Maggi case still on, but FSSAI ties up with Nestle to improve own standards

Food regulator says ‘no official understanding’, but Nestle Food Safety Institute was inaugurated by FSSAI CEO last week in Manesar, Haryana.

Two years ago, the Food Safety and Standards Authority of India (FSSAI) took the world’s largest food and beverage company Nestle to court over the safety of its Maggi noodles. But now, the regulator has joined hands with the Swiss multinational to help improve its own standards.

The partnership between FSSAI and the Nestle Food Safety Institute (NFSI), based in Haryana’s Manesar, has raised eyebrows, as the former’s case against Nestle is yet to be decided by the Supreme Court.
The institute was inaugurated last week by FSSAI CEO Pawan Agarwal, who welcomed the partnership with Nestle as a “well-thought strategy”.

One of the two focus areas for the NFSI is capacity building and conducting training programmes for regulators, and even its own competitors. According to Nestle, the institute will work closely with the Nestle R&D Centre, India, and similar institutions in China and Switzerland.

No official partnership

Responding to queries from ThePrint, the FSSAI said via email: “It may be noted that while FSSAI welcomes and encourages such research-driven and capacity-building initiatives across the food value chain, there is no official partnership or understanding between NFSI and FSSAI.”

What the NFSI has is the regulator’s “encouragement that needs to be viewed in the backdrop of FSSAI’s efforts to foster a collaborative and participatory approach, which is the need of the hour if we wish to ensure safe and nutritious food to 125 crore Indian citizens”.

On its part, Nestle said it was in similar partnerships with other organisations in India.

“Nestle recognises, acknowledges and respects the role FSSAI plays as the foremost food regulator of the country. Not just FSSAI, we have also joined hands with National Association of Street Food Vendors of India,” a Nestle India spokesperson said.

The Maggi case

The government had banned the sale of Maggi noodles across the country in May 2015, and subsequently slapped a class action suit against Nestle, seeking a compensation of Rs 640 crore for alleged unfair trade practices, false labelling and misleading advertisements, and violating food safety standards.

Nestle moved the Bombay High Court, which overturned the ban. The FSSAI appealed to the apex court, which last heard the case a year ago.

Potential conflict of interest

Experts welcomed the partnership between the two sides, but are circumspect about potential conflict of interest issues, since the case is pending in court.
“I am sure they’ve thought about conflict of interest issues, but it is something the authority and officers must be constantly cognisant of,” said a lawyer specialising in food safety laws, who wished to remain anonymous.

“It’s a great way of exposing the regulator to international industry standards, so if they’ve buried the hatchet, this is a good way of doing it,” the lawyer said.

Alok Prasanna Kumar, Senior Resident Fellow at Vidhi Centre for Legal Policy, said engaging with industry bodies is the way forward.

“Many regulatory bodies in India do have a lack of understanding of their sectors. SEBI has it figured out now, and RBI does it well, but the newer ones are still figuring out their market. Teaming up with industry is good, but it can’t be riddled with conflicts of interests,” he said.

“Given how the Bombay High Court had ripped apart the government’s actions, the case would have died anyway. If the government wants to change its position now, it may actually be a good thing,” Kumar added.