



United Kingdom: Exporting Dairy to the World



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Executive Summary

In recent years, the UK dairy industry has made good progress in growing its export sales. UK dairy exports outside of the EU have increased by 91% in volume over the last five years through to the end of 2014.

During the same period, the volume of exports within the EU have increased by 28%. In 2014, the value of dairy exports totalled £1.3 billion.

Global demand for dairy products is expected to grow by around 2% per annum over the next 10 years with the increase in demand mainly coming from developing economies in Asia, South America and Eastern Europe/Russia.

For the UK dairy industry to continue to grow its exports it is essential that it is internationally competitive and its product offerings meet customer requirements including having the necessary health approvals.

Best practice from other dairy exporting countries provide a strong indication of the areas that the UK industry and the Government need to get right to ensure we have efficient and cost effective systems which support export growth while ensuring consumers, customers and global regulators remain confident in the safety and quality of UK dairy products.

Dairy UK has developed an industry export plan which identifies a number of actions and recommendations that will help create a positive environment for dairy exports and result in further growth.

A number of these actions are for the industry to take forward. However, some require the Government and its agencies to take action in order to ensure relevant regulatory and certification systems are in place and that market access is improved.

Dairy UK members have an aspiration to continue to grow their exports by value and volume in the coming years. Setting growth targets in the current depressed market is difficult and it should be recognised that export growth will not be linear as it must take into account current and future periods of currency and market volatility as well as milk availability. However, in extrapolating export trends in recent years, an aspiration for a 20-30% increase in exports over the next five years is regarded as a reasonable and sustainable target for the sector.

Overall this report identifies 17 actions and recommendations which if embraced by the industry and the Government, will enhance the UK dairy industry's export performance.

These include:

- **Promoting British dairy produce in key export markets;**
- **Increasing the level of innovation along the total dairy supply chain;**
- **Developing and promoting the nutritional value of British dairy products;**
- **Ensuring a safe and sustainable supply chain;**
- **Increase productivity by ensuring a skilled workforce equipped for the future;**
- **Improving the export certification regime;**
- **Creating a 'one-stop shop' for dairy exporters;**
- **Changing inspection and audit practices;**
- **Opening up target markets;**
- **Removing barriers to dairy trade.**

A full list of 17 actions and recommendations identified by Dairy UK as important to improve the export environment can be found in Appendix I of this document.

Introduction

Global demand for dairy foods is rising. This is largely driven by increasing demand in developing markets such as Southeast Asia, China, the Middle East and parts of Latin America. As the world's population grows and people become more affluent so too does their desire to consume high quality dairy foods.

Dairy UK recognises that our industry's long-term growth and viability is linked closely to its status as an internationally competitive producer that can retain and develop a strong position in domestic and global markets. Our members are committed to growing our industry and reaching new global consumers.

In order to fulfil our aspirations, the UK dairy industry needs to be internationally competitive along the total supply chain both on farm and in processing, dairy companies and their supply chain partners need to individually continue their investment in product and process innovation.

We need to further develop and promote our excellent food safety and environmental credentials and continue to develop these to keep them relevant within a changing market landscape. Last but not least we need to develop and strengthen the skills of those working within our industry to raise productivity and recover the expected cost of the introduction of the Government's living wage proposals.

Getting all of these elements right is essential in a highly competitive export market and it is the responsibility of all within the dairy supply chain to help ensure that progress is made in these areas. In this report, we will highlight the current state of play of the UK dairy industry within a number of these areas and outline commitments to ensure the UK dairy industry is fit to export into the future.

There are, of course, a number of areas where the industry needs the support of government and its agencies to address barriers and unlock new opportunities.

We recognise and welcome the Government's goal to increase the competitiveness of UK dairy exports by creating a regulatory environment that supports dairy export growth. We also welcome the establishment of the joint Defra/UKTI Great British Food Unit and look forward to working within this structure to improve our ability to export.

Critical to the British industry's ability to capture the opportunities presented by growing global demand are regulatory systems and processes that facilitate and support dairy exports. These are the foundations that provide trading partners and consumers with confidence in the quality and safety of UK dairy products, and help underpin the economic competitiveness of UK dairy products in the international market place.

The Government's UK Food and Drink International Action Plan published in 2013, committed to support the UK food and drink industry to grow exports through improvements in promotion, trade development, unlocking markets and simplifying support and trade procedures for industry. The Government's review of that plan in 2014 further committed to continue to pursue improvements with Brazil, and stated that the Animal and Plant Health Agency (APHA) had overhauled the Export Health Certification (EHC) process.

Other significant dairy exporting countries with a more established exporting presence have developed, or are developing, their systems and processes over time in order to ensure that they can meet the requirements of importing countries, and provide confidence that their products are safe while maintaining their international competitiveness. This report seeks to draw on that experience by looking at how some dairy exporting countries manage their export certification processes and third country inspections and audits.

In addition to the systems and processes that support exports, trade policy is also an important tool in achieving export growth. Trade barriers may directly restrict access to consumers in other markets (such as tariffs or quotas) or make UK dairy exports uncompetitive through the creation of additional unnecessary cost or complexity (non-tariff barriers generally of a technical nature).

While recognizing that current UK systems ensure dairy products are safe and meet the requirements of importing countries, Dairy UK highlights in this report opportunities to make the current systems simpler, more efficient and more cost-effective for both Government and dairy exporters alike. If embraced by the industry and the Government, these 17 actions and recommendations, will enhance the UK dairy industry's export performance.

UK Overview

At 14 billion litres of milk output per annum, the UK is the third-largest milk producer in the EU after Germany and France. It plays a significant role in the UK economy employing around 80,000 people across farming and processing. In 2014, the total output of dairy processing was worth £7.4 billion.

At present, the UK dairy industry supplies nutritious, safe and sustainable dairy foods and ingredients to countries around the world. We also supply high quality feed products.

According to available trade statistics from Her Majesty's Revenue and Customs (HMRC), the UK dairy industry has increased its dairy exports outside the EU by 91% by volume over the last five years through to the end of 2014. During the same period, we have increased our volume of exports within the EU by 28%. In 2014, the value of dairy exports totalled £1.3 billion.

At present, the UK has high standards of animal welfare, world class dairy farmers, stringent processor safety standards, high quality innovative products and strong environmental credentials. In order for the positive trends we have seen in dairy exports from the UK to continue, we need to build on our strengths by:

- Continuing to improve our international competitiveness on farm and in processing;
- Continuing to innovate in terms of our processes, products and packaging;
- Continuing to develop and promote the nutritional value of dairy products;
- Developing and promoting our already strong environmental credentials;
- Ensuring that we are attracting the right people into the industry both on farm and at processing level;
- Continuing to develop and highlight the strength of our food safety and hygiene credentials;
- Promoting our products in key export markets;
- Working with the Government and its agencies to ensure cost effective export certification, improving inspection and audit practices and securing new markets. These areas will be discussed in sections IV, V, VI, VII and VIII of this document.

This section highlights our members' commitments within those areas the industry can take forward together i.e. sustainability, skills, safety and promotion.

Environment and sustainability

The UK dairy industry was one of the first in the world to pick up the baton on environmental issues with the launch of the first supply chain environmental Roadmap in 2008. This, and every Dairy Roadmap since then, has highlighted the impressive achievements made by dairy farmers and processors in terms of environmental performance. In the most recently published Roadmap, dairy processors results against targets showed:

- A 16% improvement in overall energy efficiency;
- A 15% reduction in relative water consumption;
- A significant reduction in waste with Dairy UK members now sending only 4% of factory waste to landfill, down from 32% in 2008. On top of that, dairy processors also identified alternative routes to prevent waste with partnerships with food banks or redistribution companies such as Fareshare or Company Shop to redistribute food surpluses;
- So far, 74% of liquid cartons in the dairy category carry the Forest Stewardship Council label, showing that they were made with responsibly-sourced wood fibre from FSC-certified forests.

Additionally, Dairy UK launched an ambitious biodiversity strategy for the dairy processing sector in 2015 as part of its Dairy Roadmap commitments. Although dairy farms represent the greatest opportunity to enhance biodiversity in rural areas, dairy processors can play an important role in enhancing biodiversity across their sites and in their local communities.

As an industry, we regularly see other countries such as Ireland, the USA and Australia stand on their sustainability credentials when promoting their products in their home and export markets. The UK must do the same.

Over the next two years, Dairy UK will chair the next phase of the Dairy Roadmap and will work with its partners at the NFU and AHDB Dairy to ensure the profile of the Roadmap brand becomes meaningful in promoting British dairy products abroad.

A skilled dairy processing workforce

A skilled workforce is essential for any industry. Dairy processors already have a positive story to tell on skills as it operates a successful programme known as Project Eden. This is a collaborative initiative between leading dairy companies, the National Skills Academy, Dairy UK and Reaseheath College, which came about as the dairy industry in the UK was facing serious skills shortages in some critical areas including dairy technology and engineering.

Following extensive work by an industry steering group, a dedicated state of the art dairy training facility was developed at Reaseheath College, (partly funded with a grant from North West Development Agency). A dedicated Foundation Degree programme was set up to provide students with a broad education in dairy and a combination of on and off the job training.

Students can enter the programme either straight from school or via an employer. To date, Eden has either trained or is in the process of training 138 dairy technologists and 69 engineers.

To progress Eden further, an expression of interest has been submitted to the Department for Business, Innovation & Skills (BIS) to develop a specific 'standard' for a dairy technologist. If approved, this will result in the Foundation Degree becoming part of a Higher Level Apprenticeship under the Government's Trailblazer programme. Additionally, progression routes have been developed so that, post the Foundation degree, a 'top up' can be done to convert the Foundation degree into a full BSc. The dairy industry's Eden engineering apprenticeship has provided the blueprint for the development of the food and drink industry's new Trailblazer for maintenance engineers.

Last but not least, Project Eden is exploring an option of establishing a programme for chilled food supply chain/logistics as there seems to be a "missing link" when it comes to education and training within this area.

In terms of investment in skills through Eden, each year the dairy industry invests nearly £1m into the training costs of the Eden engineers and Eden foundation degree students (not including salary costs). This is according to the managed agent model of the National Skills Academy for Food and Drink (NSA) which has supported Eden from the outset.

Despite this positive story, there is still a lack of a talent pool for the dairy industry in the UK. Part of this is related to the perceived lack of attractiveness of the industry to young people – even though it offers excellent career opportunities. According to the NSA, only around 13% of young people would consider a career in the industry.

To ensure a skilled processing workforce for the future, Dairy UK members are committed to supporting and progressing the work of Project Eden and, more generally, to ensuring that young people see dairy as an attractive industry in which to work.

Food safety and supply chain integrity

Food safety is of paramount importance for the food industry, consumers and governments. There is a perception in emerging markets that imported products are safer and more trusted. Rising incomes in developing nations has led to the emergence of a consuming 'middle class' which has higher birth rates and is increasingly health-conscious.

The dairy industry in the UK has an excellent food safety record and high standards of animal welfare. Our processors have stringent safety procedures at their plants and are subject to a variety of audits and inspections which ensure the safety and quality of British dairy foods.

Dairy UK and its members are committed to maintaining consumer confidence in wholesome and safe dairy products and ingredients. Thanks to a short supply chain and exemplary traceability, the dairy industry is proud to be among the safest food sectors and strives to guarantee the highest standards of food safety and hygiene.

In addition to company programmes, Dairy UK leads a Due Diligence Scheme through which stringent tests are conducted on milk via accredited laboratories. We also developed a Risk Register to proactively identify any potential contamination problems and address these before they become an issue.

Dairy UK members are also involved in programmes looking at best practice in antibiotic usage and in the Action Johne's Initiative, which will help manage and reduce the incidence of Johne's disease in dairy cattle.

Third country promotion

Promoting British dairy products in markets the industry would like to open is essential. Dairy UK is committed to helping members to access EU funding for third country promotion. The Northern Irish dairy industry has successfully accessed EU funding to do this with a good return on investment.

At present, a consortium of Dairy UK Exporters Group members is engaged in assessing the feasibility of developing a programme which would enable us to bring foreign buyers to the UK from one of our target markets to help open up that market for British cheeses.

Access to the European fund to conduct work of this nature will become increasingly important to the industry. The fund is already used successfully by a number of our competitor countries. We would ask Defra to support applications made by the UK dairy industry for EU funding for promotion in third countries.

Industry commitments and actions

- **Dairy UK will build on the success of the industry’s collaborative Dairy Roadmap initiative and work with AHDB Dairy, the NFU and Dairy UK members to ensure that Roadmap targets are met, that the Roadmap brand is communicated to a wider audience, and that new areas are added to the Roadmap to keep the UK dairy industry at the forefront of environmental excellence;**
- **Dairy UK members will continue to support the work of Project Eden and other initiatives aimed at ensuring a skilled workforce for the future of the dairy processing sector;**
- **Dairy UK will develop its Due Diligence Schemes and Risk Register to ensure high quality, safe and hygienic dairy products;**
- **Dairy UK will commit to helping its members promote British dairy products in third countries using EU funding mechanisms.**

Supporting Export Growth: A case for improving the cost effectiveness and efficiency of the dairy export certification scheme

Current situation in the UK

UK dairy plants operate under a comprehensive regime to protect consumers and ensure that dairy products are safe. They are inspected annually by Environmental Health Officers on behalf of local authorities as part of the UK's delivery of official controls under the requirements of EU regulations.

These include:

- 178/2002 General Principles of Food Law
- 852/2004 Hygiene of foodstuffs
- 853/2004 Laying down specific hygiene rules for the hygiene of foodstuffs
- 882/2004 Official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules
- 854/2004 Laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption

Compliance with these regulations is principally achieved through the development and implementation of HACCP systems.

Additionally, dairy plants are inspected against GFSI (Global Food Safety Initiative) accredited standards, such as BRC Global Standard for Food Safety, which guarantee the standardisation of quality, safety and operational criteria and ensure that manufacturers fulfil their legal obligations towards the retailers and the end consumer. On top of this, individual plants are subject to regular scrutiny by individual customers. Specific customer standards will vary in requirements and often differ in certain aspects from the British Retail Consortium standards.

Export certification includes official certification that products meet specified requirements for export, including requirements to protect human and animal health and safety. Export documentation required for dairy products can vary depending on the product and destination market requirements. These can include:

- Export Health Certificates (EHCs);
- Certificates of Origin;

- Certificates of Analysis;
- Certificates of Free Sale;
- Radiation certificates.

While many certificates will be generic, and while joint work between industry and Defra has led to progress in developing generic export certificates for the UK, the complexity of what must be certified also depends on the requirements of the specific country of import. A manual for importing country requirements would be invaluable.

Generally EHCs require veterinary sign off with respect to animal health matters. In the UK there is a requirement for Official Veterinarians (OVs) to sign and stamp EHCs, based on general or specific guidance that is provided by Defra depending on the requirements of the importing country. At the moment this cannot be done electronically. There is also variation in the way in which this requirement operates in practice between Great Britain and Northern Ireland.

Current situation in Great Britain

In Great Britain OVs are physically present to sign off certificates for each consignment at the point of loading out (noting that in some cases this may also be specifically required by a country of import).

Exporters advise that this can create additional logistical complexity and costs. Where independent veterinary practices are engaged to provide this service, because export certification is on top of their regular veterinary services, exporters must arrange loading times around the vet's working day and availability to be at the distribution area. Having a vet physically witness the product being loaded into a container can pose issues around scheduling as the vet needs to be available at the precise time a container is loaded. In practice, this could mean multiple visits to a site in one day. Exporters also report that the systems for issuing some certificates are efficient. For example, the Chamber of Commerce and RPA have efficient electronic systems in place for the export certificates that they can issue (e.g. RPA for Certificates of Free Sale, Chamber of Commerce for Certificates of Origin).

The process for obtaining EHCs is more complex. An exporter applies to Defra for an EHC and Defra then physically mails the certificate to the OV to be signed. However, exporters report that the use of the postal system creates risks that certificates don't arrive, or don't arrive in time for inspection, and shipment not to take place as planned. Delayed shipments create additional costs and the potential risk of losing business.

APHA has made improvements in recent years to implement a PDF-based application process for EHCs in order to reduce processing times and eliminate unnecessary transposition of data. This provides for 24 hour access and aims to issue all certificates within 24 hours of application. Feedback from exporters is that this is a significant improvement.

Current situation in Northern Ireland

Exporters are positive about the efficiency and effectiveness of the Northern Irish dairy export certification system operated by the Department of Agriculture and Rural Development (DARD). DARD contracts veterinarians ('Panel Vets') to provide certification services. The generic certification system involves Panel Vets visiting plants weekly (or less, depending on a plant's export activity) and collecting data that supports the issuing of the relevant certificates and ensures that the vets are familiar with the testing undertaken on each batch of product.

Exporters apply to DARD and provide all the necessary supporting documentation. DARD's Veterinary Service Implementation (VSI) prepares the export certification paperwork (EHCs and any others as required) and these are sent to the Panel Vets to sign, based on their knowledge collected through the plant visits.

Exporters report that this process works well, with efficient processing times and DARD operating as the single source for all export documentation and related services. Exporters have highlighted the benefits of a close and consistent relationship between the plant and the Panel Vet, which ensures that they have good knowledge of the exporter and close control and visibility of operations in the plant. Good communication by all parties also supports the efficient operation of the system.

International best practice

There are relevant international standards that provide guidance on aspects of export certification. In order to facilitate international trade, under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, countries are encouraged to base their sanitary standards on international standards, guidelines and recommendations where these exist, and specifically recognise the competence of CODEX (food safety) and the OIE (animal health) in this respect. CODEX has developed guidance that is relevant, including the Principles for Food Import and Export Inspection and Certification and the CODEX Guidelines for the Design, Operation, Assessment and

Accreditation of Food Import and Export Inspection and Certification Systems. The CODEX principles to be applied include that:

- Inspection and certification systems should be fully effective in achieving their designated objectives;
- Inspection systems to ensure food safety should be designed and operated on the basis of objective risk assessment appropriate to the circumstances;
- They should be applied to particular commodities and processing methods in proportion to the assessed risk;
- The choice of system should take into account the cost to consumers and the affected industry;
- Countries should recognise that different inspection/certification systems may be capable of meeting the same objective and are therefore equivalent;
- Countries should take measures to achieve confidence that official inspection systems have verified that the product or process referred to in the certificate conforms to requirements.

These do not prescribe one agreed set of rules or requirements, and there is variation in the types of systems and processes implemented by countries for managing both import and export inspection and certification. CODEX provides that certification should provide assurance of the conformity of a product or batch of products, or that a food inspection system conforms to specified requirements, and will be based, as appropriate, on:

- Regular checks by the inspection service;
- Analytical results;
- Evaluation of quality assurance procedures linked to compliance with specified requirements;
- Any inspections specifically required for the issuance of a certificate.

Looking at how these principles are put into practice for dairy exports, the countries considered in this report illustrate several features of export certification systems that are relatively common.

- Dairy operators wishing to export have the obligation to ensure that they comply with all the relevant requirements for export including the requirements of the importing country;
- Factors that must be officially certified vary due to differences in national laws and regulations governing dairy export and the requirements of specific importing countries;
- Importing countries commonly require assurances with respect to animal health to be certified by veterinarians;

- Official assurances are underpinned by regulatory controls and verification regimes including audit and inspection in the supply chain that enable governments to satisfy themselves that the relevant requirements have been complied with;
- Increasingly electronic data systems are being used to reduce cost and complexity in the certification process and reduce potential for error or fraud - over time it can be envisaged that trade processes will become paperless;
- Exporters typically pay a fee for the certification services provided for dairy exports, as well as other related services such as plant registration and verification services.

Dairy export certification systems range from those requiring physical inspection for certification of each consignment, through to streamlined systems-based approaches that enable data from control and verification programmes to provide a sufficient basis for regulators to give official assurances, generally used by more export-focused countries.

This is reflected in the CODEX Guidelines which support an outcome-based approach and recognise that 'certification of food may be, as appropriate, based on a range of inspection activities which may include continuous on-line inspection, auditing of quality assurance systems and examination of finished products'.

A further key determinant of export certification systems is the extent to which agreements are in place with a country of import that might recognise the exporting country's systems as equivalent (equivalence agreements) or other agreements that dispense with specific certification requirements based on confidence in the controls and systems operated by the exporting country.

Summary information about the systems in other important dairy exporting countries is included in the Appendix to this report and a number of countries have taken steps to streamline their export certification processes.

- In Denmark, exporters must be registered at the Danish Veterinary and Food Administration (DVFA), a Veterinary Inspection Officer is attached to each site and ensures the site operates according to the regulations; all relevant certificates are handled by the DVFA and applied for online;
- In the Netherlands, exporters can participate in an inspection programme operated by COKZ which ensures that reliable information is available for the issue of export certificates; COKZ is authorised to issue health and other certificates; specific veterinary certificates or declarations can be applied for through COKZ;

- In Ireland, General Veterinary Certificates can be signed centrally by the Department of Agriculture, Food and the Marine (DAFM);
- In Australia, establishments gain export registration based on an Approved Arrangement (AA) that details how they will meet Australian export legislation, and are audited to provide verification of compliance. An AA includes controls for food safety, traceability, verification and importing country requirements. Dairy exports require an export permit and Export Health certificate both of which are issued by the Department of Agriculture using the electronic Export Documentation system (EXDOC);
- In New Zealand, the Ministry for Primary Industries (MPI) verification regime confirms the compliance of products and premises with New Zealand's and destination country requirements while the data to confirm export eligibility is collected and verified at each stage in the supply chain through its eCert system.

Fully electronic certification systems have been developed to differing extents, but there is a clear international trend toward increasingly more sophisticated electronic data management and certification systems, including the ability for the country of import to directly access the data in order to ensure the certification is correct.

The following are some examples of the benefits cited by countries with advanced verification and electronic certification systems.

Australia's EXDOC system

“The system has improved:

- The turn-a-round times for export documentation;
- The quality and integrity of data;
- Product traceability;
- Reporting capability.”

New Zealand's eCert system

“Electronic certification is a mechanism to:

- Increase the robustness of the pre-certification verification checks, by keeping verification information in one place;
- Improve the efficiency of the export certification process;
- Reduce the total cost of verification and certification;
- Significantly reduce the risk of errors;

- Reduce the likelihood of fraud – because paper certificates can be fraudulently used, providing border authorities with access to E-cert means they can validate the certificates online, which significantly improves the detection of fraudulent certificates;
- Offer the ability to rapidly respond to changing market requirements;
- Provide a means to improve the quality and range of data from which government and industry can make strategic decisions.”

Changes needed to support the growth of dairy exports

In Great Britain, as indicated above, exporters have appreciated the steps by the APHA to improve services and their ongoing commitment to improve their customer service and delivery standards. However, there are aspects of the current regime that exporters believe should be reviewed in order to further improve the efficiency of the certification process. This includes the requirement for health certificates for each dairy consignment to be physically signed off by an Official Veterinarian at the point of export.

The industry and Defra have already begun to discuss some options being put forward by the industry. Specifically, the industry has proposed that Defra examine other alternatives where verification of compliance with the relevant export certification requirements could be achieved through controls and an inspection regime implemented at the plant level. Other options include enabling export certification by Official Veterinarians to be managed centrally by Defra.

The industry and Defra must work together to evaluate possible solutions in order to identify cost effective and pragmatic options that build on the existing food safety inspection and control regimes in dairy plants. In the first instance, the approach taken in Northern Ireland could be considered as a potential model. Opportunities should be pursued to maintain certification related costs for exporters within current levels, by offsetting any costs of improving the system with efficiency gains elsewhere.

One way of capturing relevant knowledge and expertise that exists in other countries would be for the industry and Defra to connect directly with other international experts through a workshop, physical or virtual, that Dairy UK could facilitate.

There is an opportunity to better utilise electronic technology to continue to make the certification process efficient and ensure data accuracy, such as the ability to record details online in one integrated system and allow for electronic signature by veterinarians.

It is therefore also proposed that Defra work with the dairy industry to establish a long term plan to implement a fully integrated electronic certification system for dairy products in order to support further export growth, including how such a system could be funded.

Recommendations

- **With input from the dairy industry, Defra should explore alternative approaches that would eliminate the requirement in Great Britain for physical sign off of consignments by OV's at the point of export and build on existing control and verification programmes.**
- **Defra should consider options for centralising the provision of any export certification required by OV's. To support this process a joint Government and industry workshop to utilise the experience of other countries facilitated by Dairy UK could be organised.**
- **A manual for importing country requirements to be developed between the industry and UK agencies involved in exports.**
- **Defra and the industry should establish a long term plan to implement a fully integrated electronic certification system for dairy products.**

Creating a 'One Stop Shop' for Dairy Exports

Current situation in the UK

As indicated in the previous section, an exporter of dairy products may be required to obtain multiple documents or certificates. In Northern Ireland, relevant export certification is managed by DARD, whereas in Great Britain these may need to be sourced from a number of different bodies, including Health Certificate (Defra); Certificate of Origin (Chamber of Commerce); Radiation Certificate (RPA); Agrex Certificate (RPA); EUR1 (Chamber of Commerce); T2L (Customs).

Efforts by the relevant bodies to provide an efficient service and for timely processing of certificates is appreciated by exporters.

International best practice

There are a number of examples of other dairy exporting countries providing for all official certificates to be issued by or through one government agency in order to better facilitate trade. This single agency usually provides advice to exporters on the market access requirements for specific products into export markets.

It is recognised that the requirements of importing countries can provide a potential constraint to consolidating all the required certificates for dairy export within one authority. For example, some importing countries specifically require that local Chambers of Commerce provide Certificates of Origin.

Changes needed to support dairy export growth

The centralisation of all official certification services in one government agency could reduce administrative complexity for business and provide for a more integrated approach by Government, particularly if supported by an integrated application system that allowed for all relevant documentation to be applied for at once. This new agency could also be the source of advice and information to exporters on the requirements for specific products and markets. It may also support building specialised dairy and dairy trade expertise within Government. This could result in the more efficient use of resources and therefore potentially be able to achieve without additional cost.

With input from the industry where appropriate, Defra should review the rationale for the current roles of agencies and bodies in Great Britain that issue certificates required for dairy export and consolidate these within one agency as much as possible. This could include examining what would be needed to create a single integrated application process.

Over the longer term, Defra should continue to engage with importing countries to minimise the number and complexity of certificates and other documents required to accompany dairy exports.

Recommendations

- **Consolidate the issuing of all official export certificates in Great Britain within one appropriate government agency that can also provide advice to exporters on market access requirements.**
- **Further develop electronic systems to support an integrated certification process.**
- **Continue to engage with importing countries to simplify the certificates required where possible.**

Improving Inspection and Audit Practices

Current situation in the UK

Importing country audits or inspections are common in international trade of food products, ingredients and feed. These inspections can be aimed at auditing the systems and processes of an exporting country to ensure that these are robust and/or the audit of specific plants in order to confirm that the requirements of the importing country with respect to the manufacture of food products are being met. As the UK moves to expand its export of dairy products, it can be anticipated that the number of importing country audits could increase.

As well as official audits and inspections by importing countries, dairy plants are also typically subject to regular audits and inspections by the relevant domestic agencies as well as their customers on a commercial basis. Official audits and inspections by importing countries are managed by Defra. Costs of such visits that may be incurred by the industry are managed on an ad hoc basis.

International best practice

CODEX also provides extensive guidance to governments on the conduct of assessments of official inspection and certification systems. This includes factors that the exporting and importing countries should agree on in advance of any visit and recommends that the assessment process should be planned, systematic, transparent, consistent, fully documented and well communicated. CODEX also provides that the plan incorporating the rationale, objective, scope, assessment tools and requirements against which the exporting country's official inspection and certification system is assessed, should be clearly identified by the importing country, notified to and agreed by the exporting country's competent authority within a reasonable period of time prior to the commencement of the assessment.

Official inspections are managed at government-to-government level based on the objectives of the importing country for the inspection visit. The benefits of involving industry in planning for visits as early as possible ensures adequate opportunity for industry representatives to be educated and familiarised with the goals and expectations of the inspections or audit and therefore able to prepare themselves for hosting site visits. Such visits are also an opportunity to showcase the industry and that may include arranging for meetings with industry leaders and other activities that

help to build understanding of the local situation for dairy production. Timely follow up to the visits helps ensure that the outcomes are effectively communicated and that any issues arising can be addressed without disruption to trade. Reviewing how a visit has gone after the event provides an important opportunity for continuous improvement.

Changes needed to UK practices to support dairy export growth

A recent inspection visit to the UK by an importing country has provided valuable lessons which the industry and Defra must consider when thinking about how such visits are managed and followed up in the future. This includes the preparation and follow up of the visit as well as the roles and responsibilities of industry and Government with respect to funding.

The level of experience, knowledge and confidence the importing country has in the exporting country's official inspection and certification system can be a determining factor in the scope and frequency of such inspections. The goal of the industry is to ensure that such visits are managed as efficiently and cost effectively as possible, while safeguarding the UK dairy sector's food safety credentials and building confidence in the UK regulatory regime.

It is recommended that a joint Government/Industry Protocol be developed to provide for a consistent approach to planning and preparation of visits, as well as follow up, and ensure that opportunities for improvement are identified. Where costs arise with respect to hosting such visits consideration needs to be given to how this could be funded equitably and transparently. This will avoid ad hoc funding arrangements.

Improving inspection and audit practices

- **Industry and government should develop a protocol that sets out guidance for inspections and audits that includes preparation and timely follow up. This should include provision for a check and adjust discussion post visit to support continuous improvement.**
- **Industry and government must explore ways to develop a stable basis for the equitable and transparent funding of inspection visits by importing countries.**

Target Markets

Target markets for the UK dairy industry

Some of the changes that may be sought to improve the regulatory environment for dairy export growth or otherwise simplify export certification requirements may require importing country agreement to any changes. The industry recognises that this is likely to be resource intensive for Defra and therefore resources should be prioritised to those markets that will provide the most commercial benefit to UK dairy exporters.

Dairy UK has surveyed its members regarding the target markets they wish to see opened. The following are the top markets which should be the focus of efforts to streamline existing export systems and processes in the first instance:

- Gulf States & North Africa;
- China;
- Japan;
- USA;
- Australia;
- Canada.

These were followed closely by Brazil, India, South Africa and South Korea as being either current or future important markets for the UK.

A review of export statistics by value for the year ending September 2015 would endorse the importance of China and the USA. With 20% and 11% share of UK non-EU dairy exports respectively, they are currently the two most important dairy export markets for the UK by value. They are followed by Hong Kong and Algeria both with 6% and the UAE with 5%. The situation with respect to the highest volume markets over that period is similar but would elevate the importance of South Africa (fourth highest by volume).

More generally, there are a number of non-EU markets that appear consistently whether value or volume is considered, across the major products such as butter and cheese: USA, China, Hong Kong, Algeria, UAE, Saudi Arabia, South Africa, Cote d'Ivoire, Cuba, Lebanon, Canada, Australia, Egypt and Turkey.

Dairy markets are dynamic, with a wide range of factors impacting global demand and supply. In order to ensure that the Government is aware of these changing dynamics and where opportunities for growth may develop in future, it is proposed that the industry and Defra, through the Dairy UK Exporters Group, review market opportunities regularly to ensure that efforts continue to be targeted where they will create most value. Dairy UK will undertake a more in depth assessment of potential future growth markets in order to ensure that these are reflected in longer term work programmes that are developed and in the European Union's trade policy agenda where appropriate.

The dairy industry regards ministerial visits to promote trade as a helpful mechanism. Giving sufficient notice to the dairy industry of any proposed ministerial or other high level exchanges with key markets would ensure that exporters could provide advice on developing trade and commercial activities in that market.

Defra should also consider establishing a proactive programme of inward visits from the regulatory authorities in these key markets to raise awareness of the situation for dairy production and processing in the UK and build further confidence in its systems and processes.

Dairy UK will develop a stakeholder map and engagement plan for key stakeholders that could support achievement of the industry's export objectives. This will include relevant Ministers, government departments, key Embassies, the UKTI Trade Envoy, the UK Business Ambassador for Agriculture and others who could help influence market growth opportunities for dairy.

Recommendations

- **Dairy UK will provide Defra with a regular review of market priorities for the industry.**
- **Defra to notify the industry of ministerial visits and consider an inward engagement programme for dairy importers.**
- **Dairy UK will develop a stakeholder map and engagement plan for key stakeholders that could support achievement of the industry's export objectives.**

Removing Barriers to Dairy Trade

Tariff and non-tariff barriers to trade

Dairy trade continues to be subject to trade protection and discrimination globally which has historically constrained opportunities for export growth. Market access is determined by the extent to which tariffs or quotas make trade uncompetitive, unworkable or indeed in some countries prohibitive.

As well as tariffs and quotas, other regulatory requirements can effectively act as barriers by imposing additional costs on dairy exports that make them uncompetitive ('non-tariff barriers').

Fully achieving the potential for export growth in dairy products will require the removal of these barriers. There are two courses by which this goal can be pursued, either through trade negotiation in the World Trade Organisation or through bilateral and/or regional Free Trade Agreements (FTAs).

The European Union has a wide range of FTAs which create opportunities for dairy exports with varying degrees of openness. Supply chains today are far more complex than they have been historically and modern trade agreements are evolving to address a wider range of issues impacting trade.

As well as addressing tariffs, increasingly FTAs cover a far wider range of matters to better facilitate trade and support more comprehensive economic integration between the negotiating countries. Importantly for dairy, FTAs can also address regulatory barriers, sanitary standards, support harmonization of standards and develop mechanisms for the resolution of disputes that may arise.

Conversely, the FTAs of third countries can result in competitive disadvantage for UK exporters where the EU does not have an FTA.

For example, China, is a major dairy importer that has an FTA with New Zealand and has recently concluded FTA negotiations with Australia. The New Zealand/China FTA provides for a phasing out of tariffs on major dairy products over time, subject to a quantity-based safeguard which extends 5 years after the tariffs have been eliminated.

Product	MFN rate*	NZ/China FTA rate (2016)	Phased to zero
Skim Milk Powder (SMP)	10%	3.3%	2019
Whole Milk Powder (WMP)	10%	3.3%	2019
Butter	10%	2%	2017
Cheese	12%	2.4%	2017

*EU Market Access Database (<http://madb.europa.eu/madb/indexPubli.htm>).

The Australia-China FTA provides for the following timetable for phasing out of tariffs once implemented, with a safeguard provision only with respect to WMP:

- Elimination of the 15% tariff on infant formula within 4 years;
- Elimination of the 10 – 19% tariff on ice cream, lactose, casein and milk albumins within 4 years;
- Elimination of the 15% tariff on liquid milk within 9 years;
- Elimination of the 10 to 15% tariff on cheese, butter and yogurt within 9 years;
- Elimination of the 10% tariff on milk powders within 11 years.

Trade policy is within the competence of the European Commission and it is important that the priorities and needs of UK dairy exporters are reflected in the Commission’s trade policy agenda. In its one year review of implementation of the UK Food and Drink International Action Plan, the Government has acknowledged the need to secure better deals for UK producers via input into the European Union FTA negotiations with the United States, Japan, India and Canada.

The recently issued European Commission policy on trade, ‘Trade For All - Towards a More Responsible Trade and Investment Policy’, sets out a number of trade policy objectives that could potentially support long term UK dairy export growth.

These include:

- Prioritising regulatory issues in negotiations and steering greater cooperation in international regulatory fora while maintaining high European standards;

- Continuing its efforts to eliminate non-tariff barriers through enforcement of agreements and regulatory cooperation;
- Focussing on implementation of trade agreements including awareness raising, customs cooperation and trade facilitation;
- Capitalising on the achievements of the EU Single Market, particularly in the agri-food area, leading to further improved market access;
- Reinvigorating the WTO;
- Negotiating FTAs that provide reciprocal and effective opening, based on a high level of ambition and tackling barriers in a comprehensive way;
- Pursuing market access and regulatory cooperation with the US through TTIP;
- Requesting authorisation to negotiate FTAs with Australia and New Zealand taking into account agricultural sensitivities;
- Pursuing a region-to-region agreement between the EU and ASEAN;
- Pursuing an agreement with MERCOSUR and modernising FTAs with Mexico and Chile.

In order to ensure that the interests of UK dairy exporters are pursued through the Commission's trade policy agenda, the Dairy UK Exporters Group will build an inventory of any tariff or non-tariff barriers that exist for these markets to ensure these are reflected in the Commission's priorities for trade negotiations or other regulatory cooperation to input into the European debate.

Action

- **The Dairy UK Exporters Group will build an inventory of tariff and non-tariff barriers to dairy export growth, starting with the priority markets identified, in order to inform the European Commission's trade agenda.**

Conclusions

As the UK dairy industry becomes more export focused, it must ensure that it is competitive and fit for the international market.

Having the relevant regulatory and certification systems in place is therefore essential and must be developed in collaboration with the Government and its agencies. Additionally, the challenges of unlocking market access and creating a favourable international environment for growth requires a long term focus on removing trade barriers.

Dairy UK has identified a number of actions and recommendations that can help to create an environment that supports dairy export growth.

Some of these actions are for the dairy industry to take forward particularly in relation to its efficiency, innovation, food safety, skill and environmental credentials.

However, others require collaboration between the industry and the Government or action by Government agencies to:

- Remove unnecessary cost and complexity in certification process;
- Improve practices around inspection visits;
- Create a 'one stop shop' for exporters to provide the information and export services they require.

Over the longer term, remove barriers to trade and build the IT infrastructure that will set the industry up for continued success in the future.

Best practice and learnings from other dairy exporting countries can be useful in helping the UK improve the export environment for dairy. Information on export practices for a number of countries can be found in Appendix II of this document while a summary of actions and recommendations to take forward UK dairy exports can be found in Appendix I.

Appendix I – Commitments and Recommendations

Industry commitments and actions

- Dairy UK will build on the success of the industry's collaborative Dairy Roadmap initiative and work with AHDB Dairy, the NFU and Dairy UK members to ensure that Roadmap targets are met, that the Roadmap brand is communicated to a wider audience, and that new areas are added to the Roadmap to keep the UK dairy industry at the forefront of environmental excellence;
- Dairy UK members will continue to support the work of Project Eden and other initiatives aimed at ensuring a skilled workforce for the future of the dairy processing sector;
- Dairy UK will develop its Due Diligence Schemes and Risk Register to ensure high quality, safe and hygienic dairy products;
- Dairy UK will commit to helping its members promote British dairy products in third countries using EU funding mechanisms.

Improving the cost effectiveness and efficiency of the export certification regime

- With input from the dairy industry, Defra should explore alternative approaches that would eliminate the requirement in Great Britain for physical sign off of consignments by OVs at the point of export and build on existing control and verification programmes.
- Defra should consider options for centralising the provision of any export certification required by OVs. To support this process a joint Government and industry workshop to utilise the experience of other countries facilitated by Dairy UK could be organised.
- A manual for importing country requirements to be developed between the industry and UK agencies involved in exports.
- Defra and the industry should establish a long term plan to implement a fully integrated electronic certification system for dairy products.

Create a 'one stop shop' for export certification

- Consolidate the issuing of all official export certificates in Great Britain within one appropriate government agency that can also provide advice to exporters on market access requirements.
- Further develop electronic systems to support an integrated certification process.
- Continue to engage with importing countries to simplify the certificates required where possible

Improving inspection and audit practices

- Industry and government should develop a protocol that sets out guidance for inspections and audits that includes preparation and timely follow up. This should include provision for a check and adjust discussion post visit to support continuous improvement.
- Industry and government must explore ways to develop a stable basis for the equitable and transparent funding of inspection visits by importing countries.

Target markets for the UK dairy industry

- Dairy UK will provide Defra with a regular review of market priorities for the industry.
- Defra to notify the industry of ministerial visits and consider an inward engagement programme for dairy importers.
- Dairy UK will develop a stakeholder map and engagement plan for key stakeholders that could support achievement of the industry's export objectives.

Removing barriers to dairy trade

- The Dairy UK Exporters Group will build an inventory of tariff and non-tariff barriers to dairy export growth, starting with the priority markets identified, in order to inform the European Commission's trade agenda.

Appendix II – Dairy export systems and processes in key dairy exporting countries

Denmark

The following is a summary that includes information provided by members of the Danish dairy industry in addition to that available on the relevant websites.

The Danish Veterinary and Food Administration (DVFA) is responsible for ensuring that export of animals and animal products fulfil the conditions for import into the country of destination. Danish exporters of animals and animal products must be registered at the DVFA. A Veterinary Inspection Officer is attached to each site and ensures the site operates according to the regulations. In cases of exports to Third Countries, DVFA negotiates and drafts the necessary health certification to meet the conditions for import into the country of destination.

Export certificates are applied for with DVFA through completing forms online in PDF format. Exporters send the printed certificate to the local DVFA office to be signed. Processing time is usually the next day. Certificates must be signed before the goods can be shipped. DVFA may require a physical inspection of the goods. The price for a certificate is DKK 99 and if there is an inspection a further fee is paid. All relevant certificates are handled by DVFA. Country specific certificates must be signed by a Veterinary Surgeon.

The Foreign Office/DVFA host inspection visits from export destination countries and hold an opening and closing meeting for each visit. A representative of the Trade Organisation accompanies the inspectors and makes the logistical arrangements. Companies being inspected cover the costs. Some costs may also be met by the country sending the inspection team.

The Netherlands

The following is a summary that includes information provided by members of the Dutch dairy industry as well as information available on the relevant websites.

In the Netherlands, the COKZ (Netherlands Controlling Authority for Milk and Milk Products) is authorised to issue health and other certificates for the export of Dutch dairy products. A part of these certificates are being issued on behalf of the Ministry of Agriculture, Nature and Food Quality.

To ensure that reliable information is available for the issue of export certificates, COKZ has determined inspection programmes for a number of product groups such as butter, milk fat, other butter products, milk powder, whey powder, other powdered milk products, liquid milk products, cheese, soft curd cheese/cream cheese, processed cheese and other cheese products.

Companies who require an export certificate can participate in an inspection programme of COKZ. Under COKZ requirements a company wishing to export is inspected annually and required to provide monthly samples.

When the production has been carried out under the supervision of COKZ and no deviations of the product have been ascertained, the consignment will receive a certificate, either based on the Agricultural Quality Act or based on the control regulations of COKZ. A standard health certificate is a declaration on behalf of the Dutch government that the relevant product is fit for human consumption. The system takes account of the requirements of individual export destinations.

Certificates of analysis are issued on the basis of laboratory analyses. The certificates may be necessary in case specific requirements are stipulated by the country of destination. Veterinary clauses contained in certificates, or specific veterinary certificates, are issued in the Netherlands by the Dutch Food Authority (VWA). The VWA inspects how COKZ handles EHC applications.

When these declarations are required for dairy products, the application can be made through COKZ. For the issuance of export certificates for dairy products, COKZ and the VWA have agreed on certain working agreements in a covenant. To this end every working day a VWA- veterinarian is present at COKZ.

The system is jointly funded by industry and government. A steering group with industry, COKZ and VWA oversees development of the system. Overall, in respect of trade facilitation ZuivelNL acts as intermediary between COKZ, VWA, NZO (Processors organisation) and trading organisations with a standing steering committee overseeing trade issues.

For more information see www.cokz.nl.

For foreign inspection visits, funding arrangements vary. For a systems inspection visit then usually the split is 50/50 between government and industry with the Dairy Product Board making the payment. For a plant authorisation visit then it's usually paid for by the companies involved.

Ireland

The following is a summary that includes information provided by members of the Irish dairy industry.

In Ireland, the Department of Agriculture, Food and the Marine (DAFM) is the competent national body for providing official certification relating to the animal health status of the country of manufacture, the quality of the product and/or the conditions of manufacture. This is based on the Department's control regime. Ireland operates a dual system whereby the Dairy Produce Inspectorate are responsible for certifying the origin of the milk, together with issues regarding the processing/public health aspects of the product and the Public Health Veterinary Inspectors certify the animal health status of Ireland as regards specific diseases or categories of diseases.

General Veterinary Certificates contain a list of general veterinary statements, which indicate the positive animal health status of Ireland. These statements can be signed centrally by DAFM since they refer to the status of Ireland and not a specific herd or processing establishment.

Consignment details are not included on these certificates, however the consignment details will be contained on the Health Certificate which is issued by the Dairy Produce Inspectorate. For specific statements/consignment specific statements/single veterinary certs or country specific certs, the certificates must be issued by the local veterinary inspectors which will necessitate a visit to the processing establishment for verification.

Export certificate applications are made by way of an online system. For general Veterinary statements these are issued centrally with the consignment details on the separate but accompanying general health certificate. As part of the DAFM official control procedure a percentage of these applications are subject to random local audit. For country specific statements, application is made on the DAFM on-line system but the verification and the issuing of the cert is carried out by the local Veterinary Inspectorate (VI). For some Third Countries there is also a requirement that the plants are pre-approved and, as detailed above, some Third Countries require single certs signed by a Veterinary Inspector. In both these instances, verification and issuance is carried out by the local VI.

In addition to the Health and Vet certificate some countries require a Radiation Certificate. Some certificates will also have to be stamped by, for example, a Chamber of Commerce or Third Country Embassy which in some cases, for Ireland, are located in London. Radiation Certificates are issued by the Environment Protection Agency in Ireland.

To date in Ireland, there is no direct fee for the issuance of certification by DAFM. Growth in specific certification requirements from Third Country importing authorities is a constraint to streamlining the export certification process.

Request for plant audits may be government to government or industry led. Generally, if Government led, the costs are covered by the national authority. If arising from a specific request from industry, the costs are covered by the industry or plants concerned.

Generally for Government to Government arranged inspections, communication is at official level and industry advised by the national authority. Preparatory meetings between the national control authority and industry would be held and follow-up with individual plants selected for audit. The national authority would work with industry in preparing for audit and follow-ups are actively pursued and closed out.

United States

The U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS) and the U.S. Food and Drug Administration (FDA) are the agencies primarily responsible for the certification of dairy products exported for human consumption. (Veterinary Services may provide certification in certain circumstances.)

AMS offers certification services to assist in the export of dairy and related products. The Dairy Grading Branch offers sanitary certification services to USDA Approved plants, National Conference on Interstate Milk Shipments listed plants, and plants approved by the Food and Drug Administration for export to international markets. The Dairy Grading Branch provides certificates for products or conditions for which they have documentation or knowledge through plant and product inspections or grading. They can provide a generic sanitary certificate or a country specific certificate where these have been negotiated with the importing country.

Exporters email an application form to the Dairy Grading Branch for the certificate they require and must allow 5 days for processing. The Dairy Grading Branch endorser reviews the supplied information and verifies that the plant number provided is found in the dairy plant database comprised of manufacturing facilities found on the eligible lists. To request EU Health Certificates and China Sanitary Certificates, exporters must register to use the Electronic Trade Document Exchange System (eTDE). eTDE provides a secure environment for sharing trade documentation with governments and businesses across the supply chain.

For further information see www.ams.usda.gov

The FDA-CFSAN (Center for Food Safety and Applied Nutrition) or a State governmental authority can issue Certificates of Free Sale where required by the importing country. Certificates of Free Sale are certificates (not pertaining to a particular production lot or export consignment) that indicate that the particular product(s) is marketed in the United States or eligible for export, and that the particular manufacturer has no unresolved enforcement actions pending before or taken by FDA. These can be applied for electronically on the FDA website.

Certificates issued by CFSAN for food and food additives cost USD10. A certificate for food or food additives may take up to 3-8 weeks to be issued depending on the work load and the regulatory status of the products and/or the company. Processing cannot begin until all requested documents have been received.

For further information see www.fda.gov

Australia

The Department of Agriculture regulates and provides oversight at various points throughout the export supply chain. This includes registering establishments that manufacture, store, handle and load milk and milk products for export. For milk and milk products to be export eligible they must remain within the 'export chain' i.e. if transported from one establishment to another each establishment must be export registered to prepare milk and milk products.

For an establishment to gain export registration with the department, there must be an Approved Arrangement (AA) in place which details how that establishment will meet Australian export legislation. An AA is a fully documented system which has been approved by the department, and includes controls for food safety, traceability, verification and importing country requirements. As a condition of registration, an export registered establishment will be audited at a set frequency by the department, or an external department approved auditor. These audits verify that the establishment is meeting all requirements set out in food export legislation and the establishment's approved arrangement.

Dairy exports require an export permit and an Export Health Certificate which are both issued by the Department of Agriculture. The export permit includes information such as a description of the milk product, the registered export establishment(s) where it was processed, the destination country, etc.

An export permit must be raised electronically, using the department's EXport DOcumentation system (EXDOC). All export permits must be obtained prior to exporting the goods. When an overseas country has a requirement in place for milk and milk products to be accompanied by an export health certificate, the department can issue this document via EXDOC at the time an export permit is issued.

In addition to the Australian requirements set out in food export legislation, importing countries may have additional requirements, such as labelling or product testing, which must be met in order for milk and milk products to obtain entry. These importing country requirements must be met by both export registered establishments, as well as exporters. The requirements of importing countries are provided in the Manual for Importing Country Requirements (MICOR).

Fees and charges are applied for both services (AUSD21 for EXDOC certificates, AUSD100 for manual certificates). For further information see www.agriculture.gov.au/export/food/dairy and on EXDOC <http://www.agriculture.gov.au/export/exdoc>

New Zealand

Export certificates are mainly issued by the Ministry for Primary Industry (MPI). These can be official assurances, free sale certificates and health or sanitary certificates. An official assurance is a government-to-government assurance confirming that products meet New Zealand's and the destination country's requirements. Official assurances are only issued for countries where MPI has negotiated an agreement with the destination market as part of an official assurance programme.

The information on a certificate depends on the food product and the destination market. It may carry information such as the country of origin of the product and its ingredients, the heat treatment or other processes used when manufacturing the product, the microbiological status of the product, and/or the product's health status – for example, whether or not a certain animal disease is present in New Zealand.

To obtain an export certificate, exporters must comply with relevant regulatory and administrative requirements. This may include meeting requirements for processing, storage and transport of the products to be exported, which are recorded through eligibility statements or declarations.

The statements or declarations are reviewed and approved by a verifier recognised for this work each time the products are moved between registered premises. They also contain information that confirms which destination markets the products meet requirements for.

The majority of certificates are issued through MPI's E-cert system. E-cert is the shortened name for Electronic Certification. E-cert is the web application MPI uses to issue government-to-government assurances for animal and dairy products exported from New Zealand. The primary purpose of E-cert is to track the market eligibility and status of food products from the time they are produced until they are exported, and approve and print export certificates.

Export certification is supported by the MPI verification regime, which confirms the compliance of products and premises with New Zealand's and destination country requirements.

For further information see www.mpi.govt.nz and on the eCert system for animal products <http://www.foodsafety.govt.nz/industry/exporting/e-cert/animal-products/>

Dairy
UK

