

## China's New Rules for Agricultural Products in Covid-19 – A newly enforced Certificate System

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A certificate of conformity ("COC") is an "identity card" of marketed agricultural products, a "letter of commitment" for the producer, similarly a guarantee for quality and safety.<sup>1</sup> A qualified COC on agricultural products means a legal paper that documents the producer has satisfied all existing laws, regulations, standards over growing and producing, which is a self-issued guarantee on its own products concerning safety and quality. Producers bears primary responsibility for the quality and safety of an agricultural product. Through a trial implementation on COC certification system, a qualified COC is issued by the producer based on the principle of self-control and self-inspection.

At present, most agricultural products are accessing to the wholesale markets through different tiers of distributors. According to the certification measures, distributors shall check the producer's COC, as well as issuing a new COC for the next-tier distributors, which passes legal responsibilities to the downstream purchasers; thus, a purchaser is bound to require good quality and ultimate safety of an agricultural product, along with the product information, which provides a guarantee for the authenticity of an issued COC.

The administrative measures for qualified COC seem to be an "adding weight" to the existing supervision system and provide a whole set of in-process and ex-post supervision mechanisms.

- *Establishing a data directory of producers and purchasers.* Departments of agricultural and rural affairs at all levels, within their own jurisdictions, shall establish directories for producers and distri-

butors when operating agricultural product business, and form a database that includes the names, types of products and purchase entities, the varieties of agricultural products produced and bad records in history.

- *Intensifying daily inspections.* The issuance of qualified COCs shall be included in govt.'s daily inspection, and the compliance and authenticity of COCs shall be checked if they match to the database, the same with a review of the implementation on existing quality and safety control requirements for agricultural products, so as to prevent unqualified agricultural products from sneaking into the local markets.

- *Making a credit classification system.* Those entities that have falsely issued COCs and whose "commitment" are proved failed by random inspections, shall be documented in their credit management system, and corresponding legal penalties shall be applied. Producers and business operators shall be subject to credit classification system, and those with good credit records shall be supervised less frequently, and while with poor credit records shall be the regulatory focus.

### 1.- Development of the COC Certification System

It has taken more than eight years to explore ways to develop administrative measures for COCs on agricultural products. The research started as early as 2012, when the administrative measures for the COC system were prepared to draw up.

In 2016, *The 13<sup>th</sup> Five-year Plan for Economic and Social Development of the People's Republic of China (2016-2020)* puts forward new requirements on the quality and safety for agricultural products, which underlines strengthening quality and safety oversight over agricultural products from farm to table, strengthening safety management at production sites, implementing a certification system when products leaving farms and

(<sup>1</sup>) Xiao Fang, *Trial Implementation of a New Certificate System on Agricultural Product*, in *Farmer's Daily*, 2020-01-08(007).

entering into local markets.<sup>2</sup> In 2017, *A Guideline on Innovating System and Mechanism to Promote Green Development of Agriculture* issued by The General Offices of the Communist Party of China (CPC) Central Committee and the State Council, demanding that it shall strengthen the overall supervision of the quality and safety of agricultural products and improve the a certification system more linked to market access.<sup>3</sup>

In July 2016, the former Ministry of Agriculture of the PRC issued the *Notice of the Ministry of Agriculture on Carrying out the Pilot Management of Edible Agricultural Products Qualified Certificates* to carry out pilots of agricultural products certificate management in 6 provinces including Hebei, Heilongjiang, Zhejiang, Shandong, Hunan and Shaanxi.<sup>4</sup> On December 18, 2019, Ministry of Agriculture and Rural Affairs of the PRC issued the *National Trial Implementation Plan for the Administrative Measures for Qualified Certificates of Edible Agricultural Products* on the basis of summarizing the pilot work experience of the above six provinces; in addition, a video conference was held on December 27, 2019 for the deployment of the nationwide trial of the administrative measures for qualified certificates on agricultural products, and it was confirmed that the administrative measures would be formally implemented nationwide on January 1, 2020.<sup>5</sup>

## 1.1.- Background

The institutional design for this COC certification system on agricultural products have absorbed from the management mode of certificates on industrial products. It marks that the quality and

safety management of agricultural products has bid farewell to the era of “approved by default” when entering into the market, and has officially entered the marking stage of “commitment to qualified”.<sup>6</sup>

## 1.2.- Definition of “Qualified”

For agricultural products, a qualified COC is a solemn commitment on the compliance of safety and quality while the scope of commitment is restricted, mainly focus on pesticide residues and illegal additives. The pesticide residues and illegal additives are man-made factors when the production process is controllable; however, biological toxins and heavy metals are mainly environmental factors which are difficult to control by producers, so it is too much to ask if the producers must commit.

## 1.3.- Applicable Party

The applicable parties of the qualified certificates for agricultural products should cover all parties in the entire supply chain from farm to table. Currently in the pilot phase, it could start with the producers with high market share or high degree of commercialization, including food companies, farmers’ cooperatives, family farms; at the same time, individual farmers are encouraged to participate.

## 1.4.- Collaboration among Different Agencies

The COC certification system on agricultural pro-

<sup>(2)</sup> [http://www.gov.cn/xinwen/2015-12/11/content\\_5022855.htm](http://www.gov.cn/xinwen/2015-12/11/content_5022855.htm)

<sup>(3)</sup> [http://www.gov.cn/zhengce/2017-09/30/content\\_5228960.htm](http://www.gov.cn/zhengce/2017-09/30/content_5228960.htm)

<sup>(4)</sup> [http://www.moa.gov.cn/nybggb/2016/dibaqi/201712/t20171219\\_6102792.htm](http://www.moa.gov.cn/nybggb/2016/dibaqi/201712/t20171219_6102792.htm)

<sup>(5)</sup> [http://www.moa.gov.cn/gk/tzgg\\_1/tz/202001/t20200110\\_6334760.htm](http://www.moa.gov.cn/gk/tzgg_1/tz/202001/t20200110_6334760.htm)

<sup>(6)</sup> Chen Song, Yu Yijun, Wang Chunjiu, Zhang Richeng, Ma Jianjun, “Management and Policy Study of Certification System on Agricultural Products”, *Safety and Quality of Agricultural Products*, 2017(03):59-62.

ducts evolves with horizontal collaboration, vertical coordination, and inter-provincial communication among competent departments, especially a co-working system between the agricultural department and the market supervision department.

### 1.5.- *Legal Status of an Issued Certificate*

The current draft revised *Law of the People's Republic of China on Quality and Safety of Agricultural Products* has clarified the legal status of an agricultural product certificate. Article 40 of the draft provides that, "The state establishes administrative measures for qualified certificates on agricultural products. Producers and operators of agricultural products shall implement relevant quality and safety control requirements in accordance with current laws, regulations and national standards, truthfully issue qualified certificates on agricultural products, ensuring that agricultural products in market meet national food safety standards and producers are responsible for the quality and safety of their grown agricultural products. The specific measures shall be formulated by Ministry of Agriculture and Rural Affairs jointly with State Administration for Market Regulation."<sup>7</sup>

### 1.6.- *Certificate of Conformity and Food Traceability*

A qualified Certificate of Conformity is connected to the producer at one end and the consumer at the other. Some large-scale entities also carry out QR code certificates that can be found by scanning with a mobile phone, thus the source is traceable and the information can be checked, which greatly enhances consumers' right to know when purchasing agricultural products. Although

the quality and safety of agricultural products cannot achieve "zero risk", the "occurrence-lock-investigation" chain can be improved through the certificate traceability mechanism to find purchasers and producers in a timely manner, improving the accuracy of identifying problems, and reducing the time of intermediate links.<sup>8</sup>

Through the operation of the COC measures, if an agricultural product quality or safety incident occurs, the supply chain involving problematic products can be effectively disclosed to the general public; problematic products would be recalled and destroyed; violators should be severely penalized; and consumer confidence could be established.

### 1.7.- *Certificate of Conformity vs. Other Certification Marks*

The main difference lies in different functions, different properties and different issuing subjects. The function of COC is to indicate the source of products and prove that it meets the requirements of applicable national laws and standards. It is the bottom line that must be met for in-market agricultural products and should be a normative requirement. Producers and business operators are the subject of the issuance of a COC, which must be provided when the product goes into the market; while other certification marks are to indicate that a product meets certain standards and regulatory requirements, with certain advantages in quality or production methods, and can be used as a reference basis for consumers to purchase high-quality agricultural products, which exists as a selective requirement. Other certification marks should be reviewed and approved by an authorized department or specialized agency. Producers and operators are not allowed to use these mark without a third-party authorization. It can be said

(<sup>7</sup>) [http://www.moa.gov.cn/hd/zqyj/yfzj/201906/t20190618\\_6317940.htm](http://www.moa.gov.cn/hd/zqyj/yfzj/201906/t20190618_6317940.htm)

(<sup>8</sup>) Yu Yijun, Chen Kai, Wang Weimin, Chen Song, *Institutional Innovation and Practice Research on a Certification System on Agricultural Products (Zhejiang Model)*, *China Food and Nutrition*. 2018,24(07):16-19.

that other certification marks are an advanced form of COC when it comes to agricultural products.

## 2.- Implementation of COC Certifications on Agricultural Products over Covid-19

During COVID-19, consumers who ate at home were increasingly demanding the quality and safety of agricultural products. The administrative measures broken through the traditional "person-to-person" supervision model, which not only reduced personnel contact, but also ensured the traceability of agricultural products, and strengthened legal responsibility on agricultural producers and operators. According to Ministry of Agriculture and Rural Affairs (Press Conference on March 22, 2020), before the outbreak of COVID-19, more than 200,000 producers had implemented qualified COCs, and more than 32 million certificates were issued and used. During COVID-19, a total of 3.7 million qualified COCs were issued, and the number of agricultural products endorsed with COCs reached 2.48 million tons.<sup>9</sup>

### 2.1.- Two Policy Documents

*Notice of the General Office of the Ministry of Agriculture and Rural Affairs on Resolutely Ensuring the Quality and Safety of Agricultural Products during the Period of COVID-19 Prevention and Control*, provided that, "Make good use of the administrative measures for qualified certificates on agricultural products.<sup>10</sup> It is an effective means to reduce personnel contact and confirm the main responsibility during the special period of COVID-19 prevention and control. The first qualified certificate of Sichuan Province with 'love vegetables' transported to Wuhan has

played an active role in the prevention and control of COVID-19 in ensuring the supply and quality of vegetables. Local agricultural and rural departments shall follow Sichuan's practices, actively promoting the implementation of the qualified certificates through WeChat and the Internet, guiding producers to improve their awareness of quality and safety, strengthening self-quality control, self-issue certificate and self-commitment, encouraging 'vegetable basket' products such as vegetables, fruits, livestock, poultry and eggs, and aquatic products to be marketed with qualified certificates. Especially for the distribution and transportation of 'vegetable basket' products in key areas such as Hubei Province, the quality and safety of agricultural products must be guaranteed by the source. The relevant testing agencies must instruct producers to issue certificates when issuing test reports as required".

*Notice on Further Strengthening the Quality and Safety of Agricultural Products during the Prevention and Control of COVID-19*, stated that, "Make good use of the qualified certificates of edible agricultural products. Encouraging producers committed to the quality and safety of agricultural products and issue certificates of their own accord. It is the most convenient way of certification and an effective way to confirm the responsibilities of producers and operators. However, it should be noted that the administrative measures for qualified certificates have just been implemented and most producers have not yet understood it well. Agricultural and rural departments in various regions must provide services and guide producers to issue certifications, so as not to affect the supply of 'vegetable basket' products during the prevention and control of COVID-19."<sup>11</sup>

### 2.2.- COVID-19 Resurgence in Beijing

The resurgence of COVID-19, in particular, which

<sup>(9)</sup> <http://www.nhc.gov.cn/xcs/fkdt/202003/da24b01f9a1b417f82e55e8173b84551.shtml>.

<sup>(10)</sup> [http://www.jgs.moa.gov.cn/gzdt/jgjd/202002/t20200214\\_6337124.htm](http://www.jgs.moa.gov.cn/gzdt/jgjd/202002/t20200214_6337124.htm).

<sup>(11)</sup> [http://www.jgs.moa.gov.cn/gzdt/jgjd/202002/t20200214\\_6337134.htm](http://www.jgs.moa.gov.cn/gzdt/jgjd/202002/t20200214_6337134.htm).

outbroke at Beijing in June 2020, warned Chinese government on the market access of agricultural products.

The current market access management is far from reaching the expected goal. This may not only make agricultural products with potential safety hazards when enter the market, but also make it more difficult to trace the source in the first time when an emergency outbreaks. Just as access to the circulation of people during the COVID-19 relies on “Health Code” or “Health Kit”, market access for agricultural products shall also have an effective carrier, i.e. COC. A qualified COC is the quality and safety commitment issued by the agricultural grower and breeding producers themselves to abide by national laws, regulations, food safety standards under the principle of self-control and self-inspection. A qualified COC is so irreplaceable because it meets the following 5 conditions altogether:

1. COC is a core certification to prove qualified. The control of agricultural-product market access shall establish a standardized and fixed carrier, that is, agricultural products to be entered into market shall have a qualified certificate.
2. Including commitments and traceability information. This is the most basic attribute for a qualified certificate, and also its core content. The qualification commitment proves that producers and operators have taken the initiative to fulfill their responsibilities on the basis of self-control and self-examination.
3. All producers and operators are capable to issue certificates. As the market-access certificate of agricultural products, it must be uniformed.
4. It shall be issued by the producer itself. This is the premise of implementing the primary responsibility of the producers and operators, and also a guarantee of the universality of a certificate.
5. It is able to effectively interface with market access requirements. For information collection, a COC can be considered as the combination of an ID card, a certificate of purchase, a certificate of origin and other necessary documentations. It is appropriate to be used as the carrier approved by the place of origin to seamlessly connect with

the market access requirements.

As a carrier of market access control, a COC will run through the entire chain of supervision of agricultural products from farm to table, and all agricultural producers and operators shall satisfy the requirements in accordance with the law, self-control/self-inspection standards, issue a certificate at the time of trading, and make commitments on the quality and safety of their own products.

All operators in intermediate trading and from agricultural products trading market shall obligate obtaining certificates and bills required by the laws and have better understanding on the quality and safety information of purchased products. In the distribution chain of agricultural products, government shall take responsibility of guiding, supervising, filing and sampling inspection, constantly standardizing the circulation of agricultural products, and promoting the measures of certificates to form a virtuous circle in the distribution chain through external forces. In this way, when a problematic agricultural product is found or an emergency occurs, the source of problem can be quickly identified when reading the certificates that run through the whole supply chain.

### *3.- Prospect of COC Certification in China*

As a set of innovative supervision measures for the quality and safety on agricultural products, the existing administrative measures are forward-looking.

However, due to the short time of its trial nationwide, there are some issues that need attention in the exploration and practice.

First of all, comparing previous certification measures, a qualified COC is issued and committed by the producers themselves, which shall not be issued by other institutions, and there is no endorsement by government and testing institutions. Thus, it places great emphasis on the primary responsibility of producers such as planting and breeding, and requires producers to be more responsible for the quality and safety of agricultu-

ral products.<sup>12</sup> But the quality and safety consciousness of the current agricultural producers is unequal, and some producers have poor sense of responsibility; in addition, qualified certificates are in the trial period when applicable laws and regulations, especially legal sanction requirements, have not been yet formed, which may leave room for misbehaviors like false issuance exists. Therefore, it is necessary to strengthen the training and education for producers, improving their sense of responsibility upon the quality and safety of agricultural products and play a self-discipline role. On the other hand, it is necessary to clarify the legal status of an issued COC, speeding up its incorporation into *Law of the People's Republic of China on Quality and Safety of Agricultural Products*, improving laws and regulations as well as strictly enforcing the supervision and effectively playing the role of heteronomy.

Secondly, market recognition and acceptance are key factors to promote the implementation of qualified certificates on agricultural products. A qualified COC indicates the source of the products and proves that it meets the requirements provided by relevant laws and standards. It is the bottom line that must be met for agricultural products entered into market. However, most agricultural products have long been in a state of "unknown origin". Consumers have long been accustomed to judging the quality of agricultural products by their appearances and smell, and they don't even read whether an agricultural product is attached with a certificate. They have no idea that the qualified certificate is a mark that must be provided for agricultural products when entered into market. This lack of awareness can easily lead to an embarrassing situation that qualified certificates are "speciosity" and "existed only in name". Therefore, it shall not only strengthen the publicity and education of producers, but also pay attention to the publicity and education of consumers

to make the qualified certificate become an important reference for consumers to purchase agricultural products, and encourage consumers to develop the consumption habit of purchasing agricultural products with certificates when the government wants to promote the administrative measures on certification system and disclose more product information.<sup>13</sup> As a result, producers who issue COCs are encouraged, and ultimately all producers consider it as a business norm to truthfully issue the certificates.

Thirdly, with the rapid development of the Internet, new trading models have been constantly emerging, including e-commerce, live commerce, Wechat shopping, sightseeing and picking, made-to-order farming, etc. The distribution of agricultural products are no longer limited to farmers' markets, shops, supermarkets or other traditional ways. In particular, the outbreak of COVID-19 has brought about the convergence of online and offline trading models, and the supply of agricultural products is increasingly diversified. Disadvantages also appear, which brings new challenges to the supervision of the quality and safety on agricultural products. The new administrative measures can better adapt to new trading modes. It can be said that the emergence of new trading models has added wings to the sales of agricultural products, moreover, a qualified COC provides guarantee for agricultural products to fly higher and farther. Hence, in practice, it is necessary to fully clarify the responsibilities of producers, sellers, third-party platforms, and spokespersons in terms of agricultural product quality and safety. On the basis that agricultural product producers are the first responsible person for quality and safety, third-party platforms and sellers shall strictly examine the qualifications of producers to ensure that they cannot be entered into market without a proper license. Meanwhile, it is necessary to speed up the establishment of laws

<sup>(12)</sup> Sun Juanjuan, Chen Song, *Institutional Innovation and Law Guarantee on the New Certification System of Agricultural Products*, 2019(03):39-47.

<sup>(13)</sup> Yu Yijun, Chen Kai, Wang Jian, Tang Tao, Chen Song, *Implementation Achievements and Impact Factor Researches of the Certification System on Agricultural Products*, in "Acta Agriculture Zhejiang", 2018,30(10):1798-1803.

and regulations that adapt to the quality and safety of online agricultural products to ensure that the responsibilities and obligations of all parties are legally suited.

Finally, a qualified COC is a traceable certificate, which plays an important role in information sharing and database construction. Although the Ministry of Agriculture and Rural Affairs has given the basic format of a certificate, in the current practice of each province, COCs are still facing regional division. For example, the forms used by each producer are different. Regarding whether a certificate is accompanied by a traceable QR code, certificate of origin, barcode, electronic certificate, etc., each province has its own practice. This is not conducive to the identification and recognition for consumers, and it is also not helpful to the construction of a database, and more likely to become a bottleneck restricting the mutual connection and sharing of information. For agricultural producers, the requirement of multi-code coexistence will also increase production costs and reduce the willingness of producers' adoption. Consequently, how to formulate a unified standard and a unified coding, let alone a unified format, and how to promote paperless certification and take a unified platform for management, might be big issues that need to be solved in the management of qualified certification system in the future.

## ABSTRACT

*China's new implemented certification system on*

*agricultural products achieves a more transparent information exchange system to various stakeholders, downstream distributors, govt. agencies, consumers, consolidate the govt.'s will to have producers taking primary food safety responsibilities, and acquire plenty of valuable data on the oversight of agricultural products. There is no doubt that Chinese government should help the small and middle size farms to learn the new certification system at this stage, and a lot of follow-up work are also expected to be improved, for instance the legal definition, legal sanctions, a uniform format, etc. The new certification system is a popular system as it gives consumers a simpler version to pick high-quality food especially during the Covid-19 lockdown.*

*Il nuovo sistema di certificazione dei prodotti agricoli adottato in Cina punta ad ottenere un sistema di scambio di informazioni più trasparente fra le varie parti interessate, produttori, distributori, agenzie governative, consumatori, e punta a far assumere ai produttori le principali responsabilità in materia di sicurezza alimentare e ad acquisire dati preziosi su controllo dei prodotti agricoli. Non c'è dubbio che il governo cinese dovrebbe aiutare le aziende agricole di piccole e medie dimensioni ad apprendere il nuovo sistema di certificazione in questa fase. Si prevede anche che verrà migliorato il quadro applicativo della nuova disciplina, ivi incluse le definizioni, le sanzioni, un formato uniforme, ecc. Il nuovo sistema di certificazione è un sistema popolare in quanto offre ai consumatori una possibilità più semplice per scegliere alimenti di alta qualità, soprattutto durante il blocco di Covid-19.*