



Implementing GAP at national level: Key Considerations for Developing Countries

FAO Good Agricultural Practices Initiative

Presented by: Anne-Sophie Poisot

***Trade and Standards Practitioners Network Workshop
“African Smallholder and the Challenge of Assured Compliance: What Have We Learned From Our
Interventions?” World Bank, Washington D.C., 19-20 June 2007***



FAO GAP Working Group Activities: Supporting countries/stakeholders

- **FAO IS :**

- 1) awareness-raising, studies, information access & exchange
- 2) capacity building and technical assistance projects
- 3) supporting development of appropriate national strategies

- **FAO IS NOT:**

- NOT supporting commercial certification of GAP
- NOT writing a harmonized international FAO GAP standard

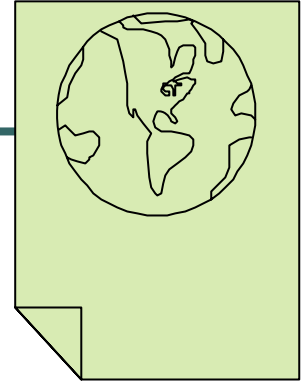
- **Recent FAO GAP country activities:**

GAP policy workshops (regl or natl: Uganda, Kenya, Chile, Burkina Faso), GAP training (Uganda, Egypt, Netherlands, West Afr.), Studies (Malaysia, Kenya, South Africa, Chile, global), new GAP website & database:

www.fao.org/prods/GAP/index_en.htm



Objective : what strategies for developing countries?



1. **GAP – what, why, for which market**
2. **Strategic options for GAP in devg countries**
3. **Components of national GAP programmes**



1. WHY GAP: Penetration of Private Voluntary Standards in Europe (fresh produce)

Preliminary findings, FAO/ESTT study with EU importers

- Share of certified products very difficult to quantify
- EurepGAP most important standard for GAP. BRC for packing/handling. Other: IFS, ISO 9000, QS
- Most importers & supermarkets (including EurepGAP members) still buy NON-certified products, depending on product availability & prices
- Many importers did *not* believe standards are guarantee for improvements; prefer trust with 'reliable suppliers'. But are requiring certification if the retailers demand it
- **Conclusion : EurepGAP will be increasingly indispensable in top EU retail. However, opportunities for non-certified products, but all quality requirements are rising = it is therefore meaningful for farmers/exporters to implement GAP also without commercial certification**



Private or National GAP Standards

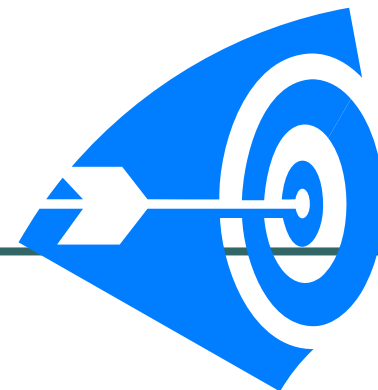
	Private Int' e.g. EurepGAP/ Tesco Nature Choice...	National (Public or Private) e.g. Thai Q GAP/ Chile GAP/ Kenya GAP/Malaysia SALM ...
Objective	Quality/ Safety Assurance Voluntary. but... 'De Facto' Market Access	Domestic Food Safety +/- Market Access
Ownership	Private Entity: Not always adapted to local conditions	National. Gov (Malaysia, Thai) or private (Chile, Kenya) Locally adopted
Cost of Certification & Compliance	Expensive Paid by farmer (+/- exporter/ donor)	Cheaper Paid by farmer but Often government support
Label/ Premium	No or Own Label/ No	Yes or Often/ Sometimes



2. Country strategies : not ...

- NOT “all farms should comply to EurepGAP”
or
- NOT “all countries should define a national GAP”
or
- NOT “make compliance to national GAP legally mandatory” (instead of voluntary)
or
- NOT all farmers large and small will apply the same GAP now” (=‘everyone or noone’ strategy)

BUT INSTEAD...



STRATEGY DEPENDS ON

- AN OBJECTIVE, A **STRATEGY**, a POTENTIAL
...AND SHOULD BE:

a= CONCERTED

b= COST EFFECTIVE

c= REALISTIC / step by step

d= CREDIBLE

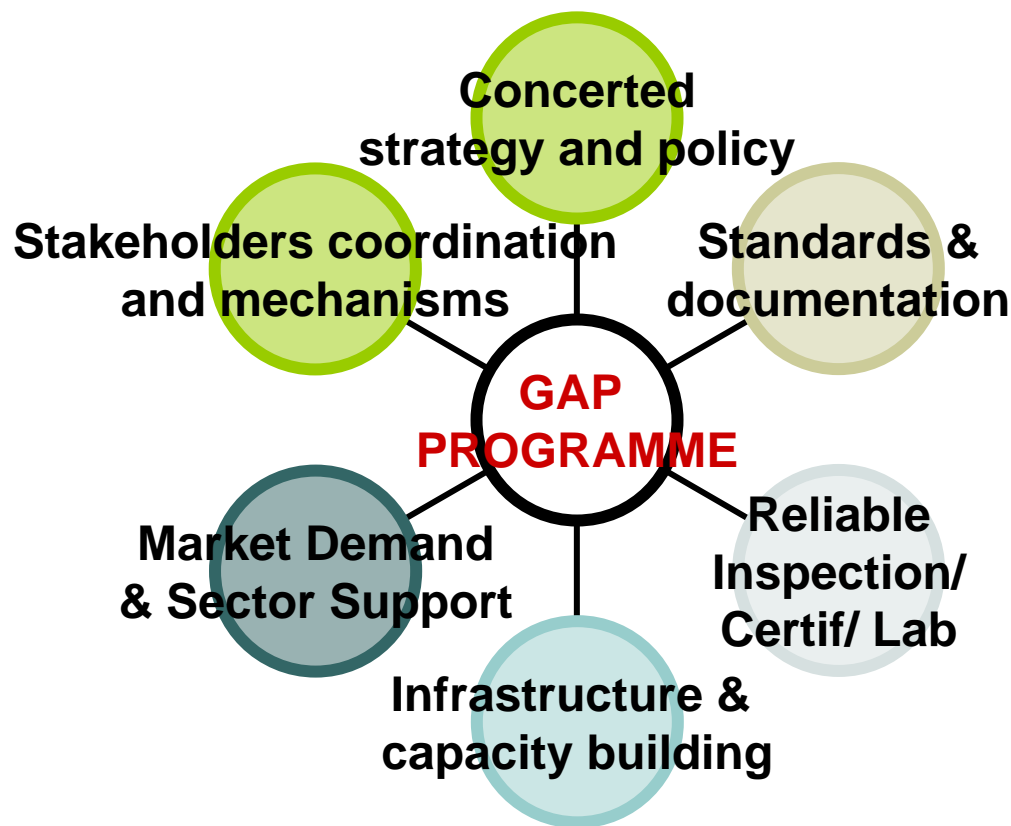
Be it at the level of:

-Country

- Industry

- Individ. Farmer

3. National GAP Programme Components



A. Clarify market demand and support



A. Clarify this first



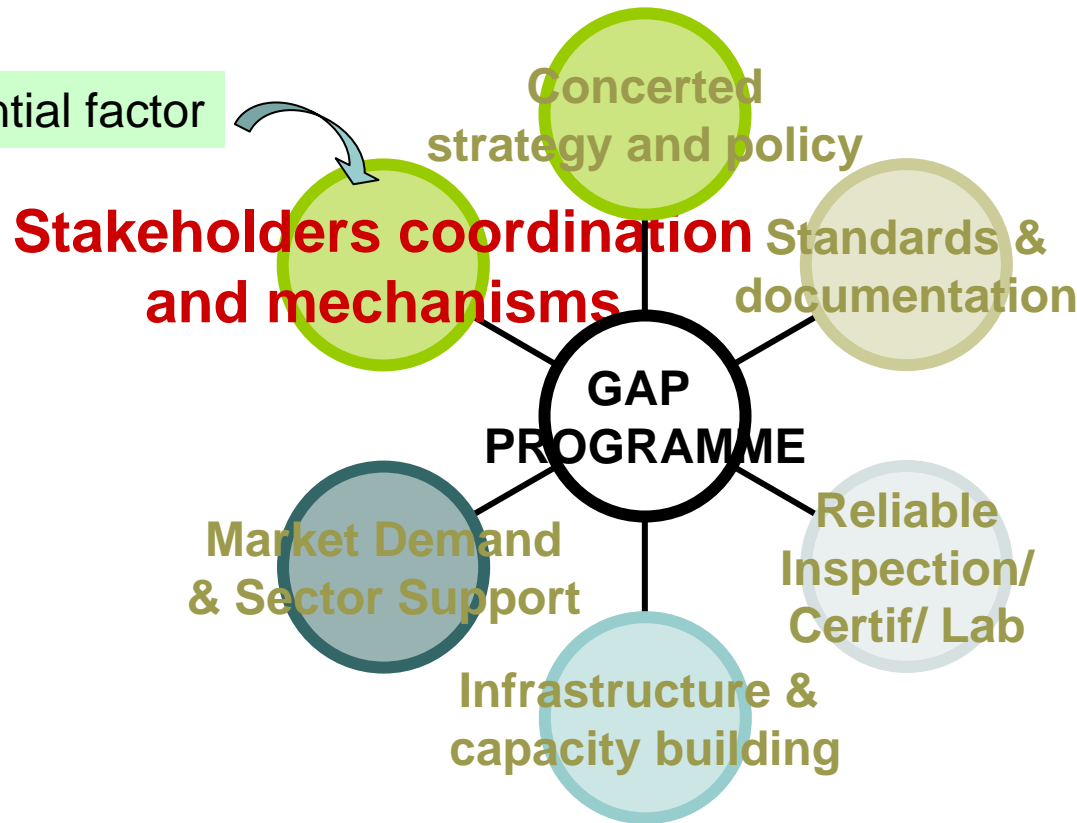
A. Clarify market demand and support

- Possible options for countries with predominance smallholders:
 - domestic markets (traditional, or emerging : hotels/retail/hospitals)
 - export: regional, wholesale, non-certified
 - organic and fair trade
 - global supply chains / top retail (with certification)
- 1st step: **CRITICAL ANALYSIS**:
 - importance of sub-sector for development and poverty
 - country strengths, producer profile, key markets
 - diagnostic of current practices
 - compare with legal and commercial requirements of current/target marketsPreferably done by industry (export farm production managers)
- Government cannot make the industry competitive. The **industry** can = if strong and interested, can take the lead. Government support role.
- Market recognition of govt schemes can be low. However advantages of gvt sponsored GAP (see Thailand, Malaysia)



B. Establish stakeholder coordination mechanisms

B. Essential factor



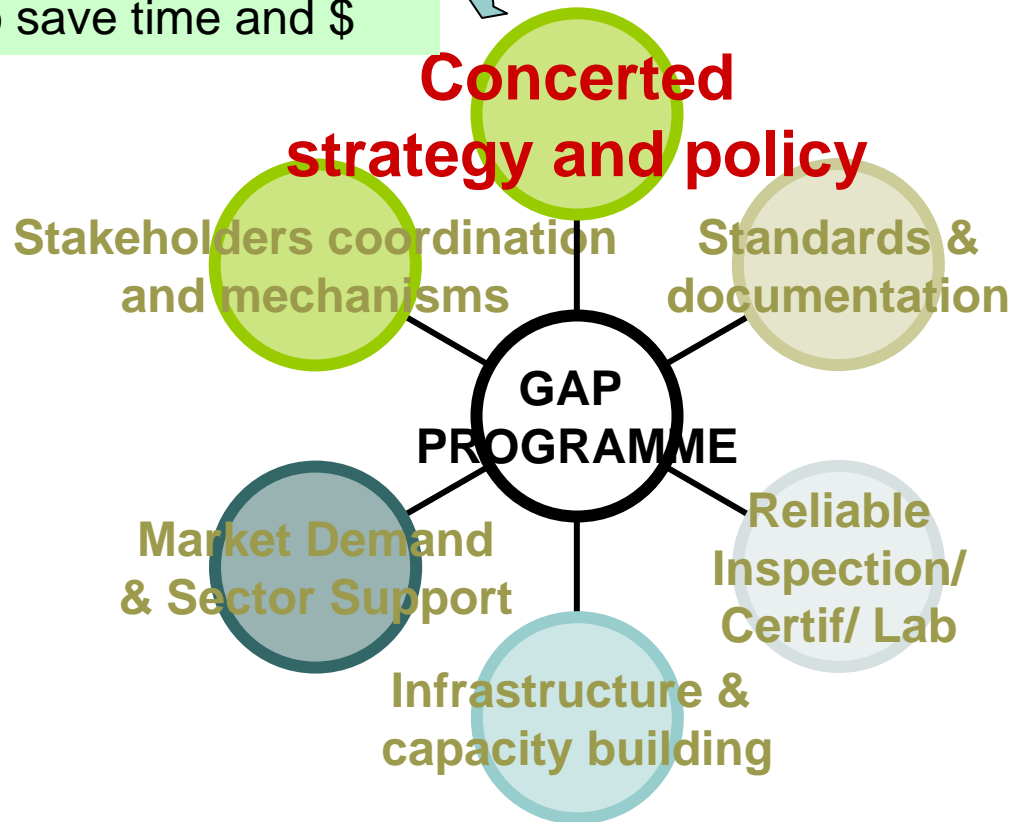


B. Establish coordination and roles

- Establish a co-owned public/private coordination mechanisms: ('Nat' steering committee', 'Task Force'...) which can oversee
 - Nat' interpretation guidelines (help understand/adapt EurepGAP) and liaise with EurepGAP to influence standard setting, if EurepGAP compliance is the objective
 - National GAP code, if upgrading the sector is the objective
 - Establish auditable checklist for technical guidelines
 - Develop generic risk assessment template for smallholders
- Attribute roles and responsibilities realistically
- Foster policy coordination in public services too (food safety, crop production/protection, standards, boards, parastatals, extension, Min of Ag, Health, Tourism)

C. Strategy: Concerted and clear

C. Essential to success,
to save time and \$





C. Strategy: Concerted and clear

- Consider GAP for domestic market? if NOT, will local consumer benefit? Consider a step by step (**must/should/might criteria**) or 'two-tier GAP' (**Bronze/Silver/Gold levels of GAP for domestic/ export**)
- Consider impact and inclusiveness of smallholders? Policy trade-off
- **Advanced countries/farmers** : individual E-GAP compliance + group compliance for smallholders + (if no national scheme) National interpretation guidelines OR (if scheme exists) consider whether to benchmark to E-GAP + promotion of GAP to domestic middle class + introduction of voluntary two-tier GAP (export/domestic)
- **Less advanced countries/farmers** : individual compliance + + focus on infrastructure development and business skills (= 'basics first' strategy) + other markets (organic, FT, regional, domestic) + national GAP as voluntary tool to upgrade the industry (not benchmarked)

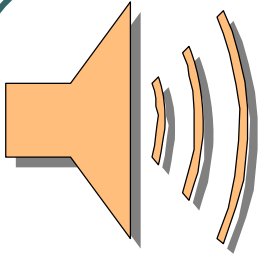


C. Strategy: some considerations

- Too much consumer focus
 - think of **farmers**: define easily applicable and voluntary GAP... or be prepared to more \$\$\$ (training, investment)... or have a standard which no one enforces
- Consistent, transparent, acceptable system takes time to develop
- Issues re. benchmarking to EurepGAP: costly, strict interpretation, a moving target
- Compliance with National GAP should be legally VOLUNTARY (don't kill the industry or risk falling under WTO discipline)

E. Labs, certification, inspection






EFFECTS & ISSUES

- REPERCUSSIONS = Opportunities, but constraints for small farmers. Effects + and –
- INTEGRATION of development & sustainability issues ?
- RECOGNITION by buyer; harmonization, benchmarking?
- REPARTITION= Who pays (buyer, gov, farm, exptr, donor)
- COORDINATION = win-win situations
- VISION = GAP for domestic or export (int', reg')?
Ultimately, a matter of strategic, realistic choice for governments & stakeholders

A dark blue background featuring a stylized world map with horizontal lines. The map is centered and occupies the upper half of the slide.

Elements of an Effective Support Strategy: Linking Small Producers to Global Supply Chains

The United Nations logo, featuring a world map surrounded by olive branches, is positioned in the bottom left corner of the slide.

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Presented by: Ulrich HOFFMANN, UNCTAD secretariat

Country-case Studies as a Basis

- UNCTAD has prepared 3 series of country-case studies on challenges and opportunities of EurepGAP:
 - In Africa: Ghana, Kenya, Uganda
 - For Asia: Malaysia, Thailand, Vietnam
 - In Latin America: Argentina, Brazil, Costa Rica
- Three monographs on these studies are currently in the final stage of publication.



Do not lose sight of

1. Smallholder integration into global supply chains should be part of a three-pronged strategy:
 - a) upgrading local markets and facilitating access to regional ones;
 - b) promoting organic agriculture (recent UNCTAD study shows that certified organic export production was significantly more profitable than conventional);
 - c) linking smallholders to global markets.
2. Estimated – only 2% of smallholders in East Africa produce for export (share linked to global supply chains is even lower). Farm laborers account for about 75% of those engaged in export production; small farmers – 25%.
3. Standards can be an instrument to promote environmental, social and economic responsibility. But this requires a far more comprehensive approach to support the process, spread responsibilities, risks and costs along the supply chain, and measure impact (to achieve continuous improvement).
4. Why is government support justified: Revolution in the countryside – move towards high-precision agriculture and its economic, social and environmental consequences.

Thrust of Supportive Measures for Integrating Smallholders into Global Supply Chains

Important Objectives

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graph TD; A[Important Objectives] --> B[Forming stable producer groups]; A --> C[Reducing testing and compliance costs]; A --> D[Awareness-raising and training]; A --> E[Facilitating relationships between small producers and large retailers/agro-processors]; A --> F[Providing temporary financial support to smallholders];
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Forming stable producer groups

Reducing testing and compliance costs

Awareness-raising and training

Facilitating relationships between small producers and large retailers/agro-processors

Providing temporary financial support to smallholders

Forming Stable Producer Groups

- Supporting village-level groups has been a successful approach in Malaysia and Thailand.
- Local government authorities can play active role in this regard.
- Policy coherence among central and local government institutions is important in this regard.



Reducing Testing and Compliance Costs

- Developing “indicator” tests that show whether the residue levels are “below”, “borderline” or “above” the specified amounts. Borderline tests would then be repeated with a full analytical protocol. This approach will be less expensive and quicker for quality control purposes which the farmers may afford.
- Customize the GAP software for maintenance of records:
 - centralizing records, would enable simple documentation audits by the auditors
 - auditors would not have to travel to remote farms to conduct documentation audits
 - centralized computerized system could also be used to remind farmers of activities that are overdue and issue warnings concerning any lapses in maintaining the required documentation
 - software could be used to provide the necessary information on, for example, traceability and chemicals used to exporters and retailers

Facilitating Relationships between Smallholder Groups and Large Supermarkets/Agro-processors

- The Federal Agricultural Marketing Authority (FAMA) in Malaysia has set up the infra-structure enabling collection centers to provide an outlet for farmers to sell their products to traders and large national retailers. This guarantees the marketability of the farmer's produce.
- FAMA operates 44 collection centres, which channel produce into seven distribution centres for delivery to supermarket stores. This is not an exclusive arrangement and supermarkets also obtain supplies directly from farmers and wholesalers.



Providing Bridging Finance to Small Producers

- There is a general unwillingness of supermarket chains to become involved in providing bridging finance to farmers, a role played by traders in traditional marketing systems. This poses severe problems for the cash flow situation and investment and innovation capacity of small producers.



THANK YOU



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www.unctad.org/trade_env/projectCTF.asp

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