



# INTERNATIONAL GRAIN TRADE COALITION

## TAB C International Grain Trade Coalition

ANIAME (Mexico)

APPAMEX (Mexico)

Associação  
Brasileira das  
Indústrias de Óleos  
Vegetais

Associação  
Nacional dos  
Exportadores de  
Cereais (Brazil)

Australian Grain  
Exporters  
Association

Canada Grains  
Council

Centro de  
Exportadores  
de Cereales  
(Argentina)

China Chamber of  
Commerce of  
Import and Export  
of Foodstuffs,  
Native Produce &  
Animal By-Products

China National  
Association of  
Grain Sector

COCERAL (Europe)

Corn Refiners  
Association Inc.  
(United States)

### International Grain Trade Coalition Policy Paper Traceability as a Component of an International Phytosanitary Grain Standard

The International Grain Trade Coalition (IGTC) urges governments to exclude traceability from the scope of specifications for the International Plant Protection Convention's (IPPC's) proposed new international phytosanitary grain standard.

The IPPC is an international agreement on plant health signed by 179 governments to protect cultivated and wild plants by preventing the introduction and spread of pests.

The Commission on Phytosanitary Measures (CPM) that governs IPPC agreed at its 8<sup>th</sup> meeting in Rome in April, 2013 to the continued development of an International Standard for Phytosanitary Measures (ISPM) on the international movement of grain.

The ISPMs are the standards, guidelines and recommendations recognized as the basis for phytosanitary measures applied by the WTO under the application of the Sanitary and Phytosanitary Measures Agreement (SPS Agreement). A Standards Committee develops the proposed standards that are then submitted to the CPM for approval.

Following considerable discussion and debate, CPM-8 requested the Standards Committee to narrow the scope of the proposed specification to phytosanitary issues in particular to exclude Living Modified Organisms (LMO's), climate change, food safety and quality issues. CPM -8 further requested the Standards Committee to determine if traceability should or should not be excluded.

The Standards Committee will meet in Rome on 18-22 November to redraft the proposed standard for consultation by member countries, taking into account the direction from CPM-8. Four strategic experts from the United States, Brazil, Africa and the EU have been named to provide "strategic advice" to the Standards Committee at its November meeting.

The IGTC supports CPM-8's decision to exclude LMOs, climate change, food safety and quality issues from the specifications for a new ISPM for grain. But IGTC urges the Standards Committee to exclude traceability.

Grain and Feed  
Trade Association  
(Worldwide)

Grain Trade  
Australia

National Grain and  
Feed Association  
(USA)

National  
Corn Growers  
Association (USA)

North American  
Export Grain  
Association

Paraguayan  
Chamber of Cereals  
& Oilseeds  
Exporters

Russian Grain  
Union

Solvent Extractors'  
Association  
of India

Soybean  
Processors  
Association  
of India

US Grains Council

US Wheat  
Associates

There are many definitions and degrees of traceability, but traceability is generally defined as the ability to track the movement and trace the origin of a product within the supply chain. Most traceability

systems have been developed to provide specific end use niche market quality requirements. Economic studies confirm such systems require significant market premiums.

To force traceability systems on the international movement of grain would represent a dramatic change to existing international grain handling and transportation practices that would result in significant cost increases.

Most grain entering export channels is produced great distances from ocean transportation and elaborate bulk handling systems have been developed over the centuries to move grain from areas of surplus to areas of deficit in the most cost efficient manner.

Normally grain is moved off the field at harvest by truck into on-farm storage or directly to inland storage facilities for transfer by rail, truck, barge or combination thereof to terminal elevators at ports for loading into large ocean vessels. Often these large ocean vessels are unloaded at transfer elevators for loading into smaller vessels to serve people tributary to ports with lower drafts.

Often ownership of the commodity changes as the grain moves along the different links of the supply chain. Elaborate global logistical systems have been developed to combine grain of like quality from different farms, elevators, trucks, rail cars, barges and ships to minimize global food costs.

Supply chain systems have been developed over time to preserve grain identity and ensure grain quality is known and managed according to customer requirements. Contract specifications; sophisticated grading and inspection systems; storage, handling and transportation facilities employing good management practices; and effective pest management control procedures in both exporting and importing countries maximize the value of the product and minimize cost inefficiencies along the extensive supply chain from producer to consumer.

Measures such as these enable Governments in exporting and importing countries to acknowledge the quarantine status of the grain without the need for complex traceability systems.

A new ISPM for the international grain movement must reflect existing industry practices, be easy and of minimal cost to implement and be designed to minimize trade disruptions. Phytosanitary risk mitigation measures must be commensurate with the risk associated with the regulated pests.

The global bulk handling system is designed to move commodities from areas of surplus to areas of deficit for food, feed or for processing. These shipments are not intended for intentional introduction into the environment. Grain risk mitigation measures must consider the further processing and eventual end use of the product along with restrictions that may be placed on the movement of grain within the importing country.

Risk mitigations methods therefore should be examined along the entire supply chain to identify the most effective, least cost method to minimize quarantined pest risk involving both exporting and importing countries. Such processes are likely to be much more effective and significantly less costly than imposing traceability systems into an international phytosanitary grain standard.

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