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Course on

ILLICIT MARKETS AND ORGANIZED CRIME IN THE AMERICAS



MINISTÉRIO DA
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Class

Organized Crime and Illicit Trade in Agricultural Inputs

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Introduction

The illicit market in agrochemicals poses a potentially serious threat to human health, the environment, economic development and the economies of countries or regions linked to agricultural products.

Regulators, industry and farmers in several countries **have faced a growing market for illicit agrochemicals**. The theme deserves the attention of the police, customs, agricultural, judicial and fiscal authorities, since criminal groups predominate in this illicit market.

Global estimates of trade in illegal pesticides or agrochemicals range from 5% to 40%, depending on the product or country.



Concepts

Phytosanitary products are a mixture of chemical products containing one or more active ingredients and parts of the formula used to prevent, destroy or control pests, including vectors of human or animal diseases and unwanted species of plants or insects.

The concept of **illegal phytosanitary products** adopted by the UN and the OECD covers a series of illegal, obsolete or prohibited substances, as well as those derived from unauthorized imports, such as contraband, false labeling of ingredients that are also false and inappropriate ingredients.



Institutions

UNICRI: United Nations Interregional Crime and Justice Research Institute.

OECD: Organization for Economic Cooperation and Development.

UN: United Nations.

FAO: Food and Agriculture Organization of the United Nations.

WHO: World Health Organization



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Terms like prohibited, counterfeit, illegal, parallel, repackaged, substandard, unapproved, unlicensed, unpatented, and unregistered are very common in many countries. Due to vast regulatory differences and the fact that many countries do not criminalize the manufacture, trade and misuse of plant protection products, these inputs present inherent safety challenges and risks throughout their entire life cycle, from manufacturing to disposal of empty containers.

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The United Nations Interregional Crime and Justice Research Institute (UNICRI) lists 5 categories of illegal phytosanitary products that cover the manufacture, import and sale of these inputs. In all these categories the participation of criminal groups can be observed. These categories are :

- **Category 1:** Unauthorized, prohibited or obsolete phytosanitary or substances.
- **Category 2:** Unauthorized import of phytosanitary products registered in other countries.
- **Category 3:** Phytosanitary products completely false and innocuous in terms of active ingredients, or falsified from legitimate products.
- **Category 4:** Relabeled or incorrectly labeled phytosanitary products.
- **Category 5:** Refilling of original and legitimate containers of registered phytosanitary products, or repackaging in smaller capacity containers that are not approved.

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In Brazil, a study by **the Institute for Economic and Social Development of Borders** estimates that the illegal market represents 25%. Smuggling, counterfeiting, fraudulent importation, diversion of use or purpose and theft of legitimate products are examples of practices in the **illegal market for phytosanitary products in Brazil**.

In a recent event on the illegal phytosanitary market, in this year 2023, FAO presented an estimate of the regional illegal markets and **the conclusion is clear: the illicit phytosanitary market is a global problem**.

There is a large and **complex regulatory difference at the regional and national level**, even between countries within the same economic bloc, such as Mercosul.

We have a growing and dynamic international trade, a high demand for an input that has added value, and unfortunately, we have stakeholders such as **public authorities and producers who are unaware of the extent of the problems** inherent to these illegal inputs..

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The negative impacts of illegal pesticides or phytosanitary products are numerous and varied, and the risks are present at all stages of the input supply chain, from manufacturing to transportation, storage, use, and waste and packaging management. We can mention damage to human and animal health and the environment, including wildlife and native flora, as well as natural water resources and sources, agricultural production, the economy and, consequently, trade and to the economic development of communities and societies.

The global market for legal pesticides is estimated at \$60 billion, and for comparison, **the illegal trade in pesticides is estimated to be between \$6 and \$10 billion.** These values place the illegal phytosanitary market **among the ten most lucrative businesses of organized crime worldwide.** The criminals operating in this illicit market range from small groups with a few individuals to highly organized criminal networks, where each individual is responsible for a stage in the product chain, from counterfeiting or adulteration, through transportation, storage, distribution and sale.



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To deal with these increasingly complex problems, we must foster **cooperation** and improve **coordination in regulation, inspection, and enforcement**.

A first obstacle to effectively combating illegal products is the **recognition of the problem** by the interested parties, especially by the authorities, from registration and supervision agencies to the Public Ministry and the Judiciary; without forgetting, of course, the rural producers.



Class Summary

- Legal and illegal phytosanitary products.
- Dimensioning of illicit markets.
- Negative impacts of illegal inputs.
- Organized crime and phytosanitary products.
- Obstacle to effectively combat illegal products.



Reference

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