[Recipient]
[Address 1]
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# Re: International Standard for Phytosanitary Measures (ISPM) on the International movement of grain – IPPC Standards Committee

Dear [.....],

I am writing to seek your advice on how best to secure a forthcoming International Standard for Phytosanitary Measures (ISPM) on the movement of grain that enhances the efficient and cost-effective provision of grains, oilseeds, pulses and other agri-bulks. As a member of the IPPC's Standards Committee (SC), you are a key partner in these discussions and in a pivotal position to manage the development of the ISPM.

Our [organization/company] [name], is representative of the trade in [specify your range of products here] in [country/region] and is working through the International Grain Trade Coalition (IGTC – <a href="www.igtcglobal.org">www.igtcglobal.org</a>) to consider and address the International Plant Protection Convention (IPPC) and its standard setting procedures. The IGTC's overarching objective is to achieve a market and regulatory environment supportive of trade that avoids disruptions in the international trade of grain, oilseeds, pulses and derived products.

The IGTC provided industry expertise at the IPPC's Expert Working Group during the early stages of the ISPM drafting process, and attended the first in-person meeting in Melbourne in September 2016. Now that the responsibility of drafting has been passed largely over to the Standards Committee, with a reduced role for industry experts, we are looking to gain your insights on outstanding issues. You may also wish to let us know when would be an appropriate time for the trade to further provide science-based, comprehensive analysis, and support for the most trade enabling, and least trade distortive measures as part of the ISPM.

From the report the May 2017 Standards Committee meeting (https://www.ippc.int/en/publications/84388/), we believe that there has been important progress on a number of issues, including: the critical role of NPPOs; measures already undertaken by government and industry prior to and at export; the unique requirements of the global grain trade; the need for transparency that could be achieved by a global database listing phytosanitary measures; risk management requirements; the important role of the grain trade in providing expertise; science-based sampling and testing protocols; and agreement that grain is an essentially low risk pathway.

There are however many serious and persistent issues with the direction of the draft text. Listed below are our concerns drawn from the Standards Committee report, please let us know if you agree they are obstacles to an effective ISPM, and how they might be addressed. Where applicable, the relevant paragraph from the May 2017 SC report has been included in brackets [] for your ease of reference.

## **Ongoing concerns**

- a) SCOPE "inclusion of foreign material and associated tolerance in the standard" [116]: The ISPM on grain must not extend beyond the agreed scope as laid out in Specification 60. In particular "quality" specifications (e.g. a percentage and definition of Foreign Material) should not be included as they are **exclusively contractual issues**. We have strong concerns over the inclusion of foreign material and an associated tolerance in the standard, which is not technically justified.
- b) TRACEABILITY "traceability should be considered a tool to identify the origin, and not a phytosanitary measure" [121]:

For the [organization/company] [name], it is imperative that "traceability" - or the identification of risk management actions and responsible parties - is restricted to the point of international shipment conveyance loading, and not confused with the measures that apply to origin or handling before the export shipment. It is the shipment i.e. the lot loaded to the export conveyance, that should be the focus of phytosanitary risk management and certification at export, as well as upon import arrival and further use for food, feed or processing. Identity sources before loading of export conveyance is impractical and of no value when managing plant health risks. It is imperative that "traceability" in the ISPM remains restricted to "receipt of lots at the facility to loading", or is removed altogether. A full justification for these points can be found in the IGTC's policy document annexed to this letter. In summary, we highlight that the international movement of grain is linked to sourcing across wide ranging geographies as well as production, storage and conveyance logistics. Supplies of grain to be addressed by this ISPM are comingled and dependent upon fungibility - the principle that the supply of a given crop has a degree of substitutability and relatively comparable value, regardless of the geographic production area from which it originates. Ultimately, it is global consumers who benefit from production and logistics systems that enable the efficient and fungible supply of grains.

c) <u>PESTS THAT REQUIRE ACTION "the proposal from some of the experts to set requirements for "pests" and not "quarantine pests" [113]:</u>

This is a serious concern for grain trade operators. Expanding the scope of the Standard to all pests would incur much additional, yet unnecessary work and treatments for the value chain. As a result of the low risk of grain, an ISPM setting requirements for all pests is disproportionate, especially due to the intended use. Therefore, the ISPM should be limited to "pests that require action" as opposed to "pests" in general. Possible, but less preferred, alternatives to "pests that require action" are "quarantine pests" or "regulated pests". Finally, it is helpful to remember that both the SPS Agreement and the IPPC Treaty place priority on "technically justified" phytosanitary import requirements, which in this context would not extend the ISPM to any pests, but quarantine pests, as identified through a PRA.

# d) TRANSPARENCY:

The ISPM needs to provide for the highest degree of transparency so that grain trade actors can effectively comply with official requirements, support effective plant health risk management, and serve customer needs. The current lack of access to information about the phytosanitary requirements of importing countries is a major hurdle to trade. A full list of proposed transparency measures for the ISPM can be found in the IGTC's policy document attached to this letter. Potential measures identified include: the establishment of a direct line of communication between the phytosanitary authorities and other relevant actors within the governments and commercial parties; availability of key documents in electronic form; and the establishment of a Rapid

Response Mechanism (RRM) to speed up administrative responses to checks and actions by sanitary and phytosanitary officials.

- e) ANIMAL FEED "unprocessed grain as animal feed should not be included" [112]:
  Raw, unprocessed seeds for food, feed and processing are major components of the international grain trade. Exclusion would lead to confusion in the market and potentially to trade disruptions. In any event, for each importing country, domestic supply chains are integral to pest risk management and mitigation, and any measures applied within its territory must be proportionate with existing risk measures and levels of exposure. Clarity is also needed about whether "unprocessed grain" refers to food for human consumption, and we recommend that animal feed be included in the scope of this ISPM.
- f) THIRD PARTY SERVICES "harmonization of sampling and inspection" [119]: IPPC should provide for capable third parties, including independent for-profit surveyors, to act under the authority of the relevant NPPO to perform services including inspections related to pest risk assessment, and measures to provide for certification and risk management. Such services from third parties should be accommodated without impeding or incorporating other services rendered by third parties, for example quality and intrinsic value assessment, undertaken to support commercial contract execution not related to the measures addressed by any IPPC ISPM. In this regard, we highlight that in the IPPC's Specification 65 it is stated "authorization of entities other than national plant protection organizations (NPPOs) to perform specific phytosanitary actions such as inspection, testing, surveillance and treatment is becoming increasingly common in various countries throughout the world".

#### g) DESIGNATED PORTS OF ARRIVAL:

In order to comply with the purpose of the ISPM as outlined in Specification 60 i.e. to "facilitate the safe international movement of grain", it is important that the ISPM supports the availability of as many ports as possible being open to trade. Restriction should only occur if there are valid reasons relating to technical capacity or pest management, unique to the importing geography. Designated ports of arrival should not be changed *en-route*. Language such as "suitable for discharge, storage" should be removed – this is a matter unique to the consideration of multiple import authorities and commercial logistics providers and is therefore not relevant to the Standard.

## h) DISPUTE RESOLUTION:

In the context of this and other ISPMs implemented by NPPOs, dispute resolution relating to official phytosanitary measures should include consultation with commercial parties relevant to the impacted consignment. Commercial contract execution, including arbitration and other forms of dispute resolution, is subject to well-established contractual agreements and must be independent of any official dispute resolution actions. National, regional and international grain trade associations are important sources of knowledge in this regard.

For further information you will find enclosed with this letter a policy document that we have drafted with our global counterparts at the IGTC. The document outlines the key aspects of what we firmly believe should be taken into consideration as part of the ISPM, for example specific proposals on "transparency measures". It also addresses the broader challenges related to the implementation of phytosanitary measures; harmonized utilization of all relevant ISPMs by national and regional plant protection organizations; and the diverse capacity of responsible authorities and commercial systems.

Thank you in advance for your consideration, advice and assistance. Your questions as well as suggestions are most welcome.

Please do not hesitate to contact us via [contact name, details]

Yours sincerely,