



The Growing Challenge caused by illegal Pesticide Trade

Carsten Herrmann / Bayer CropScience:
Crop Life International Anti-Counterfeiting Steering Committee





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Carsten Herrmann / Bayer CropScience

ECPA / Anti-Counterfeiting Expert Group (ACEG)



Product Defense



The Growing Challenge caused by illegal Pesticide Trade

59th CIPAC Meeting , Athens

June 2015 - Carsten Herrmann



Bayer CropScience

What`s an “illegal pesticide”??



... it`s a pesticide, which is illegal

→ at the country of origin

AND/OR

→ at the country of destination

e.g. following illegalities:

- IPR-infringements (Patents & Trademarks)
- False declarations
- No product registration
- Tax Fraud
- Export Fraud

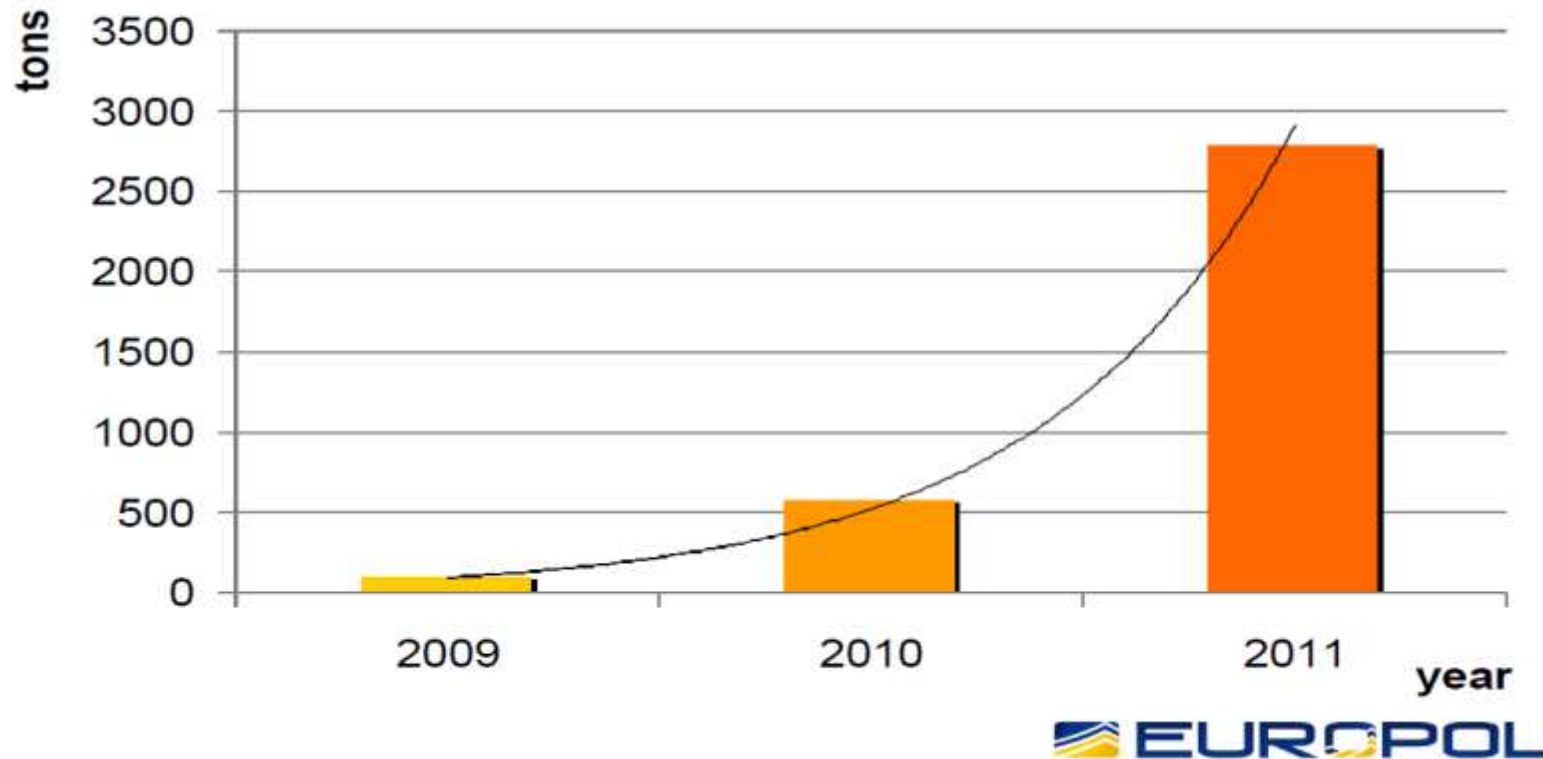
World Pesticide Market US\$ 62 bn (2014)

Illegality of above:

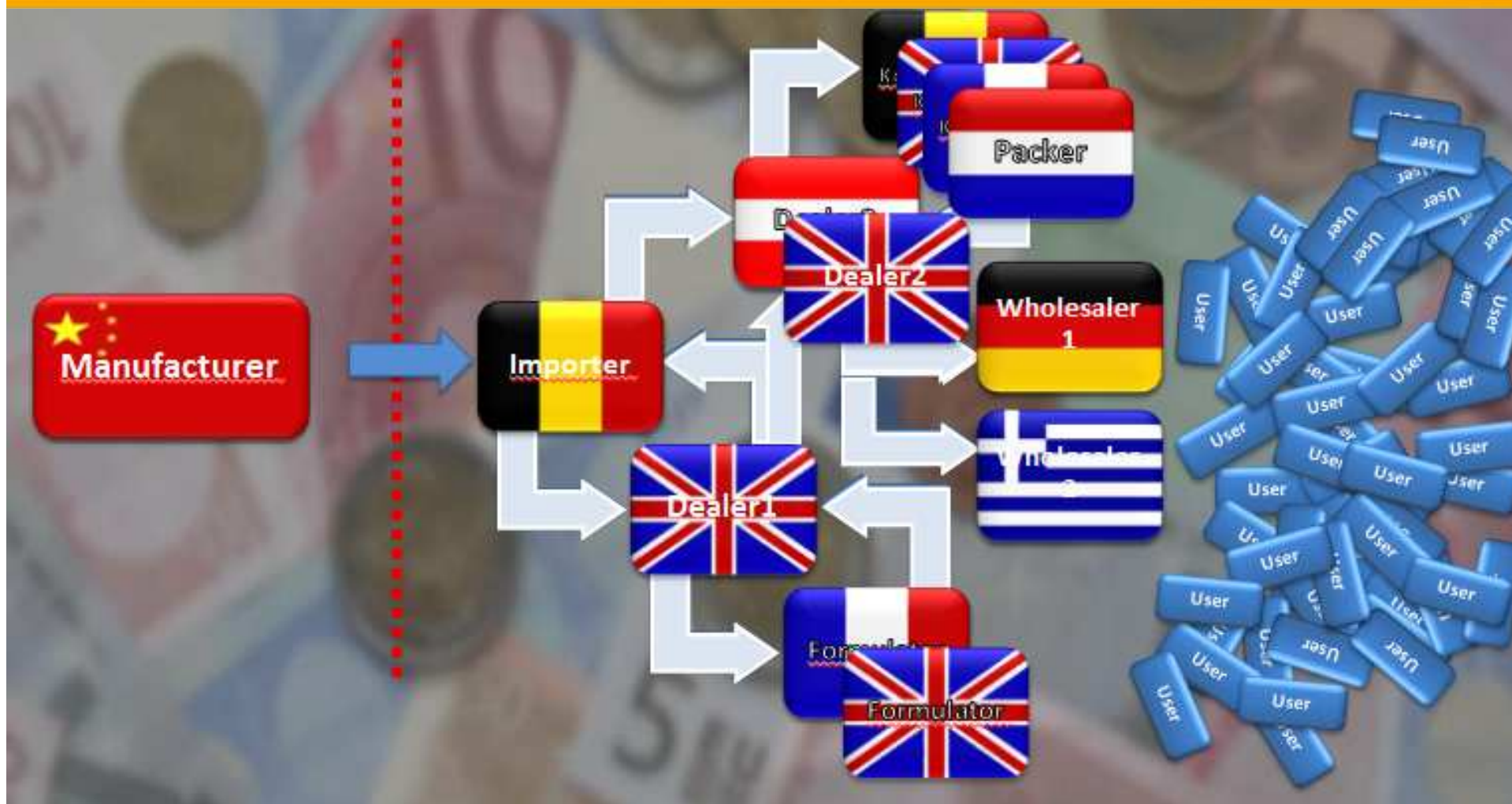
- OECD report, 2007 5-7%
- EUROPOL/OHIM, Nov 2012 > 10%
- DG Sante, March 2015 ~ 10%

CF's – a Growing Challenge

Incidents counterfeited pesticides



... by Highly Organized Crime!!!



Co-Operation Partners



Europol Public Information



The Hague, November 2011
File Nr.: 2521-93
OC-SCAN POLICY BRIEF FOR
THREAT NOTICE: 011-2011

OC-SCAN POLICY BRIEF

Growth in the trade in counterfeit and other illegal pesticides across Europe

The global revenues associated with the trade in counterfeit and other illegal pesticides are estimated at more than 4.4 billion Euros per annum. The illegal trade in pesticides represents over 10 per cent of the total worldwide market, which has an end-user value of 44 billion Euros. To varying degrees, the use of illegal pesticides has been detected across Europe. In North East Europe, a region particularly targeted by the criminal networks involved in this activity, more than 25 per cent of the pesticides in circulation in some European Union (EU) Member States are estimated to originate from the illegal pesticide trade. However, most European countries with a large agricultural sector are affected by this threat.



Destruction of maize crops in several EU MS in 2004, due to the use of illegal pesticides with a harmful composition of sulfonylurea derivatives.



PRESS RELEASE No 13/2014

31 July 2014

Substantial quantities of smuggled counterfeit pesticides seized in Poland thanks to information provided by OLAF

Polish customs have seized 21 tonnes of counterfeit and illicit pesticides, following key information provided by the European Anti-Fraud Office (OLAF). According to the analysis carried out by the Polish State Plant Health and Seeds Inspection Service, the seized products contained unregistered or illegal active ingredients that could be potentially dangerous for health. The successful operation was the result of cooperation between OLAF, Polish authorities and legitimate right-holders.

The Director-General of OLAF, Mr Giovanni Kessler said: *"The smuggling of counterfeit pesticides poses a threat to the food chain, to farmers and ultimately to consumers because it allows dangerous products to reach the market. Smuggling occurs through*

Basics for any Counterfeit-Case



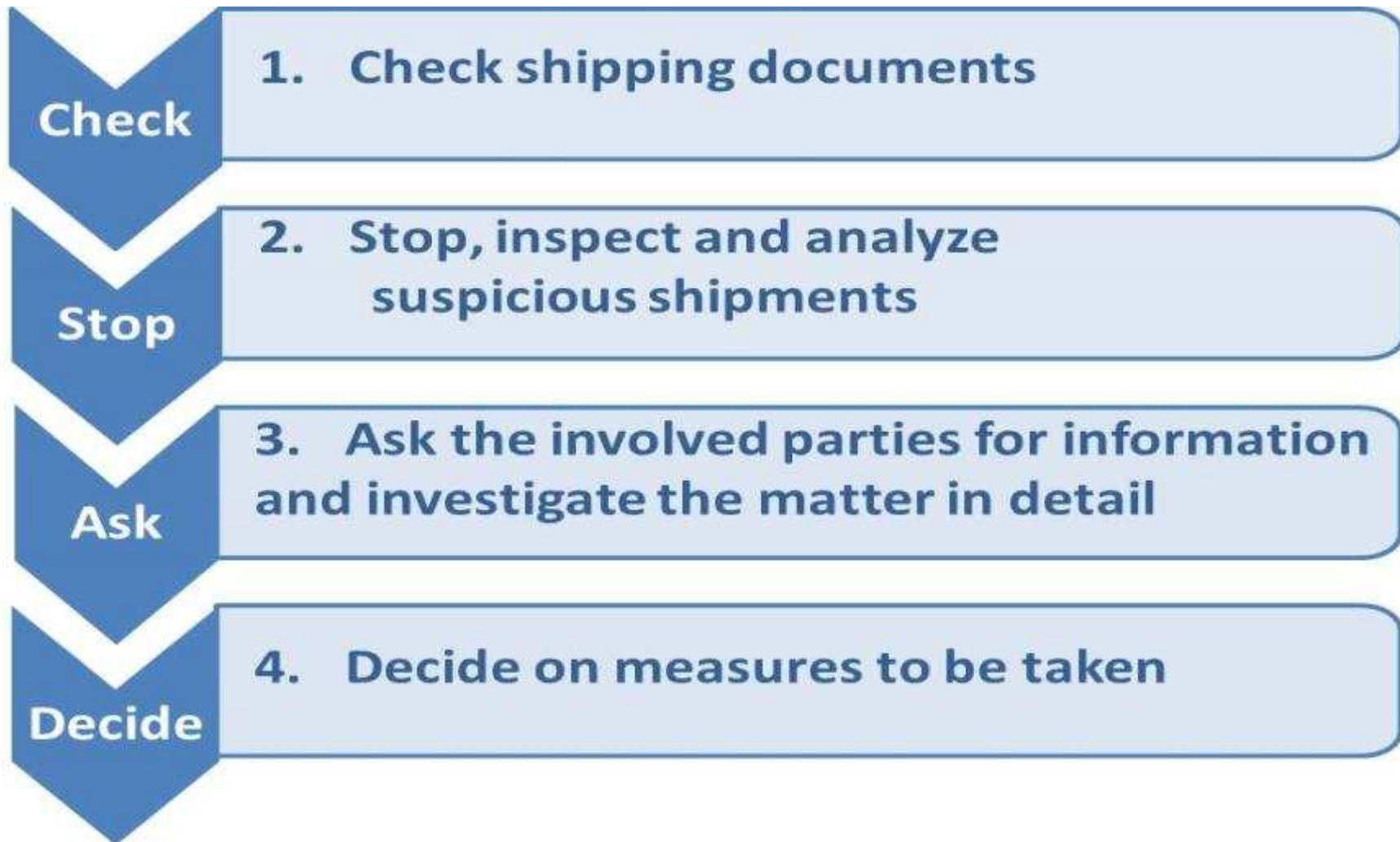
Finding

Opening & Checking

Analyzing

Seizing & Destroying

The 4 Step Approach – Stopping Illegal PPP at the Border



Hamburg Port Seizures (1st Q 2014)



Product Defense

- Hamburg authorities stop 6 shipments with 9 containers
- 120 tons transported by 4 different shipping lines
- Shipment Origin: China → Destination “declared”: Ukraine (UA)
- Chemical analysis (“1st shot”) of 36 samples at Bayer Laboratory
 - ➔ analytical result: **false declarations, IP-infringements, lack of product-registration, EU-banned co-formulants**
- Authorities starting to ask questions ... to the CN-shipper, the UA-consignee, forwarding agents etc.
- Case investigations by authorities are on-going



Dienstag, 16. Dezember 2014

HAMBURG

Hamburg – Drehscheibe für Pestizid-Mafia

Illegale Pflanzenschutzmittel werden massenhaft über den Hafen nach Europa geschmuggelt. Polizei spricht von organisierter Kriminalität

ANDRÉ ZAND-VAKILI

HAMBURG :: Zehn Tonnen gefälschter Pestizide haben Mitarbeiter des Pflanzenschutzamtes im Hamburger Hafen sichergestellt. Der Erfolg ist kein Einzelfall. Das Geschäft mit den gefährlichen Stoffen boomt. Allein in diesem Jahr wurden in Hamburg zwölf Container mit insgesamt 196 Tonnen illegal gehandelter Pflanzenschutzmittel sichergestellt. Den Wert beziffern die Behörden mit 15 Millionen Euro. Die Hintermänner beim Handel mit verbotenen Pestiziden stammen Europol zufolge aus der organisierten Kriminalität. Und Hamburg ist die Drehscheibe des Handels.



ist in der Lage, die rund neun Mill Container, die jährlich in Hamburg geschlagen werden, zu überprüfen. Zoll oder Kripo überprüft das Pflanzschutzamt gezielt Container, die per EDV herausgefiltert wurden.

Erstmals rückte der Handel mit legalen Pflanzenschutzmitteln in den Fokus. Das Bewusstsein der Hamburger Behörden. Damals hatten die Fahndung Leinpfad zunächst 300 Kilogramm botener Pestizide in der Garage Kaufmannes gefunden. Am Ende Ermittlungen ging man davon aus, mehr als 200 Anwenderbetriebe, insbesondere aus dem Gartenbaugewerbe, legale Pflanzenschutzmittel gekauft und versprüht haben. Der Fall gi

German Media Coverage 12/2014 Product Defense

Hamburg - Hub for the pesticide mafia

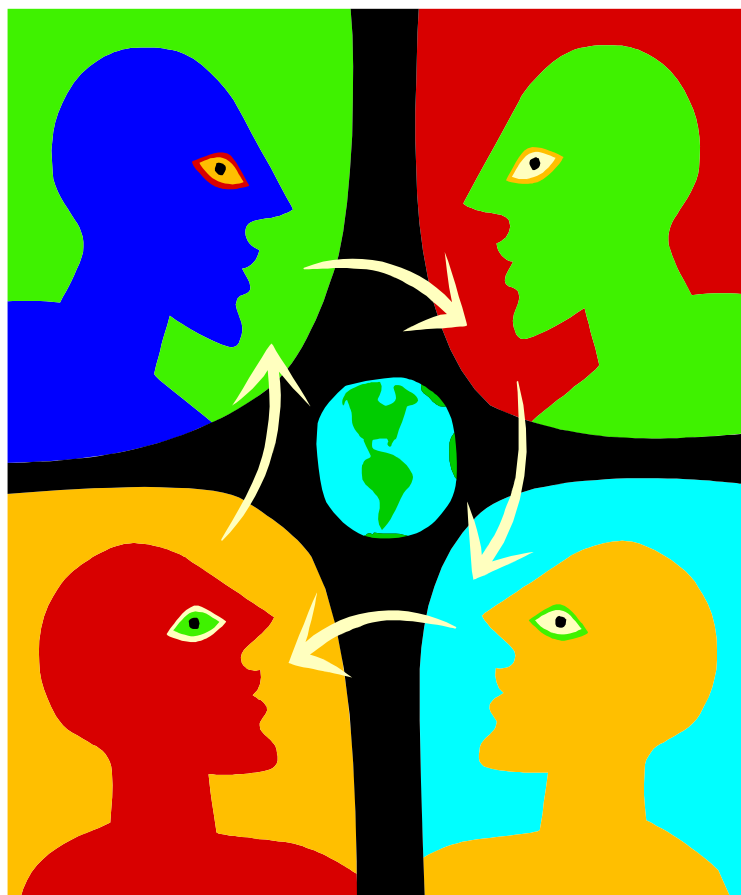
2014-12-16, Hamburger Abendblatt

Hamburg is the hub of the illegal pesticides trade. In the port of Hamburg, the police has seized twelve containers with 196 tons of illegal pesticides worth around EUR 15 million in 2014 so far. But the substances contained in counterfeit pesticides are often harmful because additional ingredients such as solvents are not only cheaper but also more toxic than original products and might find their way into the food chain.

Prevention by Joining Hands



Objective: Prevent exports & imports of illegal pesticides



Networking plus “Best Practice”
development & sharing



**Pan-European case handling cooperation
Anti-Counterfeiting “PORT PROJECTS”**

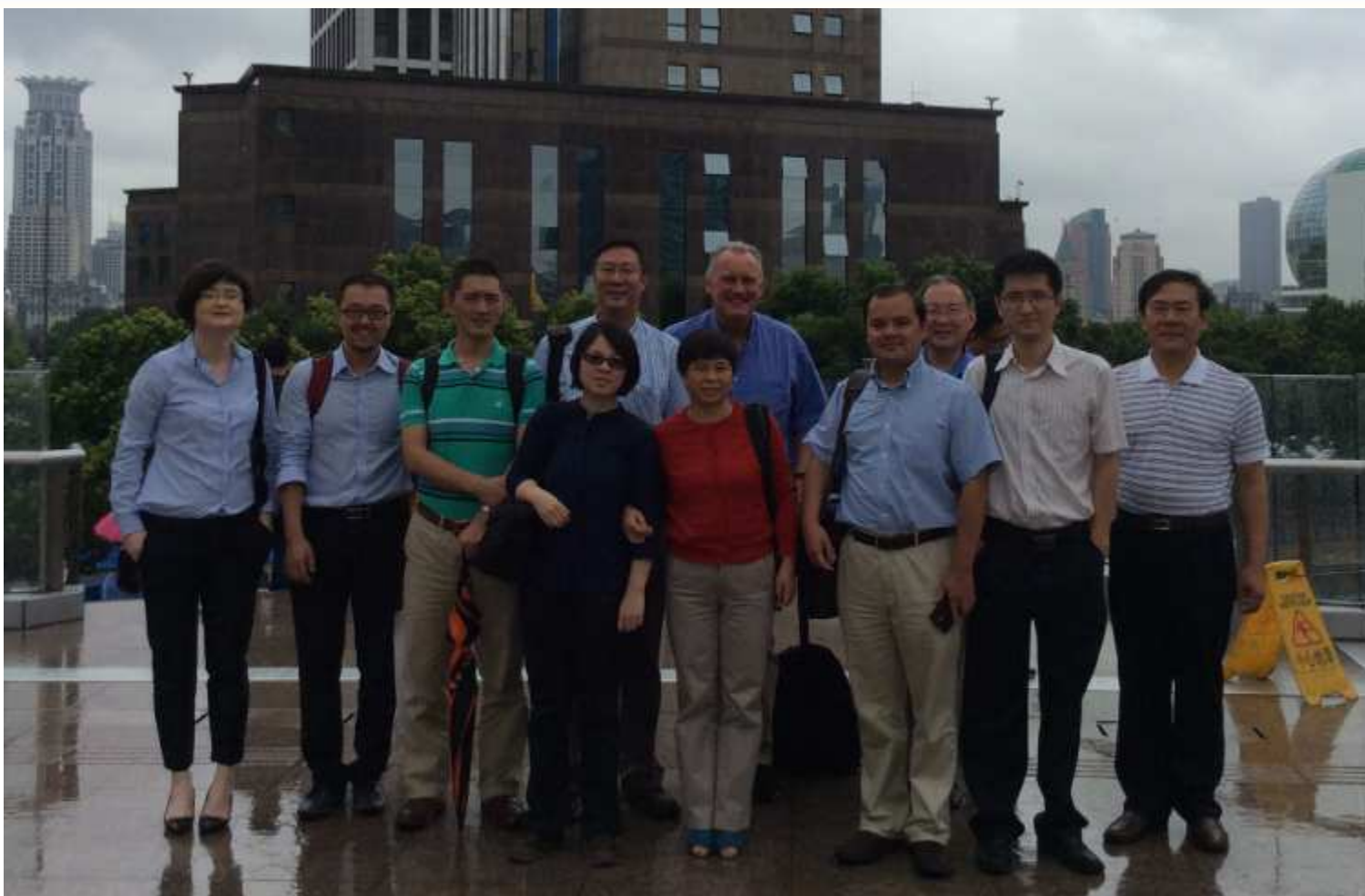
- | | |
|---------------------------|---------|
| → Hamburg | 2010 |
| → Rotterdam | 2011 |
| → Klaipeda/Riga/Tallinn | 2011 |
| → Bremen/BHV/WHV | 2012 |
| → Mediterranean/Black Sea | 2012/13 |
| → Shanghai | 2013/14 |
| → Koper/Slovenia | 2014 |
| → France | 2015 |
| → Spain | 2015 |
| → Antwerp | 201??? |

How do we address

- Product Defense (as BCS)
- AntiCounterfeiting (as CropLife)

In China... which is the main
country of origin of illegal pesticides

GB in China 8/2014 - Shanghai



China 8/2014 – Beijing at GACC



China 8/2014 – Beijing ICAMA

 Product Defense



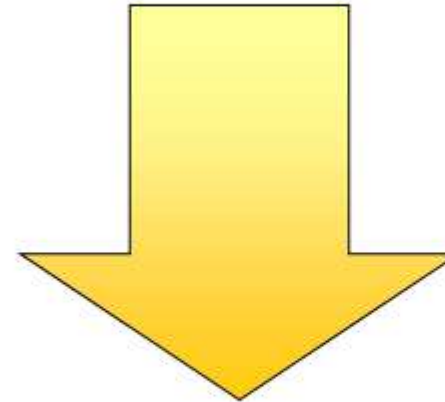
China 8/2014 – Beijing ICAMA



Know Your Customer (KYC)

Certificate of Export Pesticide Release Notification 农药出口登记管理放行通知单	
1. 经营单位: Operating company name 拜耳作物科学(中国)有限公司 Bayer CropScience (China) Co., Ltd.	2. 通知单号: Certificate No. 012013081943
3. 经营单位代码: company registered No. 3301239051	4. 有效截止日期: period of validity 2013-12-17
5. 贸易方式: Trade terms 一般贸易 general trade	6. 报关口岸: Port of declaration 上海海关 Shanghai Customs
7. 商品名称: Name of commodity 80%氟虫腈水分散粒剂 Fipronil WG80	8. 商品编号: H.S. Code 3808919000
9. 有效成分CAS号: CAS No. 120068-37-3	10. 商品用途: Use of commodity 杀虫 Insecticide
11. 出口数量: Export Quantity 3000	12. 计量单位: Measurement Unit 千克 Kilogram
13. 发货单位: Company of delivery 拜耳作物科学(中国)有限公司 Bayer CropScience (China) Co., Ltd.	14. 生产单位: Manufactory 拜耳作物科学(中国)有限公司 Bayer CropScience (China) Co., Ltd.
15. 最终目的国(地区): Final destination 越南 Vietnam	16. 运抵国(地区): Ship to 越南 Vietnam
17. 包装方式: Packaging type 非零售包装 Non-Retail Packaging	18. 农药毒性: Toxicity 中等毒 Medium Toxicity
19. 备注: Remark	20. 发证机关印章: Sign/Stamp of issuing Authority.  签发日期: 2013-09-17 Date of issue: 2013-09-17

➔ in China



obligatory
export document

How do we, Bayer CropScience, do

PD/AC

in the market... example BCS Germany

Tell all Stakeholders in the Market Product Defense

Don't engage, allow or support
any kind suspicious business

Don't take risk buying cheap and unknown
→ it's not worth it!

Report any suspicion reg. BCS products
to whom? ... to BCS Sales/Mkt people

Any doubt: contact your BCS Sales Rep.

AC.... HOW to do in the market?!



Product Defense

Suspicious to be checked

- Product is „suspiciously“ cheap
- Product has different color or smell
- Product has bad solubility or suspensibility in water

Is the label ok?

- Same color and content like BCS label?
 - Product-registration Number on the label?
 - Importers & distributor name and full address on the label?
 - Manufacturing date & batchNo on the label?

Offer help!

- For any doubt or question: contact BCS/nPDM
- Offer chemical analysis at BCS lab.
- Offer incentive for reporting suspicions





Product Defense

On behalf of our customers, consumers and the environment

Thanks! Lets join hands fighting Organized Crime!