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Private Standards Driving the Agri-Food Supply Chains: What Role do Global Organisations Play?

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and
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The Centre started work in October 2001 under the leadership of Professor Ken Peattie of the Business School, Professor Terry Marsden of the Department of City and Regional Planning and Professor Bob Lee of the Law School. The funding of the Centre covers an initial five-year period, but this should just mark the beginning of BRASS' contribution to creating more sustainable and responsible businesses locally, nationally and globally.

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Abstract

The food and retailing industry is increasingly paying more attention to food quality and safety issues by actively managing its supply chains of food products. A deluge of private safety control systems, standards, and certification programs are responding to more demanding consumer requirements. Many leading retailers in Europe have developed programmes for integrated production; thus paving a way for both supply and demand, and playing a pivotal role in bringing about a change in the way crops are cultivated in a safe and sustainable manner. This paper provides an overview of the growing importance of private standards in the International food arena, and examines the extent to which private standards are dominating the regulatory actions of governments and the resultant impacts on trade. At the same time, the evolution of private food safety and quality standards is to a certain extent testing the role of global organisations for example the World Trade Organization. The paper reviews the role of global organisations in the light of the growing private standards in the food sector and presents an argument that private standards are fast becoming a primary determinant of market access.

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List of Abbreviations

EUREP	Euro-Retailer Produce Working Group
GAP	Good Agricultural Practice
HACCP	Hazard analysis and Critical Control Point
WTO	World Trade Organisation
ESRC	Economic and Social research Council
BRASS	Business relationships Accountability Sustainability and Society
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
IFS	International Food Standards
ISO	International Standards Organisation
vCJD	variant Creutzfeldt-Jakob
DG SANCO	Health and Consumer Protection Directorate General
BRC	British Retail Consortium
EEC	European Economic Council
AFSSA	Agence Francaise de Securite Sanitaire des Aliments
FSA	Food Standards Agency
r-BST	recombinant Bovine Somatotropin
GMO	Genetically Modified Organisms
SQF	Safe Quality Food
CIES	Food Business Forum
GFSI	Global Food safety Initiative
FAO	Food and Agriculture Organisation
WHO	World Health Organisation
OIE	Organisation Mondiale de la Santé Animale/World Organisation for Animal Health
IPPC	International Plant Protection Convention
IAEA	International Atomic Energy Agency
CPM	Commission on Phytosanitary Measures
ISPM	International Standards for Phytosanitary Measures
RPPO	Regional Plant Protection Organisation
QA	Quality Assessment
DEFRA	Department of Environment Food and Rural Affairs
EU	European Union
SGQ	Norme du Système de Gestion de la Qualité/Quality Management Systems
BSE	Bovine Spongiform Encephalopathy

1.0 Introduction

Food regulation is now deep rooted and integrated into the European political mission. Though agricultural corporatism has declined in its political and economic power in European policy-making, it has laid a foundation for a more comprehensive and commercially-led regulatory system, a hybrid model, that is more sensitive to the consumer and private sector concerns. It is increasingly universal, scientific and normative; global as well as local in reach as well as inter-sectoral. And, as observed in our earlier findings (see for example Marsden *et al*., 2000; Smith *et al.*, 2004; Thankappan *et al.*, 2004) it is being sustained by, the interaction of a larger diversity of actors and policy networks. This makes the development of public policy all the more complex.

The food and retailing industry is increasingly paying more attention to food quality and safety issues by actively managing its supply chains of food products. A plethora of private safety control systems, standards, and certification programs are responding to more demanding consumer requirements. Many leading retailers in Europe have developed programmes for integrated production; thus paving a way for both supply and demand, and playing a pivotal role in bringing about a change in the way crops are cultivated in a safe and sustainable manner. These private standards have evolved in response to regulatory developments and, more directly, consumer concerns, and as a means of competitive positioning in markets for high-value agricultural and food products (World Bank, 2005). More generally, the evolution of private standards reflects the preponderance of 'soft law' in the governance of economic national and international systems (Morth, 2004) and the innovation of regulatory systems (Black et al., 2005), including move towards the use of co-regulation (Garcia Martinez et al., 2005). As a result, it seems as though private standards are becoming the predominant drivers of agri-food systems (Henson and Hooker, 2001). Further, there is evidence that private standards, which are well established in many industrialised countries, are fast becoming a global phenomenon, and permeating the developing country agri-food markets (Reardon et al., 2001; Reardon and Berdegue, 2002; Henson and Reardon, 2005). While there are signs that the role that private standards play in international markets for

agricultural and food products is beginning to be recognised (Jaffe and Henson, 2005; World Bank, 2005), there is a paucity of empirical studies.

This paper brings together the research conducted by the ESRC/ BRASS[1] team which has completed a three year study of contested accountability and regulation in the food sector. The research so far has mapped the changing dynamics of food regulation and accountability within the agri-food chain in the EU, and with specific reference to the UK. The findings of the study indicate *a new model and a new synthesis on food policy and regulation* which incorporates three sets of actors: private interests: such as the *corporate retailers*; *public regulators* and which significantly builds on the some of our earlier works (such as Marsden *et al* in Consuming Interests, 2000). In the final phase of the research we aimed to assess how our early work on the regional (EU) and domestic (UK) regulation of food supply and food safety is influenced at the global level.

This paper provides an overview of the growing importance of private standards in the International food arena, and examines the extent to which private standards are dominating the regulatory actions of governments and the resultant impacts on trade. At the same time, the evolution of private food safety and quality standards is to a certain extent testing the role of global organisations for example the World Trade Organization (WTO). The paper reviews the role of global organisations in the light of the growing private standards in the food sector and presents an argument that private standards are fast becoming a primary determinant of market access.

2.0 Methodology

Data collection for the final phase of this research, involved identifying, global organisations playing a key role in policy and law enforcement process, affecting the agro-food industry, a series of face-to-face interviews were carried out with these organisations. List of organisations/departments interviewed are presented in table 1 below.

[1] Economic and Social Research Council funded centre for Business Relationships, Accountability Sustainability and Society (BRASS)

Table 1: Global organisations interviewed

Organisations Interviewed	Departments	Number of interviews
World Trade Organisation	-Agriculture and Commodities Division -Trade and Environment Division	1 1
Food and Agriculture Organisation	-Codex Commission -Commodities and Trade Division -Agricultural Support Systems Division -Food and Nutrition Division -Food Quality and Standards Service	1 2 1 1 1
World Health Organisation	-Food Safety Department	1
International Plant Protection Convention	-Plant Protection Services	1
International Atomic Energy Agency*	-Food and Environmental Protection Section	1

* The International Atomic Energy Agency (IAEA) provides advice and support on levels of radionuclide contamination in foods and on food irradiation and work very closely with the FAO

Face to face interviews were carried out with key officials in various departments in the global organisations (see table 1). The duration of interview varied between 60-90 minutes.

3.0 Food Safety and Trade

Consumers in the industrialised world have adequate quantities of food, they can spend resources to ensure that their food is safer. Baker (1999) found that consumers are willing to pay a premium for reduced pesticide residues in produce. Another study found that the premium consumers were willing to pay for food with low pesticide residues increased with income (Huang et al., 2000). In various surveys and studies, consumers have indicated that they would be willing to pay more for food with lower disease risks; however, these experiments might not reflect how consumers will actually behave in a market setting, as consumers' attitudes on surveys sometimes differ from their documented behaviour over time (Caswell, 1998). Food safety scares, like the Bovine Spongiform Encephalopathy and the *E. coli* outbreak in the UK have raised awareness

about food safety issues. Additionally, food travels long distances from producer to consumer, and many foods are perishable. As consumers know that there are technologies available, that entail improved food safety, they will likely hold producers to a high standard.

Since consumers demand some degree of food safety, businesses have an incentive to supply safe food (Holleran et al., 1999). The market has incentives to provide some degree of food safety, as businesses depend on their reputations for repeat sales. However, for two reasons the market generally does not provide the socially desirable amount of food safety. First, consumers cannot determine how safe food is before buying it. Second, when consumers eat unsafe food and become ill, costs extend beyond consumers themselves to healthcare workers, employers, and family members (Mitchell, 2003).

Government regulation is an attempt to increase the amount of food safety provided by the market, as the market alone will usually not provide the socially desirable level of food safety. Government regulations or industry standards for goods can impact trade in at least three ways: they can facilitate exchange by clearly defining product characteristics and improving compatibility and usability; they also advance domestic social goals like public health by establishing minimum standards or prescribing safety requirements; finally, they can hide protectionist policies. During the Uruguay Round of multilateral trade negotiations, member nations established The Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures and the Agreement on Technical Barriers to Trade (TBT) to address the emerging debate over the use of standards in international trade. The SPS and TBT Agreements balance the competing demands for domestic regulatory autonomy and the global harmonization of product standards. At the same time, the agreements attempt to prevent standards from becoming a protectionist device.

Regulations are broadly categorised as *product standards* and *process standards*. Product standards specify characteristics that a product must attain before it is considered safe to

sell. For example, most industrialised countries have maximum residue levels (MRLs) for pesticides. If a food has pesticide residues above this amount, a vendor cannot legally sell that food. The UK, government, under the due diligence principle, assigns the responsibility for verifying food safety to food retailers, rather than setting specific procedures for processing foods. Process standards specify techniques that must be used to process or package foods, with the belief that certain production techniques make food more likely to be safe.

Global food trade is continuously expanding and providing consumers with access to a year-round array of foods. Expanding trade has brought into sharper focus the divergence among countries' food safety regulations and standards. The relationship between public regulation and private-sector standards is rarely clear. However, some have argued that the regulatory and standard-setting activities of governments and the private sector may be mutually supportive in important respects. Each focuses on a separate aspect of risk management. Public regulations aim at outcomes i.e., the characteristics of the finished product is specified, and producers and importers are responsible for ensuring, that these requirements are met. Private-sector standards, by contrast, focus on processes, which are requirements set for the entire system of production and supply, with specific instructions on production methodologies and testing procedures (Chia-Hui Lee, 2006). This separation of objectives may bring benefits to both government legislators and private sector standard setters.

The International Food Standard (IFS) provides a case in point. Its main role is the creation and implementation of safety standards, mainly through contractual agreements, monitored by a pool of major European retailers. In order to prevent future food scares, retailers have defined and imposed norms on their suppliers for guaranteeing the safety of their deliverables. A new generation of 'referential products' has emerged that must conform to the HACCP method. This strategy of building self-regulation through a private institution is innovative in two ways. First, with respect to the standardisation process involved: whereas the traditional approach to standardisation (for example, norms from the International Standard Organisation (ISO)) is based on mutual agreements

among parties that define norms thereafter implemented by delegation to a third party, the IFS proceeds differently: its constituents agree on standards established by experts that they have selected, and then they impose these standards on their suppliers. Second, it differs in its application. Traditionally, whereas public regulations prevail for all parties concerned, norms defined by private institutions are not compulsory. In the case of the IFS system, in agreeing norms of safety that they impose on all suppliers, the pool of retailers actually creates a universal obligation usually viewed as the privilege of public regulators. As a matter of fact, standards defined by the IFS substitute for public regulation by imposing norms that are significantly more demanding than the statutory requirements. However, public authorities continue to play their role of certifiers of last resort, as the monitoring function is delegated by the pool of retailers to autonomous organisations that are certified by public.

4.0 History of Regulatory Environmental Trends

Several changes in the global food system, e.g. increased scientific understanding of foodborne hazards, increased international trade in food products, and changes in how consumers obtain and prepare food, have brought renewed attention to food safety regulation in many countries. Further, well-publicised crises have brought these changes to the attention of the public, for example, the linking of BSE to the emergence of new variant Creutzfeldt-Jakob disease (vCJD) in humans; and the food recalls and disruptions to the Belgian economy caused by the dioxin contamination in supplies of several animal-derived foodstuffs produced in Belgium.

Henson (2005) points out to seven main trends in regulation worldwide: (1) The growing use of risk analysis, (2) Establishing public health as the primary goal of food safety regulation, (3) Emphasizing a farm-to-table approach in addressing food safety hazards, (4) Adopting the Hazard Analysis and Critical Control Point (HACCP) system to regulate microbial pathogens in food, (5) Increasing the stringency of standards for many food safety hazards, (6) Adding new and more extensive regulation to handle newly identified hazards, and, (7) Improving market performance in food safety through provision of information.

Within the public sector there has occurred a substantial shift of food safety governance responsibilities from Ministries of agriculture to Ministries of Health and Consumer affairs. In several countries specialised food safety agencies have been created to conduct scientific assessments, to advise policy-makers and to communicate with the general public. Examples include the UK Food Standards Agency and the French Food Safety Agency. A similar institutional shift has taken place at the Community level. Oversight for an array of food safety matters has been shifted to a greatly empowered Health and Consumer Protection Directorate General (DG SANCO).

An earlier precedent in addressing this central matter of who is to be ultimately responsible for the safety of food introduced to consumers came with the enactment of the Food Safety Act in 1990 in the UK. The Act stated that food must be of the nature, substance, or quality demanded by the purchaser and that it is an offence to sell food that does not meet these requirements or to sell food that does not comply with safety requirements. Under the Act, enforcement action could be taken against a wholesaler or retailer even if the offence was the fault of other parties in the food chain (i.e. local growers, food importers, overseas exporters). All parties in the food chain would need to ensure that they practised *"due diligence"* carrying out all reasonable precautions and checks on the food and on the process and conditions of its supply. One would have to establish evidence of such due diligence in the form of systems and documentation, to avoid fines or penalties for food safety problems or violations. The responsibility for the safety and legality of product (including fresh produce) was thus to be shared between the suppliers and the retailers.

The Food Safety Act in the UK provided an impetus for private self-governing actions. Its enactment and the subsequent amplification of *"codes of practice"* in various sub-sectors occurred at a time when supermarkets were experiencing rapid growth and establishing a dominant position in the retail distribution of fresh produce within UK. The major retailers, working with the UK National Farmers Union and other producer associations established the *"Integrated Crop Management (ICM) Partnership"* in 1994

in order to increase the safety and environmental sustainability of locally produced fruits and vegetables. This system was later developed and formalised into an Assured Produce Scheme.

During the early 1990s, major UK supermarkets started building up an in-house technical team and began auditing primary producers, food manufactures and selected overseas suppliers. Each developed its own *"code of practice"*, which were revised at periodic intervals, reflecting new consumer concerns. These changing scenarios were increasingly confusing to various stakeholders, which led to the formation of a set of working groups under the auspices of the British Retail Consortium (BRC) in 1996, seeking to develop a common protocol or set of food safety standards which would govern retailer branded food products and inspection system. The BRC Food Technical Standard was created in 1998 and has since undergone several revisions. It entails specific requirements for company Hazard and Critical Control Point (HACCP) systems, quality management systems, factory environment systems, and product and process controls. The BRC food safety standard has been adopted by many supermarkets outside of the UK.

At the EU level, Council Directive 93/43/EEC laid down general rules for food hygiene as well as procedures for the verification of compliance with these rules. Since then, a series of regulations have been put in place to govern the inspection of particular types of food products, most of which being foods of animal origin. In addition the Commission has been working on legislation to consolidate these different food hygiene regulations into one Directive, which, ostensibly, would provide for a total "farm to table" system of oversight and accountability. The Directive seeks to strengthen the traceability of foods by having compulsory registration of all food businesses and having registration numbers accompany food products throughout the distribution chain.

The new approach to food safety regulation is based upon risk analysis, which includes risk assessment, risk communication, and risk management. The 2002 European Food Law embraces this approach as well, as do all of the European food safety agencies in member states of the European Union. In the past, some food safety agencies have had

multiple mandates relating to other issues such as food quality, industry promotion, or animal health. To more clearly focus food safety regulation on public health and consumer protection, several countries have reorganized their food safety regulatory agencies in order to refocus and to integrate previously scattered functions, for example: The European Union (EU) created a new Food Safety Authority in early 2002, following earlier reorganisation of EU directorates in 1997 to address consumer protection in response to food safety concerns following the BSE crisis (Vos, 2000). The UK Food Standards Agency was created by an act of Parliament in 1999, and is set up to be a quasi-independent watchdog to protect public health and consumer interests; Ireland created the Food Safety Authority in 1998; and France established the Agence Francaise de Securite Sanitaire des Aliments (AFSSA) in 1999.

Regulatory agencies increasingly recognise that a farm to fork approach is often desirable for addressing food safety hazards. Many foodborne hazards can enter food at many points during the production process. When present in food, some hazards can multiply or cross contaminate other foods during transportation, processing, and preparation. The farm to fork approach is clearly articulated in the new EU Food Law as a principle for future food safety regulation. However, the EU policy also recognises that different kinds of regulatory measures may be needed at the farm level, due to the difficulties of controlling hazards in the farm environment.

In addition to more stringent food safety standards, newly identified hazards have brought about new and more extensive regulation. For example, BSE poses both animal and human health risks. Its mode of transmission among cattle or between animals and people is not fully understood. New regulations in the UK and elsewhere, regarding animal age at slaughter, monitoring of animal herds, testing of animal brains at slaughter, exclusion of specified risk materials (brain, spinal cord, etc.) from meat products and exclusion of certain products from cattle feed are designed to reduce the risk of transmission. These regulations are extensive, covering every step of the food production and distribution system from animal feed to meat butchering. They also have had an impact on a wide range of by products, including gelatine used in pharmaceuticals.

Few other approaches to food safety regulation include the use of voluntary guidelines or standards, provision of third-party certification, provision of information through labelling, establishing legal liability for food safety, and establishing voluntary or mandatory systems for traceability (see Table 2). Such interventions may improve performance by providing information or incentives that encourage consumers to choose safe food and reward producers for its provision. The public role in these new approaches, and the degree to which they are mandatory or voluntary, varies among countries.

Table 2: Information-based approaches to food safety interventions

Approach	**Example**	**Public sector role**	**Advantage to food safety**
Guidelines	UK voluntary guidelines for farms to reduce *Salmonella* in pigs	Public sector can develop science-based guidelines or certification directed towards public health and consumers	Reduces food risks, but only where guidelines or certification adopted; and reduces transaction cost in markets for safety
Third party certification	Netherlands IKB programs for livestock producers		
Labelling	EU novel food regulation requires labelling of novel foods	Identify where information critical to facilitate consumer choice; respond to consumer demand for information	Reduces market failure where information was previously lacking; alters risk incidence in certain cases
Liability	UK 1990 Food Safety Act	Establishes responsibility for food safety	Improves safety by providing incentives for producers to follow practices that minimises risks.
Traceability	EU Food Law establishes as principle for food safety policy	Establish information and marketing channel requirements	Facilitates tracing problems in case of outbreak; can provide incentives for producers to improve safety

Source: Henson 2006

As these trends are still evolving in many countries, there are certain public policy issues that remain unresolved. First, the role of scientific and economic analysis in risk

management varies widely among countries. For example in the EU, risk management decisions may include "other legitimate factors" that extend beyond scientific and economic analysis (Henson, 2001). Such factors include consumer concerns, the environment, animal welfare, and other political or economic factors, such as the impact on small farms. Second, controversy surrounds the role of standards. In the EU, for example, the mandate for HACCP in all parts of the food production and distribution system is not always practical for small retail establishments, so in many cases regulation instead relies on codes of hygienic practice (Jansen, 2001).

5.0 Implications for International Food Trade

Regulatory trends, public policy issues, and the growth in world food trade have several implications for how food safety standards affect international trade in food products. The simultaneous move toward improved safety among industrialised countries creates the potential for convergence around higher standards (as developed countries with major markets adopt new regulations, there is incentive for other countries to follow suit (Vogel, 1995)). New regulations are undertaken in some countries in response to other countries' actions.

Although some new regulatory developments might mitigate potential barriers to trade, the appearance of new hazards, or increased trade volumes from new sources, can lead to food safety incidents or disputes in trade. A disease outbreak or newly identified hazard often leads to disruptions in trade and may strain relations with trading partners. In the Belgium dioxin crisis in 1999, when high levels of dioxin were discovered in eggs and chickens and traced back to dioxin contaminated animal feed. the Belgian government was criticised for not providing timely information to other countries that imported affected products, which included chicken, eggs, meat, and any products containing eggs or milk. The discovery of BSE in the UK disrupted trade between that country and other members of the EU. The imposition of new, higher standards, as well as remaining differences among countries in how standards are developed and applied, can also lead to trade disputes. In particular, rising standards and the rapid change in food safety regulation in the industrialized countries creates challenges for developing countries,

many of which have seen rapid growth in food exports since the 1990s (Unnevehr, 2000; Henson and Loader, 1999). For example, the proposed new standards for aflatoxin in the EU had a disproportionate impact on exports from developing countries (Otsuki et al., 2001). These countries may lack infrastructure to ensure basic sanitation in processing and transport, as well as public oversight to certify certain kinds of safety. New or more stringent process standards entail greater difficulties in determining whether an equivalent safety outcome has been achieved. While HACCP may be widely accepted as an approach to food safety, specific HACCP regulations for specific food sectors may result in different outcomes. As required HACCP systems may or may not be linked to specific performance standards, it can be difficult to determine if imported products are as safe as those produced domestically (Hathaway, 1995). Other kinds of process controls, such as recordkeeping or traceability requirements, can impose undue costs on trading partners. Whether such requirements are necessary to achieve an equivalent risk outcomes can be a matter of dispute.

The uncertainties that afflict some of food science highlight the question of what role scientific information and advice has played and can and should play in food policy making. This is especially so in the light of the UK government's initiative in creating the Food Standards Agency (FSA) with a mandate to provide objective and reliable scientific advice to policy makers. Science-based evidence no longer generates a ready trust on the part of many consumers, at least so far, because it does not seem to necessarily respond well to diffuse consumer fears, and it too often fails to explain underpinning assumptions critical to assessments made. Considerable efforts have been made by scholars in the fields of science policy and political analysis to foster greater understanding of the ways in which science-based risk management policies are made. But the key issue continues to be the role of scientific information and advice in the assessment and management of food risks

Strong differences remain with respect to consumer risk preferences, consumer perceptions, and the role of non-science issues in regulatory decision-making. Both consumer risk preferences and consumer perceptions are at issue in the longstanding

disagreement between the U.S. and the EU over use of growth hormones in beef. Non-science issues such as the preservation of small farms are a consideration in EU decisions about inputs like growth hormones or r-BST[2]. Differences in perception and willingness to assume unknown risks are evident in more recent disagreements over the acceptability of genetically modified organisms (GMOs) and labelling of foods produced through modern biotechnology. Furthermore, non-science issues such as ethical concerns about genetic modification are at play in the dispute over modern biotechnology. Food safety issues may be difficult to separate from other contentious issues in cases like these. In summary, changes in regulatory approach may lead to some convergence in food safety standards, but the dynamic nature of food trade, the onset of new hazards, and differences in regulatory approach and capacity still instigate disputes and disruptions to trade.

6.0 Public and Private Standards in Regulating International Food Markets

Standards can be mandatory in a legal sense or can be voluntary. While mandatory standards generally the only safeguard of public institutions, both public and private institutions can be involved in the governance of voluntary standards. Mandatory standards are standards set by public institutions (in particular regulatory agencies) with which compliance is obligatory. Voluntary standards arise from a formal coordinated process involving participants in a market with or without the participation of government. Broadly, the international standards developed by the International Organization for Standardisation (ISO) and national and/or regional standards bodies take this form. The standards developed by private standards-setting bodies, for example the Safe Quality Food (SQF) Institute and the British Retail Consortium (BRC) are examples specific to food safety and quality. Members of the group attempt to achieve consensus on the best technical specifications to meet their collective needs. A variety of private entities may be involved in the establishment of voluntary consensus standards including industry and trade organisations, professional societies, standards-setting membership organisations and industry consortia, which in some cases may be coordinated by a public entity. Use of the standards resulting from this process is generally voluntary, although they may be applied by the majority of suppliers, reflecting the economic advantage

[2] Recombinant bovine somatotropin, a synthetically produced version of a naturally occurring hormone intended to increase milk production

associated with standardisation or market requirements. *De Facto* mandatory standards arise from an uncoordinated process of market-based competition between the actions of private firms (Henson 2005).

Attempts have been made in the international sphere, to overcome the potential negative trade effects of food safety and quality standards. The WTO, through the Sanitary and Phytosanitary (SPS) and Technical Barrier to Trade (TBT) Agreements, has laid down the rights and obligations of WTO Members with respect to the application of public food safety and quality measures (Josling et al., 2004; Roberts, 2004). Broadly, these agreements permit governments to apply food safety and quality standards in pursuit of legitimate policy objectives. Attempts have also been made to harmonise food safety and quality standards across nation states, through the setting up of international standards by the Codex Alimentarius Commission (more details on Codex Alimentarius Commission is discussed in section 7.1). The dual impact of the WTO and international standards setting bodies has been to bring about greater discipline, and certainly enhanced transparency, in the use of public food safety and quality measures (Roberts, 2004), while defining a more common vocabulary through which national governments can communicate their food safety and quality objectives.

Analogous to the development of public food safety and quality standards there have been moves by the private sector to address consumer concerns regarding food safety and quality. Much of the motivation behind this trend has been to avert commercial risks associated with the safety of food products. More broadly, a wide range of market and firm-level factors motivate the implementation of enhanced food safety and quality controls (Segersen, 1999; Henson and Caswell, 1999). Thus, there is a rapidly increasing plethora of private 'codes of practice', standards and other forms of supply chain governance (Jaffee and Henson, 2004). These efforts have been especially prominent among large food retailers, food manufacturers and food service operators, reflecting both their considerable market power and competitive strategies based around 'own' or private brands that tie a firm's reputation and performance to the quality supplied by its products (Berges-Sennou et al., 2004).

Thus, contemporary agri-food systems are increasingly governed by an array of inter-related public and private standards, both of which are becoming evidently mandatory. It has been recognised that private standards can play a key role in governing food safety and quality and that public and private controls should be coordinated (Henson and Caswell, 1999), such that co-regulatory approaches (Garcia et al., 2005) are being employed as part of efforts to achieve social food safety and quality objectives in a more competent way.

In our previous work (see Marsden et al 2000 and Thankappan et al 2004) we have observed a shift from mandatory standards as the predominant form of governance over food safety and quality, which is inevitably positioned within the public sector, to more voluntary forms of governance, paving a way for a more actively driven private sector. The dissimilarity and the shift between public and private standards can be seen through both the growing role of standards set by private processes and/or the emergence of private standards as *de facto* mandatory in agricultural and food markets (Henson and Northen, 1998).

Contemporary agri-food systems are governed not only by public and private standards, but also by public and private modes of enforcement as they are increasingly permeating public regulations (for example, as in the inclusion of HACCP among the regulatory requirements for meat and meat products in the United States, Canada, EU, etc.) such that the relations between public and private food safety and quality standards are increasingly complex. Regulators are now increasingly adopting the mechanisms employed by private standards, and indeed even referencing private standards, in their rule making (Henson and Northen 1998; Henson and Hooker, 2001).

The development of private governance structures for food safety and quality raises considerable challenges for the analysis of trade in agricultural and food products. On the one hand, private standards are a relatively new element of the food safety and quality landscape and continue to evolve over time. On the other, the extent of private food safety and quality standards differs widely across countries, products and customers.

Private standards remain far from universal and in certain contexts, for example broad commodity markets into food processing, public standards continue to predominate (World Bank 2005). At the same time, however, it is possible to distinguish the factors that influence the development or adoption of public and private standards, providing guidance on where private modes of governance are more all-encompassing or are likely to dominate over time.

There is a growing recognition among large food retailers for a collective private standard that would enable them to reduce the costs of governing food safety along their supply chains, while expanding the population of suppliers from which they could procure. In the UK most major food retailers have collaborated in the development of a harmonised private food safety standard through the British Retail Consortium (BRC). Similar efforts by German and, French food retailers have led to the International Food Standard (IFS).

Casella (2001) agues that firm-level coalitions for the formation of harmonized collective standards will shift from predominantly national to predominantly international as markets become more globally integrated. This trend is now being observed through the formation of the Global Food Safety Initiative (GFSI) through the Food Business Forum (CIES), which is developing guidelines for the benchmarking of national and regional private food safety standards in order to bring about mutual recognition of differing codes. Similarly, a league of several major food retailers across Europe in the late 1990s formed the Euro-Retailer Produce Working Group (EUREP) that has developed a common private protocol on good agricultural practice (EUREPGAP).

7.0 Global Organisations in the Governance Framework

International standards for food safety are developed and adjusted by a small number of international organisations, each of whom are strongly interlinked. At the focus of this is the World Trade Organisation and the commitments laid out in its Sanitary and Phytosanitary Measures (SPS) agreement.

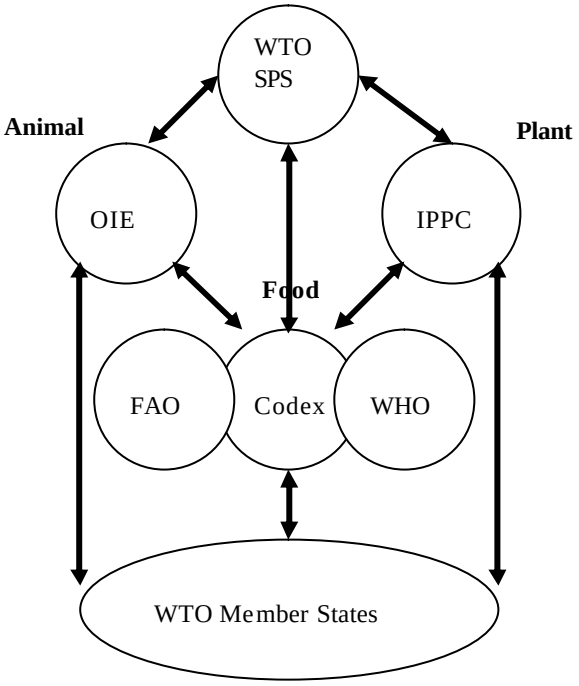
All 150 WTO member states are legally bound to abide by the principles set out in the SPS agreement when developing standards that may have a direct or indirect influence on international trade. Established in 1995, the agreement takes a risk-based approach to food and agricultural standards that aims to encourage the standardisation of national standards under the principles of sound science and non discrimination. A primary tenet of the Agreement is that signatory states must *"ensure that their sanitary and phytosanitary measures are based on an assessment, as appropriate to the circumstances, of the risks to human, animal, or plant life or health, taking into account risk assessment techniques developed by the relevant international organisations"*[3]. WTO members are able to develop their own specifications within these principles. Should trade disputes be brought to the WTO, however, they will be ruled with reference to international standards which have been mandated with developing standards based on the WTO SPS agreement.

These organisations are the Codex Alimentarius Commission (Codex), which is overseen jointly by the World Health Organisation (WHO) and the UN Food and Agriculture Organisation (FAO) and has responsibility for food standards, the World Organisation for Animal Health (OIE) who has responsibility for animal standards, and the International Plant Protection Convention (IPPC) who, are mandated with Phytosanitary measures. Each of these organisations, work closely with each other as well as with the WTO and other stakeholders (see figure 1 below).

The SPS states that member states must use the standards set by these organisations as reference points on which to base their own. They may only adopt higher or stricter standards if they can demonstrate a scientific justification. WTO Member states have a duty to notify the WTO of any proposed SPS regulations which are not the same as international (Codex, OIE or IPPC) standards and may have a significant effect on international trade.

[3] http://www.wto.org/English/tratop_e/sps_e/spsagr_e.htm

Figure 1: Global Standard Setting Organisations



7.1 Codex Alimentarius Commission (Codex)

Codex Alimentarius Commission is an intergovernmental body jointly sponsored by the Food and Agriculture Organisation (FAO) and the World Health Organisation (WHO), and its aim is to establish worldwide standards for foods in the broadest sense. The Codex Alimentarius Commission, established by the two Organisations in the 1960s, has become the single most important international reference point for developments associated with food standards. Food legislation in many countries is based on Codex Standards, although it is not mandatory to implement them in all cases.

The Codex Alimentarius, or the food code, has become the global reference point for consumers, food producers and processors, national food control agencies and the international food trade. The Codex Alimentarius system presents a unique opportunity for all countries to join the international community in formulating and harmonising food standards and ensuring their global implementation. It also allows them a role in the

development of codes governing hygienic processing practices and recommendations relating to compliance with those standards.

Given that food standards are becoming more important as international trade in food opens up and consumers are more concerned about safety and quality; Codex is recognised in the relevant World Trade Organisation (WTO) agreements as the international body able to provide these guarantees. In the event of a trade dispute Codex standards would become accepted reference documents for its settlement. This underlines the increasing importance of Codex in international law.

The significance of the food code for consumer health protection was accentuated in 1985 by the United Nations Resolution 39/248, whereby guidelines were adopted for use in the elaboration and reinforcement of consumer protection policies. The guidelines advise that "*When formulating national policies and plans with regard to food, Governments should take into account the need of all consumers for food security and should support and, as far as possible, adopt standards from the ... Codex Alimentarius or, in their absence, other generally accepted international food standards*".

The Codex Alimentarius has relevance to the international food trade. With respect to the ever-increasing global market, in particular, the advantages of having universally uniform food standards for the protection of consumers are self-evident. It is not surprising, therefore, that the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and the Agreement on Technical Barriers to Trade (TBT Agreement) both encourage the international harmonisation of food standards. Products of the Uruguay Round of multinational trade negotiations, these Agreements cite international standards, guidelines and recommendations as the preferred measures for facilitating international trade in food. As such, Codex standards have become the benchmarks against which national food measures and regulations are evaluated within the legal parameters of the World Trade Organization (WTO) Agreements.

By providing an international focal point and forum for informed dialogue on issues relevant to food, the Codex Alimentarius Commission fulfils a crucial role. In support of

its work on food standards and codes of practice, it generates texts for the management of food safety and consumer protection based on the work of the best-informed individuals and organisations concerned with food and related fields.

While the growing world interest in all Codex activities clearly indicates global acceptance of the Codex, (embracing harmonisation, consumer protection and facilitation of international trade), in practice it is difficult for many countries to accept Codex standards in the statutory sense. Differing legal formats and administrative systems, varying political systems and sometimes the influence of national attitudes and concepts of sovereign rights impede the progress of harmonisation and deter the acceptance of Codex standards.

One of the strengths of the Codex and FAO and WHO relationship in scientific matters is its flexibility. In recent years, FAO and WHO have held expert scientific consultations on a broad range of matters. Not all of these have resulted in the development of new Codex standards, as sometimes the best way of managing food safety risks is *determined* to be through other means. FAO and WHO also provide advice on how alternative means of risk management can be brought about.

The following excerpt from an interview with a FAO official brings out the essence of the working relationship between Codex, FAO and the WHO:

"our collaboration particularly in the area of provision of scientific advice is very strong, any requests that we get from Codex we tend to work on jointly so all the activities relating to microbiological risk assessment , these are all joint FAO/WHO activities. On other levels over the past few years we've also worked with the WHO to implement the regional and global conferences for food safety. Recently as well, in the past very much in terms of capacity building or projects we have very much tended to work independently but now, following on from these conferences and also this more integrated approach to food safety when it comes to establishing projects in particular countries or maybe small regional projects, both organisations try to work together so that there's a common approach to food safety, so one project maybe FAO led would have WHO input or vice versa and of course the other areas, that we're working on at the moment I think like the avian flu, FAO is working on it very much from the veterinary perspective whereas WHO are working on it from the health perspective so any issues like that that tend to require this two prong approach in terms of food safety and training health, we try to have a joint initiative with the WHO."

It is quite evident from the following excerpts of the interview with an IAEA official, the FAO and the WHO are not the only sources of scientific excellence on which Codex depends. Codex encourages other scientifically based intergovernmental organizations to contribute to the joint FAO and WHO scientific system. The International Atomic Energy Agency (IAEA) provides advice and support on levels of radionuclide contamination in foods and on food irradiation.

"… it was recognised by both FAO and IAEA that there was a place for technical expertise related to nuclear technologies food group, the joint division (FAO/IAEA) works in two major project areas one project area is the applicatory role and the development of standards related to radiation, the use of radiation for food also the application of other standards, we are not just restricted doing the radiation we are also very much involved in the review of radio-nuclei contamination, geological events like terrorist activities. We are very much involved in the not only the interpretation but the application of conventions and agreements between UN bodies and emergency preparedness."

7.2 World Organisation for Animal Health (OIE)

The World Organisation for Animal Health (OIE) provides advice on animal health, on animal diseases affecting humans and on the linkages between animal health and food safety. Based in Paris, the Office International des Epizooties was created in 1924 as the result of an international agreement between 24 nations seeking to improve cooperation to fight against the spread of animal disease. Renamed as the World Organisation for Animal Health (but confusingly retaining its original acronym), the organisation currently has 167 full members and acts as a coordinating partner for SPS standard setting.

A central mission of the organisation is "*to safeguard world trade by publishing health standards for international trade in animals and animal products*". This sits along side objectives to communicate, analyse and provide expertise to nations to combat issues of animal disease. The organisation is also increasingly active in global animal welfare issues.

The OIE publishes a set of normative documents that put forward rules that member countries can use to protect themselves from animal diseases and pathogens without

constructing undue barriers to trade. These documents include: the Terrestrial Animal Health Code, the Manual of Diagnostic Tests and Vaccines for Terrestrial Animals, the Aquatic Animal Health Code and the Manual of Diagnostic Tests for Aquatic Animals[4].

Standards are adopted by an OIE International Committee using recommendations drawn up by specialist scientific commissions and working groups[5]. A working group on food safety was established in 2002[6].

7.3 International Plant Protection Convention

Unlike Codex and the OIE, official standards and guidance for plant related trade are based on an international convention. The International Plant Protection Convention was established in 1951 and currently has 158 signatory members. The convention works to prevent the introduction and spread of plant and plant product pests, and promote appropriate control measures. Convention activities are coordinated by an IPPC Secretariat which is hosted by the FAO and governed by the Commission on Phytosanitary Measures (CPM), which was established in 2005. A major element of the convention's activities is the development and promotion of International Standards for Phytosanitary Measures (ISPMs). The IPPC official interviewed during our research clarified the Conventions activities it as follows:

"…Basically because nobody thought really about standard setting in the fields of plant health before the SPS Agreement came into being, so, at the time of the negotiations of the Uruguay round, this issue came up. Do we need to have international standards in the field of plant health? There was certainly some doubt at that time whether anything could be done……it was agreed that there was scope for that and then the countries looked for an institution basically that could do so. Therefore, the IPPC was recognised as the institution that could start working on that. So as a standard setting body the IPPC is very new although the convention itself is very old."

ISPMs are used as a reference for WTO trade rulings. WTO members are required to base their phytosanitary measures on IPPC standards. There are currently 24 ISPM

[4] http://www.oie.int/eng/OIE/en_oie.htm
[5] http://www.oie.int/eng/normes/en_norm.htm
[6] http://www.oie.int/eng/secu_sanitaire/en_workinggr.htm

standards in existence. Measures that deviate from these standards or exist in areas without current standards must be developed through risk assessment and based on scientific principles and evidence. The IPPC also provides dispute settlement procedures through the CPM, which although non-binding, act as indicators for potential WTO SPS level procedures.

The CPM meets annually to establish the priorities for standard-setting and the harmonisation of phytosanitary measures, in coordination with the IPPC Secretariat. Membership is open to all signatories of the IPPC. Governmental non-members and non-governmental organisations may attend CPM events in an observer status. As a young organisation, the CPM is regarded as still establishing its authority and efficacy, particularly in the area of information dissemination and expert links. Nine Regional Plant Protection Organisations (RPPOs) also exist. Their remit is to coordinate the work of the IPPC in their respective regions[7].

7.4 World Health Organisation (WHO)

Both the WHO and FAO are also individually involved in other aspects of international food safety. The WHO, for example, provides expert advice and assistance to its members through activities such as, surveillance/monitoring, sharing of information, providing guidance & training, QA and testing services, appraisals of new food technologies, and the promotion of cooperation between nations and between agencies. WHO activity is concentrated in countries with public health problems and a lack of means to combat them, the WHO official interviewed during our research succinctly puts it in the following words:

"…the FAO and WHO have a long history of multilateral efforts to promote food security and public health and have worked to develop a consensus about the implications of biotechnology for their areas of interest. Meanwhile, the IPPC and OIE are multilateral treaties that seek to protect plants and animals from the spread of pathogens through international trade, thereby providing much of the scientific consensus that underlies domestic food safety systems. Both institutions have their own nonbinding dispute

[7] https://www.ippc.int/servlet/BinaryDownloaderServlet/159931_Procedural_manual_20.doc?filename=1166524691874_ProceduralManual2006_FINAL.doc&refID=159931

avoidance and settlement systems, but their most important role in international trade is through the WTO Sanitary and Phytosanitary Agreement (SPS), which uses the IPPC and OIE standards as the basis for evaluating SPS disputes."

The World Health Assembly, who oversee the development of WHO's activities, agreed in 2000 to an expansion of WHO's global food safety remit. This included the development of a WHO Global Strategy for Food Safety, which was endorsed in 2002 and seeks to identify global food safety needs and coordinate global approaches to combating foodborne safety issues. Individual nations are urged to use the strategy as a source of guidance when developing or reforming their own national food safety strategies[8].

7.5 Food and Agriculture Organisation (FAO)

FAO activity in food safety is focused through its joint implementation of the FAO/WHO Food Standards Programme and its main manifestation, the Codex Alimentarius Commission.

Food safety is an important aspect of much FAO work, although the organisation lacks a discrete internal food safety arm. Nevertheless, food safety issues are integral to the workings of FAO departments such as Animal Production and Health Division, Plant Production and Protection Division, Agricultural Support Systems Division and the Agricultural and Economic Development Analysis Division.[9]

The organisation also works closely with partners on a number of programmes related to food safety and standards. The FAO philosophy on food safety issues is based on promoting food chain approaches. This approach is laid out in the organisation's guiding document on this subject: "Strategy for a Food Chain Approach to Food Safety and Quality: A framework document for the development of future strategic direction" which

[8] http://www.who.int/entity/foodsafety/publications/general/en/strategy_en.pdf
[9] http://www.fao.org/ag/aga/agap/frg/feedsafety/special.htm

outlines the organisation's aims to produce a comprehensive strategy document on the issue.[10]

7.6 Inter-agency Cooperation

The degree of inter-agency cooperation and collaboration between the standard setting organisations is variable. There has been increasing emphasis in recent years, however, on coordinating and cross referencing texts and standards between relevant organisations[11].

Cooperation between the standard setting organisations and the WTO SPS process are well established. All three organisations attend relevant SPS meetings as observers[12]. Ties between the standard setting organisations themselves vary. The OIE, for example, describes its cooperation with Codex as encompassing:

a) the use of a common text in the elaboration of a standard and harmonisation of definition;

b) cooperation through mutual exchange of information and participation in meetings;

c) cross-referencing to the other organisation's standards;

d) the construction of complementary texts taking into account the existing standards[13].

OIE representatives have observer status on a number of Codex committees, for instance, including a Committee on Food Import and Export Inspection and Certification Systems, a Committee on Milk and Milk Products and one on Residues of Veterinary Drugs in Food[14]. Links between the IPPC and its two sister organisations are generally less formal[15].

[10] http://www.fao.org/DOCREP/MEETING/006/Y8350E.HTM
[11] http://www.fao.org/DOCREP/MEETING/006/Y9339E.HTM
[12] http://www.fao.org/docrep/008/y5968e/y5968e07.htm
[13] http://www.oie.int/eng/secu_sanitaire/Cooperation%20CAC-OIE%20on%20food%20safety%20throughout%20the%20food%20cha%E2%80%A6.pdf
[14] http://www.oie.int/eng/secu_sanitaire/en_introduction.htm
[15] https://www.ippc.int/servlet/BinaryDownloaderServlet/115287_CPM2006_INF9.pdf?filename=1140709495972_CPM2006_INF9.pdf&refID=115287

FAO has a very close working relationship with the WHO while with the WTO is more of a distant relationship; this is evident from the excerpts from our interview with an FAO official:

"We have quite a significant working relationship with WHO in the area of nutrition, there's a very big debate, extensive work going on at the moment on diet and product issues which is not necessarily a food standards issue…… There's a slight area of interaction which is in labelling where you have nutrition information on labels which I must say has only just started in the European Union……Actually the affiliation with WTO is a curious one, they're not a United Nations body, they have their own statutes and their own rules, whereas the work of Codex and the work of FAO, the work of WHO for the most part, is always advisory."

All the organisations have collaborated to produce an online information source called The International Portal on Food Safety, Animal & Plant Health which provides a single information point for official information, both international and national, on issues of food safety, animal and plant health[16].

8.0 Links with National and Regional Bodies

Each national member of these organisations has a point of contact, usually located within the country's ministry for food & agriculture (or equivalent). Their duties revolve around the coordination of information flows between national stakeholders and the international standard setting organisation, either through answering domestic enquiries, coordinating and compiling stakeholder responses as part of consultation processes and notifying domestic interests of changes to the relevant international standards. In the UK, for example, WTO SPS "enquiry point", OIE "official delegate" and the IPPC "National Plant Protection Organisation Contact" all reside with DEFRA representatives. The Codex "contact point" is within the Food Standards Agency. In the UK, the National Codex Consultative Committee is open to all stakeholders and attended by representatives of industry, enforcement and consumer groups[17].

All the standard setting organisations allow national governments to propose and develop initiatives which then may be developed upon within the established procedural process.

[16] http://www.ipfsaph.org/En/default.jsp
[17] http://www.food.gov.uk/foodindustry/regulation/Codexbranch/

Standard setting organisations generally use a mixture of in-house and external expertise. The OIE, for example, has a network of 156 collaborating centres and reference laboratories that provide expertise on the specialist commissions and working groups who are charged with preparing their official guideline documents. One of the FAO officials interviewed in our research had the following to say on their involvement with the national bodies like FSA.

"…we make quite a distinction between the scientific advice which determines whether or not something is safe and that is done by individual experts drawn from institutions around the world in their own capacity, that's very similar to the model which is used by FSA. In the implementation side, most food regulation is implemented through law, through food law. So, we have to deal directly with the government, now the government may involve experts from the Food Standards Agency or they may bring policy people from the ministry in these discussions. Sometimes they do both. And there's one other difference, in the scientific side of things we work with experts in the individual capacity whereas in the setting of standards codes of practice, guidelines and so forth, it's government negotiation, it's the government that is represented with the powers of the government not as individuals."

The European Union has steadily increased its influence at SPS and partner organisation proceedings, at the expense of EU member state involvement[18]. In 2003, the European Commission achieved full member status in the Codex Commission and now represents all EU members on matters of EU competence[19]. The EU has a similar position within the IPPC[20] and although it is currently without full member status in the OIE[21], the Commission does coordinate a common community position on issues.

9.0 Private Standards and the Role of Global organisations

The evolution of private standards simultaneously does not imply that regulatory food safety and quality requirements will fade away. This was reflected in the views presented by an FAO official during our interview.

[18] Alessandra Battaglia (2006) "Food Safety: Between European and Global Administration" *Global Jurist*: Vol. 6 : Iss. 3 (Advances), Article 8.
[19] http://www.food.gov.uk/foodindustry/regulation/Codexbranch/
[20] http://www.fao.org/Legal/TREATIES/004s-e.htm
[21] http://www.defra.gov.uk/animalh/int-trde/oie/index.htm

"…..I should point out that codex was, is and probably will always be a voluntary standardising body. We have an acceptance procedure with ultimate goal of course is to have people harmonise their standards from government to government, unless there is scientific reasons to deviate from this."

While private food safety and quality standards are emerging as an important trade issue for agricultural and food products, it is evident that such standards fall outside of the scope of existing institutions aimed at providing discipline in the use of food safety and quality measures. There have been occasional concerns regarding private standards acting as barriers to trade, however, it has been recognised that the actions of private firms are laudable as is reflected in the following excerpts during our interview with a WTO official:

"…This is an issue that has never been discussed in the SPS Committee although it has been raised in the Technical Barriers to Trade (TBT) Committee…..The search for a framework that could prevent these private standards from becoming barriers to trade must start with the acknowledgement that WTO Agreements are not enough to deal with this issue, since private requirements were not the central issue during WTO trade negotiations. If we consider both mandatory and voluntary environmental requirements, we have to admit that full implementation of WTO agreements is important and may have a considerable role in solving part of the problems concerning market access, but a more global solution requires the development of new tools outside WTO. However having said that, I think personally that it is very difficult for the WTO to set standards to so many different aspects so in a way what the private sector are doing is good. Their (private sector) efforts frequently involve international trade, and often exports from less developed countries. They may also utilise new technologies or management approaches that facilitate quality control and assurance. This market evolution is encouraging, because it demonstrates that private incentives can sometimes overcome technical barriers to trade. The WTO is the place of last resort for disagreements over such technical barriers".

An FAO official interviewed also shared similar views:

"……basically I am very much in favour of these private initiatives and private standards,……but I think the important thing for governments to realise is that these are in fact private initiatives and that what we want to be careful I don't mean national legislation but also international initiatives that have by default so to speak become quite mandatory once in the trading environment……but I think these private initiatives in some respects are much further along than what the UN is doing. I am very enthusiastic about these private initiatives but I think the UN should continue to play the coordinating role to make sure that these do not duplicate each other"

While another FAO official interviewed was of the opinion that private retailers should not be entrusted with the responsibility of deciding on the food safety requirements of a nation, as is evident from the following excerpt:

"…the ideal situation would be to leave the international harmonised arena for the Governments. They have the big value and their open and transparent consultative process. And then on special needs, you would have private standards that would compliment. But I would not recommend or I would not see how a private retailer should decide on the food safety requirements for a country, I mean that's crazy."

While private food safety and quality standards might challenge the dominance of the WTO as the main forum through which trade issues related to food safety and quality measures are addressed, it is hard to conceive of a situation where an international agreement or treaty can be brought to bear on the private commercial transactions of buyers within agricultural and food supply chains. Indeed, private standards, whether taking the form of business-to-businesses specifications or collective standards, are (and have arguably always been) integral to the private contractual relations between buyers and sellers. An FAO official interviewed had the following comment to make:

"…I think and this is my personal opinion we have to realise that Good Agricultural Practices (GAP) in and out of itself is being treated as more or less a new theory and it is really not, this is not a new concept the thing that the private industry is done that I think is very difficult for the UN because of the territorial claims etc is that they put it together as one package so that you could really have or you do have that EUREPGAP in Asia, EUREPGAP is very successful in that they are truly governing from the farmer level all the way to Safeways. This to me is where the private sector can play a really crucial role. The point I am trying to make is the UN bodies all input to this process at different stages. We have manuals we have fantastic manuals and GAP production and Dairy production but one other problems with the UN bodies is that they are not basically licensing or certifying bodies or accreditation bodies or anything related to formally accepting or promulgating or promoting these different standards and that's good. I think that's good, because the UN organisations have to show a very independent very unbiased view otherwise they lose all their credibility."

During our research interviews it was clear from the responses from our interviewees that Global organisations cannot do much about the proliferation of private standards. When asked about their view on WTO's possible interest in the growth of private standards

because in a sense it sort of contravenes the notions of free market, an FAO official had the following response:

"The WTO has basically said that they cannot do anything about the private standards. The question was raised in the SPS committee some time ago by Jamaica and some others and the response was because these are not government to government arrangements and WTO is explicitly government to government body, WTO cannot do anything with them."

10.0 Conclusion

With heightened awareness of food safety concerns and the rapidly changing food system, food safety standards are becoming more stringent and responsive to new hazards. Countries that trade internationally may have different desired levels of food safety and food safety regimes, as well as different costs of complying with regulations. Food safety, both domestically and internationally, is managed and ensured by both private and public sector efforts

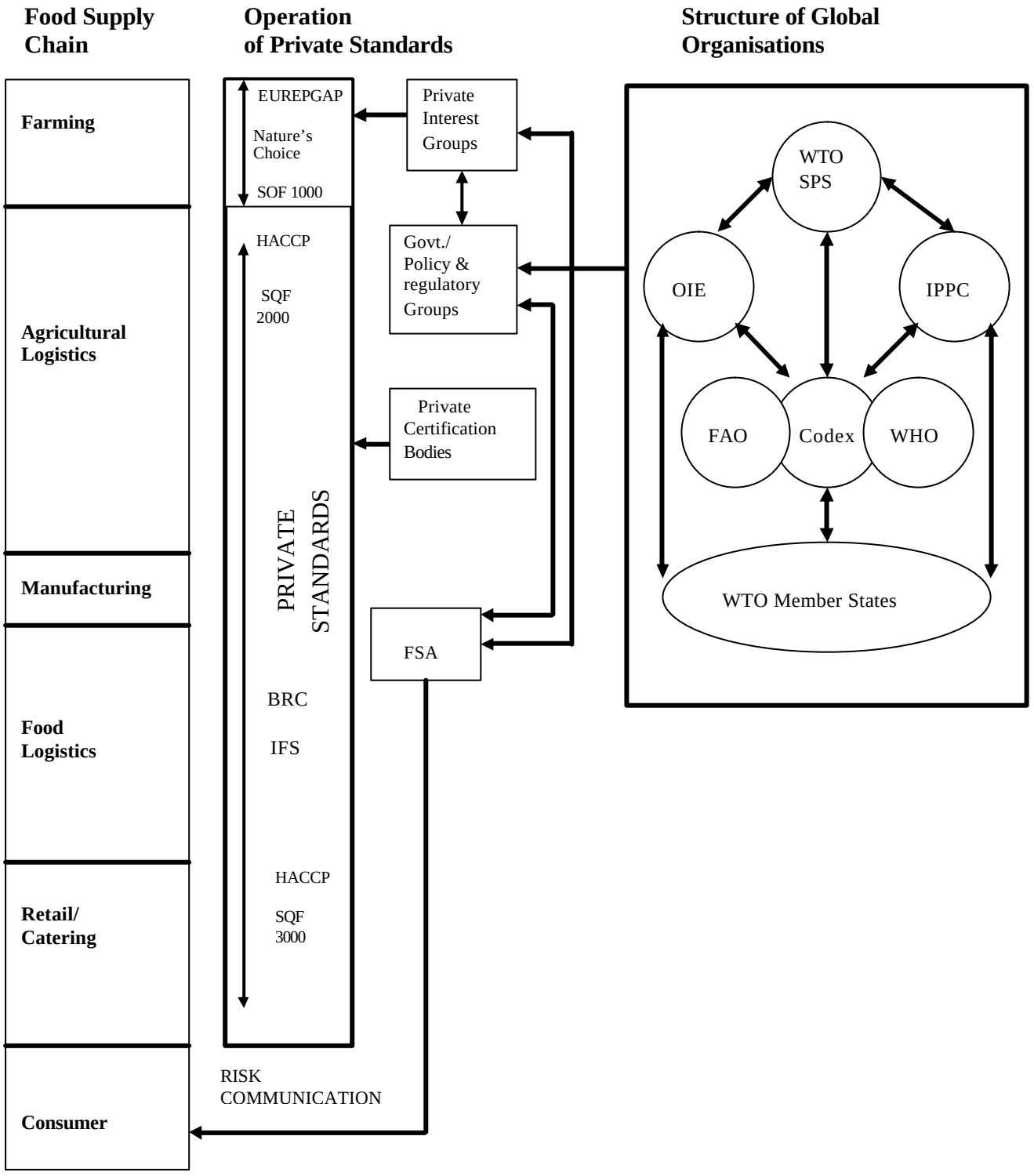
In essence, the private and public sectors have responded to consumer demand for quality and safety by developing and implementing common approaches for quality and safety control, management, and assurance, often working in partnership. The extent of public versus private responsibility varies among commodities and food products. Public and private approaches are often intertwined with each other and with multilateral coordination mechanisms (e.g., Codex and HACCP).

As safety and quality attributes are increasingly demanded by consumers, the private sector responds. In general, the private sector pioneers food safety advances. Importers often target their food safety efforts to sell to large supermarket chains with particular food standards (e.g., regarding produce). Private approaches fostering food safety include self regulation, vertical integration, third-party certification, and common approaches to risk identification, assessment, and management such as Hazard Analysis and Critical Control Point (HACCP) systems and voluntary guidelines or Good Agricultural Practices (GAPs).

One of the foremost concerns regarding the growth of private food safety and quality standards is their potential impact on the transparency of regulatory processes. While the WTO commits Member states to notifying all new public food safety and quality standards and providing time for trade partners to voice concerns and engaged in bilateral dialogue, this does not apply to private standards. On the other hand, a wide constituency of stakeholders, both along the supply chain and geographically, is often involved in the promulgation of collective private food safety and quality standards. For example, the EUREPGAP and SGQ standards are all developed by technical committees that include representatives of food retailers and suppliers from multiple countries. This might suggest that, in some cases, private standards are more open to influence by trading partners than national regulatory requirements.

The research conducted by the ESRC/ BRASS team focused on food regulation in different scales based upon the European Food Regulation policies and particularly on the role of the changing nature of private and public interface regulations, with an intent to develop an understanding on the changing nature of public regulation with the setting up of new agencies like the Food Standards Agency in the UK and EFSA and also the growth and clarification of private systems of regulation particularly with certifications like EUREPGAP. The research aimed to comprehend what the hybrid nature of regulation is in the agri-food sector and what its implications are for different actors in the supply chain and assess how the regional (EU) and domestic (UK) regulation of food supply and food safety is influenced at the global level (see figure 2 for an illustrative representation of regulation in the food supply chain and the role of different global organisations).

Fig. 2: Regulation in the food supply chain and the role of different global organisations



The findings of the earlier phases indicated that there is a significant trend towards Europeanisation of food policy in the UK, and a growing institutionalisation of these policies and related empowerment of a different set of interest groups when specific issues e.g. GM, BSE and other food safety issues are concerned. Private interest groups are increasingly playing a pivotal role in reshaping the UK food policy.

More and more retailers are developing their own "codes of practice" including Good Agricultural Practice (GAP) and specifications related to intrinsic and extrinsic qualities. These private specifications are based on national and EU food safety and quality regulations and in most cases exceed these regulations. However, it is generally believed that exercising extensive private standards is a way to prove they have exercised 'due diligence' based predominantly on third party certification. From our research it is clearly evident that Global organisations believe that the work being carried out by the private sector is laudable and the ability of the private sector to bring about a market evolution is encouraging, as this demonstrates that private incentives can sometimes overcome technical barriers to trade. Member nations bestow global organisations a fairly open hand in developing new ideas, but are very wary of conferring any authority in, over their trade or over their internal regulation.

An FAO official interviewed had the following to say:

"The mixed model (Public-Private model) that you're looking at is with us for some time. Whether it will succeed in the long run is hard to say….But I think it's got a better chance of succeeding than a government only model or an industry only model."

It is evident from the discussions presented in the paper that private standards are fast becoming a primary determinant of market access, simultaneously paving a way for the evolution of private food safety and quality standards that is now even looking like challenging the role of the global organisations e.g. the World Trade Organisation (WTO). The actual views and vibes surrounding the private food safety and quality standards is reflected in a closing statement of an interview with one of the FAO officials interviewed:

"For the most part, they (retailers) are not imposing too many new standards, but they are imposing much more rigorous control all the way along the line. Partly because of the, what used to be called due diligence, but has now been folded into the new European food law to protect themselves against liability…….… it's a marketing ploy. I honestly don't think it has anything to do with protecting consumer's health. I think it's exclusively a marketing issue and playing to consumers perceptions about food safety but not about the food safety itself."

There are two possible interpretations to the above statement. One, that this is the positive reaction on the part of retailers who have become aware that maintaining a reputation of safety is crucial for their future. Introducing private standards would be their less costly solution for closing the gap between, suppliers who (because of globalisation and diversification) extend the chain of transactions beyond the reach of public regulators (who remain national or at best regional), thereby putting retailers at risk of losing control over quality in the chain of transactions, and, on the other hand, the growing requirements for safety guarantees for which consumers will hold them (retailers) responsible. Second, the increasing role of private standards may be the solution for the retailers to the risks generated by the liberalisation of markets and the related significant reduction in public intervention for defining and implementing safety standards. The above interpretations give different emphasis to the nature and role of private standards; in the first case, private standards are indicative of a response to internal needs while in the second case they seem to be a substitute for failing public institutions.

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