



Export Verification Requirements

Draft for Consultation

TITLE

Animal Products Notice: Export Verification Requirements

COMMENCEMENT

This Animal Products Notice comes into force on the date of issue, with the exception of the provisions of Schedule 1 relating to the verification steps for beekeepers and packers of retail-ready bee products, which are subject to the transitional provision under clause 1.2 of this notice..

REVOCATION

- (1) This Animal Products Notice revokes and replaces the Animal Products (Export Verification Requirements) Notice 2011.
- (2) Despite sub clause (1), the provision of Schedule 1 of the Animal Products (Export Verification Requirements) Notice 2011 relating to the verification steps for bee product processors requiring risk management programmes remains in force subject to the transitional provision under clause 1.2 of this notice.

ISSUING AUTHORITY

This Animal Products Notice is issued pursuant to sections 60(1)(c) and 167(1)(maab) of the Animal Products Act 1999.

Dated at Wellington this ... day of 2015

Allan Kinsella
Director, Systems Audit, Assurance and Monitoring
Ministry for Primary Industries
(acting under delegated authority of the Director General)
A copy of the instrument of delegation may be inspected at the Director-General's office.

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Introduction

This introduction is not part of the Animal Products Notice, but is intended to indicate its general effect.

Purpose

For the purposes of safeguarding assurances provided by New Zealand, this notice sets verification requirements and frequencies in relation to animal products for export.

Background

Verification is an integral part of New Zealand's regulatory framework that governs the issuing of official assurances in respect of animal material and animal products for export. Verification is a way of ensuring that operators who process animal material and animal products for export are complying with the requirements of their risk management programmes.

Verification is carried out by competent third party verifiers with knowledge of existing standards and requirements as well as knowledge of the nature the operators' business operations. Verification is a mechanism of providing the regulator with the necessary insights on operators' compliance with applicable law, which in turn informs the regulator in deciding whether or not to issue an official assurance in respect of a consignment of animal material or animal products.

This notice specifies the following requirements for the verification of animal product businesses (other than registered exporters) that produce animal material and animal products for export with official assurances:

- a) general verification requirements such as the arrangement of verification and the management of products that do not comply with export requirements; and
- b) verification steps and intervals; and
- c) verification outcomes and follow-up actions; and
- d) record-keeping requirements.

Who should read this Animal Products Notice?

This notice should be read by persons to whom clause 1.1 of this notice applies.

Why is this important?

Operating other than in accordance with this notice is an offence under section 135(1)(c) of the Act and may, upon conviction, result-

- a) in the case of a body corporate, to a fine not exceeding \$100,000;
- b) in the case of an individual, to a fine not exceeding \$20,000.

Part 1: Preliminary provisions

1.1 Application

- (1) This notice applies to:
- a) animal product businesses (as defined in clause 1.3),
 - b) recognised agencies and persons, and providers of ante-mortem and post-mortem examination who undertake verification activities for animal product businesses to which this notice applies.
- (2) This notice does not apply to:
- a) live animals for export which have not been the object of processing, or
 - b) animal product businesses processing, storing, or handling for sale in New Zealand only, or
 - c) operations subject to a regulated control scheme which does not expressly provide that the verification regime set out in this notice applies to that scheme.

1.2 Transitional provision

The provisions of Schedule 1 of this notice relating to the verification steps for beekeepers operating an RMP export store and packers of retail-ready bee products operating under an RMP commence 3 months after the date of issue of this notice.

1.3 Definitions

- (1) In this notice, unless the context otherwise requires:

acceptable outcome means the verifier is satisfied:

- a) that the operator is substantially complying with all applicable regulatory requirements, and
- b) where there have been any departures from those requirements, that the operator's corrective actions have been, or are, appropriate and effective;

Act means the Animal Products Act 1999;

animal product business has the same meaning as in section 4(1) of the Act but is limited in this notice to only those animal product businesses that produce or process animal products requiring an official assurance for export;

authorised person means a person authorised by the Director-General under section 65 of the Act to issue official assurances;

ceiling step means the longest verification interval available for animal product businesses that consistently achieve acceptable verification outcomes;

germplasm means embryos, semen and ova;

germplasm business means a business processing germplasm for export;

initial step means the verification step that automatically applies to all new animal product businesses

MPI means the Ministry for Primary Industries;

port visit normally means when a fishing vessel offloads fish material or fish products at a port, however if the verification interval for a vessel has been exceeded a port visit is any time the vessel is accessible from land;

poultry hatchery means a hatchery producing hatching eggs and day-old chicks for export;

recognised agency means an agency recognised under section 103 of the Act for the purposes of supplying verifiers to verify animal product businesses;

recognised agency technical manager is a person identified in clause 6(2)(c) of the Animal Products (Recognised Agencies and Persons Specifications) Notice 2011 or a corresponding clause of any amendment or replacement of that notice;

slaughter means killing an animal under a humane slaughter programme as a process within a risk management programme registered under the Act, with the intention on the part of the risk management operator that at least part of the animal will be used for human or animal consumption;

unacceptable outcome means the verifier has determined that the operator is not in substantial compliance with all applicable regulatory requirements; and

verifier means a recognised person who performs verification, within the meaning set out in section 4 of the Act, for the purposes of this notice.

- (2) Any words or expressions used but not defined in this notice that are defined in the Act, have the meaning given to them in the Act.

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Part 2: General requirements

2.1 Overseas market access requirements prevail in the event of inconsistency

- (1) This clause applies to an animal product business that is processing or performing other activities in relation to animal products for export in circumstances where overseas market access requirements also apply (including in relation to supervision, examination, surveillance, frequencies of review, audit, and dormancy).
- (2) If there is a conflict between overseas market access requirements and this notice, the requirements of the overseas market access requirements prevail.

2.2 Operators seeking official assurance eligibility for animal product or animal material to arrange verification

- (1) Operators of animal product businesses must arrange for a verifier to verify their animal product business, including applicable export requirements issued under the Act, in accordance with this notice and the verification steps set out in Schedule 1.
- (2) Sub-clause (1) does not apply if the animal product business is otherwise required to have a full time, on-site verifier present during operating hours, in which case clause 4.2 of this notice applies.
- (3) In addition to sub-clause (1), operators of fishing vessels must arrange for a verifier to verify the vessel operations by also applying Schedule 3 and following the mechanism described in sub-clause (4).
- (4) In relation to verification of a fishing vessel, a verifier must:
 - a) allocate a verification step under both Schedules 1 and 3; and
 - b) conduct verifications according to the step set under those Schedules that will result in the shortest interval between verification visits.
- (5) Where a beekeeper operating under an RMP export store RMP is also in the business of extracting honey, at least one verification check of that beekeeper in any given year must occur during the extraction season.

2.3 Animal material and animal product not complying with export requirements

If after conducting a verification for the purposes of this notice, a verifier determines that animal material or animal products are not eligible for export to its intended market or markets, the verifier must:

- a) notify the operator of the restriction on product eligibility; and
- b) if there is a way in which the operator can restore product eligibility, advise the operator of the steps required to regain eligibility; and
- c) confirm as soon as practicable that the operator has taken satisfactory action (for example re-labelling or segregation of products) to ensure the product or material cannot be exported to countries for which eligibility has been lost or suspended; and
- d) if paragraph (b) applies, notify the operator when eligibility has been restored, and
- e) in the case of operator non-compliance with eligibility restrictions:
 - i) if the verifier is not an animal product officer, notify an animal product officer and request that he or she commences regulatory action if appropriate, or

- ii) if the verifier is an animal product officer, notify the operator of any intention to act in the capacity of an animal product officer and follow the provisions of the Act accordingly.

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Part 3: Verification steps and intervals

3.1 Assignment and adjustments to verification steps for an animal product business

- (1) The verification steps applicable to a class of animal product business are as specified in Schedule 1 of this notice.
- (2) The interval attributed to a verification step is as specified in Schedule 2 of this notice.
- (3) In addition to sub clause (1), Schedule 3 of this notice specifies the verification steps that must be applied in respect of the verification of fishing vessels, subject to clause 2.2(4) of this notice.
- (4) After each verification visit carried out under Schedule 1 or 3, a verifier must determine and record the verification step that will be applicable to subsequent verifications, regardless of whether the animal product business changes verification step.
- (5) The verifier may, after any verification visit carried out under schedule 1 or 3, adjust the verification step for an animal product business to place it on a step falling between the applicable 'Ceiling Step' and Step 1 (as set out in the relevant Schedule).
- (6) If an animal product business temporarily ceases some or all processing activities:
 - a) the technical manager of the recognised agency providing verification services may reduce verification frequency to the ceiling step of any processing activities still being carried out (e.g. a manufacturer who continues to store animal products); and
 - b) if no processing activities are being carried out the minimum verification frequency is:
 - i) 6 monthly for operations whose normal ceiling step is step 6 or below; or
 - ii) annual for animal product businesses whose normal ceiling step is step 7; or
 - iii) in accordance with the recognised agency's normal visit schedule for animal product businesses whose ceiling step is step 8, regardless of processing history.
- (7) If sub-clause (3) applies to an animal product business the scope of verification can be reduced to cover only those activities which continue. If no activities are being carried out the scope of verification must be sufficient to give the verifier confidence that the premises remains in a fit state to resume processing; scheduled repairs and maintenance work notwithstanding.

3.2 Criteria for verification interval, and variance

- (1) Adjustments in the step placement made by the verifier under sub-clause (2) must be commensurate with the degree of compliance of the animal product business with its documented systems, including export-related requirements.
- (2) In making his or her determination as to the step on which the animal product business should be placed, the verifier must take account of risks and issues identified from the outcome of the most recent verification visit carried out under schedule 1 or 2, having regard to sub-clauses (3) and (4).
- (3) In response to ongoing acceptable verification outcomes, the verifier must place the animal product business on a higher step (resulting in longer intervals between verification visits). The verifier must not in any event increase the verification interval beyond the ceiling step given in Schedule 1 for the particular activities the animal product business is carrying out.
- (4) In the event of an unacceptable verification outcome the verifier must place the animal product business on a lower step (resulting in shorter intervals between verification visits).
- (5) The verifier must notify the operator as soon as practicable of any adjustment to the verification step for that operator's animal product business (and therefore the interval between verifications).

- (6) To avoid predictability the verifier must conduct verifications with sufficient variation in day, time, shift, and interval between verifications. However such variation must not lead to a greater number of verification visits than would normally occur for the calendar year, having regard to the verification step(s) the business is operating under.

3.3 Notice, and urgent or additional verifications

- (1) The verifier must give a minimum of 5 working days' notice to the operator of his or her intention to conduct a verification visit required by Schedule 1 or 3.
- (2) Despite sub-clause (1) the verifier may conduct verifications at short notice, or without prior notice:
- a) where for the purposes of clause 25 of the Animal Products (Recognised Agencies and Persons Specifications) Notice 2015, or a corresponding clause of any amendment or replacement of that notice, significant compliance issues have been identified during previous verification visits, or at any time after the last verification visit; or
 - b) where the verifier has been notified that the Director-General is considering suspension, deregistration or de-listing of the operation under relevant provisions of the Act.
- (3) Despite anything in sub-clause (1) at least one in every ten verification visits carried out under Schedule 1 or 3 must be conducted without prior notice.
- (4) The verifier may conduct additional verifications at any premises for the purposes of conducting follow-up verification on any corrective or preventative actions which have been required from the findings of a previous verification.
- (5) For the purposes of this clause, "short notice" means no more than two full working days.

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Part 4: Verification outcomes and follow-up actions

4.1 Unacceptable outcomes at step 1 and step 2

- (1) Following an unacceptable outcome when the animal product business is at step 1 or step 2:
 - a) the operator must prepare a written corrective action management plan; and
 - b) the verifier must provide written notification to the operator of issues required to be addressed in the plan; and
 - c) the operator must send the plan to the verifier for his or her agreement within 5 working days of receiving the notification.
- (2) Following an unacceptable outcome when the animal product business is at step 1:
 - a) the verifier must place that animal product business on step 00; and
 - b) the Director-General, in consultation with the recognised agency technical manager, must decide on an appropriate verification interval for the animal product business; and
 - c) the Director-General, in consultation with the recognised agency technical manager and the operator, must determine the conditions for return to step 1; and
 - d) the verifier must only place the animal product business back on step 1 when all conditions set by the Director-General have been met.

4.2 Premises with full time verifier presence

- (1) Where an animal product business has fulltime verifier presence, the verifier must give the operator a verification report and outcome on a monthly basis. The monthly verification outcome must be notified in writing to the operator, or the operator's designated representative.
- (2) The verifier must determine the monthly verification outcome according to the level of operator compliance with New Zealand standards (e.g. RMP/RCS systems), general export requirements and overseas market requirements, relating to the animal product business being verified.

4.3 Reporting and record-keeping requirements

- (1) Following every verification conducted for the purposes of this notice, the verifier must designate the outcome as either "acceptable" or "unacceptable", and must report this to the operator.
- (2) As soon as practicable following verification, the verifier must provide a written report to the operator, which must include the outcome of the verification and recommendations, requirements, or follow-up actions to ensure or improve compliance.
- (3) Recognised agencies that operate an animal product verification service must:
 - a) operate a system whereby verification reports and outcomes are centrally recorded for performance monitoring and audit purposes; and
 - b) make all verification information relating to animal product businesses, which is reasonably necessary to enable official assurances to be issued, available to authorised persons issuing official assurances and verifiers approving official assurance supporting documentation.

4.4 Follow-up actions

- (1) Subsequent to the identification of any follow-up actions in the verifier's report, as required by clause 4.3(2), the operator must (in consultation with the verifier) designate a period of time within which the follow-up actions will be completed.

- (2) The operator must confirm to the verifier that any follow-up actions have been addressed within the designated period of time.
- (3) If follow-up actions are required as a result of serious non-compliance (as identified by the verifier), the operator must make the confirmation required under sub-clause (2) in writing.

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Schedule 1 – Initial and ceiling export verification steps for premises that do not have fulltime recognised agency supervision

An animal product business listed under column 1 of the following table is subject to the corresponding initial verification step in column 2 and the ceiling verification step in column 3.

Animal product business	Initial verification step	Ceiling step
Primary processors of mammals and birds for human consumption	Step 2	Step 5
Secondary processors of mammals and birds for human consumption	Step 2	Step 5
Primary and secondary processors of seafood for human and animal consumption, including fishing vessels	Step 2	Step 6
Farm dairy RMP and raw milk transport	Step 5	Step 7
Registered transporters with Vehicle Docking Facilities (VDF) or equivalent operations under Risk Management Programme	Step 5	Step 6
All other registered transport operators	Step 6	Step 7
Processors of dairy product and dairy material for human consumption	Step 2	Step 5
All other processors of animal product for human consumption	Step 2	Step 5
Export stores	Step 2	Step 6
Primary processors of mammals and birds for animal consumption	Step 2	Step 5
All other processors of animal product for animal consumption	Step 2	Step 6
All other businesses that have a risk management programme but not covered by the above animal product business descriptions	Step 2	Step 5
Killed wild mammal material depots	Step 4	Step 6
Fish (other than bivalve molluscan shellfish) material depots, and apiarists	Step 8	Step 8
Bee product processors requiring risk management programmes	Step 2	Step 6
Beekeepers who operate an RMP export store	Step 2	Step 6
Packers of retail-ready bee products operating under an RMP	Step 2	Step 5
Businesses (excluding stores) processing blood, blood products, reproductive materials and pharmaceutical products requiring official assurances though not required to have a risk management programme	Step 2	Step 5
Businesses (including stores) processing animal material such as hides and skins, or for fertilizer and similar products, that require official assurances though not required to have a risk management programme	Step 2	Step 7
Germplasm businesses	Step 6	Step 7
Poultry hatcheries	Step 6	Step 7
Providers (if other than the risk management programme holder) of ante-mortem and post-mortem examination of mammals or birds	Step 2	Step 5

Schedule 2 – Intervals attributed to verification steps

A verification step listed under column 1 of the following table carries the corresponding verification interval attributed to it under column 2.

Verification step	Verification interval
Step 00	Determined by the Director General
Step 1	2 weeks
Step 2	1 month
Step 3	6 weeks
Step 4	2 months
Step 5	3 months
Step 6	6 months
Step 7	1 year
Step 8	5 years (20% of businesses within the business category each year)

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Schedule 3 – Verification for fishing vessels

Verification step	Verification frequency
Step 1	Every port visit
Step 2	Every second port visit
Step 3	Every fourth port visit
Number of consecutive acceptable outcomes required to move to a higher step	2
Number of unacceptable outcomes required to move to a lower step	1

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