



Food and Agriculture Organization  
of the United Nations

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# Combating illegal pesticides trade.

Key findings from the UNEP's report  
"The Illegal Trade in Chemicals".



**THE ILLEGAL TRADE  
IN CHEMICALS**

Mikhail Malkov, 01.06.2021

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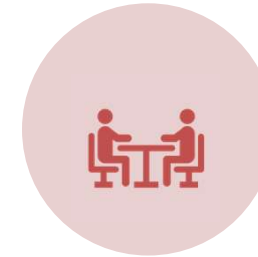
## Change of focus – from counterfeit pesticides to illegal trade

Broader definition, which  
allows to apply similar  
approach, while  
investigating different  
type of crimes.

Trade operations are  
illegal if they match at  
least 1 of 3 criteria:



**GOODS ARE  
ILLEGAL**



**TRADE METHODS  
ARE ILLEGAL**



**GOODS ARE PLACED  
IN ILLEGAL MARKETS**



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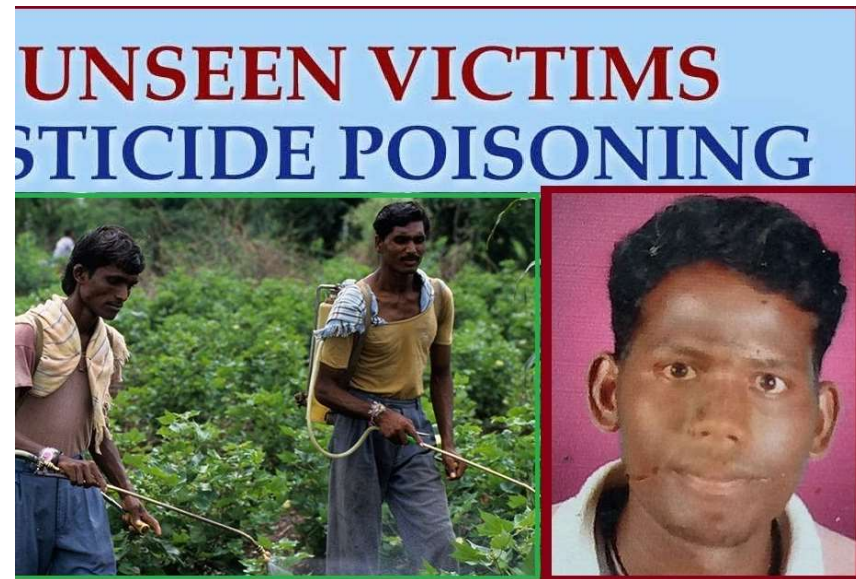
## Consequences of illegal trade – India case

### Yavatmal Pesticide poisoning in India (2017):

- Unauthorized use of GMO BT cotton seeds
- Application of unauthorized pesticide

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More than 60 farmers died, 800 –  
put into the hospital





## Countering illegal pesticides trade

**Countering illegal pesticides trade is a complex of activities aimed at identification of illegal production and trade routes; seizure of illicit products and disposal of the seized stocks.**

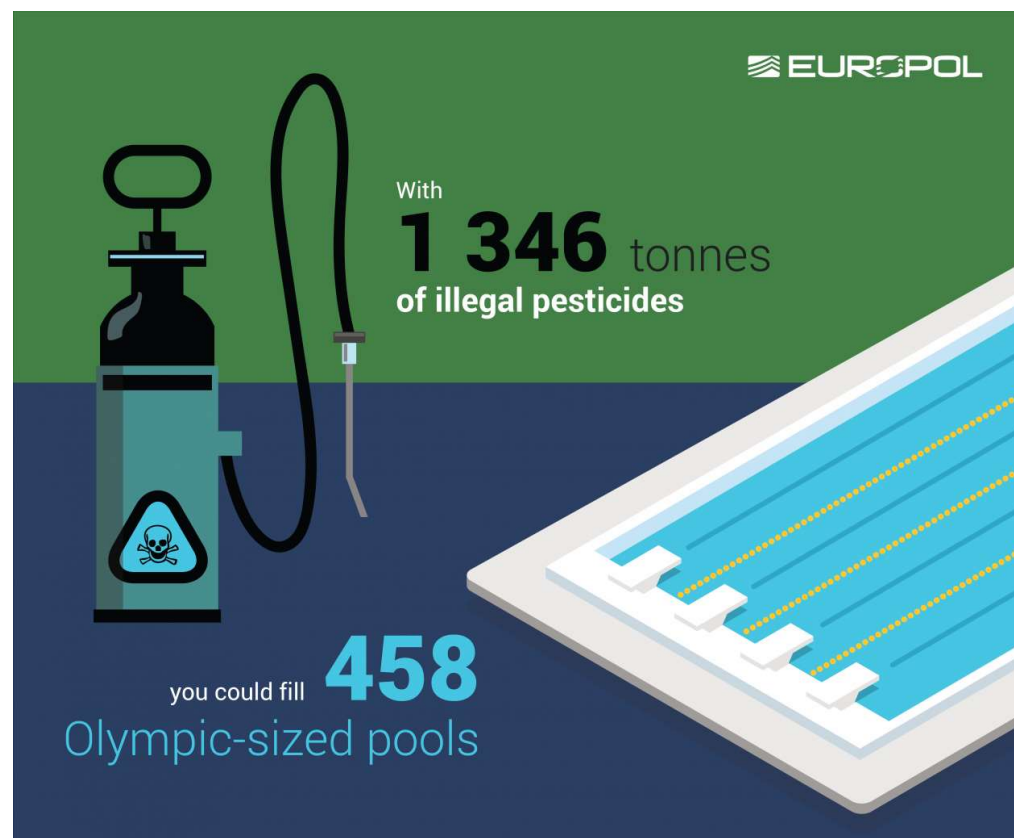
***Countering:***

- *is based on understanding that illegal pesticides trade is a serious problem which may be linked to criminal activities;*
- *is effective when carried out both internationally and nationally;*
- *is accomplished by authorized state bodies in close cooperation with the responsible business;*
- *has to be carried out at every stage of life cycle;*
- *is impossible without conducting a fully-fledged public awareness campaign with involvement of authorities and industry.*



## Europol Operation Silver Axe V

- The fifth yearly law enforcement operation, which targets the counterfeit and illicit trade of pesticides, took place between 13 January and 25 April 2020 and involved 32 countries.
- Operation Silver Axe V led to seizure of 1346 tonnes of illegal pesticides.



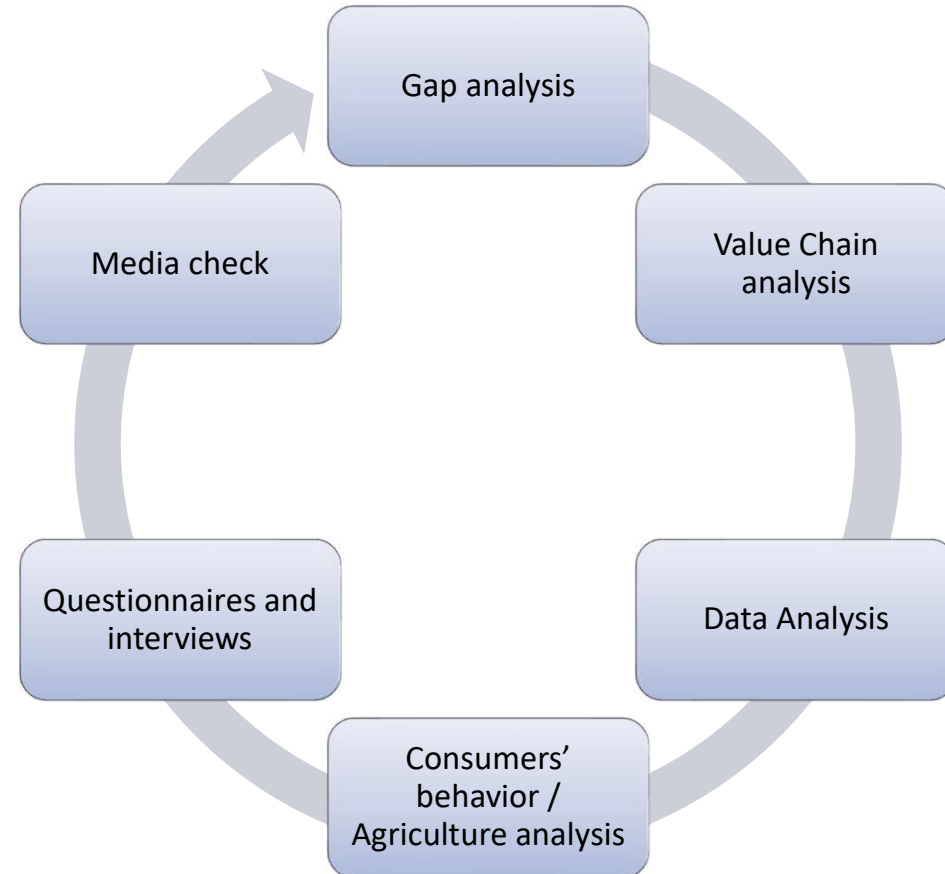


### Stakeholders in the illegal pesticides trade

STAGE OF LIFE CYCLE	TYPE OF ILLICIT PRODUCT	KEY STAKEHOLDERS
Registration	<ul style="list-style-type: none"> <li>• Counterfeit pesticides</li> <li>• Substandard pesticides</li> </ul>	Corrupt <b>State officials</b> responsible for: registration, patent check relevant tests
Production (domestic)	<ul style="list-style-type: none"> <li>• Counterfeit pesticides</li> <li>• Substandard pesticides</li> </ul>	Irresponsible registered <b>pesticides manufacturers</b> Unregistered <b>chemicals blenders</b> (informal sector) <b>Importers</b> of improper active ingredients Illegal <b>waste management companies</b> (empty containers) <b>Distributors</b> , intentionally purchasing illicit products Irresponsible <b>packaging</b> manufacturers and <b>printing</b> houses Corrupt or inexperienced <b>tax authorities</b> Corrupt and/or inexperienced <b>law enforcement</b> <b>Banks</b> or other money transfer systems (informal sector)
Import	<ul style="list-style-type: none"> <li>• Counterfeit pesticides</li> <li>• Substandard pesticides</li> <li>• Banned pesticides</li> <li>• Restricted pesticides</li> </ul>	Transnational organized <b>criminal groups</b> Corrupt or uninformed or inexperienced <b>customs officers</b> <b>Importers</b> <b>Logistics companies</b> <b>Banks</b> or other money transfer systems
Distribution	<ul style="list-style-type: none"> <li>• Counterfeit pesticides</li> <li>• Substandard pesticides</li> <li>• Banned pesticides</li> <li>• Restricted pesticides</li> </ul>	Illegal <b>producers</b> or <b>importers</b> <b>Distributors</b> <b>Banks</b> or other money transfer systems Corrupt or inexperienced <b>agronomists</b> and extension services <b>Farmers</b>
Application	<ul style="list-style-type: none"> <li>• Counterfeit pesticides</li> <li>• Substandard pesticides</li> <li>• Banned pesticides</li> <li>• Restricted pesticides</li> </ul>	<b>Farmers</b> Illegal <b>distributors</b> Corrupt or inexperienced <b>agronomists</b> and extension services Corrupt or inexperienced soil care <b>inspectorate officers</b> Illegal <b>waste management companies</b> (empty containers)



# How to evaluate illicit pesticides markets?





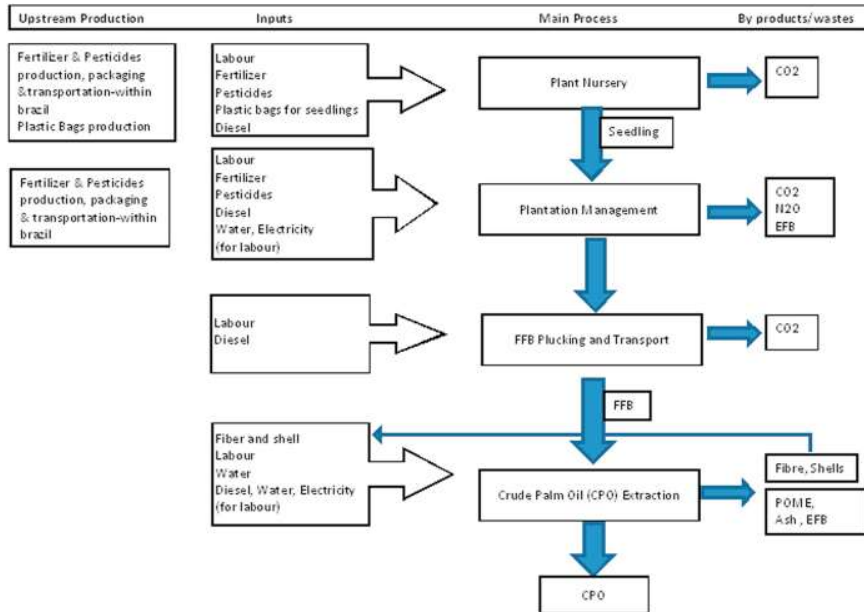
## Available data and consumers' behavior must be considered while preventing illegal pesticides trade

- Legal gap analysis is a key element of prevention strategy
- In-depth analysis and mapping of supply chains elements will help to identify entry points
- Customs risk profiles should be up to date; communication between regulators, chemical authorities, customs and law enforcement should be established.
- Understanding of consumers' behavior is a must





# VC analysis – critical for counteraction!!!



Understanding the origin  
of illicit goods and trade  
roots

In-depth understanding  
of all elements of supply  
or value chain



Identification of  
stakeholders and key  
actors

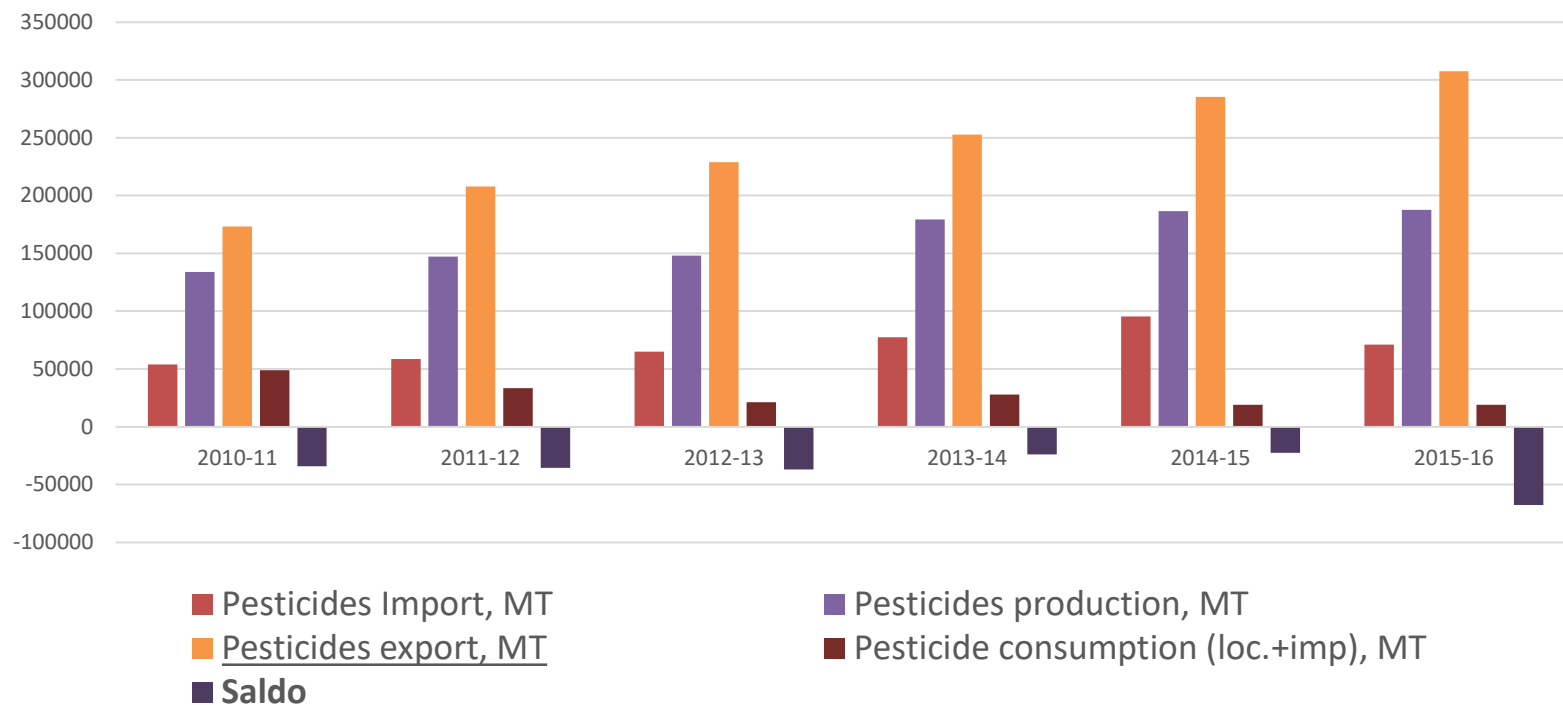


Market trends



# Importance of pesticides balances – example MAFW India

(source: <http://ppqs.gov.in/statistical-database>)





## Cross-check through various stat tools

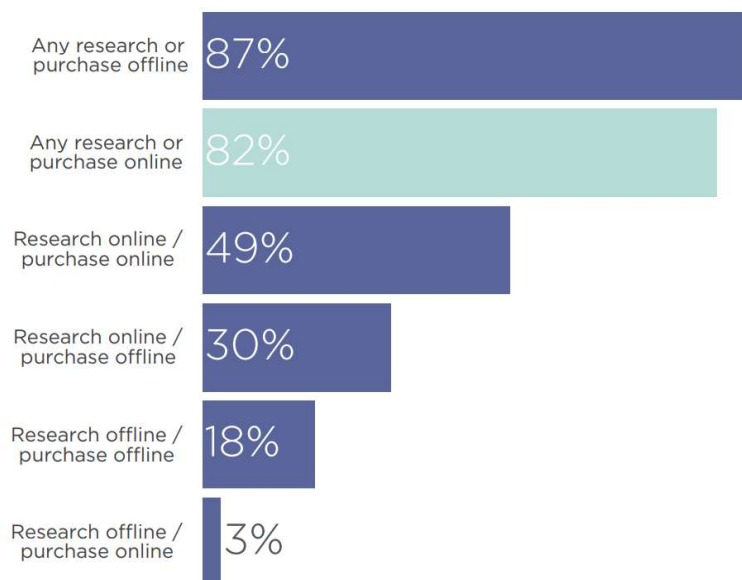
SOURCE OF STAT. INFORMATION	VOLUME USD, 2014	VOLUME USD, 2015	VOLUME USD, 2016
<b>ComTrade, France (HS 3808), import from Morocco</b>	N/A	N/A	112
<b>ComTrade, Morocco (HS 3808), export to France</b>	452,153	946,429	689,792
<b>Eurostat, France (HS 3808), Import from Morocco</b>	0	540,268	101



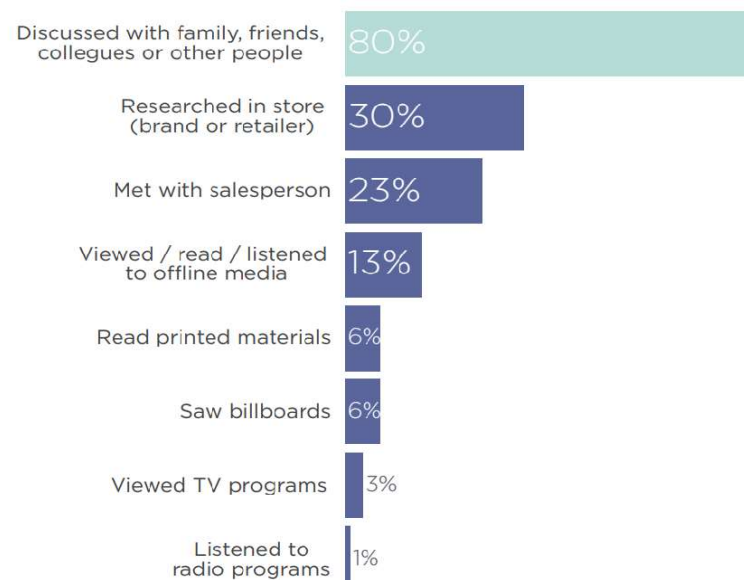
# How small-scale farmers purchase pesticides? (results of survey in the south of Ukraine)

- 540 respondents were questioned online + street survey
- Any respondent had the right to put more than one answer to questions

## Marketing methods



## Influencers





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# Pesticides: Ways of illegal import

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## Technology explanation

**Import under another HS Code or Group (ex.: veterinary drugs instead of patented insecticide)**

**Documents forgery or adulteration (ex.: change of the documents on board; presentation of fake Certificates in transit entry points; MSDS doesn't comply with dossier)**

## Long logistic chains

**Standard smuggling methods (ex.: disguise; splitting container into small batches; change of weight)**

## Cross-border trade (with possible consolidation of goods \*)

**Mislabeling (no labels; small labels; wrong labels; labels with incomplete information)**

## Online marketing

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# Pesticides: illegal DOMESTIC sales and Production

## Technology explanation

**Mislabeling (no labels; small labels; wrong labels; labels with incomplete information)**

**Online marketing**

**Production of illicit pesticides from legally imported active ingredients**

**In-country relabeling or repackaging**

**Illegal replacing of the seized stocks into the market (ex.: disappearance of seized stocks from the temporary storages)**

**Re-use of original empty containers, including refilling with obsolete pesticides**

**“Garage” blending and concentration decrease**



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## Online trade segment is a big concern

Online marketing is an easy way of illegal pesticides trade.

*“Pesticides are increasingly advertised and sold over the Internet. Only a quarter of countries worldwide reportedly have legislation regarding the online sales of pesticides”* (51 countries of the world, among them 10 in Americas and 7 in Europe)- FAO/WHO  
(<https://apps.who.int/iris/bitstream/handle/10665/329971/9789241516884-eng.pdf?ua=1>).

Online sales are likely to boom due disruption of supply chains and change of consumers’ behavior caused by COVID-19 pandemic.

Urgent policy statement on regulating online pesticides trade is required



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## Web sites marketing agrochemicals





## Opportunities for illegal business in Food and Agriculture Sector under COVID-19

1. Disruption of traditional supply chains due to global lockdown
2. Disbalance (shortage or overproduction) and high volatility of various commodity markets
3. Change on consumers' behavior – significant grow of online segment (still exists now)
4. Bankruptcy of huge amount of SMEs and full closure of HoReCa.
5. Both formal and informal segments are affected, however impacts on informal sector are much stronger
6. Significant reduction of physical Customs, Vet/Phyto (SPS) and Consumers' Protection inspections.

These impacts are coupled with other hazards (droughts, floods, earthquakes, locust etc.) and ongoing conflicts.



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## Change in Criminal Behavior – fast adaptation to the New Normal

- Demonstration of power - attempts to play a kind of a “social” role (food distribution, direct medical supplies etc.).
- “Guarding” closed shops – classic organized crime business
- Significant reduction of “street” crimes during lockdown
- Cash-funding to SMEs and informal sector, followed by establishing control on entire supply or value chains
- Growth in online marketing of illicit goods.
- Controlling border logistic points in the countries with ban on movements for foreign vehicles
- Corrupting customs, vet, phyto, consumers’ protection inspectors



## General recommendations

- Awareness raising;
- Development of specific regulations or policies;
- Strengthening law enforcement after registration;
- Closer collaboration among relevant stakeholders (international organization, import and export countries, neighboring countries, pesticide management agencies and customs;
- Capacity building of compliance and enforcement.

FAO is considering development of the Global Program on Pesticides post-registration compliance.



## UNEP report policy recommendations

- *International level: technical cooperation between the states, develop baseline data etc.*
- *National level : Risk reduction strategies*
- *National level: Knowledge and information strategies*
- *National level: enforcement strategies*

## Seized illegal pesticides must be considered as hazardous waste



1  
If pesticides are seized and their illegal status is proven, such pesticides may be legally considered as hazardous waste. In this case EU waste management legal framework is fully applicable.

2  
From waste management perspective, there is no way of recycling or recovery of seized pesticides; only destruction is possible.

3  
There is no possibility to ship seized pesticides to the place of origin or to re-address it to the third party as goods. The only possible movement is to destruction facility in country or in the third country.

4  
It is up to the law enforcement to decide who will have to be charged for destruction - **according to EU WFD, waste holders -producers and/or distributors - can be charged for waste disposal.**

EU Member States may have specific provisions in national waste management regulations – in line with EU WFD.



# Recommendations on e-trade



INTERNET TRADERS  
MUST BE EITHER  
RESPONSIBLE FOR  
PLACING ILLICIT  
PRODUCTS INTO THE  
MARKET OR DEVELOP  
SUSTAINABLE  
INSTRUMENT ON  
PUTTING SUCH  
RESPONSIBILITY TO  
THEIR CLIENTS.



SECURE TRACEABILITY  
AND AVOID  
ANONYMOUS  
DELIVERIES;



CONTINUOUS  
MONITORING OF  
INTERNET TRADERS BY  
REGULATOR(S), LAW  
ENFORCEMENT AND  
RESPONSIBLE BUSINESS;



DEVELOPMENT OF  
EXTENSION SERVICES;



CARRYING-OUT FULL-  
FLEDGE PUBLIC  
AWARENESS CAMPAIGN.



# Thanks!

This presentation is a compilation of results of studies done by:

- FAO
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Contact me:

[Mikhail.Malkov@fao.org](mailto:Mikhail.Malkov@fao.org)