INTERNATIONAL CONFERENCE ON CSR AND COMBATING MALNUTRITION: OBTAINING MILLENNIUM DEVELOPMENT GOALS (MDGs) IN INDONESIA

Keynote Speech by
Vice Chairman PA Asia Beijing
Former Chairman AQSIQ Academy Beijing, China

Dr. Qin Zhenkui

Grand Sahid Jaya Hotel, 13 – 14 December 2010
Food Safety and CSR in China

QIN Zhenkui
Ph.D. Professor
Self-Introduction

Current Affiliation:
• Board Member, PA International;
• Vice Chairman, PA Asia Beijing Representative Office;
• Vice President, Chinese Association of Animal Science and Veterinary Medicine (CAAV);
• President, Animal Quarantine Branch of CAAV;
• Honored President, Chinese Veterinary Medicine Association.

Former Affiliation:
• President, Chinese Academy of Inspection and Quarantine;
• Director General, Import and Export Food Safety Bureau, General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ);
• Chief Veterinary Officer, National Bureau of Entry and Exit Inspection and Quarantine;
• President, China Entry & Exit Inspection and Quarantine Association;
• President, Chinese International Travel Healthcare Association;
• Vice Director, Bureau of Animal and Plant Quarantine.
My respected Chairman and guests,

Food is the stall of life, quality and safety of food is related with health of life, so food safety is a most concern for people all over the world. China has a population of 1.3 billion and is the largest food consumer and producer in the world. As the economy develops rapidly, food safety situation has become a top priority. Corporate social responsibility (CSR) is an organic link between companies and all other sectors in a society. In China CSR development are becoming very important issue with government, company and society. Today’s conference provides me with a unique opportunity for communication. I will introduce the two issues in three parts.
Content

Food Safety in China

Problems and Solutions for Food Safety

CSR in China
People’s Republic of China is a country with a population of 1.3 billion (2008) and an area of 9.6 million square kilometers. It has 56 ethnic groups, 32 provinces, autonomous regions and municipalities and 2 Special Administrative Regions. Its capital is Beijing.
Food Safety in China

B. Life-circle Management of Food Safety

“From Stable to Table”

All parts in the chain must be safe

Fertilizing  Production  Storage  Process  Transport  Sale  Wholesale  Packaged for Retail  On the Table
C. Food Safety Authorities in Chinese Government

- **Ministry of Health (incl. the State Food and Drug Administration) (MoH)**: The leading ministry in charge of establishing the industrial Standards, supervising food safety, coordinating tasks and identifying responsibility.
- **Ministry of Agriculture (MoA)**: In charge of managing the production of raw foodstuff.
- **General Administration of Quality Supervision, Inspection & Quarantine (AQSIQ)**: In charge of food-processing as well as the management of import and export of foodstuff.
- **State Administration for Industry and Commerce (SAIC)**: In charge of the management of the circulation and distribution of foodstuff.
- **Ministry of Industry and Information Technology (MIIT)**: In charge of information and enterprise management.

Nationwide related authorities at provincial, regional and county level.
Food Safety in China

Import & Export Food Management System

AQSIQ

Certification and Accreditation Administration (CNCA)

Standardization Administration (SAC)

Bureau of Import and Export Food Safety
Quality Management Bureau
Health and Quarantine Bureau
Animal and Plant Quarantine Supervision Bureau
Inspection Supervision Bureau
Quality Supervision Bureau

Local Inspection and Quarantine Bureau

Chinese Academy of Inspection and Quarantine

Port
D. Chinese Laws, Regulations and Standards of Food Safety

a. Laws and regulations

Chinese laws and regulations of import and export food safety include laws, regulations, and department rules.

- **Laws**
  
  Food Safety Law, Frontier Health and Quarantine Law, Law on the Inspection of Import and Export Commodity, Product Quality Law, Law on the Entry and Exit Animal and Plant Quarantine

- **Regulations**
  
  Above laws have corresponding regulations of implementations, e.g. Regulations of Implementation of Law on the Inspection of Import and Export Commodity.

- **Local and division rules**

  According to above laws and regulations, provinces, cities and local governments can make their own rules of implementations in combination of local situation. Central ministries and commissions can make ministry order and announcements. Enterprises and operating divisions make operational and detailed management rules.
b. Standards

Standardization Administration (SAC) is Chinese standard management institution (subjected to AQSIQ).

Standards on food safety include national standards, industrial standards and corporate standards.

• National standards
  Announced by SAC. So far over a thousand standards about food quality, safety, import and export has been announced. Recent years SAC has reinforced the setting of food safety standards. On the one hand, standards are made in accordance with actual demand; on the other, proportion of international standards is raised to expand international trade.

• Industrial standards
  According to different food safety administration like quality, health, agriculture, and commerce administration, industrial standards are made to satisfy detailed requirements of certain industry. There are several thousand industrial standards on food safety in China now.

• Corporate standards
  Producers make standards according to certain products and techniques to ensure food safety in food production and processing.
E. Administration on foods’ import and export

a. Procedures for Import Food

- Review and Approve of Application
- Apply for Inspection
- Inspection
  - Qualified; Approved for Import
  - Disqualified; Disposed according to the law

- Review Information of Application
- Risk analysis
- Registration
- Provide Information for Import
- Sampling and inspection
Food Safety in China

b. Procedures for Export Food

1. Apply Information for Export to local CIQ

2. Inspection and quarantine

3. Result

   - Qualified
   - Disqualified

   - Approved
   - Destruction
   - Non-polluting disposal

Export enterprises submit application, fill out forms, provide relevant information, and pay inspection fees to local inspection and quarantine institution.

Inspection and quarantine institution accepts the application and conduct inspection according to the requirements of import countries of regions, including sampling, freight yard inspection, and laboratory examination.

Release industrial quality announcement or early warning announcement; Conduct retrospective inspection and recall; Blacklist the enterprise.
Problems and Solutions for Food Safety

A. Risk for Food Safety

- Vehicle Emissions
- Agricultural Practice
- Contamination

Food Safety from Stable to Table

- Process
- Storage
- Retail
- Cooking

- Distribution

- Crops
- Livestock
- Marine Products
A. Risk for Food Safety
   a. Pesticide Veterinary Drugs Residues Contamination

- Pesticide
- Veterinary Drugs

- Contaminated Crops (Pests Control)
- Contaminated Soil
- Contaminated Packing Material
- Disinfection and Epidemic Prevention
- Contaminated Animals (Animal Disease Control)

- Food Process
- Food Contamination (Excessive Pesticide Residues)
- Food Contamination (Excessive Veterinary Drugs Residues)
A. Food Safety Risk

b. Food Borne Pathogenic Microorganism Contamination

- Virus, bacterium (mould), mycoplasma and chlamydia contaminate food through direct or indirect transmission, and cause harm
- Toxin generated by pathogenic microorganism contaminates food and brings risk
A. Food Safety Risk

c. Improper use of food additives: Melamine, ractopamine, food colour, flavouring, additives for corrosion proof and keeping fresh.

d. Harm of counterfeit and inferior food

e. Environmental contamination such as water and air contaminate food directly or indirectly, causing risk
B. Challenge on Food Safety

a. Production Area:
   - Usage amount of pesticide and veterinary drugs has increased due to the harm that intensive farming and cultivation has brought to crops and animals.
   - The development and process of genetically modified (GMO) crops and animals has brought new thesis to food safety.
   - Widely use of growth promoting agent and hormone resulted in contamination of food source. Contamination entered food chain and threatened human health.
   - Inappropriate use of food additives

b. Changes in Lifeway:
   - Individual workshop and portable sale of food which are stimulated by economy development and urbanization has brought potential food safety risk.
   - Increasing consumption of fast food, take-away food and snacks which contain trans-fat and internet addiction.
   - Transportation of food across the borders negatively affect the freshness and quality of food, increasing probability of contamination.
C. Solutions

a. Central and local Governments have to pay higher attention on food safety and complete laws, regulations and management system.
b. Strictly enforce laws, regulations and standards, strengthen supervision and management, and subject crime to prosecution.
c. Strengthen risk analysis and management and carry out risk alarm system and information notification system (establish a blacklist system)
d. Strengthen production (plant, feeding) management, allocate responsibility to specific person, improve test level and establish a recall and tracing system.
e. Crack down the production and sale of fake and inferior-quality food
f. Promote a sense of honesty and reputation of companies and form moral standards and social morality
CSR in China

A. Corporate Social Responsibility (CSR) in China

• Corporate Social Responsibility (CSR) is drawing more attention from public in China since it is a commitment of improving life quality of stakeholders and pre-empting social and environmental problems. It boosts confidence of company and its stakeholders such as employees, consumers, partners and community etc and enables a company to reduce cost by lowering energy consumption and other input. Therefore it creates a healthy internal and external environment for them and increase their competitiveness, promoting sustainable development of companies and the whole society.

• Chinese Government pays high attention to the development of CSR. President Hu Jintao said that companies should form a sense of global social responsibility and integrate social responsibility into its management strategy. Premier Wen Jia bao said “We should call on all enterprises to take up their social responsibilities. Within the body of every businessman should flow the blood of morality.”

• CSR in China is not mandatory. Companies must implement existing laws. It should be left to entrepreneur to do what is good for them and their surroundings. If not, they are punished by the consumers.
2010 China’s Corporate Social Responsibility Blue Book reported that CSR development level in China is lower international level and the average CSR development index is only 17. Responsibility practice is ahead of government. Market responsibility index is higher than that of social responsibility. A system that promote CSR at Governments level and a supervision system is absent. The establishment of CSR certification system is at initial stage. State-owned companies perform better in CSR than private and foreign companies. Among foreign companies, US, Canadian and European companies had a better performance than Asian companies.

A China CSR website and authoritative CSR research institute which enjoys rich academic resource has been established. Areas of sustainable finance, environmental protection, sustainable development, labor rights, occupational health and safety will be the priority in CSR development. Perhaps in a next stage, the ‘double win’ for companies and society will be introduced.
CSR in China

B. Example: PA CSR Bottom-Up / Top-Down Approach → Alliances

- National Government – Business Community
  - PA Consulting
  - Regional/Local Government – Business
    - PA CSR Consulting
    - Civic Society – Business
      - PA International Foundation
- Code of Conduct
  - General Principles
  - Framework for corporate CSR policies and action
    - Research based plans and projects
  - International Practice and Experience
  - International Funds, Donors
  - International Universities/Experts
C. Ensuring Food Safety through CSR - Elements of A Food Chain

- Feed/Seed Production
- Primary Production
- Food Processing
- Storage
- Transport
- Retail Sale
- Consumer

Elements of A Food Chain:
- Ingredients producers
- Fertilizer producer
- Food/feed product company
- Packaging company
- Warehousing service
- Transportation company
- Distributor
- Modern retailer
- Waste management company
- Financial auditor
- Ingredients producers
- Traditional retailer
D. Increasing Food Safety through CSR

- All companies involved in a food chain that operate in countries with consistent food safety problems can – individually or jointly – use CSR programs to consistently, and over the long-term, assist a country/region in which they operate with such assistance as required to enhance/ increase/ optimize the country’s capacity at the national/provincial/local level to:
  - Certify all parts of the food chain
  - Conduct Risk Analysis and Risk Management
  - Help improve each element of the food chain (from stable to table)

- Why all Parts?
  - No matter how good a company organizes one element of a chain, if any other part of the chain doesn’t perform, the whole chain is contaminated
E. The Significance of Increasing Food Safety through CSR

- China has the largest population (1/5 of the world population) in the world. It is a significant contribution to the world as well as China itself to increase food safety through CSR. It not only ensures people’s health but also promotes social stability and development, not only promote social morality but also world civilization and prosperity.

- China is the largest food producer and consumer in the world. Chinese food and restaurant spreads and enjoys fame all over the world. And it will be loved and consumed by more people if food safety is ensured.

- China is one of the five permanent member states of UN Security Council. The economy size of China ranks the second in the world, increasing at a rate of over 10% (10.6%, 2010). This necessitates the development of CSR and food safety.

- The world needs China and China needs the world. I am convinced that today’s communication will provide an opportunity for China to learn how to develop CSR, more closely integrate China into the world and promote joint prosperity and development.
Thank You!