



Summary Paper

VC 3: Standards and Market Preferences – Opportunities and Issues

July 27th 2010

Introduction

Five countries took part in the video conference (VC) on July 27th 2010; Kenya, Madagascar, Mozambique, Tanzania and Zambia, along with a representative from COMESA. The first section of this summary paper will introduce the context of the VC and the main issues presented in the issue paper produced by the international expert on the subject. The second section will consider the current situations and challenges of each country as discussed during the offline national discussions following the online session. Section three will consider the future directions to be considered in regard to standards and market preferences. Finally, section five will conclude.

Context

The recent history in the development of the horticulture industry has seen the proliferation of private so called “voluntary” standards that have been imposed on the region’s horticultural export industries by their clients, namely the large multiple chains of supermarkets, particularly from the UK. These standards impose on exporters increasing obligations in terms of strict quality standards, food safety obligations, traceability, and residue limits etc that represent onerous obligations that they largely pass on to the suppliers down the supply chain with strong excluding effects on smallholders. In parallel, little has been done for developing national standards for food safety of produce marketed and consumed in the region. This issue is bound to take added prominence in the context of a rapidly urbanizing region, with a slowly developing middle class likely to become more demanding in terms of hygiene and food safety concerns and prepared to pay for quality produce.

The costs and challenges posed by compliance to GlobalGAP for smallholder farmers have been well studied and documented, and the tendency for many smallholders not to renew their certification unless a donor or exporter pays for it is a known fact. It has been suggested that a solution could be to revise the standards in order to reduce the costs of compliance, and also customize them to national requirements and capacities (the concept of national “GAPs”). Furthermore it is well known that standards adopters are not the ones bearing the cost of compliance and conformity assessment, and that the costs have been pushed down the global agrifood value chain towards the suppliers thus having a severe impact on exporters and producers in Sub Saharan African developing countries.

Current national situations and challenges

Kenya

GLOBALGAP is the international primary production standard most adhered to in Kenya, with 80% of Kenyan vegetable exports going to the UK. As discussed in their national paper, Kenya considers the proliferation of private company standards as opposed to international standards to pose the main



issues for compliance as they often do not recognise other standards as equivalent. There is also a question over whether these private standards have clear scientific justification. It was stated that an estimated 6.5 million Kenyans will be directly and indirectly negatively affected by the proliferation of private standards that may force many exporters out of business. Despite the obvious benefits, Kenya raised several disadvantages to participation in standards certification including the wide proliferation of different standards; high costs of compliance; lack of mutual recognition; requirements not based on sound scientific backing; and lack of local accredited agents. Compliance can end up being tedious and expensive, especially for smallholders and can end up being interpreted as standards with the aim of 'protectionism, perfection, and are mere tools for self deification at an expense of growers; and are therefore technical barriers to trade.'¹

Madagascar

The national paper voiced the lack of clarity and knowledge by producers of national standards in Madagascar, and indeed the idea of standards and quality are not clear in the minds of customers either. There are some large companies in Madagascar involved in exporting fresh and processed fruits and vegetables which are certified by ECOCERT, but the cost of compliance is too high for small scale farmers. There is also currently no national standards programme in Madagascar which adds to the lack of knowledge and lack of communication observed in the country although in March 2010 an SPS National Committee was set up to coordinate agricultural, livestock and fisheries issues.

Mozambique

Lack of knowledge of standards is an acknowledged market constraint for Mozambican horticultural products. The Mozambique Institute for the Promotion of Exports (IPEX) is piloting a project of certification of some horticulture producers, in particular fruit producers, to make them compliant with GLOBALGAP and HACCP certification. Part of the problem is considered to be the fact that Mozambican producers often start producing horticulture products without setting target markets and so are not aware of compliance requirements for access to international markets. Knowledge of standards at the domestic level is very low and in fact only three companies are currently applying standards at their processing plants.

Tanzania

Unlike certain other countries, Tanzania is very aware of the importance of compliance to standards and has institutional architecture in place to face challenges, including the Ministry of Agriculture, Food Security and Cooperatives, the Plant Breeders Registrar's Office, the Union of Protection of New Plant Varieties, the Tanzania Official Seed Certification Institute, the Tanzania Bureau of Standards and the Tanzania Food and Drugs Authority. There is however an acknowledged weakness in the capacity of some institutions to provide services compliant to international standards and continuously changing market preferences. There are also efforts to increase the capacity of producers to comply. Tanzania also refers to the views of some that the proliferation of private standards is a technical barrier to trade.

¹ Kenya position paper- VC 3, 2010: 3



There is a feeling that a national GAP would attract more trust from global markets and ease inspection and audit procedures for compliant producers.

There are various efforts being put in place in Tanzania to bring standards closer to horticultural producers including a PPP project initiated in cooperation with the Dutch government to improve the inspectorate system; establishment of a National SPS Committee; formation of a GLOBALGAP National Technical Working Group; initiation of a traceability program since 2003; and establishment of a GS1 Tanzania (fully integrated non-profit global organisation that develops standards for identification of goods and services). The need for improved marketing strategies, an increase in communication of the benefits of meeting standards, creation of a cohesive and official food safety framework and system and improvement at many levels of infrastructure has been noted by the country.

Zambia

There are standards for both imports and exports currently in existence in Zambia. Those for imports are regularly reviewed depending on the pest situation both in the country and externally. There are also SPS inspectors at all points of entry and exit into and out of the country. The Zambia Export Growers Association (ZEGA) has established a code of practice benchmarked against GLOBALGAP that all members are expected to work to meet. The Zambia Agricultural Research Institute (ZARI) has specialists who are dedicated to train producers and entrepreneurs for improving production management for fresh produce to meet prescribed standards. The commercial export sector is so concerned with performance in regard to SPS inspections that it supports the service by soliciting donor support for staff training and purchase of equipment.

Future directions

After the online session, the countries continue with offline discussions partly guided by the online discussions. For this VC, as well as post-VC papers on the offline discussions countries produced logframes with an indication of what future steps/activities are required.

National level

All of the countries set out the need for strengthening of national coordination and implementation mechanisms for SPS matters and linking of national technical committees. A national review of institutional and regulatory SPS mandates was also set forth as necessary in Kenya. Madagascar does not have a national policy as yet and also put forward the need for support to the SPS National Committee, enhancement of the national regulation and agricultural framework and education and training for local customers and producers. Tanzania highlighted the need for strengthened marketing of their horticultural produce.

Tanzania was the only country to make the suggestion of databases to cover activities of auditors and certifiers so they can be traced and their authenticity and credibility established and also to keep track of compliance records in the country. A further suggestion was formation of an institute to train certifiers and auditors as currently most of them come from Kenya and Britain. As previously mentioned



Tanzania has a great deal of organizations involved with this issue and so put forward the need for linking national technical committees.

Zambia amongst other countries acknowledged the good agricultural practices that were encouraged and achieved by farmers as they met standards although the issue of costs of compliance, particularly for smallholders still exists. Zambia has a small export sector and while they had a small number of small scale farmers certified due to annual certification requirements the certificates have since expired.

Regional level

The focus of the Kenyan post-VC discussions were on regional issues and concluded that there is a need for instituting a regional mechanism to ensure a matching level of compliance in all countries. Many of the countries expressed the need for a regional collaboration to reflect at the very least basic requirements in voluntary standards; this may well require a review of laws for harmonization and creation of a regional GAP. Madagascar called for support from the Regional Economic Communities to reinforce member countries' exporters of agricultural products.

The detailed presentation by COMESA of the Green Pass program for setting up standards and procedures on horticultural produce at regional level did not modify the national statements. It revealed a gap between what policy makers imagine and prepare, and what the professionals are ready to understand, adapt and adopt.

Conclusion

All of the countries welcomed the VC on this topic as it is an issue that is extremely important and pertinent when it comes to high value agricultural production for trade. The attendance of a representative from an REC, COMESA, was considered to be invaluable to the discussion and we hope will be able to attend future VCs.

Many questions and issues still exist around standards and market preferences and these were not going to be answered or dealt with in a single VC. However this was another opportunity for regional dialogue, which when considering the points made by all the countries, was the issue that kept coming to the fore. A regional collaboration whether it be harmonization of current approaches up to formation of a regional GAP is what will go a long way to tackling this issue.

Bibliography

- Post-VC papers from participating countries
- Steve Homer (July 2010) – 'Standards and Market Preferences'



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