



AntiFraud Initiative

International Conference
"Improving Integrity of Organic Supply Chains"





Odessa / Ukraine, 22 September 2017

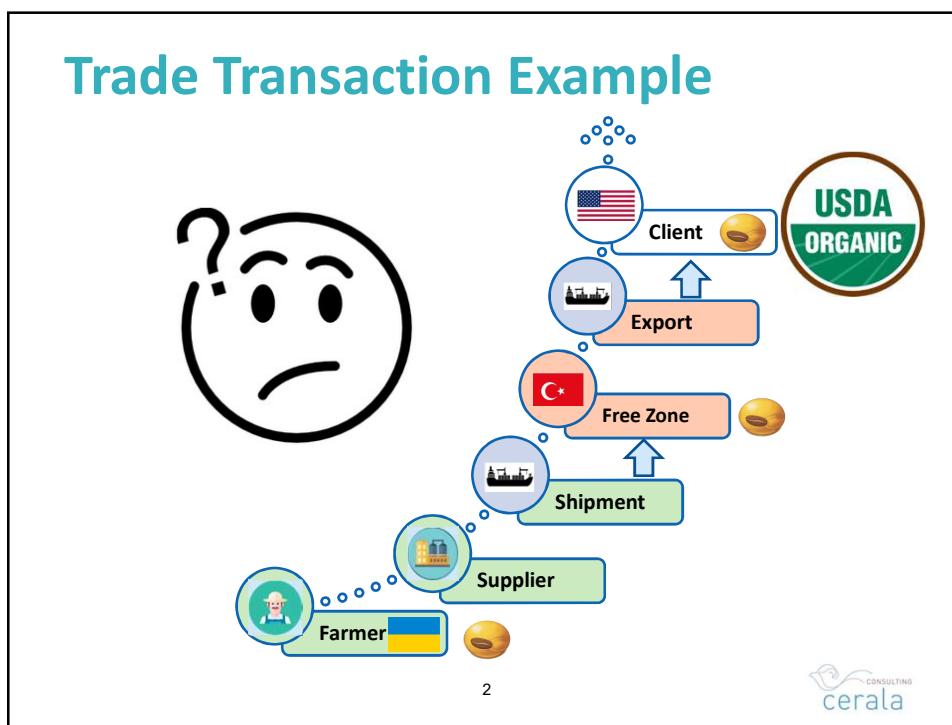
Surveillance of Export Activities

Elisabeth Rüegg

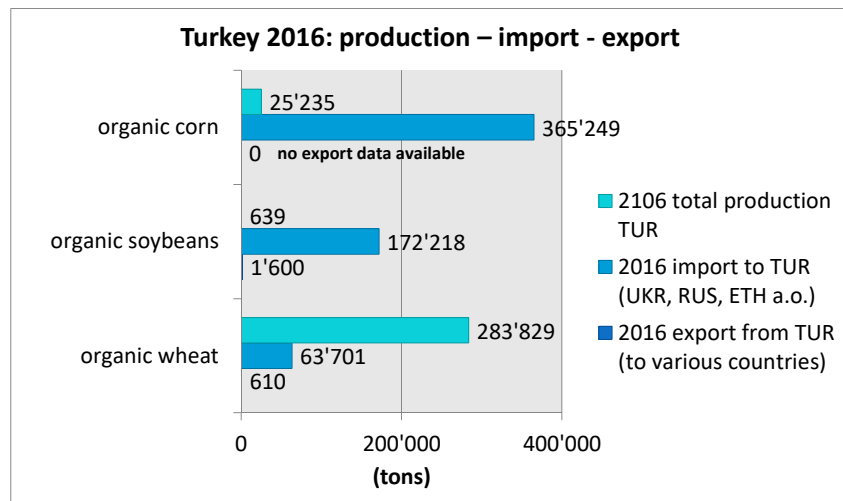
photos: siliconANGEL, E. Rüegg, A. Ertem

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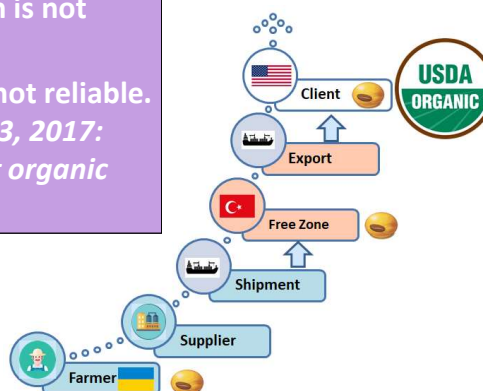


Statistics



Conclusion

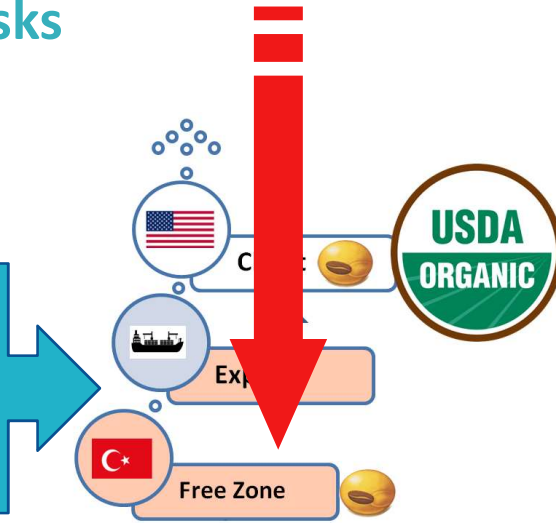
- ❑ Exported crop in question is not originating from Turkey.
- ❑ The official statistics are not reliable.
(Washington Post, May 13, 2017: 16'329 tons of fraudulent organic soybean shipped to USA)



Potential Risks

Import-Export Level:

- ☐ Commingling
- ☐ Intentional buy-in from conventional sources
- ☐ Incomplete documents
- ☐ Falsified documents
- ☐ ...



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Challenges

Competent Authorities (CAs)

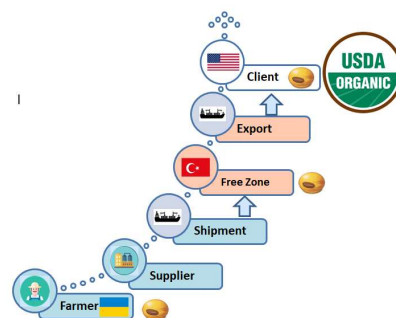
- ☐ Several CAs of different countries involved
- ☐ Special status of free zones
- ☐ Production – import – export data are not matching.

Control Bodies (CBs)

- ☐ Inspection activities in foreign countries
- ☐ Different languages
- ☐ More than 1 CB involved = limited insight view
- ☐ Containers are poured together to new lots
- ☐ High price competition in the certification sector.

Trading Partners

- ☐ Complex supply chains
- ☐ Original supplier unknown
- ☐ Fast / one-time business



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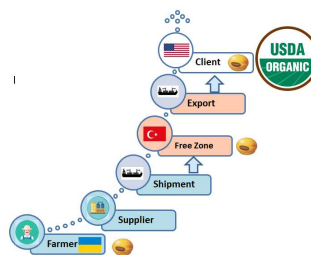
Strategies (1)

Competent Authorities (CAs)

- ☐ Contact with CAs of other countries.
- ☐ Define control measures for free zones.
- ☐ Restriction to 1 CB per operator.
- ☐ Obligation for CBs to exchange information.
- ☐ Block price competition between CBs.
- ☐ Provide coherent data.
- ☐ Establish & finance an Anti-Fraud Committee.

Trading Partners

- ☐ Price comparison.
- ☐ Quantity and quality checks.
- ☐ Trustable suppliers, i.e. only 1 CB in the whole supply chain.



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Strategies (2)

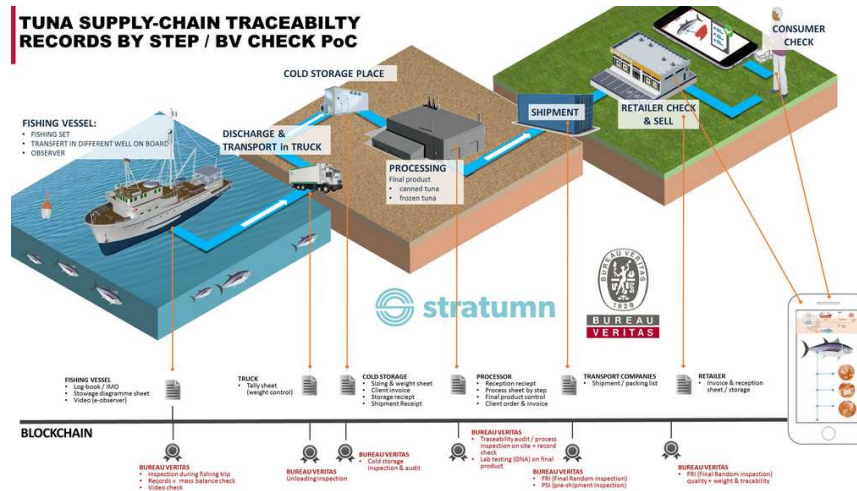
- ☐ Inspectors need local language skills.
- ☐ Detailed assessment of the supply chain.
- ☐ Documents allow traceability along the whole supply chain.
- ☐ Overview about all organic activities of one operator, including conventional sales of certified organic products.
- ☐ Know market qualities and prices.
- ☐ Regular cross-check of data between different CBs.
- ☐ Transaction certificates to be issued always along the physical shipment.
- ☐ For each exporter, define a set of minimum documents to be presented for requesting TCs.
- ☐ Well trained (and paid!) certification staff.
- ☐ Charge the customer for issuing TCs.
- ☐ Analyze fraud cases & implement lessons learned.

The process of issuing transaction certificates (TC) is the only regular on-time control measure within the organic inspection and certification system – use your chance!

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The Future...

TUNA SUPPLY-CHAIN TRACEABILITY RECORDS BY STEP / BV CHECK PoC

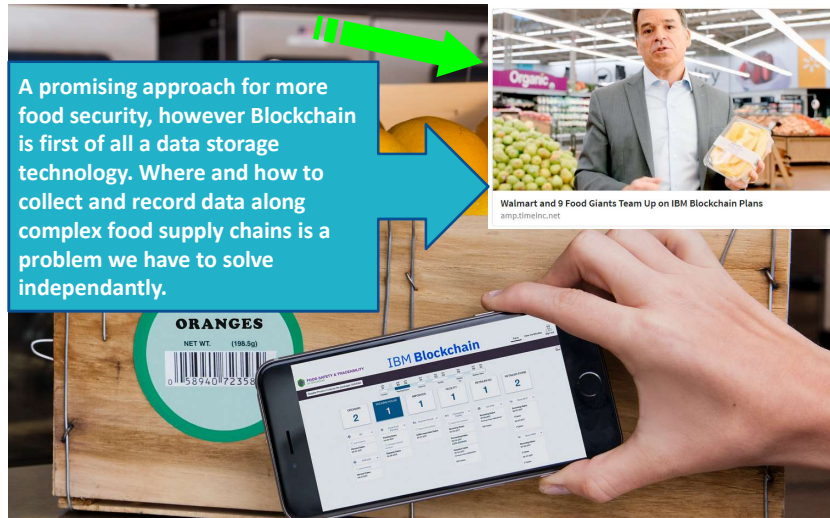


Source: <http://www.foodqualitynews.com/Industry-news/Bureau-Veritas-on-disruptive-Blockchain-technology>

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Blockchain Technology

A promising approach for more food security, however Blockchain is first of all a data storage technology. Where and how to collect and record data along complex food supply chains is a problem we have to solve independently.



Source: <http://amp.timeinc.net/fortune/2017/08/22/walmart-blockchain-ibm-food-nestle-unilever-tyson-dole/?source=dam>

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 <p>AntiFraud Initiative</p>	<p>International Conference "Improving Integrity of Organic Supply Chains"</p>
	<p>Желаем вам успешной конференции Wishing you a successfull conference</p> <p>Elisabeth Rüegg elisabeth.rueegg@bio-stiftung.ch</p>
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