

THE REQUIREMENTS OF THE NEW EU FOOD LAW

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Introduction

In a context where world economy is everyday more globalized, food safety standards and regulations have become a key topic for most food industries operators, as well as a structuring force for entering or competing on some markets, new or traditional. The shrimp aquaculture chain of the Philippines is currently facing this big challenge, as it has to adapt itself to the requirements of the 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 reasons for this new European law, its content and requirements, as well as discussing its consequences for the Filipino operators.

The reasons for a new food law

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
- Responsibility of all operators for active implementation of food safety requirements
- Risk analysis
- Traceability
- Alert
- Documented procedures

The structure and content of the new food law

Several technical texts have been published during the process of establishment of the new food law, but the main ones are presented in figure 1. They are organized according to the product (All feed, All food, Food of animal origin) and the target (food or feed business operator, competent authority for conducting official control, which is the BFAR in the

Philippines). This article will only deal with regulations EC 178/2002, EC 852/2004 and EC 853/2004 which are the one with which the operators of the shrimps chain must comply with.

The basic regulation is the EC regulation 178/2002. In a context of distrust, it is aimed at ensuring a high level of human health and at protecting consumer's interests. It lays down overarching guiding principles and legitimate objectives within that aim. For that purpose, it establishes common principles (article 5 to 10), such as:

- the generalization of the risk analysis (risk assessment, risk management and risk communication),
- the precautionary principle
- the defense of the consumer's interests (fraudulent, adulteration, misleading)
- the transparency (public consultation and information)

It also specifies the responsibilities (article 14 to 21):

- the primary legal responsibility is with the operator (Food on market must be safe)
- the operators must implement actively the food safety requirements
- the presentation of the product must not mislead the consumer
- the operator must have a traceability system and must be able to immediately identify one step back and one step forward. More specifically, an operator must be able to provide immediately to the competent authority:
 - o the name, address of all suppliers, nature of products which were supplied from each
 - o the name, address of all customers, nature of products that were delivered to each one
 - o the date of transaction/delivery
 - o Internal traceability is not mandatory, however it is the interest of the operator himself to have an internal traceability and to keep at least the following information: volume or quantity of each product, batch number if any, detailed description of the product.
- the operator has an obligation to immediately withdraw and/or recall any suspect product, and to notify the competent authority (article 19). Namely, if he "*considers or has reason to believe that a food which it has imported, produced, manufactured or distributed is not in compliance with the food safety requirements, it shall immediately initiate procedures (that is to say, written document explaining why, who is responsible, what must be done etc.) to withdraw the food in question from the market [...]*". "*Where the product may have reached the consumer, the operator shall effectively and accurately inform the consumers of the reasons for its withdrawal and if necessary, recall from consumer products already supplied to them [...]*". "*A food business operator shall immediately inform competent authority (i.e. BFAR) if he considers or has reason to believe that a food which it has placed on the market may be injurious to human health [...]*"

The regulation EC 178/2002 also establishes the European Food Safety Agency, which must give an independent scientific advise on food safety matter.

The other texts are the one that list the requirements that the operators and competent authorities must comply with, in order to respect the principles of regulation 178/2002. The text for the feed operators has not yet been published and is still expected.

The regulation EC 852/2004, also called “H1” (H stands for “hygiene”) is the basic foundation for all food business operators since it applies to the entire food chain, for all foodstuffs. Among the obligations that the operators must comply with stands the respect of microbiological criteria, the maintenance of cold chain, the implementation of risk analysis (HACCP), or the registration of farms and approval of the other establishments. The registration of farms is mandatory for all farms wishing to export to EU. This registration is an easy process, since the farm owner must only fill up a form describing its production and send it to the regional office of BFAR. On the contrary, the approval is a much more difficult process, that includes the registration but also an inspection of the facilities as well as of the documents and records kept as evidences of the compliance with regulations. This inspection is held by BFAR fish plant inspectors, and the establishment can only be allowed to export products if the output of the inspection is positive. Approval is mandatory for auction markets (*consignacions*) and processing plants. Two annexes list specific sanitary and hygienic requirements for farms (annexe 1) and other establishments (annexe 2). These two annexes are given in Figure 2).

The scope of the regulation EC 853/2004 (also called “H2”) is food of animal origin, excluding primary production and domestic preparation, handling or storage for private domestic use, direct supply of small quantities of primary product to the final consumer or to local retail establishments. It lists additional hygienic requirements (Figure 3 gives the requirements for fishery products), as well as some precisions on the registration and approval of establishments.

A constraint or an opportunity?

According to the FAO/Globefish, the shrimp trade has not grown in value in the recent years, although prices for large shrimp went up, driven by the good demand. The future is described as being difficult for shrimp trade in traditional market, as supply already exceeds the demand. Despite this fact, the aquaculture production is expected to grow even further in coming years, with China and Brazil leading the group. The main strategies suggested to face this difficult situation are:

- to develop new markets for standard shrimps, in South-East Asia, China or Latin America. For these standard products, which demand is currently lower than the offer, the main objective will be to reduce the production cost (survival, diseases, feed conversion etc.) in order to be prepared to compete on prices
- to invest in value added products, such as the butterfly cut, the ring presentation, the coated shrimp, etc.
- or to invest in quality certification, in order to market the product with a premium price, in order to take advantage of the better price already observed for higher quality shrimps (large prawns for example).

Whatever the solution chosen by the operators, the respect of the international food safety standards and the specific requirements of some markets such as one for the European market is a basic mandatory necessity. However, it is also an opportunity, since the changes in the management of the business that they require are the same that are necessary to implement

quality certification schemes. Until now, and unlike what can be observed in other countries such as the Vietnam, the Philippines operators of the shrimp chain have not really invested this voluntary sector, which is notwithstanding a very promissory challenge, taking into account its premium prices and rapid growth. The Philippines shrimp is obviously presenting superior characteristics that could make it a good candidate, allowing the operators to enter markets more remunerative and where competition is not so acute as it is on the standard shrimp market.

However, possessing superior characteristics is no longer enough in today's globalized economy. Now, quality must be certified, so that the clients receive from a body they trust the guarantees that the product they buy possesses the characteristics they are looking for. These characteristics do not only include the taste, safety or external appearance (size etc.), but also the use of environmental-friendly technologies, the respect of the workers, and, generally speaking, the respect of ethical principles throughout the production and distribution process. Many certification schemes already exist (*i.e.* organic farming, fairtrade, protected geographical indication, etc.) and new one could be developed, but they all require management principles that are very close to the ones established by the EU food law for ensuring a high level of food safety. For example, a new norm has recently been released, the ISO 22000, which main aim is simply to show how HACCP can integrate easily within an already existing ISO 9001/2002 quality management system.

For that reason, the process of compliancy with international food safety standards, although it is representing a huge work, should be considered like an opportunity for the shrimp operators to realize in-depth changes in their commercial strategies in order to gain the skills that will ensure the growth of their future markets.

Animal Feed

All Foodstuffs

Food of Animal Origin
(excl. direct supply)

General Food Law (regulation 178/2002)

Production

Regulation
project

H1 regulation
(852/2004)

H2 regulation
(853/2004)

Official Controls

OFFC regulation
(882/2004)

H3 regulation
(854/2004)

H5 Repealing directive (2004/41)

H4 Veterinary certification (2002/99)

Residues monitoring texts (1996/23 etc.)

