The evolution of FSSAI

*How the regulator is upgrading regulations and collaborating with food companies to modernize testing standards for food safety*

![Image of a laboratory](image-url)

The Nestle Food Safety Institute in Manesar, Gurugram, where officials of FSSAI and other firms will be trained in food safety.

It was an unexpected handshake. On 6 September, Food Safety and Standards Authority of India (FSSAI) agreed with Nestle India Ltd to establish a food safety institute in India that will train officials of FSSAI as well as other companies in food safety. A little more than two years ago, FSSAI had accused Nestle India of selling unsafe instant noodles.

The Manesar-based Nestle Food Safety Institute was inaugurated by FSSAI chief executive officer Pawan Kumar Agarwal. The institute, a replica of the
Swiss company’s units in China, and Lausanne, Switzerland, will conduct training programmes on food safety management systems, testing methods and regulatory standards in India.

The idea for the partnership, which Agarwal termed a “well-thought strategy,” came in February, when top officials of Nestle India visited Agarwal’s office. The meeting ended with an agreement on the initiative that would help the company mend fences with India’s food regulator, a tribute to Agarwal’s open mind as he sought ways to engage with food multinationals, even while aiming to ensure marketed food was safe for every Indian.

In June 2015, the regulator had questioned the safety standards of Nestle’s flagship brand in India, Maggi, the popular instant noodle. This led to the product being withdrawn from the market for five months. Yet now the relationship has been turned on its head, and India will seek guidance from Nestle on food safety standards and testing methods.

**From administrator to friend**

Regulators are typically not friendly with corporate entities. A regulator’s job is to keep companies under its ambit in check. So what led to the change in FSSAI’s mindset?

“If you want to ensure food safety, you have to work with them (companies),” said Agarwal. “You can’t fight them. We can engage with them not only to improve their own practices, but to improve the entire ecosystem. That’s been our approach. Make them more responsive. A healthy, trustworthy relationship is required between the regulator and the companies and other stakeholders.”

When Agarwal took charge of FSSAI in December 2015, the food regulator was seen as a prosecutor, especially by multinational firms. Importers as well as foreign companies with manufacturing units in India suspected the administrator of being biased in favour of Indian companies. But consumers were happy the regulator had begun to take erring companies to task—something it hadn’t really done since its inception in 2011 until Yudhvir Singh Malik, Agarwal’s predecessor, banned manufacturing and sale of Nestle India’s largest revenue-earner, Maggi instant noodles, on 5 June 2015, citing the alleged presence of monosodium glutamate and excess lead. Malik did not respond to queries from *Mint* for this story.
Until then most consumers were not aware of FSSAI. But once the Maggi controversy hit the national headlines, consumers started checking FSSAI labels on food packets before buying them. For the next six months, FSSAI stayed firmly in the news, courtesy the courtroom battles between Nestle India and the food regulator.

Mending fences

In August 2015, Nestle appointed Suresh Narayanan, then chairman and CEO of Nestle Philippines Inc., as the boss of its India business, in a bid to stem the crisis.

His primary mandate was to bring Maggi noodles back to retail shelves. To do this, Nestle had to make the regulator understand that Maggi was safe.

This required an engaged discussion between Nestle and FSSAI, but the regulator was not keen to mend fences. Even as the court battles continued, Nestle reached out to the government in every possible way.

On 8 July 2015, food processing minister Harsimrat Kaur Badal slammed FSSAI at a conference organized by the Confederation of Indian Industry, accusing it of “creating an environment of fear” and hurting foreign investments in the food processing sector. At the time, Badal’s father-in-law was chief minister of Punjab, where Nestle has its oldest factory in India.

Malik and his team, on the other hand, continued their analyses of packaged food brands, especially the ones sold by multinationals. State food safety departments joined hands. Nestle started taking measures to tackle the mess. It communicated with every stakeholder—the regulator, government authorities, consumers and the media. FSSAI did not pay much heed.

Nestle reached out to Badal. “She was the only person who was open to discussion,” said a person who was part of the team that met Badal. “She
understood the company’s seriousness about food safety and other things.” The person didn’t want to be named.

The narrative started to change for Maggi. In September 2015, a month after the Bombay high court overturned the ban, Malik was shifted to NITI Aayog as additional secretary. FSSAI got its next CEO only in December. In the intervening period, Nestle successfully re-launched Maggi noodles in the market, but only after a massive recall, in which 38,000 tonnes of packaged noodles were destroyed.

Narayanan needed to do one more thing: mend fences with FSSAI.

**Building public confidence**

After taking over as chief executive of FSSAI, Agarwal’s priority was building public confidence that food available in the market was safe for consumption.

In the next few months, Agarwal, who says his views align well with FSSAI’s chairperson Ashish Bahuguna, abolished product approval—a process that every company questioned. Instead, Agarwal started setting standards for each product category, emulating international regulators.

Unlike his predecessors, FSSAI CEO Pawan Kumar Agarwal has stayed away from taking an adversarial approach.

His agenda was simple: establish FSSAI as a trustworthy regulator for both citizens and food companies. He wanted to streamline regulations: reduce the regulatory burden on food companies, ensure single-window clearance for food importers, and make inspection risk-based, where “everything needs to be tested.” Agarwal believes that big businesses will maintain food safety in self-interest, as they will not risk damage to their reputation.

To build confidence in his agency among consumers, Agarwal expanded the regulator’s vision, focusing on various kinds of edibles and potables: the quality of street food, food at restaurants, prasadam available at shrines, tap water provided by the government, food served by Indian Railways. They examined the packaging and labelling of food products. The food items consumed by the citizens daily finally came under the FSSAI lens.
“My concern is that the overall culture of food hygiene in this country is not so good,” Agarwal said in an interview on 13 April 2016.

“We need to bring behavioural changes in society, and work with small and medium businesses to improve standards.”

Every day, for more than a year, FSSAI notified multiple standards of food products and regulations for food businesses. It then shifted the focus to ensuring nutritious food, by educating every citizen about safe food. Agarwal also started revamping the infrastructure of food testing laboratories. It was clear that a different FSSAI was coming into its own.

Not just Nestle

Agarwal was different from his predecessors in that he did not favour an adversarial approach. Soon after he took over as CEO he began to share public forums with corporate leaders. At first, these discussions were focused on how the FSSAI can extend food safety to every Indian.

Agarwal started announcing partnerships with multinational companies that he believed would ultimately ensure food safety. On the 10th anniversary of the Food Safety and Standards Act, Agarwal announced a 10-point agenda to ensure safe food in all places, including homes, schools, offices, eateries, even religious places.

On 28 March this year, FSSAI formally signed a memorandum of understanding with American beverage maker Coca-Cola Co. Under the agreement, the local entity of the beverage-maker will train 50,000 street food vendors, over a period of three years, on how to prepare safe food, ensure hygiene and manage waste.

Under Agarwal, FSSAI wants to develop a system that encourages food businesses to innovate and bring new food products into the market. It also wants to do away with unnecessary processes.

In addition, FSSAI inked a deal with Nestle India to train 700 street food vendors in Goa. “We are also working with companies like ITC Ltd, Mondelez
India, Tetra Pak, Jubilant FoodWorks, Yum! Brands, among others, for different projects related to nutrition and food safety,” Agarwal said.

Kolkata-based ITC has been working with FSSAI to ensure nutritious food in about 10,000 schools. Mondelez India Foods Pvt. Ltd does the same at 40 underprivileged schools in north Delhi, as well as looking at points of sale in the retail market. Then came the Nestle Food Safety Institute.

“Nestle Food Safety Institute will conduct training programmes on food safety management systems, testing methods and regulatory standards,” Agarwal said after he inaugurated the institute, the first of its kind in India. “Partnerships with private parties on food safety and standards are imperative for FSSAI. This is our effort to implement a first world regulatory ecosystem in India.”

Narayanan believes that creating the institute is a milestone. “Nestle can also help with its global expertise in areas of food science,” he said, “which will help FSSAI in taking informed decisions while formulating regulations.”

**Reactive corporations**

A lot of FSSAI’s actions are in line with how corporations think. In an interview in February this year, Narayanan said: “The relationship with FSSAI is professional. Things are better, in general. The regulator has been putting practical views. The hope is that these get translated into momentum.”

Most spokespersons of food firms refrained from criticizing FSSAI, but a few, on condition of anonymity, said it favoured some Indian companies, such as yoga-guru-turned-businessman Baba Ramdev’s Patanjali Ayurved Ltd. Agarwal insisted that most Patanjali products do not fall under the ambit of FSSAI. A Patanjali spokesperson echoed this view, saying that most of its products fall under the ambit of the ministry of Ayush, and that FSSAI does not have set standards for the ones that could fall under its purview.

T. Krishnakumar, president (India and south-west Asia), Coca-Cola, said life is easier when companies and the sector regulator work in a “collaborative manner”.
FSSAI IN NEWS

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“The dynamic leadership of FSSAI has been focusing on ensuring the highest standards of foods safety for over a billion Indians,” said Hemant Malik, divisional chief executive, foods division, ITC Ltd. “It has also proactively engaged in consultations with all stakeholders, including the industry, in several issues related to food safety, nutrition, fortification, hygiene and others. We are encouraged to see FSSAI play a pioneering role in taking all industry participants on board in its common mission of ensuring a healthier India.”

But not everyone is happy with FSSAI’s willingness to collaborate with companies. “There’s no doubt that the current CEO is better than all the previous ones,” said a top executive of a food company, asking not to be named. “But lately the regulator is asking companies to invest more and more in things which the regulator should do on its own. There’s a limit to how much a company can invest in social initiatives.”

Towards a larger goal

Agarwal has big ambitions. “Every morning when I get up, I say, my responsibility, and the responsibility of the authority where I work, is to ensure safe and nutritious food for 130 crore citizens,” he said. “You start with the bigger vision and translate that into small implementable activities and you’ll automatically reach there. Our vision is to ensure safe food for citizens, not to make lives difficult for food businesses”.

Under Agarwal, FSSAI wants to develop a system that encourages food businesses to innovate and bring new food products into the market. It also wants to do away with unnecessary processes. “We have changed a few things and are working towards creating an FSSAI interface that every citizen can understand.”

Agarwal wants to set comprehensive standards. He has accelerated the process of setting standards with the help of scientific panels and international references, creating standards where they did not exist. “Standard setting is a dynamic, ongoing process,” he said. “Something is always better than nothing. Setting fresh standards take a lot of time. Codex references are helpful and can be used as standards until we come up with our own.”
Codex references are standards, codes of practice, guidelines on food, food production and food safety that are recommended by The Codex Alimentarius Commission, a joint intergovernmental body of the Food and Agriculture Organization of the United Nations and World Health Organization.

FSSAI’s aim is to operationalize standards without compromising public health and public safety. Of course, there are problems in the formative stages. In the first five years, systems were just being established. “There were issues with product approval, which was taking too much time and effort of the authority. We found that product approval processes can be simplified and even done away with in many cases. They are only to be used in cases where there is a concern with safety.”

**Strengthening surveillance**

The biggest challenges for Agarwal were to ensure proper inspection and stop the misuse of power. At the time of his appointment, FSSAI’s inspection capacity was very limited, he says. There are about 18,000 food safety officers in the US and about 6,000 officers engaged in food inspection in Canada. These are all federal staff. In contrast, FSSAI did not have a single food inspector in its employ. “In India, we depend on food safety officers in the field,” Agarwal said. “There are wide variations from state to state. This is a challenge that we are trying to address as we move forward. We are working with state governments, persuading them to have adequate number of food safety officers. We’ve made some progress.”

**FSSAI’s priority is to slowly inculcate self-regulation.** Towards this, the agency recently finalized regulations on third-part audit of food businesses, and has asked the units to have at least one food safety expert trained.

FSSAI is also building its own team of food inspectors. “A small number initially, we can’t ask for 16,000-18,000 people.” Agarwal said. “We have to be reasonable and look for a staff of a few hundred. We are building numbers at FSSAI headquarters and at regional offices.”

But FSSAI’s priority is to slowly inculcate self-regulation. Towards this, the agency recently finalized regulations on third-part audit of food businesses, and has asked the units to have at least one food safety expert trained.
Educational institutes and the National Skill Development Authority will finalize short courses and conduct training.

FSSAI has decided to standardize the procedures around inspection. State-level food safety inspectors will have to follow centrally set standards. Agarwal has also restricted state-level food inspectors from divulging details to the media. Only FSSAI can do so. “Misinformation can cause real reputation damage to brands,” he added.

**Making tests flawless**

Agarwal is also overseeing the modernization of food testing laboratories across the country. The regulator, which owns and operates two laboratories and has approved 82 others in various states, recently allocated Rs482 crore to strengthen the food testing infrastructure, including upgrading and modernizing laboratories. Under this scheme, 45 food testing laboratories across the country and 14 referral food testing laboratories will be upgraded, enabling them to obtain accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL). Besides, FSSAI will also set up 62 mobile testing labs. There are currently four mobile food testing labs in Punjab, Gujarat, Kerala and Tamil Nadu.

**CAG scanner**

Over the past 19 months, Agarwal has established standards and won the trust of corporations. FSSAI has begun working closely with several ministries, especially towards skill development. It is also ensuring that fortified staples are served in the national government’s midday meals scheme. The food regulator was also instrumental in ensuring that a bill proposing much-needed amendments to the Food Safety and Standards Act, 2006, was placed before Parliament.

Despite all this, the Comptroller and Auditor General of India (CAG) began looking at FSSAI. Late in 2016, CAG decided to conduct a comprehensive performance audit, a process that continued for months. CAG’s audit examined how FSSAI fixes standards, finalizes regulations, approves products, ensures compliance and conducts surveillance. The audit results are awaited.

“It was a routine exercise,” said Agarwal. “It wasn’t just FSSAI. The audit includes the food safety offices of the states. This is not a matter of concern. Rather, what comes out of the report will help us improve our work.”
Look beyond the US

To set standards and regulations, FSSAI primarily follows the example of the US Food and Drug Administration. Experts say this is not enough.

Earlier this year, FSSAI requested the Global Food Safety Partnership (GFSP), a public-private initiative of the World Bank Group, to advise it on international engagements. Donald Macrae, senior consultant on regulatory reform, World Bank Group, submitted a report in July arguing that FSSAI needs to look beyond food regulations in the US and learn from middle-income countries such as Vietnam and China. Only this will ensure food safety across the country.

FSSAI needs to look beyond food regulations in the US and learn from middle-income countries such as Vietnam and China, said a report released by an initiative of the World Bank.

“Most of its (FSSAI’s) partnerships have been with developed countries but it has much to learn from other middle income countries that are facing similar issues at present or have faced them recently and moved through them,” Macrae said in the report.

The report lists the areas India can benefit from others’ examples. FSSAI can learn about the impact of slow urbanization, and how to help significant rural populations, from countries like Vietnam. It could learn how to scale up from China. FSSAI should emulate the UK in matters like regulatory delivery, third-party certification, risk-based inspection and planning, consumer focus and trust. It should look at the Netherlands and New Zealand for risk communication and compliance support.

“For FSSAI, the regulatory objective is to ensure a supply of safe and wholesome food, not to ensure a revenue stream of fines for violations,” Macrae said in an emailed response to queries from Mint. “Punishing those who do not comply because of capacity issues does not solve their capacity issues or deliver safe and wholesome food.”

Under Agarwal, said Macrae, FSSAI is focusing on the new approach of “supporting those willing to comply, in order that their challenges in
complying are overcome and they then deliver safe and wholesome food. This focus is in line with what is happening across the world and FSSAI is being truly innovative in tackling this new approach,” he added.