

CHAPTER 6

STATE TRADING and QUALITY CONTROL

One of the responsibilities of the government is to ensure the supply of essential commodities to the people. This may require direct intervention on its part in trading of agricultural commodities.

Objectives

The objectives of state trading are:

- (i) To make available supplies of essential commodities to consumers at reasonable prices on a regular basis;
- (ii) To ensure a fair price of the produce to the farmers so that there may be an adequate incentive to increase production;
- (iii) To minimize violent price fluctuations occurring as a result of seasonal variations in supply and demand;
- (iv) To arrange for the supply of such inputs as fertilizers and insecticides so that the tempo of increased production is maintained;
- (v) To undertake the procurement and maintenance of buffer stock, and their distribution, whenever and wherever necessary;
- (vi) To arrange for storage, transportation, packaging and processing;
- (vii) To conduct surveys and provide the required statistics to the government so that it may improve the conditions of the farmers; and
- (viii) To check hoarding, black-marketing and profiteering.

Types of State Trading

State trading may be partial or complete, depending upon the extent of intervention desired by the government.

(i) Partial State Trading

In partial state trading, private traders and government coexist. Traders are free to buy and sell in the market. The government may place some restrictions on them, such as declaration of stocks, limits on the stocks which can be held at a point of time and submission of regular accounts. The government enters the market for the purchase of commodities directly from producers at notified procurement price. It undertakes the distribution of commodities to consumers through a network of fair price shops. In this way, it safeguards the interest of producers and consumers alike, and keeps a check on the undesirable activities of traders.

(ii) Complete State Trading

This is the extreme form of trading adopted by the government when partial state trading fails to ensure fair prices to producers and make goods available to consumers at reasonable prices. The purchase and sale of commodities is undertaken entirely by the government or its agencies. Private traders are not allowed to enter the market for purchase or sale. Under this form of state trading, the government remains the sole purchaser and distributor of the commodity.

Complete state trading necessitates the outlay of huge finance, and the provision of storage facilities at important production and consumption centres, and calls for appointment of efficient men so that the purchase and distribution functions of professional traders may be effectively taken over by a governmental agency. In India, complete wholesale trade in wheat was taken over by the government in 1973; but it had to be given up very soon.

Experience of Wholesale Trade Takeover in Wheat

On the recommendation of Chief Ministers' conference held in February, 1973, the wholesale trade in wheat and paddy was taken over by the government from the rabi season of 1972-73. It was intended to eliminate the wholesalers, who were considered to be responsible for creating an artificial scarcity by hoarding with a view to raising prices. It was expected that the direct purchase of foodgrains by the government and their subsequent objectives of the complete takeover of wholesale trade were to:

- (i) Eliminate unwarranted profits of middlemen;
- (ii) Ensure remunerative prices to producers;
- (iii) Guarantee an assured supply of foodgrains to consumers at reasonable prices;
- (iv) Arrest the price rise; and
- (v) Excise effective public control over the marketable surplus of agricultural commodities – an item of essential necessity for the masses.

Under the wholesale trade takeover scheme, public sector agencies like the Food Corporation of India, the Civil Supply Departments of State Governments and Co-operative Marketing Societies were entrusted with the responsibility of purchasing the marketed surplus and its subsequent disposal to consumers through a network of fair price shops.

The scheme of wholesale trade takeover in wheat did not succeed, and was withdrawn immediately. It was planned to purchase 30 to 35 per cent of the total production of wheat in the country during that year; but government agencies could

procure only half of the targeted quantity of 8.5 million tones of wheat. The reasons of the failure of the scheme were:

- (i) Very low procurement prices, i.e., Rs.76 per quintal;
- (ii) Coaxing farmers by disgruntled traders. Traders were the main sufferers when this scheme was introduced; and they undermined the arrivals of wheat in the market;
- (iii) Over-estimation of the marketable surplus in various States;
- (iv) Inconvenient public purchase system resulting in a long wait by farmers for many hours, and sometimes for more than one day for their turn to hand over the produce and get payment for it. Farmers had to travel long distances to sell their produce at official depots;
- (v) Skewed distribution of marketed surplus in favour of big farmers, who have retention power;
- (vi) Slackness on the part of State Governments in implementing the policy because of lack of sufficient and experienced staff capable of handling the work; and
- (vii) Lack of storage facilities with the government for storing the procured foodgrains.

The government realized that takeover of rice trade would be much more difficult than wheat trade due to its operation on a wide area in the country and also due to the existence of surplus regions within deficit states. Hence government gave away the complete wholesale trade takeover. However, partial state trading has continued mainly through Food Corporation of India and National Agricultural Cooperative Marketing Federation.

EXPORTS FROM INDIA

STC exports a diverse range of items to a number of destinations throughout the world. Exports by STC vary from traditional agricultural commodities to sophisticated manufactured products. Besides negotiating, contracting and shipping, STC seeks to introduce new products, explore new markets and undertake wide ranging ancilliary functions such as Product Development, Financing, Quality Control and Import of machinery and raw materials for export production. STC makes purposeful use of its world-wide connections, abundant experience, up-to-date information about the market trends and long term perspective on various commodities to ensure competitive prices, right quality and adherence to delivery schedules to the buyers abroad.

Principal Items of Export Agricultural Commodities

Wheat, Cashew, Coffee, Rice, Tea, Tobacco & Rubber, Sugar Extractions, Opium, HPS Groundnut, Spices, Castor oil & Seeds, Jute Goods

Export of Manufactured Products

Chemicals, Drugs & Medical Disposables, Engineering & Construction Materials, Consumer Products, Textiles and Garments, Leather ware, Processed Foods, Iron Ore and Steel Raw Materials.

IMPORTS INTO INDIA

STC imports a number of essential commodities to cover the domestic shortfalls and hold the price line. STC serves the national objective by arranging timely imports at most competitive prices. In the process, the Corporation makes best use of its strength in handling bulk imports, vast infrastructure and above all an experience of over four decades in fulfilling the needs of the industry.

Principal Items of Import Agricultural Commodities

Edible oils, Sugar, Wheat, Fatty Acids, Pulses

Manufactured Products

Hydrocarbons, Gold & Silver, Minerals/Metals, Petro-chemicals, Fertilisers, Scientific Instruments & Hospital/ Police equipments, FMCG Goods and IT Products

SERVICES

While undertaking import and export operations, the Corporation renders following services :

To the Overseas buyer

STC acts as an expert guide for buyers interested in Indian goods. For them, STC finds the best Indian manufacturers, undertakes negotiations, fixes delivery schedules, oversees quality control - all the way to the final shipment to the entire satisfaction of the buyer.

To the Indian Industry

The Indian manufacturers, whose products sail the seas via STC, benefit a lot from its expertise. STC helps thousands of Indian manufacturers to find markets abroad for their products. STC assists the manufacturers to use the best raw materials, guides and helps them manufacture products that will attract buyers abroad. Some of the other services offered by STC to the Indian manufacturers include :

* Financial assistance to exporters on easy terms.

- * Taking products of small scale manufacturers to international trade fairs and exhibitions.
- * Import of machinery and raw material for export production.
- * Assistance in the areas of marketing, technical know-how, quality control, packaging, documentation, etc.
- * Supply of imported goods in small quantities as per convenience of buyers.
- * Market intervention on behalf of the Government.

To the Indian Consumer

The Indian consumers also benefit from STC's expertise and infrastructure. STC imports essential commodities for them to cover shortfalls arising in the domestic market. During the last one decade, STC imported sugar, wheat and pulses to meet domestic requirements at a very short notice.

EDIBLE OIL

Import of Edible oils is one of the major activities of STC. Subsequent to the placement of imports of Edible oils under OGL by the Govt. of India, STC in addition to import of oils for PDS, has been importing various oils on commercial account for domestic buyers including actual users. Imports are undertaken against the firm advance indents of the prospective buyers. STC invites offers for the indented oils, negotiates the best possible terms and finalises the deal with the consent of the buyers as per their requirement. The entire operation is based on actual costs plus a fixed service margin charged by STC. Various components of actual cost are generally as under. CIF cost of the goods.

Bank charges - relating to opening of L/C, negotiation of documents, etc.

Customs duty, taxes and levies, as applicable from the time to time.

Expenses on clearing, handling and insurance etc. (presently estimated @ Rs. 100/- PMT).

Storage charges on actuals or at a fixed rate wherever STC's own storage tanks are used.

Vessel demurrage, if any, at actual.

Service charge : a nominal service charge is taken.

Deliveries are organised on high seas as well as ex-tank basis.

Delivery period : generally 30 days from the date of arrival/PHO clearance of the oil.

Payment mechanism

(a) STC makes payment to the foreign supplier against sight LC.

(b) Domestic buyers are required to make payment prior to taking delivery.

(c) Credit facility to the buyer is available upto 120 days against internal LC/co-accepted Bill of Exchange by the reputed bank. STC charges interest on funds deployed at the cash credit rate plus 1% per annum basis (currently 12.50% p.a.)

Earnest Money: Orders are placed by STC on receipt of earnest money deposit at the time of placement of indents by the Indian buyers followed by a PBG/additional Cash Deposit immediately after placement of the orders. EMD is returned to the party together with interest after satisfactory execution of the contract by the buyer.

STC is quite flexible in various terms & conditions. Any constructive proposal from the buyer is analyzed objectively in the interest of growth of business. In case any further information is required, please contact Shri Prakash Chand, GM-I/C, Telephone No. 23701074 (direct), 23313177 / 23701100 Extn : 2064 at our Corporate Office at New Delhi or Branch Manager of STC's offices at Ahmedabad, Mumbai, Chennai, Hyderabad, Kolkata.

Corporate Office

Jawahar Vyapar Bhawan

Tolstoy Marg, New Delhi - 110001, INDIA

Tel: 91-11-23313177 Fax : 91-11-23701191, 23701123 E-mail : co@stc.gov.in

Website: www.stc.gov.in

Branch Offices

Mumbai

The State Trading Corporation of India Ltd.

Maker Chambers IV, 6th Floor, Nariman Point, Mumbai - 400021, INDIA

Phone : 91-022-22024878 Fax : 91-022-22024877 , 22852411

E-mail : mumbai.stc@nic.in

Kolkata

The State Trading Corporation of India Ltd.

"Nilhat House", 9th & 10th Floor, 11, R.N. Mukherjee Road, Kolkata - 700001, INDIA

Phone: 91-033-22305464, 22436490, 22435492 Fax : 91-033-22480777, 22488165

E-mail: kolkata.stc@nic.in

Chennai

The State Trading Corporation of India Ltd.

"Chennai House", 4th Floor, 7, Esplanade, Chennai - 600108, INDIA

Phone: 91-044-25340211 Fax: 91-044-25340469 , 25341784

E-mail : chennai.stc@nic.in

Ahmedabad

The State Trading Corporation of India Ltd.

"H.K. House, 6th Floor", Behind Jivabhai Chambers,

Ashram Road, Navarangpura, Ahmedabad - 380009, INDIA

Phone : 91-079-6580797, 6589605, 6581021 Fax : 91-079-6587533

E-mail : ahmedabad.stc@nic.in

Bangalore

The State Trading Corporation of India Ltd. "Chandrakiran", 2nd Floor,

10-A, Kasturba Road, Bangalore - 560001, INDIA

Phone : 91-080-22270221 Fax : 91-080-22275183

E-mail : bangalore.stc@nic.in

Hyderabad

The State Trading Corporation of India Ltd.

5th Floor, Mogul's Court, Basheerbagh,

Hyderabad - 500001, INDIA

Phone : 91-040-23237389, 23296460 Fax :91-040-23236786

E-mail : hyderabad.stc@nic.in

Jalandhar

The State Trading Corporation. of India Ltd.

A-6, Sports & Surgical Goods Complex, Kapurthala Road,

Jalandhar - 144021, INDIA

Phone : 91-0181-2650436 Fax : 91-0181-2650461

E-mail : jalandhar.stc@nic.in

Agra

The State Trading Corporation of India Ltd.

M. G. Road, Bharatpur House, Civil Lines, Agra - 282002, INDIA

Phone : 91-0562-2521045, 2521244 Telefax :91-0562-2150622

Sub Branches : Cochin, Gandhidham, Guntur, Raipur

Quality Control in Agricultural Products

Quality control of agricultural commodities is the responsibility of the Directorate of Marketing and Inspection. The Directorate has prescribed grade standards for various agricultural products under the Agricultural Produce Grading and Marking Act, 1937. Agricultural commodities are graded under this Act on the basis of the specifications laid

down under the grade standards. Graded products bear the AGMARK label, indicating the purity and quality of the product. Consumers are benefited when they buy graded products. The details of the mechanics of grade standards for agricultural products and the progress of grading in India have been discussed in Chapter 4.

Manufactured Products

Manufactured products are graded in accordance with the standards laid down by the Indian Standards Institution, now Bureau of Indian Standards and bear the ISI label. Manufacturers have to use proper ingredients in specified proportions and follow the technique of manufacture given in the standards laid down by the Indian Standards Institution. The ISI label is an indicator of the good quality of the product.

Indian Standards Institution (ISI)

Standardization on an organized basis started in India with the establishment of the Indian Standards Institution. The Institution, popularly known as the ISI; was set up in 1947 with the active support of the industrial, scientific and technical organizations in the country. The ISI frames standards in consultation with, and as a result of the co-operation of, the community – industrialists, scientists, administrators and the public. Standardization plays a vital role in the industrial development of a country. Apart from helping the commercial movement and industrial exchanges, standards conserve the production effort by reducing costs and making mass production possible. Thus, standards lead to the best utilization of the human and material resources of a country. The institution operates under an Act of Parliament (ISI Certification Marks Act), under which manufactured items are stamped with the ISI mark of certification. This mark acts as a third party guarantee to the purchaser that the goods bearing the ISI mark have been produced in accordance with the provisions of the relevant Indian standards.

The World Standards Day is celebrated annually on 14th October, for it was on this day in 1946 that the United Nations Co-ordinating Committees decided to set up the International Organization for Standardization. This international organization now has one lakh experts from 82 countries directly involved in its work, and help it to create more and better international standards.

The aims and objects of the ISI are:

- (i) Preparation of standards for products, commodities, materials and processes on national and international bases;
- (ii) Promotion of the general adoption of the standards prepared by it at national and international levels;

- (iii) Certification of industrial products and assistance in the production of quality goods;
- (iv) Dissemination of information relating to standards and standardization;
- (v) Conduct of surveys and training programmes for assistance to Indian industries in organizing their in-plant standards activity;
- (vi) Collaboration with international organizations dealing with standardization for promotion of international trade;
- (vii) Imparting training in industrial standardization to scientists and technologists from abroad; and
- (viii) Performing a watching function in regard to the quality of Indian exports. The Export Inspection Council exempts certain products, such as light engineering products, diesel engines and power-driven pumps, from pre-shipment inspection if they carry the ISI mark.

The Indian Standards Institution functions through nine Divisional Councils, which are responsible for the work of standardization in their respective fields. These divisional councils are; agricultural and food products, chemical, civil engineering, consumer products, electro-technical, mechanical engineering, structurals and metals, textiles and cargo movements, marine products and packaging.

ISI has set up about 2,000 technical committees, sub-committees and panels dealing with different subjects with a membership of more than 24,000 experts representing various interests such as manufacturers, purchasers, consumers, scientific, technical and research organizations and government departments. These experts work in an honorary capacity and evolve national standards by consensus. Each standard specification is finalized after an exhaustive process of testing in laboratories, discussion in the committees and circulation to hundreds of interested parties all over the country.

Formulation of standards through consensus of different interests concerned generally ensures their smooth implementation. In addition, Central and State Governments; local bodies and statutory organizations generally adopt standards in their purchases. Some State Governments decided to give preference to ISI certified products while some others have established standards cell for effective implementation of Indian Standards.

ISI also uses different media of public relations and publicity to spread the message of standardization. As a result, more than 90 per cent of Indian Standards have been adopted by various official and non-official organizations. Various promotional and

instructional programmes are carried out. The promotional programmes include management conferences and group meetings. The instructional programmes comprise survey, training programmes and seminars.

For effective implementation of national standards and for bringing the advantages of standardization within the reach of the common consumer, the institution is operating a certification marks scheme under the ISI (Certification Marks) Act. This Act enables ISI to grant licences to manufactures to use the ISI mark on their products. Every licence includes a scheme of testing and inspection which the licensee is required to follow strictly. During the operation of the licence, ISI carries out regular and surprise inspections of the manufactures to make sure that the scheme of testing and inspection is being properly adhered to. Samples of certified products are drawn from the production line and from the open market and tested in independent laboratories. As a safeguard for the consumer the scheme provides for free replacement of ISI marked goods found to be of substandard quality.

The certification scheme was started in 1955-56. The licensee covers a range of 570 products including consumer products and industrial items such as biscuits, infant milk food, ink, cables, conductors, jute products, steel, paints, shoe polish, pressure cookers, aluminium utensils, coffee, electrical appliances, sports goods and water meters. In the rural sector, the ISI has formulated standards for grain storage structures, fertilizers, pesticides, seeds, farm machinery and implements, pumping sets, gohar gas plants and animal husbandry and dairy equipments. Some items in the market, however, do not conform to these standards because they are produced in the small and tiny sectors without any facility or funds for quality testing.

For adoption of national standards to regulate the quality of industrial manufactures, in-plant standardization is an important requirement. Since 1961, ISI has promoted the concept of in-plant standardization through conferences, symposia and training programmes.

The institution has established a central laboratory at New Delhi and regional laboratories in Mumbai, Kolkata and Chennai for conducting testing of products covered under the certification marks scheme. These laboratories also undertake investigational work covering food, chemical, electrical and mechanical items for the purpose of evaluation of standards. Laboratory personnel from government agencies and industries covering their products under the ISI certification marks scheme avail of the training facilities provided by the Institution in its laboratories.

ISI serves the interests of the country in the field of international standardization by close collaboration with the international organizations such as ISO (International Organization for Standardization) and the IEC (International Electro Technical Commission) for standardization. It is represented on important administrative bodies of these organizations.

The ISI also works in close collaboration with the similar organizations for standardization in other countries of the ECAFE (Economic Commission for Asia and Far East) Region with a view to promoting standardization activities. It actively participates in the work of the Asian Standards Advisory Committee (ASAC).

The ISI has benefited the consumers as well as the manufacturers. It promotes overall economy and brings about the best utilization of human and material resources by bringing the advantages – minimization of wastages, cutting down unnecessary varieties of products, increasing productivity and reducing costs. It protects the consumers through assured quality. It acts as a third party guarantee. The scheme brings to the consumers the benefits of lower price, better quality, more safety and repair services. To manufactures, it helps in adopting, the process of standardization. This reduces wastage, cost of material, cost of production and increases the chances of profits. It has introduced the metric system of weights and measures. The ISI took up the steel economy project involving a comprehensive standardization programme to give a fillip to the steel industry and introduce economies in the use of structural and special alloy steels. The project resulted in a saving of 24 per cent in the use of metal according to an evaluation by NCAER. Another notable achievement is the preparation of the National Building Code streamlining housing construction practices all over the country.

Bureau of Indian Standards (BIS)

The Indian standards Institution has been renamed as the Bureau of Indian Standards (BIS) with effect from April 1, 1987. Along with the change in its name, its status and scope of activities have also been enlarged. The Bureau of Indian Standards carry on all the functions of ISI as before with greater thrust to consumer protection, improving the level of quality of Indian products, harmonizing the standards formulation and the certification/inspection activities in the country by providing a larger network of testing and consultancy services.

The Bureau has been established by the Bureau of Indian Standards Act, 1986 and has become a statutory body. As such all the activities of the Bureau viz., standards formulation, product certification, quality assurance, consultancy services, quality

assessment, testing and development of test methods have assumed statutory status. The ISI was a registered society and statutory powers were confined to it only in respect of the operation of the certification marks activity.

Over the past five decades, it has built up over 17,000 Indian Standards covering products in different sectors like food and agriculture, chemicals, civil, mechanical and electrical engineering, electronics, textiles and many other products. The standards are constantly reviewed and updated to keep pace with technological innovations and the new social needs. The production of small-scale items based on Indian standards provides competitive capability with large-scale sector.

The Bureau has also made special efforts in the sphere of rural development by formulating over 2,000 standards relevant to the rural sector in areas of agricultural inputs like fertilizers, pesticides, agricultural machinery and farm implements, pumping sets, gobar gas plants and also in the sphere of post-harvest technology. The BIS has also formulated three standards for water.

The Bureau is one of the largest certification agencies with over 11,000 licences in operation for a wide range of products. It has become an institution of quality assurance for the consumers.

Standards certification is mandatory for items of mass consumption particularly those affecting health and safety of the consumers. Provision of voluntary certification for items such as colour television, control switches, sodium vapour lamps, jute and canvas products, bus and truck tyres and greases also exists.

Some of the latest highlights of BIS activities are:

- (i) BIS has adopted IS/ISO 9000 series of standards. Now BIS quality certification is on the lines of international norms and is accredited by RVA Netherlands.
- (ii) With growing concern for environmental friendly industrial activity, BIS has started ISO 14001 EMS Certification.
- (iii) BIS is also undertaking HACCP certification. HACCP Certification is a process control system designed to prevent microbial and other hazards in food production. It is based on Quality Management System and IS 15000 which is equivalent to CODEX ALI NORM 97/13A.
- (iv) BIS also works as central enquiry point for WTO.
- (v) BIS has so far formulated more than 17000 standards.
- (vi) BIS has also formulated three Indian standards for water.

Consumer Protection

Food products have the distinction of meeting an essential need of all the consumers, irrespective of their economic and social status. Protecting the consumer's interest relating to food products means providing him wholesome, hygienically prepared and pre-tested quality products to enable him to lead a healthy life. The consumers are often cheated through deceptive and defective weights and measures and adulteration.

The doctrine of "caveat emptor", *i.e.*, 'let the buyer beware' has long been the corner-stone of the consumer laws in India and this is virtually not acceptable to the average consumer now. The doctrine put forward in his favour with the growing consumer awareness is "*caveat venditor*", that is, 'let the seller beware'.

Various Acts were framed by the government from time to time to protect the consumers. Some of the main Acts enacted and statutory orders passed by the Government to subserve the interest of the consumers are:

1. The Indian Sale of Goods Act, 1930.
2. The Agricultural Produce (Grading & Marking) Act, 1937.
3. The Drugs and Cosmetics Act, 1940.
4. The Indian Standards Institution (Certification Marks) Act, 1952 and now Bureau of Indian standards Act, 1954.
5. The Essential Commodities Act, 1955.
6. The Fruit Products Order, 1955.
7. The Sugar Control Order, 1956.
8. The Export (Quality Control and Inspection) Act, 1963.
9. The Vegetable Oil Products (Control) Order, 1967.
10. The Monopolies and Restrictive Trade Practices Act, 1969, and amended in 1984.
11. The Meat Food Products Order, 1975.
12. The Packaged Commodities Order, 1975.
13. The Standards of Weights and Measures Act, 1976.
14. The Cold Storage Order, 1964 and 1980; and
15. The Consumer's Protection Act, 1986, 1991, 1993, 2002.

The above list of legislations is quite impressive for the protection of the consumers. In practice the situation appears obscure due to poor enforcement of them. Under the latest Act, *i.e.*, the Consumer's Protection Act of 1986, there is a provision that a consumer may get his defective goods replaced or price refunded or get compensation for any loss due to the unfair trade practices of the traders.

Many voluntary agencies are working in the country for giving strength to the consumers movement and the protection of consumers. The important ones are Consumers Guidance Society of India, Mumbai 1966; Consumer Council, Vishakhapatnam, 1970; Consumer Education and Research Centre, Ahmedabad; Consumer Action Forum, Kolkata; Karnataka Consumers Service Society, Bangalore and Grahak Panchayats, Mumbai and Pune. The Government has established Consumer's Protection Councils at the State and district levels for the protection of the consumers. The work done by these agencies has been commendable in extending the rights of the consumers by keeping the producers conscious of consumer rights and interests. The main contributions of the organizations are in areas of consumer education (providing information about availability of goods, prices and trade practices), product rating (testing of products) and liaison with government and producers of products.

Quality Management in Food

(a) HACCP

The rejection of Indian wheat consignments by Iraq, gherkin containers by European Union and grape containers by U.K. and domestic complaints of presence of rat droppings in wheat are some of the examples quoted as non-compliance of food safety norms. It has harmed our business both on the export front and in the local market. By and large, the 'Made in India' label is considered as sub-standard produce by people of many countries. Therefore, there is a need to change this perception to make a significant dent in the food export market especially in the processing sector. Food processing sector comprising fruits and vegetables, grains, milk, fish, meat, poultry products, soft drinks, and alcoholic beverages is one of the largest sector in terms of production, consumption, employment generation and from export prospects. As such adoption of HACCP concept is important. There is a need to generate continuous awareness and run educational programmes for exporters and also have a legislation to ensure safety norms.

This concept was not so important when the food chain was localized and people consumed locally produced fresh harvested or cooked food without prolonged storage. In recent times, food has become a global issue. Good-looking fresh fruits and vegetables might contain hazardous chemicals and bacteria which may cause ill effects on the health of the consumers, instantaneously or at a later date. Quality management

of food is, therefore, essential in fruits and vegetables and other processed products from the safety point of view.

A new era in food safety started in 1960s when USA planned to send astronauts in spaceship to moon. For such a mission, it was necessary to ensure that food provided to the astronauts would not cause illness while on board. With this objective, Pillsbury of N.A.S.A. (National Aeronautics and Space Administration) developed and used HACCP as preventive system for preparation of food for astronauts.

HACCP and Risk Analysis is a modern concept of quality management applied to food items. The concept of HACCP gained recognition and acceptance globally as a system of choice for good safety due to following reasons:

- (i) To identify food safety hazards for different farm products and their process of production.
- (ii) To accept responsibility for food safety instead of relying upon compliance with official regulation and inspection by food safety inspectors.
- (iii) Necessity of creating awareness among people to realize their role and responsibility for food safety.
- (iv) To improve the design of food products and process for achieving safe food, and
- (v) To prepare food companies for future HACCP based food safety regulations and trade specifications.

International food safety standards are developed by the Codex Alimentarius Commission (CODEX). This is a joint commission of FAO and WHO and recognizes HACCP based system for food. As per the WTO requirement, only Codex standards are acceptable for international trade. Therefore, Codex-HACCP is minimum international standard for trade among countries in future. Based on this analysis, appropriate action can be taken to ensure that the areas identified as critical control points are kept under control and are not allowed to endanger the items produced.

There are seven principles of Codex-HACCP.

- (i) Conduct a hazard analysis.
- (ii) Determine the critical control points (CCPs)
- (iii) Establish critical limit
- (iv) Establish a system to monitor control of the CCP
- (v) Establish the corrective action to be taken when the monitoring indicates that a particular CCP is not under control.

- (vi) Establish procedure for verification to confirm that the HACCP system is working effectively.
- (vii) Establish documentation concerning all procedures and records appropriate to these principles and their application.

Food safety is analysed in terms of hazards and risks. A hazard is the capacity of a thing to cause harm under certain conditions. The probability that a defined harm will occur is the risk associated with the hazard. The hazards may be physical, chemical or micro-biological and can occur at any stage from raw material to the consumption by the consumer.

The benefits of testing food by HACCP are;

- (i) Avoids human sufferings;
- (ii) Reduces burden from over burdened health care system;
- (iii) Increases the export of food products;
- (iv) Attracts more foreign tourists; and
- (v) Increases earning potential of citizens.

(b) ECOMARK

The Government of India instituted a scheme known as ECOMARK in February, 1991 for labeling environment friendly products. This scheme is administered by the Bureau of Indian Standards (BIS). The scheme provides for labeling of household and other consumer products which meet certain environmental criteria along with quality requirements prescribed in relevant Indian Standards. For a product to be eligible for ECOMARK, the product shall conform to the relevant Indian Standards as well as additional requirement incorporated for ensuring environment friendly nature of the product. The mark is a combination of BIS Standards Mark (ISI) and the Eco logo.

(c) Mark to Identify Vegetarian/Non-Vegetarian Food Products

The Government of India by an amendment in the Prevention of Food Adulteration Act, 1955 on 4th October, 2001 and 20th June, 2002 has made it mandatory for the manufacturers of food products to put a label indicating whether the food has been prepared using meat and allied products or otherwise. Under this amendment, the packed food products bearing a mark of a dot in a square in green colour is indicator of vegetarian product and a mark is brown colour is indicator of non-vegetarian food. This amendment is applicable throughout the country.

(d) Mark of FPO

The products carrying a mark of FPO in an oval with two hanging strips (making inverted – V shape) is mandatory on packed containers of fruits and vegetables processed products. This indicates the quality of the product and conveys that the production of processed fruit products has been carried out under clean and sanitary conditions. This mark is issued by the Ministry of Food Processing Industries of Government of India, New Delhi.

Currently, there are 27 laws relating to food in the country. The Government of India has constituted a group of Ministers to prepare a modern food law by integrating all of the multifarious laws and regulations.

Consumer Education and Research Centre (CREC)

The Consumer Education and Research Centre (CREC) is a political, non-profit organization situated at Ahmedabad. It is a public charitable trust registered under the Bombay Public Trust Act, 1950. The CREC is recognized as consumer organization by the Government of Gujarat. This is the only consumer organization recognized as Research Institute by the Central Government on the recommendation of the Department of Science and Technology.

The main objectives and functions of this centre are:

- (i) To create an enlightened consumer consciousness and public opinion through the mass media;
- (ii) To study analytically and do research on the working of the public utility services;
- (iii) To carry academic programmes for training the workers and leaders for consumer protection;
- (iv) To approach the legislators for lobbying with them for taking up consumer protection issues on the floor of parliament/assemblies.
- (v) To mobilize and motivate people and other voluntary organizations for protection of consumers from various ills in the society.
- (vi) To take recourse to court for redressal of grievances of the consumers.
- (vii) To establish a two-way dialogue with the consumer organizations in the country and those of abroad for mutual benefit and support;
- (viii) To set up consumer product testing laboratory for testing and evaluation of the product such as food, pharmaceutical and domestic electric appliances; and
- (ix) To set up consumer library with facilities for increasing the consumers' knowledge.

Model Quiz

1. Quality of agricultural commodities is ensured by
a. AGMARK b. ISI c. BSI d. ISO
2. International food safety standards are developed by
a. HACCP b. CODEX c. ECOMARK d. WTO

Ans: a

Ans: b