
Executive summary

International trade has helped to reduce global hunger, but food fraud is a growing problem

Access to healthy, affordable food is a prerequisite for improving the lives of the poorest. International trade has helped to reduce both global poverty and hunger. However, the resulting complexity of food supply chains makes combating illicit trade in food and food fraud much harder. Increased interconnectivity of supply chains and greater distances between where food is grown and where it is consumed provide more opportunities for illegal activities.

Illicit trade in food and food fraud inflicts considerable damage to international trade and public health

The illicit trade in food and food fraud includes the buying and selling of products to be eaten, drunk or grown that are not what they are claimed to be, that fail to comply with health and other regulations (e.g. on quality) and that are smuggled or otherwise produced or traded outside the legitimate market framework. Illicit trade in food and food fraud inflicts considerable damage to international trade and public health.

Illicit trade in food undermines international trade by distorting markets, eroding consumer confidence and triggering the imposition of trade barriers due to safety concerns. Simultaneously, it poses significant public health risks through the distribution of counterfeit or substandard products, contributing to the spread of diseases and creating challenges for regulatory enforcement on a global scale. The consumption of contaminated, counterfeited or adulterated food products can result in malnutrition and even death.

Illicit trade in food undermines global food security and agri-food value chains

Illicit trade in food disrupts legitimate supply chains and limits access to foods by reducing availability and increasing prices. It undermines fair markets and reduces income for legitimate producers, with the most vulnerable communities affected the greatest.

The impact of illicit trade in seeds and seed fraud can be significant for farmers, the agri-food value chain and hence global food security. Illegal seed practices also discourage innovation. The integrity of the seed sector can be strengthened through the protection of intellectual property rights and enhancing enforcement to ensure that farmers have access to reliable, high-quality seeds.

The WTO rulebook brings a legal framework to international trade in food, helping to combat illicit trade

The WTO agreements can be used in the fight against illicit trade in food and food fraud, in particular the Agreement on the Application of Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade. The WTO rulebook brings a legal framework to the international trade in food, helping to combat illicit trade.

The WTO has a unique role in promoting open and legal trade. WTO rules enable members to exercise control over their borders and enforce their trade laws, leaving less room for illegal trade.

Reducing import and export restrictions could diminish incentives for smuggling and illicit trade in food

The smuggling of agriculture products is driven by a disparity between the price of a good at its origin and its destination, which can include price differentials deriving from government subsidies. The ongoing WTO agriculture negotiations, which aim to simplify tariff structures, to reduce excessively high tariffs and trade-distorting subsidies and to address import and export restrictions, could reduce the incentives for smuggling and illegal trade. The full utilization of the WTO's Trade Facilitation Agreement would also help to eliminate excessively cumbersome customs procedures and red tape at borders, which can present opportunities for fraudsters and smugglers to exploit.

Modern food safety legislation can minimize the potential for fraudsters to exploit gaps in the food supply chain

Modern food safety legislation offers many possibilities to counter food fraud. Regulations on the detection, prevention, mitigation and control of food fraud can help to protect the health of consumers and to ensure fair practices in food and feed trade. Such legislation which takes a holistic approach to the food chain will leave few gaps for fraudsters to exploit.

Timely, thorough investigations can disrupt illicit trade in food and food fraud

Timely, thorough investigations can disrupt illicit trade in food and food fraud. Criminal investigations

not only identify illicit actors, uncover fraud and, most importantly, expose any risks to public health and safety but also deter future illegal activities. Investigations can warn the public about current dangers and prevent fraudulent food from being consumed unwittingly. Customs authorities have a key role to play in combating fraud.

Public-private collaboration and international cooperation can help to combat illicit trade in food

New food products and food production methods demand new analytical and enforcement capacities and pose as yet unknown challenges. Public-private collaboration between the food industry and consumer organizations, together with international cooperation, can help to address illegal activities.

The prevention of fraud is a more cost-effective strategy than stopping illicit trade in food once it is already underway – for both governments and the food industry. Prevention also helps to ensure consumer safety, maintain product integrity and preserve brand reputation. Multi-stakeholder collaboration involving governments, international organizations, civil society and the private sector is necessary to respond to the challenges effectively.

By bringing together governments, the private sector, law enforcement and technical experts from around the world to work in collaboration, the WTO can help to combat illicit trade in food and food fraud internationally.