



**TACKLING THE SALE OF ILLICIT  
PESTICIDES ON E-COMMERCE PLATFORMS  
RISKS, CHALLENGES AND SOLUTIONS**

## **ABOUT TRACIT**

The Transnational Alliance to Combat Illicit Trade (TRACIT) is an independent, private sector initiative to drive change to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade.

For more information, visit [www.TRACIT.org](http://www.TRACIT.org)

## **ACKNOWLEDGMENTS**

Under the supervision of TRACIT's Director-General Jeffrey Hardy, this publication was drafted by principal author Suriya Prabha Padmanaabhan, TRACIT's Director of Programs and produced by KAH Design LLC. TRACIT expresses gratitude to the agro-chemicals and crop protection industry for their contributions.

## **MEDIA**

All media enquiries should be directed to Cindy Braddon,  
Head of Communications and Public Policy, [cindy.braddon@TRACIT.org](mailto:cindy.braddon@TRACIT.org)

## **SOCIAL MEDIA**

**Twitter:** [@TRACIT\\_org](https://twitter.com/TRACIT_org)

**LinkedIn:** [www.linkedin.com/company/tracitorg](http://www.linkedin.com/company/tracitorg)

# EXECUTIVE SUMMARY

As the global demand for food continues to rise, it is imperative to optimize agricultural productivity, increase food supply and ensure long-run food security. The proper use of agro-chemicals like pesticides is a critical component in modern agriculture. Protecting crops from pests and diseases helps farmers maximize crop yields and ensure crop quality, which mitigates the vulnerability of communities to food shortages and strengthens global food security.

Governments regulate pesticides for many reasons, but primarily to protect human health and the environment from risks associated with pesticide use. Legislation is one of the tools that countries use to achieve these objectives, by regulating the manufacture, registration, importation, transport, storage, sale, use and disposal of pesticides.

As the demand for agricultural productivity grows, the demand for crop protection grows, creating opportunities for criminal actors to exploit the complexities of agricultural supply chains to introduce unauthorized illicit pesticides<sup>1</sup> into the market.

Like many other sectors, such as pharmaceuticals and consumer products, internet-based e-commerce platforms have provided sellers with a new channel for selling and distributing pesticides. However, this growth in online sales has also exposed the sector to new forms of illicit trade, including counterfeiting, trafficking in illegal or otherwise banned products, and sales of pesticides that do not comply with regulatory requirements.

This situation presents several alarming problems, starting with the practical reality that illicit pesticides may not contain active ingredients or the proper balance of chemicals necessary for effective crop protection. When it comes to human safety, illicit pesticides usually contain toxic, prohibited or otherwise unsafe chemicals which present a wide range of risks to farmers, the applicable land and the broader ecological systems.

Complicating efforts to stop illicit trade in pesticides is the fact that they are increasingly being listed online on e-commerce platforms<sup>2</sup> by unlicensed sellers,<sup>3</sup> primarily because (i) regulations that have traditionally been applied to physical retail sales, such as requiring valid trade licenses, have not always been uniformly applied to online sales, (ii) systemic weaknesses within e-commerce platforms, such as inadequate due diligence during the seller onboarding process, makes it easier for criminals to evade detection.

Consequently, structural vulnerabilities in e-commerce platforms enable illegitimate sellers to:

- Offer for sale unregistered pesticide products and prohibited pesticides.
- Sell counterfeit pesticides or conceal banned or discontinued pesticides by labeling them with well-known brand names of major pesticide companies, lending them an appearance of legitimacy.
- Disguise pesticides as herbicides or organic fertilizers to evade registration and licensing requirements.

- Facilitate the diversion of pesticides from countries where they are legally permitted to countries where they are prohibited, bypassing registration requirements in the country of intended sale.

Despite the heavy regulations on pesticide trade, listings of unauthorized, banned and counterfeit pesticides can be found on virtually every e-commerce platform. In an effort to better control such activity, this report reviews 12 e-commerce platforms, based on their market size, reputation for being vulnerable to listings of counterfeits and other illicit products,\* recommendations by agro-chemical industry experts, or public evidence of policies or implementation of measures to mitigate illicit sales of pesticides. It provides examples of listings of illegal pesticides and exemplary measures that some have undertaken to mitigate illicit trade in pesticides.

## Key findings

In summary, the findings indicate that:

- Listings of illicit pesticides are offered on all the e-commerce platforms evaluated in this study, despite platforms having strict policies addressing or prohibiting the sale of pesticides. This reveals a troubling gap between the anti-illicit trade policies declared by e-commerce platforms and their practical enforcement.
- Platforms vary widely in their approach to compliance with national laws. Most countries permit the sale of only those pesticides that are registered in the 'country of use'. All e-commerce platforms evaluated in this study have limited measures

to verify that pesticides listed on their platforms are registered in the country of (intended) use.

- While national regulations may traditionally mandate that sellers obtain pesticide dealer licenses for physical (brick and mortar) sales, there is little evidence to suggest that the e-commerce platforms have tangible measures in place to verify that their third-party sellers are compliant with laws requiring valid licenses to sell the pesticides they list for sale.
- National regulations typically require licenses for storage and transport of pesticides. For those platforms that do offer logistics services (collection from buyer, storage or delivery to seller), there is no publicly available information indicating that they have a policy in place for storage and transportation of pesticides and the associated license to do so.
- Ongoing contributory facilitation by e-commerce platforms of illicit trading in pesticides in violation of applicable law and repudiation of their own restrictions, suggests a role for governments to mandate strict due diligence measures for e-commerce platforms.

Evidently, more needs to be done to eliminate the structural vulnerabilities of e-commerce platforms that enable illicit trade in pesticides. In this regard, there are two meaningful pathways: (i) governments mandate stricter controls on e-commerce platforms, and (ii) platforms step up their own efforts to prevent listings of illicit pesticides.

\*2023\_Review\_of\_Notorious\_Markets\_for\_Counterfeiting\_and\_Piracy\_Notorious\_Markets\_List\_final.pdf

## Recommendations

In an effort to advance progress in these areas, this report delineates recommendations for intergovernmental organizations, national government and e-commerce platforms.

### Intergovernmental organizations

Intergovernmental organizations (IGO) are in an inimitable position to set standards and help shape national laws. This presents an opportunity for them to provide clear, robust guidance to their Member States, urging them to adopt rigorous controls to preclude any and all listings of illicit pesticides online. The Organization for Economic Cooperation and Development (OECD) and the UN Food and Agriculture Organisation (FAO) are key IGOs that undertake work on promoting the sustainable use of pesticides, and both have acknowledged the proliferation of e-commerce transactions and the related problem of the growing sales of illicit pesticides on e-commerce platforms. In response, both have produced guidance useful to assist national governments establish comprehensive and harmonised regulations to more effectively address and mitigate the online sale of illicit pesticides. However, these agencies can more actively

promote the adaptation of these guidelines in regulatory frameworks at a national level.

### National governments

In recent years, national governments have shown a growing tendency to hold e-commerce platforms accountable for engaging in the trade of illicit pesticides, as evidenced by cases involving Amazon, eBay, and Mercado Libre, where fines and other sanctions were imposed. While these steps are positive, government prescriptions must be comprehensive, legally binding and more clearly directed at e-commerce platforms and their sellers so that there is no uncertainty in the requirements and responsibilities for precluding listings of illegal pesticides.

Specifically, national governments must modernize regulations that govern every stage of the pesticide cycle to ensure application to e-commerce transactions. Where necessary, laws must be enforced and/or amended to ensure that e-commerce platforms, online sellers and buyers abide by regulations that govern pesticides trade. Specifically, TRACIT recommends that such regulations must hold platforms to greater accountability.

Notably, TRACIT's key recommendations to national governments are as follows:

### Three Critical Requirements for Controlling Online Pesticide Sales

- 1. Ensure that sellers have a license:** National regulations should require e-commerce platforms to check pesticide sellers' credentials and verify that pesticide sellers have a license to trade pesticides.
- 2. Store such licenses for verification by regulatory authorities:** National regulations should mandate e-commerce platforms to verify and store seller information including dealer licenses for greater transparency and for recourse in the case of illicit pesticides.
- 3. Verify that pesticides sold on platforms are registered in the country of use:** Most national regulations require that pesticides sold in the country are registered with the relevant regulatory authorities. Furthermore, in the case of cross-border transactions, regulations should require e-commerce platforms to verify registrations or authorization certificates in the country of import and the country of export ahead of permitting such transactions. It should be the responsibility of the platform to ensure that any pesticide placed on its marketplace is registered in the "country of intended use".

Additionally, TRACIT recommends national governments to:

- Strengthen enforcement of online activities.
- Levy penalties on platforms for non-compliance.
- Make the sale of illicit pesticides online a consumer protection issue.
- Improve collaboration between customs and postal services.
- Establish stronger sanctions against fraudulent sellers.
- Conduct training, awareness raising, and communication campaigns.
- Create a public registry of licensed sellers and registered products.

The above is a summary of the list of recommendations – for greater detail see page 54.

### **E-commerce platforms**

The absence of mandatory controls governing online transactions provides an opportunity for criminals to exploit systemic weaknesses to sell unauthorized, illegal, banned and counterfeit pesticides.

E-commerce platforms must be held to a standard of accountability, especially where their transactional roles have expanded to controlling more and more of the transaction between a buyer and seller including promoting, consummating, guaranteeing, financing, storing and shipping the product – legal and illegal.

TRACIT strongly encourages e-commerce platforms to swiftly implement the **TRACIT's Three Critical Requirements for Controlling Online Pesticide Sales**

defending their supply chains from illicit pesticides. Additionally, TRACIT recommends that e-commerce platforms:

- Declare a strong public policy against illicit pesticides and implement such a policy.
- Implement strong Know your Customer (KYC) practices.
- Verify product registration and proper labelling on products ahead of permitting the listing.
- Verify that buyers have a license to use pesticides acquired through an online transaction.
- Proactively remove illicit listings and reprimand sellers.
- Empower consumers to report illicit pesticides listings.
- Maintain a database of pesticides sellers.
- Destroy illegal pesticides in a safe manner.

The above is a summary of the list of recommendations – for more details see page 57.

### **Conclusion**

The extensive body of legislation and regulatory controls governing the trade of pesticides has not kept pace with the rapid evolution of e-commerce, and where regulations do target online sales, they have not been uniformly applied or enforced. It is imperative that governments improve the clarity and applicability of regulations governing transactions on e-commerce platforms.

While numerous e-commerce platforms have established policies to prevent the sale of chemicals, hazardous, or illicit goods on their platforms, much more needs to be done to close the significant gaps between publication and adherence of such policies. Other highly regulated sectors such as

pharmaceuticals or toys, illustrate that much more can be done by e-commerce platforms to increase their capabilities to mitigate illicit, illegal activities by ensuring that sellers possess the requisite permissions and products possess proper certifications before they are listed.

# REFERENCES

<sup>1</sup> For the purpose of this paper, illicit and illegal are used interchangeably while describing ‘illicit pesticides’ that include illegal, unregistered, counterfeit or fakes, obsolete or unauthorized pesticides.

<sup>2</sup> For the purpose of this paper, e-commerce, online platforms or platforms are used interchangeably. As such, an ‘e-commerce platform’ is defined as any internet based platform that includes features primarily designed for arranging the sale, purchase, payment, or shipping of goods, or that enables sellers to sell physical goods through the web to consumers.

<sup>3</sup> For the purpose of this paper ‘pesticide seller’ or “seller” is any natural or legal person who makes a pesticide available on the market, including wholesalers, retailers, vendors and suppliers.





**TRANSNATIONAL ALLIANCE  
TO COMBAT ILLICIT TRADE**

TRACIT.ORG

---

Transnational Alliance to Combat Illicit Trade  
9 East 8th Street #201, New York, NY 10003  
+1.917.815.2824 | info@TRACIT.org | TRACIT.org