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Preventing illegal trade of pesticides throughout the pesticide life-cycle

IOMC Webinar, 29 March 2021
Beatrice Grenier, FAO





Change of focus – from illegal pesticides to illegal trade

- Broader definition, which allows to apply similar approach, while investigating different type of crimes
- Trade operations are illegal if they match at least 1 of 3 criteria:
- **Any illegal pesticide business aims to sell its products through legitimate supply chains**



**GOODS ARE
ILLEGAL**



**TRADE METHODS
ARE ILLEGAL**



**GOODS ARE PLACED ON
ILLEGAL MARKETS**





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Illegal trade in agrifood sector – Threat to Food Security, Safety and Sustainable Development



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Pesticide illegal trade – Threats and risks to Global Food Safety and Security

Food security, safety and sustainable food production

- *Low effectiveness caused by poor quality products and resulting increased crop yield losses*
- *Growing number of cases of unknown chemicals' residues (EU RAS) – rejections on export consignments*
- *Issues with traceability along whole food chain*

Possible impact on health of professional and non-professional users

- *Misdiagnosis by health-care providers*
- *Lack of readily accessible health care and special antidotes in rural areas*



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Pesticide illegal trade – Threats and risks to Global Food Safety and Security

Risks for Environment

- *Contamination of soils, surface and ground waters*
- *Dangerous impacts on biodiversity*

Economic damages

- *Serious damages to the farmers (crop safety)*
- *Reputational and financial losses of the legal pesticide manufacturers*
- *Significant growth of crop insurance costs*
- *Government loss on unpaid taxes*



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Illegal pesticide trade is an **international** issue (imports)

Import under another HS Code or Group (ex.: veterinary drugs instead of patented insecticide)

Documents forgery or adulteration (ex.: change of the documents on board; presentation of fake Certificates in transit entry points; MSDS doesn't comply with dossier)

Long logistic chains

Standard smuggling methods (ex.: disguise; splitting container into small batches; change of weight)

Cross-border trade (with possible consolidation of goods)

Mislabeling (no labels; small labels; wrong labels; labels with incomplete information)
→ uncertain/unguaranteed quality

Online marketing



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This is the name of the Conference





Illegal pesticide trade is also a **domestic** issue (sales and production)

Mislabeling (no labels; small labels; wrong labels; labels with incomplete information)

Online marketing

Production of illegal formulated products from legally imported active ingredients

In-country relabeling or repackaging

Illegal replacing of the seized stocks into the market (ex.: disappearance of seized stocks from the temporary storages)

Re-use of original empty containers, including refilling with obsolete pesticides

“Garage” blending and concentration decrease

Poor quality and low efficacy





Illegal pesticide trade is a **multi-stakeholder** issue

STAGE OF LIFE CYCLE	TYPE OF ILLICIT PRODUCT	KEY STAKEHOLDERS
Registration	<ul style="list-style-type: none"> Counterfeit pesticides Substandard pesticides 	Corrupt State officials responsible for: registration, patent check relevant tests
Production (domestic)	<ul style="list-style-type: none"> Counterfeit pesticides Substandard pesticides 	Irresponsible registered pesticides manufacturers Unregistered chemicals blenders (informal sector) Importers of improper active ingredients Illegal waste management companies (empty containers) Distributors , intentionally purchasing illicit products Irresponsible packaging manufacturers and printing houses Corrupt or inexperienced tax authorities Corrupt and/or inexperienced law enforcement Banks or other money transfer systems (informal sector)
Import	<ul style="list-style-type: none"> Counterfeit pesticides Substandard pesticides Banned pesticides Restricted pesticides 	Transnational organized criminal groups Corrupt or uninformed or inexperienced customs officers Importers Logistics companies Banks or other money transfer systems
Distribution	<ul style="list-style-type: none"> Counterfeit pesticides Substandard pesticides Banned pesticides Restricted pesticides 	Illegal producers or importers Distributors Banks or other money transfer systems Corrupt or inexperienced agronomists and extension services Farmers
Application	<ul style="list-style-type: none"> Counterfeit pesticides Substandard pesticides Banned pesticides Restricted pesticides 	Farmers Illegal distributors Corrupt or inexperienced agronomists and extension services Corrupt or inexperienced soil care inspectorate officers Illegal waste management companies (empty containers)





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Illegal pesticide trade is a **global** issue

"The problems of counterfeit products and illegal trading are widespread in many parts of the world and cause enormous damage, both to agriculture, the environment and generally to humankind. This is of particular relevance to the pesticide industry. Sadly, this is no different in Zimbabwe where counterfeit and banned products are causing major issues."

Dumisani Kutwayo, Director of crop research and specialist services,
Ministry of Agriculture, Mechanization and
Irrigation Development, Zimbabwe

<https://www.zimbabwesituation.com/news/zim-faces-illicit-pesticide-risk/>



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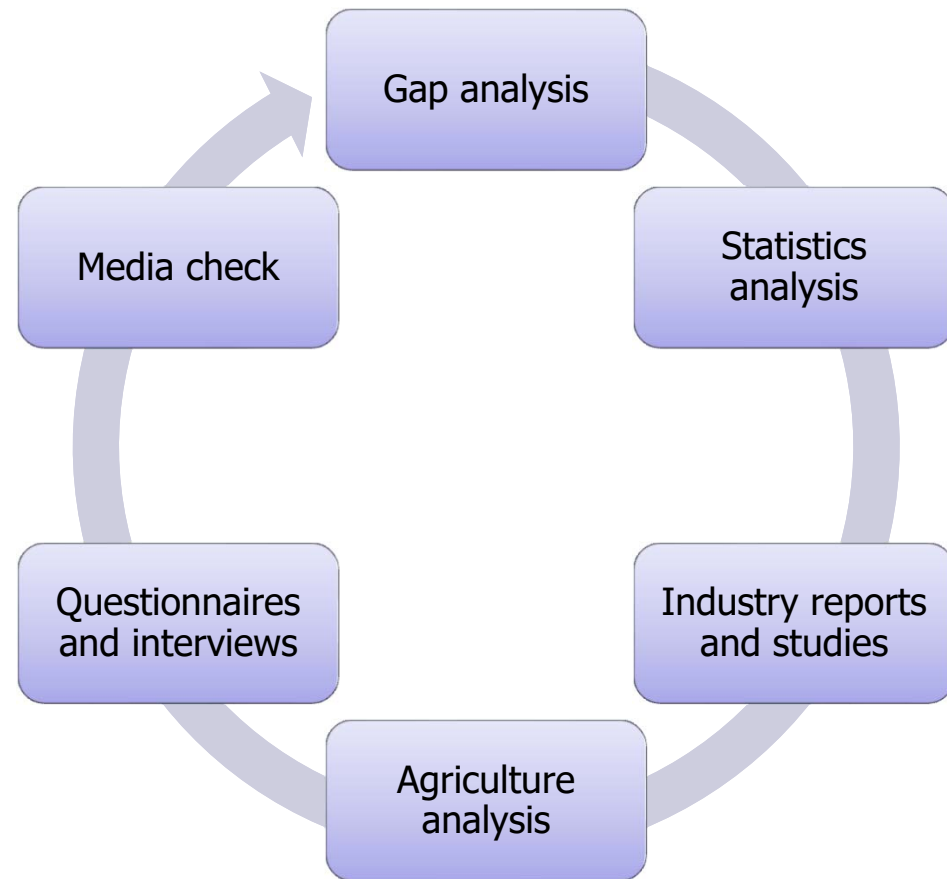


Illegal pesticide trade is a **global** issue





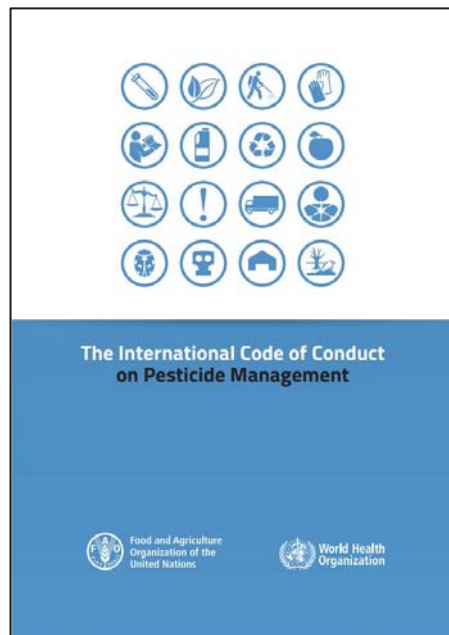
Size of the illegal
pesticide trade is
complicated to
evaluate





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The FAO/WHO International Code of Conduct on Pesticide Management



The Code serves to provide standards for the marketing and use of pesticides (agricultural and public health uses), with an aim to protect human health and the environment,
through the entire life-cycle.

Completed with specific guidance documents

<http://www.fao.org/agriculture/crops/thematic-sitemap/theme/pests/code/en/>



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Illegal pesticides in the International Code of Conduct

Illegal pesticides/trade are specifically referred to
in two Articles of the Code:

Article 6 on Regulatory and Technical Requirements

6.1 Governments should:

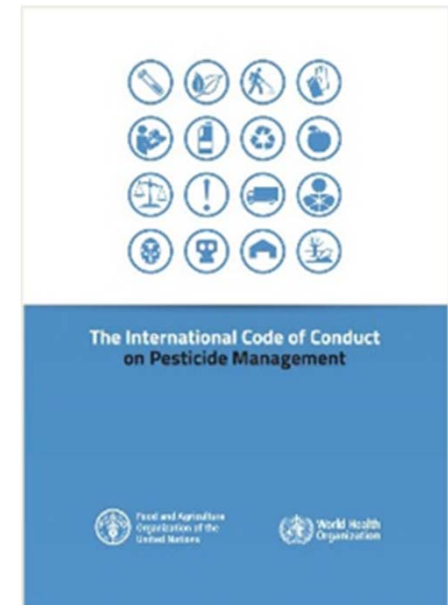
6.1.13 **detect and control counterfeiting and illegal trade** in pesticides through national inter-agency and intergovernmental cooperation and information sharing;

Article 9 on Information Exchange

9.1 Governments should:

9.1.2 facilitate the exchange of information between regulatory and implementing authorities to strengthen cooperation. **The information to be exchanged should include:**

9.1.2.4 cases of counterfeit and illegal pesticides being traded








Strengthening regulatory control of pesticides

Weak regulatory control enables illegal importation.

Effective regulatory control requires:

- Pesticide legislation 
- A pesticide registration scheme 
- Compliance and law enforcement and effective inspections 

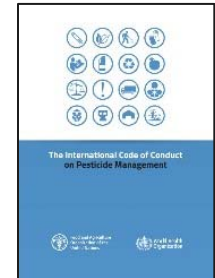




Strengthening regulatory control of pesticides

FAO provides continuous support to countries for the full life-cycle of pesticides

- ✓ **Policy and legislation:** Implementing or updating legislation (mostly in place with support from FAO legal department)
- ✓ **Technical support:** Code on Conduct and technical guidance and studies
- ✓ **Capacity building**
 - ✓ Strengthening pesticide evaluations and registrations, training : FAO Pesticide Registration Toolkit, HHPs, notifications of FRA under the Rotterdam Convention
 - ✓ Pesticide inspection related activities as part of larger pesticide management projects (Benin, Morocco, CILSS, Caribbean etc.)
 - ✓ Supporting collaboration and training of customs staff on pesticide management
- ✓ **Promoting regional collaboration** on tackling illegal trades
- ✓ **Reducing risks:**
 - ✓ Obsolete pesticide disposal programme
 - ✓ Pilot activities to establish pesticide empty container management schemes





Countering illegal trade of pesticides

Countering illegal pesticides trade is a complex activity aimed at identifying illegal production and trade routes, seizing illegal products and disposing them.

Countering:

- *is based on understanding that illegal pesticides trade is a serious problem which may be linked to criminal activities*
- *is effective when carried out both internationally and nationally*
- *is accomplished by authorized state bodies in close cooperation with the responsible business*
- *has to be carried out at every stage of life cycle*
- *is impossible without conducting a fully-fledged public awareness campaign with involvement of authorities and industry*
- *should consider illegal pesticides (seized) as hazardous waste*





Preventing illegal pesticides trade

- Legal gap analysis is a key element of prevention strategy
- In-depth analysis and mapping of supply chains elements will help identify entry points
- Customs risk profiles should be up to date; communication between regulators, chemical authorities, customs and law enforcement should be established – or strengthened
- Understanding of consumers' behavior is a must.
- Media checking and consultations with farmers and civil society are critical





Opportunities for illegal business in Food and Agriculture Sector under COVID-19

1. Disruption of traditional supply chains due to global lockdown
 - Disbalance (shortage or overproduction) and high volatility of various commodity markets
2. Change on consumers' behavior – significant growth of online segment
3. Both formal and informal segments are affected, however impacts on informal sector are much stronger
4. Significant reduction of physical customs and inspections.

These impacts are coupled with other hazards (droughts, floods, earthquakes, locust etc.) and ongoing conflicts.





Online trade – new challenge



Becomes a new
global trend



Simplifies the
purchase and
logistics



Reduces the
costs



Not regulated



Sometimes linked
to anonymous
parcel services



Low level of
public awareness
of risks related to
e-commerce of
agri-food goods





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Cases from the US

*"A woman who **sold an unregistered pesticide through e-Bay, which she claimed protected against viruses such as COVID-19**, has pleaded guilty to violating the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)".*

<https://www.justice.gov/opa/pr/georgia-woman-pleads-guilty-covid-19-related-federal-offense-selling-unregistered-pesticides>

*"**EPA again orders Amazon to stop selling illegal pesticides**" (Feb 2021)*

<https://www.seattletimes.com/business/amazon/epa-again-orders-amazon-to-stop-selling-illegal-pesticides/>



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Challenges of national and international activities on illegal trade of pesticides

1. Lack of detailed regulations on illegal trade, on-line sale and of effective punishment actions
 2. Weak collaboration between relevant sectors including registration agencies, customs, national and local inspection units
 3. Weak national regulatory system to tackle the challenges: Post-registration needs to be strengthened (national inspection, control, compliance and enforcement services)
 4. Lack of global and regional cooperation - essential mechanism for solving problems
 5. Lack of global policy and technical guidance
- ✓ Problematic for effective implementation of legislation
 - ✓ Undermining efforts to phase out Highly Hazardous Pesticides (HHPs) and to ensure sustainable agriculture
 - ✓ Affecting the introduction of low risk management options



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Recommendations for national and international activities on illegal trade of pesticides

A holistic approach is needed

1. Improving **legislation** and **implementation** mechanism
2. Initiating a global programme on **post-registration compliance**, starting with illegal pesticide trade
3. Developing **global or regional policy and technical guidelines**
4. Covering **on-line pesticides** in addition to illegal trade in the International Code of Conduct on Pesticide Management
5. Strengthening **cooperation** between all stakeholders including law enforcement, farmers' unions and private sector, aimed on ensuring traceability alongside pesticides lifecycle and on countering illegal trade.
6. Encouraging **global, regional and national cooperation**
7. Increasing **awareness raising**





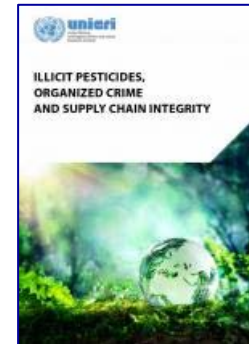
**Radical coordinated actions of all stakeholders
are required to address illegal pesticide trade
at the national and global levels**

Thank you!

UNEP GRID Arendal
(2020)
<https://www.unep.org/resources/assessment/illegal-trade-chemicals>



UNICRI (2016)
<http://www.unicri.it/illlicit-pesticides-organized-crime-and-supply-chain-integrity>



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