

Presentation to the FAO Committee on Commodity Problems, 70th Session

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Mr. Chairman and Committee members, thank you for the opportunity to speak to you today.

I would like to take this opportunity to build on the topic introduced by my fellow speakers' comments – the importance of trade to food security. As you know, local food production is critical to achieving the broader set of UN goals around hunger, and of course local pulse production can make a large contribution to nutrition-sensitive agriculture and food systems. But trade also plays a critical role. When local production fails to meet the demand for food 365 days a year, regional, national and international trade fills the gap.

My message to you today is that the International Year of Pulses 2016 represents an opportunity to avert potentially serious future trade problems – for pulses as well as other commodities – that could arise as an unintended consequence if the international regulatory landscape is allowed to lag behind new testing technology. From the pulse production and trade perspective, Codex Alimentarius is a key multi-lateral standards-setting body, and is vital to the future.

We call for continued resourcing and in fact greater gains in the role of Codex. The key issue is that delays at Codex associated with determination of Maximum Residue Limits (MRLs) may subject the global pulse trade to zero tolerances that will be untenable in the future. The opportunity is to continue to empower Codex to improve and augment its lead role in the international regulatory landscape for a future of food trade that will become more challenging and complex, especially as we enter an era in which it will become increasingly possible – and common – to test for substances down to parts per trillion.

The zero or near-zero default tolerances that are commonly applied today by countries – as they wait for tolerances to be established – are not based on science and WILL collide with future testing technology that is cheaper, easier and more sensitive, and this WILL disrupt trade and add to price volatility.

The future that we would propose is a Codex that is fully equipped to develop a timely and fulsome set of MRLs to avert potentially widespread application of zero tolerances, ensuring the ability of trade to move pulses to the people who need them. We support a strong and well-functioning Codex in principle, as well as in recognition that the alternative is each country with its own system.

Let me illustrate this point with a practical trade example. As you know, crop protection products – such as herbicides, fungicides and insecticides – have contributed to improving agricultural productivity. However, harmonized maximum residue limits or MRLs are needed to make them useful to farmers who wish to trade, or who MUST trade. Capacity limitations at Codex and refusal to review parallel submissions means it can take years to establish tolerances for residue levels in pulses and other crops. This is further complicated as importing countries can apply zero or near-zero default tolerances for residues of products if there is no Codex MRL in place – again, clearly not a science based approach.

In 2011, the pulse industry experienced a high-profile MRL noncompliance on lentils. The issue was that Canadian farmers were using a crop protection product, glyphosate (or Roundup), which is fully approved for use in Canada with exports that were well within Canadian and other international MRLs. However, two key import jurisdictions – Codex and the EU – had never gone through the process of establishing an MRL, and consequently the importing country applied a near-zero MRL of 0.1 ppm that caused rejections, as well as the threat of product recalls off retail shelves.

All of this happened solely as a result of a lack of regulatory harmonization. When food safety issues are encountered they must be dealt with swiftly. But the issue I am describing is not one of food safety.

Underscoring that there was no food safety risk is that the following year Codex – which recognized the nature of the problem and the need to establish a tolerance on tight timelines – established a glyphosate/lentil MRL of 5 ppm, 50 times the 0.1 ppm default that was applied. The same year, the EU established a glyphosate/lentil MRL of 10 ppm.

I would again emphasize that the issue here is that regulatory gaps caused shipments of safe, nutritious lentils to be treated as a food safety breach, and rejected – randomly and unpredictably, harming farmers and consumers. While these were Canadian lentils, this concern is as relevant to pulse growers in Uganda or Ethiopia as it is to Canadian farmers.

The Canadian pulse industry then did a lot of work to identify the extent of similar “hidden” risks, where pulse trade is at risk due to absent MRLs. That analysis revealed that the value of trade at risk resulting from missing Codex MRLs is approximately \$900 million for pulses of Canadian origin alone. The value of global pulse trade that moves to countries with missing Codex MRLs is about 2.4 billion US dollars. As you know, a great deal of this trade is destined for food-insecure consumers who cannot afford disruptions – in terms of both physical availability and price volatility.

If we in Canada, the world’s largest pulse exporter, are struggling with the capacity to keep up with these risks, will it not be more difficult for emerging markets? We have seen countries like

Myanmar, Ethiopia, and Tanzania rapidly growing their pulse sector. It is a reasonable question to ask how they will have the resources to keep up, as it is for China and India, for whom trade is a vital part of food security.

One of the challenging issues for pulses is that it is a group of crops that can require several approvals. This is a special case that requires special attention as we approach 2016, the International Year of Pulses. We are not like corn or rice where a single approval covers the waterfront. Codex is at risk of falling further and further behind on pulses. Clearly, there is enormous uncertainty for trade, enormous potential for trade disruptions, and ultimately the risk that trade may not be able to fill in the gap of food availability 365 days a year when local food production falls short.

While the potential for disruption of food shipments due to regulatory gaps is not new, I would emphasize that we have the potential together to get in front of this problem. If we succeed, we will have addressed the otherwise growing potential for trade disruption as residue testing becomes less expensive, capable of detecting lower levels, and more prevalent. The risk is that we will be witnessing a three-way collision in slow motion: zero tolerances, with the ability to detect parts per trillion, and more testing being done around the world. The risk is that food trade that works today won't tomorrow, as commodities that don't have residues at parts per billion (ppb) will have residues at parts per trillion (ppt).

As part of the International Year of Pulse 2016, let's work together to re-establish Codex as the world's premier food safety body and empower this vital FAO team to be a dynamic and positive player in the movement of safe and nutritious pulse crops to consumers around the globe.