

## 1. Electronic Traceability to Improve the Competitiveness of Agricultural Products

Information transparency is the key for sustainable development of Vietnamese agriculture and aquaculture industries, said experts at a recent seminar in Vietnam. This seminar, supported by the Global Competitiveness Facility for Vietnamese Enterprises (GCF) and the Vietnam Electronic Traceability (TraceVerified) project, aims to enhance the understanding, and thus usage, by exporters and relevant authorities in the country of electronic traceability, in order to boost the competitiveness of Vietnamese exports.

Although Vietnam has always been in the list of top exporting countries for a wide range of agricultural, seafood and fishery products, some even certified with BAP<sup>1</sup>, GAP<sup>2</sup>, ASC<sup>3</sup> standards, etc; most of our exports remain crude and are being sold at lower price than similar product categories originated from other countries. The low level of competitiveness is due to a multitude of reasons, one being the lack of information transparency between farmers and enterprises and between enterprises and markets and vice versa.

The global food export markets are increasingly demanding better traceability of food products through a clear and transparent chain of custody. In order to meet the rapidly evolving traceability requirements, it is necessary for the Vietnamese food exporters to take a quantum leap and use modern and flexible systems like “Electronic Traceability” rather than struggle with the traditional “Paper based Traceability” that is yet to be introduced in majority of the food export value chains of Vietnam.

Beyond fulfilling legislative requirements of major importing market such as the US, EU and Japan, “Electronic Traceability” systems can provide Vietnamese food processing and export businesses a number of competitive advantages such as: efficiency in managing possible product recalls; safety reassurance; market access; safeguarding of company’s brand name; enhanced consumer trust and improved reliability in product data collection and tracking.

([www.vietmaz.com](http://www.vietmaz.com), 29.07.13)



1. BAP stands for ‘Best Aquaculture Practices’ – a set of farm raised seafood standards developed by the Global Aquaculture Alliance (GAA). BAP standards address environmental and social responsibility, animal welfare, food safety and traceability for farms and hatcheries of shrimp, tilapia and catfish as well as seafood processing plants. The Best Aquaculture Practices are organised as a tiered ranking system: certified companies with four-star ratings are considered the most strictly compliant. Read more about BAP at <<http://www.gaalliance.org/>>.
2. GAP stands for “Good Agricultural Practices” – “practices that address environmental, economic and social sustainability for on-farm processes, and result in safe and quality food and non-food agricultural products” (FAO COAG 2003 GAP paper, <<http://www.fao.org/prods/gap/docs/pdf/5-gapworkingconceptpaperexternal.pdf>>). A multiplicity of Good Agricultural Practices (GAP) codes, standards and regulations have been developed in recent years by the food industry and producers organisations but also governments and NGOs, aiming to codify agricultural practices at farm level for a range of commodities. Their purpose varies from fulfilment of trade and government regulatory requirements (in particular with regard to food safety and quality), to more specific requirements of specialty or niche markets. Read more about GAP at <<http://www.fao.org/prods/gap/>>.
3. ASC stands for Aquaculture Stewardship Council – an independent, non-profit organization founded in 2010 by WWF and IDH (Dutch Sustainable Trade Initiative). The ASC’s primary role is to manage the global standards for responsible aquaculture, which were developed by the WWF **Aquaculture Dialogues**. Four standards have been completed so far for tilapia, pangasius, abalone and bivalves. Read more about ASC at <<http://www.asc-aqua.org/>>.

## 2. Developing Countries to Outpace OECD in Carbon Emissions

Energy-related carbon dioxide emissions from developing countries will be 127 percent higher than that from the world's most developed economies by 2040, according to figures released in July 2013 by the US Energy Information Administration (EIA). Energy-related emissions will total around 45.5 billion tonnes in 2040, up from a reference level of 31.2 billion tonnes in 2010, said the agency, which is part of the US Department of Energy.

Developing countries' carbon dioxide emissions will outpace emissions from the developed countries of the Organisation for Economic Cooperation and Development (OECD) over the next three decades due to their generally stronger rate of economic growth and continued use of fossil fuels. The fast economic growth of China and India over the coming years will play a central role in the global outlook for energy demand.



The EIA also projects that the carbon intensity of energy production will, by 2040, have declined by 1.9 percent in OECD countries and by 2.7 percent in non-OECD countries from 2010 levels. Lower intensity levels mean there is less pollution produced per unit of economic output.

Multilateral international financial institutions, such as the World Bank and the European Investment Bank, have recently sought to lower fossil fuel use in developing countries and voted to curtail their investments in coal projects overseas. In this context, it is clear that the use of cleaner and sustainable energy options should be strongly promoted. *(Reuters, 25.07.13)*

---

## 3. Memorandum of Understanding on Conformity Assessment

Recently, with the witness of the Vietnam Directorate for Standards, Metrology and Quality (STAMEQ), the Quality Assurance and Testing Centre 3 (QUATEST 3) of Vietnam signed a Memorandum of Understanding (MoU) with the China Quality Certification Centre (CQC) and the Japan Quality Assurance Organisation (JQA) on technical cooperation, experience exchange, and enhancing the harmonisation of certification scheme for mutual recognitions in the field of conformity assessment activities to meet the requirements of Vietnamese and foreign enterprises for economy integration.

The MoU was signed under the framework of the 12<sup>th</sup> Annual Meeting of the Asia Network Forum (ANF) in Ho Chi Minh City, Vietnam, which was hosted by QUATEST 3.

The ANF was established in the year 2000 and now has six members: JQA, CQC, Korean Testing Laboratory (KTL), Electronic Test Centre (ETC), Taiwan, TUV SUD PSB, Singapore, and QUATEST 3, Vietnam, all of which are Conformity Assessment Bodies.

Mutual recognition of conformity assessment results will not only cut down exporting costs for businesses, but also reduces the burden of legal procedures for them. Mutual recognition of conformity assessment results amongst the ANF countries will start with electric fans, rice cookers and kettles, and then may develop to energy efficient process, emission reduction, and environmental protection, etc.

*(www.quatest3.com)*



#### 4. Fonterra Products have no Botulism Bacteria

Dairy giant Fonterra's products did not contain bacteria that could cause botulism, and posed no food safety threat, New Zealand officials recently said. Representative of New Zealand's Ministry for Primary Industries (MPI) said tests showed that whey protein concentrate manufactured by the world's largest dairy processor contained *clostridium sporogenes*, which cannot cause botulism, but which at elevated levels can be associated with food spoilage.

Original tests conducted by Fonterra and a New Zealand government research institute indicated the presence of *clostridium botulinum*, raising fears that infant formula and sports drinks made from the product and widely exported could be potentially dangerous. The botulism scare triggered a recall of products made by multinational brands that may have contained the whey protein in a number of markets, from China to the Middle East and Southeast Asia. It also prompted bans in Russia and Sri Lanka, while other countries stepped up scrutiny of Fonterra's dairy products.

Fonterra said the company had now resumed operations in Sri Lanka after suspending activity at its offices and factories there earlier following protests against its milk products. Fonterra has 755 employees in Sri Lanka – where New Zealand supplies two-thirds of annual milk powder imports.

(Reuters, 28.08.13)



---

#### 5. China Announces Greener Petrol Standard

China's Standardisation Administration announced on December 18, 2013 a stricter quality standard for petrol in an effort to bring down pollutant emissions from vehicles. The higher standard marks a step forward in accelerating the use of greener fuel in the world's largest auto market, as vehicle exhausts are blamed as one major factor in worsening air conditions.

The new standard, known as "China 5," sets the sulphur content for gasoline at no more than 10 parts per million (ppm), a reduction from the fourth-phase standard of 50 ppm. Starting on January 01, 2018, only petrol of this standard will be supplied nationwide.



The announcement came amid severe smog that had affected large parts of the country since the start of 2013 and led to public complaints of worsening air pollution. Currently, the capital city of China – Beijing is piloting the strictest petrol standard nationwide, the "Beijing 5" standard, which sets the sulfur content at no more than 10 ppm. In cities including Shanghai, Guangzhou and Shenzhen, the "China 4" standard is

applied, while in most regions, the "China 3" standard (no more than 150 ppm) is still the mainstream.

According to Chinese government data, one-fifth of particulate matter smaller than 2.5 micrometers (PM2.5) in the country's air comes from vehicle emissions. The reading of PM2.5 is a major reflection of the air pollution level. Under the new standard, the content of manganese, a harmful element for human health, will be reduced to 2 mg/L from 8 mg/L; the level of alkene content will also be reduced in order to mitigate photochemical smog.

Ding Jizhu, Director of an Industrial Standards Department under the Standardisation Administration, said that the China 5 standard has been made in accordance with emission control standards in Europe. Ding estimated that the new standard would cut nitrogen oxide emissions by 300,000 metric tonnes annually.

The standard was issued amid the Chinese government's placing of greater emphasis on environmental protection. The State Council, China's cabinet, released an action plan for air pollution treatment in September 2013, setting a timetable for the progressive upgrading of fuel quality across the country through the year 2017.

Under the plan, the nation's economically developed regions, including the Yangtze River Delta and Pearl River Delta regions as well as the Beijing-Tianjin-Hebei Province region, will supply China 5 standard fuel before the end of 2015. The action plan has also set clear targets for the reduction of airborne particulate matter in these regions.

(China Daily, 18.12.13)

## 6. Asia's Palm Oil Firms Face Tricky Balancing Act

Malaysian palm oil trader Wilmar International, which faces pressure from environmentalists to address problems such as the choking annual haze, recently signed a pledge that it would not buy palm oil harvested from trees planted on forest land and peat swamp areas cleared from end-2015. This illustrated the tricky new terrain that Wilmar and other plantation companies such as Malaysia's Sime Darby and Felda Holdings have to navigate as they try to balance addressing environmental pressure and decades-old business and local political interests.

Analysts said Wilmar's environmental pledge has set the ball rolling, and could force other plantation companies to sign similar "green" pledges sooner or later. The pressure can be seen with the move by Kellogg, a renowned brand for cereals such as Corn Flakes and Rice Krispies, to stop buying palm oil harvested from deforested land.

Other European multinational food and consumer product makers such as Unilever and Nestle – seen as new forces in the environmental battle – are also set to push planters to produce sustainable palm oil. There is now an increasing economic imperative for the palm oil giants not to dismiss environmental allegations made against them, said experts. Wilmar reportedly said that consumers globally are moving towards sustainable production of commodities, and the palm oil industry must adjust its practices.



"Without any effort to make the industry sustainable, green lobby groups will continue to damage the image of palm oil, leading to lower usage of palm oil for food and bio-fuels, and eventually lower palm oil prices," Wilmar told Malaysia's *The Straits Times*. Sime Darby and Felda, both giant planters, also told *this newspaper* that they have banned new development on peat areas, and would continue to explore ways to improve sustainable palm oil production.

Planters like Wilmar, Sime Darby and Felda are members of the Roundtable on Sustainable Palm Oil, which means they have to comply with sustainable practices. But there is another side to the push to produce environmentally sustainable products. For instance, Wilmar's environmental pledge riled many Malaysian planters and politicians, who accused European companies of attempting to destroy the livelihoods of plantation smallholders.

"This directive from Wilmar has a very disastrous effect on us because it will stop our programme on poverty eradication among the rural people," said a state Land Development Minister of Malaysia. Analysts believe that solutions for planters in this balancing act will not be quick and easy, especially for smaller planters, who find it less cost-effective to fully comply with sustainable practices.

Under an initiative led by Brazil and Germany, the International Organisation for Standardisation (ISO) has established a new project committee ISO/PC 248, which is now developing an international standard on *Sustainability criteria for bio-energy*. Some 35 countries are involved in its work either as participants or observers, including large markets such as China and the US. ISO members for Brazil (ABNT) and Germany (DIN) provide the secretariat and leadership of the committee under a twinned arrangement. Several developing countries from Asia and Africa are pro-actively participating in this standard development process, for the first time, within the framework of two-year technical assistance and capacity building programme supported by the Swedish International Development Agency (Sida) and implemented by the Swedish Standards Institute (SIS).

This international standard, once developed, will address the social, economic and environmental aspects of production and supply chains for bio-energies with the aim of avoiding environmentally or socially destructive practices.

([www.stasiareport.com](http://www.stasiareport.com), 25.02.14)