



# NZ Food Safety

LECTURE SERIES 2019



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# Food regulations and their effects on international trade agreements



# NZ Food Safety

LECTURE SERIES



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# Introduction

- Why do we need food regulations?
- Global and trading environment
- Market Access
- International Trade Agreements
- Role of NZ Food Safety Standards to facilitate trade

# Why do we need food regulations?

- ▶ • Keep people safe from foodborne incidents
  - In a way that facilitates trade
- Consumers have trust and confidence in our food
- Foreign governments have trust and confidence that our food meets their requirements
- The greater the trust and confidence the easier it is to trade

# Global Environment



## Estimates of the global burden of foodborne illnesses for 31 foodborne hazards for the year of 2010



about 600 million  
foodborne illness cases



420,000 deaths



Loss of 33 million  
disability adjusted  
life years

Estimates of the global burden of foodborne diseases: foodborne disease burden epidemiology reference group 2007-2015. World Health Organisation (WHO, 2015).




# Why is trade so important for Primary Industries?

## ► Primary industries are vital to New Zealand's economy

- Contribute 10% of GDP
- Represent over 16% of employment
- Comprises 78% of merchandise exports

# Why is trade so important for Primary Industries?



Product	NZ's share of World Production %	NZ's share of World trade %	Share of domestic production exported
Dairy	3%	35%	95%
Beef	1%	6%	86%
Sheep meat	3%	43%	90%
Wool	7%	18%	94%
Venison	n/a	42%	96%
Kiwifruit	15%	37%	96%
Pipfruit	1%	4%	65%
Wine	1%	4%	72%



# Conditions of Trade

- Food must be safe
- Must meet importing country requirements
  - Domestic food laws
  - Border clearance procedures
- How well this is demonstrated will determine ease of access  
(all other commercial and competitive factors being considered)

# What gives foreign customers and governments confidence?

- ▶ • Robust regulatory and assurance systems
- Consistent delivery of safe products
- Being a credible trading partner

Supported by:

- Technical competency
- Leading systems innovation
- Trusted technical relationships
- New Zealand's ranking as one of the most transparent, corruption-free countries in the world which feeds into New Zealand's integrity in what we say, do and sell

# Market Access for New Zealand Products



## Our situation

- Open economy
- Small market
- Long way from international customers
- Little reciprocal trade value to our trading partners
- Being heavily reliant on primary export trade to generate economic growth, an appropriate balance between food safety (and biosecurity) on the one hand and open trade on the other takes on greater significance than for most if not all of our major trade partners

# Regulatory and legal challenges impacting market access

- ▶ • The diversity of evolving regulations that need some level of negotiation & implementation
- Increasing attempts by regulators at transboundary regulation through the imposition of premises and product approval processes and or process prescriptive supply chain controls
- Inflexibility of importing country laws and policies to deal with innovation and or equivalence
- Increased tendency towards laws prescribing the process of how outcomes must be achieved and not just what must be achieved.
- The lack of explicit reference to international trade agreements or international standards

# Regulatory and legal challenges impacting market access

- ▶ Laws that prohibit variances except as explicitly approved or which default to zero tolerances
- Rising costs of border Inspection and risks associated with increasingly sophisticated inspection and detection technologies
- Inefficiencies caused by the lack of internal coordination between regulatory agencies clearing product at borders or prior to it being allowed to enter commerce
- The inefficiencies caused by non-standardised specifications, often with no additional health outcomes, but requiring customised production runs and reducing marketing flexibility
- Increased reliance by markets on post processing testing and authentication processes

# Market Access for New Zealand Products



- Having agreed rules, standards and norms that govern international cooperation on peace and security, economic, financial, human rights, and social issues provides stability and certainty
- Rules, rather than simply power, provide small, internationally connected countries like New Zealand with protection

# International Trade Agreements



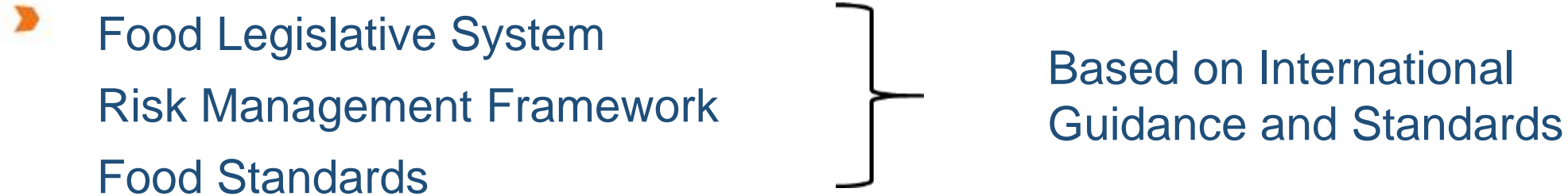
- ▶ • Successive governments have made it a key priority for New Zealand to act as a principled trader within an international rules-based system
- This philosophy is intrinsic to the
  - WTO Sanitary and Phytosanitary (SPS) Agreement
  - New Zealand's bilateral trade agreements,
  - is a cornerstone of our market access negotiating position and our ability to influence the international rules-based system to protect and advance New Zealand's interests
- Simply New Zealand has a major interest in proposing, influencing, adopting and promoting agreed international food standards

# International Trade Agreements

- Our experience is the more trading partner's standards look and feel the same as ours the less the barriers trade
- New Zealand supports the development of harmonised food standards
- These need to be harmonised on the basis of recognised international standards
- Assuring compliance with agreed standards is problematic given differing test methods, interpretation of results and sometimes dispute resolution processes
- Codex processes address all those issues



# International Trade Agreements



New Zealand Food Safety supported by other MPI Business Groups makes significant investments in developing, promoting and using international food standards that advance and protect food sector interests



# APEC FOOD SAFETY MODERNISATION FRAMEWORK TO FACILITATE TRADE



June 2019  
Food Safety Cooperation Forum  
APEC Sub-Committee on Standards and Conformance

Advancing Free Trade for Asia-Pacific Prosperity



## Food safety modernisation based on internationally accepted principles



- Protection of consumers 1
- Trade facilitation 2
- Whole of food chain approach 3
- Transparency 4
- Preventive measures 5



- 6 Evidence and risk-based decision making
- 7 Shared responsibility: primarily rests with food business operators
- 8 Equivalence
- 9 Consistency and impartiality
- 10 Continuous improvement





# PRINCIPLE 1

## PROTECTION OF CONSUMERS

APEC member economies' food safety regulatory systems should be designed, implemented and maintained with the primary goal to ensure safe food for consumers. In the event of a conflict with other interests such as trade, the priority should always be given to protecting consumers from unsafe food.



## PRINCIPLE 2

### TRADE FACILITATION

APEC member economies' food safety regulatory systems should be least restrictive to trade while protecting the health of consumers.

# International Trade Agreements

## ► Example Australian CER

- Single set of joint food labelling and compositional standards
- Mutual recognition of risk management systems
- All food that can be sold in New Zealand can also be sold in Australia without further control (biosecurity accepted)

### What this means

- Enhanced commercial certainty
- Reduced risks, costs and variability for exporters
- Improved export participation: especially for small and medium sized business

# Role of NZ Food Safety Standards to facilitate trade

- ▶ Ensure domestic and export standards reflect best international practice
  - New Zealand standard setters are aware of the basis of or thinking behind relevant key country, international or private standard initiatives
  - Maximise the ability to defend New Zealand's food standards standards as meeting the outcomes required by most international markets and or corporate customers
  - To minimise the need for industry to have to substantially change their business practices in order to export

Comes back to

“Our first priority is to ensure New Zealand's world-class food safety system remains robust in responding to future challenges”

# Thank you