



## Improving compliance with SPS measures to boost oilseed exports

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The purpose of the project was to increase export revenues of farmers, processors and exporters along the oilseed value chain through improved food safety and compliance with SPS measures for market access.

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**STDF/PG/486**

**Status**

Completed

**Start Date**

17/08/2015

**Project Value (US\$)**

\$977,658

**STDF Contribution (US\$)**

\$825,071

**Beneficiaries**

Myanmar

**Implementing Entities**

International Trade Centre (ITC)

**Partners**

Myanmar Trade Promotion Organization, Ministry of Commerce  
Food and Drug Administration, Ministry of Health and Sports  
Department of Agriculture, Ministry of Agriculture, Livestock and Irrigation  
Department of Research and Innovation, Ministry of Education  
The Myanmar Pulses Beans and Sesame Seeds Merchant Association

**Background**

Myanmar is one of the world's largest producers of oilseeds. The sector is included in the country's national export strategy framework as a priority due to its potential for socioeconomic development. Non-compliance with international standards on food safety and inadequate quality control mechanisms have been identified as major issues affecting health, export capacity and competitiveness.

Key concerns include aflatoxins, rancidity of oil and pesticide residues. These can be controlled by implementing hygienic practices at all steps. Several SPS and conformity assessment issues have been identified at every level of the value chain, in

particular:

For farmers and producers:

- Lack of availability of quality seeds
- Improper pesticide/fertilizer use
- Lack of implementation of good agricultural practices, pest controls, and poor harvest/post-harvest practices

For processors and millers:

- Lack of systematically implemented food safety and quality control systems
- Product contamination in oil milling

For exporters:

- Mycotoxin and other product contamination across the sector value chain
- Lack of stakeholders' awareness and knowledge of international SPS measures

For government institutions:

- Insufficient qualified local expertise, extension officers and inspectors that limit SPS-related knowledge transfer to stakeholders along the value chain, and the
- Lack of a consistent approach and system to implement Good Agricultural Practices (GAP), Good Hygienic Practices (GHP), Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP) across the value chain.

## **Results**

The project was one of the first in Myanmar that applied a value chain approach from farmers to market. It covered four regions (Mandalay, Sagaing, Magway and Yangon), and raised a high level of awareness of the urgent need to address food safety issues.

A new approach of building capacity across the value chain through a pool of local experts and within institutions was applied.

Through the project, an important foundation of skills and competences related to food safety and compliance with international standards in the public and private sectors was developed for more than 900 stakeholders.

The project helped raise awareness of the importance of food safety for human health and responsible production among citizens, not only for export but for local consumption. This was the case for oil millers who joined the program to implement food safety systems to improve the quality of their products and supply local consumers.

### **Strengthened capacity to improve compliance with GAP and SPS measures (including pest control, harvest and post-harvest practices and pesticide use) by farmers**

Activities focused on knowledge transfer and strengthening local capacity. More than 20 extension officers were trained to assist farmers in implementing GAP. The department of agriculture is now equipped with a pool of 11 extension officers who changed their approach to assisting farmers and are able to advise farmers accordingly.

An in-depth food safety training program supported nearly 500 beneficiary farmers to implement GAP. Training of Trainers (ToTs) assisted farmers in implementing GAP and monitored progress made. As a result of the strengthened capacity to improve compliance with GAP and SPS measures, 150 farmers obtained the national GAP certification for their sesame crops and as proven through the final crops' sample testing, the quality and safety of farmers' oilseeds have shown an overall improvement.

The project supported the department of agriculture in promoting the newly introduced GAP national protocol (based on ASEAN GAP) and aligned the training materials with these guidelines. The project also promoted the use of the plant protection department's mobile application for growing techniques and pest management of oilseed crops.

### **Increased capacity for quality segregation of seeds and GHP at storage facilities**

Five beneficiary collectors increased their understanding and implementation of good storage, manufacturing and hygiene

practices to be followed in their daily business operations. The physical construction and layout of the warehouses were improved. Practices applied to receiving, handling, storage and dispatch were enhanced, resulting in safe and quality products being traded.

To reach out and further incentivize the engagement of collectors to be part of the oilseed quality value chains, the project collaborated with the four regional commodity exchange centers and experts from interested institutions and government departments. The exchange centers reached out to more than 200 collectors and other intermediaries on improving GHP and GMP.

The quality and food safety manual for oilseeds storage produced by the project was the first of its kind in that it was developed with large contributions from a pool of locals. This resulted in the dissemination of more than 2,000 manuals that provide information on quality and food safety for oilseeds storage. Through the project, 48 pieces of eight different raw material quality control equipment were delivered to selected collectors to improve their sorting and food safety control practices.

### **Enhanced capacity to apply food safety control systems based on GHP, GMP, HACCP in oilseed processing**

Five oilseeds' processors/exporters and six oil millers successfully completed the in-depth training and assistance program, and improved their overall business performance and compliance with international standards. This was achieved by implementing good hygiene and food safety practices across the production process based on Codex standards. Seven of these obtained third-party HACCP certification to facilitate market access.

An increase in annual export sales was reported by processors/exporters in the oilseeds sector applying prerequisite programs and HACCP. As a result of raising food safety awareness in the sector the number of certified mills has been on the rise (two oil mills in 2015, seven oil mills in 2016, 28 oil mills in 2017, 50 oil mills in 2018).

Companies were assisted throughout the HACCP implementation phase by a pool of trainers-cum-counsellors who were trained and coached. Nine of these are now able to advise the companies on GHP and HACCP and have passed a final exam. Their profiles are included in a booklet to promote their skills and services on food safety.

A number of publications were produced and distributed to several organizations, and during trade fairs, including the small and medium enterprise profile booklet. A market guide for oilseed processors has been developed and handed over to the Ministry of Commerce for distribution to other oilseed businesses.

### **Increased linkages along the sector value chain and to export markets**

Several business matchmaking activities were held throughout the project's duration. Companies were guided to attend international trade fairs and events for the establishment of new linkages for export opportunities. Multiple events were organized between farmers, collectors, processors and exporters from different townships, resulting in business deals with higher margins in comparison to the average market price. Study tours to neighbouring countries were also organized for experience sharing, which improved knowledge and understanding of business deals.

At the local level, the project promoted public-public and public-private cooperation. More than 250 farmers created new contacts with local collectors and buyers; eight linkages between farmer groups, local buyers and respective townships ToTs were established for about two consecutive growing seasons. Four individual value chains are expected to be sustainable beyond the project under the monitoring of the department of agriculture to facilitate trade agreements.

### **Recommendations**

The following recommendations were identified during a panel discussion at the final project workshop.

#### **Policy and regulatory affairs:**

- Adopt a master plan for the development of an Oilseeds industry policy for the promotion of local production, import substitution, and food safety improvement.
- Advance the existing policy development activities for the adoption and enforcement of the new national food law and the national food safety policy; and develop, adopt and enforce laboratory law.
- Advance the existing policy development activities for the adoption and implementation of the National Quality Policy (NQP) and develop standards for peanuts (especially for the Commodity Exchange Centre trading) and edible vegetable oil. In addition, review the law of standardization and set up voluntary product certification scheme for oilseeds.
- Implement a National Residue Monitoring Plan in oilseeds sector for aflatoxin and pesticide residues, and heavy metals.
- Develop regulations and enforcement under the food law for contaminants.

- Expand and enforce the oil requirements in the labelling law adopted by the Department of Consumer Affairs.
- Implement a coordination mechanism to monitor and address specific SPS issues (task force) and enforce controls of hazards (e.g. Aflatoxin) and phytosanitary certificates for export.

#### **Strengthening testing capacity**

- Strengthen the local food laboratories' network to demarcate the roles and responsibilities for the National Residue Monitoring Plan and develop Sector labs network Accreditation scheme.
- Support accreditation and extension of scope for the food labs (aflatoxins, pesticide residues and heavy metals).

#### **Strengthening capacity building through trainings**

- Expand STDF's GAP training by committing to use ToTs and TcCs in future trainings.
- Support capacity building for inspectors and expand the enforcement of FDA's GMP Certification.
- Use and disseminate the STDF collector manual to warehouses and expand STDF HACCP training with the support of trained TcCs.
- Include ToTs in upcoming project development to help develop close relationships between the assigned farmer groups and local authorities.