

# Quality issues in seafood exports to S Africa

ANCY V P AND K V RAJU

## Introduction

Bilateral relationships between India and South Africa have flourished after the end of apartheid in 1994. India has emerged as a major investor in Africa, has focused development partnership in human resource development, establishment of institutions, agriculture, food processing, textiles, small industries, etc., to extensive exports to India and other countries. India and Africa are emerging trade partners in the 21st century. Their global link extends to technology transfer, knowledge sharing and capacity building. Value of bilateral trade has increased from \$2.5 billion in 2003-2004 to \$13.18 billion in 2012-13. India's imports from South Africa in 2012-13 and 2013-14 declined mainly due to restrictions on gold imports by the government of India. South Africa is targeting to increase bilateral trade volume to \$20 billion by 2018 from the current \$15 billion. The recent trade negotiations with Africa and India are Product Involved SACU (Southern African Customs Union)-India, PTA (Preferential Trade Agreement) SACU and India and Tariff reductions on selected goods SACU and India. Succeeding the WTO, Hong Kong Ministerial Declaration of 2005, India granted duty-free market access called Duty

Free Tariff Preference (DFTP), to all least developed countries (LDCs) in August 2008 and has been fully operational since October 2012. The DFTP, which was amended in April 2015, provides zero duty and preferential market access to LDCs on more than 98 per cent of India's tariff lines. Recent bilateral trade figures are as shown in Table 1.

South Africa has the largest economy in Africa, contributing nearly 25 per cent to the total African gross domestic product (GDP), and also a member of the Brazil-Russia-



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India's seafood industry is one of the leading exporters of quality seafood to all the major markets of the world. India is the second largest aquaculture producer in

the world next to China. India has world-class seafood processing plants that follow quality control regimes, compliant to stringent international regulatory requirements. In 2015-16, seafood exports from the country amounted to 9,45,892 tons valued at Rs 30,420.83 crore, and in 2014-15, the respective

figures were 10,51,243 tons and Rs 33,444.61 crore. The United States (28.46 per cent), South East Asia (24.59 per cent), the European Union (19.70 per cent) and Japan (8.61 per cent) are the main importers of

Table 1 Bilateral Trade between India and South Africa

Figures in Million US\$	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
India's Exports	2058.5	3985.02	4731.17	5106.93	5074.29	5299.6	3588.18
India's Imports	5674.5	7140.55	9973.11	8887.89	6075.26	6496.52	5907.39
Total Trade	7733	11125.57	14704.28	13994.82	11149.55	11796.12	9495.57

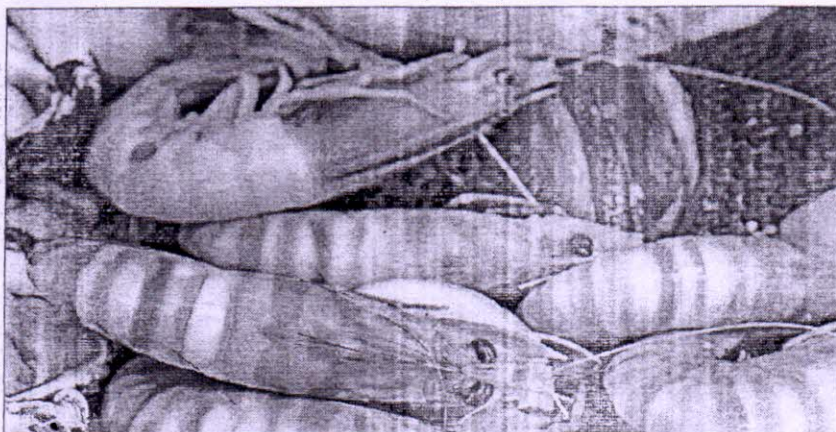
(Source: Ministry of Commerce, Government of India)

India-China-South Africa (BRICS) group of nations since December 2010. The international market for seafood has undergone several changes. The food service sector has undergone drastic changes in terms of the types of products in demand. Consumer preferences and tastes are strongly in favour of ready-to-cook and ready-to-eat convenience foods and eating in restaurants has become immensely popular. Seafood pro-

cessing and marketing is becoming increasingly competitive globally. Indian seafood. Increasing export of value-added exports to about half of the total quantity, will also be a key component of the marine products export plan of India. The overall export of shrimp in 2014-15 was to the tune of 3,57,505 metric tonne (MT) worth \$ 3,709.76 million. The United States is the largest market (1,12,702 MT) for frozen shrimp exports in quantity terms, followed by the European Union (81,952 MT), Southeast Asia (69,068 MT) and Japan (30,434 MT). The export of Vannamee shrimp has improved from 2,22,176 tonnes to 2,56,699 tonnes in FY16 with a growth rate of 16 per cent. In value terms, about 50 per cent of the total Vannamee shrimp was exported to the United States, followed by 17.25 per cent to the South-East Asian countries, 15.78 per cent to the European Union, 4.55 per cent to Japan, 3.62 per cent to West Asia, 2.23 per cent to China and 6.40 per cent to other countries.

South Africa has a coastline length of 2,798km and 15,35,538sq km of Exclusive Economic Zone with population of

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## 3 govt depts regulating agricultural imports

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53,286,000 (2012). The major ports are Johannesburg, Durban, Port Elizabeth and Cape Town. India exports seafood to 25 African nations and South Africa is the biggest African market for Indian seafood. India's total export of agricultural commodities to South Africa was worth \$310.35 million and the agricultural import from South

agricultural products to South Africa.

**Step 2:** It is best to have a reputable importer/distributor in South Africa who can apply for any necessary applications and do the required paperwork. The office of Agricultural Affairs in Pretoria can recommend several different importing companies for most food products.

**Step 3:** meat and poultry imports can only

South African import regulations aim to ensure the quality and safety of the products imported to South Africa. There are three government departments regulating agricultural imports. They are the National Regulator for Compulsory Specifications (NRCS), The South African Department of Agriculture, Forestry and Fisheries (DAFF) and the South African Department of Health (DOH). NRCS is mainly involved with quality control over fish and fish products, and canned and processed meat products.

Regulations on import of fish and fish products are strictly controlled through its three compulsory standard specifications.

**This specification for frozen fish, frozen marine molluscs and frozen products:** The specification covers the requirement for the handling, preparation, processing, packing, freezing, storage and quality of frozen fish, frozen marine molluscs, frozen fish products and frozen marine mollusc products intended for human consumption. It also covers the requirements for factories and employees involved in production.

The compulsory specification for frozen shrimp (prawns) crabs covers the requirements for hygienic, harvesting, preparation, processing and conveyance of shrimps, crabs, and also includes the requirements for raw materials and final products, including its packaging and storage.

The compulsory specification for the manufacture, production, processing and treatment of canned fish, canned fish products and canned marine molluscs governs the manufacture of canned products.

In addition to the standards requirements, the sector is regulated by the Department of Trade & Industry and Marine and Coastal Management. Additional charges on imports are the value added tax (VAT) of 14 per cent is payable on all imports. VAT is levied on the value for customs duty plus ten per cent plus any additional duties paid. The legislation process intended to align South Africa with the world's best regulatory practices and also meet the requirements of the World Trade Organisation (WTO) agreement on Technical Barriers to trade (WTO TBT Agreement) and

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**Table 2. Exports of Seafood to South Africa**

	2009-10	2010-11	2011-12	2012-13	2013-14
Q (MT)	5613	5242	7702	8307	8625
V (Rs. Crore)	135.67	142.16	207.61	191.25	314.59
\$ (Million USD)	28.65	31.55	43.43	35.56	52.25

Source: Marine Product Export Development Authority, Government of India.

Africa was of the order of \$13.33 million in 2013 and 2014. India's principal agricultural exports were frozen shrimps and prawns, dried onion, rice, guar gum, groundnuts and castor oil. India's main items of import were fresh oranges, pears and grapefruit. Shrimp ranked second among the total agricultural, forestry and fisheries product imports from India by South Africa in the year 2013. Table 2 depicts exports of seafood to South Africa.

The seafood industry is an imperative sector of the South African economy, contributing £159.5 million to the national economy. This industry is subdivided into five categories: demersal, pelagic, rock lobster, line fishery (including the abalone) and squid fisheries.

### Import procedures of seafood products in South Africa

The South African food and agricultural import regulations and standards are developed and administered by three ministries, namely the Department of Health (DOH), Department of Agriculture, Forestry and Fisheries (DAFF) and Department of Trade and Industry (DTI). The basic procedure for importing food and agricultural products into South Africa are based mainly on five criteria followed by the DAFF.

**Step 1:** Determine whether your agricultural products can enter South Africa. Only acceptable countries may export food and

be made from foreign meat establishment which are accredited by the DAFF. All United States federally inspected and approved meat establishments located in the United States are eligible to export to South Africa.

**Step 4:** Import licenses and permits must be



obtained from the relevant regulatory body for the products to be imported to South Africa before the products are shipped from the exporting countries. Veterinary quarantine certificates and import certificates must be obtained prior to import.

**Step 5:** All agricultural and food products entering South Africa must be accompanied by a phytosanitary or health certificate issued by the regulatory body in the exporting country. This is required to be submitted for inspection along with the import permit to facilitate physical inspection of the products and customs clearance at the port of entry.

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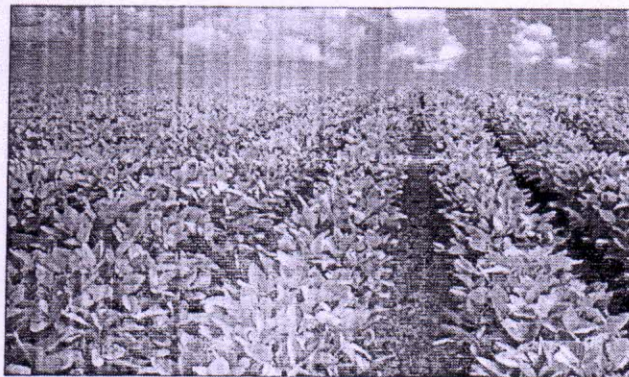
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# SPS & TBT pacts have relevance in industry

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the agreement of the application of sanitary and phytosanitary measures (WTO SPS Agreement). The emerging global thrust to adoption of hygienic production practices for adhering to the World Trade Organisation standards; compliance to Hazard Analysis and Critical Control Point (HACCP) by seafood exporters is a prerequisite. HACCP is a tool to assess hazards and establish control system that focus on prevention rather than relying mainly on end-product testing and inspection.

In seafood, the major safety problems are microbiological, chemical and also related to the presence of antibiotic, veterinary drug residues. Spoilage and presence of certain muddy smelling compounds are the quality problems. There are strict microbiological standards, stipulating the limits of total bacterial counts, E.coli counts, and staphylococcus aureus counts and fixing zero tolerant limits for Salmonella and Vibrio Cholerae. Aligning the quality assurance system to the international standard is indeed essential to cope with the ever-demanding requirement of importing countries in the changing sce-



nario. The main constraints in adoption of quality assurance systems are lack of awareness, high cost for adoption of quality assurance systems, no legal obligation to adopt the quality assurance system and lack of time frame for implementation of quality assurance systems.

## Quality issues in Indian export scenario

Indian seafood exporters, especially from the west coast are distressed a lot as 100 shrimp containers are detained at South African ports for detection of cholera bacteria

Hygienic quality of fish tank water, in particular, the source water for keeping live seafood is also important

in consignments from India. The cost of shipment is around \$3,000- \$4,000 per container. It is a focus market for the exporters as it accounts only one or two percent of the Indian shrimp export.

Seafood exporters and Marine Products Exports Development Authority (MPEDA) are concerned over the inordinate delay in getting permission for the Indian team's visit to South Africa following the rejection of Vannamei shrimp export consignment. The issue of rejection of Vannamei shrimp consignment following the detection of Vibrio cholera in the shipment by National Regulator for Compulsory Specification (NRCS) was brought to the notice of the visiting High Commission delegation. According to a Study on the Ecology of V cholerae in marine water and live seafood, water samples taken from typhoon shelters and shoreline waters were found to have higher chance of detecting V cholerae from open waters and fish culture zones. Water samples which were tested positive for V cholerae also have higher E coli counts. Hygienic quality of fish tank water, in particular, the source water for keeping live seafood is also important. Among the vibrios, V cholerae is of most concern because of its ability to cause cholera.

## Conclusion

This article tried to capture the emerging trade partners of both India's and South Africa's economic relationships and the export and import trends. It highlighted the various quality criteria of South Africa with recent quality issues confronted in the Indian

seafood industry. The solution can be traced by following the stringent quality control measures like HACCP, both in domestic and global fish trade. Both SPS and TBT agreements have relevance in the seafood industry and given a new direction to the international food trade.

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(Ancy is assistant professor, department of economics, Maharajas College, Ernakulam, and Raju is assistant professor, department of economics, Sacred Heart College, Kochi. They can be contacted at [ancyep@gmail.com](mailto:ancyep@gmail.com) and [kvraju2@yahoo.com](mailto:kvraju2@yahoo.com))