
UNIT 9 THE EXPORT (QUALITY CONTROL AND INSPECTION) ACT, 1963

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9.0 OBJECTIVES

In this unit we will study the features, powers and structure of export quality control and inspection act 1963. We will cover the following areas:

- (i) the various quality control and inspection requirements and procedures followed before exporting food items in the present world scenario.
- (ii) the procedure for approval, renewal of approvals and surveillance mechanism.

The various provisions and requirements for export of fishery, milk, egg, poultry meat, honey and raw meat are discussed below.

9.1 INTRODUCTION

For sound development of export trade through Quality Control and Inspection, the Govt. of India enacted the Export (Quality Control & Inspection) Act, 1963 (22 of

1963). This Act came into force from 1st January 1964. It empowered the Government to subject commodities intended for exports to compulsory quality control prior to their export, create a machinery for such quality control and take such measures as it deemed fit for protecting markets for Indian products abroad.

As the first step, Export Inspection Council (the Council) was established on 1st January 1964 for implementation of various provisions of the Export (Quality Control & Inspection) Act, 1963. Subsequently, five Export Inspection Agencies (EIAs) were established at Bombay (now Mumbai), Calcutta (now Kolkata), Cochin (now Kochi), Delhi and Madras (now Chennai) for quality control and inspection of commodities that were notified under the Act and were intended for exports from various States and Union Territories. Gradually, a network of field offices was created to cater to the needs of exporters located at all major ports and industrial centres in India.

9.2 SALIENT FEATURES OF THE EXPORT (QUALITY CONTROL AND INSPECTION) ACT 1963

9.2.1 Functions of the Council

The Export Inspection Council was established under Section 3 of the above Act. The main functions assigned to the Export Inspection Council are:

- i) to advise the Central Government regarding measures to be taken for enforcement of compulsory quality control in relation to commodities intended for export and to draw up programmes therefore; and
- ii) to exercise technical and administrative control over EIAs in performing the inspection and certification activities.

For performing its functions, EIC is allowed to take help of specialist committees for conducting investigations on special problems. It may, when required, co-opt as member such persons as it thinks fit, who have special knowledge and practical experience in specific areas. However, while taking part in the deliberations of the Council, such experts do not have the right to vote. The Council has constituted the following specialist committees related to food items for export purposes:

Technical Committee

Administrative Committee

Standing Committee on Milk Products;

Standing Committee on Spices;

Standing Committee on Egg Products;

Standing Committee on Fresh Poultry Meat & Poultry Meat Products;

Standing Committee on Fish & Fishery Products;

Standing Committee on Processed Fresh & Frozen Fruits & Vegetables;

Standing Committee on Basmati Rice

In the performance of its functions, the Council is bound by such directions as the Central Government may give to it in writing from time to time.

9.2.2 Powers of the Central Government in regard to Quality Control and Inspection

The Export (Quality Control & Inspection) Act, 1963 empowers the Central Government to

- (a) Notify commodities which shall be subject to compulsory quality control prior to export;
- (b) Specify the type of quality control or inspection which will be applied to a notified commodity;
- (c) Prescribe the standard (specifications) to which the notified commodity shall comply before it is allowed for export; and
- (d) Prohibit the export of a notified commodity unless a certificate issued to the effect that the commodity satisfies the conditions relating to compulsory quality control or inspection accompanies it.

Thus, once a commodity is notified under the Export (Quality Control & Inspection) Act, 1963, it cannot be exported unless it is accompanied by a certificate of export worthiness issued by an inspection agency recognized under the Act.

Check your Progress Exercise 1

Note: a) Use the space below for your answer.

b) Compare your answers with those given at the end of the unit.

- 1) Mention the procedure by which the export of various food items are monitored under the Export (QC&I) Act.

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- 2) Which food items are covered under compulsory per-shipment inspection under the Export Quality Control Act ?

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9.2.3 Machinery for Quality Control and Inspection

Section 7 of the Export (Quality Control & Inspection) Act, 1963 empowers the Central Government to establish or recognize agencies for quality control or inspection.

Whereas five Export Inspection Agencies having their headquarters at Bombay, Calcutta, Cochin, Delhi and Madras were established by the Central Government for compulsory quality control and inspection of all commodities that were notified under the Act, other agencies, known as Pre-shipment Inspection Agencies (PIAs) are also recognized from time to time for specific products being exported from specific areas.

These inspection agencies examine the export commodity for their compliance to the standard applicable to the commodity and issue certificate of export worthiness if, after their examination, they are of opinion that the commodities satisfy the standard specifications laid down in respect of it.

9.2.4 Powers to make Rules

The Export (Quality Control & Inspection) Act, 1963 empowers the Central Government to make rules to carry out the purpose of this Act. The rules so framed normally cover

- a) The procedure to be followed by the Council in discharge of its functions;
- b) The procedure to be followed for various types of quality control and inspection;
- c) The conditions which an inspection agency should satisfy for purposes of approval by the Central Government;
- d) The fee chargeable for the purposes of examination and issue of certificates of export worthiness;
- e) The procedure and manner, in which any certificate of export worthiness may be amended, suspended or cancelled.

9.2.5 Act to Over-ride other Enactments

From the date on which a commodity is notified, the provisions of Export (Quality Control & Inspection) Act, 1963 have an overriding effect over provisions of other Acts that might be applicable to the commodity notified in so far as quality control and inspection prior to export of such commodity is concerned.

9.3 PRIOR TO LIBERALIZATION

Nearly 1000 commodities have been notified under Export (Quality Control & Inspection) Act, 1963 and EIC/EIAs were authorized to carry out compulsory pre shipment inspection for them prior to liberalization. The items notified cover engineering products such as automobile and its components, bicycle & its components, electric lamp and tubes & power cables, household electrical appliances, hand tools and small tools, steel tubes and tubular products, marine products, food

and agricultural products including, egg products, milk products, basmati rice, honey, poultry meat and meat products.

In the wake of liberalisation, during early nineties, simplification measures were introduced by the Government of India as a result of which number of relaxations were granted to the exporters as follows:

1. IPQC (Refer Section 9.4.2) approved units were authorised to issue their own Certificates of Inspection.
2. Trading Houses, Star Trading Houses and Export Houses were exempted from the purview of compulsory quality control & inspection.
3. Units set up in the Export Processing Zones, Free Trade Zones and 100% Export Oriented Units were exempted from the purview of the compulsory quality control & inspection.
4. Exporters having a firm letter to the effect that overseas buyers did not require pre-shipment inspection from any official Indian Inspection Agency could export the commodities without inspection.

The aforesaid relaxations brought considerable changes in the export trade and exporters utilized these relaxations to a great extent, as a result the controls exercised by EIAs became negligible.

9.4 PRESENT SCENARIO

With establishment of the WTO, global trade increased and countries started having greater access to world markets. Quality issues became important and with that the role of standards and legislation, especially those relating to safety and health. To ensure that standards and regulations did not create unnecessary barriers, certain rules and disciplines were required to be maintained, which were taken care of through the non-tariff agreements, especially the SPS Agreement.

Many importing developed countries brought out their own food safety and quality systems related controls based on the general principles of food hygiene and HACCP which was required to be followed throughout the food chain from primary production, through processing, transportation, storage until the product reaches the final consumer. Such controls are internationally recognized and have been adopted by the Codex Alimentarius Commission as essential for ensuring the safety and suitability of food for domestic consumption as well as international trade.

In view of the above developments, the Central Government once again introduced mandatory export certification, based on internationally accepted Food Safety Management Systems in the area of marine products in 1995, egg products in 1997, milk products in 2000, and honey and poultry meat and meat products in 2002 to address the concerns of India's major trading partners like USA and EC who had installed import control system in the above areas. In other areas, certification is carried out on voluntary basis or as per requirements imposed by the importing country. For example in the area of basmati rice, EC gives duty benefits only if certified by EIC.

In view of the latest developments, EIC, either directly or through Export Inspection Agencies (EIAs), its field organizations, renders services in the areas of:

- Certification of quality of export commodities through installation of quality assurance systems (In-process Quality Control and Self-Certification) in the exporting units as well as consignment-wise inspection (CWI).
- Certification of quality of food items for export through installation of Food Safety Management Systems in the food processing units
- Issue of Certificates of Health (fit for consumption) and Certificates of Authenticity to exporters under various schemes for export products.
- Issue of Certificate of Origin to exporters under various preferential tariff schemes for export products.
- Laboratory testing.
- Training and technical awareness to the industry in installation of Quality and Safety Management Systems based on principles of Hazard Analysis Critical Control Point (HACCP), ISO-9001: 2000, ISO: 17025 testing and other related areas.

In rendering the above services, EIAs are backed by qualified technical manpower, having more than forty years of diversified experience of quality control and inspection of notified commodities including their testing as per international standards/importing countries' standards or the foreign buyers' specifications.

9.4.1 Systems of Export Inspection and Certification

Broadly two types of systems are being implemented for inspection and certification, consignment wise inspection and a system approach. These are elaborated below

- a) **Consignment Wise Inspection (CWI) System:** Under the Consignment wise Inspection, each export consignment is inspected and tested by the EIAs. Samples are drawn on the basis of statistical sampling plans, inspected and tested for verifying the conformity of products to the prescribed standards. Tests are carried out in the field and/ or in the recognized inspections agencies' laboratories.
- b) **Systems Approval:** There are three basic systems under this approval scheme, viz., In process Quality Control System (**IPQC**), Self-Certification (**SC**), Food Safety Management Systems based Certification (**FSMS**):

9.4.2 In Process Quality Control (IPQC) System

This system lays emphasis on the responsibility of the manufacturers/ processors in ensuring consistency in quality during all stages of production by adopting quality control drills and exercising control on raw materials and bought-out components, manufacturing process, packing and final testing. Manufacturing and processing units, adjudged as having adequate levels of quality control in all these areas, are approved by EIAs based on assessment by an Inter-Departmental Panel. Such system are implemented in case of basmati rice, engineering items, chemicals, footwear, etc

9.4.3 Self Certification (SC) System

Under this system, in addition to IPQC norms, stringent requirements have been prescribed for four new elements namely design and development, quality audit, after sales and service, house-keeping and maintenance. Manufacturing and processing units qualifying under this system are notified by the government as Agencies to issue certificates of export worthiness for their own export consignments. Presently an engineering unit is covered under this system.

9.4.4 Food Safety Management Systems based Certification (FSMSC)

Food Safety Management Systems Based Certification is followed in the food sector under which processing units conforming to Food Safety Management Systems based on HACCP/GMP/GHP are approved. Additionally, they are also required to meet the end product requirements specified by the importing countries and in the absence of these, by Indian/ International standards.

Currently, such systems are being implemented in many food products. In the case of fish & fishery products, raw meat (chilled/frozen), milk & milk products, poultry meat & poultry meat products, Government of India has made it mandatory that these products can be exported only from approved units covered under this system. In some food products such as black pepper, basmati rice, honey, etc. this system is also being adopted on a voluntary basis or as per the requirements of the importing country.

Check your Progress Exercise 2

Note: a) Use the space below for your answer.

b) Compare your answers with those given at the end of the unit.

- 1) How many regional agencies are present for the quality control and Inspection of the commodities notified under the Export (QC&I) Act? What are their functions?

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- 2) List the various functions of EIC.

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3) Differentiate between IPQC and SC system of Quality Control & Inspection.

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4) What are the features of Food Safety Management Systems based Certification (FSMSC)?

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9.5 PROCEDURE FOR APPROVAL AND RENEWAL

The processing establishments seeking approval for export of their products need to submit to the concerned EIAs of their region, the following:

- A complete application in a prescribed format along with all relevant documents
- HACCP manual

After through verification of the above documents, the processing unit is assessed by an Inter Departmental Panel (IDP) of experts drawn from different areas, in 2 stages, by granting conditional approval and full approval. The EIA grants conditional approval for 3 months, which may be extended up to 6 months. Further, for granting full approval to the unit, a second IDP visit is undertaken in order to carry out the HACCP implementation audit. On recommendation of the IDP, the EIA grants full approval for 2 years from initial date of approval, which is renewed every 2 years.

9.5.1 Procedure of Surveillance

A-3 tier surveillance system is being followed by EIC to monitor the approved establishments so as to ensure quality and safety of the fishery products, as per details given below:

(i) **Monitoring visits:** The Officials of EIA on monthly basis or at a lesser frequency, depending on the performance of the approved unit, carry out regular monitoring. During monitoring the following aspects are looked into

- verification of records, process controls, sanitation and hygiene

- drawal of samples for independent testing for microbiological and residual parameters
- HACCP Compliance

(ii) **Supervisory visit:** Supervisory visits are carried out by an officer of the level of Deputy Director and above from the concerned Agency once every six months. The Supervisory visit is conducted for:

- Checking the documentation and compliance of the requirement of the scheme
- Quality of monitoring carried out by monitoring officers
- Samples, may be drawn during such visits for independent test.

(iii) **Corporate Audits:** Audit of each Agency under the Corporate Audit mechanism is carried out by the EIC at a frequency of once every year with the twin objective of checking compliance to and effectiveness of the system as well as building accountability

This comprises:

- Examination of records of processor maintained by the Agency like reports of visits, lab reports etc. to check compliance with the executive instructions.
- Visit by the audit team to some of the approved units

9.6 RESIDUE MONITORING PLANS (RMP)

Presence of residues of environmental contaminants and veterinary drugs in food products is a major concern for the food business all over the world. Under the Export (Quality Control & Inspection) Act, 1963, Government of India is committed to ensure safe products for the exports markets. Keeping this objective in view, residue monitoring plans for milk, egg products poultry products and honey have been formulated in line with EC directive 96/23/EC to ensure monitoring of these products for residues at each stage of production starting from farm to fork to guarantee a safe food at the end. The main objectives of RMP are:

- To establish a system for monitoring residues of drugs, pesticides and heavy metals in the concerned commodity (i) in the raw material (ii) at the processing unit and (iii) in final product.
- To establish a system for corrective action in the event of detection of residues levels higher than those established through the RMP.
- To ensure that products exported from India to the importing country does not contain residues of drugs, pesticide and heavy metals in excess of the prescribed limits

9.7 PROVISIONS AND REQUIREMENTS FOR ITEMS COVERED UNDER MANDATORY EXPORT CERTIFICATION

Some aspects specific to certification of fishery products, dairy products, egg products, poultry products, meat and honey given below:

9.7.1 Export Certification System for Fishery Products

A. General

To ensure that the marine products exported are of the right quality and meet the health and safety requirements laid down by importing countries, these products were brought under mandatory Quality Control, Inspection and Monitoring by EIC/EIAs prior to export vide Order No.729(E) & Notification SO 730(E) both dated 21 August 1995.

The Order notifies that fresh, frozen and processed fish and fishery products, should be subjected to quality control, inspection and monitoring prior to export. It lays down minimum standards and further recognises Codex, the requirements of the importing country and contractual standards and prohibits exports unless the products conforms to standards specification applicable and is accompanied by a certificate stating that such unit is approved and monitored by the Export Inspection Agencies, the Competent Authority (responsible for implementation of the requirements of the Order and Notification).

B. Requirements of the Notifications

As per the notifications, it is the primary responsibility of the industry to ensure that the fresh, frozen and processed fishery products intended for export are handled and processed at all stage of production, storage and transport under proper hygienic conditions so as to meet the health requirements laid down under the Rules and that the products conforms to the specifications given in the order by the Central Government under Section 6 of the Act. The role of the Competent Authority is to ensure that the processors comply with the requirements by regular monitoring of the establishments as per the control measures prescribed in clause 13 of the Rules. For effective monitoring of the scheme, Export Inspection Council issues necessary instructions from time to time.

Some of the conditions which the processing unit needs to comply with before exporting fishery products are highlighted below:

- Any statutory restrictions imposed by any State/Central Governments with respect to commercial/environmental conservation measures from time to time.
- Should have been caught and where appropriate, handled for bleeding, heading, gutting and removal of fins, chilled or frozen on board vessels in accordance with prescribed hygiene rules.
- Should have been handled in factory vessels approved by the competent authority

- Should have been handled and, where appropriate, packaged prepared, processed frozen, defrosted or stored hygienically in an approved establishment.
- The aquaculture products should be subject to the following conditions: either be made head-on, shell on shrimp or beheaded, deshelled gutted, cleaned, deveined etc. under proper conditions of hygiene and not have been soiled with earth, slime or faeces or otherwise contaminated. If not processed immediately after having been pre-processed they must have been chilled and must have undergone appropriate packaging.
- Export of bivalve molluscs in processed condition, harvesting, transport, relaying, purification and processing shall be carried out in accordance with the requirements of the importing countries.

C. Health Certification

Health certificates are issued by the EIA on request, after satisfying itself that fish & fishery products are processed in an approved establishment/factory vessel having valid approval number and satisfying that the requirements of the standards are met.

D. National Residue Control Plan (NRCP) for Fish & Fishery Products

In view of growing health consciousness among the consumers all over the world and introduction of strictly quality control measures by importing countries on fish & fishery products, implementation of HACCP has been made mandatory for all exporting seafood processing units in India.

National Residue Control Plan (NRCP) for aquaculture animals is implemented in India in line with EC Directive 96/23/EC to ensure monitoring of fishery products for residues at each stage of production starting from farm to fork to guarantee a safe food products exported to member states of European Union. The parameters tested are pesticide residues namely BHC, Aldrin, Dieldrin and antibiotic residues of chloramphenicol, nitrofurans, tetracycline etc. The NRCP has been entrusted to MPEDA by the Competent Authority i.e Export Inspection Council of India, Ministry of Commerce and Industry, Government of India vide Notification No. S.O.1034(E) dated 9 September 2003. As per the NRCP of fish and fishery products for 2007, a total 1903 samples were tested from various locations .

E. Units approved

As on date, EIC has approved 478 establishments in India for the export of fish and fishery products out of which 203 units are approved for the EU.

9.7.2 Export Certification System for Milk Products

A. General

To ensure that the milk products exported are of the right quality and meet the health and safety requirements laid down by importing countries, these products were brought under mandatory quality control, inspection and monitoring by EIC/EIAs

prior to export vide Order No.SO.2719 & Notification No. SO 2720 both dated 16 December 2000.

The Order notifies that milk products should be subjected to quality control, inspection and monitoring prior to export. It lays down minimum standards and further recognises Codex, the requirements of the importing country and contractual standards and prohibits exports unless the products conforms to standards specification applicable and is accompanied by a certificate stating that such unit is approved and monitored by the Competent Authority, the Export Inspection Agencies.

B. Requirements of the Notifications

The notifications recognize the international standards as laid down by Codex Alimentarius Commission, the national standards of the importing countries or the contractual specifications provided these are not below the national standards as given in the notification. The notifications also specify the type of quality control and inspection in accordance with Export of Milk Products (Quality Control, Inspection and Monitoring) Rules, 2000 which is applicable to milk products prior to export.

The primary responsibility for meeting the health requirement of the importing countries has been placed on the processing plants themselves for which, they are required to plan and implement in-process controls, develop their own systems of check and keep necessary records. EIAs have been authorised to approve and ensure compliance by the processing plant to the requirements laid down in the notifications.

Some of the conditions which the processing unit needs to comply with before exporting milk products are highlighted below:

- Any statutory restriction imposed by any State/Central Government from time to time with respect to commercial /environmental/conservation measures.
- Milk products should have been obtained from milk of dairy animals, which are apparently healthy and do not show any visible symptoms of infectious disease likely to be transferable to humans through milk. Further, animals which have been treated with antibiotics or other veterinary drugs which can be transferred to milk shall not be brought to the collection centre unless the retention period of drug following such treatment has been inspected.
- The milk products should contain only the permissible food, additives/processing aids, other than milk, which are fit for human consumption.
- Milk products should have been treated and prepared in an approved plant.
- Processing and/or manufacturing should have been carried out under hygienic conditions.
- The following conditions should have been observed during packing:
 - Wrapping and packaging should be done under satisfactory hygiene conditions in rooms provided for that purpose.
 - Bottling, filling of containers with liquid milk products and sealing of containers and of packaging should be carried out automatically.

- Wrapping or packaging may not be reused for the products with the exception of certain types of containers, which may be reused after thorough cleaning and disinfecting.
- The products should have been stored at temperatures established by the manufacturer to ensure their durability. In particular, pasteurised milk should not be kept at a temperature exceeding 6 °C. When stored under cooled conditions the storage temperatures should be registered and the cooling rate should be such that the product reaches the required temperature as quickly as possible.
- The period for which the milk products are fit for human consumption and storage shall be indicated by the processor.
- The results of the various checks and tests shall be recorded and kept for presentation to the competent authority for a period of two years.
- Residues of substances having a pharmacological or hormonal action, and of antibiotics, pesticides, detergents and other substances should not be present in milk at levels which might alter the sensory characteristics of milk products or make their consumption dangerous or harmful to human health.
- If the milk products examined show traces of residues in excess of the permitted levels, they must not be allowed either for the manufacture of foodstuffs or for direct human consumption.
- Tests for residues must be carried out in accordance with Nationally/ Internationally recognized methods.

C. Health Certification

Health certificates are issued by the EIA on request, after satisfying itself that milk products are processed in an approved establishment having valid approval number and satisfying that the requirements of the standards are met.

D. Residue Monitoring Plans (RMP) for Milk Products

EIC is implementing the RMP since 2004 and the consolidated statement of test results of RMP for the previous year are being regularly sent to the European Commission EC. Based on the findings of the previous year's RMP, the RMP for the succeeding year is prepared and sent to the EC before 31st March of every year. As per this, 300 samples were required to be tested in year 2007-08. Out of which 70% of the samples were tested for drugs such as nitrofurans, chloramphenicol, beta-lactum and 30 % of the samples for pesticides, heavy metals including lead and aflatoxin. In addition, 150 samples drawn from final products processed in approved milk processing plants were also tested for similar parameters in order to ensure that such contaminants do not find their way into final products from raw milk.

F. Units approved

EIC has approved 56 establishments in India for the export of milk products.

9.7.3 Export Certification System for Egg Products

A. General

To ensure that the egg products exported are of the right quality and meet the health and safety requirements laid down by importing countries, these products were brought under mandatory quality control, inspection and monitoring by EIC/EIAs prior to export vide Order No. SO. 2077 & Notification No. SO 2078 both dated 23 August 1997.

The Order notifies that egg products should be subjected to quality control, inspection and monitoring prior to export. It lays down minimum standards and further recognises Codex, the requirements of the importing country and contractual standards and prohibits exports unless the products conform to the standards/specification applicable and is accompanied by a certificate stating that such unit is approved and monitored by the Competent Authority, the Export Inspection Agencies.

B. Requirements of the Notifications

The notifications recognise the international standards as laid down by Codex Alimentarius Commission, the national standards of the importing countries or the contractual specifications provided these are not below the national standards as given in the notification. The notifications also specify the type of quality control and inspection in accordance with Export of Egg Products (Quality Control, Inspection and Monitoring) Rules, 1997 which is applicable to egg products prior to export.

The primary responsibility for meeting the health requirement of the importing countries (the sanitary and phytosanitary Requirements of the importing country) has been placed on the processing plants themselves for which, they are required to plan and implement in-process control, develop their own systems of check and keep necessary records. EIAs have been authorized to approve and ensure compliance by the processing plant to the requirements laid down in the notifications.

The egg products for exports should be subjected to the following conditions:

- Any statutory restriction imposed by any State/Central Government from time to time with respect to commercial/environmental conservation measures .
- Eggs should be obtained from hens, ducks, geese, turkeys, guinea fowls or quails eggs, but not a mixture of eggs of different species.
- Egg based products should bear an indication of the percentage of egg ingredients they contain when they are partially supplemented by other food stuffs.
- Eggs and egg products should be treated and prepared in an approved plant which complies with the hygienic requirements.
- Eggs and egg products should not be kept at the ambient temperature and transported or stored at the temperatures stipulated in the rules.

- Eggs and egg products should have undergone pharmacological or hormonal activity tests and the test for antibiotics, pesticides, detergents and other substances which are harmful or which might alter the organoleptic characteristics of egg products or make their consumption dangerous or harmful to human health.
- If the egg products examined show traces of residues in excess of the permitted levels specified by Codex / EC (European Commission) or any other regulations of the importing country, they must not be allowed either for the manufacture of foodstuffs or for direct human consumption.
- Tests for residues must be carried out in accordance with proven and scientifically recognized methods

C. Health Certification

Health certificates are issued by the EIA on request, after satisfying itself that egg products are processed in an approved establishment having valid approval number and are satisfying that the requirements of the standards are met.

D. RMP for Egg Products

Till last year APEDA had been authorised vide GOI Notification No. 1443 (E) dated 19th December 2003 to assist EIC to implementing the RMP for egg products and the data received from them was being examined at EIC level and forwarded thereafter to the EC. However, from the year 2007-08, it had been decided that EIC would implement the RMP on its own. As per the RMP200 samples were tested for various residues including nitrofurans, chloramphenicol, sulphonamides tetracycline, pesticides and heavy metals. The RMP samples are drawn at farm level for feed, water and shell eggs and at packing centre for shell egg and final products at processing plants.

E. Units Approved

EIC has approved three establishments in India for the export of egg products.

9.7.4 Certification System for Fresh Poultry Meat and Poultry Meat Products

A. General

To ensure that the fresh poultry meat & poultry meat products exported are of the right quality and meet the health and safety requirements laid down by importing countries, these products were brought under mandatory quality control, inspection and monitoring by EIC/EIAs prior to export vide Order No. SO 1377(E) & Notification No. SO 1378(E) both dated 30 December 2002.

The Order notifies that fresh poultry meat & poultry meat products should be subjected to quality control, inspection and monitoring prior to export. It lays down minimum standards and further recognises Codex, the requirements of the importing

country and contractual standards and prohibits exports unless the products conforms to standards specification applicable and is accompanied by a certificate stating that such unit is approved and monitored by the Competent Authority, the Export Inspection Agencies.

B. Requirements of the Notification

The conditions, which the processing unit needs to comply with prior to exporting fresh poultry meat and poultry meat products are given in the notification, however some important points are highlighted below:

- Adherence to any statutory restriction imposed by any State/Central Government from time to time with respect to commercial/environmental/conservation measures.
- Fresh poultry meat and poultry meat products shall come from live poultry inspected before slaughter in hygienic conditions.
- Fresh poultry meat & meat products shall have been prepared in an approved plant which complies with general/special conditions of cold storage and slaughterhouse for the approval of establishments.
- Fresh poultry meat & poultry meat products shall have been prepared under hygienic conditions. Hygienic conditions would relate to hygiene of staff, premises, slaughterhouse and equipment in the establishment.
- Health marking, labelling, wrapping, packaging, storage and storage shall be done in accordance to the norms stipulated in Gazette Notification.
- The results of various checks and tests shall be recorded and kept for presentation to the competent authority for a period of 2 years.
- The animal health conditions for fresh poultry meat & meat products shall be related to the conditions of the poultry with regard to contamination and diseases such as Newcastle disease and avian influenza.
- Residues of substances having a pharmacological or hormonal action, and antibiotics, pesticides, detergents and other substances should not be present in fresh poultry meat & poultry meat products at levels which might alter their sensory characteristics or make their consumption dangerous or harmful to human health.
- Tests for residues must be carried out in accordance with Nationally/ Internationally recognised methods and following Good Laboratory Practices.

C. Health Certification

Health certificates are issued by the EIA on request, after satisfying itself that fresh poultry meat and its products are processed in an approved establishment having valid approval number and satisfying that the requirements of the standards are met.

D. RMP for Poultry Products

RMP for poultry products was prepared and sent the EC in May 2007. As per this, 342 samples are required to be tested for various residues including nitrofurans, chloramphenicol, sulphonamides, tetracycline, pesticides, heavy metals and mycotoxin. Under this, RMP samples are drawn at farm level for feed, water and final products at processing plants.

E. Units Approved

EIC has approved four establishments in India for the export of fresh poultry meat and its products.

9.7.5 Honey

A. General

To ensure that the honey exported is of the right quality and meets the health and safety requirements laid down by importing countries, these products were brought under mandatory Quality Control, Inspection and Monitoring by EIC/EIAs prior to export vide Order No. S.O.276 (E) & Notification No. SO 277(E) both dated 4 March 2002.

The Order notifies that honey should be subjected to quality control, inspection and monitoring prior to export. It lays down minimum standards and further recognises Codex standards, the requirements of the importing country and contractual standards and prohibits exports unless the product conforms to standards specification applicable and is accompanied by a certificate stating that such unit is approved and monitored by the Competent Authority, the Export Inspection Agencies.

B. Requirements of the Notifications

The notifications recognize the international standards as laid down by Codex Alimentarius Commission, the national standards of the importing countries or the contractual specifications provided these are not below the national standards as given in the notification. The notifications also specify the type of quality control and inspection in accordance with Export of Honey (Quality Control, Inspection and Monitoring) Rules, 2002 which is applicable to honey prior to export.

The primary responsibility for meeting the health requirement of the importing countries has been placed on the processing plants themselves for which, they are required to plan and implement in-process controls, develop their own systems of checks and keep necessary records. EIAs have been authorised to approve and ensure compliance by the processing plant to the requirements laid down in the notifications.

In addition to systems certification, the Notification also permits compliance on the basis of inspection and testing carried out of a consignment by drawing a sample and testing the same for standard specifications prescribed in the Order. Under this an exporter intending to export a consignment needs to intimate to EIA for issuance of a 'certificate of inspection' thereafter the EIA officials draw samples from the consignments for testing and on satisfying themselves that the consignment of honey

confirms to the standard specification recognized for the purpose, issue a certificate declaring the consignment of honey as exportworthy.

C. Health Certification

Health certificates are issued by the EIA on request, after satisfying itself that honey is processed in an approved establishment having valid approval number and satisfying that the requirements of the standards are met.

D. RMP for Honey

At present the RMP for honey is being implemented by EIC through assistance of APEDA. In the year 2008-09, EIC would completely takeover this activity and it is proposed to collect 310 samples of raw as well as processed honey to be sampled at processing plant level. These samples would be tested for parameters such as nitrofurans, chloramphenicol, sulphonamides, tetracycline, pesticides and heavy metals.

E. Units Approved

EIC has approved six establishments in India for the export of honey.

9.7.6 Raw Meat (Chilled/Frozen)

A. General

To ensure that the raw meat (chilled/frozen) exported are of the right quality and meet the health and safety requirements laid down by importing countries, these products were brought under mandatory Quality Control, Inspection and Monitoring by EIC/EIAs prior to export vide Order No. S.O.203 & Notification SO 204 both dated 30 January, 1993.

The Order notifies that raw meat (chilled/frozen) should be subjected to quality control, inspection and monitoring prior to export. It lays down minimum standards and further recognises Codex standards, the requirements of the importing country and contractual standards and prohibits exports unless the product conforms to the standards specification applicable and is accompanied by a certificate stating that such unit is approved and monitored by the Competent Authority, the Export Inspection Agencies.

B. Requirements of the Notifications

The notifications recognize the international standards as laid down by Codex Alimentarius Commission, the national standards of the importing countries or the contractual specifications provided these are not below the national standards as given in the notification. The notifications also specify the type of quality control and inspection in accordance with Export of Raw Meat (Chilled/Frozen) (Quality Control,

Inspection and Monitoring) Rules, 2002 which is applicable to raw meat (chilled/frozen) prior to export.

The primary responsibility for meeting the health requirement of the importing countries has been placed on the processing plants themselves for which, they are required to plan and implement in-process control, develop their own systems of check and keep necessary records. EIAs have been authorised to approve and ensure compliance by the processing plant to the requirements laid down in the notifications.

In addition to systems certification, the Notification envisages the provision of product certification also which is commonly known as Consignment-wise Inspection (CWI). The following agencies have been recognised to comply the requirements of above rules:

- 1) Export Inspection Agencies
- 2) Directorate of Marketing and Inspection
- 3) Bombay Municipal Corporation (Only for Deonar abattoir)
- 4) Directorate of Animal Husbandry of State Government

C. EIC's Role as Supervisory Body for Raw Meat (Chilled/Frozen)

In the process of certification, certain irregularities had been observed therefore in order to streamline the procedure of certification and improve the quality of monitoring, EIC has been designated as supervisory body. Under this role EIC will act as central monitoring/supervisory authority for certification of meat for export to ensure uniformity and to bring in traceability and will have record of all authorised veterinarians, who would certify meat consignments before exports. EIC would liaise with the custom authorities, so that there was no chance of any unauthorised consignment or a consignment with fake certificate being cleared for exports.

D. Veterinary Health Certificates

Veterinary health certificates are issued on request, by the Competent Authority recognized under Export (Quality Control and Inspection) Act, 1963, after satisfying itself that raw meat (chilled/frozen) is processed in an approved establishment having valid approval number and satisfying that the requirements of the standards are met.

Check your Progress Exercise 3

Note: a) Use the space below for your answer.
b) Compare your answers with those given at the end of the unit.

- 1) How does EIC carry out surveillance on the exporting agencies for compliance?

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- 2) What is the purpose of the Export Certification System for Fishery products and what are the standards referred for the purpose?

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- 3) What is NRCP?

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- 4) Which requirements need to be fulfilled by a milk processing plant for exporting its products?

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- 5) Which requirements need to be met by a meat processing plant for getting an export compliance certificate?

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9.8 EQUIVALENCE/RECOGNITION AGREEMENTS

Under the provisions of the WTO Agreements, especially the SPS Agreement, several of India's trading partners have imposed import control requirements on products being imported based on international standards, particularly in food sector. These Agreements provide for recognition of the export certification system of member

trading partners provided it meets the requirements of their import control. As the official export certification body of India, EIC's certification has been recognized by several of India's trading partners, while with others, dialogue for seeking recognition is presently in process.

Presently, EIC's certification is recognized by the following countries as shown:

Country	Products covered	Year of Agreement/ Recognition
USA	Black Pepper	1988
European Commission	Fish and Fishery Products, Basmati Rice	1997
Australia	Fish & Fishery Products	2002
Korea	Frozen Marine products, processed spice goods, processed nuts, tea, Honey, jam, preserved goods, sauce, sugar	2004
Turkey	Food products, food packaging materials and stainless steel utensils.	2004
Sri Lanka	More than 100 products under the Import Inspection Scheme of Sri Lanka namely milk products, edible oils, packaged water, preserved food, toiletries, bicycle tyres & tubes, steel section & wires, electric goods & PVC cables & cords etc.	2005
Singapore	Food & Agriculture (egg products, dairy products, drinking water), Electric & electronic products, Telecommunication equipments and drugs & Pharmaceuticals.	2005
Japan	Poultry & marine products	2005
Italy	Marine sector (Technical cooperation)	2005
China	Iron ore.	2006
Nepal	Fish and Fishery Products	2007

In addition to the above, Mutual Recognition Agreement (MRA)/ Memorandum of Understanding (MoUs) are in process for both food and non food products with Mauritius, EU countries, Malaysia, Brazil, Libya, Canada, Argentina, Philippines, Hong Kong, Saudi Arabia, Italy, Bhutan, Israel and others.

9.9 LET US SUM UP

Introduction

The Export Inspection Council of India (EIC) was set up by the Government of India under Section 3 of the Export (Quality Control and Inspection) Act, 1963 (22 of 1963), in order to ensure sound development of export trade of India through Quality Control and Inspection.

The Council is an advisory body to the Central Government, which is empowered under the act to:

- Notify commodities;
- Establish standards of quality;
- Specify the type of quality control and/or inspection; and
- Prohibit the export in the course of international trade of a notified commodity unless a certificate issued under Section 7 of the Act accompanies it.

Besides its advisory role, EIC also exercises technical and administrative control over the five Export Inspection Agencies (EIAs), one each at Chennai, Delhi, Kolkata, Kochi and Mumbai, established by the Ministry of Commerce, Government of India, under Section 7 of the Act for the purpose of implementing the various measures and policies formulated by EIC.

EIC, either directly or through Export Inspection Agencies, its field organisations, renders services in the areas of:

- Assurance of quality of exports commodities through pre-shipment inspection (consignment-wise inspection) & certification.
- Assurance of quality & safety of food items for export through of Food Safety Management Systems based certification of food processing units as per international standards.
- Issue of Certificates of Health, Authenticity, non-GMO, etc. under various schemes for export products.
- Issue of Certificates of Origin under various preferential tariff schemes for export products.
- Laboratory testing.
- Training and awareness to industry in areas of Quality and Safety Management Systems based on principles of Good Manufacturing Practices (GMP)/ Good Hygienic Practices (GHP)/ Hazard Analysis Critical Control Point (HACCP) systems, testing, interpretation of rules of origin(RoO) of various countries, ISO 9000, ISO 17025 and other related areas.

In rendering the above services, EIAs are backed by qualified technical manpower, having more than forty years of diversified experience of quality control and inspection of notified commodities including their testing as per the importing country's specifications.

EIC closely monitors the activities of EIAs with special emphasis on facilitation of export through its approved programmes. Other Inspection Agencies and laboratories recognised under the Act are also monitored by EIC.

In view of economic reforms initiated by the Government of India in early 1990s, the operation of compulsory quality control and inspection of export commodities had been simplified. The following steps initiated in this direction continued to be in operation during the year 2006-2007:

1. Star Trading Houses, Trading Houses, Export Houses as well as Industrial Units in Export Processing Zones, Free Trade Zones and 100% Export Oriented Units have been exempt from the purview of Compulsory Pre-shipment Inspection.
2. Units approved by EIAs under the system of In-process Quality Control (IPQC) have been authorised to issue statutory certificates by themselves.
3. Items which were earlier subjected to compulsory pre-shipment inspection have been exempted from the same, provided the exporter has a firm letter from the overseas buyer, stating that the overseas buyer does not require pre-shipment inspection from any official Indian inspection agencies.

With liberalization of the trade regime, the role of EIAs has become more of a voluntary nature for many items. However, in the areas of fish & fishery products, dairy products, poultry products, eggs products, meat & meat products and honey, certification for exports remains mandatory. Further, with the establishment of the WTO and signing of especially the SPS & TBT Agreements, the role of certification in assuring quality and safety of food products has become very significant. Certification Systems have been redefined to cover both product and systems aspects with a focus on farm to table concept in line with international requirements with a view to facilitate exports. In addition, EIC is focussing on negotiating bilateral and regional Agreements with major trading partners with a view to seeking recognition of EIC's certification by them, so that trade is facilitated. EIAs are also providing support, by way of training and awareness to the trade and industry for overall upgradation of their quality and quality assurance systems, in line with international requirements.

This volume contains the activities of the Export Inspection Council and the Export Inspection Agencies during 2006-2007. The audited Annual Accounts of the Council/Agencies are brought out in a separate volume.

9.10 KEY WORDS

Trading House and Star trading house: The difference lies in the FOB/FOR value in Rs. (Crores).

Status Category Export Performance	FOB / FOR Value (Rupees in Crores)
Export House (EH)	20

Star Export House (SEH)	100
Trading House (TH)	500
Star Trading House (STH)	2500
Premier Trading House (PTH)	10000

Some important definitions need to be incorporated in this section

9.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress Exercise 1

1) Your answer should include the following:

The Export (Quality Control and Inspection) Act, 1963 monitors the export of various food commodities by empowering/ guiding the Central Government on various issues related to food export:

- (e) By notifying commodities subject to compulsory quality control prior to export;
- (f) Specifying the type of quality control or inspection applicable to a notified commodity;
- (g) Prescribing the standard (specifications) for compliance before it is allowed for export; and
- (h) Prohibiting the export of a notified commodity unless a certificate issued to the effect that the commodity satisfies the conditions relating to compulsory quality control or inspection accompanies it.

Once a commodity is notified under the Export (Quality Control & Inspection) Act, it cannot be exported unless it is accompanied by a certificate of export worthiness issued by an inspection agency recognized under the Act.

2) Your answer should include the following:

- Milk Products;
- Spices;
- Egg Products;
- Fresh Poultry Meat and Poultry Meat Products;
- Fish and Fishery Products;
- Processed Fresh and Frozen Fruits and Vegetables;
- Basmati Rice

Check Your Progress Exercise 2

1) Your answer should include the following:

Five Regional Agencies are present namely Export Inspection Agencies having their headquarters at Bombay, Calcutta, Cochin, Delhi and Madras for quality control and inspection of commodities that are notified under the Act.

Other agencies, known as Pre-shipment Inspection Agencies (PIAs) are also recognized for specific products being exported from specific areas.

These inspection agencies examine the export commodity for their compliance to the standard applicable to the commodity and issue certificate of export worthiness.

2) Your answer should include the following:

EIC, either directly or through Export Inspection Agencies (EIAs), its field organizations,

- Certifies the quality of export commodities through installation of quality assurance systems (In-process Quality Control and Self-Certification) in the exporting units as well as consignment-wise inspection.
- Certifies the quality of food items for export through installation of Food Safety Management Systems in the food processing units
- Issues Certificates of Health and Certificates of Authenticity to exporters under various schemes for export products.
- Issues Certificate of Origin to exporters
- Carries out Laboratory testing.
- Imparts training and technical awareness to the industry in installation of Quality and Safety Management Systems based on HACCP, ISO-9001, ISO: 17025 testing and other related areas.

3) Your answer should include the following:

In Process Quality Control (IPQC) System

Under this system the responsibility is on the manufacturers/ processors in ensuring consistency in quality during all stages of production by adopting quality control drills and exercising control on raw materials and bought-out components, manufacturing process, packing and final testing.

Self-Certification (SC) System

In this system, in addition to IPQC norms, stringent requirements have been laid down for four new elements namely design and development, quality audit, after sales and service, house-keeping and maintenance need to be complied to.

4) Your answer should include the following:

Processing units conforming to Food Safety Management Systems based on HACCP/GMP/GHP are approved.

They are also required to meet the end product requirements specified by the importing countries and in the absence of these, by Indian/ International standards.

Currently, such a system has been implemented in many food products. In the case of Fish & Fishery Products, Raw Meat (Chilled/Frozen), Milk & Milk Products, Poultry Meat & Poultry Meat Products,

Check Your Progress Exercise 4

1) Your answer should include the following:

A-3 tier surveillance system is being followed by EIC

Monitoring visits for

- verification of records, process controls, sanitation and hygiene
- drawal of samples for independent testing for microbiological and residual parameters
- HACCP Compliance

Supervisory visit for:

- Checking the documentation and compliance of the requirement of the scheme
- Quality of monitoring carried out by monitoring officers
- Sample testing, in case these are drawn

Corporate Audits:

- Examination of **records of processor** maintained by the Agency like reports of visits, lab reports etc. to check compliance with the executive instructions.
- Visit by the audit team to some of the approved units

2) Your answer should include the following:

To ensure that the marine products exported are of the right quality and meet the health and safety requirements laid down by importing countries It lays down minimum standards and further recognises Codex, the requirements of the importing country and contractual standards and prohibits exports unless the products

3) Your answer should include the following:

National Residue Control Plan (NRCP) for aquacultured animals is implemented in India to ensure monitoring of fishery products for residues at each stage of production starting from farm to fork to guarantee a safe food products exported to the European Union.

Pesticide residues namely BHC, Aldrin, Dieldrin and antibiotic residues of chloramphenicol, nitrofurans, tetracycline etc. are tested .

4) Your answer should include the following:

Refer section 9.7.2 B.

3) Your answer should include the following:

Refer section 9.7.6 B

IMPORTANT NOTE FOR STUDENTS

Material contained in the chapter has been prepared on a particular date. International Trade being a very vibrant and ever changing sector, students are advised to visit the websites of Export Inspection Council www.eicindia.org so as to get an upto date knowledge on the various schemes and information in the material.

Editor's Comments

I feel 2 places you may need additional information from Mr Anand Kishore

1. Let Us Sum Up 9.9
2. Terminal Questions for Examination
3. Key Words