

**Unclassified**

**ENV/JM/MONO(2011)6**



Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

**14-Apr-2011**

**English - Or. English**

**ENVIRONMENT DIRECTORATE  
JOINT MEETING OF THE CHEMICALS COMMITTEE AND  
THE WORKING PARTY ON CHEMICALS, PESTICIDES AND BIOTECHNOLOGY**

**Cancels & replaces the same document of 02 March 2011**

**REPORT OF THE OECD SEMINAR ON RISK REDUCTION THROUGH PREVENTION,  
DETECTION AND CONTROL OF THE ILLEGAL INTERNATIONAL TRADE IN AGRICULTURAL  
PESTICIDES**

**Series on Pesticides  
No. 59**

**19 May 2010, OECD, Paris**

**JT03300253**

Document complet disponible sur OLIS dans son format d'origine  
Complete document available on OLIS in its original format

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OECD Environment, Health and Safety Publications  
Series on Pesticides

No. 59

**Report of the OECD Seminar on Risk Reduction  
through Prevention, Detection and Control  
of the Illegal International Trade  
in Agricultural Pesticides**



**INTER-ORGANIZATION PROGRAMME FOR THE SOUND MANAGEMENT OF CHEMICALS**

A cooperative agreement among **FAO, ILO, UNEP, UNIDO, UNITAR, WHO, World Bank and OECD**

**Environment Directorate**

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**Paris 2011**

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**or contact:**

**OECD Environment Directorate,  
Environment, Health and Safety Division  
2 rue André-Pascal  
75775 Paris Cedex 16  
France**

**Fax: (33-1) 44 30 61 80**

**E-mail: [ehscont@oecd.org](mailto:ehscont@oecd.org)**

## FOREWORD

This document is the report of the OECD *Seminar on Risk Reduction through Prevention, Detection and Control of the Illegal International Trade in Agricultural Pesticides* that took place on 19 May, 2010 at OECD, Paris, France, and was chaired by Dr. Wolfgang Zornbach of the German Federal Ministry of Food, Agriculture and Consumer Protection. It was attended by representatives of the pesticide regulatory authorities of 16 OECD countries, the European Commission, Estonia, Brazil and PR China, representatives from industry, and international experts such as national custom officers and inspectors.

This was the twelfth in a series of Seminars organised by the OECD Pesticide Risk Reduction Steering Group, a sub-group of the OECD Working Group on Pesticides. These Seminars focus on key issues in pesticide risk reduction of concern to OECD governments. The Seminars are intended to provide an opportunity for OECD governments to discuss the issues together with non-governmental stakeholders and to develop recommendations for further OECD activities.

The topic of “Illegal International Trade in Agricultural Pesticides” (covering both trade in counterfeited pesticides and trade in pesticides that are not registered in the country of destination) was selected for this seminar considering the significant impacts for pesticide risk reduction in the fields of human health, food chain safety, obsolete stocks, and the environment. Pesticides are among the most regulated products in the world, but international shipments of counterfeit active ingredients and finished products often escape oversight by pesticide regulators and custom offices in OECD countries. This does not only lead to a distortion of pesticide national, import/export markets but undermines the national legislation on registration, which aims at avoiding or reducing risks to human health, the environment and crops.

After a series of presentations on governments’ and other stakeholders’ approaches and experiences (copies of all presentations are in [Annex 4](#)), the Seminar discussed the various issues associated with the illegal international trade of pesticides: risks and consequences of using illegal pesticides, risks linked to the pesticide supply/logistical chain, existing systems in place in countries, difficulties faced by authorities and customs, etc. The Seminar developed a set of recommendations targeted at governments, industry, all stakeholders and OECD.

The Seminar report was approved out-of-session by the Working Group on Pesticides by written procedure that was finished on 15 January 2011.

This document is being published under the responsibility of the Joint Meeting of the Chemicals Committee and the Working Party on Chemicals, Pesticides and Biotechnology, which has agreed that it be unclassified and made available to the public.

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## INTRODUCTION

1. This report presents the results and recommendations of an *OECD Seminar on risk reduction through prevention, detection and control of the illegal international trade in agricultural pesticides*. This one-day Seminar, held on 19 May 2010, was chaired by Wolfgang Zornbach (Germany), Chairman of the OECD Risk Reduction Steering Group (RRSG), and took place at OECD, in Paris, France.

2. This Seminar was the twelfth in a series of Seminars organised by the OECD RRSG, a sub-group of the OECD Working Group on Pesticides (WGP), a group composed primarily of representatives of the 34 OECD governments but that also includes representatives of the European Commission and other international organisations, the pesticide industry, and the environmental community. RRSG Seminars focus on key issues in pesticide risk reduction of concern to OECD countries. The Seminars are intended to provide an opportunity for OECD governments to discuss these issues together with non-governmental stakeholders and to develop recommendations for further follow-up OECD activities. The OECD Pesticides Programme has made great accomplishments toward helping national governments coordinate the efficiency and effectiveness of pesticide risk reduction work, in part because of Seminars such as the one held on pesticide illegal trade issues. Past OECD Risk Reduction Seminars are listed in Annex 1.

3. Members of the RRSG selected “Risk Reduction through Prevention, Detection and Control of the Illegal International Trade in Agricultural Pesticides” as the title and topic of this seminar considering the **significant impacts for pesticide risk reduction** in the fields of human health, food chain safety, obsolete stocks, and the environment. The worldwide increase in known incidents of illegal pesticides was noted during earlier OECD meetings of the WGP during which members requested a seminar on the topic. Pesticides are among the most regulated products in the world, but international shipments of counterfeit active ingredients and finished products often escape oversight by pesticide regulators and custom offices in OECD countries. This does not only lead to a **distortion of pesticide markets** but **undermines the national legislation on registration**, which aims at avoiding or reducing risks to human health, the environment and crops. With particular concern to the safe export and import of active ingredients and pesticide products, and taking into account the requirements of the Rotterdam Convention and the International Code of Conduct on the Distribution and Use of Pesticides, new practices and cooperation between stakeholders needed to be addressed to ensure that only legal pesticides are sold and used. Developing best practices and improved collaboration between pesticide regulators, customs, and other stakeholders was considered crucial for reducing risk to health and the environment.

## PARTICIPANTS

4. People attending the OECD Seminar included:

- Representatives of the pesticide regulatory authorities of OECD countries (Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, France, Germany, Japan, Mexico, the Netherlands, New Zealand, Slovak Republic, Switzerland, United Kingdom and United States), the European Commission, Brazil and PR China (two OECD enhanced engagement countries).

- Representatives from industry, including CropLife International (an international association of pesticide manufacturers) and BIAC (Business and Industry Advisory Committee to the OECD)
- International experts dealing with issues associated with illegal trade of pesticides such as national custom officers and inspectors.

5. A participant list is provided in Annex 3.

## **PURPOSE OF THE SEMINAR**

6. The main objectives of the Seminar were:

- to collect information about the extent of the problem and possible future trends
- to get a better overview of national current practices and activities for the control of imports/exports of agricultural pesticides
- to identify ways to improve information exchange and cooperation between regulators and customs within a country and among countries
- to identify ways to reduce risk through avoiding illegal trade of pesticides
- to suggest and discuss options of further steps for governments and key stakeholders in OECD and non-OECD countries in order to address the identified issues and implement solutions in an effective manner
- to recommend possible further steps for OECD work

## **SCOPE OF THE SEMINAR**

7. The scope of the Seminar was on issues and risk reduction strategies regarding international illegal trade in agricultural pesticides. For the purpose of this Seminar, “illegal trade” refers to both:

- trade in counterfeited pesticides, and
- trade in pesticides that are not registered in the country of destination.

8. In particular, the following issues were considered during the Seminar:

- Best practices in OECD countries to address risks of illegal trade of pesticides and possible elements for efficient risk reduction strategies (e.g. increased transparency, information sharing, traceability)
- Best practices by pesticide manufacturing countries to ensure legal exports of legal pesticides
- Potential risks inherent in current import/export systems
- How criminals avoid detection in shipping illegal pesticides
- Results of inspections and investigation cases
- Possible elements of risk reduction strategies
- Reasons for demands by growers for illegal pesticides (e.g. lower price, no other pesticides are available for minor uses)
- Recommendations for avoiding illegal trade and improving risk reduction strategies.

## **STRUCTURE OF THE SEMINAR**

9. The first part of the Seminar in the morning and early afternoon was devoted to informative presentations from governments and other stakeholders. The second part of the afternoon consisted of roundtable discussions that built on issues that arose from the presentations, and recommendations for the OECD. The Seminar Programme is provided in [Annex 2](#).

## **GOVERNMENT AND STAKEHOLDER EXPERIENCE, PERSPECTIVES AND RECOMMENDATIONS**

10. First, government representatives of Australia, Brazil, China, France, Germany, and the US presented their experiences and initiatives with issues associated with illegal trade of pesticides in their own countries/regions. Then the European Commission introduced provisions related to exports of chemicals in the European Union arising from implementation of the Rotterdam Convention. Finally the industry (representing pesticide manufacturers) presented their actions, concerns and solutions related to unregulated international trade. Most presentations included informative examples of real cases of illegal trade of pesticides (e.g. seizures, custom controls, detection of illegal shipments, illegal behaviours, investigations) as well as speakers' strategies and own recommendations based on their experience to improve the situation and reduce illegal trade and shipments to a minimum.

11. Below are listed the main topics covered in the presentations. More detailed and illustrative information can be found in the slides of presentations that are grouped in Annex 4.

### *Stock taking of the situation*

- *Various forms/aspects of illegal pesticides:* in this Seminar, illegal pesticides referred to both counterfeited products and pesticides that are not registered in the country of destination. Participants presented numerous cases of deliberate ‘illegality’, such as mislabelling (e.g. wrong name, spelling mistake, fake batch numbers, unapproved label format) or misbranding (leading to patent or trademark infringements), inappropriate composition (e.g. an insecticide instead of a fungicide), use of wrong active ingredients or co-formulants, presence of impurities of concern, inappropriate bottles, unapproved or nonexistent manufacturing facility. In the European Union, some illegal/counterfeited products are fraudulently marketed as parallel import products. Some speakers also referred to cases leading to situations including obsolete pesticides.
- *Current situation and trends in countries regarding illegal trade of pesticides:* while most countries reported known cases of illegal pesticides, it is difficult to assess the actual size of the problem. Some countries do not have history or evidence of large-scale counterfeit products (e.g. US) whereas others (e.g. Brazil) estimate illegal trade accounting for a significant and growing part of their national pesticide trade.
- *Risks and consequences of illegal pesticides:* if the use of illegal pesticides may directly cause a number of problems associated with e.g. (unknown) health and environmental hazards, toxic residues in food, unexpected phyto-toxicity (damages to crops), low or inadequate product performance and efficiency leading to a reduction in farmers revenues, there are many other consequences for industry and governments. First, illegal trade generates costs on legitimate companies, affects their reputation and creates trade distortion and unfair business. Second, as it threatens the public, it may therefore undermine countries’ registration systems and affect public trust and confidence in regulatory and compliance policies put in place by governments. Third, it imposes costs on the taxpayer for e.g. funding inspection, custom services or storage and destruction of seized products.
- *Who’s involved (and responsible) in pesticide illegal trade and counterfeiting?* It appears that the whole supply and logistical chain is concerned in both OECD and non-OECD countries, from the actual “counterfeiters” to the exporters/importers, transport/vessel companies, wholesalers and distributors (who thus increase their profit margins) to the end-buyers (farmers and pesticide users). The demand side plays an important role in “encouraging” illegal pesticide sales hence the need to address minor use issues in particular. It was also mentioned that, as for any illegal activity, organized crime and corruption were part of the overall picture.
- *Existing systems in place in countries:* presentations described systems in place to control, prevent and fight against pesticide illegal trade and ultimately to ensure pesticide safety: import requirements, export certificates, checks of documents and control of shipments, anti-counterfeiting brigade, etc. Countries often have multi-agency mechanisms involving cooperation among inter alia custom authorities, regulatory agencies, police/army, judges/prosecutors, foreign authorities or Europol (in the European Union). Governments have also developed comprehensive databases to help with the identification of illegal shipments of pesticides. At the international level, the Rotterdam Convention specifies the obligations (e.g. prior consent and



export notification) related to the export of certain hazardous chemicals and pesticides. Rotterdam Convention information related to EU member states is centralized in the Edexim database (<http://edexim.jrc.ec.europa.eu>).

- *Difficulties for countries and customs to control and seize illegal shipments:* custom representatives explained that it may be very difficult to detect, stop and seize illegal pesticides. Most illegal products are not declared as “dangerous goods”, shipping documents are unclear (and often importing and exporting documents for the same shipment are different/inconsistent), or fake/fraudulent names and misleading/deceptive labels are used. It may sometimes be very problematic for authorities to stop suspicious shipments for sampling and analysis, to collect evidence of fraud and to prove illegality. It was noted that in some larger countries where borders are very long, smuggling of pesticides was thus facilitated. To add to the complexity of the situation, often only the active ingredients are imported (under a false name/description) to avoid trademark counterfeiting/infringement, and the formulated products are prepared in the country of destination. In some countries/regions, the legal background was felt to be too weak, in particular as regards transit shipments, to allow authorities to seize illegal shipments. Finally, countries have also to address the problem of dealing with the seized products and (the costs of) their storage and destruction.

### *Recommendations from speakers*

- *Need for more transparency and traceability in shipping (export/import) documents:* in view of the cases described in the above paragraph, some speakers made a plea for improving shipping documents in order to ensure that they are available to both regulators and customs in evaluating if pesticides are legal and registered in the country of manufacturer and in the country of intended use.
- *Need for more compliance and enforcement tools and better risk analysis:* many speakers recognised that more controls and enforcement actions would be necessary. They recommended developing more compliance tools, improving monitoring and inspections/controls along the whole supply chain and applying stronger administrative and financial sanctions. Risk analysis was also recognised as an important tool to better target potential illegal trade.
- *Importance of training and communication:* some countries put a lot of efforts on training to educate those concerned, such as importers, distributors or farmers, about the consequences of using illegal pesticides. Industry also devotes much time and money on anti-counterfeiting stewardship activities. Examples of educational materials, manuals, brochures, guidance documents or e-learning programmes were provided. It was emphasised that increasing awareness of the issues linked to pesticide illegal trade was important, e.g. through media coverage.
- *Need for more international cooperation:* all speakers agreed that, due to the increasing globalization of pesticide trade, international cooperation was key. Although some information networks already exist in some regions (e.g. in the European Union), stronger cooperation mechanisms with foreign authorities, between exporting and importing countries, between custom and regulatory authorities, were encouraged. Suggestions were made to establish an international cooperation structure. As a major pesticide exporter, China mentioned that they

signed Memoranda of Understanding with many countries and indicated that they were willing to cooperate with OECD countries.

12. Following the presentations that addressed many issues associated with illegal trade of pesticides, as listed in the above paragraphs, the floor was opened to all Seminar participants for a roundtable discussion. The following points guided the discussion:

- Key issues concerning pesticide risk reduction through avoiding illegal trade in pesticides
- Key issues for the improvement of information exchange and cooperation between regulators and customs within a country as well as between countries
- Reasons for demands for illegal pesticides and communication aspects
- Good practices and innovative approaches as regards the control of both imports and exports of agricultural pesticides
- Solutions for reducing the risks from illegal international trade of pesticides
- Opportunities for further development for all stakeholders, governments, industry and OECD.

13. As an introduction to the discussion, the Chair invited participants to reflect on the actual scale of the problem associated with illegal trade of pesticides. Are cases presented by speakers isolated/single cases? Or is the problem larger than what is visible? It was mentioned that due to the very nature of the problem, it was difficult to have realistic figures. Data are based on scattered data, e.g. collected during controls and investigations. The Seminar participants however acknowledged that countries and industry were facing a serious problem that needed to be addressed whatever its actual size was. As with any other illegal activity, **government participants agreed that they could not accept any form/level of illegal trade of pesticides.**

14. All participants made knowledgeable interventions which contributed to a better understanding of the issues associated with illegal and counterfeited pesticides, and helped the group reach recommendations on follow-up steps for OECD and other stakeholders on this topic.

## SEMINAR RECOMMENDATIONS TO THE VARIOUS STAKEHOLDERS

15. The recommendations from the seminar participants to the various stakeholders are the following:

### ***Recommendation to governments***

**a. Increasing cooperation between customs and pesticide regulatory authorities**

→ *Customs and regulatory authorities should be better connected. The Seminar recommended using experience gained in sectors other than pesticides to find ways to develop communication channels between the two authorities. Training of custom officers about illegal pesticides was encouraged. Sharing of findings from controls and investigations would also be critical. It was suggested that increased cooperation may be linked to changes in the legal framework.*

### ***Recommendation to industry***

**b. Introducing a more effective anti-counterfeit protection**

→ *Trade marks should be used on all packaging in order to better protect goods.*

### ***Recommendation to all stakeholders***

**c. Ensuring traceability along the pesticide chain**

→ *Pesticides should be better identified and traced in the export/import chain. The product labels/containers and the corresponding shipping documents should be more explicit about their content, origin and destination. The quality of shipping documents should be improved and easy access should be made possible to both regulators and customs. All links in the chain (sellers, buyers and transporters) should know who their suppliers and customers are.*

### ***Recommendations to OECD***

**d. Setting an OECD network of experts and inspectors knowledgeable and active in fighting illegal trade of pesticides that could be used for rapid exchange of information on suspicious or rejected shipments**

→ *Participants indicated that it would be important to create opportunities for more efficient exchange of information among national competent authorities and between authorities and industry on suspicious and rejected shipments. OECD should facilitate the process by collecting, centralizing and disseminating within the network the details of those experts and inspectors. These persons could then become contact points if a “rapid alert system” was to be put in place. The extent of the exchange of information would need to be defined and agreed upon as it would be subject to limitations such as confidential business information. Issues related to language would need to be considered in light of OECD experience in similar projects. However, it was recognised that there was room for cooperation.*

**e. Establishing an OECD forum for national competent authorities**

→ *A forum should be established within the OECD framework where representatives of national competent authorities could discuss relevant issues with their counterparts, such as traceability, integrated inspection, risk analysis, risk communication or multilateral cooperation, with a view to exchanging experience, learning from each other and elaborating solutions to identified common problems.*

**f. Reaching out to non-member countries**

→ *It was felt important to reach out to non-OECD countries as not only OECD countries are faced with illegal trade of pesticides. Involvement in OECD activities of Brazil and the People's Republic of China, two countries that participated in the seminar and expressed interest in further cooperation, is possible thanks to the OECD Enhanced Engagement programme with these countries.  
The OECD should help reach out to other non-member countries as well.*

**g. Establishing an effective communication platform about risks towards pesticide users/re-sellers**

→ *Participants expressed the need to communicate effectively to the pesticide users/sellers, such as farmers, growers, retailers, distributors, about the risks of buying and using illegal and counterfeited pesticides. It was suggested establishing a platform, which could include a public website, information brochures or training sessions that would communicate the right messages to the targeted audiences.*

Note:

The recommendations developed by the Seminar participants will be forwarded to the relevant subsidiary bodies of the OECD Pesticides Programme, the members of which will consider these recommendations and agree on which one(s) to initiate, if any.

## ANNEX 1

## LIST OF OECD SEMINARS ON PESTICIDE RISK REDUCTION

<b>Title of Seminar</b> [references of publication]	<b>Date</b>	<b>Place</b>
<b>Compliance and Risk Reduction</b> <i>ENV/JM/MONO(2004)6</i> (Series on Pesticides No. 24)	10 March 2003	Paris, France
<b>Minor Uses and Pesticide Risk Reduction</b> <i>ENV/JM/MONO(2005)4</i> (Series on Pesticides No. 26)	4 Nov. 2003	Canberra, Australia
<b>Pesticide Risk Reduction through Good Container Management</b> <i>ENV/JM/MONO(2005)12</i> (Series on Pesticides No. 28)	22 June 2004	Bonn, Germany
<b>Risk Reduction through Good Pesticide Labelling</b> <i>ENV/JM/MONO(2006)13</i> (Series on Pesticides No. 29)	1 March 2005	Paris, France
<b>Pesticide Risk Reduction through Better Application Technology</b> <i>ENV/JM/MONO(2007)3</i> (Series on Pesticides No. 35)	30 Nov. 2005	Wellington, New Zealand
<b>Joint OECD/EC Seminar on Harmonised Environmental Indicators For Pesticide Risk (HAIR)</b> <i>ENV/JM/MONO(2007)27</i> (Series on Pesticides No. 40)	13 Nov. 2006	Bonn, Germany
<b>Risk Reduction through Better Worker Safety and Training</b> <i>ENV/JM/MONO(2008)9</i> (Series on Pesticides No. 42)	21 March 2007	Brno, Czech Republic
<b>Risk Reduction through Education / Training the Trainers</b> <i>ENV/JM/MONO(2009)35</i> (Series on Pesticides No. 45)	15 Nov. 2007	Mexico City, Mexico
<b>Risk Reduction through Spray Drift Reduction Strategies as Part of National Risk Management</b> <i>ENV/JM/MONO(2009)36</i> (Series on Pesticides No. 46)	12 June 2008	Paris, France
<b>Pesticide Risk Reduction through Better National Risk Management Strategies for Aerial Application</b> <i>ENV/JM/MONO(2010)22</i> (Series on Pesticides No. 50)	24 Feb. 2009	San Francisco, US
<b>Pesticide Risk Reduction Strategies near/in Residential Areas</b> <i>ENV/JM/MONO(2011)5</i> (Series on Pesticides No. 58)	17 November 2009	Tokyo, Japan

The reports from these Seminars are available on the OECD public web site at:  
<http://www.oecd.org/env/pesticides>, under the section “Risk Reduction.”

**ANNEX 2**  
**OECD SEMINAR ON RISK REDUCTION**  
**THROUGH PREVENTION, DETECTION AND CONTROL**  
**OF THE ILLEGAL INTERNATIONAL TRADE IN AGRICULTURAL PESTICIDES**

*Wednesday 19 May 2010, OECD, Paris, France*

<b>Final Programme</b>
------------------------

**Chair: Wolfgang Zornbach, Germany**

9.30 am	<b>Introduction</b> <ul style="list-style-type: none"> <li>• Purpose and structure of the seminar</li> <li>• Tour de table to introduce participants</li> </ul>
	<b>Government Experience and Perspectives (from OECD countries and others)</b> <ul style="list-style-type: none"> <li>• <b>Germany:</b> <i>Detection of shipments containing illegal Plant Protection Products in the port of Hamburg – Experiences and strategies of the involved authorities</i> (Gregor Hilfert, BWA, Hamburg)</li> <li>• <b>USA:</b> <i>Ensuring Safety and Integrity of Imported Pesticide Products: The US approach</i> (Jay Ellenberger, US-EPA)</li> <li>• <b>Australia:</b> <i>Recent issues in Australia - illegal behaviour in the pesticides industry</i> (Eva Bennet-Jenkins, CEO, APVMA)</li> <li>• <b>People's Republic of China:</b> <i>Crack Down Illegal Trade to Promote Sustainable Development of the Pesticide International Trade</i> (Gu Baogen, Deputy Director General, Institute for the Control of Agrochemicals (ICAMA), Ministry of Agriculture)</li> <li>• <b>Brazil:</b> <i>Integrated inspections against the illegal pesticides</i> (Marcelo Bressan/Marcella Texeira, Ministry of Agriculture, Livestock and Food Supply)</li> <li>• <b>France:</b> <i>Investigations on counterfeit and illegal Plant Protection Products in France and new thoughts about the means of fighting</i> (Maurice Boureau, Brigade Nationale d'Enquêtes Vétérinaires et Phytosanitaires (BNEVP))</li> </ul>
	<b>Stakeholder Experience and Perspectives</b> <ul style="list-style-type: none"> <li>• <b>European Commission:</b> <i>Provisions related to exports of chemicals in the European Union arising from implementation of the Rotterdam Convention</i> (Juergen Helbig, DG Environment)</li> <li>• <b>Industry (CropLife International):</b> <i>Counterfeit and illegal pesticides smuggling caused by unregulated international trade</i> (D'Arcy Quinn, CropLife International)</li> </ul>
	Lunch

	<p><b>Round-table Discussion</b></p> <ul style="list-style-type: none"> <li>• Key issues concerning pesticide risk reduction through avoiding illegal trade in pesticides</li> <li>• Key issues for the improvement of information exchange and cooperation between regulators and customs within a country as well as between countries</li> <li>• Reasons for demands by growers for illegal pesticides (e.g. lower price, minor use gaps) and communication aspects</li> <li>• Regulatory requirements that exist in different countries</li> <li>• Good practices and innovative approaches as regards the control of both imports and exports of agricultural pesticides. Possible elements for efficient risk reduction strategies: <ul style="list-style-type: none"> <li>○ more transparency in export / import documents and ensuring they are available to regulators and customs in evaluating if pesticides are legal and registered in the country of manufacturer and in the country of intended use</li> <li>○ better and more effective information sharing with customs</li> <li>○ traceability in shipping documents</li> <li>○ pros and cons of domestic versus international inspections</li> <li>○ matching regulatory documents with import documents</li> <li>○ licensed sources of manufacturing.</li> </ul> </li> <li>• Barriers to and solutions for reducing the risks from illegal international trade of pesticides <ul style="list-style-type: none"> <li>• Options for further steps: <ul style="list-style-type: none"> <li>○ for OECD countries and key stakeholders in OECD and manufacturing countries to address the identified issues</li> <li>○ for effective implementation of the above-mentioned options</li> <li>○ for OECD future work</li> </ul> </li> </ul> </li> </ul>
	<p><b>Summary of the discussion</b></p> <p><b>Possible solutions and challenges for their effective implementation</b></p> <p><b>Recommendations for further OECD work</b></p>
6.00 pm	End of the Seminar

**ANNEX 3**  
**OECD SEMINAR ON RISK REDUCTION**  
**THROUGH PREVENTION, DETECTION AND CONTROL**  
**OF THE ILLEGAL INTERNATIONAL TRADE IN AGRICULTURAL PESTICIDES**

**Wednesday 19 May 2010**

**OECD, Paris, France**

**LIST OF PARTICIPANTS**

<b>Australia/Australie</b>	Dr. Eva BENNET-JENKINS CEO Australian Pesticides & Veterinary Medicines Authority
<b>Austria/Autriche</b>	Mr. Johann KOHL AGES Austrian Federal Agency for Health & Food Safety Institute for Plant Protection Products Evaluation & Authorization
<b>Belgium/Belgique</b>	Mr. Steven BOVEN Collaborateur FAVV - Food Safety Center  M. Jean-François SCHMIT Collaborateur AFSCA - Politique de contrôle
<b>Canada</b>	Ms. Marion LAW Chief Registrar Pest Management Regulatory Agency Health Canada  Karen REYNOLDS Director, Submission and Information Management Division Registration Directorate Health Canada
<b>Czech Republic/République Tchèque</b>	Ms. Helena CIZKOVA First Secretary Permanent Delegation



**Denmark/Danemark**

Mr. Leif Lykke NIELSEN  
Chief Adviser  
Danish Environmental Protection Agency

**France**

M. Maurice BOUREAU  
Chargé d'enquêtes, relations internationales  
Cellule phytosanitaire:  
Ministère de l'Agriculture et de la Pêche

M. Bruno DESPAGNE  
Enquêteur  
Cellule phytosanitaire  
Ministère de l'Agriculture et de la Pêche

M. Hervé GILLET  
Chef de la cellule phytosanitaire  
Ministère de l'Agriculture et de la Pêche

Mme Camille HOSTIOU  
Juriste  
Direction générale de l'alimentation (DGAL)/Service de la protection des  
risques sanitaires de la production primaire (SPRSPP)/ Sous-direction de  
la qualité et de la protection des végétaux (SDQPV)  
Ministère de l'Alimentation, de l'Agriculture et de la Pêche  
Bureau de la réglementation et de la mise sur le marché

M. Dominique JULIEN  
Enquêteur  
Cellule phytosanitaire  
Ministère de l'Agriculture et de la Pêche

Mr. Vincent TIRILLY  
Ministère de l'Agriculture et de la Pêche  
SG/SDTPS  
Bureau santé et sécurité au travail

**Germany/Allemagne**

Dr. Wolfgang ZORNBACH  
Plant Protection Unit  
Federal Ministry of Food, Agriculture and Consumer Protection  
(BMELV)

Mr. Gregor HILFERT  
Pflanzengesundheitskontrolle  
Behörde für Wirtschaft und Arbeit (BWA)

Mrs. Andrea KUERBS  
Bundesministerium der Finanzen (BMF)

Nils KURLEMANN  
German Federal Office of Consumer Protection and Food Safety

Mrs. Brigitte WEIGAND  
FB Genehmigung und Kontrollen  
Landwirtschaftskammer NRW (LWK)

**Japan/Japon**

Ms. Atsuko HORIBE  
Deputy Director  
Agricultural Chemicals Office, Plant Products Safety Division  
Ministry of Agriculture Forestry and Fisheries  
Food Safety and Consumer Affairs Bureau

Dr. Noriko SARUTA  
Deputy Director  
Standards and Evaluation Division  
Ministry of Health, Labour and Welfare  
Department of Food Safety

Dr. Yukiko YAMADA  
Deputy Director-General  
Ministry of Agriculture, Forestry and Fisheries  
Food Safety and Consumer Affairs Bureau

**Mexico/Mexique**

Dr. Eugenio DEISTER MATEOS  
Executive Director  
Sanitary Ruling  
Federal Commission for the Protection against Sanitary Risks

**Netherlands/Pays-Bas**

Dr. Susanne SÜTTERLIN  
Senior Officer  
Directorate Agriculture  
Ministry of Agriculture, Nature & Food Quality

<b>New Zealand/Nouvelle-Zélande</b>	<p>Mr. Warren HUGHES Senior Manager (ACVM Standards) Approvals and ACVM Group New Zealand Food Safety Authority</p> <p>Mr. John REEVE Principal Adviser (Toxicology) New Zealand Food Safety Authority</p>
<b>Slovak Republic/République slovaque</b>	<p>Ms. Bronislava SKARBOVA Department of Plant Commodities Ministry of Agriculture of the Slovak Republic</p>
<b>Switzerland/Suisse</b>	<p>Dr. Beat SCHMITTER Federal Department of Economic Affairs Federal Office for Agriculture</p>
<b>United Kingdom/Royaume-Uni</b>	<p>Mr. Paul ADAMSON Enforcement Officer Chemicals Regulation Directorate Health and Safety Executive (Operations)</p> <p>Mr. Richard DAVIS Director of Regulatory Operations Chemicals Regulation Directorate Health and Safety Executive</p>
<b>United States/États-Unis</b>	<p>Mr. Jay ELLENBERGER Deputy Director, Field and External Affairs Division Office of Pesticide Programs US Environmental Protection Agency</p> <p>Kathy MONK Senior Regulatory Specialist Office of Pesticide Programs US EPA</p> <p>Ms. Lois ROSSI Director Registration Division US Environmental Protection Agency Office of Pesticide Programs</p>

**EU/UE**

Mr. Wolfgang REINERT  
Administrator  
Health & Consumers Directorate-General  
European Commission

Mr. Juergen HELBIG  
Policy Officer  
DG Environment  
European Commission  
Unit D3 - Chemicals and Nanomaterials

**Estonia/Estonie**

Miss Evelin HILLEP  
Head of Bureau  
Plant Health Department Plant Protection Bureau  
Ministry of Agriculture, Republic of Estonia

**Brazil/Brésil**

Mr. Marcelo BRESSAN  
Federal Inspector  
Ministry of Agriculture

Ms. Marcella TEIXEIRA  
Ministry of Agriculture

**People's Republic of  
China/République populaire  
de Chine**

Mr. Gu BAOGEN  
Deputy Director General  
Institute for control of Agrochemicals  
Ministry of Agriculture (ICAMA)

**Business and Industry  
Advisory Committee  
(BIAC)/Comité consultatif  
économique et industriel  
(BIAC)**

Mr. William GRAHAM  
International Regulatory Affairs Lead  
Agricultural Sector  
Monsanto UK Ltd

Mr. Peter HORNE  
Global Regulatory Affairs Manager  
DuPont Crop Protection Products

Dr. Bernhard JOHNEN  
Director International Regulatory Policy  
CropLife International

Dr. Michael KAETHNER  
Head of Developmental Affairs  
Bayer Crop Science AG

Dr. Felix MEIER-MANZ  
Head Regulatory Support  
Syngenta Crop Protection AG

Mr. Robby SCHREIBER  
European Crop Protection Association

Mr. D'Arcy QUINN  
Director Anti-Counterfeiting  
CropLife International

M. Laurent GIEZENDANNER  
Head of Corporate Security

Gerwin BOUILLON  
Bayer CropScience AG

Dr. Tom MCHALE  
DuPont UK Limited

Denis TROALEN  
Sumitomo Chemical Agro Europe SA  
Parc d'Affaires de Crécy

Mr. Gerold MARTI  
Syngenta International AG

**OECD/OCDE**

Ms. Beatrice GRENIER  
ENV/EHS  
OECD

Ms. Sylvie PORET  
Principal Administrator  
ENV/EHS  
OECD

## ANNEX 4

### List of presentations

#### **Presentation 1**

**Germany:** *Detection of shipments containing illegal Plant Protection Products in the port of Hamburg – Experiences and strategies of the involved authorities*

Gregor Hilfert, BWA, Hamburg

#### **Presentation 2**

**USA:** *Ensuring Safety and Integrity of Imported Pesticide Products: The US approach*

Jay Ellenberger, US-EPA

#### **Presentation 3**

**Australia:** *Recent issues in Australia - illegal behaviour in the pesticides industry*

Eva Bennet-Jenkins, CEO, APVMA

#### **Presentation 4**

**People's Republic of China:** *Crack Down Illegal Trade to Promote Sustainable Development of the Pesticide International Trade* (Gu Baogen, Deputy Director General, Institute for the Control of Agrochemicals (ICAMA), Ministry of Agriculture)

#### **Presentation 5**

**Brazil:** *Integrated inspections against the illegal pesticides*

Marcelo Bressan/Marcella Texeira, Ministry of Agriculture, Livestock and Food Supply

#### **Presentation 6**

**France:** *Investigations on counterfeit and illegal Plant Protection Products in France and new thoughts about the means of fighting*

Maurice Boureau, Brigade Nationale d'Enquêtes Vétérinaires et Phytosanitaires (BNEVP)

#### **Presentation 7**

**European Commission:** *Provisions related to exports of chemicals in the European Union arising from implementation of the Rotterdam Convention*

Juergen Helbig, DG Environment

#### **Presentation 8**

**Industry:** *Counterfeit and illegal pesticides smuggling caused by unregulated international trade*

D'Arcy Quinn, CropLife International

**Presentation 1**  
Germany  
Gregor Hilfert



State Ministry for Economic and Labour Affairs  
Department of Agriculture / Plant Health Inspection Service

**Detection of shipments containing illegal Plant Protection Products in the port of Hamburg –  
Experiences and strategies of the involved authorities**



Hamburg

2

**Transshipments of Containers in the Port of Hamburg**

- 8.000.000 TEU (20' Standard-Containers) are shipped via Hamburg every year
- 220.000 containers are announced as dangerous goods



3

## Inspection of suspicious shipments

Sources of information

- Customs Investigation Office
- Environmental police
- Information-System for dangerous goods
- Authorities of foreign countries
- Stakeholders



Environmental Police



Customs  
Investigation  
Office



Plant Health Inspection Service



Freie und Hansestadt Hamburg  
Behörde für Wirtschaft und Arbeit

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## Using the information system for dangerous goods

Every week:

- Supervision of 1.500 containers announced as dangerous goods
- Inspection of freight documents: 30 Containers
- Forwarding of information to authorities in countries of destination: 1-2 Containers
- Opening of containers: 1-2

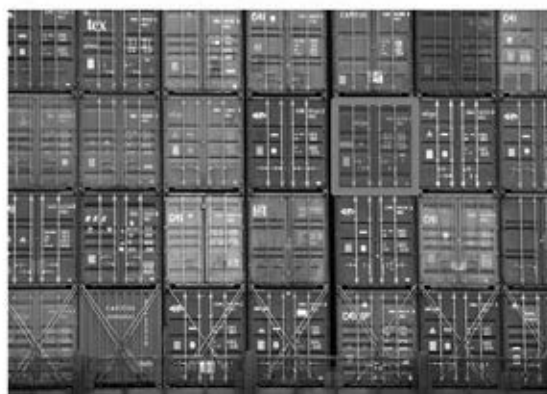




5

## Close collaboration with the Customs Investigation Office

- Automatical Database-search for
  - companies that are known as shipper or consignee of faked pesticides
  - Names of typical active ingredients
  - Names that are known as false description for pesticides
  - Agrochemicals / Pesticides that are not announced as dangerous goods



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## Measures taken by the authorities concerned

- Plant Health Inspection Service gives an request for inspection to the Environmental Police
- Container is stopped by the Police
- Inspection of the load
- Samples are taken
- Container is stopped untill the analysis is finished
- Seizure of the faked pesticides
- Forwarding of informations to
  - EU contact-points for pesticide controls
  - EUROPOL



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### Results achieved in the first quarter 2010:

24 tons of faked pesticides could be seized because of trademark infringements

12 tons could be seized because of Patent infringements

>100 tons of suspicious pesticides had to be released


Seizure of Illegal Pesticides can only be done if Trademark infringements or Patent infringements can be proved





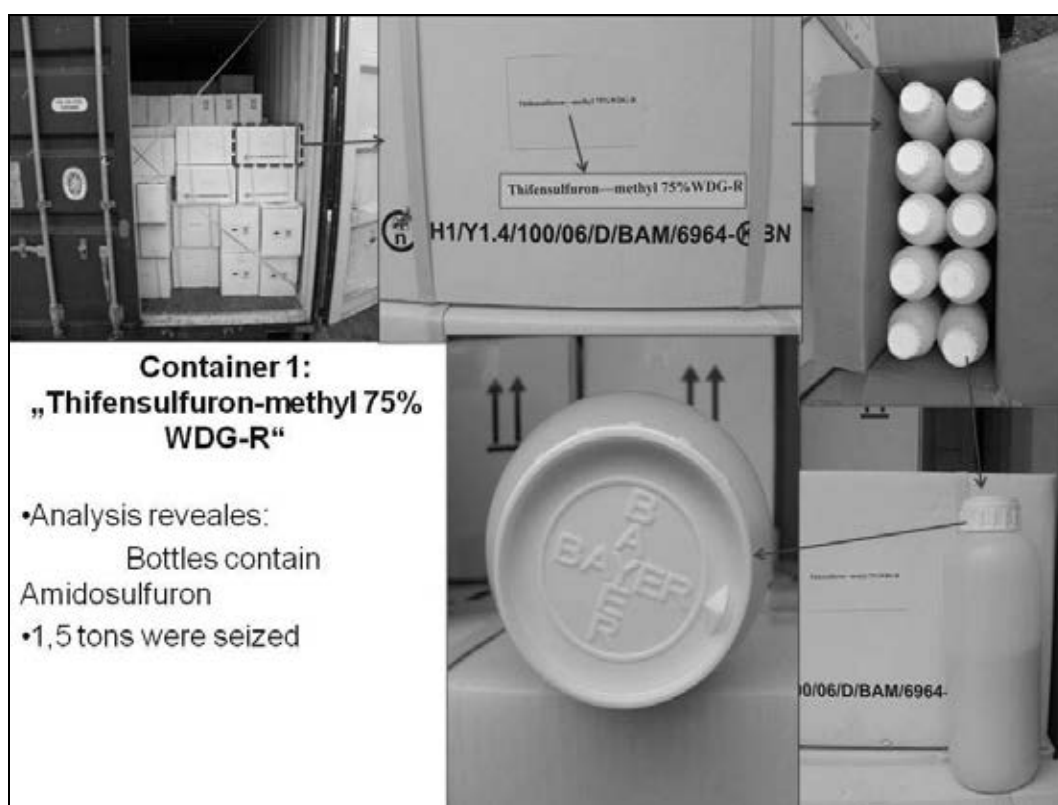
8

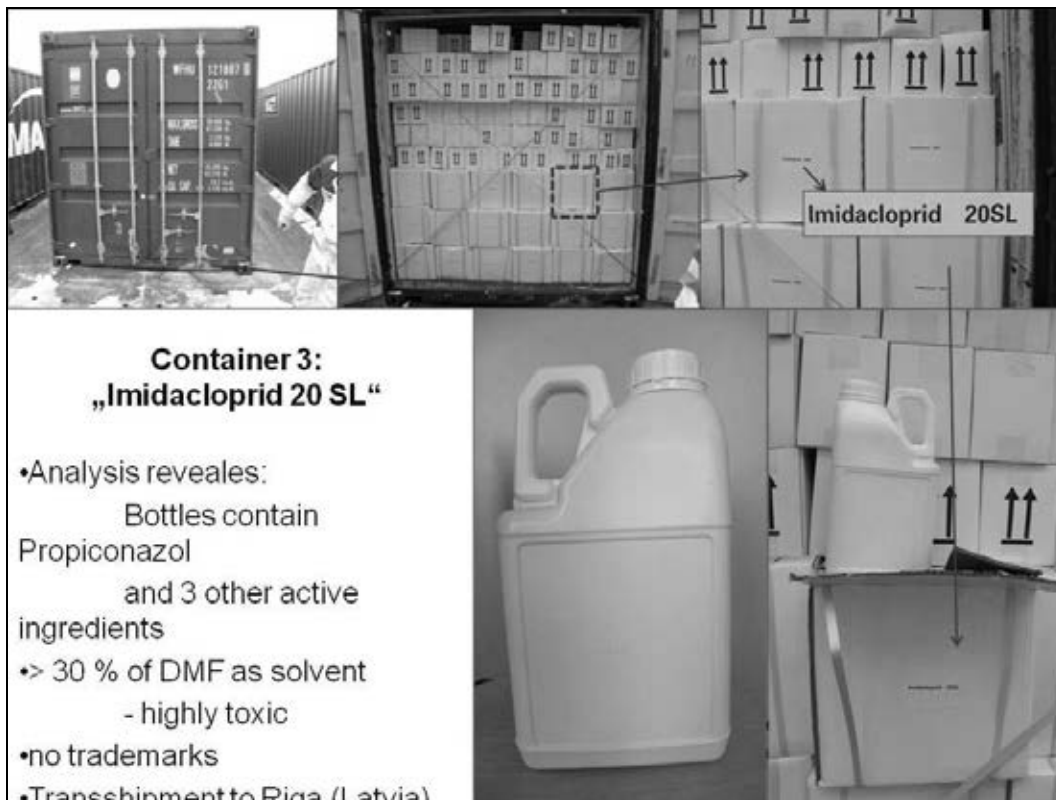
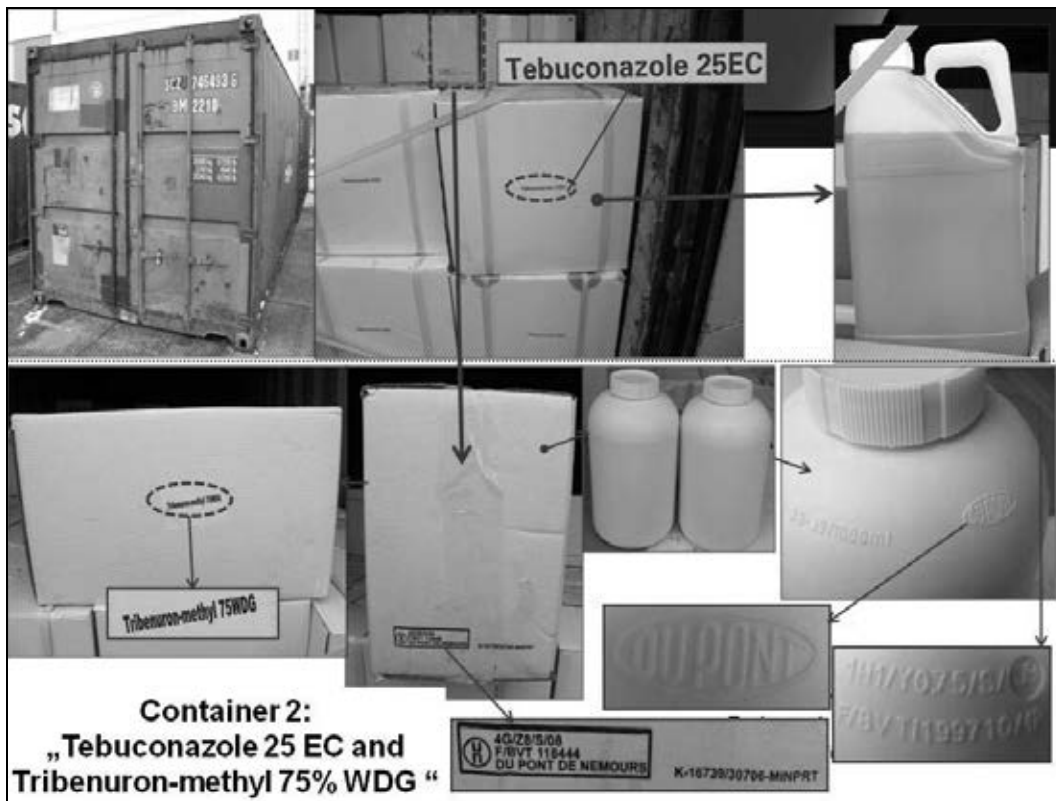
### „Emulsifier“-Shipment – January 2010

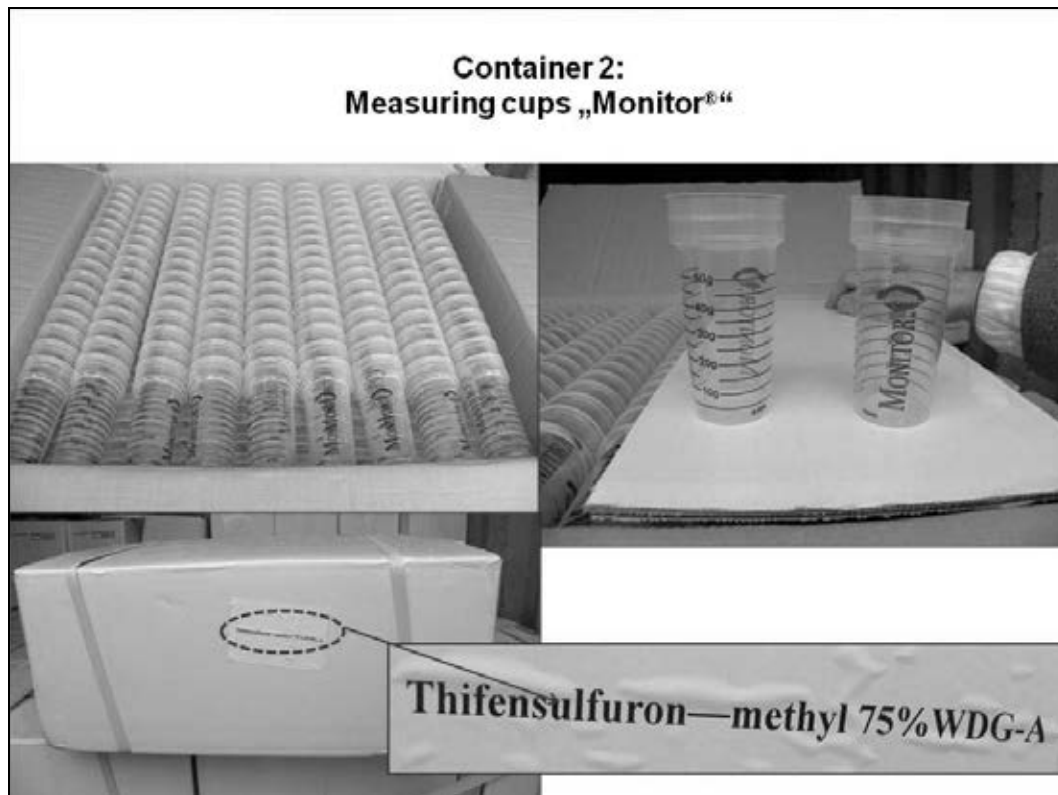
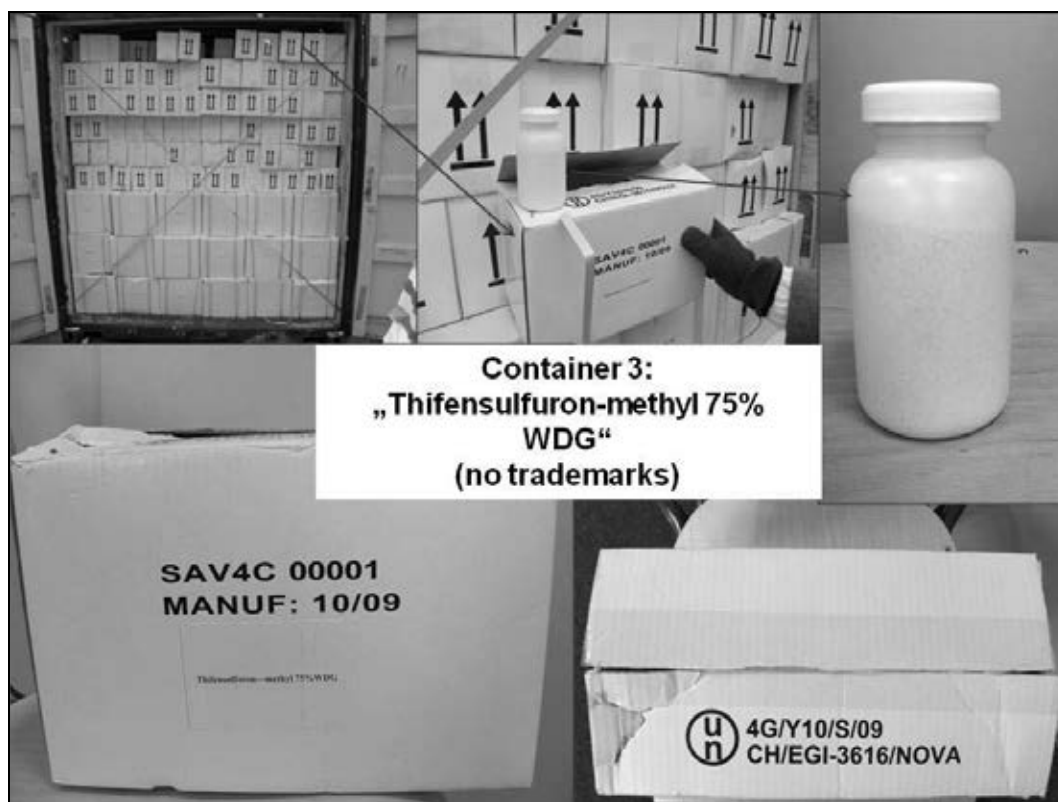
- 23,4 tons of pesticides announced as „Emulsifier“
- No declaration as dangerous goods
- Company named as consignee doesn't exist
- Place of delivery: Klaipeda (Lithuania)










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### „Emulsifier“-Shipment – Monitor®

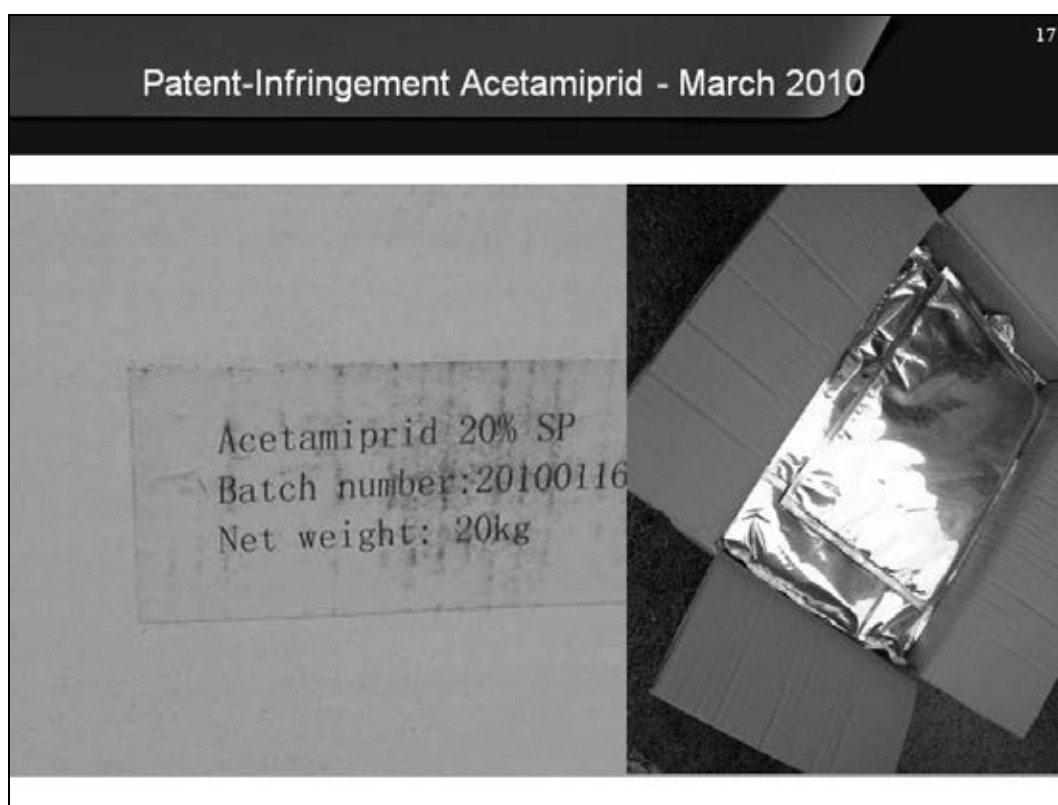
- Measuring cups could be seized because of Trademark infringement
- Bottles couldn't be seized (no Trademark on the bottles)
- Boxes were declared as dangerous goods
- Transshipment to Riga (Latvia)
- Company named as shipper does not exist
- Monitor is a product that is not distributed in Latvia or other countries in Eastern Europe



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### Patent-Infringement Thiamethoxam - February 2010









## What we should improve ...

- International Exchange of information about
  - companies shipping illegal pesticides
  - methods used by those companies
- Better protection of goods by using trademarks on all packagings
- trademarks should be protected by applications for detention at the border
- Adjustment of the relevant legislation to simplify stopping illegal pesticides passing through in transit
  - Inspections according 1107/2009 EC should allow to stop pesticides for example
    - if they are mislabelled
    - if consignee does not exist
    - if there are inconsistencies in waybills



Freie und Hansestadt Hamburg  
Behörde für Wirtschaft und Arbeit

**Presentation 2**

USA

Jay Ellenberger

## Ensuring Safety & Integrity of Imported Pesticide Products: The U.S. Approach

Seminar on Risk Reduction through Prevention, Detection &  
Control of the Illegal International Trade  
in Agricultural Pesticides

19 May 2010  
Paris, France

Jay Ellenberger  
U.S. Environmental Protection Agency

## Coordination among Federal Agencies

- U.S. Department of Homeland Security, Customs & Border Protection (CBP) has developed the Automated Commercial Environment (ACE) system --
  - Electronic receipt of all import data required by all U.S. government agencies.
  - Pesticide product data will be integrated within next few years.

## Why is EPA Concerned?


- EPA is a regulatory agency established to protect the public health and environment
- Recent court case concluded that:
  - “The sale of counterfeit and adulterated pesticides . . . threatens the public and undermines the federal and state regulatory system intended to ensure the safety and efficacy of pesticides sold in the United States.”

## U.S. Import Requirements

- Generally, all pesticides imported into the U.S. must be registered by EPA
  - Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) Section 17(c) governs importation of pesticides and devices
- Pesticides & devices must be properly labeled in accordance with FIFRA & Title 40 of the Code of Federal Regulations, Section 156
- Every pesticide, device & technical ingredient used in the manufacture of a pesticide must be produced in an EPA registered establishment
- Requirements on EPA's website to assist compliance.

## Guidance to Importers

- US EPA websites inform importers (and exporters) about requirements, procedures
  - <http://www.epa.gov/oppfead1/international/trade>
  - <http://www.epa.gov/pesticides/about/index.htm>
- Direct communications with importers
  - Brochures.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105


**Protect Your Business: Avoid Pesticides Imports Violations**

**Is your company in compliance with FIFRA Import Regulations?**  
Did you know that if you import pesticides or pesticidal devices into the United States, you must comply with a Federal law called the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)? This means that in most cases, the pesticides you import must be registered with the United States Environmental Protection Agency (U.S. EPA) and both pesticides and pesticidal devices must be produced in a registered Establishment. Before importing either of these types of products, you must submit a "Notice of Arrival of Pesticides and Devices" (Form 3540-1). You can read more about import and export regulations on this page:  
<http://www.epa.gov/pesticides/international/trade/index.html>

You can also find more information on pesticides, including descriptions of products which are exempt from registration, on the following Web site:  
<http://www.epa.gov/pesticides/index/index.html>

**What products are considered pesticides by EPA?** The legal definition of a pesticide is any substance or mixture of substances intended for preventing, destroying, repelling or mitigating any pest. Pests are living organisms that occur where they are not wanted or that cause damage to crops or humans or other animals. Examples include, but are not limited to: insects, mice and other animals, unwanted plants (weeds), fungi, mold and mildew, microorganisms such as bacteria, viruses and germs. Many household products are pesticides and can include kitchen, laundry, and bath disinfectants and sanitizers. Legal products are registered with the EPA and are produced in a registered establishment (foreign or domestic). On the label will be an EPA Registration Number (EPA Reg. No.) and an EPA Establishment Number (EPA Est. No.). The label also has instructions for the allowed use and disposal of the product. These instructions must be in English. Additional languages on the instructions are allowed. Importation of products with any labeling other than that which has been accepted by EPA is a violation and can result in your business being fined. To view EPA accepted labels, a searchable database is available at: <http://www.epa.gov/pesticides/labels/index.html>

**Why should I be concerned?**  
Not only is importing unregistered products illegal, it may also put the public at risk. The legal pesticide importation process ensures that the Agency is aware of what pesticides are being introduced into the U.S. market and from where they originated. Without this assurance, illegal and untested pesticides may end up in the hands of consumers. In addition to the public health hazards, the sale and/or distribution of an unregistered pesticide may result in a civil penalty of up to \$4,800 for each sale. EPA routinely issues fines to companies who have imported illegal pesticides.



**What procedure should I follow?**  
Prior to the arrival of your shipment to the United States, you should obtain and fill out Form 3540-1 mentioned above. Forms can be obtained either by contacting the National Service Center for Environmental Publications (NSCEP) at (513) 489-8190 or (800) 490-9198 or can be downloaded from the following page:  
<http://www.epa.gov/pesticides/international/trade/index.html>

- 1) Be sure to complete Part I of the Form in its entirety. (Boxes 16 and 18 are optional), before submitting it to the Regional Office. Boxes 14 and 15 may be left blank until the time of entry.
- 2) Be certain that boxes 4, 5, and 6 are identical to the respective product registration number, establishment registration number, and product brand name that appear on the EPA-approved label attached to the product as it enters the United States.
- 3) Region IX will not accept unsigned forms. The signatory must make every effort to assure that all information provided on the form is accurate.
- 4) Send completed form to:  
Pesticide Imports Specialist  
Pesticides Office (CTD-5)  
US EPA Region IX  
75 Hawthorne Street  
San Francisco, California 94105

EPA Region IX will review the submitted NOA for accuracy and completeness. In certain instances, EPA may choose to hold a shipment for inspection at the port of entry or refuse entry based on a FIFRA compliance problem.

EPA Region IX will complete Part II of the Form and return it to the importer for presentation to US Customs Officials upon arrival of the shipment. Region IX typically processes NOAs within 24 hours of receipt.

**Who can I contact if I have further questions about pesticides?**  
Questions should be directed to EPA Region IX's Pesticide Imports Specialist at (415) 947-4209.

You can also visit the EPA Office of Pesticides Program Web site for general information on pesticides at: <http://www.epa.gov/pesticides/>


August 5, 2005

## The Basic Process

- Every imported pesticide, device or technical ingredient must have an EPA Notice of Arrival (NOA) form prepared & submitted to the EPA regional office where the Port of Entry is located – prior to the arrival of the imported product
- EPA reviews NOA & makes a recommendation to the U.S. Department of Homeland Security/Customs and Border Protection (CBP) to either accept the arrival of the product or deny entry.



# Notice of Arrival

	Notice of Arrival of <b>Pesticides and Devices</b>	To be Completed Prior to Applicable Registration Label or the Period of 90 Days	Date Received (Date of Submission)
	Section 1. To be Completed by Importer or Agent		
1. Name of the Importer or Agent			
2. Return Form to this Address			
3. EPA Registration Number			
4. EPA Producer Establishment No.			
5. Brand name of Product			
6. Country of Origin			

Section 2. To be Completed by U.S. Distribution Collection Agency			
7. Name of the U.S. Distribution Collection Agency			
8. Address of the U.S. Distribution Collection Agency			
9. Date of Arrival			
10. Date of Submission			

Section 3. To be Completed by U.S. Customs Service			
11. Name of the U.S. Customs Service			
12. Address of the U.S. Customs Service			
13. Date of Arrival			
14. Date of Submission			

1. Name of the Importer or Agent  
 2. Return Form to this Address  
 3. EPA Registration Number  
 4. EPA Producer Establishment No.  
 5. Brand name of Product  
 6. Country of Origin

7. Name of the U.S. Distribution Collection Agency  
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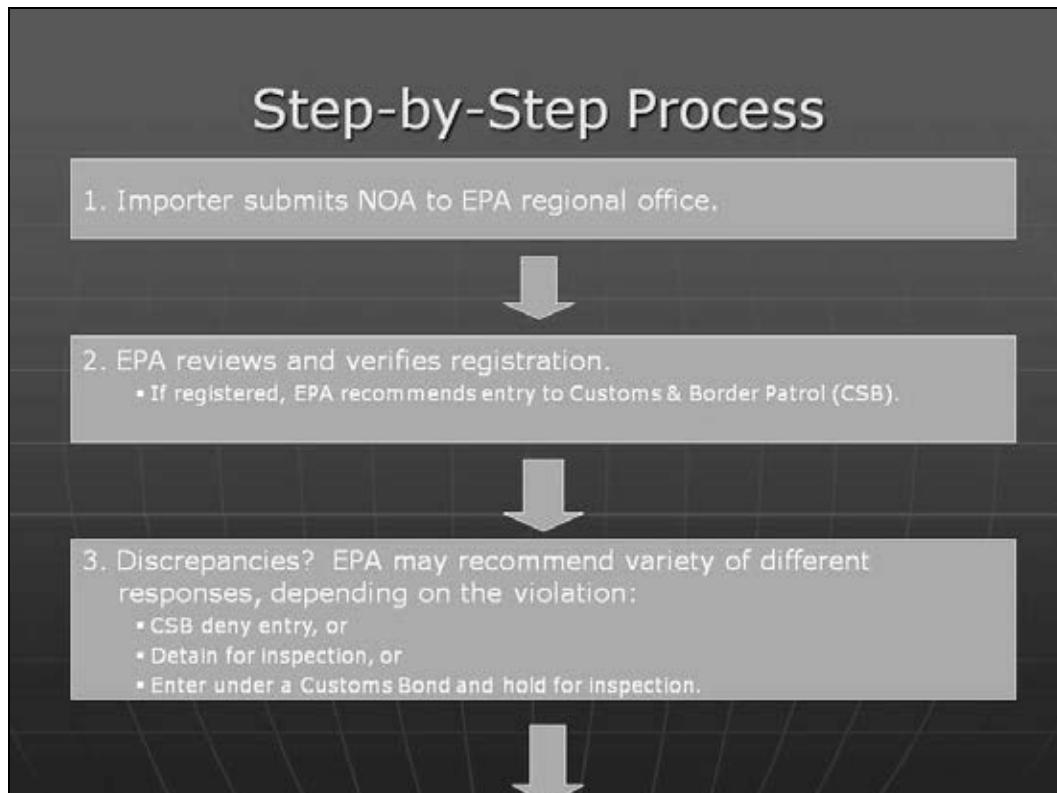
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199. Name of the U.S. Customs Service



## Step-by-Step (cont.)

4. Importer submits approved NOA along with other paperwork to CBP.



5. Import proceeds.

## What is “Illegal Trade” in Pesticides?

- Counterfeits
  - Misrepresented as a registered product
  - Case study of Front Line.....
- Unregistered
  - Often entry not identified as a pesticide
  - NOA usually not filed
  - Often not produced in registered production facility or use of an unapproved ingredient or source of ingredient
  - Use of unapproved product labeling.

## Illegal Products

- Unregistered
- Misbranded product label
- Adulterated, different composition
- Counterfeit
- Other violations.

## Types of Enforcement Actions

- Stop Sale and Use Order
- Entry denial
- Administrative complaint with penalty
  - Sale/distribution of violative product
  - Any movement of product in US territory
    - Even if not cleared by Customs
    - Example: ship crossing into US territorial waters.



## Enforcement Case 1

- “Front Line” and “Advantage” products
  - Unlawfully imported
  - Very specific differences between the counterfeit product and the registered, legitimate versions:
    - Discrepancy of lot numbers
    - Discrepancy of product labeling
    - Retail package not always child-resistant
    - Text on the package not always in English only.
    - Applicator label for the dog products included the size of the dog in metric units.

## Enforcement Case 2

- Owner of a pesticide distribution company sold counterfeit, misbranded, adulterated and/or mislabeled pesticides to local government municipalities
- Municipalities used counterfeit product to control mosquitoes and the spread of the West Nile virus
  - Threat to public (unknown risks from product AND from the potential health effects from the virus)
  - Undermined federal and state regulatory systems
- Owner of company
  - Sentenced April 21, 2004
  - 41 months in prison
  - \$45,305 fine
  - 17 counts of violating FIFRA
  - 11 counts of trafficking in counterfeit goods.


## Enforcement Case 3

- Major U.S. chemical company
  - Imported a registered pesticide active ingredient, from a non-approved manufacturing facility in another country
  - Composition of the active ingredient differed from the composition specified in the Confidential Statement of Formula submitted at the time of registration
- Civil penalty of \$850,000.

## Summary


- No history or evidence of large scale counterfeit agricultural pesticides in U.S.
- U.S. has a multi-agency comprehensive program for importation of pesticides
- Continuing to make improvements
- U.S. has an effective compliance and enforcement system governing the distribution, sale and use of pesticides.

**Presentation 3**  
Australia  
Eva Bennet-Jenkins



Australian Government  
Australian Pesticides and  
Veterinary Medicines Authority

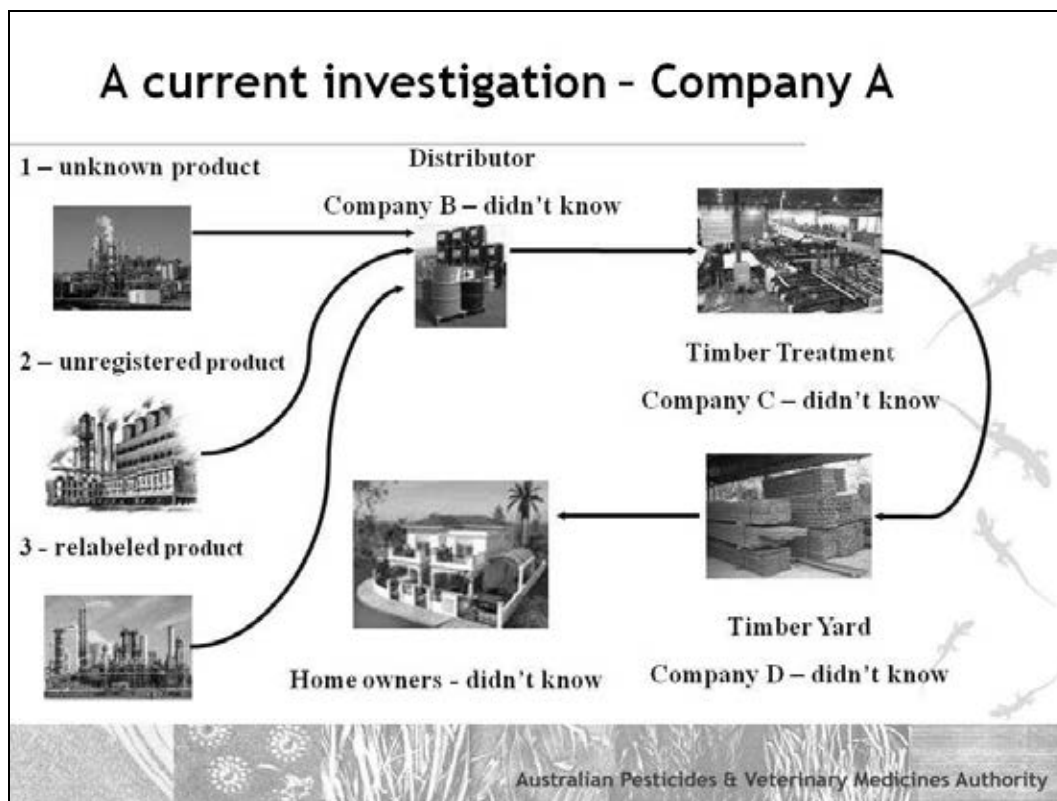
## Recent issues in Australia - illegal behaviour in the pesticides industry



Dr Eva Bennet-Jenkins, CEO APVMA

## The “Imtrade” Investigation

- Two sites of manufacture for 28 active constituents relevant to 120 products identified as ‘fictitious’
- No mechanism in the legislative framework to undo approval
- Absolute invalidity v Relative invalidity
- APVMA ‘self help’ unlawful
- Separate criminal offences being considered by the independent federal prosecutor
- Anecdotally ‘fraud’ increasingly being identified
- Need for legislative change
- Need to strengthen international relationships



### APVMA regulatory posture

- APVMA moving to redefine and publicly communicate overall regulatory posture
- Will be publishing a new Compliance and Enforcement policy
  - Main effort is to bring people into compliance
  - Secondary consideration – what sanction, if any, should apply?
- APVMA has enhanced 'field' monitoring regime – inspections, visits, audits & investigations
- Government reviews – time to seek a new compliance toolkit
  - More options, stronger penalties
  - Recognise and integrate good stewardship

Australian Pesticides & Veterinary Medicines Authority

## APVMA Vision

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- *'To be recognised nationally and internationally as a best practice regulator of pesticides and veterinary medicines that has the respect and confidence of governments, the community, the rural sector, chemical users and the chemicals industry'*

Australian Pesticides & Veterinary Medicines Authority

## Questions?

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Further information

Dr Eva Bennet-Jenkins

[Eva.Bennet-Jenkins@apvma.gov.au](mailto:Eva.Bennet-Jenkins@apvma.gov.au)

or

Neville Matthew

[Neville.Matthew@apvma.gov.au](mailto:Neville.Matthew@apvma.gov.au)

Australian Pesticides & Veterinary Medicines Authority

**Presentation 4**  
People's Republic of China  
Gu Baogen

**Crack Down Illegal Trade to Promote  
Sustainable Development of the Pesticide  
International Trade**



*OECD*

*Gu Baogen ICAMA May. 2010*

**Outline**



- 
- ◆ **Part I Introduction to Pesticide Production  
and Export in China**
  - ◆ **Part II Overview of Pesticide Management in  
China**
  - ◆ **Part III Situation of Illegal International Pesticide  
Trade and Their Causes**
  - ◆ **Part IV Suggestions**
-



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# **Part I**

## **Introduction to Pesticide Production and Export in China**

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### **I Introduction to Pesticide Production and Export in China**

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- ◆ Since the early 1990s, a change has occurred to the world's pesticide production. Pesticide production has been gradually shifted from developed countries to developing countries due to the increasing environmental pressure and labor costs.
  - ◆ China's pesticide industry has been developing rapidly. A complete system of production of technicals, formulation and of intermediates has been established.
-







## **I Introduction to Pesticide Production and Export in China**

---



- ◆ Production:
  - ◆ Currently, there are about 2,400 pesticide manufacturers or formulators, producing over 600 active ingredients.
  - ◆ In 2009, 26,000 pesticide products registered, 2.26 million tones (technical) produced
-



## I Introduction to Pesticide Production and Export in China

---

- ◆ Export:
  - ◆ more than 400 pesticides were exported to 162 countries and regions
  - ◆ export amount reached to 1.04 million tones in 2009,.
- 



## Export:

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regions	amount( ton)	proportion
Asia	399,300	38.3%
South America	246,400	23.6%
North America	146,800	14.1%
Africa	123,100	11.8%
Europe	92,800	8.9%
Oceania	34,400	3.3%

## **I Introduction to Pesticide Production and Export in China**

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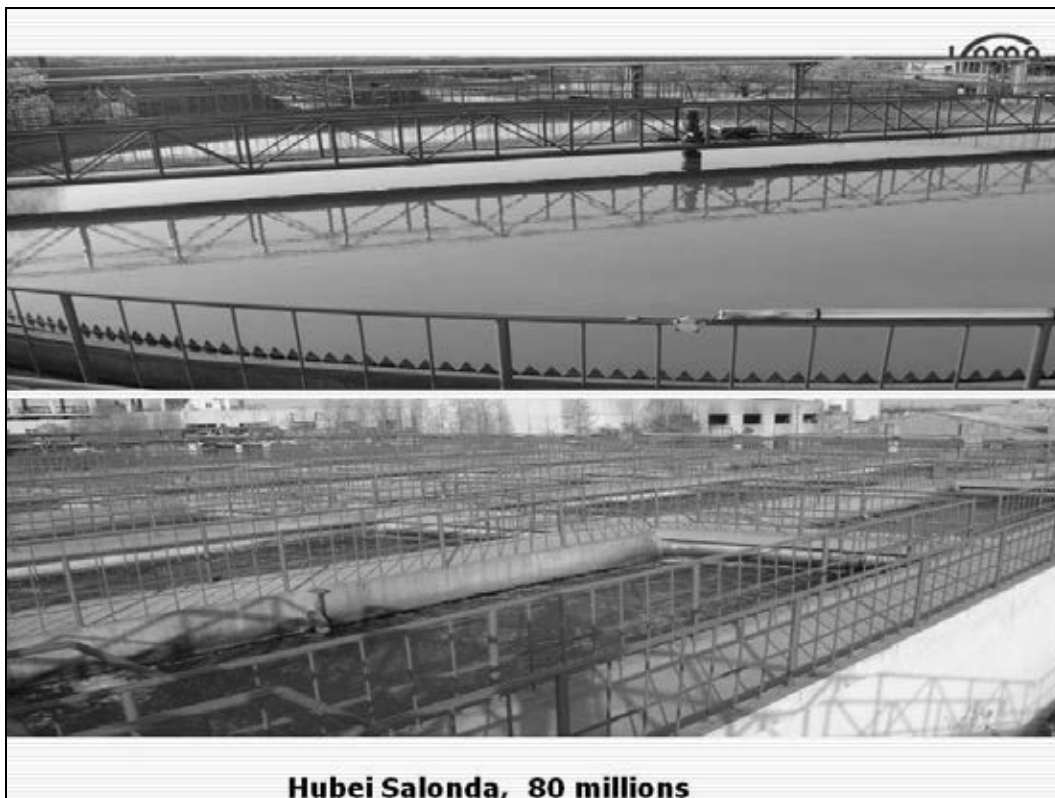
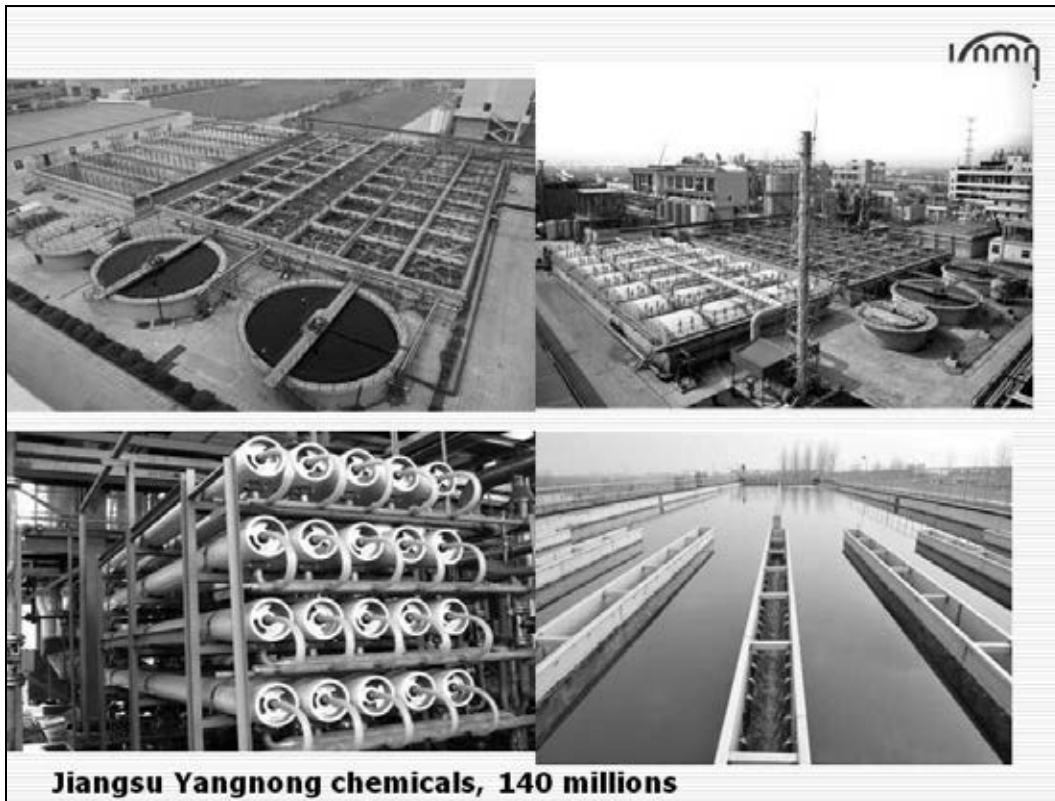
- ◆ China has gradually become a key pesticide producer and supplier in the world,
  - ◆ warmly welcome by farmers worldwide, especially those in the Third World because of good quality and lower price.
- 

## **I Introduction to Pesticide Production and Export in China**

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- ◆ Their prices are normally 1/3----1/10 of multinational companies
  - ◆ the costs of global agricultural production could be reduced by billions of dollars.
  - ◆ In this regard, China and India are contributing greatly to the world's pesticide industry and agriculture while sacrificing the health of human, animals, and its environment.
-





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## **Part II**

### **Overview of Pesticide Management in China**

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## **II Overview of Pesticide Management in China**

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### **1.Pesticide Registration System**

### **2.Pesticide Quality Control**

### **3.Measures for the Control of Pesticide Import & Export**

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## **1.Pesticide Registration system**

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- ◆ 1982: *Prescript on Pesticide Registration*
  - ◆ 1997: *Regulations on Pesticide Administration*
  - ◆ 2007: *Measures for the Administration of Pesticide Labels and Manuals*
  
  - ◆ Now: Established and optimized the systems for pesticide management, in which pesticide registration is the core.
-



## **II Overview of Pesticide Management in China**

---

### **1.Pesticide Registration System**

### **2.Pesticide Quality Control**

### **3.Measures for the Control of Pesticide Import & Export**

---



## **2.Pesticide Quality Control**

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### **a. Pesticide Quality Standards**

- ◆ China's pesticide quality standards include the national, industry and enterprise standards. All the standards for major pesticide products equal or exceed FAO specifications .
  - ◆ 252 national standards and industry standards
  - ◆ 25000 enterprise standards for pesticide products.
-



## **2. Pesticide Quality Control**

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### **b. Supervision and Inspection of Pesticide Quality**

- ◆ MOA & SOIC are responsible for supervision and control of the pesticide market in China
  - ◆ A anti-counterfeiting office established in MOA to launch campaigns against counterfeit means of agricultural production, especially pesticides,
- 



## **2. Pesticide Quality Control**

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### **b. Supervision and Inspection of Pesticide Quality**

- ◆ Each year, more than 20,000 pesticide samples are sampled and tested,
  - ◆ Dozens of cases of fake and inferior pesticides are investigated and heavily punished.
  - ◆ the qualification rate of almost all pesticide products in large quantities has reached 100% in China.
-





## 2. Pesticide Quality Control

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### c. Enterprise Quality Assurance.

- ◆ Quality assurance system has been established in all pesticide manufacturers and formulators in China, most of which have passed the ISO9000 quality accreditation system certification.
  - ◆ Most newly installed equipment adopts advanced DCS automatic system in production, the whole process of synthesis is controlled by computers,
  - ◆ the production techniques and measures are optimized to improve the quality of products.
- 



## 2. Pesticide Quality Control

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### c. Enterprise Quality Assurance.

- ◆ In addition, most of the pesticide exported are produced in compliance with the requirements or standards prescribed in the contracts with importing parties and under the supervision of importing parties or third parties.
  - ◆ the products consigned by multinational companies must be produced under their guidance, and meet their standards for production and quality.
-









## II Overview of Pesticide Management in China

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### 1. Pesticide Registration System

### 2. Pesticide Quality Control

### 3. Measures for the Control of Pesticide Import & Export

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### 3. Measures for the control of pesticide import and export

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#### a. Import or Export Registration Certificate for Pesticides

- ◆ In 1999, MOA and Customs jointly issued the *Notice on the Use of Import or Export Registration Certificate for Pesticides*.
  - ◆ The Notice has enabled us to effectively prevent and crack down on import and export of unregistered, counterfeit and inferior pesticides
-

### **3. Measures for the control of pesticide import and export**

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ICAMA issues certificates for each shipment of pesticides exported,

Certificate is only issued to registered pesticides.

customs check the certificates

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### **Steps of import /export control**

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- 1.Importer/expoter apply for certificate in ICAMA
  - 2.ICAMA check the situation of registration of the product
  - 3.ICAMA approve the import/export issuing the certificate
  - 4.Importer/exporter show the certificate to customs for entry.
- Custom has a name list
- Information exchange between ICAMA and custom electronically in near future.
-

### 3. Measures for the control of pesticide import and export



#### b. Certificate for Pesticides Registered in China

- ◆ ICAMA issues the Certificate for Pesticides Registered in China, including the Certificate for Pesticide Registration (Certificate of Free Sale) and the Certificate for Composition of Pesticide technical materials and formulations, to help importing countries find out the registration status and technical data of the pesticides that they are going to be imported.

中华人民共和国农业部农药检定所

ICAMA Institute for the Control of Agrochemicals  
Ministry of Agriculture  
People's Republic of China

No. 22 Maotian Road  
Chaoyang  
Beijing, China  
Postcode: 100020  
Tel: 010-64141999  
010-64141999  
Fax: 010-64141999

**CERTIFICATE**

NO: 20090712

WE HEREBY CERTIFY THAT THE PESTICIDE PRODUCT IMIDACLOPRID TC MANUFACTURED BY SHAANXI HENTIN CHEMICAL CO., LTD. (ADD: NO. 48, FENGCHENG 3 ROAD, XI'AN, CHINA), EXPORTED BY CHONGQING SHINING FINE CHEMICALS CO., LTD. (ADD: 263 CITIC COMMERCE NO. 5 YANGHE SAN CUN JIANGBEI DISTRICT CHONGQING CHINA), HAS BEEN REGISTERED AND CAN BE FREELY SOLD IN THE PEOPLE'S REPUBLIC OF CHINA AND EXPORTED TO LEBANON. THIS PRODUCT IS STILL IN USE IN CHINA AT THE TIME OF SHIPMENT.

THE REGISTRATION NO.: PD20070487

INSTITUTE FOR THE CONTROL OF AGROCHEMICALS, MINISTRY OF AGRICULTURE, P. R. CHINA

2009

DEPUTY DIRECTOR GUO HAOGEN

SIGNATURE

### **3. Measures for the control of pesticide import and export**



#### **c. Exchanges and Cooperation in International Trade Management**

- ◆ Signing cooperative agreements (MOU) and establishing mechanism for joint work with Pakistan, and Thailand etc.
  - ◆ Verifying information and exchanging documents with the relevant authorities in some countries such as Pakistan, Thailand, Vietnam, Indonesia , South Africa, Kenya, and Lebanon, etc.
- 

### **3. Measures for the control of pesticide import and export**



#### **c. Exchanges and Cooperation in International Trade Management**

- ◆ With Thailand: 45 Chinese enterprises
  - ◆ With Lebanon: 300 pesticide registration and 14 certificate of free sale
  - ◆ With Pakistan: 50 Chinese enterprises and 100 products
-



### 3. Measures for the control of pesticide import and export



#### d. Cracking down on illegal trade and strengthening quality monitoring

- ◆ In 2009, dealt with two cases involving forgery of the *Import or Export Registration Certificate for Pesticides*
- ◆ In addition, the General Administration of Quality Supervision, Inspection and Quarantine carried out random quality checks at the ports of entry/departure



## Part III

### Situation of Illegal International Pesticide Trade and Their Causes

### **III Situation of Illegal International Pesticide Trade and Their Causes**

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#### **◆ 1. Current Situation of Illegal International Pesticides Trade**

#### **◆ 2. Causes of Illegal International Pesticide Trade**

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### **1. Current Situation of Illegal International Pesticides Trade**

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#### **a. Import and Export of Illegal Pesticides.**

- ◆ In many cases, the illegal pesticides are exported in names of non-dangerous chemicals or fake *Import or Export Registration Certificate for Pesticides*, and it's very difficult for customs to inspect each batch of pesticides exported.
  - ◆ For example, the case founded by Croplife in Hungary.
  - ◆ However, they consists of very small proportion of whole trade, much less than 0.1%.
  - ◆ 2009, 70993 shipments, few illegal cases found or reported.
-

## 1. Current Situation of Illegal International Pesticides Trade



### b. Trade of Counterfeit and Inferior Products.

- ◆ We still have been informed the illegal trade cases by the authorities of importing countries.
- ◆ It is found that most counterfeit and inferior products are produced by local importers in importing countries.

## 1. Current Situation of Illegal International Pesticides Trade



### c. Smuggling of Pesticides

- ◆ smuggling is common between countries where there is no proper pesticides import/export management measures implied by customs.
- ◆ Many new pesticide products of multinational companies were smuggled into China, and some Chinese products into neighboring countries. But now it hardly happens in China, because of present strict control of pesticide import and export.

### **III Situation of Illegal International Pesticide Trade and Their Causes**

---



#### **1. Current Situation of Illegal International Pesticides Trade**

#### **2. Causes of Illegal International Pesticide Trade**

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### **2. Causes of Illegal International Pesticide Trade**

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#### **a. Lack of the control of pesticide import and export in some countries.**

- ◆ Most countries demand that pesticides to be imported be subject to registration and custom surveillance,
  - ◆ they place few or no limitations on pesticides export, regardless of the fact that they are prohibited to be used.
  - ◆ As a result, it's difficult to hold back illegal pesticide exports and counterfeits in an effective way globally.
-

## 2. Causes of Illegal International Pesticide Trade

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### **b. Scarcity of effective communication and cooperation between exporting and importing parties.**

There is no proper communication and cooperation on management of import and export of pesticide.

---

## 2. Causes of Illegal International Pesticide Trade

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### **c. Weak ability to crack down on counterfeits and inspect the market.**

- ◆ there is no or less capacity to enforce law and inspect the quality of pesticides in some countries, especially developing countries, because of lack of human resource, adequate testing facilities and technology,
  - ◆ illegal trade, and counterfeit and inferior products could not be properly controlled.
-

## 2. Causes of Illegal International Pesticide Trade

---



### **d. Complexity of Illegal trade and its control.**

- ◆ It is very difficult to investigate and collect evidence,
- ◆ it is still difficult to impose punishment, even though the evidence has been found.
- ◆ the global market share of pesticide has been changed by the increase in Chinese and Indian exports. In some places, the use of certain administrative measures and techniques to protect the already gained market shares and interests has made illegal international trade more complex.



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## Part IV Suggestions

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## **IV Suggestions**

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- 1. Establish sound system for controlling import and export of pesticides in all countries.**
  - 2. Strengthen International Cooperation.**
  - 3. Work together to monitor and control the quality of pesticide imports and exports.**
  - 4. Institute a long term scheme for cracking down on illegal trade.**
- 



### **1. Establish sound system for controlling import and export of pesticides in all countries.**

---

- ◆ system like Chinese one for control of pesticide imports and exports should be established
  - ◆ all custom will check each shipment of importing and exporting of pesticides.
  - ◆ importing countries should ask authority of exporting countries to provide registration certificates to them.
  - ◆ This system is the precondition of cracking down on illegal international trade.
-



## **2. Strengthen International Cooperation.**

---

- ◆ Intergovernmental exchanges and cooperation should be strengthened:
  - ◆ --signing cooperation agreements,
  - ◆ --establishing work teams or technical teams,
  - ◆ --exchanging pesticide registration information
  - ◆ --jointly launching investigations and campaigns against counterfeit products.
- 



## **3. Work together to monitor and control the quality of pesticide imports and exports.**

---

- ◆ Both importing and exporting countries should take actions to ensure the quality of pesticide quality.
  - ◆ ICAMA could provide all countries with third-party quality inspection, by way of signing multilateral or bilateral agreement, to ensure the quality of pesticide imports and exports and tackle the problems of counterfeit and inferior pesticides.
-





#### **4. Institute a long term scheme for cracking down on illegal trade.**

---

- ◆ Firstly, sound system of pesticide import and export management;
  - ◆ Secondly, besides cracking down the illegal trade, legal trade should be promoted;
  - ◆ Thirdly, an information platform could be established;
  - ◆ Fourthly, global free trade of pesticides should be continually promoted, and any trade protection and technical barriers must be rejected.
- 



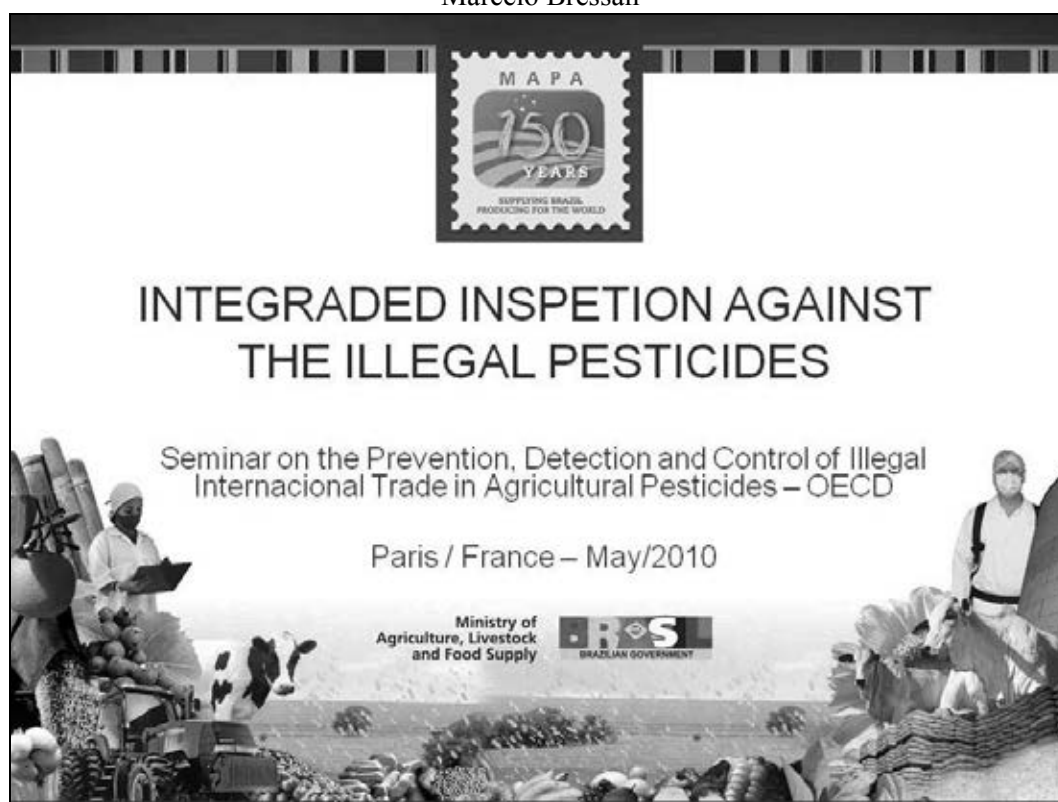
#### **Hope**

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- ◆ As China now is one of the leading pesticide manufacturing countries in the world, we feel obliged to work together with other countries to crack down on illegal import and export of counterfeit and inferior pesticides and make the order of international pesticide trade fairer and more equitable. At the same time, we hope to further strengthen cooperation with other countries to solve all the problems existing in pesticide import and export.
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**THANK YOU**

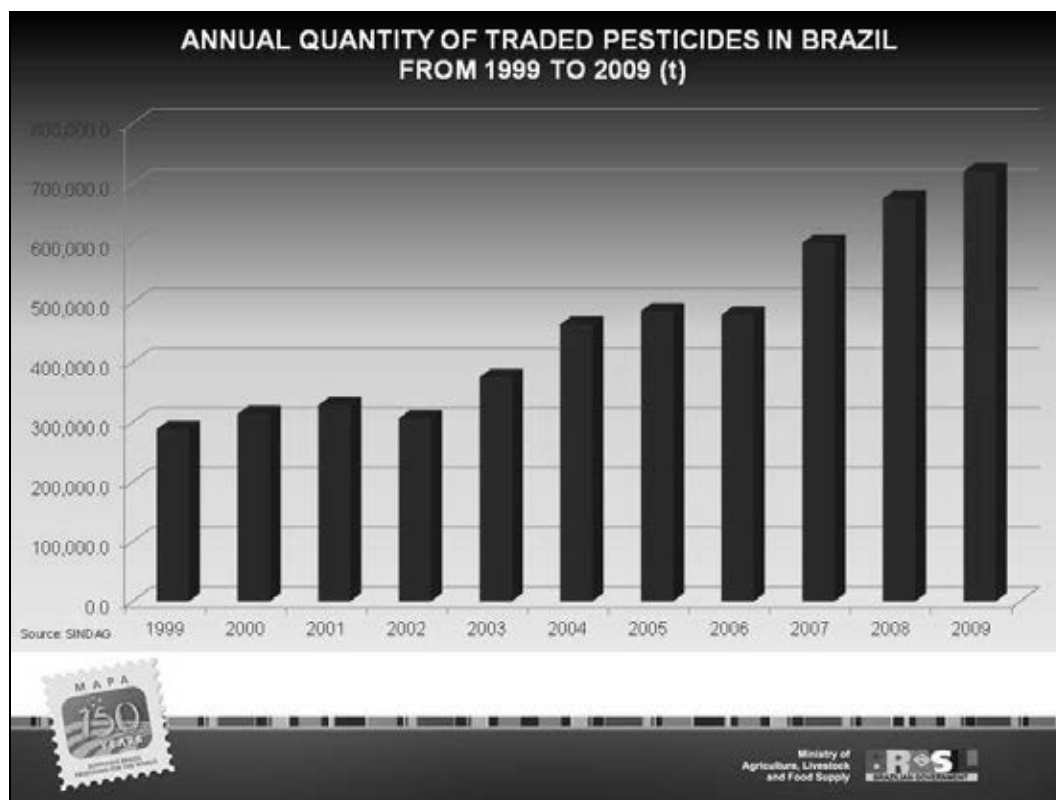
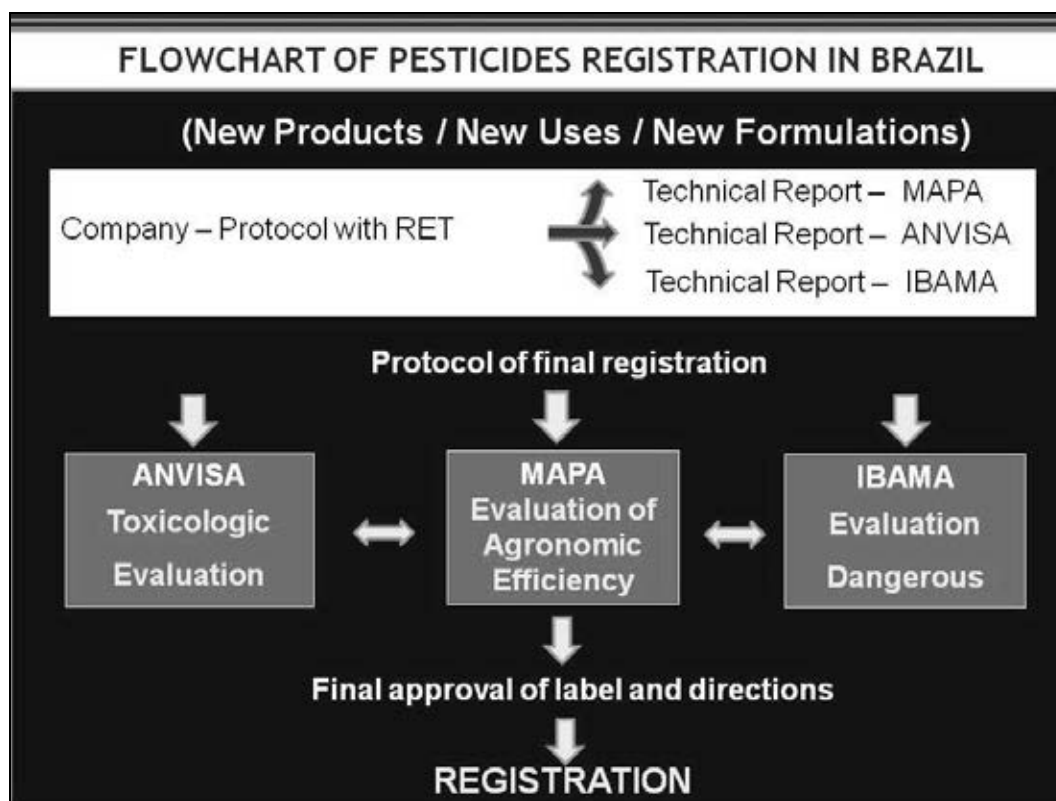
**Presentation 5**  
Brazil  
Marcelo Bressan

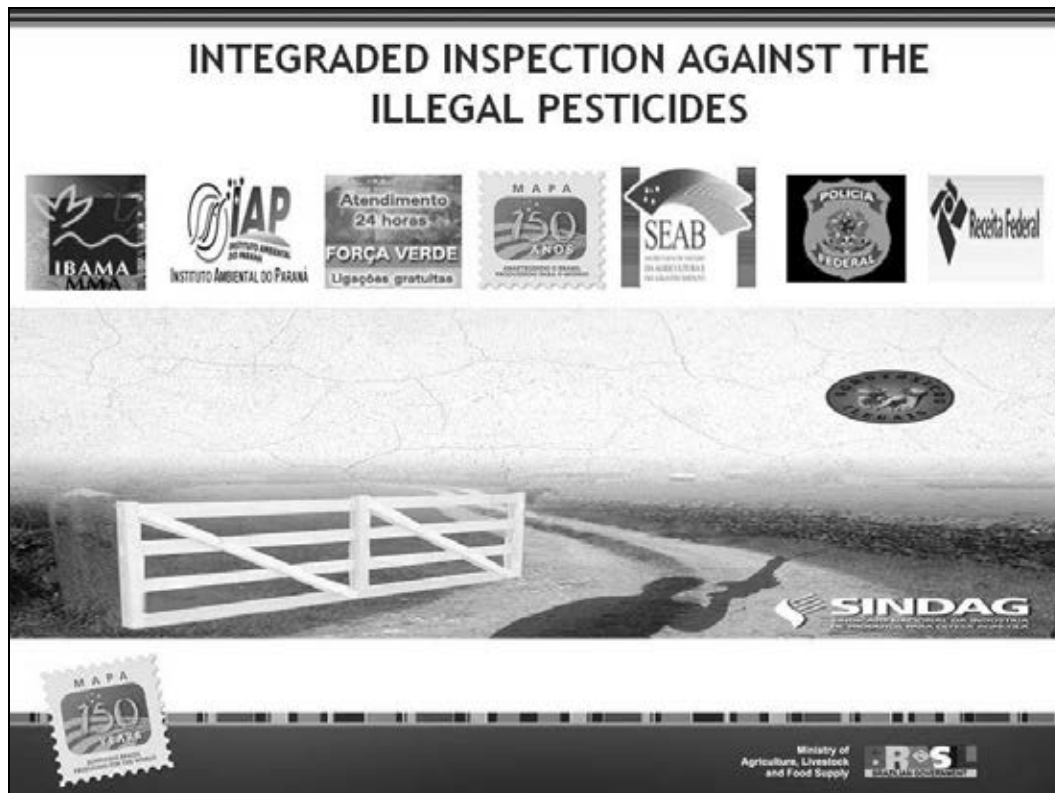
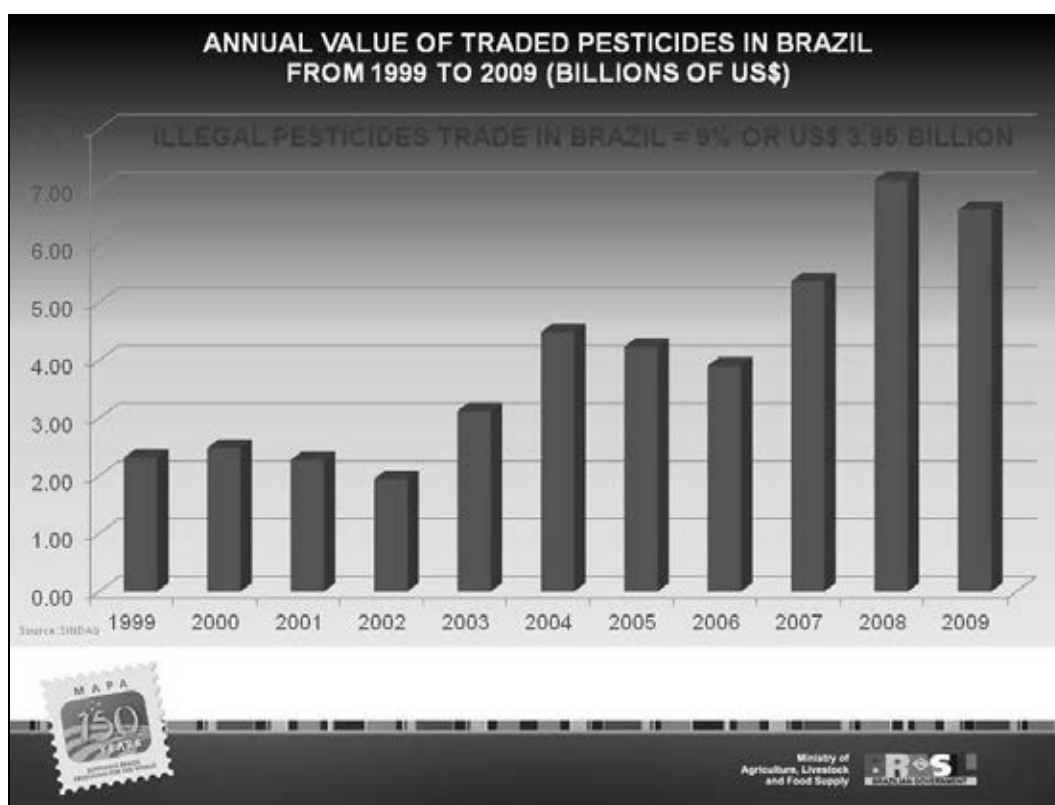


### THE ROLE OF MAPA AT THE PESTICIDES FIELD

<p><b>1. LEGISLATING</b></p> <ul style="list-style-type: none"> <li>- production    - registration</li> <li>- interstate trade</li> <li>- export / import</li> <li>- transport</li> <li>- technologic and toxic. control</li> </ul>	<p><b>2. GIVING CREDENCE</b></p> <ul style="list-style-type: none"> <li>- research companies</li> <li>- phytosanitary service companies</li> </ul>
<p><b>3. REGISTERING</b></p> <ul style="list-style-type: none"> <li>- RET, REX</li> <li>- technical product</li> <li>- formulated product</li> <li>- equivalent product</li> <li>- others</li> </ul>	<p><b>4. INSPECTION</b></p> <ul style="list-style-type: none"> <li>- Import /export</li> <li>- production</li> <li>- research</li> <li>- use ( phytos. services)</li> <li>- illegal pesticides</li> </ul>

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### THE REASON FOR INTEGRATED INSPECTION



#### Illegality in various sectors



- Products without registration in government departments
- Low efficiency
- Toxic waste in food
- Environment contamination
- Improper disposal of empty packaging
- Smuggling (illegal trade)
- Tax evasion




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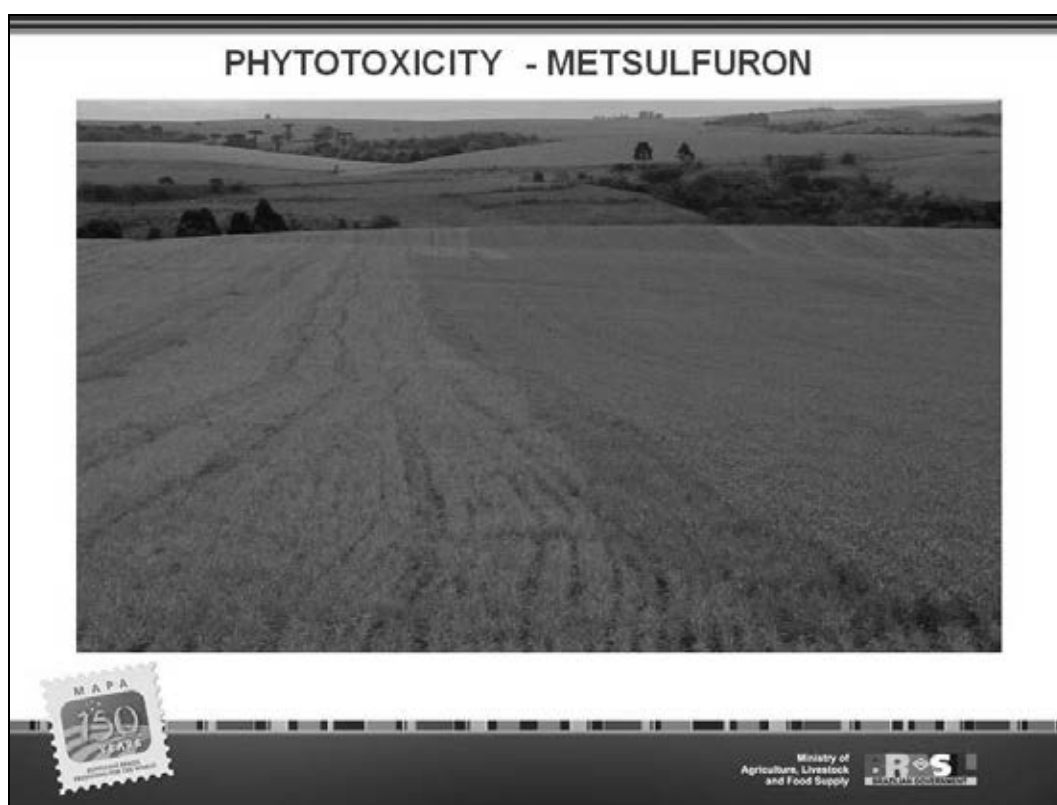



### PHYTOTOXICITY - IMIDACLOPRID



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**SINDAG**  
SINDICATO NACIONAL DE DEFENSORES  
DE PRODUTOS AGROPECUÁRIOS

## EDUCATIONAL ACTIONS

**Know Your Customer**

**Issue:** Foreign counterfeiters and foreign illegal companies are selling pesticides and AIs from China that are used illegally in the destination country. Exporters risk being misponsible for the criminal acts of these foreign companies if the exporters "knew or should have known" that they were shipping to criminals. What can exporters and manufacturing companies do to avoid being responsible for shipping to foreigners who use AI and pesticides illegally? What can exporters do to maintain the high reputation of the China pesticide export industry and China's business reputation?

**Answer:**  
**Exporters Please "Know Your Customer"**  
Make sure your customers are reliable, honest companies with a good reputation of using AIs and pesticides legally.  
Is your customer registered in the country of destination?  
Does your customer exist and have they provided you proof they exist?  
Does your customer have a good reputation in the industry?

**Danger for your company and reputational risk for the China export industry. If there are problems because you DO NOT know your customer.**

**EXAMPLES:**  
In 2007, 560 tons of pesticides were shipped to Ukraine because the China exporters did not know their customer. If they had done research on their Ukraine customer they would have discovered that their customers were engaged in criminal activities in Ukraine AND were counterfeiting pesticides.

**Who is responsible to pay for destruction? The customer who counterfeited? The exporters who shipped?**

In late 2008 Paraguay police and customs seized five shipments of AI and pesticides in which the exporters in China did not know their customers, and the shipments were destined to illegal companies and counterfeiters, including criminal smuggling into Brazil.

**Who is responsible? The customer who counterfeited? The exporters who shipped?**

**COOPERATION AND SUPPORT WITH ICAMA**  
CropLife International supports the positive steps of ICAMA in their mission to stop illegal activities in the trade of exported agricultural chemicals. CropLife International support ICAMA's efforts in international cooperation, so as to protect the reputation of the China AI and pesticide exporting industry, and we are all working together to meet this goal.

**IMPORTING CUSTOMS**  
Importing customs at the destination countries will be paying closer attention to import shipping documents accompanying AI and pesticides imports. Is the factory and exporter registered with ICAMA and is this mentioned on the import documents?


**PROTECT THE CHINA EXPORT INDUSTRY - KNOW YOUR CUSTOMER**



For more information on the "know your customer" program and what your exporting company can do to avoid dealing with counterfeiters, please contact:  
+86 10-66211836-227  
or [knowyourcustomer@croplife.org](mailto:knowyourcustomer@croplife.org)


WE CAN ALSO OFFER COMPANIES A SHORT E-TRAINING ON "DUE DILIGENCE" AND KNOWING THEIR CUSTOMERS SO THAT THEY CAN DEMONSTRATE THEY'VE INTEGRATED THIS INTO THEIR "KNOW YOUR CUSTOMER" PROGRAM.

Protect the reputation of the China AI and pesticide exporting industry. Do NOT ship to illegal companies and counterfeiters.

**CropLife International**  
Avenue Louise, 326, Box 248 - 1050 Brussels, Belgium  
Tel: +32 2 542 04 94 Fax: +32 2 542 04 95  
[www.croplife.org](http://www.croplife.org)












**SINDAG**  
SINDICATO NACIONAL DE DEFENSORES  
DE PRODUTOS AGROPECUÁRIOS

## EDUCATIONAL ACTIONS


✓ **SINDAG / ANDAV -**  
**informative publication**  
**with bimontly editions**  
**with 50 thousand**  
**circulation.**















## GOVERNMENT OFFICERS TRAINING


- ✓ Education e-learnig course launch at SINDAG website ([www.sindag.com.br](http://www.sindag.com.br)) and ANDAV ([www.andav.com.br](http://www.andav.com.br)) wich already counts with 1,100 attendance.
- ✓ Launch of Procedures and Information Manuals edited by SINDAG / ANDAV and by IBAMA, for the purpose of government officers training.






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## TECHNICAL MANUALS



IBAMA  
Instituto Brasileiro de Meio Ambiente  
e dos Recursos Naturais Renováveis - IBAMA  
Diretoria de Proteção Ambiental - DIPA  
Coordenação Geral de Fiscalização - CGFIS  
Diretoria de Licenciamento e Qualidade Ambiental - DLQA  
Coordenação de Análise e Controle de Substâncias  
Químicas - CACSQ



Manual de  
Procedimentos  
para Fiscalização  
de Agrotóxicos  
Ilegais


Brasília - 2005




Informações  
e Roteiro de  
Procedimentos  
para Fiscalização  
de Agrotóxicos  
Ilegais


São Paulo  
1ª Versão - 04/2006



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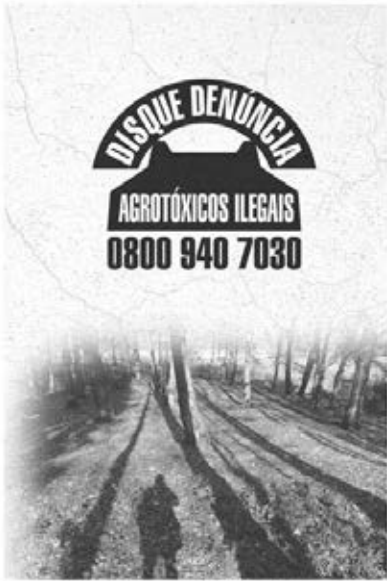





**SINDAG**  
SINISTROS DE INOCUIDADE DE AGROTÓXICOS  
DO BRASIL


## DIAL COMPLAINT

- ✓ SINDAG/ANDAV contact number for illegal pesticides trade complaint.
- ✓ 15,000 calls registered in 10 years.
- ✓ Complaints headed for competent government departments.
- ✓ The author of the complaint is kept unknown.





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## BRAZILIAN LEGAL FRAMEWORK

➔ **ENVIRONMENT CRIME - Law 9.605/98**

- Imprisonment from 1 to 4 years, and
- fine from US\$ 290.00 to 1,150,000.00

➔ **SMUGGLING CRIME – Brazilian Criminal Code**

- Imprisonment from 1 to 4 years

➔ **INFRACTION AGAINST PESTICIDES - Law 7.802/89**

- Imprisonment from 2 to 4 years
- Fine up to US\$ 10,900.00
- Destruction of vegetables and crops






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## FEDERAL POLICE OPERATION









**Operação Caa-Eté - 2005**






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## FEDERAL POLICE AND IBAMA OPERATIONS

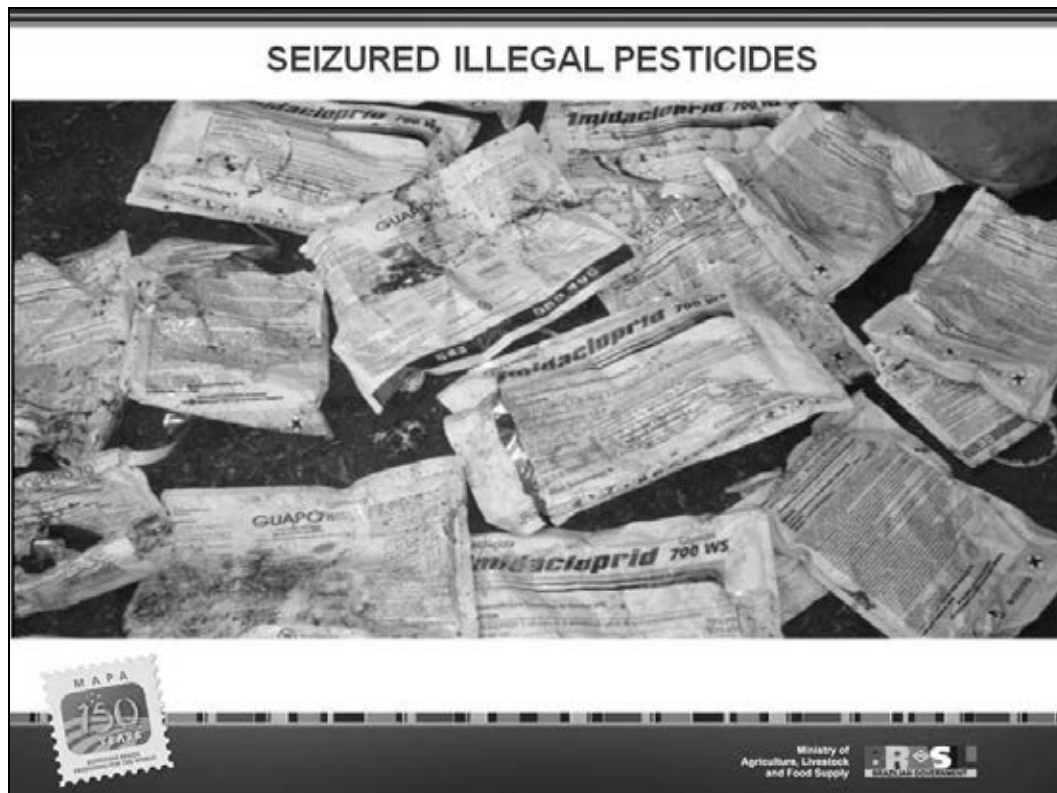
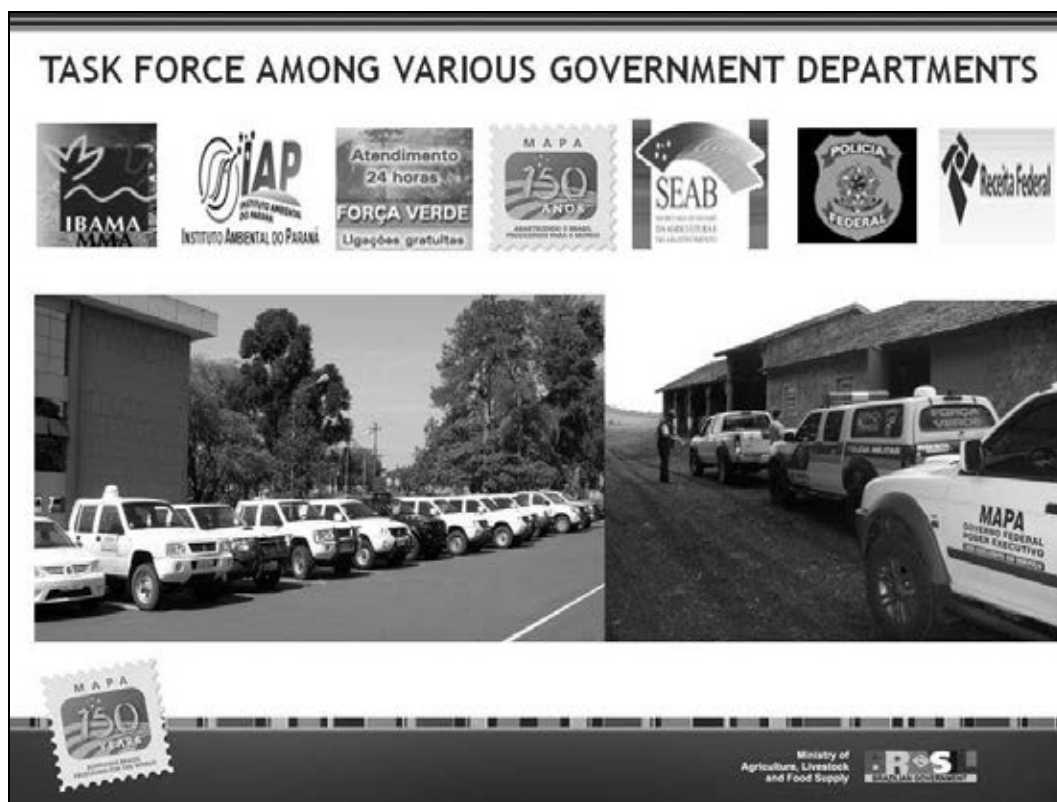



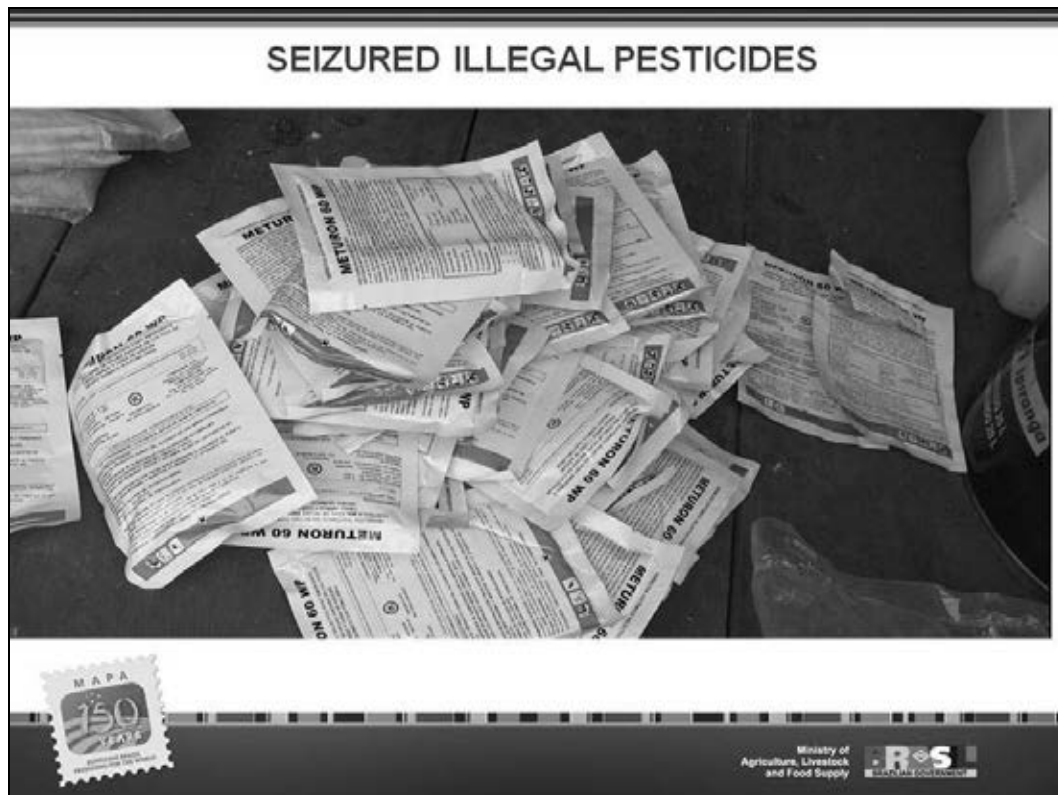
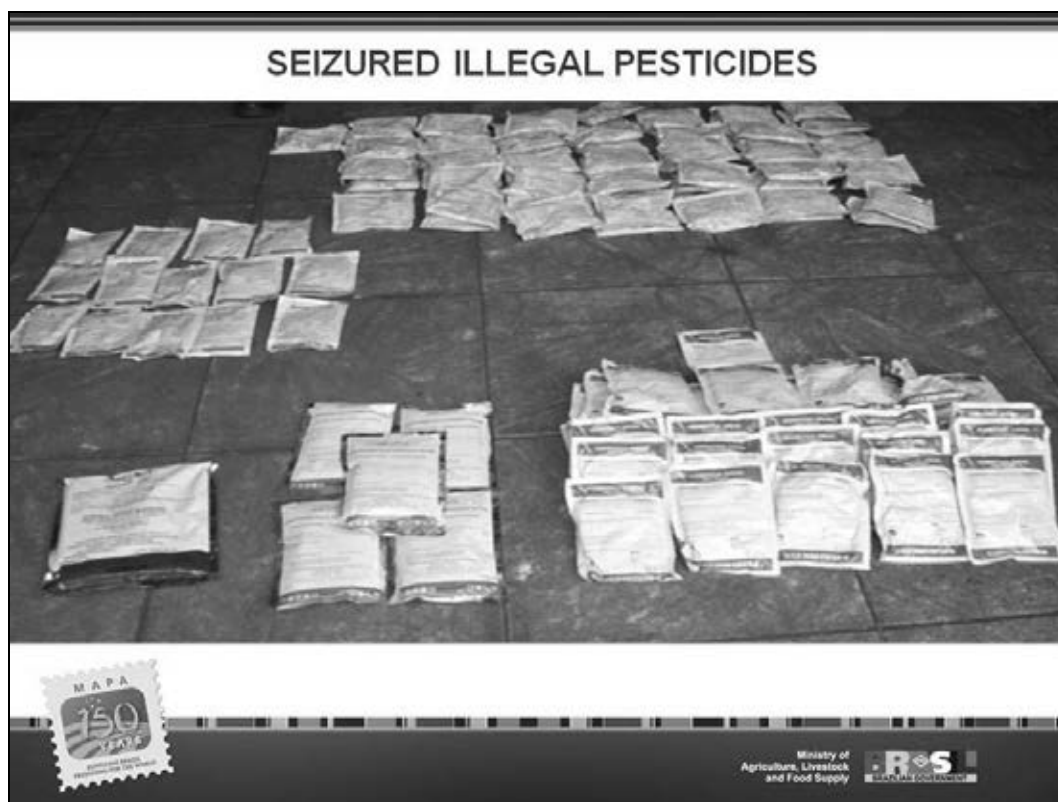



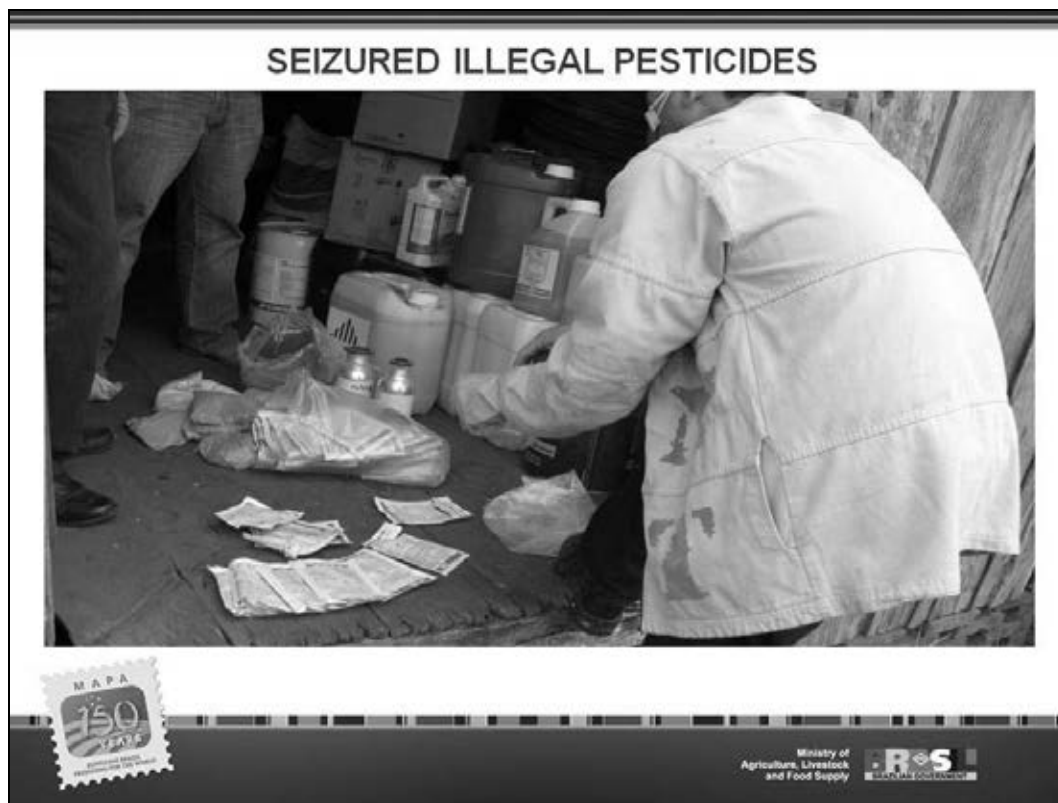


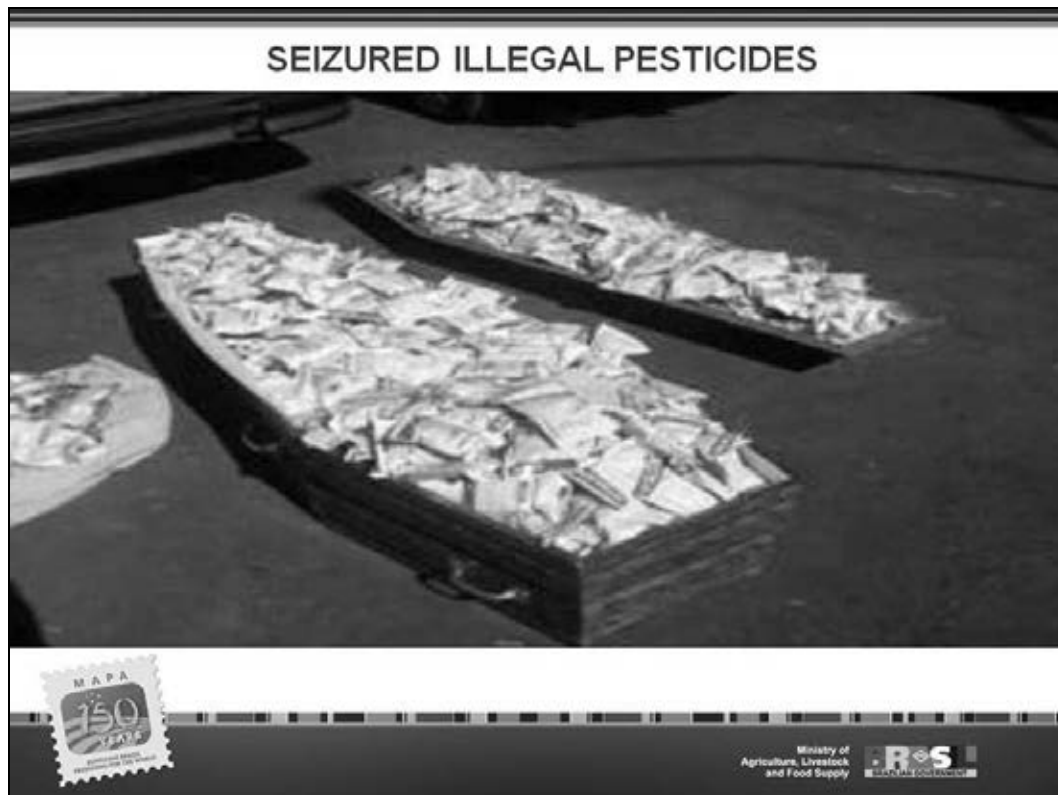
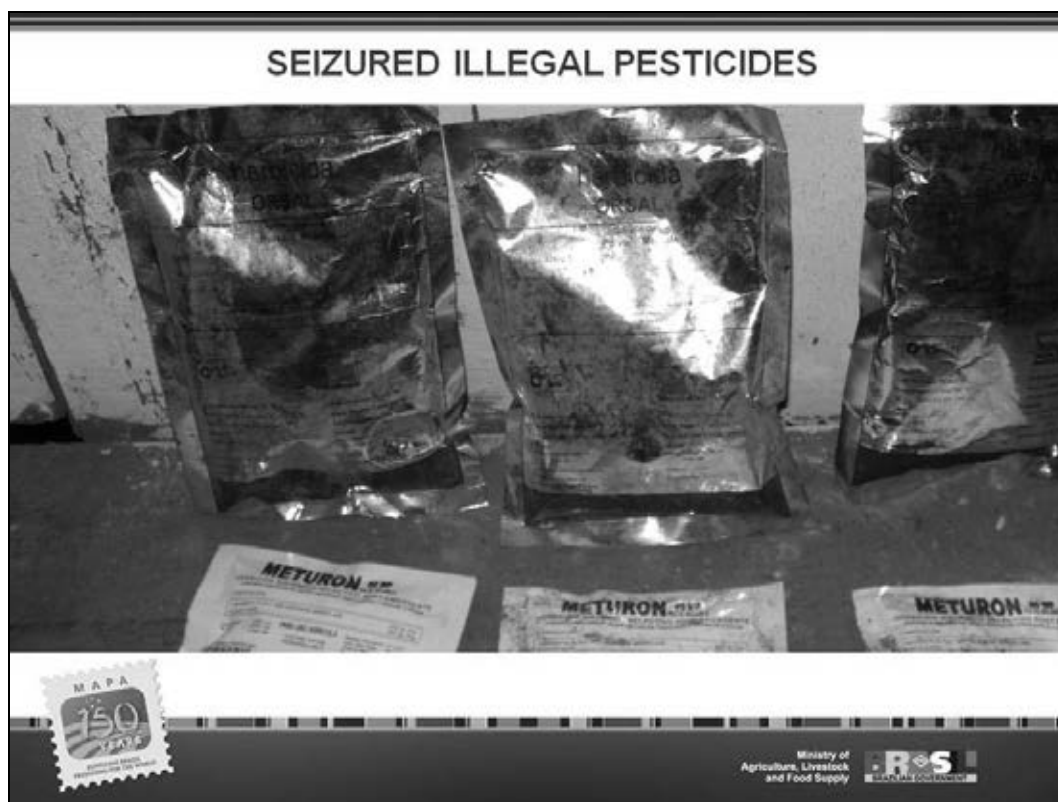
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## SEIZED ILLEGAL PESTICIDES



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## SEIZED ILLEGAL PESTICIDES



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## THE RESULT OF OPERATIONS FROM 2000 TO APR/2010

### ✓ MAIN ACTIVE INGREDIENTS SEIZED

CLORIMURON; METSULFURON; IMIDACLOPRID;  
TEBUCONAZOLE; FIPRONIL; GLIFOSATO; CARBENDAZIN;  
CLETODIN; DIFLUBENZURON; CLOMAZONE; BISPIRIBAC;  
PIRAZOSULFURON; QUINCLORAC; LAMBDAIALOTRINA;  
IMAZETAPIR.



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## THE RESULTS OF OPERATIONS FROM 2000 TO APR/2010

### TASK FORCE

✓ SEIZURES = 373 tons

✓ INCINERATION = 310 tons

✓ ARRESTED SUSPECTS = 610

✓ CONDEMNED PEOPLE = 37



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## MERCI!

**LUIS EDUARDO PACIFICI RANGEL**

Federal Agricultural Inspector - Pesticides General Coordinator - MAPA  
BRASILIA – DF - Brazil [luis.rangel@agricultura.gov.br](mailto:luis.rangel@agricultura.gov.br)

**MARCELLA ALVES TEIXEIRA**

Federal Agricultural Inspector - Pesticides Inspection - MAPA  
BRASILIA – DF - Brazil [marcella.teixeira@agricultura.gov.br](mailto:marcella.teixeira@agricultura.gov.br)

**MARCELO BRESSAN**

Federal Agricultural Inspector - Pesticides Inspection – MAPA  
CURITIBA – PR – Brazil [marcelo.bressan@agricultura.gov.br](mailto:marcelo.bressan@agricultura.gov.br)

**FERNANDO HENRIQUE MARINI**

Manager - National Union of the Crop Protection Products Industry (SINDAG)  
SÃO PAULO – SP – Brazil [fernando@sindag.com.br](mailto:fernando@sindag.com.br)



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**Presentation 6**  
France  
Maurice Boureau

**National Brigade for Veterinary and Phytosanitary Investigations**  
B.N.E.V.P.  
Ministry for Food, Agriculture and Fisheries  
FRANCE

**Investigations on counterfeit and illegal Plant Protection Products in France and new thoughts about the Means of fighting**

Seminar  
Risk Reduction through Prevention, Detection and Control  
of the Illegal International Trade in Agricultural Pesticides

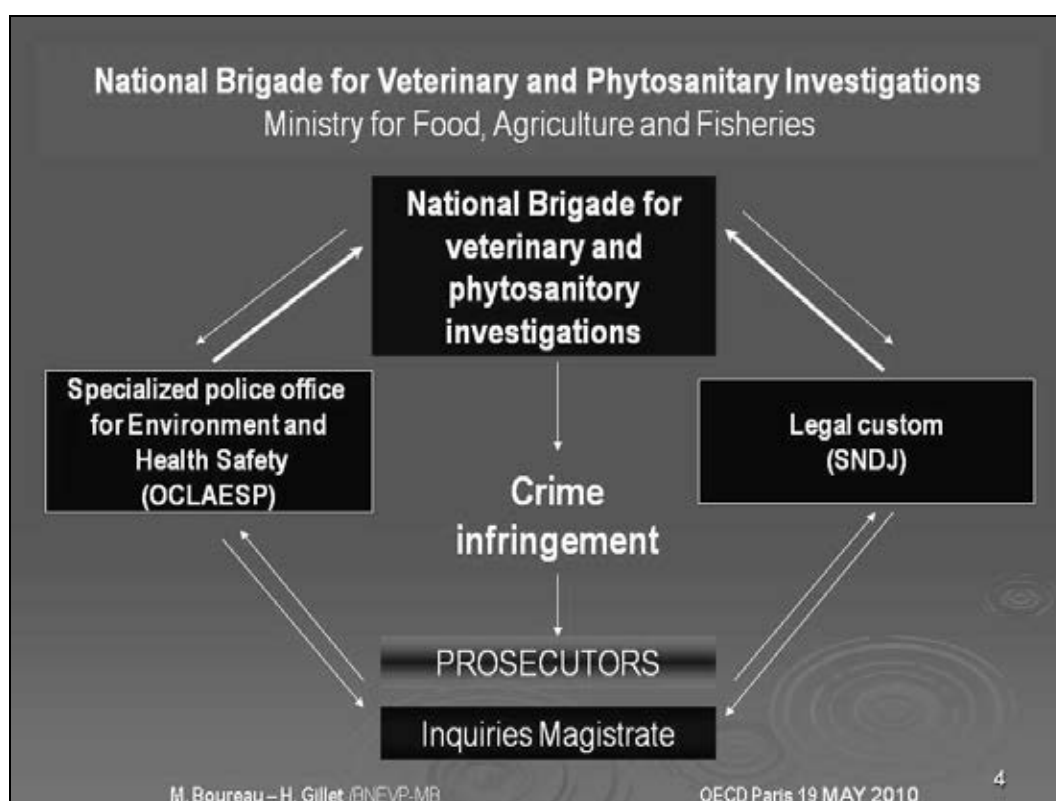
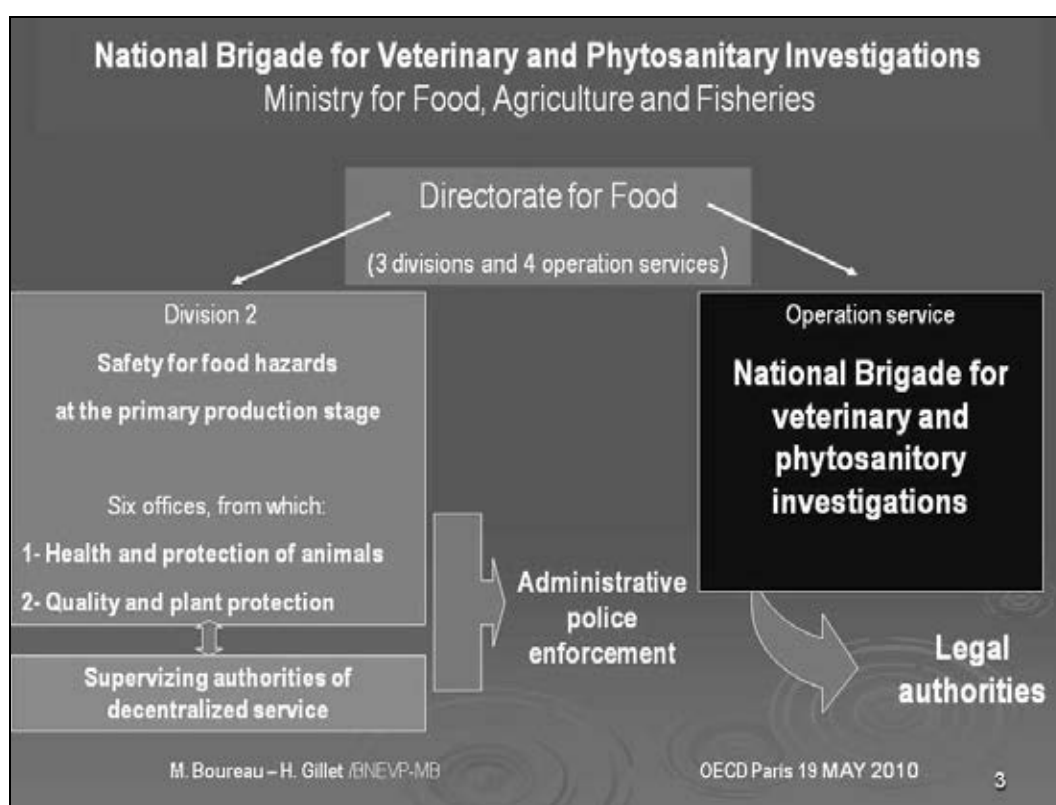
PARIS, Wednesday 19 May 2010  
OECD

M. Boureau – H. Gillet /BNEVP-MB 19 MAY 2010 1

**National Brigade for Veterinary and Phytosanitary Investigations**  
(BNEVP – Manager: C. COLLINET)  
Ministry for Food, Agriculture and Fisheries

« Its task is to manage investigations with the aim of fighting against organized crime in veterinary and phytosanitary health field . It also provides technical support to the Directorate for food, the regional sanitary control services or the legal authorities »

M. Boureau – H. Gillet /BNEVP-MB OECD Paris 19 MAY 2010 2



**National Brigade for Veterinary and Phytosanitary Investigations**  
Ministry for Food, Agriculture and Fisheries

- Counterfeiting of registered trademark: product which has been deliberately and fraudulently labeled, thus misleading on its identity (or its producer).
- counterfeiting of the active ingredient and formulation of the products

ALL KIND OF PRODUCTS CAN BE AFFECTED

Branded Products

Generic products

Or parallel import products

***Illegal and counterfeit products are often marketed as parallel import products, which is a EU simplified procedure used by importers for placing their products on the market of the EU importing country where an authorization already exists***

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**MEANS OF FIGHTING AGAINST COUNTERFEIT PRODUCTS AND ILLEGAL TRADE**  
Ministry for Food, Agriculture and Fisheries – DGAL/BNEVP

**Who are the approved holders of authorized imported products in FRANCE?**

- Companies which market only imported products in several EU countries. They are registered in Germany, Belgium, Austria, Luxembourg and have organized networks out of the EU
- Some French distributors which sell only on the domestic area

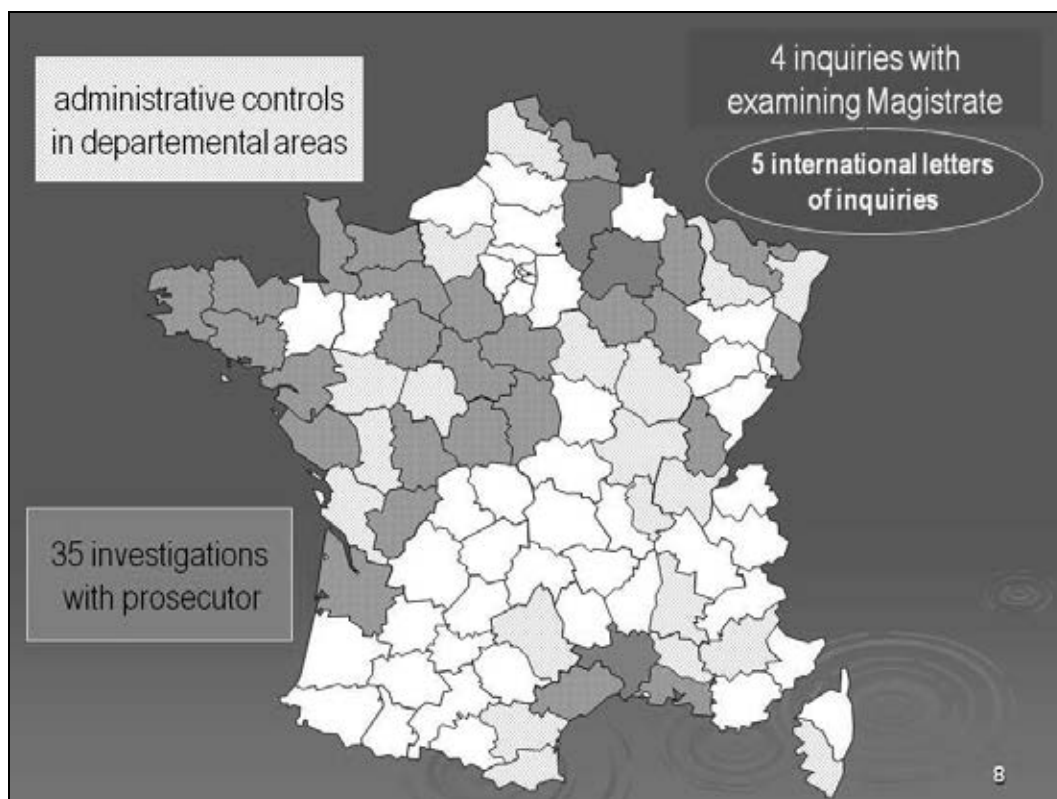
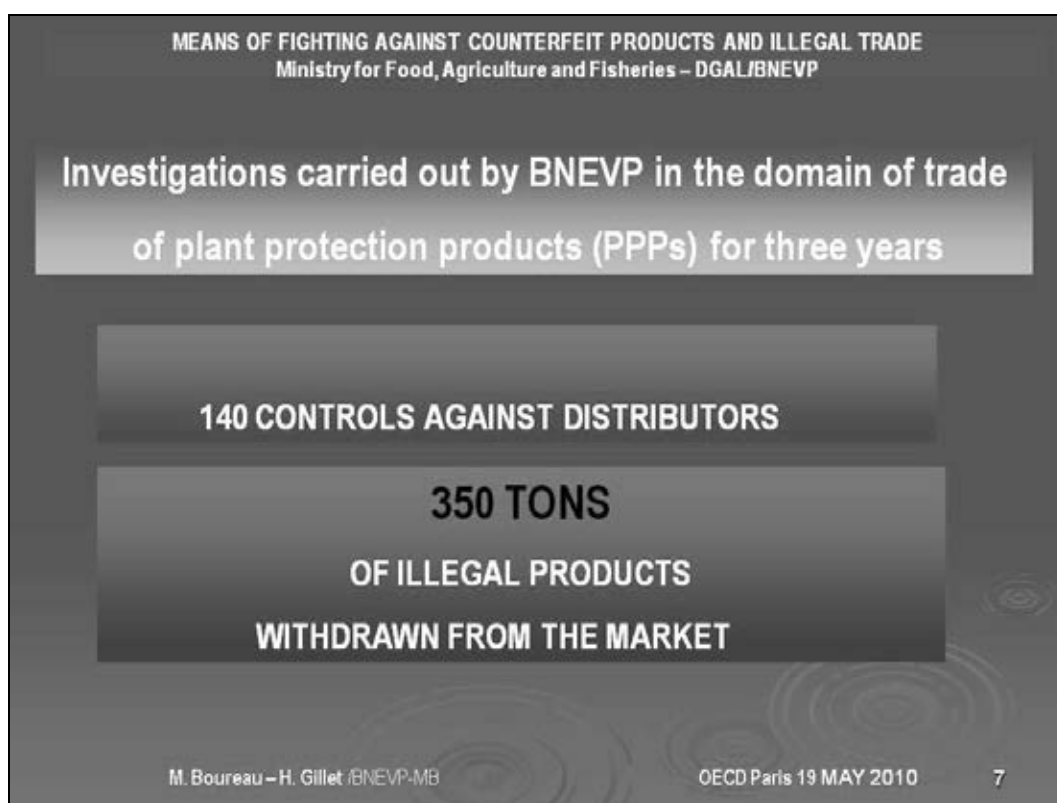
**Who are the buyers?**

- Wholesalers who sell to exclusive networks of distributors
- Some individual distributors in direct business

**Who sales to final users?**

- All distributors which want to increase profit margin

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**One investigation out of all → 95 tons in 2008**



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**In 2009, 120 thousand liters of counterfeit glyphosate based product were seized; Legal and custom based investigations are being conducted in various European countries in 2010**



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## Detected illegal parallel import products → the results of the investigations

### Packaging and labelling

- Re-packaging of pesticides which did not go through health safety administrative control
- Counterfeit of the trademark label
- Indications of the name of the origin manufacturer on the parallel import PPPs single label even though the product is fake.

### Chemical content

- Insecticide instead of fungicide
- Unidentified substances or lack of active substance
- Impurities and by-products or solvent above standard
- Composition similar to original product (minor difference in impurity levels) = high quality counterfeits

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## INSECTICIDE INSTEAD FUNGICIDE

Reference product

=ROVRAL

A.S. = 53% iprodione

Identify impurities = 0.005

unidentify impurities =  
retention time 9,27min

Illegal product:

(fungicide)

A.S. iprodione = 0 %

(insecticide)

A.S. pyrimicarbe = 45%

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### SOLVENT ABOVE STANDARD

Référence Product:	Illegal Herbicide:
A.S. = 104 g/l	A.S. = 104 g/l
Naphtalène : 0,154%	Naphtalène : 4,77%
Polyéthylène glycol d'alkylphenol : 2,98%	Polyéthylène glycol d'alkylphenol : 0,78%
Stickiness : +++	Stickiness : +
Moisture content: ++	Moisture content: +

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### CONSEQUENCES

#### Health hazards

Référence Product :	Illegal Product :
Xn R36 R48/22	Xn <b>cat 3 R40</b>

Safety precautions for the user are under-evaluated and do not appear on the label

#### Environmental hazards

Naphtalène	>1%	Classement N
------------	-----	--------------

#### For treatments implementation

Variation in terms of viscosity and humidity can affect the product's quality and performance

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### Example of repackaging of IP products with a fake pesticide



### Example of a glyphosate based product

This import parallel product is authorised to import a product from the north of EU. Drums which we found on the market are sometimes single labelled but often double labelled: label of original manufactured product and label of the import parallel product (trade name)



Single label of import parallel product

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Double label

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**VARIETY of BATCH NUMBER SORTS**

**INKJET MARKED BATCH**

- .....438507 SEQ 1132 D.O.M. 21-MAY-08  
The only one confirms by the manufacturer →
- ..... 190/06/08 D.O.M 06/08 D.O.E 06/2010
- ..... 256/08/08 D.O.M 08/08 EXP. 08/2010
- ..... 90412 D.O.M 09/09 DEX. 09/2011
- 15/06/2008 02:32

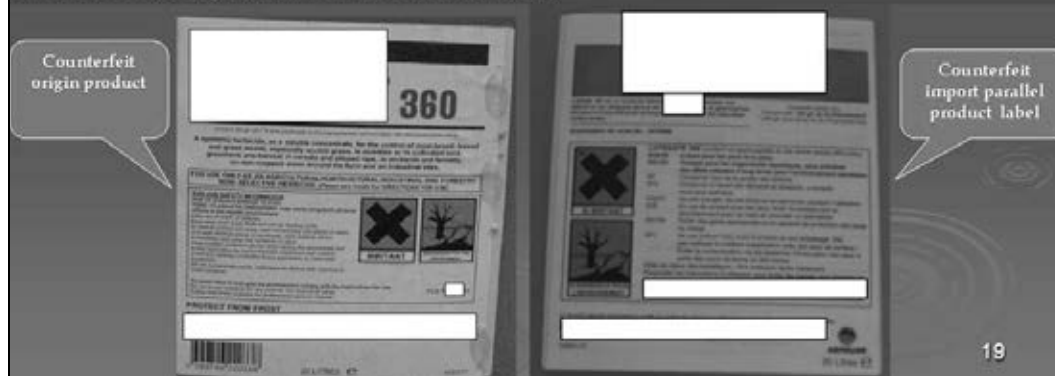
**BATCH NUMBER STICKER**

18

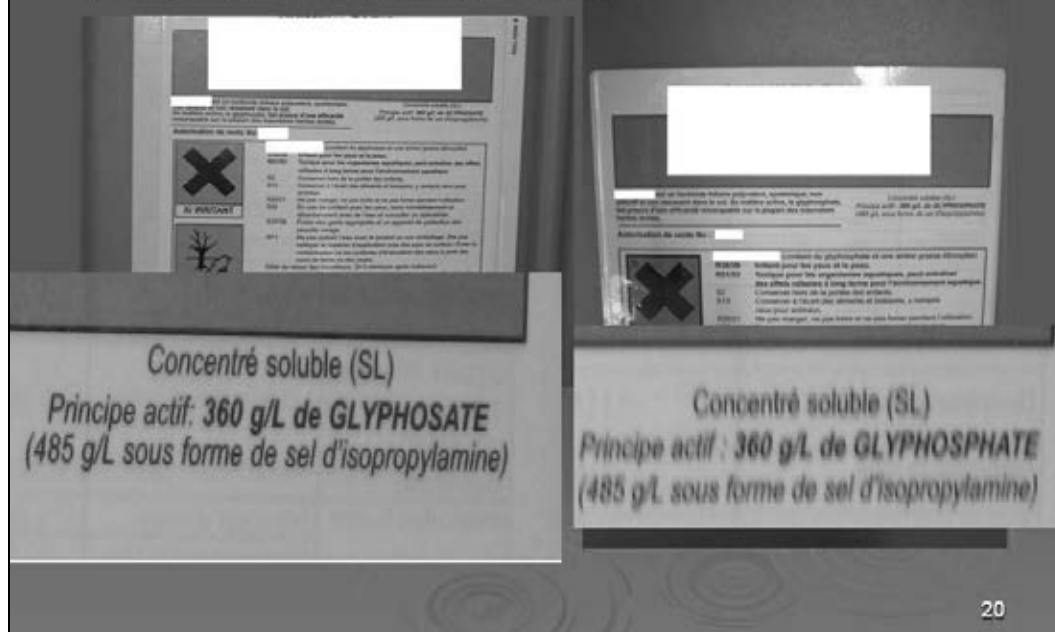
## Three additional infringements have been noticed during this inquiry:

**First, a common one:** The parallel import product is authorized for importing products from several EU countries where they are registered. But, to increase margin profit, the importers buy on the market a product from another EU country, which is not exactly the same (impurities, concentration, co-formulants ...)

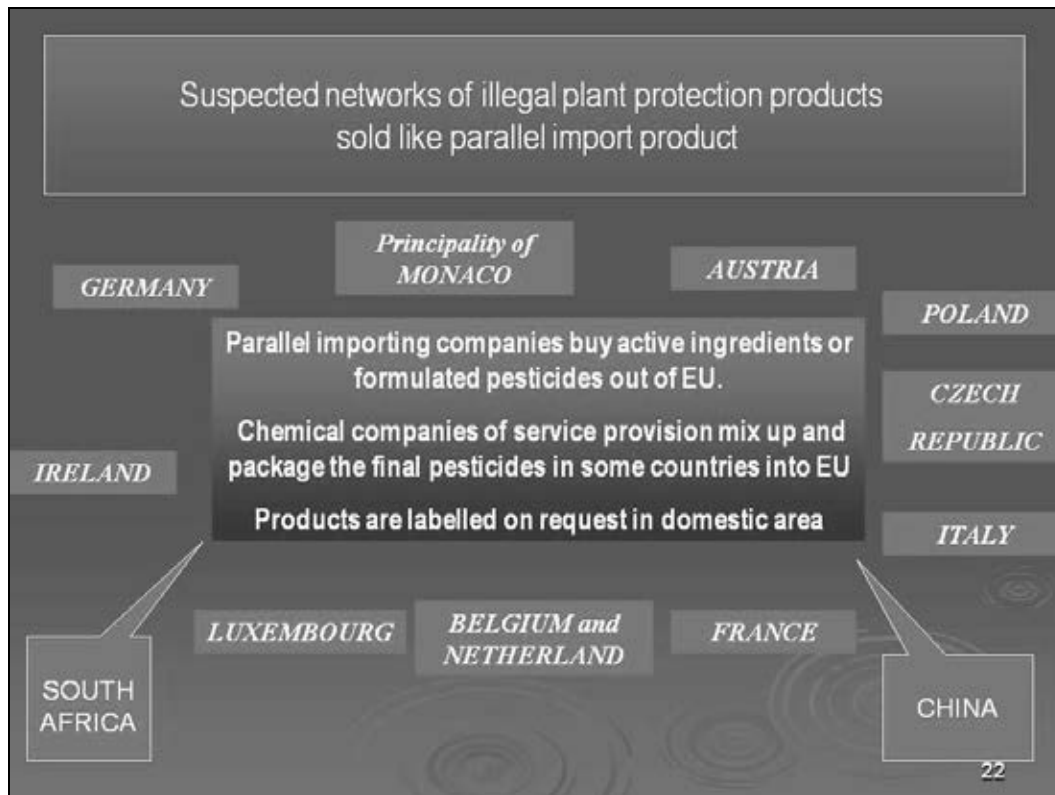
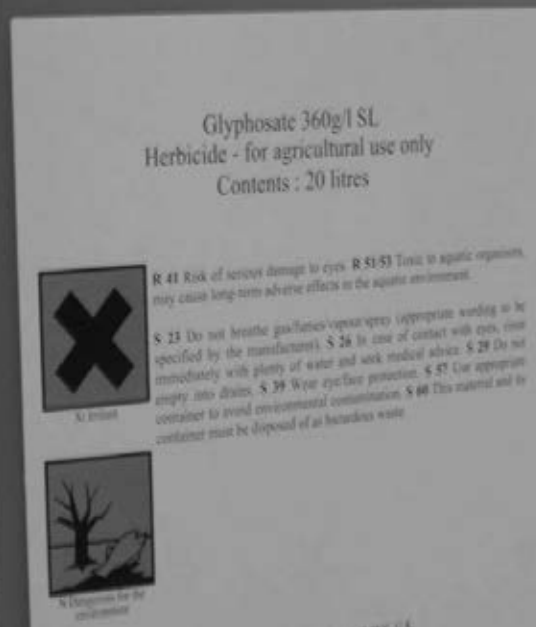
**Second :** counterfeit the import parallel label so that both labels on the double labelling drums are counterfeited;

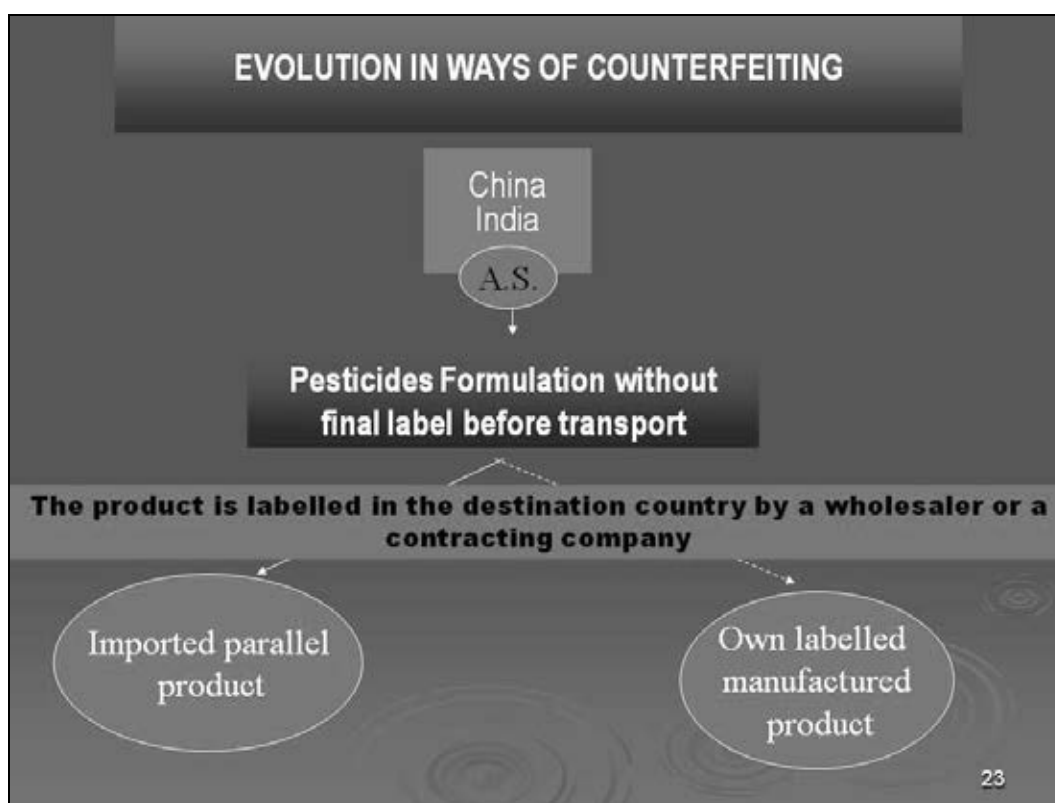


**The counterfeit of the import parallel label is smaller and is written with different block letters. It even displays spelling mistakes like "glyphosphate" instead of « glyphosate »**



*Third: The product which is sometimes formulated in Europe by a chemical manufacturer is packaged without a standard label, just showing the name of the active substance. Labelling operations are done mostly on demand in the country of destination for example during a stop in the transportation company warehouse.*





**Future undertakings for control improvement in EU**

- Improve the control tools : continuous update database of PPPs ( and parallel import PPPs) in each member state of EU with the same standard data
- Regular meetings with representatives of competent authorities to establish cooperation and get more effective exchange of informations about counterfeit
- harmonize the administrative and financial sanction in case of infringements
- Further development of the administrative inspections:
  - Controls towards final users, focusing mainly on buying groups or associations of buyers
  - Controls toward wholesalers and logistic transport warehouses
  - Increased level of information to the distributor

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## **Practical means for better fighting counterfeit and illegal trade**

- **No repackaging awaiting the improvement of traceability in trade and require the origin manufacturer label on the package**
- **Ban the batch number stickers and require an inkjet batch on the drum**
- **Print the batch number of the origin product on the supplier invoice**
- **Plan a post-registered survey on PPPs chemical content**
- **Introduce a more effective anti-counterfeit protection by industry**

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OECD Paris 19 MAY 2010

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### **Seminar**

**Risk Reduction through Prevention, Detection and Control  
of the Illegal International Trade in Agricultural Pesticides**

**PARIS, Wednesday 19 May 2010**  
*OECD*

**THANK YOU FOR YOUR ATTENTION**

**maurice.boureau@agriculture.gouv.fr**  
**Phone: +33 673670935**  
**herve.gillet@agriculture.gouv.fr**  
**Phone: +33 673670937**

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**Presentation 7**  
European Commission  
Jürgen Helbig



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**Provisions related to exports of chemicals  
in the European Union arising from  
implementation of the Rotterdam Convention**

**Jürgen Helbig**  
European Commission  
DG Environment

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RRSG Seminar on Risk Reduction through Prevention, Detection and Control of the Illegal  
International Trade in Agricultural Pesticides – 19 May 2010 – OECD, Paris, France

1



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**Content**

1. Obligations under the Convention
2. Responsibilities in the EU
3. Chemicals
4. Provisions on exports
5. Provisions on imports
6. Controls
7. Monitoring and reporting

---

RRSG Seminar on Risk Reduction through Prevention, Detection and Control of the Illegal  
International Trade in Agricultural Pesticides – 19 May 2010 – OECD, Paris, France

2

## Rotterdam Convention

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Key trade related obligations are:

- Exporting Parties shall notify importing Parties the export of banned or severely restricted chemicals.
- All Parties shall establish import decisions for chemicals listed in Annex III to the Convention.
- Exporting Parties shall ensure compliance of exporters with the import decisions.

## Regulation (EC) 689/2008

---



Regulation (EC) No 689/2008 of the European Parliament and of the Council concerning the export and import of dangerous chemicals implements the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade  
(OJ L 204, 31.7.2008, p. 1-35)

## Regulation (EC) 689/2008 – Responsibilities in the EU



### *European Union*

- European Commission is common DNA for EU, working in close co-operation with DNAs of Member States.
- European Commission manages the database EDEXIM.
- The European Commission establishes PIC notifications in consultation with and also on behalf of Member States.
- European Commission co-ordinates EU participation at international level (e.g. CoP, CRC etc.).

### *Member States*

- Each Member State has a Designated National Authority (DNA) responsible for implementation, e.g. processing of export notifications and requests for explicit consent.
- Customs are responsible for export/import controls.

## Regulation (EC) 689/2008 – Chemicals



### Chemicals covered:

- Chemicals that are banned or severely restricted (BOSR) in the European Union
- Chemicals that are listed in Annex III to the Rotterdam Convention

➤ The Regulation establishes subcategories of “convention use categories” so as to cover more chemicals

## Regulation (EC) 689/2008 – Chemicals



The Regulation differentiates 3 categories of chemicals:

- Chemicals banned or severely restricted (BOSR) in a subcategory of a convention use category (Annex I Part 1)
- Chemicals banned or severely restricted (BOSR) in a convention use category (Annex I Part 2)
- Chemicals included in Annex III of the Convention (Annex I Part 3)

## Regulation (EC) 689/2008 – Provisions on exports



Lists of chemicals and obligations:

- Annex I Part 1 - chemicals subject to export notification (BOSR within the EU in at least a use subcategory)
- Annex I Part 2 - chemicals subject to the explicit consent procedure (BOSR within the EU in a Convention use category)
- Annex I Part 3 = Annex III of Convention, i.e. chemicals subject to the PIC procedure

## Regulation (EC) 689/2008 – Provisions on exports



### The export notification

- Requirement applies to chemicals in Part I of Annex I exported to any country and irrespective of use.
- Annual notification by each exporter before first export of a chemical (information as per Annex II). Notification from the first exporter each year forwarded by Commission.
- Central register of notifications on EDEXIM.

## Regulation (EC) 689/2008 – Provisions on exports



### The explicit consent procedure

- is applied for all chemicals that are banned or severely restricted (BOSR) in a convention use category (Annex I Part 2),
- is applied for all PIC chemicals for which no import decision from the importing country is published (Annex I Part 3),
- requires the explicit consent of the importing party before the export can take place.

## Regulation (EC) 689/2008 – Provisions on imports

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- The European Commission adopts decisions to establish EU import responses for chemicals subject to PIC procedure on basis of existing EU legislation.
- If necessary, consideration of EU measures to deal with risks presented by chemicals concerned on the basis of the DGD distributed by the Secretariat.
- European Commission receives export notifications from third countries and informs Member States and publishes them on EDEXIM.

## Regulation (EC) 689/2008 – Controls

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- Authorities in Member States such as DNAs and customs offices are responsible for controlling and monitoring exports and imports of chemicals listed in Annex I.
- Targeted and co-ordinated control of compliance, with regular reporting by Member States.

## Regulation (EC) 689/2008 – Controls



### Tools for the control of exports:

- Reference Identification Number (RIN)
- Customs declaration
- EDEXIM (European Database Export Import of Dangerous Chemicals)
- TARIC (Integrated Community Tariff) database - flagging for custom officers who then can check in EDEXIM database.

## Regulation (EC) 689/2008 – Controls



### The Reference Identification Number (RIN)

- is assigned for each export of a chemical in Annex I upon introduction of the notification in EDEXIM,
- will be activated if all requirements are met,
- has to be provided on the customs declaration,
- is used by custom officers for checking the approval status of the export in EDEXIM database.

## Regulation (EC) 689/2008 – Monitoring and reporting

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- Exporters and importers to provide annual reports on quantities of chemicals traded.
- Member States to forward annual national reports to European Commission, which publishes an overall summary on EDEXIM.

## Regulation (EC) 689/2008 – Information

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Exhaustive information on implementation,  
legal aspects and chemicals  
is available at:

[http://ec.europa.eu/environment/chemicals/pic/  
index.htm](http://ec.europa.eu/environment/chemicals/pic/index.htm)

<http://edexim.jrc.ec.europa.eu>





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Thank you very much  
for your attention!


**Presentation 8**  
CropLife International  
D'Arcy Quinn



**Counterfeit & Illegal Pesticides  
smuggling**

**caused by unregulated international trade**

Solution:  
Customs and Pesticide Regulators working together  
within countries  
between countries



## False statements in pesticide documents

What should pesticide regulators do?

Withdraw registrations?

What should customs do?

Seize product?

Smuggling?



## International shipping - customs

### Crisis at import - pesticide documents

**Issue:** No links between export & import documents for pesticides

**Solution:** Link shipping documents (export to import)

Import customs need to know if the active ingredients / pesticides are:

- legal
- registered
- what is stated on the import documents (!)
- from legal exporters
- from legal factories
  - Registered with ICAMA

**SUPPORT ICAMA regulations and database!**



## Pesticide regulators

### Crisis: "Fake factories" making pesticides

**Issue:** Factories don't always exist

**Solution:** Transparency in regulatory documents

Do the regulators know the AI manufacturer?

- Factory registered with ICAMA?
- Do regulators inspect the factories?

**Support ICAMA regulations and database!**



## Responsibility

Who are the “Counterfeiters”?

Who is primarily responsible (liable) for counterfeit?

The actual Counterfeiters (obvious!)

Are they the only persons responsible?



## Responsibility

Exporters of active ingredients to counterfeiters

Exporters: ‘We didn’t know dealing with counterfeiters!’  
‘Not our problem’  
And exporters continue to ship AI to counterfeiters.

Issue: ‘Knew or Should Have Known’ exporting to counterfeiters?

Exporter Solution: Know Your Customer – do not ship to counterfeiters

Legal trend of third party liability for counterfeits:

e-Bay cases  
Tourists in airports  
Bankers  
Cigarettes  
Landlords  
Exporters of components for counterfeits?

Who will pay for storage and destruction costs of counterfeit pesticides and AIs?



## Educate and work with exporters – Shanghai Export Fairs

### 'Know Your Customer'

Initiate KYC program in China with exporters

Do not ship AI to counterfeiters in other countries

Government support from ICAMA

AI exporters might be responsible for:

- Storage/destruction costs
- Reputation damage to exporting country
- Potential arrest and prosecution



## How to avoid shipping AI to counterfeiters

### 了解您的客户

问题：贵国的制造商、出口商是否了解其出口产品的最终用户？  
 在出口前，制造商或出口商是否了解其产品的最终用户？  
 出口商、制造商是否了解其产品的最终用户？  
 出口商、制造商是否了解其产品的最终用户？

对策：出口商、制造商了解其客户  
 通过与客户沟通，了解其客户，出口商、制造商应了解其产品的最终用户。  
 客户是否了解其产品的最终用户？  
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 客户是否了解其产品的最终用户？

由于不了解客户的产品信息，可能会导致出口公司以及中国出口企业的良好声誉造成严重影响。

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图1：出口商、制造商了解其客户



图2：出口商、制造商了解其客户



图3：出口商、制造商了解其客户

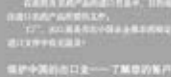


图4：出口商、制造商了解其客户

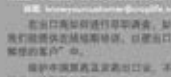


图5：出口商、制造商了解其客户



图6：出口商、制造商了解其客户

### 上海展会，请了解您的客户 Shanghai Fair, Know Your Customer

出口商，请警惕目的地的制假商  
Exporters Beware of Counterfeiters in the Destination Country



Paraguay –  
First raid of illegal pesticide factory by  
regulators and police April 9, 2008



Paraguay - April 9, 2008



## Paraguay - April 9, 2008



## Paraguay - Raid, April 9, 2008



## Paraguay – customs action

Seizure: 16,000 Liters Glyphosate 41%, Port of Villeta

19 Nov 08

- ✓ Container contents fraudulently declared as Imidazole
- ✓ Seizure conducted by the Unidad Tecnica Especializada (UTE)

### Facts:

- EXPORTER
  - Registered exporter in ICAMA, NOT manufacturer
  - Commercial invoice NOT authentic
  - EXPORTER website advertises the sale of Glyphosate
  - EXPORTER participated in the Shanghai Export fair

Issue: Who falsified the shipment documentation?

Answer: The importer



## Paraguay – customs seizure of illegal AI





## Paraguay



## Paraguay



## Paraguay –media coverage

44 Años de  
diario  
Interior

**Decomisan 16.000 litros de productos químicos ingresados de contrabando**

*Elitros de la Unidad Técnica Especializada decomisaron un contenedor con 80 toneladas que contenían agroquímicos contrabandeados. La carga ingresó por el puerto de Villota y se trataba de glifosato, un herbicida utilizado principalmente en la producción de soja.*

**SENER** **Alfredo E. Ruiz Díaz**, comandante de la Unidad Técnica Especializada (UTE) de la Policía Nacional, informó que se decomisaron 16.000 litros de productos químicos ingresados de contrabando por el puerto de Villota. La carga, que ingresó por el puerto de Villota, se trataba de glifosato, un herbicida utilizado principalmente en la producción de soja.

Los agentes de la UTE, al momento de realizar el control, se dieron cuenta de que la carga no correspondía a la que se había declarado en los documentos de importación. Al realizar el control, se encontró que se trataba de glifosato, un herbicida utilizado principalmente en la producción de soja.

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ULTIMA HORA

**Decomisan carga ilegal de agroquímicos chinos**

Un cargamento de 36 mil litros de glifosato fue incautado por una operación policial. Los documentos declaraban el transporte de arroz, pero tras la verificación se constató que era el producto el más arriesgado.

Los agentes de la UTE, al momento de realizar el control, se dieron cuenta de que la carga no correspondía a la que se había declarado en los documentos de importación. Al realizar el control, se encontró que se trataba de glifosato, un herbicida utilizado principalmente en la producción de soja.

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## Paraguay – customs action

### Azoxistrobina (AZ) Disguised as Precursor Chemical 25 Nov 08

- ✓ Information received from government pertaining to a suspect shipment.
- ✓ Declared as (E)-2-(2-(6-Chloropyrimidin-4-Yloxy)Phenyl)-3-Methoxyacrylate, but suspected to contain AZ.
- ✓ Retention of product carried out by Prosecutor.
- ✓ According to "lab test" chemical was NOT AZ, but precursor chemical which requires no ICAMA or regulatory authorization.

#### Facts:

- Exporter listed in the internet as a clothing and shoe manufacturer, sent product to Paraguay by air via Miami.
- Commercial Invoice issued but companies do NOT exist.
- Sharp increase in counterfeiting of AZ related product thereafter!

## Paraguay – customs action


### Multi-Container Seizure

16 Dec 08

- ✓ Three containers seized following departure from the Port of Villeta, product imported by XXX without pesticide regulatory authorization.
- ✓ Containing: 23,520 kilos of **Methomyl 90%**, 3,500 kilos of **Flutriafof 80%**, and 1,000 kilos of **Imazethapyr 70%**
- ✓ Seizure conducted by the Unidad Tecnica Especializada (UTE)

Facts:

- NO exporter or shipper declared on shipping documentation
- Three manufacturers listed on packaging:
  - **TaiAn Tianyi Chemical Co. Ltd, China Continental** (Methomyl)
    - NO ICAMA registration
  - **Shangyu Nutrichem Co. Ltd., China Continental** (Flutriafof)
    - NO registrations in ICAMA for Flutriafof
  - **Pilot Plant of Shenyang Research Institute of Chemical Industry, China Continental** (Imazethapyr)
    - NO ICAMA registration



## Paraguay - seizure



## Paraguay – examples of illegal pesticides seized Destined for Brazil



## Paraguay



## Paraguay –media coverage

48  
Jueves 18  
de diciembre  
de 2008

**Interior**

**abc**

CARGA ESTARÍA VALUADA EN MÁS DE 500.000 DOLÁRES

### Habrían falsificado documentos para el ingreso de los agroquímicos

Cerca de 30.000 kg de agroquímicos habrían ingresado a nuestro país, mediante la utilización de documentos falsificados. La carga está valuada en más de 500.000 dólares, según denunció la fiscalía de Villeta, Miria.

**VILLETA (Higinia Ruiz Díaz, correspondiente).** El certificado de autenticidad de los productos de plaguicidas, presentados por la empresa Agroquímica del Paraguay S.A., ingresados al país, sería falsificado, según denunció la fiscalía de Villeta.

Saber que de los representantes de los tres municipios por falsificación del Servicio Nacional de Calidad y Sanidad Vegetal y de Sanidad Animal y la Unidad Técnica Especializada (UTE), el nuevo sistema de control de la autenticidad de los productos, se está en proceso de implementación, según la fiscalía, que ayer se realizó la carga en el puerto de Villeta.

Según se explicó, los documentos presentados por la empresa Agroquímica del Paraguay S.A., ingresados al país, serían falsificados, según denunció la fiscalía de Villeta.

Agustín, además, que la nueva ley de control de la autenticidad de los productos, se está en proceso de implementación, según la fiscalía, que ayer se realizó la carga en el puerto de Villeta.

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CATEGORÍA DE DOCUMENTOS DE IMPORTACIÓN

### Decomisaron anoche cerca de 30 mil kilos de agroquímicos en Villeta

**VILLETA (Higinia Ruiz Díaz, correspondiente).** Cerca de 30 mil kilos de agroquímicos fueron decomisados anoche en esta ciudad por personal de Urdulaz y Senasa. La carga que pertenece a la empresa Agroquímica "Del Paraguay S.A.", fue valuada en 500 mil dólares americanos, según la fiscalía interviniente Miria Rivas.

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El agente de fiscalía Miria Rivas, quien ingresó a la fiscalía de Villeta, se encuentra con la carga de agroquímicos que fue decomisada anoche en esta ciudad.



## International trade

How to avoid AI being shipped to counterfeiters

### EXPORTERS

→ Know Your Customer

### IMPORTERS

→ Shipping documents correct?

### REGULATORS

→ Fraud in registration documents?

### CUSTOMS

→ Verify shipping documents

→ Work with pesticide regulators



## EU imports of counterfeit pesticides

Lessons learned from Paraguay

Pesticide Documentation

European Union  
Case study  
January 2010



EU

- Hungarian customs
- German customs
- German BWA (Plant Protection)
- German Harbour Police
- Slovenia customs
- Lithuanian customs, police
- EUROPOL

US

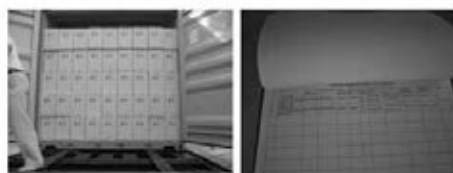
- Homeland Security

27 

28th March 2009

Truck carrying counterfeit  
cigarettes entering Hungary

Truck followed to warehouse

All shipments seized and found to  
comprise of counterfeit pesticides

Documentation shows:

Product shipped by  
Shenzhen RRRRR, . Ltd (China)Product shipped on behalf of  
TRADECRAFT (Panama)Destination Customs warehouse,  
Hűreghaza (Hungary)Numerous previous shipments  
identified28 

9<sup>th</sup> April 2009

Budapest Airport 5:30 am



Hainan Airlines HU 481 arrives from Beijing



Airport Customs  
discover

COUNTERFEIT  
PESTICIDES






Corresponding  
documentation:

Schenzhen RRRRR

FALSE:  
Consignees  
Descriptions  
Panama?!



Invoice shows:

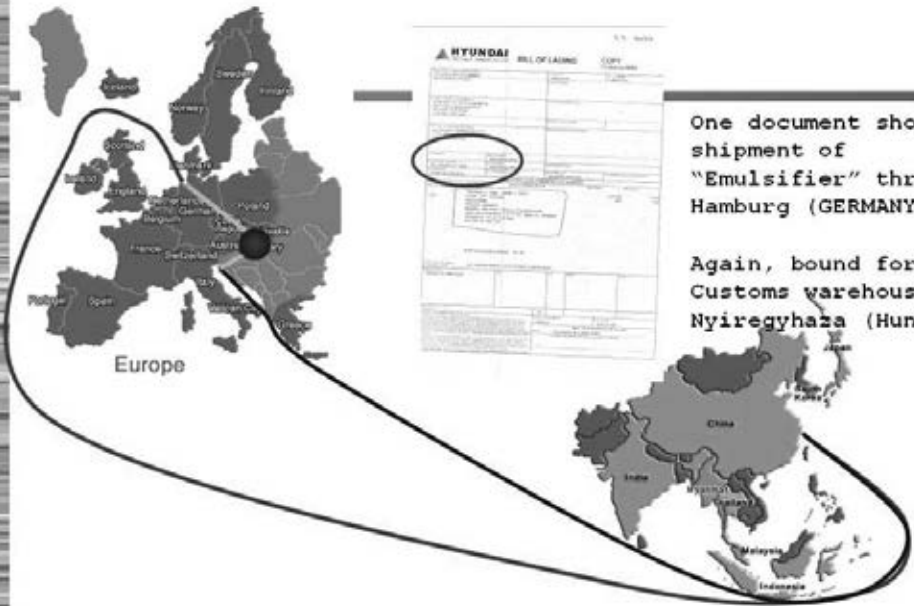
Product shipped by  
Shenzhen RRRRR Co.,. Ltd  
(China)

Product Shipped on behalf  
of TRADECRAFT (Panama)

Destination Customs  
warehouse, Nyiregyhaza  
(Hungary)

"EMULSIFIER" now known to  
be counterfeit pesticides

33



One document shows  
shipment of  
"Emulsifier" through  
Hamburg (GERMANY)

Again, bound for  
Customs warehouse in  
Nyiregyhaza (Hungary)

34

From documents: total known shipments of  
"emulsifier" only through Koper port:  
283 tonnes (not seized!)



35

March/April 2009

Counterfeiters change  
routes

Three containers arrive  
at Koper but are re-  
routed via ports in  
Italy to Ukraine



36

Ukraine Seizure  
July 11<sup>th</sup> 2009

3 Containers

COUNTERFEIT PESTICIDES

Used on food chain  
in Ukraine?

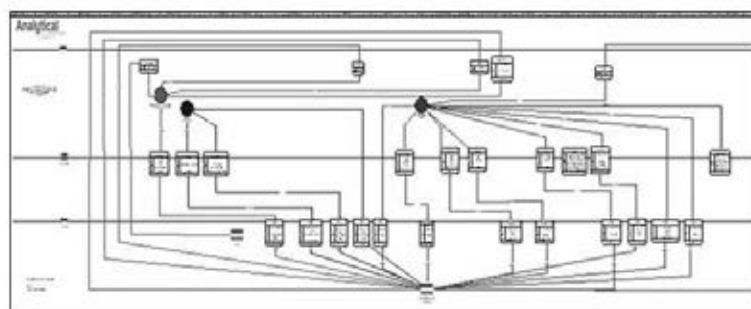
Export crops?



37

All "known" shipments to EU May 2008 - May 2009

17 individual consignments tracked



38

Exporter of counterfeit pesticides to the EU  
identified in Shenzhen, China:

Mr. XXXXX

Manager Shenzhen RRRRR Trading Co., Ltd. since November  
2008

Previous employee of Shenzhen MMM Co.

**Procurement Agent and Exporter**

39 

26 June 2009

Mr. XXXXX, exporter of counterfeits states:

- He hides the "real" pesticide name
- He fully deals with customs to prepare  
for fake export license/documents

**"Even if it was found  
by customs, I can  
solve these problems  
by paying officials  
RMB 2000 - RMB 5000  
for each container".**


40 

Shenzhen RRRRR Co., Ltd


XXXX  
XXXX  
XXXX  
XXXX

Futian District  
Shenzhen City  
China

Run by Mr. XXXXX




Procurement and export

41 

**Europol meeting**  
**Dec 15, 2009**  
Documentary evidence provided

Europol issue emergency "notification"

42 

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**Jan 4, 2010**  
Hamburg seizure

**24 tons** of counterfeit pesticides

Three containers


43 

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**Shipping documents show:**

**Three containers of counterfeit pesticides**  
**exported from China by one company:**  
**Shenzhen MMMM**

Prior employer of Mr. XXXXX

44 



### Questions for customs and regulators:

What should be done if documents, companies, and people do NOT exist?

Stop import?

Cancel pesticides registrations?

### DANGER - **HEALTH AND SAFETY!**

not just "trademark counterfeiting"

example: counterfeit pesticides –  
re exported from Germany!



## Next steps in prosecution?

Counterfeiters from China to EU have been identified.

What are the police, authorities, and regulators doing in the follow up of these identified counterfeiters?



## New EU risk looks like Paraguay!

Counterfeiters will now ship only AI

Counterfeit packaging will be shipped separately

Solution: ICAMA database on exporters available to customs and regulators?

Solution: Should documents from export to import follow the AI and pesticides?

