

Port Rejections of Agricultural and Food Products Exports from East Asia: Issues and Future Challenges

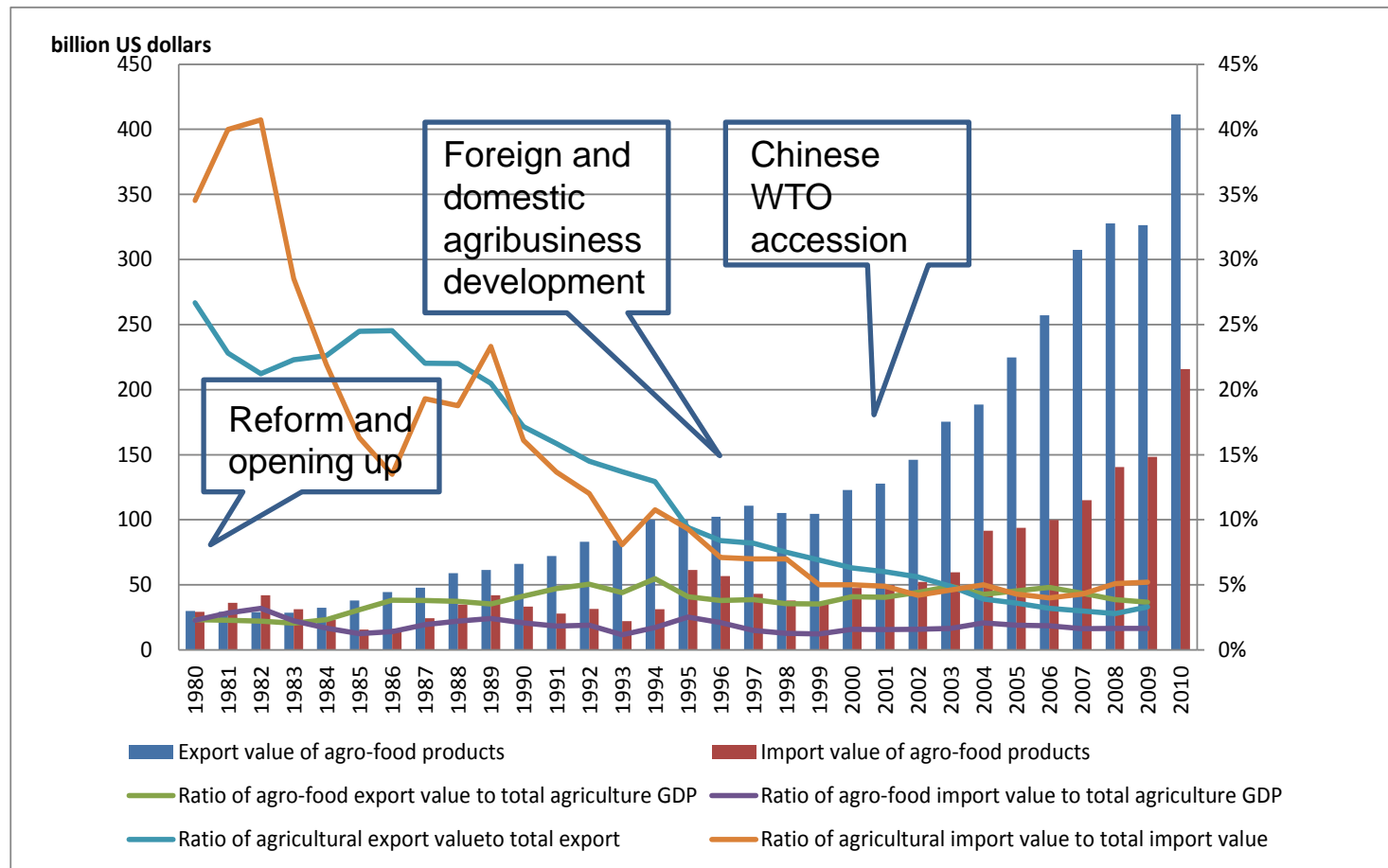
September 19, 2013

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Trend in Chinese agro-food trade

- ◆ The value of Chinese agro-food exports in 2010 is more than 13 times that in 1980, while the ratio of agro-food exports in total national exports decreased from 26.7% to 3.3%.
- ◆ The share of fresh and processed vegetables in total agro-food export value grew from 19.3% in 1992 to 33.0% in 2010.
- ◆ Top 3 import countries of Chinese vegetables in 2011
 - Fresh vegetables: EU-27(37.3%), ASEAN(18.4%), Japan(13.6%)
 - Frozen vegetables: Japan(44.9%), EU-27(16.4%), South Korea(13.1%)

Trend in Chinese agro-food trade



Source: National Statistical Bureau, Ministry of Agriculture (China), various years

Major international/ domestic food safety incidents in China

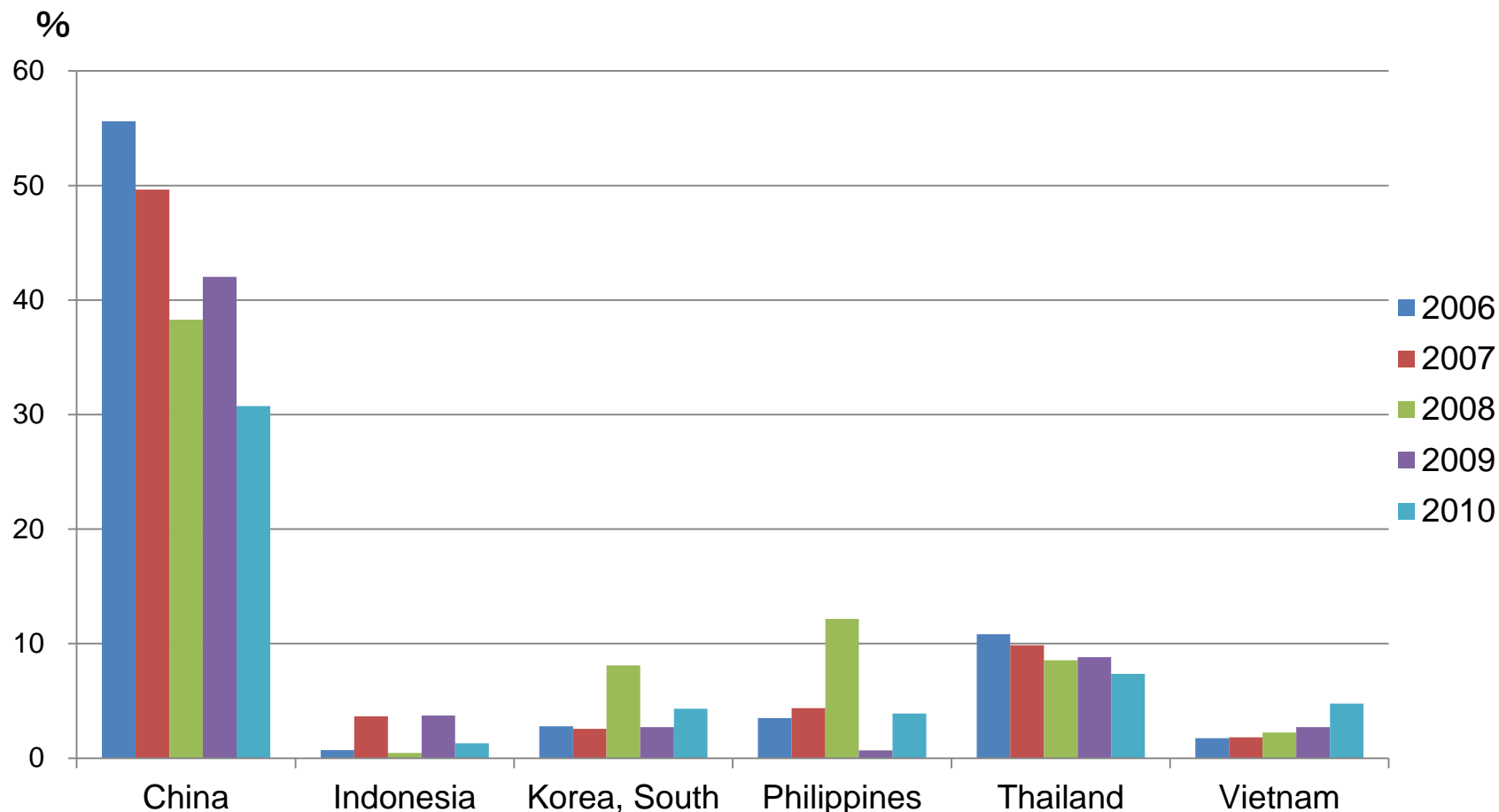
◆ International incidents

- Residual pesticide Chlorpyrifos were detected in imported frozen spinach in Japan in 2002.
- Malachite green, carcinogenic material, was found in imported eels in Korea and Japan in 2008.
- Milk and infant formula were found to be adulterated with melamine in 2008.

◆ Domestic incidents

- Clenbuterol-tainted pork scandal since late 1990s.
- Gutter oil incidents in 2010.
- Gelatin capsules were found to contain excessive amounts of chrome in 2012.

Share in Japanese rejections of Fruit and Vegetable products among selected East Asian countries, 2006–2010



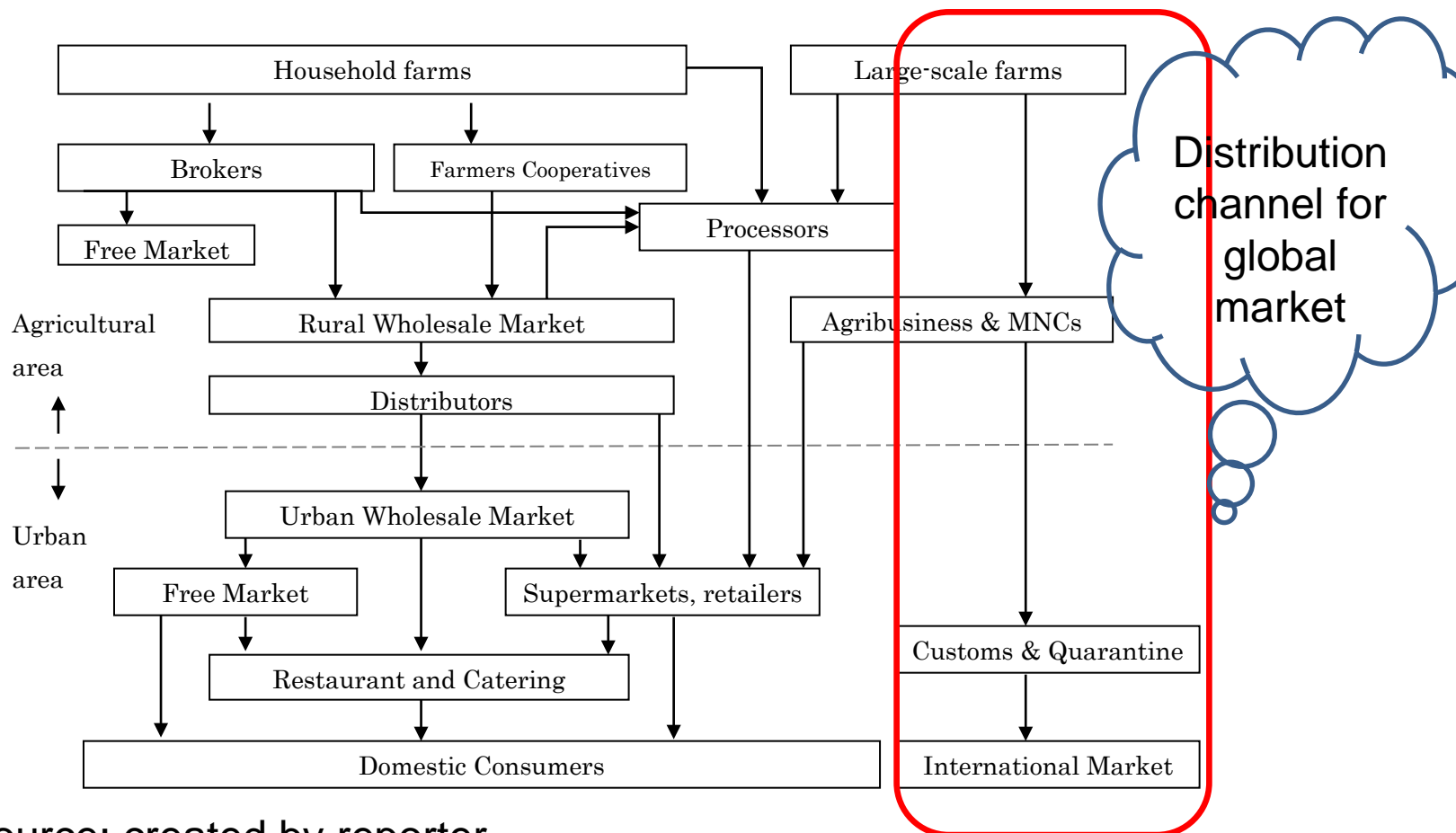
Note: Excludes Brunei, Cambodia, Hong Kong, Laos, Malaysia, Myanmar, and Singapore.

Source: UNIDO dataset and analysis, based on Japanese MHLW data

Solutions adopted by the Chinese government

- ◆ permit exports only from certified farms and processing manufacturers
- ◆ increased and strengthened inspection throughout the production process
- ◆ promoted the development of agribusiness and vertically integrated agricultural system by assisting lead firms

Vegetable distribution system for domestic/global market in China



Source: created by reporter.

Inspection system for export vegetables

- ◆ Contract farm/ Direct-managed farm
 - Control by administrative regulation: Farm registration/ Traceability system establishment
 - Input control by firm
 - Voluntary sample testing before harvesting by firm
- ◆ Processing
 - Voluntary sample testing before processing/finished products by firm
 - Quality control by HACCAP, ISO
- ◆ Customs & Quarantine
 - Sample testing by CIQ & firm before shipping

Policy Implications

- ◆ Assistance for the development of large-scale producers and contract farming
 - Support for the leading firms
 - Land market development
 - Financial and technical support for large-scale farming
- ◆ It is necessary to improve domestic food system for sustainable agro-food industry development
- ◆ Strict control of the market for pesticides and other production inputs.
- ◆ Chinese experience and lessons for better agro-food quality control will provide other developing countries with useful information.

Thank you for your attention!

For details...

Nanae Yamada and Shuyan Sui “Response of Local Producers to Agro-food Port Rejection: The Case of Chinese Vegetable Exports”
IDE Discussion Papers series No.390, February 2013.

<http://www.ide.go.jp/English/Publish/Download/Dp/390.html>

Romio Mori, Kaoru Nabeshima and Nanae Yamada "Food Safety Control System of Chinese Eel Export and its Challenges“, IDE Discussion Paper No. 418, May 2013.

<http://www.ide.go.jp/English/Publish/Download/Dp/418.html>