The Role of the World Trade Organization in Food Trade Safety

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What is the World Trade Organization?
• Established on 1 January 1995
• Succeeded GATT (1948 – 1994)
• Current Membership is 150

“WTO Contract”

Decisions: consensus
30 negotiated agreements

• Status of international treaties
• WTO Members must modify their commercial policies to conform with their WTO obligations.
• When Members disagree, WTO rules have priority.

WTO Structure

Ministerial Conference
Dispute Settlement Body
General Council
Trade Policy Review Body
Council - Goods
Council - TRIPS
Council - Services
SPS Committee

Agreements on Trade in Goods

• GATT 1994
• Sector specific agreements
  – Agriculture
  – Textiles and clothing
• Rules – based agreements
  – Technical Barriers to Trade
  – Application of Sanitary and Phytosanitary Measures (SPS)

Definition of an SPS measure

<table>
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<tr>
<th>to protect:</th>
<th>from:</th>
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<tbody>
<tr>
<td>human or animal life</td>
<td>risks arising from additives, contaminants, toxins or disease-causing organisms in food, beverages, feedstuffs</td>
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<tr>
<td>human life</td>
<td>plant- or animal-carried diseases (zoonoses);</td>
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<tr>
<td>animal or plant life</td>
<td>pests, diseases, or disease-causing organisms</td>
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<tr>
<td>a country</td>
<td>damage caused by entry, establishment or spread of pests (including weeds)</td>
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All types of measures with these purposes, including:

- product criteria
- quarantine measures
- processing requirements
- certification
- inspection
- testing
- health-related labeling

Key Provisions
- Scientific justification
- Consistency in levels of health protection
- Accept equivalence
- Recognize disease- and pest-free areas
- Transparency
- Fair control, inspection and approval procedures
- Technical assistance and special and differential treatment

Scientific justification

- is based on scientific principles
- applied only to the extent necessary to protect human, animal or plant life or health (least trade restrictive)
- is not maintained without sufficient scientific evidence except as provided for in Article 5.7

Scientific Justification

- Risk assessment
- International standards

International Harmonization

- Encourage use of international standards
- Presumption of conformity
- Right to be more stringent if have scientific justification

Harmonization

- Standard-setting organizations

\[\text{food safety} \quad \text{animal health} \quad \text{plant health}\]

\text{CODEX} \quad \text{OIE} \quad \text{IPPC}

Codex = Joint FAO/WHO Codex Alimentarius Commission
OIE = World Organization for Animal Health
IPPC = International Plant Protection Convention (FAO)
Risk Assessment

- **Food safety risks**
  - Risks associated with foods, drinks or animal feed

- **Pest or disease risks**
  - Evaluation of the probability of entry, establishment or dissemination
  - As a function of the applied SPS measure
  - Possible biological and economic consequences

Loss of production, costs of control or eradication, relative cost-effectiveness of alternative approaches

Risk assessment

- scientific evidence
- processes and production methods
- inspection, sampling and testing methods
- pest or disease prevalence
- ecological and environmental conditions
- quarantine and other treatment

Equivalence

- If the exporting country objectively demonstrates that its measures achieve the same ALOP as the importing country

Members shall accept SPS measures of other Members as equivalent

Pest- or Disease-Free Areas

Members shall take into account:

- disease prevalence guidelines set by relevant international organizations
- existence of eradication programmes

of exporting AND importing regions

Transparency

- Members shall notify other Members of PROPOSED SPS regulations when:
  - no international standard exists OR regulation different than international standard AND regulation may have significant effect on trade

Enquiry Point Notification Authority

Notifications

Normal

Emergency

Observations?

Normally allow at least 60 days for comments

Enquiry Points
SPS Committee

- All WTO Members
- Observer governments and organizations
- 3 meetings/year
  - 26 February – 1 March
  - 25-28 June
  - 9-13 October
- All meetings at WTO, Geneva

SPS Meetings

- Information from Members
- Specific trade concerns
- Transparency
- Special and differential treatment
- Equivalence
- Regionalization
- Use of international standards
- Issues from Review of SPS Agreement
- Technical assistance
- Information from other organizations

Trade concerns by subject

- Animal Health 40%
- Plant Health 29%
- Food Safety 27%
- Other 4%

Total 245 issues raised

Dispute Settlement

- Coverage: goods, services and intellectual property
- Procedures: fixed time limits
- Adoption of reports by the Panel: inverted consensus
- Examination by the Appellate Body
- Non-compliance with recommendations

WTO Dispute Settlement

1. Government brings complaint
2. Panel established: 3 “ad hoc judges”
3. Submissions and hearings of interested governments [Consultation of scientific experts]
4. Panel reports on consistency with WTO rules
5. Report adopted or appealed
   - Appellate Body review (3 of 7 standing judges)
   - Appellate Report supports or modifies Panel report
6. Report adopted - implementation

Consultations

- Consultations between concerned Members
- Mutually agreed solutions any time
- “Good offices” of WTO-DG
- DSB establishes Panel on request
- 60 day period
30 (+ 2) disputes have invoked the SPS Agreement

- Agreed Solution (6) 19%
- Report(s) Adopted (9) 28%
- Request for Consultation (13) 40%
- Panel Established (4) 13%

SPS Information

www.wto.org “Docs-on-line”

“Trade topics”
Sanitary and phytosanitary measures

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