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PBB GLOBAL LOGISTICS - IN THE NEWS

Frozen at the border

Failure to comply with the FDA's regulations will stop food imports cold

By Roger Morton, Logistics Today

Last month, the U.S. Food and Drug Administration (FDA) (www.fda.gov) issued its interim final **Bioterrorism Act Regulations**, requiring registration of domestic and foreign food facilities and prior notice of imported food shipments. To date there has been enough public notice and discussion that those involved in food importing should be aware of the rules. However, there are changes in what had been anticipated, and to not be aware of them could put your products at peril.



As the regulations state, by December 12, 2003, "Domestic and foreign facilities that manufacture/process, pack, or hold food for human or animal consumption in the U.S. must register with the FDA." Further, "The FDA must receive prior notice of food imported into the U.S." These seemingly innocuous statements add a regulatory burden, forcing changes in the ways importers and exporters move food products between countries.

Gary MacNew, vice president of customer service and logistics for the U.S./Canada Group of *Rich Products* (www.richs.com), oversees cross-border of his company's products and is well aware of the need for compliance. Rich Products is a \$1 billion producer of non-dairy toppings and icings, frozen dough and bakery products, with primary customers being foodservice distributors and operators and in-store retail bakeries. Rich produces a great deal of non-dairy product that it exports to Mexico, and produces cakes there that it imports to the U.S.

Rich's U.S./Canada Group operates on both sides of the border, It has its U.S. headquarters in Buffalo and Canadian headquarters in Fort Erie, Ont. Both are within a mile of the Peace Bridge, which presents challenges as the new FDA regulations go into force. Prior notification must be received and confirmed electronically at the border no less than two hours before a shipment arrives.

"A truck can be loaded at our Fort Erie plant and be at the U.S. Inspection booths at the Peace Bridge crossing in less than five minutes," MacNew explains. "The

problem with that is we can't and won't pull a manifest on a truck before we have the final count. Like many companies—such as those with operations in Windsor, for example—we may have to adjust our transportation program to allow time for the pre-notification process."

As with its other cross-border operations, Rich relies on a broker to handle product movement. On the northern border, between Canada and the U.S., the Rich broker is PBB Global Logistics (www.pbb.com).

Jack Rafferty, PBB's director of trade & regulatory services, focuses on several matters within the FDA regulations that will influence Rich and other companies conducting cross-border foodservice

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business. "If I were a U.S. importer and had the choice of self-registration or getting someone to do it for me, I'd do it myself because it's easy enough," he notes.

In anticipation of the new regulations and to bolster its offerings, in mid-September PBB acquired Carrier Connection International (www.carrierconnection.com), a Canadian-based company operating in Texas, Missouri, Manitoba and Ontario, having relationships with more than 1,200 carriers who specialize in moving perishable food products.

Important under the new regulations - and with a chance to be overlooked - is the need for a foreign food facility to have a U.S. agent recognized by the FDA. Rafferty amplifies this point. "A lot of companies will make the mistake of thinking that because it has a U.S. broker - acting agent for the company to Customs - it has an FDA U.S. agent. People who self-register are going to look at the block in the registration form and say, "I have a U.S. agent. It's my broker." And then they'll stick that brokers name in there. That is not an FDA agent and not having one places shipments at risk."

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MacNew has not yet determined the mechanics of registering foreign food facilities. "If a third party is used, it will be a highly reputable and established business, in which we place a high level of trust," explains MacNew. Shippers presently using full-service brokers will probably turn to them to handle many aspects, if not all, of the FDA regulatory program.

Rich monitors federal regulations in several ways. It is a member of trade organizations which provide the company with information specific to the foodservice industry, Rich also uses the services of PBB to keep it informed of new import and export regulations. It also monitors trade publications and has a regulatory affairs group monitoring all food regulations.

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