to export markets impede trade because the countries concerned are experiencing difficulties in obtaining information and complying with the measures. These difficulties include the high cost of adaptation, the irrelevance of foreign standards to local conditions, the lack of timely and adequate information and consequent transaction costs, the difficulties in understanding the requirements of importing countries, as well as testing for and monitoring them, the perceived lack of scientific data for specific threshold or limiting values, and the uncertainty that arises from rapidly changing requirements on the export markets.

22. Many countries in Asia and the Pacific are experiencing difficulties in actively participating in the SPS Agreement due to their limited ability to assess the implications of SPS requirements imposed by export markets. Additionally, many countries in the region have limited capacity to participate effectively in dispute settlement procedures and to demonstrate that domestic SPS measures are equivalent to those implemented by their trading partners. These constraints relate to the level of access to scientific and legal expertise – an important problem for many countries in the region and one which is to a large extent related to the limited financial resources of those countries.

## **V. Regulatory Trends in Meeting Food Safety Challenges**

23. Regulatory agencies worldwide increasingly recognize that food safety risks should be managed under a “farm-to-table approach” and that food control systems should be risk-based and preventive. Control of foodborne hazards may involve interventions at many points of the food

production and distribution system and interventions at one level may influence control options at subsequent points in the supply chain.

24. The most significant trends in the regulatory system influencing exporters in the Asia-Pacific region include: 1) adoption of more stringent food safety standards; 2) growing use of risk analysis as a basis for food safety regulation; 3) increased recognition of biosecurity as a strategic and integrated approach to analysing and managing risks to human, animal and plant life and health and associated risks to the environment; and 4) adoption of the Hazard Analysis and Critical Control Point (HACCP) system as a basis for new regulations and as a complement of the application of good hygienic and manufacturing practices.

### *More stringent standards*

25. As a consequence of increased awareness on food safety among food safety regulators, standards now need to become more stringent with regard to: (a) food safety attributes that were previously regulated but that are now being held to more precise and stringent standards; and (b) the scope of standards is broadening, as new risks become known and aspects beyond food safety are being included in the standards. One example of this would be to include feeding restrictions to avoid the spread of a foodborne disease such as BSE in cattle, or by including aspects of labour, environmental impacts and animal welfare into the standards-setting process.

26. The trend towards stricter standards and more restrictive trade measures is mostly being driven by developed countries, such as the United States, the European Union and Japan. The result includes standards which can be easily enforced in industrialized countries but that create continuing challenges for producers and regulatory agencies in developing countries. In the Asia-Pacific region implementation of stricter food safety standards at the export markets has a significant influence on food trade within and beyond the region.

### *Risk analysis*

27. Risk analysis consists of three interrelated components: risk assessment, risk communication and risk management. The concept is widely recognized as the fundamental methodology underlying the development of food safety standards.

28. Risk assessment is a scientific based process used to determine food safety hazards and to identify their immediate interim and long-term effects on human health. The process involves the four interrelated steps: 1) hazard identification; 2) hazard characterization; 3) exposure assessment; and 4) risk characterization. Risk management is defined within the Codex Alimentarius as the process of weighing policy alternatives in the light of the results of risk assessment and, if required, selecting and implementing appropriate control options. Risk communication is the third component of the risk analysis concept. The Codex Alimentarius Commission defines risk communication as the interactive exchange of information and options concerning risk and risk management among risk assessors, managers, consumers and other stakeholders.

29. FAO is assisting Member Nations in Asia and the Pacific in raising awareness and using risk analysis as a basis for standards setting of food products.

### *Biosecurity*

30. The emergence of the concept of biosecurity, which addresses food safety in a comprehensive and holistic manner, is changing the way in which risks to human, animal and plant life and health are being managed. The Technical Consultation on Biological Risk

Management in Food and Agriculture, organized by FAO in Bangkok, Thailand in January 2003, acknowledged the advantages of a more integrated approach to biosecurity to take advantage of synergies across sectors at the national and international levels, and recognized the efforts under way in some countries to adopt such an approach. It noted that several countries were revising their biosecurity arrangements and stressed the importance of external support in this context. It noted, in particular, the need for FAO to provide the necessary guidance and tools to assist developing countries in their efforts to move towards a more coherent and holistic approach to biosecurity.

31. In response to this, FAO developed three biosecurity tools, namely the: *Biosecurity Principles and Components (Part 1)*, which provides a broad introduction to biosecurity and discusses the characteristics, requirements and benefits of a more harmonized approach; the *Biosecurity Capacity Assessment Tool (Part 2)* which outlines a guided process to assess capacity needs across the entire biosecurity arena; and the *Biosecurity Risk Analysis Manual (Part 3)* which presents a framework to structure and guide the application of risk analysis in biosecurity.

32. In recent years, there has been greater recognition worldwide of the importance of biosecurity as a means to manage food safety and protect the environment. However, most countries in the Asia-Pacific region continue to manage biosecurity along traditional, sector-oriented lines, resulting in a lack of strategic focus, inefficient use of resources and less than optimal results. However, Bhutan is an example of a country that, with assistance from FAO, has adopted the biosecurity approach (Box 3).

***Box 2. Bhutan's experiences after adopting the biosecurity approach***

A decision was taken in 2003 to establish the Bhutan Agriculture and Food Regulatory Agency (BAFRA) as a single agency responsible for handling all biosecurity matters and is therefore moving towards an integrated approach to biosecurity. Some of the lessons learned include the need for a clear policy setting out goals and objectives and a strategy that provides a strategic direction for all stakeholders' needs. Additionally, legislation related to biosecurity needs to be reviewed in order to identify possible gaps, overlaps and inconsistencies and ensure harmonization with international recommendations and requirements. The roles and responsibilities of different government agencies for different aspects of biosecurity also need to be clarified and the structure, mandate and capacity (human resources, budget, equipment, etc.) of BAFRA need to be analysed and reviewed.

33. FAO has been leading an interagency initiative, involving relevant international agencies and standard setting bodies, to develop the International Portal on Food Safety, Animal and Plant Health (IPFSAPH). IPFSAPH allows countries to achieve biosecurity by providing a single access point for the latest version of international and national standards, regulations, and other official materials relating to sanitary and phytosanitary measures in food and agriculture. The 'portal' concept was endorsed by the Committee on Agriculture (COAG) at its Seventeenth Session in 2003.

***Hazard Analysis of Critical Control Points (HACCP)***

34. During the 1990s, developed countries made a strong shift towards requiring a HACCP approach to ensuring food safety. Under HACCP, companies are responsible for analysing how hazards enter a product, establishing effective control points for those hazards, and monitoring and updating the system to assure high levels of food safety.



35. Since HACCP is a process standard for company-level activity, inspection to assure compliance is challenging for products coming from plants in other countries. Many countries, for example in the European Union, have started to require HACCP for all or selected levels of the food supply chain. HACCP has been mandatory in the United States in the production and processing of meat, poultry and seafood.

36. The use of HACCP has grown rapidly within the last years in the Asia-Pacific region but great disparities exist between countries. In Malaysia, the Ministry of Health has developed a national certification scheme for HACCP to provide a uniform certification system for HACCP in food industries. The scheme is based on a tripartite management approach involving the government, independent auditors and the food industry. The primary aim of the scheme is to enhance the production of safe food, and thereby promote the acceptance of food in the domestic and international market.

37. In Thailand the government, with technical assistance from FAO, has invested resources in training officials and industries in the fisheries sector to strengthen their competencies in HACCP application, assessment and audit and in developing materials and training programmes for HACCP.

38. In South Asia food legislation is predominantly curative and modern food safety concepts, such as HACCP, are in most cases missing. Minimum requirements prescribed in many cases are below Codex standards and arrived at as a compromise for taking into account the manufacturing and technological capabilities. The main constraints for implementing HACCP in this region include lack of awareness among policy-makers, as well as agrobusinesses, lack of trained manpower, lack of technology and inadequate policies on quality assurance of food and the lack of incentives. FAO has recently developed a set of guidance notes for governments on the application of HACCP in small and less-developed food business to assist their efforts in this field.

## **VI. Regional Collaboration and Harmonization of Regulations and Standards**

39. Regional collaboration and cooperation in addressing existing and emerging food safety issues is crucial for enhancing food safety in Asia and the Pacific. Two of the most significant regional associations involved in addressing food safety issues in the region are the Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC).

### *The Association of Southeast Asian Nations (ASEAN)*

40. With regard to food and agricultural production in ASEAN countries, the goals of the Association are to produce and supply foods that are safe and meet the requirements of importing countries, as well as international standards. The goals also include strengthening the participation and implementation of international food safety standards, and especially Codex standards, among member countries. The regional approach to reach these goals has concentrated on harmonizing and collaborating to promote of food safety and food standards among member countries. For this purpose a number of working groups and task forces have been established, including:

- ASEAN Task Force on Codex (ATFC). This task force was established to serve as a forum for member countries to discuss Codex issues of common interest and to possibly identify common positions on Codex issues of importance to member countries. It is also a forum to harmonize standards and regulations in the ASEAN region by using Codex standards as references.

- ASEAN Expert Working group on harmonization of maximum residue limits (MRLs) of pesticides. The main objectives of the programme are protection of consumer health; harmonization of standards on agricultural and food commodities; and provision of means for coordination and information sharing among member countries.
- ASEAN Food Safety Network (AFSN). AFSN is an electronic network with the purpose of coordinating, networking, information sharing and providing early warning among national authorities and working groups/task forces in the ASEAN region. AFSN is also a forum for online bilateral or multilateral discussions.
- ASEAN Expert Group on Food Safety (AEGFS). The AEGFS is responsible for coordinating capacity-building activities in the ASEAN region in close collaboration with international organizations and donors. AEGFS has also formulated an ASEAN Food Safety Improvement Plan (AFSIP). AFSIP aims at formulating an ASEAN Food Safety Policy and an ASEAN Framework on Food Policy as part of a comprehensive programme of action to address the impact of globalization and trade liberalization in the health sector.

### *The South Asian Association of Regional Cooperation (SAARC)*

41. FAO, in collaboration with development partners, has undertaken a number of activities to assist SAARC member countries in their efforts to modernize their food control systems and harmonize relevant regulations and standards with international standards. Examples of these kinds of activities include: the FAO/WHO Regional Conference on Food Safety for Asia and the Pacific held in Seremban, Malaysia in May 2004; the South Asian Conference on Food Safety held in Delhi, India in December 2000; the Regional Meeting on Modernizing Food Control Systems in SAARC Region held in Kathmandu, Nepal in December 2002; and the SAARC Workshop on Food Safety in SAARC Countries held in Goa, India in September 2003. Additional efforts has been made by FAO to increase the awareness of the countries in the region on the importance of risk assessment of microbiological hazards in food.
42. The regional cooperation mechanisms which currently exist between countries in Asia and the Pacific have led to significant improvements in the level of food safety in the region, as reflected in moves to strengthen protection of consumers' health and enhance competitiveness of the food industry and improve food export potential globally.

## **VII. Enabling Environments for Production and Trade with Food and Agricultural Products**

43. The policies, institutions and support services that establish the setting in which enterprises operate constitute what is often referred to as the enabling environment. The business environment and institutional arrangements represent some of the most important drivers of competitiveness for food producers. The business environment and institutional arrangements are critically important for reducing the costs of doing business and attracting investment.
44. Measures taken to ensure that all food, whether locally produced or imported, is safe and consistent with national food safety standards, are critical for enabling a sound business environment for farmers and food producers. This includes measures to protect consumers from being misled or being given inaccurate or false information on the packaging, labelling, advertisements; and sale of food and interventions and policies that facilitate consumers' choice by ensuring appropriate information and provision of recourse for any harm caused by unsafe or adulterated food. Such measures should be in conformity with the SPS and TBT Agreements.
45. It is equally important that comprehensive and rational food control systems that reduce food safety risks and manage food safety hazards using risk analysis are established to ensure food safety in the entire food chain.

46. The institutional arrangements related to food safety control vary between countries in the region. Although many countries in the region have revised their national food control systems and regulatory frameworks, the roles and responsibilities of institutions may not always be clear. Gaps and overlaps in inspection systems and in the regulatory and legislative frameworks are often found. Collaboration, coordination and exchange of information between all stakeholders involved in food safety along the food supply chain is therefore crucial to ensure food safety. This may also involve working with private stakeholders in the food system, both by assisting them to better control their own production and handling practices and audit those controls.

***Box 3. Food safety management in Thailand***

In 2002, Thailand established the National Bureau of Agricultural Commodity and Food Standards (ACFS) under the Ministry of Agriculture and Cooperatives. This body acts as the coordinating governmental body on issues touching on food safety. It carries out its work by developing and enforcing food standards; it is also an accreditation body and certifies production systems or products from certified producers. ACFS coordinates food safety management in Thailand in line with the recommendation contained in the “Road Map of Food Safety”, which outlines the roles and responsibilities of all national stakeholders involved in food safety management.

47. A modern and well-working food control system needs to be complemented by scientifically-based food safety standards, including standards for additives, contaminants, residues of veterinary drugs and pesticides, microbiological hazards and standards for packaging, labelling and advertisement of food. Countries in the Asia-Pacific region are therefore encouraged to participate actively in national and international fora where food safety policies with impacts on food production, processing, distribution, storage and marketing are discussed.

48. Guidelines for farmers, manufacturers, handlers and others involved in the food supply chain are other important components for improving the enabling environment for production and sales of safe agrofood products. Such guidelines are recognized as Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP) and Good Hygiene Practices (GHP). Guidelines for good practices have been developed at both the national and regional level within the Asia-Pacific region.

***Box 4. Regional and national GAP in Asia***

A regional GAP scheme for ASEAN countries was developed by the ASEAN Secretariat in 2006. The purpose of the scheme is to enhance harmonization of GAP programmes and develop common GAP standards that can be used as a benchmark for developing national GAP schemes. The scope of the ASEAN GAP covers the production, harvesting, and post-harvest handling of fresh fruits and vegetables on the farm, as well as post-harvest handling in locations where produce is packed for sale.

Malaysia has used the ASEAN GAP standard to develop the national farm certification schemes for GAP (SALM). Under the SALM certification scheme three major aspects are evaluated, including the legal status of the land used for farming, verification of farm practices and safety of farm products. The scheme covers only production of fresh fruits and vegetables. Other countries like Philippines, Singapore and Thailand have also considered developing national GAP standards.

49. Education and awareness-raising among farmers, agribusinesses and the general public on food safety risks is important in order to protect consumers and reduce the risks of contaminated food entering the market. Governments and development agencies play an important role in

providing training and other capacity-building activities, as well as ensuring that education on safe practices is available for food business operators along the supply chain.

50. FAO is supporting Member Governments in Asia and the Pacific in building capacities and raising awareness on food safety issues. FAO field projects and capacity-building activities are being complemented by the South-South Cooperation initiative, which was created in 1996 as part of the Special Programme for Food Security (SPFS). The purpose of the initiative is to assist Member Governments to reduce hunger and malnutrition by promoting expertise from other developing countries and benefit from the relevant strengths, experience and expertise in those countries.

51. In the Asia-Pacific region South-South Cooperation is an integrated part of the field projects under the SPFS in Bangladesh, Lao People's Democratic Republic and various Pacific Island countries.

### *The impact of private food safety standards on global trade*

52. One of the most significant challenges faced by the public sector in relation to food safety is the rapid proliferation of industry standards for food quality and safety. The number of private food quality and safety standards implemented by agribusiness firms, industry organizations, retailers' consortia, etc. has grown over the past few years and the impact of these food quality and safety standards on global trade has increased significantly.

53. The development of private food safety standards has taken place within the contexts of both product and process standards,<sup>1</sup> these include requirements for environmental protection, social and economic sustainability, fair trade, etc.

54. For countries in the Asia-Pacific region, the growing use of private food safety standards have had positive as well as negative impacts on the various actors along the food supply chain. On the one hand, compliance with private standards has given the food producers the opportunity to strengthen their position in the supply chain and improve market access. Private standards have contributed to ensuring consumer protection and providing incentives and sanctions for improvement of product quality and safety. Since the enforcement and control of compliance with private standards is very strict, industry standards have led to improved farming practices, implementation of traceability systems and better natural resource management.

55. On the other hand, there are substantial risks associated with the spread of private food safety standards. The costs of compliance and certification make it difficult for smallholders to comply with the requirements. Additionally, smallholder and small-scale agribusinesses typically cannot produce large volumes of homogeneous, high-value produce being asked for by the purchasers. Since many small scale farmers and small- and medium-sized enterprises (SMEs) cannot afford the costs of implementing private food quality and safety standards, the standards become *de facto* barriers to trade. For many countries in the Asia-Pacific region the Global Partnership for Good Agricultural Practice (GLOBALGAP) certification scheme is seen as a mandatory scheme to get access to the European retail market.

56. The inconsistency among various sets of private food safety standards is another growing challenge for farmers and agribusinesses in Asia and the Pacific. This is especially the case for producers supplying various markets and customers, this inconsistency leads to difficulties or impossibilities of one production system meeting conflicting requirements.

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<sup>1</sup> Product standards relate to specifications and criteria on the characteristics of final products such as Maximum Residues Limits (MRLs), maximum microbial pathogen load and quality attributes. Process standards aim at improving the safety of final products by taking into consideration the processing links that the product goes through. Process standards include management standards and performance standards.

57. The growing use of private food safety standards and the problems for small-scale suppliers getting market access have been discussed in the SPS Committee under WTO. In collaboration with UNCTAD, FAO has prepared a series of case studies on the developmental and market access implications of the private GLOBALGAP standard for fresh fruits and vegetables applied by selected European retailers.

***Box 5. FAO and UNCTAD case studies on GLOBALGAP***

The case studies conducted by FAO and UNCTAD show that the GLOBALGAP standard has important implications for many Asian fresh fruit and vegetable exporters (even though the share of fresh fruits and vegetables exports going to the EU is relatively small) because its impact is not limited to exports destined for the European market. Both Japan and China, the current principal export destinations for Asian fresh fruits and vegetables, are developing national GAP systems that are modeled on the GLOBALGAP standard.

58. It is still unclear what recommendation will come out of the discussions taking place at the WTO. The SPS and TBT Agreements only deal with government regulations and not private standards, however, they do grant a certain responsibility to member countries on private standards as they state that governments are responsible for ensuring that non-governmental entities accept and comply with the relevant provisions of the agreements. In practice however it is difficult for governments to make sure that no private standards are working as technical barriers for global trade.

59. Although private standards often comply with national SPS measures, this is not necessarily the case. Among the major challenges faced by governments in the region is the need to coordinate and to some extent harmonize their national food safety regulations, including SPS and TBT measures with international standards and to strengthen cross-border collaboration between Member Nations, the private sector and universities in order to coordinate efforts and ensure that national food safety systems are strengthened and increasingly provide support to exporters to meet international requirements including the ones from private sector.

## **VIII. FAO Responses to Existing and Emerging Food Safety Issues in Asia and the Pacific**

60. Existing and emerging food safety issues may have severe implications on international trade with food and agricultural products. FAO plays a major role in building capacity and providing technical assistance to countries in Asia and the Pacific, in order to allow them to strengthen their national food control systems, comply with international requirements for food safety, expand exports and be responsive to new emerging hazards.

61. FAO plays an important role in supporting the establishment and implementation of international frameworks related to food safety and trade. This includes its involvement in international standards setting mechanisms such as the Codex Alimentarius Commission, IPPC and OIE.

62. FAO is meeting the needs for countries in the region for policy guidance and capacity-building in food safety through the provision of technical assistance and implementation of field projects and capacity-building activities. FAO is also working in close collaboration with regional networks and bodies, as well as with other development agencies in order to promote and strengthen regional initiatives and cooperation in the area of food safety. A list of capacity-

building activities implemented by FAO in Asia and the Pacific can be found in ALINORM 07/30/9G-Add 1, Agenda Item 16 of the Thirtieth Session of the Codex Alimentarius Commission held in Rome, Italy in July 2007. [ftp://ftp.fao.org/codex/CAC/CAC30/al30REPe\\_advance\\_e.pdf](ftp://ftp.fao.org/codex/CAC/CAC30/al30REPe_advance_e.pdf).

## **IX. Conclusions and Recommendations**

63. Enhancing food safety in Asia and the Pacific region is crucial for the region's development, the eradication of food insecurity and rural poverty, and for assuring the "Right to Food".
64. Food safety has become a common concern in Asia and the Pacific and a strategic priority area for development. There is a great need for capacity-building in national food control systems and for technical assistance to countries in the region in order for them to comply with international standards and requirements for food safety, protect consumers and enhance trade with food and agricultural products. Special emphasis should be given to the promotion of risk based food control systems covering the whole food supply chain from farm-to-table.
65. It is important that the complexity of SPS management and the potential for SPS-related barriers to trade is recognized and that forward-looking and strategic approaches to managing SPS measures and international market access are adopted through, for example, public-private partnerships and strengthened harmonization of public and private food safety standards.
66. As a means to strengthen regional capacities in the area of food safety regional cooperation, collaboration and exchange of information should be strengthened and the opportunities related to the utilization of regional expertise and knowledge should be further explored.
67. The Conference may wish to highlight the need for national and regional commitment by decision-makers to enhance food safety as a means to protect consumers from foodborne illnesses and facilitate trade.
68. The Conference may wish to encourage countries in Asia and the Pacific to strengthen their national food control systems, improve the coordination of food safety activities from farm-to-table and raise the awareness of food safety among their populations.
69. The Conference may wish to recommend that FAO strengthens its position as an international development partner and provider of technical assistance in the area of food safety in Asia and the Pacific region.