

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Panama**

### **Food and Agricultural Import Regulations and Standards - Narrative**

### **FAIRS Country Report**

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**Report Highlights:**

Panamanian consumers continue perceiving U.S. food products as high quality, wholesome and reliable, which has resulted in a continuous growth in demand of 13 % annually. The U.S-Panama Trade Promotion Agreement entered into force on October 31, 2012. In addition, the United States – Panama Agreement regarding certain sanitary and phytosanitary measures and technical standards affecting trade in agricultural products, is in force since December 20, 2006. This agreement established simplified requirements for the importation of U.S. food products. And the recent amendment of the Annex of this Bilateral Agreement eliminated the use of the Bovine Export Verification Program for

U.S. Beef and Beef products exports to Panama, facilitating U.S. exports.

## **Section I. Food Laws:**

Acronyms used in this document:

GOP:	Government of Panama
TPA:	U.S. - Panama Trade Promotion Agreement
AUPSA:	Panamanian Food Safety Authority
MIDA:	Ministry of Agricultural Development of Panama
OIE:	International Organization for Animal Health
BSE:	Bovine Spongiform Encephalopathy
MINSA:	Ministry of Health of Panama
USDA:	U.S. Department of Agriculture
FSIS:	Food Safety Inspection Service
APHIS:	Animal and Plant Health Inspection Service
NOAA:	National Oceanic and Atmospheric Administration

Panama has adhered to the terms of the bilateral agreement with the U.S. regarding certain sanitary and phytosanitary measures and technical standards affecting trade in agricultural products, which is an integral part of the TPA, by publishing the following regulations:

- Law Decree 11 of 22 February 2006, published 24 February 2006, which created the Food Safety Authority, AUPSA, responsible for SPS and certain measures related to the importation of food and feed products.
- MIDA Resolution No. 60 of 24 March 2006, published 8 February 2007, by which Panama grants equivalence recognition to the U.S. sanitary and phytosanitary systems for meats, poultry, dairy and other products for human and animal consumption. Also contains provisions related to certification requirements for U.S. agricultural exports to Panama.
- MIDA Resolution No. DAL-216-ADM of 23 August 2006, published 8 February 2007, by which Panama adopts OIE consistent measures related to BSE for U.S. bovine products.
- MINSA Resolution No. 070-A of 24 March 2006, published 12 February 2007, by which Panama grants equivalence recognition to the U.S. sanitary and phytosanitary systems for meats, poultry, dairy and other products for human and animal consumption. Also contains provisions related to certification requirements for U.S. agricultural exports to Panama.
- MIDA Resolution No. DAL-30-ADM of 2 June 2006, published 27 February 2007, by which Panama recognizes U.S. beef grading and cuts nomenclature systems as equivalent to Panama's.
- MIDA Resolution No. DAL-274-ADM of 20 November 2006, published 27 February 2007, by which Panama accepts U.S. measures related to Newcastle disease and Avian Influenza as consistent with directives from the OIE, and permits the importation of U.S. poultry and poultry products into Panama. Also contains provisions related to certification requirements for U.S. poultry products.
- AUPSA's Scientific and Technical Council of Food Safety Resolution No. 001, of 22 February 2007 published 27 February 2007, and corrected 1 March 2007, by which it recognizes the equivalence of the U.S. sanitary and phytosanitary systems for the importation of meats, poultry, dairy and other products, and contains provisions related to certification requirements. Establishes alternatives to product registration.
- AUPSA's Scientific and Technical Council of Food Safety Resolution No. 002 of 28 February

2007, published 1 March 2007, by which Panama grandfathers MIDA's Resolution DAL-216-ADM, and MIDA Resolution No. DAL-274-ADM on BSE and avian diseases.

- AUPSA's Scientific and Technical Council of Food Safety Resolution No. 002 of May 17, 2013, by which it modifies the Resolution No. 001, of 22 February 2007 that recognizes the equivalence of the U.S. sanitary and phytosanitary systems for the importation of meats, poultry, dairy and other products, and contains provisions related to certification requirements. With this amendment of the Annex of the Resolution 001, henceforth there is no need to use the Bovine Export Verification Program for U.S. Beef and Beef products exports to Panama.

Complete text of these regulations may be accessed by date of publication at the [Official Gazette of Panama](#).

Also, the Executive Decree No. 65 of June 9, 1997 establishes the mandatory Hazard Analysis Critical Control Point or HACCP for all beef, dairy and fishery plants for Panama.

Besides the above mentioned laws and regulations, the U.S.-Panama Trade Promotion Agreement (TPA) which entered into force on October 31, 2012, has several chapters that established new applicable regulations for U.S. food products exported to Panama, such as the chapters of Market Access, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Rules of Origin, Intellectual Property Rights, among others. The complete text of the TPA can be accessed through this hyperlink of the [U.S. Trade Representative website](#).

## **Section II. Labeling Requirements:**

The label can be in English. There is no requirement for labels to be in Spanish (Article 36 of Law 45 of October 31, 2007), except for medicines, agricultural chemicals, toxic products, and food products that require specific instructions or warnings because of risks to human health, such as health enhancers.

Article 36 of Law 45 of October 31, 2007 defines labeling requirement as follows:

*"It is the responsibility of suppliers to consumers:*

*1- To inform consumers in a clear and truthful manner, of the characteristics of products or services offered, such as their nature, composition, contents, weight, origin, date of expiration, toxicity, precautions, price and any other condition, all of which will be printed on the label of the container or on the shelves where products are offered to consumers".*

Expiration date and country of origin of the product are the most important details that local inspectors look for in labels of imported food products. The Authority for Consumers Protection and Defense of Competition (ACODECO) routinely inspects supermarkets and smaller stores, checking expiration dates on food products. Results are published in newspapers to warn consumers. Weight checks are done mostly on rice and pulses sold in supermarkets. ACODECO is empowered to confiscate expired products and to fine stores that offer them to consumers.

For dietary products containing Aspartame or Acesulfame K, an individual label in Spanish must state that the product contains Phenylalanine, according to the Executive Decree No. 423 of June 12, 1993 and MINSA Resolution No. 11 of July 12, 1994.

### **Section III. Packaging and Container Regulations:**

Panama requires that the “product is packaged with materials of food grade”. There are no regulations issued specifically for packaging materials requirements.

According to Article 54 of Law Decree 11 of February 22, 2006, all processed food products for retail, bottled or packaged in some form with given name and brand, must be registered at the Panamanian Food Safety Authority (AUPSA), prior to importation. This means that all food products intended for retail as a final product for direct consumption should be registered prior to the import, sale or trade. Excluded from the above are raw materials such as: fresh meats (which are not packed and ready for sale), fresh vegetables and fresh fruits, grains in bulk loads or in bags, dairy product in bulk loads or in bags for further processing, ingredients and additives for the process of a final food product.

For bottled water there is a specific returnable plastic bottle, according to MINSAs Resolution No. 181 of August 10, 2001.

### **Section IV. Food Additives Regulations:**

Panama adheres to the Codex Alimentarius Standards in regards to food additives, as established on Codex Standard 192-1995 and other Codex Standards for specific categories of food products.

There are some specific food additive regulations:

- Technical Regulation DGNTI-COPANIT (Panama) 08-241-1998 concerns Deli products (hams, sausages).
- It is forbidden to use additives in frozen calamari, per Codex Stan 191-1995.
- For cooking oil and cooking fat/greases/butter, the food coloring, antioxidants, emulsifiers, thickeners, stabilizers and flavors must comply with the Codex Alimentarius standard.
- For beverages in powder mixes, it is forbidden to have Cyclamate as an additive, as established on the Technical Regulation DGNTI-COPANIT (Panama) 26-399-1999 and on MINSAs Decree No. 56 of October 18, 1971.

All food products must be free of Glycerol, sorbitol or propylene glycol, as established on Panama's Executive Decree No. 386 of November 30, 2006.

### **Section V. Pesticides and Other Contaminants:**

MINSAs Executive Decree No. 467, from 7 November 2007, published in Official Gazette No. 25932, of 4 December 2007, dictates the “Sanitary Ruling that establishes the maximum limits of pesticide residues and other contaminants in fruits and vegetables for internal consumption as well as for exports”. This rule adopts maximum levels applied by the CODEX, the EPA, and the EU, whichever is the lowest. It establishes that the Ministry of Health will collect samples from warehouses and supermarkets, while the Ministry of Agricultural Development will collect samples at farms. No frequency for sampling is established, and cost of analysis is charged to distributors and importers.

Panama has a Residue Lab to analyze food products for pesticides and other contaminants. Random samples are taken from imported food products to be tested at this lab, which uses USDA and/or EPA tolerances for pesticides, and has been reviewed by private consultants to improve procedures and effectiveness (Activity supported by FAS). In addition, they are applying for ISO certification.

## **Section VI. Other Regulations and Requirements:**

The Panamanian Food Safety Authority, AUPSA, is the agency created to oversee all aspects of food importation.

As per MINSA Resolution No. 5705 of October 28, 1996 Panama forbids adding of Potassium Bromate to wheat flour, adopting the CODEX Stan 152-1985-91. The Resolution specifies that it is for wheat flour only, and not for products made of wheat flour such as cookies, crackers, etc., which are not affected by the regulation.

All Wheat Flour must be fortified, according to the Executive Decree No. 80 of March 24, 2003.

Salt for human consumption must contain fluoride, according to the Executive Decree No. 127 of August 31, 1998.

## **Section VII. Other Specific Standards:**

### **a. Import Requirements for U.S. Beef and Beef products to Panama:**

The Import requirements for the United States beef and beef products for human consumption, adopted by AUPSA's Scientific and Technical Council of Food Safety Resolution No. 002 of May 17, 2013, by which it modifies the Resolution No. 001, of 22 February 2007 that recognizes the equivalence of the U.S. sanitary and phytosanitary systems for the importation of meats, poultry, dairy and other products, and contains provisions related to certification requirements. With this amendment of the Annex of the Resolution 001, there is no need to use the Bovine Export Verification Program for U.S. Beef and Beef products exports to Panama, by which Panama recognized the equivalence of sanitary and phytosanitary systems and other related regulatory systems of the United States.

In accordance with the above in the mentioned resolutions, the bovine meat and meat products for human consumption originating from the United States must be accompanied by an Export Certificate of Wholesomeness issued by USDA FSIS, with no additional certification statements.

Article 5 of the Agreement establishes that all products containing, by weight, more than 3 percent of meat have to be accompanied by an FSIS Export Certificate of Wholesomeness.

The previous resolution was modified by AUPSA, after a re-negotiation with the GOP, because since May 2013 Panama and the U.S. have the same BSE Risk Status (Controlled risk) recognized by OIE.

In addition to the above, each shipment must be accompanied by the following documents:

1. Copy of the Import Notification Form, filled in the web site of the [Panamanian Food Safety Authority](#)
2. Copy of the commercial invoice of the product.
3. Customs Pre- declaration.

### **b. Technical Regulations, Standards and Conformity Assessments:**

The General Directorate of Industrial Norms and Technology (DGNTI) through its Commission of Technical Standards (COPANIT) , an agency of the Ministry of Commerce and Industries, oversees quality standards and certification for all products. It participates in the preparation, adoption and adjustment of norms for industry, commerce and services. This agency is also the point of contact in Panama for the Codex Alimentarius. It is also the Panamanian registering authority for participation in ISO program.

The General Directorate of Standards and Industrial Technology (DGNTI) leads in conducting conformity assessments but is joined by a number of other public and private organizations. In Panama, several organizations conduct conformity assessments on a regular basis. These organizations include the Central Laboratory of Health from the Ministry of Health (MINSA), the University of Panama, the Technological University of Panama, the National Secretariat of Science and Technology (SENACYT), the Ministry of Agricultural Development (MIDA), the Consumer Protection Authority and Defense of Competition, and the Agricultural Marketing Institute (IMA).

Law 23 requires that the Panamanian Commission for Industrial and Technical Standards (COPANIT) and the General Directorate of Standards and Industrial Technology (DGNTI) publish all agreements, technical regulations, norms and procedures.

They operate a primary Metrology Lab, duly equipped to offer services such as calibration to weights, and solution to measuring problems.

List of food products for which they have issued a Technical Regulation:

- Cereals, Wheat flour
- Ethylic alcohol for alcoholic beverages
- Rum (local)
- Fruit and Vegetable juices
- Fruit nectars
- Tomato juice
- Orange juice concentrate
- Orange juice
- Milk and Dairy Products
- Vegetable oils
- Animal fats
- Sugar
- Table salt
- Additives
- Colors
- Fish, frozen
- Fishmeal
- Beef and products

Complete information (in Spanish language) may be accessed at the Ministry of Commerce and Industry website for [Technical Regulations](#).

### **c. Specific Import Requirement for Table Stock Potatoes:**

AUPSA requires an additional certification under the Phytosanitary Export Certificate (issued by the Animal and Plant Health Inspection Service (APHIS) )for sprout inhibitor application on shipments of U.S. table stock potatoes. In order to meet this requirement, APHIS proposes that as part of the shipping documents the shipper provide a "Packer Affidavit" stating that a sprout inhibitor application on shipments of U.S. table stock potatoes has been given.

### **Section VIII. Copyright and/or Trademark Laws:**

The Panamanian Copyright Law (Law 15) is based on the World Intellectual Property Organization (WIPO) model. It modernizes copyright protection in Panama, provides for payment of royalties, facilitates the prosecution of copyright violators, and makes copyright infringement a felony. The Copyright Office is drafting improvements to the Copyright Law to implement the new WIPO treaties, to raise penalties for infractions and to enhance border measures.

The Industrial Property Law (Law 35) provides 20 years of patent protection from the date of filing. This Law also provides trademark protection, simplifies the process of registering trademarks and makes them renewable for ten-year periods. It grants ex-officio authority to government agencies to conduct investigations and to seize materials suspected of being counterfeited. The Trademark Registration Office has undertaken significant modernization with a searchable computerized database of registered trademarks that is open to the public and is remotely accessible to customs officials, among others. This facilitates the inspection and investigation process considerably.

The legal framework for the protection of intellectual property rights (IPR) in Panama has improved significantly over the past decade. The government passed an Anti-Monopoly Law in 1996 mandating the creation of commercial courts to hear anti-trust, patent, trademark, and copyright cases exclusively. Two district courts and one superior tribunal began to operate in June 1997 and have been adjudicating intellectual property disputes. In January 2003, the GOP designated an IPR-specific prosecutor with national authority, which has consolidated and simplified prosecution of those cases.

The TPA provides for improved standards for the protection and enforcement of a broad range of intellectual property rights, which are consistent with U.S. standards of protection and enforcement and with emerging international standards. Such improvements include state-of-the-art protections for digital products such as U.S. software, music, text and videos; stronger protection for U.S. patents, trademarks and test data, including an electronic system for the registration and maintenance of trademarks; and further deterrence of piracy and counterfeiting. Panama is a member of the World Intellectual Property Organization (WIPO), the Geneva Phonograms Convention, the Brussels Satellite Convention, the Universal Copyright Convention, the Bern Convention for the Protection of Literary and Artistic Works, the Paris Convention for the Protection of Industrial Property, and the International Convention for the Protection of Plant Varieties. In addition, Panama was one of the first countries to ratify the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, although the GOP has yet to introduce implementing legislation to put these treaties fully into force in Panama and to establish new offenses, such as those needed for internet-based copyright violations and to enhance border measures. Under the TPA, Panama would be obligated to ratify or accede to the Patent Cooperation Treaty, the Convention Relating to the Distribution of Programme-Carrying Signals

Transmitted by Satellite, and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure by the date the TPA enters into force. Panama would also be obligated to ratify or accede to the International Convention for the Protection of New Varieties of Plants by 2010 and the Trademark Law Treaty by 2011.

Panama's legal system provides for a trademark protection regime, which includes a simplified process of trademark registration, and the ability to renew a trademark for 10-year periods.

## **Section IX. Import Procedures:**

### **A. Food Products and feeds for animals**

The Panamanian Food Protection Authority, AUPSA, is the Government of Panama agency in charge of procedures. In compliance with the bilateral SPS agreement, they receive requests for registration and provide answers within 24 hours. This procedure can be made on line, and it is totally free of charge. Their website: [www.aupsa.gob.pa](http://www.aupsa.gob.pa) is user friendly but, it is in the Spanish language only.

**Step 1.:** According to Article 54 of Law Decree 11 of February 22, 2006, all processed food products for retail, bottled or packaged in some form with given name and brand, must be registered at the Panamanian Food Safety Authority (AUPSA), prior to importation. This means that all food products intended for retail as a final product for direct consumption should be registered before import, sale or trade. i.e. alcohol beverages, snacks, canned food.

Excluded from the above are raw materials such as fresh meats (which are not packed and ready for sale), fresh vegetables and fresh fruits, grains in bulk loads or in bags, dairy product in bulk loads or in bags for further processing, ingredients and additives for the process of a final food product.

For the Food Product Registration, the Importer or the Exporter must send the following information:

1. Product Name
2. Name and address of the product manufacturer, packager, or distributor, as specified on the label.
3. Product description as stated on the label.
4. Product ingredients (in descending order by weight) as stated on the label.
5. For U.S. food products either:
  - a) A Certificate of Free Sale of the product, or any other certificate issued by any U.S. federal or state or local authority within the last 12 months, **or**
  - b) A Supplier or Manufacturer's Declaration (if applicable), on company letterhead, stating that the product is fit for human consumption.

The submission of documentation as indicated above may be via the Internet through AUPSA's website: [www.aupsa.gob.pa](http://www.aupsa.gob.pa)

In addition, so AUPSA may corroborate the above information, it is necessary to send the legible scanned copy of the label.

The originals of such documents shall be presented at the AUPSA's Registry office, within a period of time of 30 working days.

The Food Product Registration shall remain in effect as long as the information provided remains unchanged.

**Step 2:** At the Port of Entry in Panama, the Importer shall present these documents:

1. Copy of Import Notification form, submitted on Internet at the AUPSA web site:

<http://200.46.196.147/aupsa/login.asp>

The notification must be submitted, minimum 48 hours prior to the arrival of the product at the Port of Entry.

2. If the Certificate of Free Sale of the product, or any other certificate issued by any U.S. federal or state authority, or a Supplier / Manufacturer's Declaration [1] , was not submitted at the moment of the Food Product Registration [2] , then a copy of any of the above certificates must be presented at the Port of Entry in Panama.

3. Packing List of products.

4. Certificate of Origin (where appropriate [3] )

5. Copy of commercial invoice of the product.

6. Pre-customs declaration

AUPSA conducts laboratory tests on imported food products, mainly processed meat products, looking for contaminants, e.g. E. coli, Salmonella, heavy metals and Listeria

#### **A. Non-food animal and plant products**

The Agricultural Quarantine Directorate of the Ministry of Agricultural Development is the agency in charge of this category. They have a list of requirements for specific products, which may change at any moment due to phytosanitary concerns that may arise. Applicants must fill a form requesting a Phytosanitary Licence. Procedures must be done in person and in the Spanish language. Information may be accessed at: [www.mida.gob.pa](http://www.mida.gob.pa) go to: *Cuarentena Agrop*, then go to: *Solicitud de Importacion*. Or contact the Executive Director of Agricultural Quarantine (contact data below)

#### **C. Tariff Rate Quota Administration in Panama:**

Panama implemented a Board of Trade called "Bolsa de Productos", or "BAISA", which is a private concern organized to manage TRQs agreed upon at the WTO. Their intentions of expanding business to other local products have failed. Management is not equal for all products. For instance, for rice, sellers are forced (through a bidding process) to offer the lowest price possible, while buyers are forced to offer the highest one, with BAISA keeping the margin. BAISA declares that the margin is donated to charities. In other products, only a commission is charged: 0.25% for agent, and 0.25% for the BAISA.

The whole process starts with the decision of three Ministers: Ag, Commerce, and Economy, to publish summons for the bidding process. This sole characteristic makes BAISA prone to pressures and handling from local interests. While importers request those Ministers to initiate the process, usually, farmers pressure for the process to be delayed, in order to keep foreign product out of the country. In the case of pork products, as well as in all products, great damage can be done to importers if they are forced to import when international prices are high.

Buyers and Sellers cannot participate personally, but through an authorized (by BAISA) agent. Local importers must also be registered at Ministry of Commerce, as a concern that deals with the product to be imported, mainly as processor. This leaves newcomers out of the system. International sellers must hire a certified Broker agent in order to offer their product.

<sup>[1]</sup> AUPSA has been accepting during the last 3 years, in accordance with the U.S. – Panama SPS/TBT Equivalence Agreement signed on December, 2006, the Supplier or Manufacturer Declaration when the product is not freely sold in the U.S. territory, meaning that is produced for International Sales only. If the food product is freely sold inside the U.S. territory, then any U.S. federal, state or local competent authority should issue a certification, stating that the product is fit for human consumption, and it has been produced in compliance with the U.S. health standards for food manufacturing.

<sup>[2]</sup> AUPSA issued the Import Requirement Resolution number AUPSA-DINAN-077-2009 establishing that when the Certificate of Free Sale is presented during product registration, it does not need to be presented with each shipment.

<sup>[3]</sup> Any certificate issued by a U.S. federal, state or local competent authority, including the Certificate of Free Sale, generally indicates that the product is manufactured in the United States, or is originated in the United States; other attest, i.e.: “Country of Origin: United States”. When the certificate does not indicates any origin of the product, then AUPSA’s inspector at the Port of Entry, may or may not request for a Certificate of Origin, to ensure that the product is from the United States.

Also, a Certificate of Origin is necessary when importing under a tariff-rate quota or under a Tariff preferential treatment, when a Bilateral FTA is in force (the U.S. – Panama Trade Promotion Agreement or FTA was signed on June 28, 2007. Panama approved the TPA on July 11, 2007. The United States has not yet approved the Agreement, because the Congressional Approval is pending).

## **Appendix I. Government Regulatory Agency Contacts:**

Panamanian Food Safety Authority, AUPSA

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**Author Defined:**

It is important to note that on July 2009 the AUPSA's Scientific and Technical Council of Food Safety has also given the recognition of sanitary equivalence to the beef and pork sanitary system of Canada, approving all the Canadian facilities listed at a federal level in the Canadian Food Inspection Agency (CFIA) dedicated to the elaboration of bovine and pork meat products, including but not limited to refrigerated or frozen fresh products. The same has been approved for deli meats from Spain, for dairy products from Argentina, Australia and The Netherlands, beef from Chile, among others. The sanitary recognition of equivalences for these other countries has caused significant competition to U.S. food products, due to the simplification of the sanitary measures for imports to Panama for those countries mentioned above.