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PANEL REPORT: FOOD SAFETY IN THE CHANGING WORLD FOOD
SYSTEM

ORGANIZER, CHAIRPERSON AND RAPPORTEUR

Laurian J. Unnevehr (University of Illinois, USA)

PANEL DISCUSSANTS

Laurian J. Unnevehr (University of Illinois, USA), Jill Hobbs (University of Saskatchewan, Canada), Jutta Roosen (Catholic University of Louvain, Belgium), Istvan Feher (Gödöllő University, Hungary), Helen H. Jensen (Iowa State University, USA)

The panel considered how practices and policies are changing as food product trade grows and how different countries are responding to the challenge of controlling safety hazards. Some themes from the presentations include the similarity of policy issues in developed country markets, the interaction of food safety with structural changes in markets, the importance of a 'systems' or 'supply chain' approach to safety management and the importance of food safety in international trade.

Laurian J. Unnevehr (USA) opened with an overview of the structural changes in food markets that make food safety an issue of growing importance. These changes include better identification of food-borne hazards; changes in the way consumers obtain food, which alters risk responsibility; new management and regulatory paradigms for controlling hazards; and increased food product trade, particularly of fresh products. The challenges for economists are to measure the degree of market failure in food safety, the impact of policies, and the costs and benefits associated with control measures.

Jill Hobbs (Canada) discussed the division between public and private sector activities to improve food safety by addressing the information asymmetry in markets. Legal liability, private certification and public regulation are all creating incentives for supply chain coordination to improve food safety, including traceability of food products to their farm origins. Research is needed to understand the cost-effectiveness of 'trace-back' systems for food safety improvement.

Jutta Roosen (Belgium) presented a systems approach to the provision of food safety. Most processed foods are mixtures of products, having undergone substantial processing and preparation. Therefore the most severe food quality

failures are systemic, arising in part as a consequence of the complexity and interconnectedness of the paths taken from source to table. Improvements in food safety must take into account the complementary interactions among system components.

Istvan Feher (Hungary) discussed the implications for Hungary of accession to the European Union. This will be a challenge for Hungarian food producers facing the competition of imported food products of high quality. A comprehensive system of quality policy measures has been elaborated and introduced in the Hungarian agri-food sector during the last ten years. Adequate operation of this system will result in a general quality improvement, which is essential for Hungary to be competitive, both in the single market of the EU and also in the domestic market.

Helen H. Jensen (USA) summarized the panel discussion. She highlighted the theme of incentives that runs throughout the statements. How and whether incentives are transmitted in markets, through international trade, or created by public policy is important in understanding how food safety can be improved.

The audience discussion was lively and raised several controversial issues not directly addressed by the panel. Some questioned whether food safety is really an important public health issue in light of general improvements in nutrition and life expectancy in developed countries. Responses from the panel and others in the audience highlighted the changing nature of food-borne pathogens and the better understanding of chronic effects of food hazards in longer-lived populations. Others questioned whether a concern with food safety is applicable in less developed countries, and whether they should or should not adopt higher standards. Responses to this issue highlighted the need for less developed countries to expand exports, on the one hand, and the need to address differing food safety and public health hazards for their own populations, on the other. Another concern raised was the extent to which agricultural economists can know what the costs and benefits would be of improving food safety. Such research is still relatively new and its findings are not widely appreciated in the profession.