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Voluntary Public

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Shenzhen CIQ Notification on their refusal to accept “in lieu of” certificates

Report Categories:

Agricultural Situation

Food and Agricultural Import Regulations and
Standards - Certification

Trade Policy Incident Report

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Report Highlights:

Summary: On May 18, 2012 Shenzhen Quarantine and Inspection Bureau (CIQ) held a meeting with some members of the local U.S. frozen meat trade to explain that the USDA Food Safety Inspection Service (FSIS) issued “in lieu of” paper certificates would no longer be accepted in order to clear inspection. Effective May 21, all “in lieu of” certificates were rejected entry with some shipments being held in Shenzhen CIQ while other pipeline shipments are accumulating in storage facilities in Hong Kong ports at the traders’ expense. Unlike Guangdong CIQ who provide a workable solution to electronic verification with ATO Guangzhou, Shenzhen CIQ is not sending paper certificates to ATO Guangzhou for FSIS verification, but simply rejecting non-electronic certificates (most certificates, since FSIS has not moved to the electronic system). The banning of “in lieu of” certificates has had

devastating and long term impacts to many members of the trade that have been loyal buyers of U.S. frozen meat for over ten years.

General Information:

As of May 21, 2012, all ports under the supervision and management authority of the Shenzhen Quarantine and Inspection Bureau (CIQ) stopped accepting U.S. frozen meat shipments with “in lieu of” certificates. According to the trade, about 60-80 percent of shipments use “in lieu of” certificates and had been doing so without a problem for over a decade. Almost overnight and without any type of notification to Post, Shenzhen CIQ under the direct order from the national quarantine and inspection authority in Beijing (AQSIQ) unilaterally decided to refuse “in lieu of” certificates. Prior to May 18, Post has made repeated attempts to meet with Shenzhen CIQ authorities and discuss these new importation procedures. Post has also requested Shenzhen CIQ issue a written statement on its new changes to decade long import procedures, but these has been ignored and ATO Guangzhou has not been granted three formal meeting requests. ***Begin Post comment:*** *Why is a USDA Food Safety Inspection Service (FSIS) paper certificate all of the sudden worth less than an electronic certificate from another country who only until this year began to export to the China market through official channels.* ***End Post comment***

Over numerous telephone conversations to several inspectors since the change in procedures, Shenzhen CIQ claims that they had encountered many falsified “in lieu of” certificates in the past and they were instructed by AQSIQ to adopt new measures to reduce U.S. frozen meat trade volume as a result. Post also requested that they send ATO Guangzhou the “in lieu of” certificates that they thought were questionable and that similar to Guangdong Provincial CIQ would send back to FSIS for verification. Although Shenzhen CIQ understands the need to re-issue a health certificate during trading, the percentage of “in lieu of” certificates according to Shenzhen CIQ is simply too high to coordinate and manage. Shenzhen CIQ claims 70 percent of the health certificates for U.S. frozen meat product shipments are accompanied by “in lieu of” certificated. Shenzhen CIQ recommended Post contact AQSIQ to negotiate the future terms for importation of U.S. frozen meat products.

Below is an unofficial translation of the notification from Shenzhen CIQ translated by ATO Guangzhou staff. We hope this report helps to provide a better understanding of the issue. In a nutshell, it states explicitly that any shipment with an “in lieu of” health certificate would be rejected effective May 21, 2012. Based on the tone and words used on the notification, it is clear that AQSIQ is using this policy as a leverage to push the early implementation of an electronic verification system for U.S. frozen meat products.

Sender: Shenzhen CIQ

Date: May 21, 2012 10:58:51

Subject: Urgent! Notification on the verification of health certificates of U.S. Frozen Meat

A meeting between AQSIQ and the U.S. Department of Agriculture regarding Sino-US import & export food safety procedures was held on May 17, 2012. Per AQSIQ’s request, started from today (May 21, 2012), official verification of all health certificates of U.S. frozen meat would be conducted between AQSIQ and U.S. Department of Agriculture; and to urge United States to provide electronic information

as soon as possible, effective immediately, U.S. frozen meat products will be released only after electronic verification.

Please see notifications as followings:

1. Effective today, all sub-branches of Shenzhen CIQ will verify the health certificate of every shipment for U.S. meat products.
2. No longer accepting quarantine applications of "in lieu of" certificates from United States.

