



## JOINT FAO/WHO FOOD STANDARDS PROGRAMME

### CODEX COMMITTEE ON FATS AND OILS

#### Twenty-fourth Session

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### DISCUSSION PAPER ON THE AMENDMENT OF THE *CODE OF PRACTICE FOR THE STORAGE AND TRANSPORT OF EDIBLE FATS AND OILS IN BULK (CAC/RCP 36 – 1987)*

(Prepared by Federation of Oils, Seeds and Fats Associations International - FOSFA)

#### BACKGROUND

1. With the addition of the acceptable previous cargo list to the *Code of Practice for the Storage and Transport of Edible Fats and Oils in Bulk (CAC/RCP 36 – 1987)* in 2011, it is recognised and understood that there are now three categories of cargoes which could be carried prior to edible oils, each with the following risks associated with them:

- Cargoes on the banned list – high risk
- Cargoes not on the banned list – medium to low risk
- Cargoes on the acceptable list – low or minimal risk

2. The products on the Codex banned list may be difficult to clean from tanks, or may have adverse human health effects or some persistent properties such as flavour or smell. The revision to include this list was adopted in 2001 and reflects the well known and more hazardous substances carried by sea vessels. These substances should not be allowed as previous cargoes in ships tanks which are to be used to carry edible oils.

3. As currently written, the code implies that products on the Banned List can be used as previous cargoes: "Previous cargoes not on the Codex Lists of Acceptable or Banned cargoes are only to be used if agreed upon by competent authorities of the importing countries". Products on the Banned List should not be used at all as they pose a risk to consumer health as they are not easily cleaned and can be toxic.

4. Requiring the agreement of the competent authorities of the importing countries for the majority of bulk cargoes to be carried as previous cargoes for oils and fats is contrary to the general trade practice. This requirement will hinder the adoption of the Code of Practice and the Lists by countries and regions and is detrimental to the major oils and fats producing countries.

5. The cargoes which are not on the banned list are easy to clean from ships' tanks and do not have any persistent characteristics, although they may have some medium toxic effects on human health in their pure form. These cargoes are allowed as previous cargoes to edible oils in most regions and countries in the world because the risks are much reduced by the design of the tanks, the mandatory cleaning procedures which are carried out between cargoes, and the tank inspection regime, which is under the full control of the cargo owners' superintendents or inspectors. There is also a very high dilution factor which would occur if there was any remaining residue.

6. Some countries, via governments, and companies with major brands wish to further reduce the risk to consumers from any contamination which may occur. To ensure this, they specify that the cargo in the ship's tank before the edible oil is a product on one of the long standing trade lists such as FOSFA and NIOP (the USA trade body), the legislated lists (EU) or the Codex List itself by cross reference (China, since 2013). This reduction in the risk to consumers has been re-enforced by the inclusion of the criterion number 2 in the Code of Practice.

7. The international trade and relevant governmental agencies responsible for such matters understand this concept of reducing risk by controlling previous cargoes and this forms the basis of the contracts used by the majority of sellers and buyers of oils and fats.

## PROPOSAL

8. It is proposed to amend the Code of Practice for the Storage and Transport of Edible Fats and Oils in Bulk (CAC/RCP 36 – 1987) as follows:

(1) In paragraph of 2.1.3;

- Contamination is avoided ... on ships by the carriage of oils in segregated tank systems in which the previous cargoes are not included in the Codex List of ~~Acceptable~~ Banned Previous Cargoes at Appendix ~~32~~ of this Code.

Rationale; In order to follow the process of reducing the risk which is presented by previous cargoes, we feel it is logical to start by clearly stating that products on the Banned List should not be allowed to be carried in tanks before loading with edible oils.

- ~~The risk to consumers from any c~~Contamination is also avoided by the rejection further reduced by the use of tanks which have carried as a last cargo products which are included on the Codex List of ~~Acceptable~~ Banned Immediate Previous Cargoes at Appendix ~~23~~ of this Code.

Rationale; This explains the purpose of the addition of the List of Acceptable Previous Cargoes i.e. to further reduce to risk to consumers.

- ~~Previous cargoes not on the Codex Lists of Acceptable or Banned cargoes are only to be used if agreed upon by competent authorities of the importing countries. Until both lists are completed, practitioners may find the lists and data referred to in the Bibliography at Appendix 4 provide relevant guidance.~~

Rationale; The two statements are not now needed with the addition of the Acceptable List. The Banned List substances should be forbidden and both lists are now included in the Code.

(2) In Appendix 2, the note (2) should be deleted accordingly;

~~Previous cargoes not on the list are only acceptable if they are agreed upon by the competent authorities of the importing country (see section 2.1.3 of the Code).~~

(3) In Appendix 3, the note should be deleted accordingly;

~~Cargoes not included in the list are only acceptable if they are agreed upon by the competent authorities of the importing country (see section 2.1.3 of the Code).~~

9. These are small changes but they would mean that the Code of Practice, as initially intended, is confirming the two list concept, and therefore, is consistent with the current global trade practice. It would thus support the development of the international trade as well as preserving human health issues, themselves much improved over the last 25 years as regards contamination incidents and gained knowledge of compatibility of cargo transportation of fats and oils.

## RECOMMENDATION

10. FOSFA invites the Committee to consider the above mentioned proposal to amend the Code of Practice for the Storage and Transport of Edible Fats and Oils in Bulk (CAC/RCP 36 – 1987) and also to consider the attached draft project document (Annex).

## DRAFT PROJECT DOCUMENT

### 1. Purpose and Scope of New Work

The purpose of the work is to amend the *Code of Practice on the Storage and Transport of Edible Fats and Oils in Bulk* (CAC/RCP 36 – 1987) in order to remove some inconsistencies which have arisen with the addition of the Codex List of Acceptable Previous Cargoes in 2011. The amendment explains the reason for there being two lists and how the lists can be used to manage the associated human health risks as well as supporting the international trade.

### 2. Its Relevance and Timeliness

Many countries are now producing more oil than their national requirement and are exporting to other countries in bulk by sea. The vast majority of these oils are traded on standard trade contracts which are based on the use of banned and acceptable previous cargo lists to reduce the risks to consumers from any contamination during shipment. If any country wishes to introduce legislation for the importing of oils in bulk, they would look to Codex in the first instance, as has been the case with China in 2013. As the Acceptable List has recently been added to the Code, it is appropriate that the wording is amended to explain the use of the two lists for the legislators.

It should be recalled here that the 2003 Code of Practice foresaw the application of the two lists, both banned and acceptable, but provision had to be made to the Code when only the Banned List had been developed. The Acceptable List development has taken a further eight years.

### 3. The Main Aspects to be Covered

The work includes:

- a. the inclusion of a statement that products on the Banned List should not be allowed to be carried in tanks before loading with edible oils;
- b. the amendment of the Code to state that the use of the acceptable list reduces further the risk to consumers from any contamination from previous cargoes;
- c. the removal of statements in the code which are no longer needed since the addition of the Acceptable List to the Code in 2011.

### 4. An Assessment Against the Criteria for the Establishment of Work Priorities

#### 4.1 General Criterion: Consumer Protection from the point of view of health, food safety, ensuring fair practices in the food trade and taking into account the identified needs of developing countries.

Over 75 million tons of edible oils and fats are transported in bulk by sea each year. These are generally shipped from the producing countries such as Argentina, Indonesia, Malaysia, USA to the consuming countries/regions such as Europe, India, China etc.. The tankers used for this transport usually return to the producing countries carrying cargoes which are not foodstuffs. The Code of Practice is necessary to protect the health of consumers of the oils and fats transported in these tankers.

#### 4.2 Criteria applicable to general subjects

##### (a) Diversification of national legislations and apparent resultant or potential impediments to international trade.

Most countries do not have legislation covering the transporting of edible oils although the European Union and recently China have introduced such legislation

##### (b) Scope of work and establishment of priorities between the various sections of the work.

N/A

##### (c) Work already undertaken by other international organizations in this field and/or suggested by the relevant international intergovernmental body(ies).

FOSFA first developed rules for the carriage of oils and fats in bulk by sea in the late 1980s. The purpose of these rules was to maintain the quality of the cargoes during the voyage and thus protect the final consumer from the risks of poor handling or contamination from previous cargoes. These rules included a list of banned immediate previous cargoes which were difficult to clean from the tanks and could be toxic at low levels of contamination. This list has been updated over the years in the light of experience within the trade.

In the early 1990s, FOSFA also developed an acceptable list of previous cargoes which could be used by companies wishing to further reduce the risk from contamination and for oil cargoes which may not be further processed following transportation. Similar banned and acceptable lists were developed by the National Institute of Oilseed Processing, USA, at the same time. Again, these lists have been updated in the light of the experience by the trade.

**(d) Amenability of the subject of the proposal to standardization.**

The Codex Code of Practice is now in its 4<sup>th</sup> revision since its introduction in 1987 and no problems are foreseen with this further development to clarify these matters.

**(e) Consideration of the global magnitude of the problem or issue.**

A clear indicator that a country has a strongly developing economy is an increase in the annual per capita consumption of oils and fats. The quantity of oils imported worldwide has increased from 56 million tons in 2006 to 75 million tons in 2013, and this will surely increase. With these increasing levels and the widening network of importing countries, the need for a clear code of practice, which reduces the health risk to consumers is paramount.

**5. Relevance to the Codes Strategic Objectives**

The proposed work directly relates to the following Codex Strategic Goals from the 2014-2019 Strategic Plan Objective 1.3 Strengthen coordination and cooperation with other international standards-setting organizations seeking to avoid duplication of efforts and optimize opportunities. The lists within the Codex Code are about 95% equivalent to the lists within the FOSFA and NIOP Rules. They are also very close to the lists, which have been developed by the European Union. It would be helpful to the trade and developing countries if there was harmonisation within all the lists. In this respect, an explanation of how the code is to be used, as given in the proposed revision, would undoubtedly avoid duplication in the developing of new legislation by countries wishing to do so.

Objective 2.1 Ensure consistent use of risk analysis principles and scientific advice. According to the Code of Practice, the products, which are carried in bulk by sea are categorised into the Banned List cargoes, those which are on neither list, and the cargoes on the Acceptable List. These represent the transition from high-risk products to very low risk products. The Committee accepted that the high risk banned list products should not be allowed as previous cargoes when it added them to the Code in 2001. The risk analysis principles/criteria for a cargo to be an acceptable previous cargo were proposed by Codex Secretariat were accepted by CCFO IN 2009. The acceptable list is based on these criteria and was added in 2011. Thus, the cargoes which are on neither list represent those cargoes which have an acceptable risk when carried as previous cargoes. The current proposal supports this consistent risk analysis approach and removes the need for individual governments to carry out this expensive and difficult exercise.

**6. Information on the Relation Between the Proposal and Other Existing Codex Documents**

None

**7. Identification of any Requirement for and Availability of Expert Scientific Advice**

Not required.

**8. Identification of Any Need for Technical Input to the Standard From External Bodies so That This can be Planned for**

This proposal is to remove some inconsistencies, which have arisen following recent additions to the code and thus no external technical input is required.

**9. The Proposed Timeline for Completion of the New Work**

New work Approved by Commission – CAC38 July 2015

Consideration of the Amendment – CCFO25 2017

Adoption at Step 5/8 – CAC40 July 2017