

Buying market share off an unsustainable
production base:

Alternative models of providing
consumers with assurances around food
safety, ethical trade and good
agricultural practise

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allFresh! 27th October 2011

Introduction

- Why is the current supply model unsustainable?
- How did we get here? *Route to Brand protection!*
- What approaches are being pursued to solve problems
- Looking at the way forward

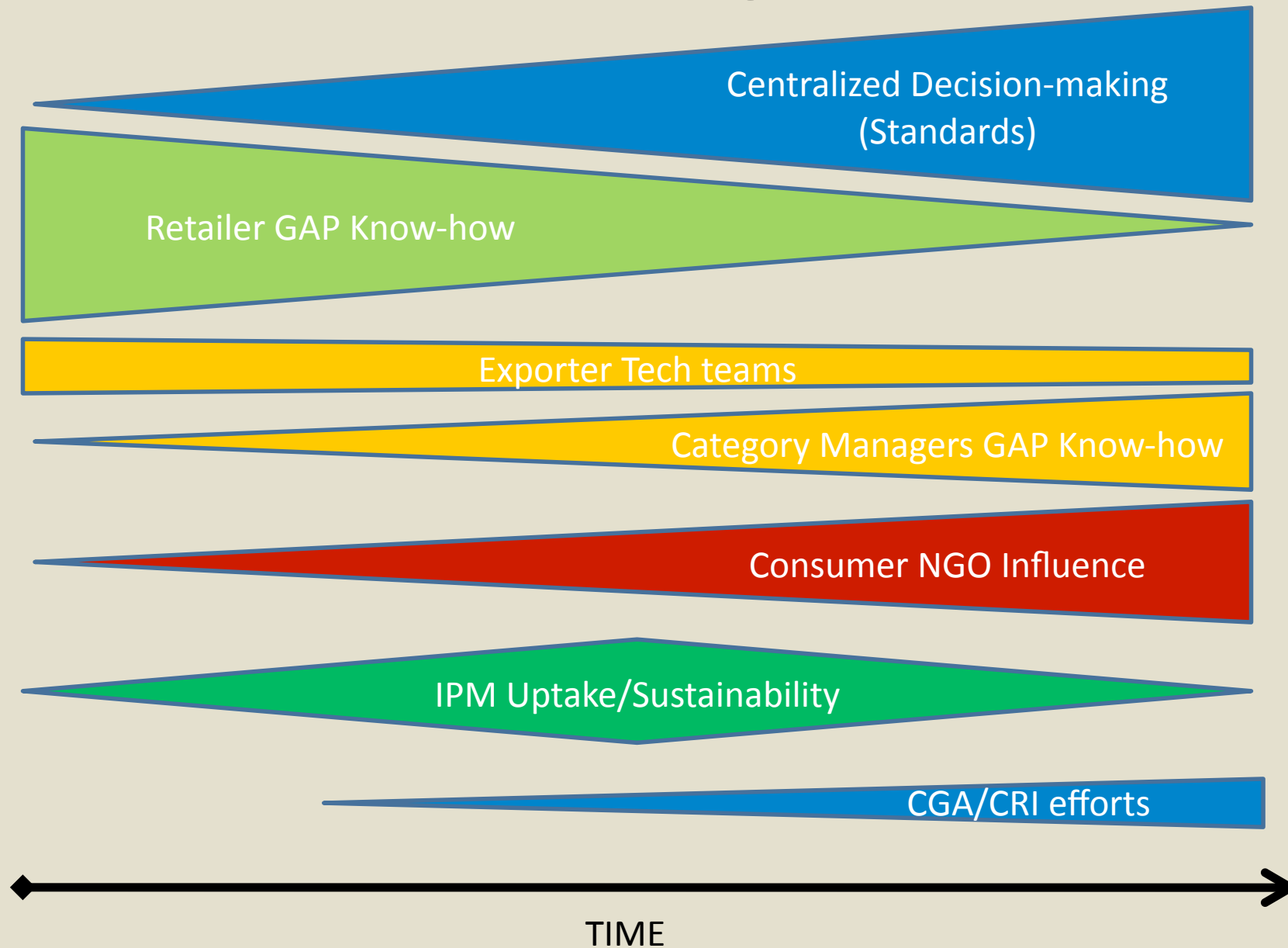
An unsustainable supply base?

- Currently not “sustainable” due to the specific requirements from some European retailers
 - Costs of consumer assurance (certification, audits, etc)
 - Additional residue testing (compounding uncertainty!)
 - Technical requirements: “black lists”, limits on residue different to MRL, limits on residue numbers, etc.
- These requirements conflict with a number of basic trade principles: **Root causes!**
 - General Principles
 - Food Safety should not be a competitive tool, just a given
 - Food Safety should be established on the basis of scientific evidence
 - Stricter food safety rules themselves do not necessarily result in safer food
 - Food Safety & Consumer Assurance Principles
 - MRLs are sufficient to ensure consumer health
 - Acute Reference Doses (ARfD) & Acceptable Daily Intakes (ADI) are considered by regulators and evaluators (e.g. EFSA)
 - Plant protection product (PPP) Import Tolerances ≠ Local Authorization

An unsustainable supply base?

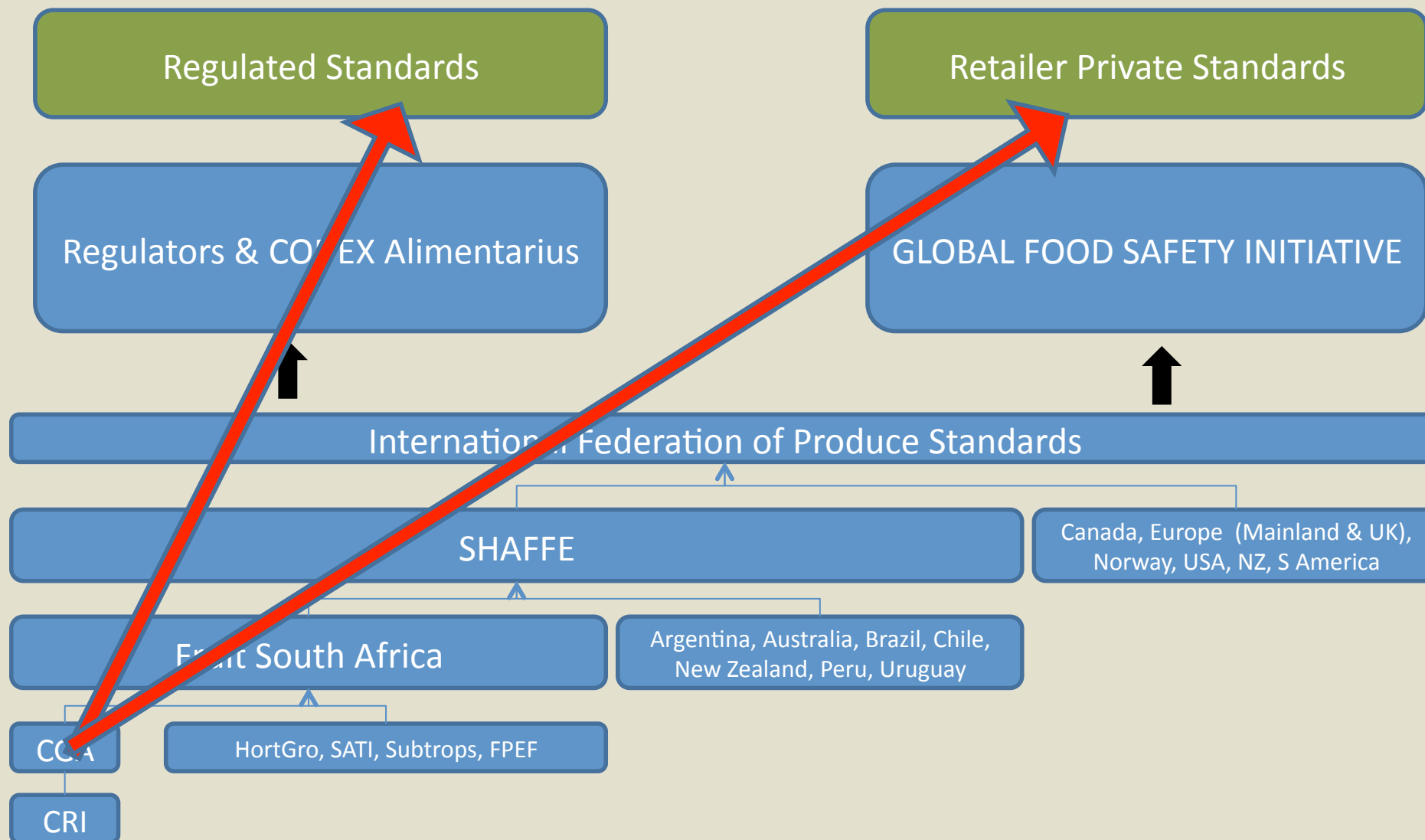
- Continued:
 - Trade Principles
 - Sanitary & Phytosanitary (SPS) agreement is basis for continued market access
 - **Failure to control photo. pest & diseases leads to stricter trade measures**
 - Chemical control remains the most (often only) suitable measure. Placing restrictions on PPPs jeopardizes the bio-security of importing countries.
 - Good Agricultural Practice (GAP) Principles
 - MRLs are set so PPP is effective but safe
 - Restricting PPPs conflicts with Integrated Pest Management
 - Specific & careful consideration of pest & situation, Non-target pest considerations, Resistance management, Older chemistry problems
 - New “safer” chemistry problem
 - Not compatible with retailers policies (i.e. Likely to level residues)
 - Shorter product life-cycles for existing products
 - Disinvestment in new products

How did we get here?



What are we doing about it?

Participation approach!



CGA/CRI

Technical approach

- Stick to the science. Do the research (GAP, IPM). Develop & coordinate the “know-how”
- **Example: Restrictions for PPPs**
- Engage
 - DA
 - Reg
- Engage
 - Vis
 - key
 - Co
- Comm
 - Re
 - Tel
 - Eng
- Participation in local and global efforts to see harmonization

Key Point:
 Balance consumer requirements & Good Agricultural Practice.
True alternative to certification.
Requires technical back-up



Fruit SA

Technical Approach

- Food Safety
 - Technical Working Group (Chair Paul Hardman)
 - Participation in Global Initiatives
 - GLOBALGAP National Technical Workgroup
- Climate Change www.climatefruitandwine.co.za
 - Well received abroad
 - Not much uptake by growers – are we missing a golden opportunity?
- Ethical Trade www.fruitsa-ethical.org.za (live soon!)
 - Highly successful at getting buy-in to new Fruit SA Ethical Trade programme (SIZA)
 - One audit, one methodology, recognized by all. Benchmarked with **Global Social Compliance Programme reference tools**.
 - Why has this worked?
 - Whole country initiative
 - nature of subject is not seen as competitive advantage opportunity
 - determination from growing community



SHAFFE

Political & Technical Approach



- Food Safety
 - Technical Working Group
 - Released “principles for engagement with retailers” regarding trade:
 - First release in Feb 2011, followed by releases in May 2011 (German, Spanish and French)
- Harmonization
 - As Chair Justin Chadwick called for meeting with retailers. Basically retailers indicated they were not prepared to engage any further and not willing to change individual approaches
 - GlobalGAP has been unable to get retailers to adopt uniform Food Safety Standards



Southern Hemisphere Association of Fresh Fruit Exporters
SHAFFE TECHNICAL WORKGROUP

PRINCIPLES FOR ENGAGEMENT WITH RETAILERS

2 February 2011

Background

The following principles are put forward as the basis on which SHAFFE members can jointly and separately engage retailers, particularly those in the EU, to discourage them from adopting “food safety” “standards” beyond their requirements. Besides some general principles, others are grouped into Food Safety/Consumer assurance packages. Trade Principles, and Good Agricultural Practice (GAP) principles. Examples have been included to illustrate the impact of deviation from these principles.

General Principles

- Food safety should not be a competitive tool on which retailers differentiate themselves.
- Consumers entering any fruit supply chain should be assured that fruit offered is safe, complying with local and import country (e.g. EU) food safety legislation.
- Food Safety tolerances must be established on the basis of scientific evidence.
- International harmonization should be enhanced to facilitate trade, consumer confidence and to ensure sustainability at the supplier level.
- Wherever possible international standards (such as CODEX Alimentarius) should be adopted.
- Science-based justification must be provided to deviate from these standards.
- Parties take more responsibility to ensure safer food.
- Stricter Food Safety rules themselves do not necessarily result in safer food.

Food Safety/Consumer Assurance Principles

- MRLs are established considering the amount of residue required to protect the target organism BUT also taking into account residue indicators and Doses (ARFD) and the Acceptable Daily Intakes (ADI). It is redundant restrictions using the ARFD or ADI.
- Import Tolerances (in the EU case MRLs where the active substance is not used in the EU)



IFPS Strategy

- Overall objective is to harmonize global standards
 - Communications Committee
 - Data Standards Committee
 - PLU codes, GS1, etc
 - Food Safety Committee
 - Chair sits on Global Food Safety Initiative Working Group
 - Raise profile of lack of harmonization
 - Speaking at FruitLogistica 2011

www.ifpsglobal.com

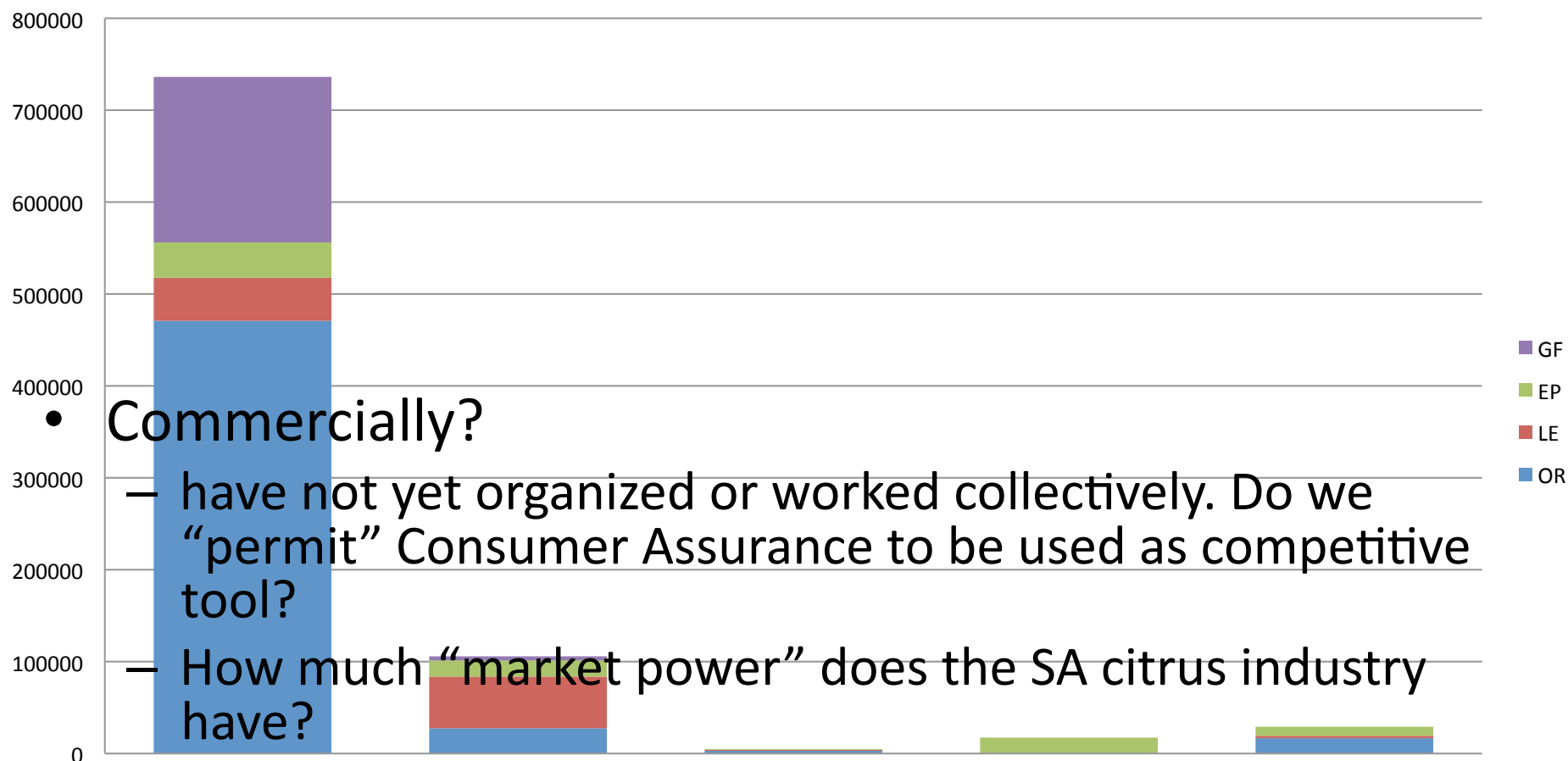
Global Food Safety Initiative

- Initiated by global retailers
- Is gaining traction and bridges US/EU divide
- Recognizes GLOBALGAP as a benchmarked scheme for Primary Production

www.mygfsi.com/

Way Forward

N Europe



- **Commercially?**

- have not yet organized or worked collectively. Do we “permit” Consumer Assurance to be used as competitive tool?

- How much “market power” does the SA citrus industry have?

- Discussion at GMF around this topic on 3rd November 2011