

## CONFERENCE REPORT

# Roundtable: Towards a Myanmar Food Safety & Responsible Sourcing Initiative

Primary Agricultural Production,  
Post Harvest, and Food Processing

Tue 8 – Wed 9 November 2016  
Lake Garden Hotel, Nay Pyi Taw, Myanmar



Presentations from the workshop are available at  
<http://www.myanmar-responsiblebusiness.org/news/food-safety-responsible-sourcing-initiative.html>



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## Executive Summary

Myanmar Centre for Responsible Business (MCRB), together with PRIME Agri Limited, co-hosted a roundtable in Naypyidaw on 8/9 November to discuss how Myanmar could enhance food safety and responsible sourcing in primary agricultural production (pre-farm gate), post-harvest, and food processing. An increased focus on responsible sourcing will enable Myanmar to access new markets and increase agriculture and food exports from Myanmar.

The multi-stakeholder roundtable was co-sponsored by the governments of Switzerland and New Zealand. It was attended by around 70 Myanmar stakeholders and international experts from leading food safety and standards organisations such as GLOBALG.A.P., Fairtrade, FSSC 22000 and the Global Food Safety Initiative (GFSI).

Myanmar stakeholders included officials from the Ministry of Agriculture, Livestock and Irrigation (MOALI), Ministry of Commerce, Ministry of Planning and Finance, and the Food and Drug Administration of the Ministry of Health, Myanmar agriculture and food businesses and international investors, consumer groups, workers organisations and development partners.

The workshop was addressed by Dr Tin Htut, Permanent Secretary of MOALI, on behalf of Minister U Aung Thu who told participants: *'Myanmar is committed to adopting widely accepted international standards, in order to unlock market access for higher value agriculture and food products'*.

In a message to the conference, Dr Kristian Moeller, the CEO of GLOBALG.A.P said, *'GLOBALG.A.P. will look into establishing the GLOBALG.A.P. Academy in Myanmar to assist implementation of a food safety and sustainability culture that positions Myanmar as a reliable food supply country to local and international markets'*. GLOBALG.A.P. is the food safety standard and farm assurance program that is most recognized by the international food industry in primary agricultural production.

Participants also heard presentations from other experts including Fons Schmid, Chair of FSSC 22000, and former Chair of the GFSI, and from a variety of Myanmar and foreign companies who are taking steps to improve food standards in a variety of commodities including coffee, rice and fruit and vegetables.

International conference participants underlined that Myanmar producers who wanted to access new markets needed to align themselves with recognised international standards, such as *GLOBALG.A.P., FSSC 22000, and FairTrade*.

The main **conclusions** of the conference were:

- Myanmar has significant potential to increase production of high value agriculture and food, including for export. This will raise incomes and quality of life in Myanmar's rural areas and amongst those engaged in agrarian livelihoods and increase foreign exchange earnings.
- However current practice in food safety and responsible sourcing is weak. This is due to a combination of:
  - Lack of awareness of food safety issues, including agrochemical use

- Lack of awareness of international standards
- Costs for farmers of meeting higher standards
- Gaps in Myanmar laws, in content and enforcement of existing law, including unclear accountability, and illegal imports
- Lack of coordination and information sharing between Ministries (particularly Agriculture, and Health/FDA)
- If smallholders and agricultural supply chains want to unlock access to higher value markets and attract foreign investment in the food processing industry, they will need to comply with recognised international food safety standards This will also benefit local consumers
- Food Safety & Responsible Sourcing can be most practically viewed through an end to end supply chain, beginning with primary agricultural production (or pre-farm gate), to post-farm gate processes including post-harvest and downstream food processing, and finally to retail shelves.
- GLOBALG.A.P. covers the pre-farm gate primary agricultural production; FSSC22000, the most widely accepted standard of the international food industry, focuses on the post-farm gate supply chain components.
- Since the international market requires certification to global standards (GLOBALG.A.P., FSSC 22000, organic, Fairtrade etc) and Myanmar currently lacks credible and accredited standards bodies, there is no point in reinventing the wheel and investing in a national GAP Certification system, particularly for export-oriented products.
- Myanmar GAP and GLOBALG.A.P. are not mutually exclusive. Myanmar GAP should continue as a broad-base national initiative to improve overall productivity of Myanmar's agricultural sector. As an internationally accepted standard, GLOBALG.A.P. certification will be important especially for the export and premium domestic markets.

Main **follow-up actions** identified were

- More coordination on standards and food safety between MoH/FDA and MOALI, and with Ministry of Education/DRI/National Standards Council, including through a National Codex Committee on food safety
- More enforcement of existing laws, with clear accountability established between MOALI, MoH/FDA, Police and Customs
- Revision of the 1997/2013 Food Law (underway, led by MoH/FDA)
- Revision of the 2014 Law on Standards, inter alia to support establishment of a national Accreditation Body (MoE supported by USAID)
- Updating of pesticide lists by PPD, MOAL, and greater enforcement
- Training to be organised by PRIME with GLOBALG.A.P. and FSSC 22000, and to build capacity of DOA Extension teams, local consultants, inspectors and ultimately producers to understand and attain international standards and certification, in partnership with others
- Agro-chemical companies to improve product stewardship, individually and collectively, including through training on safe use, and monitoring
- Improvement in government testing facilities with support from development partners (GIZ, UNIDO, USAID), and investment in private sector facilities
- Partnership by government and companies with local civil society organisations

## Post-conference update

Following their participation in November's conference, both GLOBALG.A.P. and FSSC 22000, the main standards for pre-farm and post-farm gate activities, have decided to support a **Myanmar Food Safety & Responsible Sourcing Initiative** focussed on raising Myanmar capacity to meet international standards.

Specifically this involves:

- A commitment to implement, together with local partners, the **GLOBALG.A.P. Academy** for the farming sector in Myanmar, with a focus on Group Certifications and the addition of a supplementary Sustainable Rice Protocol ("SRP") certification under the GLOBALG.A.P. platform.
- The introduction of the **FSSC 22000 Global Market Programme** for the post-harvest/food processing sector, tailored towards smaller enterprises, beginning with a briefing in Yangon for the industry on **3 February 2017** to be attended by major international food industry players as well as local companies.

Activities under these projects will be subject to the approval of relevant Ministries and supplementary funding from development partners and other stakeholders.

Interested companies and organizations are invited to join the Initiative and to participate in the implementation of these activities. Please contact MCRB for further details, [info@myanmar-responsiblebusiness.org](mailto:info@myanmar-responsiblebusiness.org).

## Background

The aim of the conference was to bring relevant stakeholders together to define actions to assist the agriculture and food sectors in Myanmar to comply with market requirements for **'responsible sourcing'**.

The conference was co-organised by Myanmar Centre for Responsible Business (MCRB), a Yangon-based initiative funded by the UK, Denmark, Norway, Switzerland, Netherlands and Ireland, based on collaboration between the UK-based Institute of Human Rights and Business, and the Danish Institute for Human Rights. MCRB was established to provide an effective and legitimate platform for the creation of knowledge, capacity and dialogue concerning responsible business in Myanmar, based on local needs and international standards, which results in more responsible business practices. It is a neutral platform working with businesses, civil society and government. This conference reflected MCRB's commitment to promoting multistakeholder dialogue and raising awareness of international standards.

The other co-organiser, PRIME Agri Limited, a wholly owned subsidiary of Singapore-based PRIME Holdings Pte Ltd, is an investor, developer, and operator of an integrated agribusiness platform in Myanmar – the PRIME iSFD (integrated Safe Food Delivery System) - centred around food safety, sustainability, and social compliance.

**'Responsible sourcing'** is increasingly a business requirement. Large companies and brands are setting up specific programs to implement best practices in their supply chains. Suppliers are having to prove that their production meets international recognized standards as well as specific requests from companies. They are being asked to demonstrate that they apply best practices concerning food safety, social compliance, good environmental management and transparency within the supply chain. This requires the commitment of all actors within the supply chain.

Some initiatives to improve safety and sustainability of agriculture and food products have already been explored by local and international organisations in Myanmar. The purpose of the roundtable was to bring these Myanmar-based initiatives together with experts in international standards to:

- Exchange information and experience, to avoid duplication and reinventing what already exists
- Identify gaps between local initiatives and international standards, and challenges in meeting them
- Identify actions that companies, national and international organisations, government bodies and relevant standards and system providers should take to enhance responsible food sourcing in Myanmar
- Raise national awareness of the importance of responsible sourcing

Good practices for agriculture/food production are generally unfamiliar in Myanmar:

- Transparency and traceability within supply chains is often poor or inexistent, which is a challenge for local retailers, restaurants and hotels who want to source safely and responsibly
- Farmers often use unregistered chemicals and other farm inputs, generally imported from neighbouring countries. This results in unwanted and sometimes dangerous residues in the final products sold to customers.
- The regulatory framework is not adapted to the actual situation; registration of chemicals is out-dated. The Government is working on new legislation but implementation will take time
- Official food safety monitoring and control by government is at best, insufficient, and generally non-existent.
- Labour standards, including respect for workers' rights, occupational health and safety and child labour, are poor. So 10% of children under 14 are economically active, many of them in the agriculture sector.
- There is a countrywide lack of clarity over land tenure and registration, and an unresolved legacy of land grabs.

The result of these heightened risks is that international food companies remain reluctant to contract with Myanmar producers. However there is an opportunity to address these concerns by introducing better practices which meet international food standards, in line with the priorities of the Myanmar government to boost the agriculture sector, including exports, and improve food safety.

In recent decades, business-driven initiatives and multi-stakeholder initiatives have developed a set of standards and systems covering primary production and manufacturing of goods (food and non-food). These standards and systems are generally based on international conventions such as the Codex Alimentarius, and core Conventions of the ILO and other UN bodies.

These standards are widely recognized by many market players and international organisations. For example, the environmental reference documents of the Global Social Compliance Programme (GSCP)<sup>1</sup> are recognized by UNIDO and have recently been defined as the working tool for business by the G7<sup>2</sup>. To ensure coherence and avoid duplication, the GSCP equivalence process maps existing social and environmental standards and programs and the GSCP works closely together with the International Trade Centre in Geneva.

Another business-driven initiative facilitated by the CGF is the Global Food Safety Initiative (GFSI)<sup>3</sup> whose benchmarked food safety standards are accepted worldwide by business.

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<sup>1</sup> The Global Social Compliance Programme is facilitated by the [Consumer Goods Forum \(CGF\)](#), a global industry network, driven by its members

<sup>2</sup> On 26 April 2016 the Consumer Goods Forum (CGF) and the German Federal Ministry for Economic Cooperation and Development (BMZ) [cohosted a multi-sectoral and multistakeholder dialogue](#) to follow up the [G7 Employment and Development Ministers Ministerial Declaration](#) on Action for Fair Production, Berlin, 13 October 2015

<sup>3</sup> <http://www.mygfsi.com/about-us/about-gfsi/what-is-gfsi.html>



## Food Safety: Introduction



- **Safe food is THE key for market access**
- **Producers / suppliers must provide evidence to their costumers of applying good practices in their supply chain**
- **Safe food is directly related to policy, education, good practice, trust and transparency within the supply chain**



## Overview Standards and Programs



### Standard setting

- References: International conventions (ILO, Codex Alimentarius etc.), regulatory framework
- Standards: Defined best practices, requirements for implementers, accreditation, audit and certification bodies, etc.
- Programs: Define the way of implementing best practices
- Organisation
  - Documentation
  - Auditing and Certification

GLOBALG.A.P. is the world's leading farm assurance program, translating consumer requirements into Good Agricultural Practice (GAP) in more than 100 countries.

These standards and systems and others such as organic standards for EU markets and Fair Trade are already available for producers in any country to implement, including Myanmar. Most of the documentation is freely available online. Rolling them out in Myanmar will allow agriculture and food producers to demonstrate that they are adopting internationally recognised good practice, and increase access to international markets as well as enhancing standards of domestically consumed products.

## Keynotes

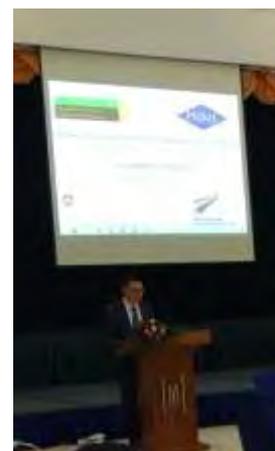
In his opening remarks **Dr Tin Htut, Permanent Secretary of the Ministry of Agriculture Livestock and Irrigation (MOALI)**, highlighted the importance of effective institutions for ensuring food safety meets international market access requirements, noting a recent challenge with an agriculture export to Indonesia as just one example. He expressed concern about the exposure levels of Myanmar consumers to toxic inputs in the agriculture sector, and lack of knowledge of international standards and food safety. He encouraged support from the international community and noted the need for capacity building. He noted that while Myanmar had developed a 'Myanmar GAP', this was not the only answer, and that Myanmar needed to engage with existing international standards. He recalled his involvement in ASEAN discussions of food safety, including the recent adoption of the ten principles of the ASEAN Food Safety Policy<sup>4</sup>.



*'We are years late starting, but now that we have begun, we want to get it right..... We are a sailor waiting for the wind to come. But now that it has, we realise that our sail is not strong enough for the wind; and our oars are not strong enough for the water'.*

Dr Tin Htut called for an Action Plan with correctly allocated responsibilities to the private sector, investors, ministry and farmers, and a Roadmap for the next five years to enable effective requests for resourcing from government and development partners. He also noted that he was prioritising restructuring of the Plant Protection Division to meet its new responsibilities by 31 March 2017.

**Stephen Wong, the Deputy Head of Mission of New Zealand**, co-sponsoring the event, advised that food safety is essential if Myanmar wishes to export products. Given how critical food safety is to the New Zealand economy, they have invested heavily in it. He noted New Zealand's willingness to provide technical assistance to Myanmar. He highlighted that today's consumers want assurances and expect more from producers. Consumers are also increasing scrutiny of the impact of food on society and the environment. The challenge that Myanmar faces are not unique and are faced by many countries. Food safety is a long term process that takes time, and involves shared responsibility from the Government, food regulation bodies and business.



**Kenneth Shein, CEO of PRIME**, explained how a focus on building a national reputation for food safety and responsible sourcing was one of the keys to unlocking access to international

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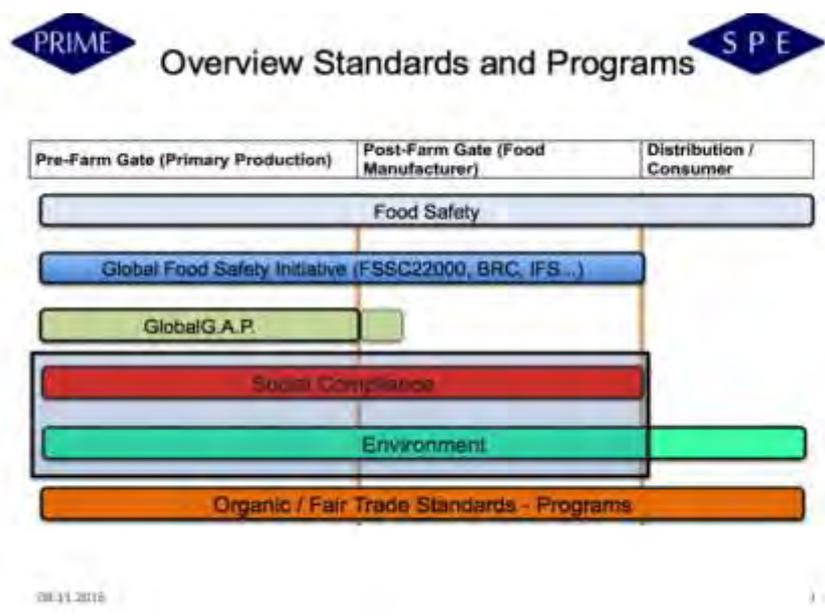
<sup>4</sup> [ASEAN Food Safety Policy](#), 2016

markets for intermediate and finished foods. He outlined a **Myanmar 3030 Vision**, driven largely from demand for raw materials and intermediate products by domestic and international food industry. He noted that Myanmar has more agricultural resources, comparative advantages and potential than California, who produced over \$35bn in farm gate value in 2012, and Thailand with over \$25bn in same period. *“With the appropriate national and regional government investment climate, social stability and political environment, Myanmar’s agricultural sector in the 2030’s should exceed US\$30 Billion in farm gate value....this is the “Myanmar 3030 Vision”.*

He argued that this dynamic relation between food safety, responsible sourcing, and the availability of compliant raw material will attract Foreign Direct Investment (FDI) within rural communities for post-harvest facilities and export-oriented food processing and support services. This will create a multiplier effect and more diverse and balanced regional economies. He pointed out that rural household incomes will increase significantly as smallholders are able to access markets for higher value crops.

Myanmar’s comparative advantages include labour, land, and favourable agronomic zones, particularly in Shan State and the Central Irrawaddy River Corridor (CIRC), means that regional agri-business hubs should be developed for temperate vegetables and fruits. California farmers produced over US\$ 2.4 billion farm gate value of strawberries on 42,000 acres in 2015. Primary agricultural production for the Southern Shan State alone could reach US\$ 10-20 billion per annum by the end of the 2030s.

He encouraged Myanmar producers to develop a credible reputation with consumers, basing themselves on GLOBALG.A.P. and FSSC 22000 certification, and to partner with them on training. Both organisations were committed to, and experienced in helping smallholders. He highlighted that a compliant food chain, responsibly sourced, will benefit a range of stakeholders: from local farmers with access to higher value markets, domestic consumers with safer food, and Myanmar as a nation by increasing incomes and improving livelihoods from the base of the pyramid up.



**Johann Zueblin, former board member of GLOBALG.A.P. and Co-Founder of the Global Food Safety Initiative (GFSI) and the Global Social Compliance Program (GSCP), and Director of PRIME Agri,** gave an overview of the current standards for food safety and responsible sourcing.

He noted that public awareness of food safety

is growing and there is a need to build trust, transparency and traceability at all stages in the supply chain. A good supply chain needs active investment, and does not happen automatically.

He explained that many food safety 'private standards' had arisen and the food industry had decided to join together to create global standards such as GFSI and GLOBALG.A.P. for **primary production**. This to avoid multiple audits of a single factory by different buyers. The drivers of these standards were primarily business and included retailers/brands and manufacturers. However they had been developed through multistakeholder approaches with civil society and unions. International organisations such as EU and UN were supportive and increasingly recognised these 'private standards'.

Much documentation already exists, for example GSCP best practices. However it needs to be translated into Burmese/local languages.

*“There is no need to reinvent the wheel”*

Johann noted that **organic** and **Fairtrade** certificates are certificates for the whole supply chain and not just the final products. However each has a separate purpose. They do not specifically relate to food safety.

Fairtrade certifies the product and its supply chain for consumers, through a licencing system of its label. It also supports producers, and marketing of FT products. But it is a choice for farmers, business and consumers, not an obligation.

Fairtrade is a billion dollar industry, but not yet active in Myanmar. It originally started with bananas but has now includes many products such as coffee, rice, fruit and flowers (75% of roses in the UK market are Fairtrade). Last year a total of \$50 million was returned to Producers Associations, in addition to the profits from the original sale of the product. These Fairtrade premia can be used imaginatively. For example in Canada the premium from a vegetable farm goes back to the village in Honduras where the workers come from.

## Session 1: International standards for primary production: GLOBALG.A.P. (Pre-Farm Gate)

On behalf of Kristian Moeller, CEO, GLOBALG.A.P., Kerstin Uhlig explained that GLOBALG.A.P. has existed since the 1990s to harmonise global standards on agriculture. It is mainly used in Europe and the US but its use is increasing in developing countries, in over 120 countries with 170,000 producers, 9.3% in Asia. In Thailand, 52 individuals and 10 farmer groups were certified. She noted PRIME was the first GLOBALG.A.P. certified producer in Myanmar.

We're a global organization with a crucial objective:

**safe, sustainable agriculture worldwide.**

We set voluntary standards for the certification of agricultural products around the globe—and more and more producers, suppliers and buyers are harmonizing their certification standards to match.

**GLOBALG.A.P.**  
The Most Widely Accepted Good Agricultural Practices Certification Worldwide

More than 400 voluntary members form the GLOBALG.A.P. Community

More than 170,000 certified producers in over 124 countries

3 main products with 40 standards and programs

More than 400 products available for certification

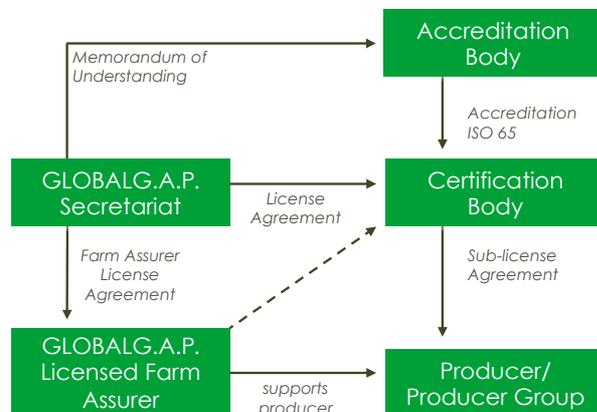
The standard is developed by GLOBALG.A.P. A pool of around 1,600 inspectors and auditors working for 141 accredited certification bodies like Control Union undertake the certification. These checked the relevance 'control points' which covered environment/biodiversity, working conditions, food safety and traceability (and animal welfare where relevant).

### THE GLOBALG.A.P. SYSTEM Built on a Solid Foundation

- All certification bodies (CBs) must be ISO 65 accredited
- Restricting initial non-accredited certification activities
- All certification bodies have had external system- and witness assessments before entering large scale certification activities

**All Approved CBs are Published on the Website**

- Status and scope of accreditation
- Contact details
- Country offices
- Worldwide choice of CBs



The costs for a producer are the costs of implementing the standard, a small cost to register (based on size), and then the costs of audit. She explained that producers can organise into groups for certification. Random inspections take place within each group. This produces better results because the members rely on peer pressure to achieve certification.

Immediate actions which Myanmar could consider for the Action Plan included:

- Training of Myanmar GLOBALG.A.P. consultants to be advisers/trainers for producers
- Training of Myanmar auditors/inspectors
- Capacity building for farmers
- Use of the existing GLOBALG.A.P. support network

One **question** focussed on the respective roles of government and the private sector. Kerstin explained that governments set a framework for food safety, both through the legal framework for domestic consumption, and through standards contained in trade agreements for imports and export. But government could not check every producer or import for compliance. They could operate risk-based checks; but the responsibility lay with private sector to ensure compliance of their products with legal requirements, and buyer requirements. Around 50% of GLOBALG.A.P. concerned the need to comply with national legislation.

A question was raised about the **difference between GLOBALG.A.P., ASEAN GAP and Myanmar GAP (i.e. 'good agriculture practices')**. This was causing confusion for Myanmar businesses and policy makers. There was also a question about production/consumption for the Myanmar market.

Kerstin explained that around 80% of the content of GLOBALG.A.P./ASEAN GAP and Myanmar GAP was the same. It was explained that the 'ASEAN GAP' Standard was largely based on GLOBALG.A.P. standards but appeared to have been developed for political reasons, based on experience Singapore, Malaysia, Thailand and Philippines<sup>5</sup>. There was no ASEAN GAP 'certifying body'. The content of 'Myanmar GAP' appeared to be a translation into Burmese language of the ASEAN GAP Standard, and the term was also sometimes used to refer to **farmer training**.

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<sup>5</sup> See for example [ASEAN GAP: Good Agricultural Practices for the production of fresh fruit and vegetables in the ASEAN region](#) (2006)

### **Box 1: Is there a need for Myanmar GAP Certification?**

The question was raised on both Day 1 and Day 2 about **whether there would be value in, and recognition of, a Myanmar GAP certification.**

In answering, experts underlined the difference between:

- promoting GAP or **good agriculture practice** at national level (e.g. through national standards (including GAP), legislation and institutions, and training of producers); and
- establishing national **certification bodies.**

International expert participants noted that export markets and international consumers wanted products which had **GLOBALG.A.P. certification**. It was unlikely that national (i.e. ASEAN or Myanmar) GAP certification bodies would be recognised by international buyers. If the aim was to increase exports, there would be little value in developing a 'Myanmar GAP' certification system. Financial and institutional resources would be invested into a Myanmar certification system which was unlikely to ever be recognised beyond Myanmar.

Other countries e.g. Switzerland, Chile, Thailand and Kenya had initially started to develop their own national GAP certification systems, which appeared motivated by national pride. However these national certifications did not meet buyers' needs for GLOBALG.A.P. certification, and had been a waste of effort. Kenya had spent \$100,000 developing a Kenya GAP standard but now it has evolved to be a training programme. A similar situation had happened in Thailand, where a Thai GAP was developed. It is now used to guide farmers to raise their standards, GLOBALG.A.P. is used for certification as this is what markets want. An EU GAP had also transitioned to GLOBALG.A.P. Vietnam could also share useful experience with Myanmar.

Rather than wasting effort on certification, resources for a 'Myanmar GAP' programme could be better spent on improving agricultural practice in Myanmar to improve safety and productivity. This would support compliance with existing national food safety legislation (which all farmers should be obey) and international standards like GLOBALG.A.P. (which is optional).

It was noted that all consumers – Myanmar or international - would benefit from improved practices. But some farmers may not be interested in GLOBALG.A.P. certification if they were only producing for the Myanmar market, unless the local retailers required GLOBALG.A.P. certification. Myanmar farmers still had the choice of aiming to be compliant, while not seeking certification, and that might ultimately lead to them obtaining GLOBALG.A.P. certification (perhaps as a group such as the Mango Association) and accessing export markets. It was noted that even some Chinese importers at the 105-Mile Checkpoint were asking for 'GAP Certificates' for mango and watermelon.

**Daw Shwe Phue San, Technical Expert for GIZ's Trade Development Programme**, spoke about their work on Sanitary and Phytosanitary Standards (SPS) Support Measures in Agriculture, Fisheries and Food, under Component 3 of the Trade Development Programme, intended to enable Myanmar products to meet EU SPS requirements in mung beans, fisheries and apiculture. An EU audit was planned for Feb/Mar 2017. Her presentation covered areas of support including G.A.P. training for mung beans for sprouting, support to government testing laboratories to obtain ISO 17025 accreditation<sup>6</sup> (mostly Dept of Fisheries who had accreditation for nitrofurans and chloramphenicol but also wanted to obtain it for lead, mercury, arsenic and cadmium. GIZ/EU were also supporting the Food and Drug Administration (FDA), including for regulations under the new Food Law (FDA of the Ministry of Health being supported by USAID to draft this) and for the FDA's own plans to achieve ISO 17025 by end 2017 as well as on the implementation of the new National Residue Monitoring Plan for the aquaculture sector which was necessary for exports to the EU (and which would be required for other products for export – honey was planned for 2017). They had also trained the Myanmar Food Producers and Exporters Association (MFPEA).

**Daniel Bennett, Director of Agriculture Operations**, shared **PRIME's** experience pioneering GLOBALG.A.P. certification in Myanmar. He explained that PRIME chose GLOBALG.A.P. certification for its vegetable production to be competitive on the global market and meet consumer expectations.



Pre-Farm Gate / GlobalG.A.P.



**Process**

- Management decision and commitment to implement and certify the primary production for Good Agricultural Practices (GAP)
- Staff information and training
- Application of best practice in the field
- Contact to accredited Audit and Certification Body (Eg. Control Union)
- Pre-Audit, assessment and action plan for improvement
- Certification audit and certificate

08.11.2016<sup>63</sup>

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He also noted that it had led to improvement in farm management, as it required a company to undertake good record keeping and traceability. He explained that the certification process is relatively simple. It is not based on a pass/fail system. There are 'major musts' (non-negotiable control points which must be achieved e.g. absence of child labour) and 'minor musts' (non-conformities which should be addressed in an improvement plan e.g. signboards in local language).

He emphasised that auditors are there to help producers improve and not to just check boxes. He noted that the challenges that Myanmar faces include a lack of knowledge and experience, a lack of documentation and timing, because auditors need to assess at a time of high activity (i.e. during harvesting). The opportunity to achieve group certification for smallholders was a positive aspect for Myanmar.

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<sup>6</sup> ISO/IEC 17025:2005 specifies the general requirements for the competence to carry out tests and/or calibrations, including sampling.

**Ewan Lamont**, from **Myanmar Awba**, a local importer/distributor and producer of fertiliser and plant protection products, which was also involved in agricultural production, leasing and microfinance, presented on 'technology, responsibility and the quest for a level playing field'.

Ewan emphasised that growing more produce to meet demand was not just about productivity but also about nutrition and quality.

*"It is a basic human right to know the food you are eating is safe"*

He distinguished between the choice of 'organic' and the necessity of food safety which could be achieved with agrochemicals provided they were tested and regulated at the international and national level. As with all hazardous substances from pesticides to alcohol to coffee, the problems observed derived from their misuse.

*'As much as you need, but as little as possible'.*

Education of growers was vital. Furthermore the risk to the grower and the consumer from agrochemicals is very different and needs to be considered when setting dosage limits. Safe levels of chemical usage vary at different stages, and there is a higher risk for workers than consumers.

Awba's distributors held meetings with more than 10,000 farmers each year to explain dose rates, spraying methodology, pre-harvest intervals etc. It was in Awba's and farmers mutual interests that the best results were obtained. However in addition to training and incentives needed to be aligned to achieve good practice along with regulation (challenging due to cross-border import of illegal cheap product from China).



*"The wrong incentives are causing the wrong behaviour, for example payment to contract crop-sprayers in Shan State are according to volume sprayed. Correct the incentive, and farmers can change their behaviour in 1-2 seasons."*

Incentives could include the market, and higher prices for premium products produced according to GAP

e.g. black sesame from Magwe area being exported to NE Asia. Awba had tried to develop an application protocol for farmers producing this crop, but implementation was problematic because of aggregation of sesame and lack of local testing which meant that a traceable supply chain was necessary. Awba was working with the Blue Number Foundation, a platform currently piloting traceability numbers<sup>7</sup>.

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<sup>7</sup> [www.bluenumber.org](http://www.bluenumber.org)

Awba are currently undertaking a project to stop misuse and overuse of herbicides (and other chemicals). This involves use to certified/trained dealers and carrying out audits. But Awba needs collaboration from others.

In **discussion**, it was recognised that the GLOBALG.A.P. certification process may be more challenging for smallholder farmers. However it did not need to be expensive. Records could be kept in an exercise book, and stored old oil drums, not filing cabinets. It was noted by Control Union that smallholder farmers in Africa had achieved GLOBALG.A.P. certification. However farmers in Myanmar would need guidance and assistance to achieve this, as well as mutual trust between the farmer and the exporter.

A question was raised about whether produce from Myanmar would fail due to soil quality. It was pointed out that while Myanmar had less polluted soils than some areas of e.g. China, it was location specific. For example some produce (e.g. tomatoes from Inle Lake) could never achieve GLOBALG.A.P. certification because the land they are grown on is not classified as farmland, but wetland, and therefore does not meet GLOBALG.A.P. criteria. Inle was also an example of where food producers and the tourism industry could cooperate to raise food safety standards in the local supply chain for visitors and protect the environment and landscape.

## Session 2: Food Processing and Food Safety (Post-Farm Gate)

**Fons Schmid, Chair of FSSC 22000 and former chair of GFSI**, gave an overview of FSSC 22000 and how this fitted with the other standards. FSSC 22000 is a post-farm gate standard, based on the ISO Food Safety Standard ISO 22000, and focussed on:

- Processing and manufacturing of food and food ingredients e.g. steaming, freezing, fermenting etc;
- Production of Food Packaging and Packaging Material; and
- Storage and Distribution.

Some 31% of the 14,000 certified operators are in Asia, and around 32% in Europe.

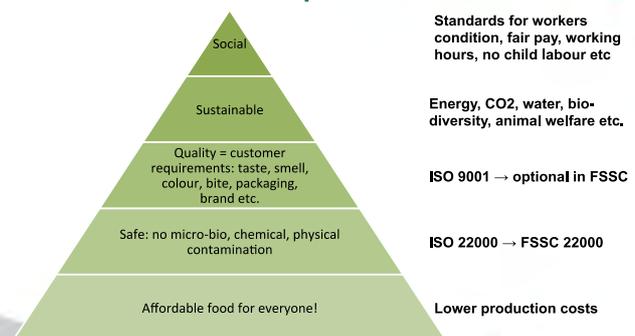
FSSC 22000 has licensed around 104 certification bodies. Only the biggest companies opt for FSSC 22000 certification (e.g. Unilever and CocaCola). For small enterprises, FSSC 22000 offers Codex HACCP and for medium enterprises, the GFSI Global Markets certificate. These more

### What is FSSC 22000

- FSSC = Food Safety Systems Certification
- A non profit, independent Dutch Foundation, owning and managing the FSSC 22000 global standard
- Established in 2009 on request of the global food sector
- Manages ISO 22000 certification worldwide
- ISO 22000; Food safety management systems — applicable to any organization in the food chain
- ISO 22000 based plus global external governance structure (slide 10)
- Office and staff in Gorinchem, the Netherlands



### The Challenge of safe, good quality and sustainable food production

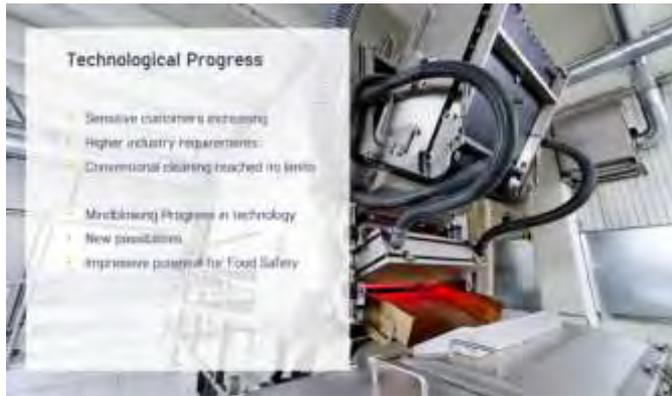


affordable 'good enough' certification levels were likely to be increasingly expected by larger international companies e.g. brands like Unilever, or supermarkets like Tesco, Walmart

*"Food safety should not be confused with food quality"*

Fons offered technical assistance from FSSC 22000 to Myanmar for capacity building and demonstration projects, which could be in partnership with others.

**Sandro Kündig, Director of Kündig et Cie AG**, presented on food safety from the point of view of a European food manufacturer, focussing on the problems which contamination by



'foreign bodies' (e.g. stone, glass, plastic) cause for manufacturers. When Mars found plastic pieces in some of their products, they had to recall products in 50 countries with USD millions losses. He explained Kündig's high tech food safety system, and explained how foreign bodies were returned to suppliers but concluded that the best starting point was training for clean and reliable suppliers.

**Bill McD Stevenson, Chief Technical Advisor for Myanmar New Zealand Dairy Excellence Programme**, explained the programme which aims to improve food safety in Myanmar milk products. To date they had engaged 300 farmers, although the target was 5,000. Bill explained how the country is hampered by lack of animal nutrition and farm knowledge. Poor hygiene e.g.

### Six Challenges for **Food Safety** that are not being addressed

- Production systems and herd management
- On-Farm Hygiene and milking practices
- Transportation of fresh milk
- Processing methods, equipment and knowledge of hygiene
- Testing facilities and centralised competent laboratory and testing regime
- Retail systems and cold chain management

unsterilized plastic containers, and unsuitable feed for cows (e.g. rice straw) result in a poor quality product. There was no effective refrigeration after production (it should be cooled to 4degrees). Contaminants were introduced after 'pasteurisation'. Milk produced in Myanmar typically lasts 3 days compared to a shelf-life of 8-10 days elsewhere, due to high E.coli levels. However, because most of the milk is used in condensed milk products this requires a lower standard than pasteurised milk. He had seen no regulatory interest in milk safety certification system and only the large supermarkets conducted any monitoring, and had the opportunity to put a 'preferred suppliers' system in place. However milk was currently in strong demand so there was little incentive from suppliers to improve in the absence of regulation.

## Session 3: Responsible Sourcing in Myanmar: Today's reality, challenges and ambitions

**Daw Thida Win Htay, Deputy Director of the Myanmar Trade Promotion Organisation (Ministry of Commerce)**, presented on the National Export Strategy. She outlined the vision and mission of the Myanmar Trade Promotion Organisations. Three of the original eight priority sectors included rice, pulses and beans, and oil seeds. These were mostly exported as primary products with limited value add, and agro-processing had been added to what were now eleven priority sectors.

*“Myanmar’s trade is still facing major challenges in accessing foreign markets, such as basic technical requirements (standards, technical regulations and SPS measures)”*

Quality management was a priority, and this included upgrading SPS. The International Trade Centre has a \$1 million TA programme (2015-8) to support SPS in oil seeds.

She drew attention to Myanmar’s work on standards under the Department of Research and Innovation (DRI), Ministry of Education, supported by USAID. There was a 2014 Law on Standards<sup>8</sup>, whose objectives included determining Myanmar standards and ‘*supporting export promotion by enhancing quality of production organizations and their products, production processes and services*’, reducing technical barriers to trade, and providing accreditation. A National Standards Council had been formed, whose mandate included ‘*prescribing Myanmar standard by accepting appropriate standard among international, regional and foreign standards or by altering them in conformity with the situation of Myanmar*’. The Council had established working committees aka Standards Development Committees which included Prepared Food Stuff Products (TC2) and Agro-based Products (TC7)<sup>9</sup>. (see also comments from Alain Peyre, below).

The slide is titled 'Project' and 'Basic Facts'. It contains the following information:

- Project Period:**
  - November 2015 to May 2017
- Budget:**
  - USD 216,325
- Covered Area:**
  - 25 Villages from
  - 5 Village Tracts of
  - Paungde Township
- Beneficiary:**
  - 1,000 farming households

Logos for Heineken, APB Alliance, and ABC are visible at the bottom.

**San Zin Oo, Corporate Social Responsibility Manager APB, ABC, and Thura Aung, Executive Director at Radanar Ayar**, spoke about their partnership. Heineken had decided to source local rice for its domestic brand ‘Regal 7’. They had entered into an MoU with Radanar Ayar to upgrade food safety at smallholder farms in Paungde to meet Heineken’s standards and increase

incomes through contract farming. So far this had involved demo plots, awareness raising and training. Challenges have included low rice standards, traceability and negotiating prices that would incentivise farmers to participate.

<sup>8</sup> [Pyidaungsu Hluttaw Law on Standardisation, 28/2014](#)

<sup>9</sup> [www.myanmarstandards.org.mm/index.php/organization/divisions/standard-division/standards-development-committees](http://www.myanmarstandards.org.mm/index.php/organization/divisions/standard-division/standards-development-committees)

**U Naung Thaung Aung**, from the **Policy Team, Agriculture and Farmers Federation of Myanmar (AFFM)** which is affiliated with the IUF<sup>10</sup>, spoke about the challenges faced by Myanmar farmers such as flooding, the effects of climate change and deforestation, and land grabs, most of which he felt would not be addressed by GLOBALG.A.P. He said that small holder farmer feel like they are becoming poorer ever year, increasingly dependent, and 'forced' (sic) into contract farming and migrant labour, and eventually this causes them to give up farming. As for pesticides and fungicides, these had few instructions and often not in Burmese, or written very small. There was exposure to chemicals including in water run-off. Empowerment of farmers and freedom of association was essential, including ratification of relevant ILO conventions.

**U Ye Myint, Chairman of the Myanmar Coffee Association**, gave an overview of the growth of the coffee industry in Myanmar, with 7,000 smallholders and 6,000 coffee estates and also outlined the post production technology that is used at the Association's production facility in Pyin Oo Lwin. The MCA was in partnership with WinRock with USAID funding to access US export markets<sup>11</sup>.

## **Session 4: Certification systems, including organic**

Fons Schmid explained accreditation and certification systems. **Private organisations** owned their **standards** e.g. the FSSC owned FSSC 22000, GLOBALG.A.P. owned the GLOBALG.A.P. standard.

Producers wishing to meet the standard are audited by a **Certification Body (CB)**. This could be e.g. a services/consultancy company. It might hire self-employed trained inspectors who could be Myanmar nationals. Using local inspectors would bring audit costs down.

The CB needs to be independent, ISO 17021 compliant<sup>12</sup>, and **accredited** by an **Accreditation Body (AB)**. The CB decides whether the producer is compliant with the standard etc and if so, **certifies** them.

Most countries have one or more Accreditation Body (AB). ABs have two roles. They check the Standard, and see if it is relevant and can be complied with. For example the FSSC 22000 is recognised by 34 ABs. They also check if the CB is doing its audits properly.

To ensure that an Accreditation Body can be relied upon internationally, they need to be approved by the International Accreditation Forum (IAF)<sup>13</sup>, a peer evaluation body. If Myanmar

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<sup>10</sup> International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations.

<sup>11</sup> <https://www.winrock.org/burmese-specialty-coffee-hits-the-world-market/>

<sup>12</sup> ISO/IEC 17021-1:2015 contains principles and requirements for the competence, consistency and impartiality of bodies providing audit and certification of all types of management systems.

<sup>13</sup> The **IAF** is the world association of Conformity Assessment Accreditation Bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other similar programmes of conformity assessment. Its primary function is to develop a single worldwide program of conformity assessment which reduces risk for business and its customers by assuring them that accredited certificates may

were to establish an Accreditation Body, it would need to be independent and autonomous, and approved by the IAF.

Myanmar's National Standards Council (formed under the 2014 Law) does not meet these requirements and is not a member of the IAF's Pacific Accreditation Cooperation ([www.apec-pac.org](http://www.apec-pac.org)). Until and unless Myanmar had a recognised AB, there could be no certification to a 'Myanmar GAP' standard.

**Alain Peyre, Chief Technical Adviser, UNIDO** project 'Strengthening the National Quality Infrastructure for Trade'<sup>14</sup> noted that the 2014 Standards Law was weak, deficient, not WTO compliant and was currently being redrafted (along with a revised Metrology Law to modernise all forms of measurement and calibration). UNIDO was supporting the accreditation process, focussing on strengthening capacity in four key food testing laboratories and training to meet the requirements for accreditation to ISO 17025 for some key testing parameters, including the MFPEA's Food Industries Development Supporting Laboratory (FIDSL). An MoU is also envisaged with the Singapore Accreditation Council which would assess the laboratories. The aim would be to work towards accreditation of Myanmar laboratories by APLAC, which Myanmar was currently observing, but not a member of<sup>15</sup>.

**Roshan Ranawake, Managing Director of Contr** (a CB), further discussed the role and activities of the different standards that they can offer ce



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### Certification Process



means they often operate under separate legal frameworks, and need to agree on a standard that will be compliant in both countries for example as to what constitutes a 'fair wage'. They might agree this bilaterally, or refer to an external standard.

*'Standards are like a common language about the requirement'*

be relied upon. Accreditation assures users of the competence and impartiality of the body accredited. <http://www.iaf.nu/>

<sup>14</sup> See <https://mohinga.info/en/profiles/activity/MM-FERD-ID1117/> for more details about this programme, funded by the Government of Norway.

<sup>15</sup> Asia Pacific Laboratory Accreditation Cooperation (APLAC) [www.aplac.org](http://www.aplac.org) is a cooperation of accreditation bodies in the Asia Pacific region that accredit laboratories, inspection bodies and reference material producers. It is recognized by the Asia Pacific Economic Cooperation (APEC) as one of five Specialist Regional Bodies (SRBs).



Roshan highlighted that the length of supply chain can affect trust between the buyers and sellers. A short supply chain will often have high assurance because the buyers are close to the sellers and often know each other. Self-declaration may be sufficient for the buyer. A long supply chain has less trust and needs assurance through third party certification. This third party needs to be independent and needs to be accredited.



Roshan also pointed out that many countries have their own certification for organic products, for example EU Organic, US Organic, Canada Organic. There are also product specific standards, for example for palm oil and coffee, which are applied at farm and pre-farm gate.

**Dr Hnin Nandar Kyaw, Assistant Director of the Food Division in the Department of Food and Drug Administration (FDA),** presented the market surveillance activities of the Myanmar FDA in wet markets and for processed food and cosmetics, including mobile labs and announcements in newspapers. The FDA had held workshops on food safety concerning frozen meat, fresh vegetables, cooking oil and processed food. They were seeking ISO 17025 certification of their pharmaceutical testing (USP/UNOPS support) and food microbiology laboratories (UNIDO support) in 2017.

**Food Control Activities**

Mainly concerned with food safety and quality

- Pre market assessment
- Post market surveillance

**Department of Food and Drug Administration**

The FDA plan to modernise the 1997 Food Law, which was amended in 2013 and covers processed food. A redrafting committee started work in April 2015 with the support of USAID (Nathan Inc) to modernise it, make it more risk-based, and bring it in line with international requirements including ASEAN Food Safety Policy and traceability. Myanmar joined CODEX in 1978 but needed to establish a National Codex Committee to improve cross-governmental cooperation. Currently cooperation with the Department of Public Health and Yangon City Development Committee was strong but it needed to be better with Ministry of Agriculture, Livestock and Irrigation (MOALI).

Their future plans included the shift to a risk-based approach, continued strengthening of market surveillance, including in states/regions, and more education for manufacturers and consumers.

**Daw May Thu Soe of Mya Chemical Free** presented on their farms in Pyin Oo lwin and Yangon Region which had been tested and certified by Myanmar Fruit, Flower and Vegetables Producers Association (MFFVPA) who tested soil and water for heavy metals and made a farm visit. She highlighted how consumers claim to be interested in safe food, but only buy occasionally and are generally not interested to always buy 'safe'. They had 10 foreigner customers and 2 Myanmar. Because of low returns, increased costs (25% higher), and reduced shelf life (14 days for Korean produce, 3 days for theirs), Mya Chemical Free was planning to shift from 'chemical free' (semi-organic) to G.A.P. certification, and then try genuine organic on different farms.

In the discussion about what 'chemical free' means, some participants noted that 'chemical-free' is not the same as 'safe'.

*'It is misuse of chemicals that makes food unsafe, not the chemical itself'.*

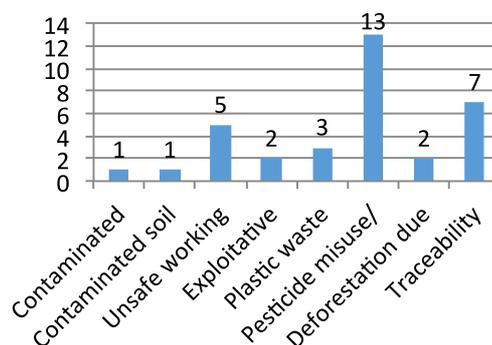
*"Do we believe that our Myanmar farmers can use them correctly?"*

Fears were expressed by some participants that chemical use in Myanmar is currently generally unsafe and consumers are concerned about this. Food safety fears were demonstrated in Keypoint polling which was conducted during the workshop in which 70% of participants expressed concern about food in Myanmar. Pesticide misuse and residues were also clearly identified as the main challenge for responsible sourcing.

## Primary production

What are the main challenges for responsible sourcing of agriculture produce in Myanmar?

1. Contaminated water
2. Contaminated soil
3. Unsafe working conditions
4. Exploitative labour conditions
5. Plastic waste
6. Pesticide misuse/residues
7. Deforestation due to agribusiness
8. Traceability



A list of registered pesticides is available on the website of the Plant Protection Division of MOALI ([www.ppdmyanmar.org/prb.html](http://www.ppdmyanmar.org/prb.html)), together with a Banned Pesticides List and Restricted Pesticides List.

Some chemicals registered for use in Myanmar were not on the market elsewhere, although this may be for commercial reasons. There was a discussion about which pesticides are currently banned and how these bans are enforced. It was mentioned that some pesticides have been banned for reasons other than being unsafe for agriculture (e.g. because they were being used for suicide). Product stewardship by companies was highlighted as necessary e.g. more training for farmers and spot checks on how products were being sold and used.

Other participants also shared views and information about their activities including Myanmar Consumer Union ([myanmarconsumersunion.org](http://myanmarconsumersunion.org)), and Myanmar Food Science and Technology Association (FB: [@myanmarfoodtech](https://www.facebook.com/myanmarfoodtech)) (FOSTA) who were providing laboratory-testing services.

**Johann Zueblin** presented on **organic standards**. He noted the multiple national standards (although there is one for the 27 EU member states), but separate standards for US, Japan, Switzerland, Canada and India etc. Some had mutual recognition. For example a Myanmar producer certified USDA Organic would be recognised as organic in Canada. Some products seeking certification as organic will aim for more than one 'logo' and the certification body will look at the core components of them all and provide certification in one audit.

Johann also made a presentation on **traceability**, focussing on the Supply Chain Information Management (SIM), a GIS based database created in the Netherlands and now used by PRIME. This contains information such as plot size, crop and landowner. It allows traceability due to the unique identification code of the plot, and is useful for Fairtrade, including through identifying the 'story' of the grower for marketing purposes.

## **Final discussion: current food safety challenges**

Since the majority of the workshop had focussed on issues around international standards and certification for export, the final discussion returned to food safety issues in current production including for the Myanmar market. Issues were identified, and changes needed.

### **Soil and water contamination by chemicals, metals and minerals.**

- For example in Pindaya, Shan State, recycled water contaminated with industrial waste is used in farming.
- Private sector and government (Settlements and Land Record Department) should check soil for heavy metals and other elements
- National Environmental Standards are needed for industrial waste etc from Ministry of Natural Resource and Environmental Conservation
- Responsibility for runoff created by mines was unclear

### **Pesticide and Fertiliser Use**

- Existing regulation around disposal of used/contaminated containers or pesticides is unclear
  - According to old regulation contaminated containers should be burnt or destroyed but, there is a lack of enforcement.
  - One option is that company selling pesticides and fertilisers should take back the containers

- Whatever the chosen method, enforcement is essential. Identifying a department to enforce the existing regulation is a good first step (Department of Agriculture under AoAU). However DoA needs to collaborate with others on enforcement
- Regulation for fertilisers and pesticides needs to be consistent with existing environmental regulations. Collaborate needed between MOALI and Environmental Conservation Department
- The companies selling pesticides should be more controlled
- More care needed with storage of fertilisers and other chemicals at shops and distribution centres
- Wrong fertilisers are being used and farmers don't understand about the **4 Rs – right time, right place, right amount, right crop**. Companies need to provide more recommendations/training to farmers
- Farmers need more access to soil testing for arsenic and nutrients, to enable them to decide fertiliser use (MOALI has a lab that carries out tests, but rarely used). Soil tests for soil cost \$30 per sample: high cost for farmers needing to test multiple samples
- Education for farmers is needed, but farmers trust peers more than Department of Agriculture (MoALI) and University of Agriculture extension programmes
- According to the Fertiliser Law labels must be in Burmese, but there is a lack of enforcement. Labels need to highlight dangers more clearly
- Some fertiliser, herbicides and pesticides products, including without labels, are illegally imported, particularly from China. Customs need to improve control of illegal imports of agriculture chemicals. Requires more resources and training, as well as multilateral efforts.
- There should be enforcement at the point of sale, by using registered shops or distribution centres
- Currently there is an educational period implemented by the government on pesticides and fertilisers, it is not clear when this will end and enforcement will start. Non-compliance companies and products need greater control
- Responsibility of bodies in the supply chain needs clarifying, including the responsibility of the farmer for misuse.
- Companies need to establish policies on product stewardship
- There should be more collaboration with CSOs, including to change behaviour

### Post-Harvest Contamination

- There are an increasing number of cases of food related diseases in Myanmar inter alia caused by microtoxins/aflatoxins. Problems include
  - Lack of storage facilities to keep products fresh post-harvest.
  - Lack of processes or guidelines to keep products hygienic, including personal hygiene of farmers and those handling the products.
  - Use of contaminated water to clean products and to keep products fresh
  - Poor harvesting practices including premature harvesting to get a good market price
  - Lack of testing facilities for post-harvest contaminants (Ministry of Health currently has plans to establish testing facilities at locations throughout the country)

- Food laws need to address post-harvest contamination, such as storage facilities, distributors and retailers, and adopt existing standards (e.g. GAP/FSSC)
- Department of Agriculture should be responsible for activities until produce reach farm gate, including pest control
- Ministry of Health should be responsible for health and safety issues for the post-harvest state, such as transportation and storage
- Distributors, transporters and retailers need to change their behaviour
- More investment is needed in testing facilities. If the market cannot support this, Government and NGOs should be involved.

It was also identified that **better inter-departmental coordination** was needed to promote food safety, including through establishment of a Codex Alimentarius National Committee, and adoption and promotion of clear and communicated strategies and policies. This should be preceded by a stakeholder mapping, including the Ministries of Agriculture, Education, Commerce, Health, Home Ministry, as well as companies and business associations, NGOs, CSOs, and academic institutions to ensure all interests were represented.





Presentations from the workshop are available at  
<http://www.myanmar-responsiblebusiness.org/news/food-safety-responsible-sourcing-initiative.html>

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