

Seafood Export and Trade Issues

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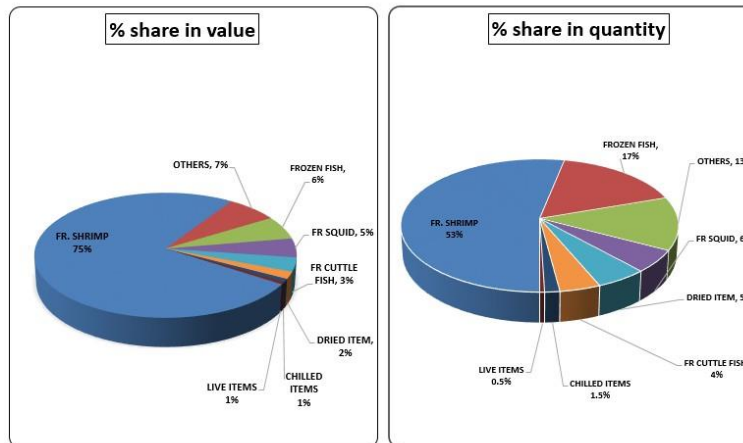
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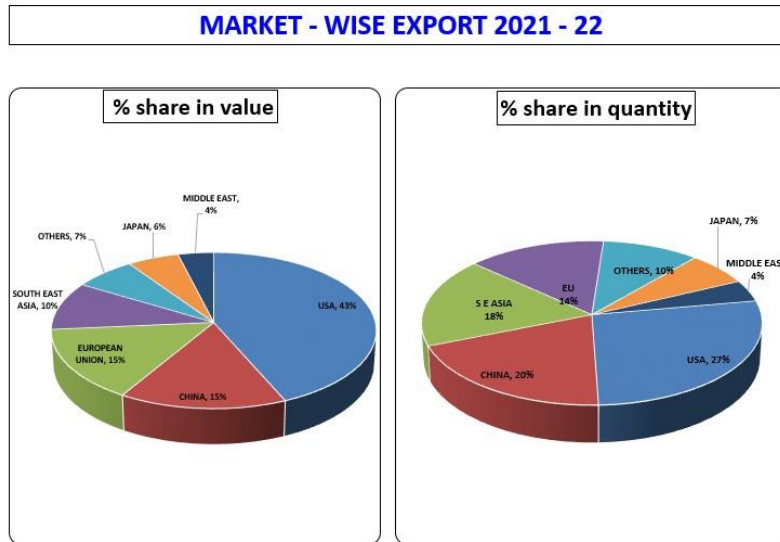
In 2021-22 India exported to 123 countries and the top 5 countries are USA, China, Japan, Vietnam and Thailand. The following figures illustrates the export performance of the marine products from India

Export Performance of Marine Products



ITEM - WISE EXPORT 2021 - 22





Sanitary & Phytosanitary measures

The word Sanitary means that measures relating to human or animal life or health while Phyto sanitary means those relating to plant life or health. There are three international standards setting bodies specifically mentioned in the SPS agreement. These are often referred as “**Three sisters**” and they are as follows:

health

1. **The International plant protection convention (IPPC) - dealing with plant**
2. **The World Organization for Animal Health (OIE) – dealing with animal health**
3. **The Codex alimentarius Commission (CODEX) – dealing with food Safety**

World Trade Organization recommends that members must not use SPS measure that are Unnecessary, not science based, arbitrary or which constitutes a disguised restriction on International Trade. The key points of SPS are as follows:

- The SPS agreement recognizes the need for WTO members to protect themselves from the risk posed by the entry of pests and diseases but also seeks to minimize any negative effects of SPS measures on trade.
- The health aspect of SPS agreement basically means that WTO members can protect human, animal or plant life or health by applying measures to manage the risk associated with imports.
- The measures usually take the form of quarantine or food safety requirements.

Terms used in SPS agreement

Harmonization

WTO members are encouraged to base their SPS measures on international standards, guidelines & recommendations where they exist . The SPS Committee promotes and monitors international harmonization.

Equivalence

SPS agreement requires importing WTO members to accept the SPS measures of exporting WTO members as equivalent, if the exporting country objectively demonstrate to the importing country that its measures achieve the importing country's ALOP (Appropriate Level Of Protection).

Appropriate Level Of Protection (ALOP)

ALOP is the level of protection deemed appropriate by the WTO members to protect human, animal or plant life or health within its territory

Risk Assessment

The evaluation of likelihood of entry, establishment or spread of a pest or disease within the territory of an importing WTO member according to SPS measures which might be applied and of the associated potential biological and economic consequence.

OR

The evaluation of the potential for adverse effects on human or animal health arising from the presence of additives, contaminants, toxins or disease –causing organisms in food, beverages or feedstuffs.

Risk assessment is essentially the process of gathering scientific evidence and relevant economic factors on the risks involved in allowing a particular import to enter a country.

An importing member is likely to seek information on matters such as the pests or diseases that might be associated with the commodity for which permission to import has been sought, and if they are present in the exporting country, the type of question that might be asked as below:

- Does the pest or disease occur in your country?
- Have the pests or diseases been controlled?
- Are they restricted to particular parts of the country?
- How effective are procedures applied to ensure that the products for export are free from pests, diseases and other contaminants?

Regional conditions

WTO members are required to recognize the concepts of pest / disease-free areas and areas of low pests / disease prevalence.

Exporting WTO members claiming pest / disease-free areas or areas of low pests/disease prevalence must demonstrate to the importing WTO member that such areas are, and are likely to remain, pests / disease free areas of low pest / disease prevalence.

Transparency

SPS agreement requires WTO members to provide information on their SPS measures and to notify changes in the SPS measures. WTO members are required to publish their SPS regulations.

The notification requirements are met through a national notification authority. Each WTO member must nominate a national enquiry point to deal with SPS related queries from other WTO members.

The World Organization for Animal Health (OIE)

The objective of the world organization for Animal Health (OIE) include ensuring transparency in the global animal disease and zoonosis situation, publishing health standards for trade in animals and animal products, promoting veterinary skills, improving the safety of food of animal origin and promoting animal welfare through a **science based approach**.

OIE standards, guidelines and recommendations are contained in the **aquatic animal health code** and the **manual of diagnostic tests for aquatic animals**.

CODEX

- Codex has a dual mandate to protect the health of consumers and to ensure fair practices in the food trade.
- Codex develops and encourages implementation of standards, codes of practice, guidelines and recommendations covering all aspects of food safety, including handling and distribution.

SPS – Notification – Australia

Notification No. G/SPS/N/AUS/298 dt. 09/07/2012 (Bio security bill and the inspector general of Bio security bill)

As per Bio Security advice 2009/25, the imported prawns –

1. be sourced from a country or zone that is recognised by Australia to be free of WSSV, YHV, TSV and NHPB – Necrotising Hepetopancriatis Bacterium (the last disease agent, for unfrozen product only); or

2. have the head and shell removed (except for the last shell segment and tail fans) and, if not from a disease free source, have each batch tested on arrival with negative results for WSSV, and YHV; or
3. be 'highly processed', that is head and shell-off (except for the last shell segment and tail fans), and coated for human consumption by being breaded or battered, marinated in a wet or dry marinade, marinated and placed on skewers or processed into dumpling, spring roll, samosa, roll, ball or dim sum-type product; or
4. be cooked to a standard where all protein is coagulated and no uncooked meat remains.

Aquatic animal health certificate for import of seafood

The Canadian Food Inspection Agency (CFIA) brought out guidelines for import of aquatic animals on 10th December 2011 with amendments to Health of animals act. These new guidelines are operational from 10th Dec 2012.

As per this guidelines every consignment of aquatic animal into Canada must be accompanied with an aquatic animal health certificate by the competent authority for aquatic animal health services of the country of origin.

The aquatic animal health certificate must clearly certify **zoo sanitary requirements**, packaging and shipping requirements by competent authority.

Imposition of stringent standards for fish and fishery products by developed countries

The higher standards imposed by the developed countries becoming a major threat to exports of developing countries.

MRL of Ethoxyquin in shrimps under the Food Sanitation Law of Japan

Japanese authority responsible for ensuring the quality of imported food products into Japan has unexpectedly started examining the shrimp consignments from India for Ethoxyquin since August 2012. Japan have adopted the default standard as 0.01 ppm, as designated for parameters or residues that do not figure in the positive list introduced by Japan in 2006. Japan has fixed MRL for fish at **1ppm** while No MRL was fixed for shrimp.

Registration of Overseas enterprises and exporting companies in importing countries

The recent requirements of registration under US food safety modernization act and the AQSIQ of China is leading to procedural issues and adding documentation costs for seafood exporting countries in Asia including India. European Union, Russian Federation, Brazil, China etc. are following such kind of registration procedures in their countries to import the seafood from India. Some of these countries also reserve the right to inspect the establishments in India although stringent regulations are in place in India.

ITC HS

ITC-HS Codes or Indian Trade Classification based on Harmonized System of Coding was adopted in India for import-export operations. Indian custom uses an eight digit ITC-HS Codes to suit the national trade requirements. ITC-HS codes are divided into two schedules:

- Schedule I - Describe the rules and guidelines related to import policies
- Schedule II - Describe the rules and regulation related to export policies

The total number of chapters in the schedule I is 98. The chapters are further divided into sub-heading under which different HS codes are mentioned. Export Policy Schedule II of the ITC-HS code contains 97 chapters giving all the details about the guidelines related to the export policies. The marine products mainly come under chapter 03 and 16.

List of marine products coming under various HS code (4 digit level) is as below

| Chapter | HS Code (4 digit level) | Description |
|-----------|-------------------------|--|
| 03 | 0301 | Live fish |
| | 0302 | Fish, fresh or chilled, excluding fish fillets and other fish meat of heading 0304 |
| | 0303 | Fish, frozen, excluding fish fillets and other fish meat of heading 0304 |
| | 0304 | Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen |
| | 0305 | Fish, dried, salted or in brine; smoked fish, whether or not cooked before or during the smoking process; flours, meals and pellets, of fish fit for human |
| | 0306 | Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked crustaceans, whether in shell or not, whether or not cooked before or during the smoking process; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption |
| | 0307 | Molluscs, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; smoked molluscs, whether in shell or not, whether or not cooked before or during the smoking process; flours, meals and pellets of molluscs, fit for human consumption |
| | 0308 | Aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; smoked aquatic invertebrates other than crustaceans and molluscs, whether or not cooked before or during the smoking process; flours, meals and pellets of aquatic invertebrates other than crustaceans and molluscs, fit for human consumption |

| Chapter | HS Code (4 digit level) | Description |
|---------|----------------------------|---|
| 05 | 0508 | Coral and similar materials, unworked or simply prepared but not otherwise Worked; shells of molluscs, crustaceans or echinoderms and cuttle-bone, unworked or simply prepared but not cut to shape, powder and waste thereof |
| | 0511 | Animal products not elsewhere specified or included; dead animals of chapter 1 or 3, Unfit for human consumption: Products of fish or crustaceans, molluscs or other aquatic invertebrates; dead animals of Chapter 3 (Fish nails, fish tails and other fish waste) |
| 12 | 1212 | Locust beans, seaweeds and other algae, Sugar beet and sugarcane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable Products (including unroasted chicory roots of the variety cichorium intybus Sativum) of a kind used primarily for human consumption, not elsewhere specified or included : Seaweed |
| 13 | 1302 | Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products : Agar-agar, Kappa Carrageenan |
| 15 | 1504 | Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified |
| 16 | 1604 | Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs |
| | 1605 | Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved |
| 23 | 2301 | Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves : Fish meal unfit for human consumption |
| | 2309 | Preparations of a kind used in animal feeding: Feeds for fish (prawn, etc.) |

Trade agreements: Review & Execution

| Trade agreements | Way Forward |
|--|---|
| <ol style="list-style-type: none"> 1. India - Japan CEPA 2. India - Korea CEPA 3. India - EU BTIA 4. India - Peru FTA 5. India - Mauritius CECTA 6. India - EFTA 7. RCEP Negotiation 8. India Australia Free Trade Agreement 9. India New Zealand Free Trade Agreement 10. India Canada Free Trade Agreement 11. India MERCOSUR Free Trade Agreement 12. India Eurasian Economic Union Trade Agreement | <ul style="list-style-type: none"> • India EU FTA : Early execution of India-EU FTA and reduction of tariff is urgently required for better market access of Indian seafood in EU. • India-Korea CEPA: It is understood that during previous review the duty for frozen shrimp was agreed to be reduced to 0% by South Korea with a quota restriction. This may be urgently brought into effect for getting duty benefit for exporting to South Korea. <p>This review and execution of FTA's on a fast track mode will facilitate India's export to these markets.</p> |

Strategies to overcome SPS issues:

Various strategies to overcome the SPS agreement related issues are as follows:

- Prevent the usage of banned antibiotics like chloramphenicol, nitrofurantoin *etc.*, in food producing animals
- Competent authority needs to take steps to create aquatic disease-free areas/zones/region
- Use SPS as tool to counter the countries who are using SPS as a tool to restrict the trade
- Raise the SPS issues in bilateral trade meetings for market access
- Raise the SPS issue in WTO SPS Committee meetings; and
- Active Indian participation in CODEX, OIE & IPPC proceedings