

Tsunami of Indian (Chinese) Honey

Now Arriving on U.S. Shores--

Threatens to Drown Rebounding

U.S. Honey Market

By Ron Phipps

Much of this honey is believed to be illegally transshipped Chinese honey that is contaminated with heavy metals and antibiotics and has been routed through Indian companies in order to circumvent the U.S. tariff enacted to prevent Chinese honey dumping.

In just the first half of this year, “Indian” honey exports to the United States surged to over 60 million pounds, including large amounts of Indian white honey, which are atypical of tropical countries such as India . Much of this honey is believed to be Chinese honey illegally transshipped through India to circumvent the U.S. tariff on Chinese honey. These huge amounts of honey exported to U.S. buyers follows a ban by the European Union (EU) on June 15, 2010 of honey imports from India due to a lack of traceability regarding origin, adulteration and contamination by heavy metals and antibiotics. This tsunami of “Indian” honey, coming just prior to the arrival of the American and Canadian honey crops, can be interpreted as a deliberate effort to push down U.S. wholesale honey prices.

During the period of March 1-June 5, 2011 **62.7 million pounds** of honey were shipped from India to the United States . The previous highest average 3-month quantity from China was 19 million pounds. Such an unimpeded colossal flow of honey from India portends catastrophic consequences to American beekeepers and in the final analysis to American Agriculture, which depends for one-third of its food supply on pollination by the bees.

This is a real blow to U.S. efforts to curb Chinese circumvention after officials were able to curtail illegal Chinese honey imports from Indonesia and Malaysia . It seems that these illegal honey shipments have been able to keep one step ahead of U.S. Customs officials. As soon as shipments are curtailed from one country, Chinese exporters find a different country for illegal honey transshipments. Current shipping manifests reveal that several packers are direct and significant importers of honey from Indian exporters, long regarded as major players in the fraudulent circumvention of Chinese honey by India . In addition, during the first quarter of 2011 imports from Vietnam have surged to 13 million pounds and much of this honey also is believed to have been produced in China .

Chinese “honey laundering” is generally acknowledged as a common practice to avoid U.S. tariffs on Chinese honey that were originally instituted to stop honey dumping. Chinese companies originally began re-routing their U.S.-bound honey exports through other developing countries such as Indonesia , Malaysia , Thailand , and the Philippines . However, when these and other avenues were discovered and blocked, Chinese exporters switched to India and Vietnam as their main partners in this effort to circumvent the U.S. antidumping law.

It is important to realize that almost all Indian honey exporters are located in Punjab . About 10,000 metric tons of honey were produced in Punjab , according to reports in February of this year. However, within a few

months in 2011 this honey production quantity has been superseded by several fold, according to reports. Astonishingly, this supposed production increase has occurred despite reports from the Indian press in February, 2011 that the honey crop in India would be late and reduced by up to 40%!

This is the largest food fraud in U.S. history, a “growing multimillion-dollar laundering scheme designed to keep the endless supply of cheap and often contaminated Chinese honey moving into North America and is putting the domestic industry on the verge of crisis,” according to an article in Toronto’s *The Globe and Mail*. “U.S. agriculture suffers as a result since less domestic honey production means fewer managed bee colonies to pollinate crops,” according to Richard Adee, president of Adee Honey Farms, past president of the American Honey Producers Association and current chairman of the Association’s Washington Legislative Committee.

Both the Indian and Chinese press have acknowledged China’s honey exports to India. In an article in the May 22, 2011 *AgriMatters* published in India, writer Sanjeev Chopra states, “Our honey commands a premium in the world market, though of late it has faced problems in the EU on three counts: admixture with Chinese honey which is quite inferior (on account of organized admixtures, presence of antibiotics and heavy metals, and lack of traceability). Readers may also recall that over six months ago, the Centre for Science and Environment had carried out a big ‘expose’ on the traces of antibiotic in honey marketed by some of the leading brands in the country. It had also been pointed out that India did not have the necessary protocols, or the infrastructure to test honey, which is sold in the market.”

An article in the September 2010 *Down to Earth*, an Indian publication, says that Indian consumers are also worried about illegal antibiotics and heavy metals in their honey. The author states, “The government doesn’t test for antibiotics and other contaminants in honey meant for Indian consumers. The only test results available are for those destined for exports. They could be used as an indicator for how contaminated the honey sold domestically is.”

European governments banned honey from India after numerous contaminated honey shipments were turned away. The *Down to Earth* article says, “Substances found in these consignments included antibiotics like nitrofurans, tetracycline, chloramphenicol, streptomycin, and benzoic acid, used to treat fungal infections and as a food preservative. Another consignment belonging to Lee Bee Impex, a big exporter based in Ludhiana in Punjab, was barred from entering the US market in 2007—the honey was found to have originated in China and had residues of fluoroquinolone.” The author states, “An industry insider said that the samples for export could be a mix of China and Indian honey. The same could be true for the honey sold in the domestic market as well. . . A government official said the rejected batches are either sold domestically or exported to countries with lax health regulations.”

According to tests conducted by the Indian Agriculture Processed Food Product Export Development Agency (APEDA) and the Export Inspections Council (EIC), “Of the 362 honey samples it tested in 2009-2010 by the EIC, 29.2 per cent samples had more than the prescribed limit of antibiotics and heavy metals.”

The following graph of rejected honey for export, provided by the Indian Export Inspection Council, was printed in the *Down to Earth* article. Much of the heavy metal contamination is from lead, which is a tell-tale sign that some of this honey originated in Chinese provinces where use of containers without food liners to prevent heavy metal migration into the honey is common among smaller beekeepers.

Honey Rejected for Export

Year	Jan-Dec 2005	Jan-Dec 2006	Jan 2007- March 2008	April 2008- March 2009	April 2009- March 2010	No of samples planned (2010-11)
Agency	APEDA	APEDA	APEDA	EIC	EIC	EIC
Total samples drawn	1443	1189	1260	310	362	
Samples not certified	290 (20.1%)	302 (25.3%)	519 (41.2%)	143 (46.1%)	103 (29.2%)	
No. of EU Alerts	5	0	0	0	1	
ANTIBIOTICS	69	165	351	74	42	40
Tetracycline	(4.7%)	(13.9%)	(27.86%)	(23.9%)	(11.9%)	
Sulfonamides	04 (0.3%)	00	74 (5.9%)	36 (11.6%)	06 (1.7%)	40
Chloramphenicol	20 (1.4%)	65 (5.5%)	05 (0.4%)	05 (1.6%)	00	16
Nitrofurans	02 (0.1%)	00	00	00	00	16
Streptomycins	01 (0.08%)	00	00	00	00	40
HEAVY METALS						
Lead	202 (14.0%)	108 (9.1%)	161 (12.8%)	52 (16.8%)	80 (22.7%)	64
Mercury	01 (0.08%)	28 (2.35%)	05 (0.4%)	00	00	0
Copper	18 (1.25%)	05 (0.4%)	05 (0.4%)	00	01 (0.3%)	0
Cadmium	00	14 (1.2%)	05 (0.4%)	01 (0.3%)	00	64

Source: Indian Export Inspections Council documents.

Meanwhile, an April 16, 2011 article in a Ludhiana , India newspaper proudly proclaimed and showed a photo of two trainloads of honey headed for market. “This is not only an achievement for the company, but also a special occasion for the whole food sector,” according to Jagjit Singh Kapoor, managing director of Little Bee Group, the honey marketing company. According the Mr. Kapoor, Little Bee Group plans to process nearly 70 million pounds of honey this year. He says that currently his company is the third largest honey processor in the world, only eclipsed by number one Sue Bee Honey in the United States and number two Langnese Honey in Germany .

This is a stark contrast to a decade ago, when India exported zero pounds to the US , and almost nothing to the world. In evaluating the antidumping petition, the Department of Commerce had enormous difficulty finding cost valuations for Indian honey because there was virtually no export to the world and only minimal domestic production.

“There is a huge opportunity in the honey business and its other value-added products. After setting up warehouses across three countries, we now plan to set up honey processing units too with packing and blending facilities,” said Mr. Kapoor in a 2009 *Economic Times* interview. “The company already has a base in the USA , Middle East , Australia and Europe and is supplying Walmart, Norma and Metro (retail chains). It will now be entering France, Italy, Spain, Japan and the African countries of Ghana, Tanzania, Nigeria, Kenya and Sudan,” the *Economic Times* article stated.

New FDA Law May Help With Enforcement

In a June 20, 2011 news release the FDA unveiled a new global strategy to help ensure safety and quality of imported products. Its new strategy calls for coalitions of international regulators and increased data sharing.

The report called “Pathway to Global Product Safety and Quality” calls for the agency to transform the way it conducts business and to act globally in order to promote and protect the health of U.S. consumers.

Highlights of the report include four key elements needed to make the change:

1. The FDA will partner with its counterparts worldwide to create global coalitions of regulators focused on ensuring and improving global safety and quality.
2. The coalitions of regulators will develop international data information systems and networks and increase the regular and proactive sharing of data and regulatory resources across world markets.
3. The FDA will build in additional information gathering and analysis capabilities with an increased focus on risk analytics and information technology.
4. The FDA increasingly will leverage the efforts of public and private third parties and industry and allocate FDA resources based on risk.

In addition, effective July 3, 2011, the Food and Drug Administration (FDA) is amending its regulations on prior notice of imported food. As required by the FDA Food Safety Modernization Act, FDA is issuing this interim final rule to require an additional element of information in a prior notice of imported food. This change requires a person submitting prior notice of imported food, including food for animals, to report the name of any country to which the article has been refused entry. The new information can help FDA make better-informed decisions in managing the potential risks of imported food into the United States .

Each year about 48 million people (1 in 6 Americans) are sickened, 128,000 are hospitalized, and 3,000 die from food borne diseases, according to recent data from the Centers for Disease Control and Prevention. This is a significant public health burden that is largely preventable. *(In the case of transshipped Chinese honey, health officials are worried about previously discovered heavy metals, as well as contamination with antibiotics and adulteration with new undeclared and sophisticated adulterants.)*

The FDA Food Safety Modernization Act (FSMA) (Pub. L. 111-353), signed into law by President Obama on Jan. 4, 2011, enables FDA to better protect public health by helping to ensure the safety and security of the food supply. It enables FDA to focus more on preventing food safety problems rather than relying primarily on reacting to problems after they occur. The law also provides FDA with new enforcement authorities to help it achieve higher rates of compliance with prevention--and risk-based food safety standards and to better respond to and contain problems when they do occur. The law also gives FDA important new tools to better ensure the safety of imported foods and directs FDA to build an integrated national food safety system in partnership with State and local authorities.

Section 304 of FSMA amends section 801(m) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 381(m)) to require that additional information be provided in a prior notice of imported food submitted to FDA. This change requires a person submitting prior notice of imported food, including food for animals, to report, in addition to other information already required, “any country to which the article has been refused entry.” *(This would be especially important in the case of transshipped Chinese honey coming from India since the European Union has already banned Indian honey imports due to concerns cited in the first paragraph of this article.)* Section 304 of FSMA also requires the Secretary of Health and Human Services to issue an interim final rule implementing this statutory change no later than 120 days following the date of enactment of the legislation and provides that the amendment made by section 304 of FSMA takes effect 180 days after the date of enactment, which is July 3, 2011.

The U.S. government needs to take a clue from the European Union and immediately ban the import of Indian honey into the United States , not only to stop illegal transshipment of Chinese honey, but also to protect the health of U.S. consumers. Let’s derail this illegal honey train and stop it dead in its tracks! You can help by letting your Congressmen know that this illegal practice is occurring and that it is not

only damaging the U.S. honey market, but is a potential threat to U.S. pollination if beekeepers are forced to reduce their colony numbers due to a depressed honey market. In addition, this illegally transshipped Chinese honey poses a potential health risk to consumers due to heavy metal and illegal antibiotic contamination.