

**WELCOME REMARKS BY DR M E MOGAJANE DURING THE SADC STAKEHOLDER
WORKSHOP ON PRIVATE AGRIFOODS STANDARDS
5-6 NOVEMBER 2008-11-05
St GEORGES HOTEL, PRETORIA.**

Programme Director

Honorable Delegates

Ladies and Gentlemen

It is my pleasure today, to welcome you all to this effort of ensuring that we facilitate trade within SADC. Recently Minister's of SADC approved the free trade agreement, and the meaning of this is that we ought to ensure that we put mechanisms in place of ensuring that we indeed improve our systems to facilitate trade.

Private standards are impacting on the marketing of agricultural products and discussed at many fora throughout the world. The WTO/SPS-TBT had recently also taking the discussions on board. South African industries have for a long time be exposed to these standards and they have recently asked government opinion on this. We have seen some of these standards growing in numbers and now I am told that more than 400 private standard schemes are in operation. Although suppose to be voluntarily they are in many instances "compulsory" in their application and impact on market access also for our own industries.

Private standards had been initiated and developed the past few years for many reasons. In Europe big supermarket outlets had invest in not only their own eg Tesco but also in joint ventures like EurepGAP. These organisations claim that it was/is necessary to inter alia answer to public concerns re food safety (after the BSE and FMD outbreaks in the EU) and for compliance where public control does not protect them against certain legal requirements also as far as environmental and social responsibility issues are concerned. There are also in South Africa well known companies which had initiated their own (private) standards eg Woolworths. Private standards may be more restrictive and may be use for different purposes.

In response to consumer concerns and food scares related to Salmonella, BSE, Dioxin etc., the United Kingdom passed the Food Safety Act in 1990. Under this Act, any supplier of a branded product is responsible for the safety of that product, all fresh produce sold in unpacked form was considered to bear the brand of the retailer. Enforcement action could

be taken against a wholesaler or retailer even if the offense was caused by other parties in the food chain (e.g. food importers, overseas exporters). This meant the reputation and financial resources were at stake if firms/retailers failed to provide due diligence in detecting and preventing problems in the food chain.

In response to the legal requirements of due diligence major UK supermarkets began to establish in house technical teams, audit primary producers, food manufacturers and selected overseas suppliers. Each company developed its own code of practice and employed third party auditors to carry out some assessments. These private regulations resulted in a set of good agricultural practices or good hygiene practices (e.g. BRC Technical Food Standard). These became a foundation for wider private safety initiatives in the EU.

The pesticide monitoring program published quarterly names of brands, retail outlets, packers, country sources of individual samples. This policy of "naming and shaming them" has led retailers to carefully monitor suppliers. In the EU traceability principles and rapid alert system yielded similar effects on food business operators.

In the early 90's approximately 400 quality assurance and certification schemes were introduced in the EU ranging from meat products to fresh fruit and vegetables, including environmental conservation, worker health and animal welfare.

In 1997, Euro Retailer Produce Working Group (lately known as GlobalGAP) was established with membership of 30 major retailers, in 12 European Countries and control 85% of the Western Europe fresh produce market.

At the WTO SPS meeting of March this year, the Director General of the OIE presented a paper on the escalation of private standards and the concern that some of them are not based on science. The International Committee of the OIE discussed the problem of animal health and animal welfare standards established unilaterally by private companies without direct involvement of governments. Noting that OIE Members are concerned at the potential for such private standards to conflict with the official standards established by the OIE, Members passed a Resolution calling for action to address this issue. Most of these concerns are also applicable to private standards on Food and Food safety.

- Recognising that some standards like HACCP can improve some aspects of food production governments must ensure that:
- Standards are based on existing guidance and standards as provided by relevant international and regional organisations
- Are practical, sustainable and enforceable, tailored to the specific circumstances, regulatory systems, resources and requirements , readily understood by relevant personnel
- Involve all relevant stakeholders, including government, scientific community, commercial industry and academia
- Address resources relevant to humans, animals and plants
- Make use of risk management techniques and approaches
- Avoid unduly restricting the pursuit of science

The SPS Agreement allows countries to set their own standards, but also indicated that regulations should be based on science. They should be applied to the extend necessary to protect human, animal or plant life or health. What is of concern now is that some of the standards have been implemented in order as to improve the image and philosophy of some super market chains.

The TBT Agreement also recognizes the right of countries to adopt the standards they consider appropriate, for example for human, animal or plant life or health, for the protection of the environment or to meet other consumer interest.

According to Article 13 of the SPS Agreement: "Members are fully responsible under this Agreement for the observance of all obligations set forth herein. Members shall formulate and implement positive measures and mechanisms in support of the observance of the provisions of this Agreement by other than central government bodies. **Members shall take such reasonable measures as may be available to them to ensure that non-governmental entities within their territories, as well as regional bodies in which relevant entities within their territories are members, comply with the relevant provisions of this Agreement.** In addition, Members shall not take measures which have the effect of, directly or indirectly, requiring or encouraging such regional or non-governmental entities, or local governmental bodies, to act in a manner inconsistent with the provisions of this Agreement. Members shall ensure that they rely on the services of non-governmental entities for implementing sanitary or phytosanitary measures only if these entities comply with the provisions of this Agreement."

We have learned that there are positive and negative implications of private standards. What is important for us during these two days is to ensure that we clearly define the role of government in this changing environment. The main concerns which have come out is the number of these private standards and the cost implications of implementing such standards. Although some people believe that some of the standards are almost similar, the question should be is the aim of some these standards similar? Similar in the sense that all of them are trying to ensure food safety by giving certain guarantees

The reason for coming up with some of these private standards is multifactorial but what is important for government officials and certifying bodies today is to check whether there are weaknesses in our certifying bodies?

Some of the concerns within SADC in dealing with the sanitary and phytosanitary measures is lack of adequate participation at the international standard setting bodies. We need to improve our participation in standard setting bodies. We need to strengthen our abilities in ensuring that we communicate and we use other expertise like trade law advisers' on matters related to trade.

We have also seen regional blocks emerging and thus it is quite important to ensure that we get organised quickly because time is against us. SADC need unpack the implementation of the SPS agreement signed earlier on by Ministers. We need to harmonise policies to facilitate trade.

We wish all the best for the deliberation during the two days