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The US Food Safety and Modernization Act: Implications for Caribbean Exporters

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Abstract

Within the last two decades, food safety has gained prominence as a global issue. Much of this can be attributed to the considerable rise in volume of food traded at the global level, increased publicity of food scare events, and greater consumer awareness of the important linkages between food and health. The increased use of advanced food testing techniques and technologies has also served to heighten awareness of food contamination – even that which occurs at minute levels. In response, governments of developed and developing countries have sought to protect and reassure consumers of the integrity of their food supplies by, among other things, establishing new institutions, standards and methods for regulating food safety and have increased investments in hazard detection and control.

The Food and Drug Administration (FDA) Food Safety Modernization Act of 2010 was recently enacted in the United States. This law provides a framework for the US Secretary of Health and Human Services (HHS) to inspect, standardize, educate and test for safety issues along the US food supply system. It will likely change how food companies can operate within the United States, since almost all food businesses would have to establish food safety plans consistent with the Hazard Analysis & Critical Control Points (HAACP) system and to comply with certification standards. The notable exception to this rule would be small family farms. The law also creates expanded power for the Food and Drug Administration since it increases the frequency of inspections and creates mandatory recall authority by the agency. Food importers would also be subjected to a several new requirements, one of which would involve verification of the safety of imported foods from foreign suppliers. Thus, the FDA would be empowered to deny entry to foods that lack certification, or that are sourced from foreign facilities or countries that have refused US inspectors.

It is against this backdrop that the potential effect of the Food Safety Act on Caribbean food exports to the US is evaluated. Our analysis focuses on estimations of the weight of Caribbean food exports to the United States; this is done with respect to their GDP so as to better characterize the likely challenges these countries could face. An important aspect of coping with the new regulation would be implementation of traceability systems. We argue that in order for such systems to be cost effective, they would have to be implemented in the context of value chains. To illustrate, we provide information on important lessons learnt by Europeans while implementing their traceability systems and highlight aspects of successful value chains implemented by Brazil. This study is important and timely, given that findings from a recent study indicated that the share of FDA refusals of food imports from low-income countries has been increasing.

Keywords: food safety, traceability, value chain, trade, Caribbean

