The Growing Challenge caused by illegal Pesticide Trade

Carsten Herrmann / Bayer CropScience: Crop Life International Anti-Counterfeiting Steering Committee
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What`s an “illegal pesticide”??

... it’s a pesticide, which is illegal

→ at the country of origin

AND/OR

→ at the country of destination

e.g. following illegalities:

→ IPR-infringements (Patents & Trademarks)
→ False declarations
→ No product registration
→ Tax Fraud
→ Export Fraud

Illegality of above:

- OECD report, 2007  5-7%
- EUROPOL/OHIM, Nov 2012  > 10%
- DG Sante, March 2015  ~ 10%
CF´s – a Growing Challenge

Incidents counterfeited pesticides

- 2009: 100 tons
- 2010: 2000 tons
- 2011: 3500 tons

EUROPOL
... by Highly Organized Crime!!!
Growth in the trade in counterfeit and other illegal pesticides across Europe

The global revenues associated with the trade in counterfeit and other illegal pesticides are estimated at more than 4.4 billion Euros per annum. The illegal trade in pesticides represents over 10 per cent of the total worldwide market, which has an end-user value of 44 billion Euros. To varying degrees, the use of illegal pesticides has been detected across Europe. In North East Europe, a region particularly targeted by the criminal networks involved in this activity, more than 25 per cent of the pesticides in circulation in some European Union (EU) Member States are estimated to originate from the illegal pesticide trade. However, most European countries with a large agricultural sector are affected by this threat.
Substantial quantities of smuggled counterfeit pesticides seized in Poland thanks to information provided by OLAF

Polish customs have seized 21 tonnes of counterfeit and illicit pesticides, following key information provided by the European Anti-Fraud Office (OLAF). According to the analysis carried out by the Polish State Plant Health and Seeds Inspection Service, the seized products contained unregistered or illegal active ingredients that could be potentially dangerous for health. The successful operation was the result of cooperation between OLAF, Polish authorities and legitimate right-holders.

The Director-General of OLAF, Mr Giovanni Kessler said: "The smuggling of counterfeit pesticides poses a threat to the food chain, to farmers and ultimately to consumers because it allows dangerous products to reach the market. Smuggling occurs through..."
Basics for any Counterfeit-Case

Finding
Opening & Checking
Analyzing
Seizing & Destroying
The 4 Step Approach – Stopping Illegal PPP at the Border

1. Check shipping documents
2. Stop, inspect and analyze suspicious shipments
3. Ask the involved parties for information and investigate the matter in detail
4. Decide on measures to be taken
Port Projects - „Magic Triangle“ HH

Objective: Prevent imports of illegal pesticides
Hamburg Port Seizures (1st Q 2014)

- Hamburg authorities stop 6 shipments with 9 containers
- 120 tons transported by 4 different shipping lines
- Shipment Origin: China → Destination “declared”: Ukraine (UA)
- Chemical analysis (“1st shot”) of 36 samples at Bayer Laboratory → analytical result: false declarations, IP-infringements, lack of product-registration, EU-banned co-formulants
- Authorities starting to ask questions … to the CN-shipper, the UA-consignee, forwarding agents etc.
- Case investigations by authorities are on-going
Hamburg – Drehscheibe für Pestizid-Mafia

Illegale Pflanzenschutzmittel werden massenhaft über den Hafen nach Europa geschmuggelt. Polizei spricht von organisierter Kriminalität

ANDRÉ ZAND-VAKILI

Hamburg - Hub for the pesticide mafia
2014-12-16, Hamburger Abendblatt
Hamburg is the hub of the illegal pesticides trade. In the port of Hamburg, the police has seized twelve containers with 196 tons of illegal pesticides worth around EUR 15 million in 2014 so far. But the substances contained in counterfeit pesticides are often harmful because additional ingredients such as solvents are not only cheaper but also more toxic than original products and might find their way into the food chain.
Objective: Prevent exports & imports of illegal pesticides

Networking plus “Best Practice“ development & sharing

Pan-European case handling cooperation
Anti-Counterfeiting “PORT PROJECTS”

- Hamburg 2010
- Rotterdam 2011
- Klaipeda/Riga/Tallinn 2011
- Bremen/BHV/WHV 2012
- Mediterranean/Black Sea 2012/13
- Shanghai 2013/14
- Koper/Slovenia 2014
- France 2015
- Spain 2015
- Antwerp 201???
How do we address
- Product Defense (as BCS)
- AntiCounterfeiting (as CropLife)

In China… which is the main country of origin of illegal pesticides
GB in China 8/2014 - Shanghai
China 8/2014 – Beijing ICAMA
Know Your Customer (KYC)

Certificate of Export Pesticide Release Notification

1. 经营单位: Operating company name
   拜耳作物科学(中国)有限公司
   Bayer Cropscience (China) Co., Ltd.

2. 通知单号: Certificate No.
   020013081943

3. 经营单位代码: company registered No.
   33012300001

4. 有效截止日期: period of validity
   2013-12-17

5. 贸易方式: Trade terms
   一般贸易
   General trade

6. 滞关税项: Port of declaration
   上海海关
   Shanghai Customs

7. 商品名称: Name of commodity
   80%氟虫腈水分散剂
   Fipronil WG 80

8. 商品编号: H.S. Code
   3808919000

9. 有效成分CAS号: CAS No.
   12006837-3

10. 用途: Use of commodity
    杀虫
    Insecticide

11. 出口数量: Export Quantity
    3000

12. 计量单位: Measurement Unit
    千克
    Kilogram

13. 发货单位: Company of delivery
    拜耳作物科学(中国)有限公司
    Bayer Cropscience (China) Co., Ltd.

14. 生产单位: Manufactory
    拜耳作物科学(中国)有限公司
    Bayer Cropscience (China) Co., Ltd.

15. 最终目的国: Final destination
    越南
    Vietnam

16. 运抵国: Ship to
    越南
    Vietnam

17. 包装方式: Packaging type
    非零售包装
    Non-Retail Packaging

18. 农药毒性: Toxicity
    中等毒
    Medium Toxicity

19. 备注: Remark

20. 发证机关印章: Sign/Stamp of issuing Authority

→ in China

obligatory export document

中华人民共和国农业部
Ministry of Agriculture of P. R. of China

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How do we, Bayer CropScience, do PD/AC in the market... example BCS Germany
Tell all Stakeholders in the Market

Don’t engage, allow or support any kind suspicious business

Don’t take risk buying cheap and unknown ➔ it’s not worth it!

Report any suspicion reg. BCS products to whom? … to BCS Sales/Mkt people

Any doubt: contact your BCS Sales Rep.
AC.... HOW to do in the market?!

Suspicions to be checked
- Product is „suspiciously“ cheap
- Product has different color or smell
- Product has bad solubility or suspensibility in water

Is the label ok?
- Same color and content like BCS label?
  - Product-registration Number on the label?
  - Importers & distributor name and full address on the label?
  - Manufacturing date & batchNo on the label?

Offer help!
- For any doubt or question: contact BCS/nPDM
- Offer chemical analysis at BCS lab.
- Offer incentive for reporting suspicions
Thanks! Let's join hands fighting Organized Crime!