



The problem of Counterfeit and Illegal Pesticides in Africa Middle East

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A Huge Problem - & Rapidly Growing!

- Use of illegal pesticide products around the world – it's a high growth business & becoming an issue for most countries
- Why? Low risk – high profit
- Highly sophisticated criminal networks and organized crime involved



Quantifying the Problem

Global picture

- Pesticide world market approx 45 billion US\$
- OECD report 2007 estimates 5-7% Now estimated at 10%
- Europe (ECPA) estimated in 2006 5-7% illegal sales
- CropLife International estimates in 2009 9%
- A global issue of 4.5 billion US\$ for the Plant Science Industry

Africa

- Pesticide market 1,5 – 2 billion US\$
- Most national associations in Africa report about 15 -20 %
- Extreme situations (temporary or permanent) suggest 40 – 80%
- Hot spots Egypt, West Africa, Uganda, Tanzania, (but also most countries)



Problem not just \$\$\$ for the manufacturers

- Farmers lose – crop damage – poor farmers get poorer
- Food safety issues - toxicity levels
- Environmental issues



Definitions

In CropLife terminology we distinguish the following main clusters of illegal and counterfeit products:

- a. Counterfeit or fake products (no active ingredient or modified product content)
- b. Imports/ sales of non authorized products (not yet registered or mostly banned)
- c. Parallel illegal imports (registered products from non-registered sources) by non authorized distributors

In most cases of fake or illegal product sales there is also an IPR infringement involved.



Banned, smuggled & fake Product



3. Main Sources of Counterfeit Products

Small scale backyard preparation & re-filling of fake products.

- This applies to any goods (not just pesticides).
- Target customers: Poorly educated or illiterate farmers
- Normally a few retailers involved.
- This problem represents a few percent only

“Leakage” of packaging materials (bottle & labels) from authorized local formulators and re-packers / distributors

- Packaging materials “disappear”
- Local suppliers of bottles and labels may produce more than what the licensed distributor needs and ordered for the authentic product.
- Resulting fake and illegal products may produce at least a certain minimal performance. Discovery / prosecution very difficult
- Volume and value difficult to estimate but clearly important



3. Main Sources (continued)

Illegal imports of registered and non registered products

- Products are placed on the market without import license.
- Imports occur through false declaration (solvent, surfactants, unspecific chemical declaration, etc.) or with the knowledge of corrupt customs officers (first item most common)

“Legal” imports of products that get a “me too” registration but which clearly do not comply with the specification of the genuine and authentic original product

- From a local regulatory perspective these products are fully legal, as they have been formally approved (but no QC).
- For the legitimate registrants, these “illegal” products represent the number one issue. Often the legitimate manufacturers withdraw from the country.



4. The Position of Regulatory Bodies

- Except for “Me Too” registrations, regulatory bodies fully supportive of legitimate industry in product defence & prosecution to the extent possible in a given country.
- Few countries where regulatory bodies themselves have initiated raids or surprise control inspections in factories or distribution outlets for pesticides.
- The risks and consequences brought by illegal and counterfeit pesticides to the local agriculture are more and more understood by regulators. Larger issue for export countries, also local consumers
- Regulators personal exposure a growing concern (to themselves!) – thus reluctance to dig too deeply.
- (note seizure in Tanzania – 5 tonnes of Syngenta product)



5. Role & Position of other Stakeholders

Food Chain stakeholders

- Global quality standards such as **Global GAP** starting to impose more strict control processes.
- For **export companies** of vegetable and fruits the use of fake, illegal and non compliant pesticides may be a potential business killer. For many African countries (Kenya, Egypt, Morocco, etc.) these are highly important economic sectors
- **Cocoa export companies** a particular exposure. Europe/Japan refusals of shipments. Some of them have started massive educational campaigns.

Development organizations and NGO's

- A rapidly growing number of development organizations and NGO's are increasingly concerned about the issue (AGRA, Bill and Melinda Gates foundation, IFDC, GIZ, etc. etc.)



6. The CropLife Strategy

6.1 *Advocacy*

Communication and awareness raising activities - CropLife International in 2008 started their global Anti-Counterfeiting project (initiated and led by Jim Collins DuPont)

These activities consist of

- Regular inclusion of key points in our regional conferences
- Cooperation with other stakeholders such as Interpol (regular presence & contribution to their regional conferences), USAID events, etc.
- Local awareness campaigns by the CropLife associations (Egypt, Kenya, Uganda, etc)
- Counterfeiting is a regular topic in all interactions with local customs & police authorities



6. The CropLife Strategy

6.2 *Training*

All Training Meetings – fake and counterfeit pesticides now a standard topic in all our training programs on safe and responsible use of pesticides

Customs/Police – a specific 1 day training module has been developed to educate customs officers and police forces. Topics covered are:

- What is a pesticide
- Risks related to counterfeiting & illegal pesticides
- How to distinguish genuine from fake, illegal pesticides
- Illegal practices to bring the products to the market
- How to check fake documentation

Training has been very well received



6. The CropLife Strategy

6.3 *Cleaning up the Supply Chain*

This component is one of the key areas in several local Anti-Counterfeiting campaigns.

Example: CropLife Kenya has – in close cooperation with the regulatory authorities -

- Published a list of “ethical” local distributors and suppliers
- Published a list of “ethical” licensed local retailers

Companies (registrants) - encouraged to include special clauses in employment contracts how to deal with staff who get involved in counterfeit activities (leakage of packaging and label materials).

Country CL Associations are establishing a code of conduct and a internal sanctions regime for members who have been proven guilty.



6. The CropLife Strategy

6.4 *Prosecution and/or Naming and Shaming*

Where reasonable chances exist for a successful prosecution:

- CropLife encourages individual member companies & national associations to initiate respective actions.
- In most countries the existing legislation has a very soft penalty regime. (some countries have started to discuss or already implemented tougher penalties - Kenya, Egypt, Uganda).
- “Naming and Shaming” using public media especially TV is much more promising. Some good TV publicity has been seen in Kenya on at least 2 raids where fake products have been seized. Egypt, Tanzania and also Uganda had numerous newspaper reports with pictures with fake pesticides and names of involved dealers.



6. The CropLife Strategy

6.5 *The Pilot Project with “CropLife Quality Brands”*

CropLife Quality Labels: given to products and companies that comply with the highest regulatory and business standards.

Compliance Manual & Related Contract: ensures the quality of products with the “CropLife Holospot Quality Label”. The label is also open to generic products and non-CropLife member companies that comply with the quality rules.

Through a unique code visible on the Holospot label the authenticity of every single pack can be confirmed on a local SMS platform or also on the internet. A new generation of Holospot will come with a partial code visible only after scratching the label.

This Pilot Project is running in Ghana & Uganda. Kenya will kick off in February



Promotion item developed in Ghana

CropLife Quality Brands

Quality Brands for Quality Cocoa

To check the genuineness of certain pesticides, take the following 3 steps



1 CHECK the label for the Holospot®



2 VERIFY the Holospot® by viewing it under direct light and tilting the label

- Each label has a different code
- The CropLife logo and code show colour changes and rainbow effects
- Use a magnifier (lens 10x) to find the same code on a second place on the Holospot®



3 CHECK the code by texting it to 0544 34 35 36 and receive a reply message on the genuineness of the pesticide

CropLife Africa Middle East represents the leading global pesticides manufacturers in Africa and the Middle East

CropLife Quality Brands

Quality Brands for Quality Cocoa



From now on cocoa farmers in Ghana have the possibility to check the genuineness of certain pesticides through a Holospot® and a unique code that can be found on the label or the product pack. CropLife Africa Middle East, representing the leading global pesticides manufacturers, has introduced Quality Brands in Ghana as a pilot project. CropLife Quality Brands is a voluntary, industry driven project with the specific objective to combat counterfeit and illegal products in Africa and the Middle East.

It is estimated that in most countries of Africa 15 to 30 percent of the pesticides on the market are either illegal or counterfeit. In some markets the share of illegal and fake products is above 50%. Counterfeit pesticides can damage or even destroy crops, and pose a risk to human health and the environment. In addition, cocoa beans can be rejected if counterfeit pesticides have been used.

CropLife Quality Brands:

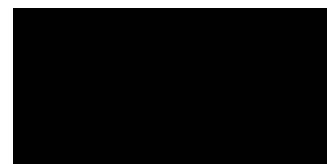
- for a healthy cocoa crop
- for a rich cocoa harvest
- for best export quality cocoa



CropLife
AFRICA MIDDLE EAST



Partnership for the Pilot Project Uganda



**Ministry of Agriculture, Crop
Protection Department**



7. Conclusion and Outlook

- *Counterfeit and illegal pesticides – a serious and growing issue*
- *These products - fastest growing “competitor” for pesticide suppliers in Africa Middle East. Their combined share is bigger than leading multinationals*
- *Normal government interventions with new laws and enforcement actions will be successful? - uncertain*
- *CropLife has a 5 point strategy to combat issue*
- *Most powerful players and allies - against the use of counterfeit and illegal pesticides are food chain stakeholders with their quality standards, & development and aid organizations*



Thank You!

