Visualising a Greener HS – WCO symposia

Session:
Expanding food horizons – recognising agricultural diversity for sustainable global food security

DG TAXUD
Unit B5 – Customs Tariff
Brussels, 5 October 2022
Greener HS

• “Greening” the HS
  – fully corresponds with the “EU Green Deal” and DG TAXUD’s “Greening Customs” initiative

• Opportunity to present ideas on how to make the HS more “green” for agricultural and food commodities (HS Chapters 1 – 24)

• Taking into account basic principles for the classification of goods within the HS
Possible areas for amendments of the HS

• Organic food products

• Products from Aquaculture

• Plant-based animal product alternatives (PB-APAs)

• Cell-cultured food products
Organic food products

• Currently **NO** single definition

• According to Wikipedia:

  • **Organic food, ecological food** or **biological food** are food and drinks produced by methods complying with the standards of **organic farming**.

  • **Organic farming** features practices that cycle resources, promote ecological balance, and conserve biodiversity.

  • Organizations regulating organic products **may restrict the use of certain pesticides and fertilizers** in the farming methods used to produce such products. Organic foods typically are **not processed using irradiation, industrial solvents, or synthetic food additives**.

  • **Standards vary worldwide** - based in large part on the standards set by the **International Federation of Organic Agriculture Movements** (IFOAM)
Organic food products

- How to prove “organic” origin for the classification in the HS?

What is ORGANIC?
What is NONORGANIC?
Organic food products

• How to prove “organic” origin for the classification in the HS?
  • The products have been produced and processed without the use of pesticides and chemical fertilizers and should not contain any contaminants – according to a general definition
  
  • However:
    • Definition of “organic” and allowed chemicals/substances may vary;
    • Customs laboratories might not be equipped to carry out trace-analysis of such compounds
    • It may involve higher budgetary requirements
    • Difficult to be controlled at the border – impact on trade facilitation
• How to prove “organic” origin for the classification in the HS?

**Option 1:**
- Develop a definition of “organic products” for classification purposes based on **objective criteria, if possible** – close cooperation with the FAO, IFOAM and other international organizations
  - *Clear and easily checked objective criteria may not exist*

**Option 2:**
- **Develop a certification scheme** that would be acceptable **worldwide** – close cooperation with the FAO, IFOAM and other international organizations
  - *It may require involvement of authorities other than customs administrations;*
  - *It may require considerable amendments of the current HS structure at headings’ level*
Organic food products

• Conclusion

  • **Further consideration on the feasibility either of the Options is needed at international level** – WCO might take a leading role in liaising with other international organizations (e.g., FAO and IFOAM, etc.)

  • Provided a definition or certification scheme is developed, new headings and/or subheadings covering products of “organic” origin could be introduced

  • **Unlikely that an amendment could be introduced under 7th Review Cycle**

  • **Possibility to address this issue under the WCO Strategic Review of the HS initiative**
• **Aquaculture** *(aquafarming)* - controlled cultivation ("farming") of aquatic organisms, such as fish, crustaceans, mollusks, algae and other aquatic plants, under controlled or semi-natural conditions *(source: Wikipedia)*

• Difference between products from aquaculture and other products:
  • **By genetic testing**
  • *However:*
    • Customs laboratories are not equipped to carry out genetic tests
    • It may involve higher budgetary requirements
    • Difficult to be controlled at the border – impact on trade facilitation
Products from Aquaculture

• How to prove “aquaculture” origin for the classification in the HS?

**Option 1:**
• Develop a definition of “aquaculture products” for classification purposes based on *objective criteria, if possible* – close cooperation with the FAO and other international organizations
  • *Clear and easily checked objective criteria may not exist – genetic testing might be problematic*

**Option 2:**
• **Develop a certification scheme** that would be acceptable *worldwide* – close cooperation with the FAO and other international organizations
  • *It may require involvement of authorities other than customs administrations;*
  • *It may require considerable amendments of the current HS structure at headings’ level*
Products from Aquaculture

• Conclusion
  • **Further consideration on the feasibility either of the Options is needed at international level** – WCO might take a leading role in liaising with other international organizations (e.g., FAO and IFOAM, etc.)
  • Provided a definition or certification scheme is developed, new headings and/or subheadings covering products of “aquaculture” origin could be introduced
  • **Unlikely that an amendment could be introduced under 7th Review Cycle**
  • **Possibility to address this issue under the WCO Strategic Review of the HS initiative**
Animal product alternatives (or *alternative proteins*) are meat, eggs, and dairy products not made from living animals.

Plant-based animal product alternatives (PB-APAs) are more environmental sustainable compared to animal products across a range of outcomes including greenhouse gas emissions, water use, land use, and other outcomes.

In terms of healthiness, PB-APAs present a number of benefits, including generally favourable nutritional profiles, aiding weight loss and muscle synthesis, and catering to specific health conditions.
Plant-based animal product alternatives

- It might, however, be difficult to analytically prove that “plant-based” products do not contain any animal-source product.

**Animal protein-replacement products**
(Laboratory tests are available to differentiate between plant and animal proteins)

An amendment with respect to products based on plant protein
Plant-based animal product alternatives

*Products based on plant protein*
Possible amendment to heading 21.06

21.06 - Food preparations not elsewhere specified or included.

2106.10 - Protein concentrates and textured protein substances

2106.20 - *Products containing by weight in the dry matter [30] % or more of plant protein, but not containing animal protein or animal fats*

2106.90 - Other
Cell-cultured food products

- **Cellular agriculture** focuses on the production of agricultural products from cell cultures using a combination of biotechnology, tissue engineering, molecular biology, and synthetic biology to create and design new methods of producing proteins, fats, and tissues that would otherwise come from traditional agriculture (source: Wikipedia)
- Mostly products such as meat, milk, and eggs
- Rapidly developing technology to produce “cell-based” products
- Such products could be introduced in the HS
Cell-cultured food products

- **Cell-cultured meat** – meat produced by in vitro cell cultures of animal cells
  - healthy meat, slaughter-free meat, in vitro meat, vat-grown meat, lab-grown meat, cell-based meat, clean meat, cultivated meat and synthetic meat

- May reduce the environmental impact of meat production

- Amendments to the HS may need to be considered for cell-cultured meat and products thereof
Cell-cultured food products

Cell-cultured meat and products thereof
Possible amendment to the HS

• Possible current classification:
  • Not under Chapter 2 – ‘this Chapter applies to meat in carcasses (i.e., the body of an animal with or without the head), half-carcasses (resulting from the lengthwise splitting of a carcass), quarters, pieces, etc., to meat offal, and to flours and meals of meat or meat offal, of all animals[...]’
  • Under Chapter 21

• Possible amendment to Chapter 21
Cell-cultured food products

*Cell-cultured meat and products thereof*
Possible amendments to the HS

**21.06 - Food preparations not elsewhere specified or included.**

2106.10 - Protein concentrates and textured protein substances

2106.20 - Products containing by weight in the dry matter [30] % or more of plant protein, but not containing animal protein or animal fats

**2106.30 - Cell-cultured meat and food preparations thereof**

2106.90 - Other
Cell-cultured food products

Cell-cultured meat and products thereof
Possible amendments to the HS

• **Definition (Chapter 21 – new Chapter Note):**
  “Throughout the nomenclature, the expression ‘cell-cultured meat’ means meat produced by *in vitro* cell cultures of animal cells [(the process by which cells are grown under controlled conditions, generally outside their natural environment)].”

• **Exclusion Notes:**
  • New Note 1 (e) to Chapter 2 – “cell-cultured meat and food preparations thereof (heading 21.06)”;
  • New Note to Chapter 16 – “This Chapter does not cover cell-cultured meat and food preparations thereof (heading 21.06).”
Thank you for your attention