

THE IMPACT OF PRIVATE STANDARDS ON CARIFORUM COUNTRIES

FINAL REPORT

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Specific focus on smallholders

- ▶ *Market access (international and regional)*
- ▶ *Cost of compliance; and*
- ▶ *Poverty (alleviation/creation)*

METHODOLOGY

► *Face to face interviews:*

1. Belize
2. The Dominican Republic
3. Jamaica
4. Saint Lucia
5. Saint Vincent and the Grenadines

METHODOLOGY cont.

- ▶ Questionnaires and Skype calls in the remainder of CARIFORUM countries
- ▶ (Poor Response Rate)

INFORMATION SOURCES

PUBLIC SECTOR

- ▶ **Agriculture (Animal Health, Plant Health and Food Safety)**
- ▶ **Fisheries**
- ▶ **Environment**
- ▶ **Human Health**
- ▶ **Foreign Affairs**
- ▶ **Trade and Promotion**
- ▶ **National Standards and Quality**
- ▶ **Rural Agricultural Development**
- ▶ **National Accreditation/Certification**

INFORMATION SOURCES

PRIVATE SECTOR

- ▶ Farmers and Farm organizations
- ▶ Exporters and their associations
- ▶ Processors and their associations
- ▶ Technology companies
- ▶ Trade promotion organizations
- ▶ Manufacturing, Processing facilities
- ▶ Packing houses
- ▶ Higglers, Hucksters and Traffickers

TWO TYPES OF STANDARDS

1. PUBLIC STANDARDS

- **Government (SPS)**

2. PRIVATE STANDARDS

- **Commercial (Good Agricultural Practices - GAP)**



PUBLIC STANDARDS - WORLD TRADE ORGANIZATION (WTO)

Chapter on Sanitary and Phytosanitary Measures

IPPC

OIE

CODEX

NATIONAL LEGISLATION, REGULATIONS, DIRECTIVES, DECREES etc.

- ▶ **Food Safety**
- ▶ **Animal Health**
- ▶ **Plant Health**

PUBLIC vs. PRIVATE STANDARDS

The line is getting blurred.....

- ✓ **US Food Safety Modernization Act (FSMA)**

FSMA is :

- ▶ **Very similar to private GAP standards**
- ▶ **Requiring importers to verify that foreign providers follow the rules**
- ▶ **Allowing for third party certification**

PRIVATE STANDARDS

GLOBAL FOOD SAFETY INITIATIVE (GFSI)

***‘Once certified,
recognised
everywhere’***



PRIVATE STANDARDS

- Global G.A.P
 - Primus FGS
 - British Retail Consortium
 - Canada GAP
 - ASEAN GAP
-
- More emphasis on social, environmental values

PRIVATE STANDARDS

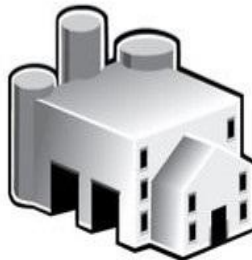


ONE EXAMPLE:

WALMART will only buy
from providers that are
recognized by the GFSI



FOOD VALUE CHAIN



INPUTS

PRODUCER

PACKER

TRANSPORT

COMMERCE

CONSUMER

Seeds
Pesticides
Fertilizers

Farmers
Fishers
Ranchers

Packers
Processors
Manufacturers

Importers
Exporters
Third parties

Supermarkets
Hotels
Restaurants

Consumer

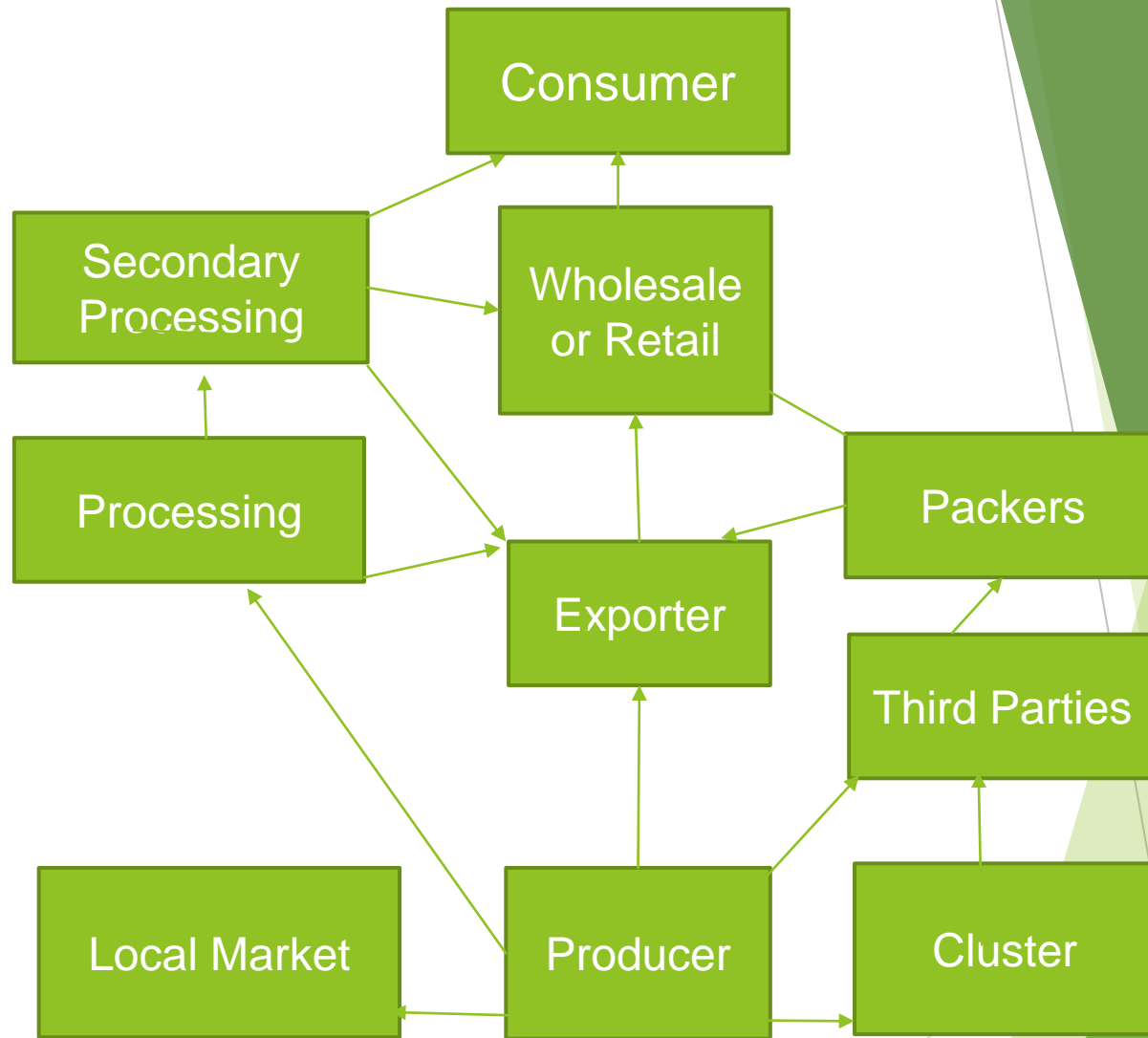
Good Agricultural Practices (GAP)

- ▶ **A collection of measures that manage food safety risks at control points identified through a HACCP analysis.**

What is HACCP

- A system whose objective is to **prevent** food contamination:
 - ❑ By identifying hazards along the food safety chain, starting with production and concluding with the consumer;
 - ❑ By analyzing the hazards, evaluating, controlling and mitigating the food safety risk

HACCP



EXAMPLES of on-farm control points

- ▶ **Maintenance of records**
- ▶ **Traceability**
- ▶ **Integrated Pest Management**
- ▶ **History of production site**

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BOLETA DE APLICACIÓN AGROQUIMICOS Nº 000760

Nombre del Productor: _____

Código del Productor: _____

Parcela N°: _____

Nombre del Vegetal: _____

Nombre del Químico: _____

Fecha de Aplicación: _____

Hora de Aplicación: _____

Dosis Aplicada: _____

Observaciones: _____

Firma del Agrónomo

MORE on-farm control points

- ▶ **Water management**
- ▶ **Hygiene**
- ▶ **Pesticide use**



MORE on-farm control points

- ▶ Safety and security of workers
- ▶ Equipment
- ▶ Ongoing training



FARMER COMMENT:

THE GLOBAL GAP ON-FARM CHECKLIST IS:

FRIGHTENING



LET'S GO BACK TO IMPACT ON SMALLHOLDERS

- ▶ *Market access (international and regional)*
- ▶ *Cost of compliance; and*
- ▶ *Poverty (alleviation/creation)*

ANECDOTAL

**PRIVATE STANDARDS HAVE
DRIVEN MANY SMALLHOLDERS
OUT OF BUSINESS**

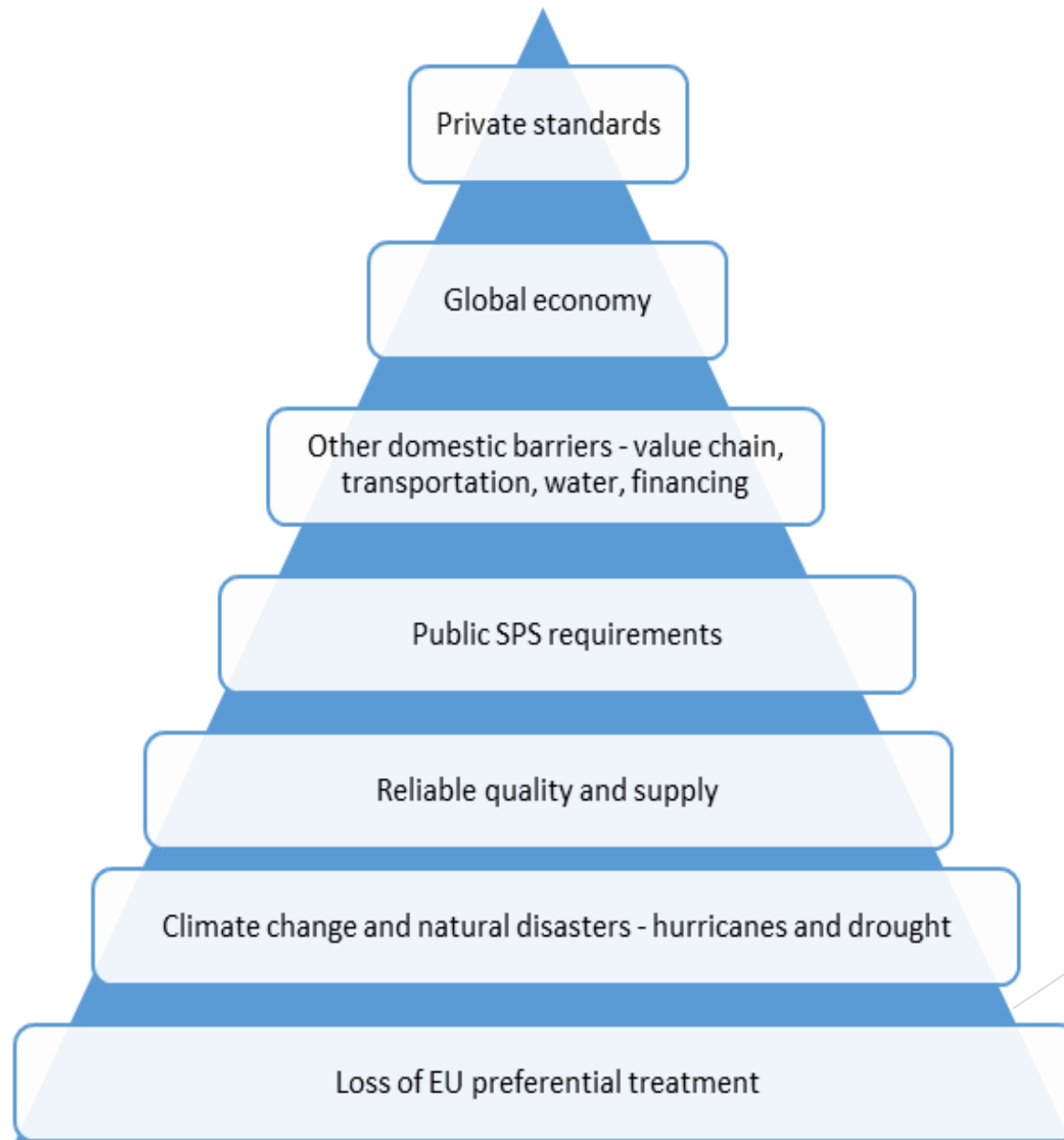


THE REALITY

- ▶ Very few SMEs forced out of business by private standards
- ▶ Smallholders recognize benefits
- ▶ Am I better off?

**Overwhelming YES from
smallholders and processors**

FACTORS AFFECTING MARKET ACCESS



Costs

Financial:

- ❑ Investment in infrastructure - farmers and processors
- ❑ Consultants for training
- ❑ Quality Management/HACCP staff - product flow
- ❑ Certification and auditing
- ❑ \$ Thousands for farmers; \$ Millions for processors



Costs

Time:

- ❑ Implementing safeguards
- ❑ Record keeping
- ❑ Preparing for certification
- ❑ Receiving auditors
- ❑ Ongoing staff training



How was it possible for smallholders to adapt?



GAP Benefits

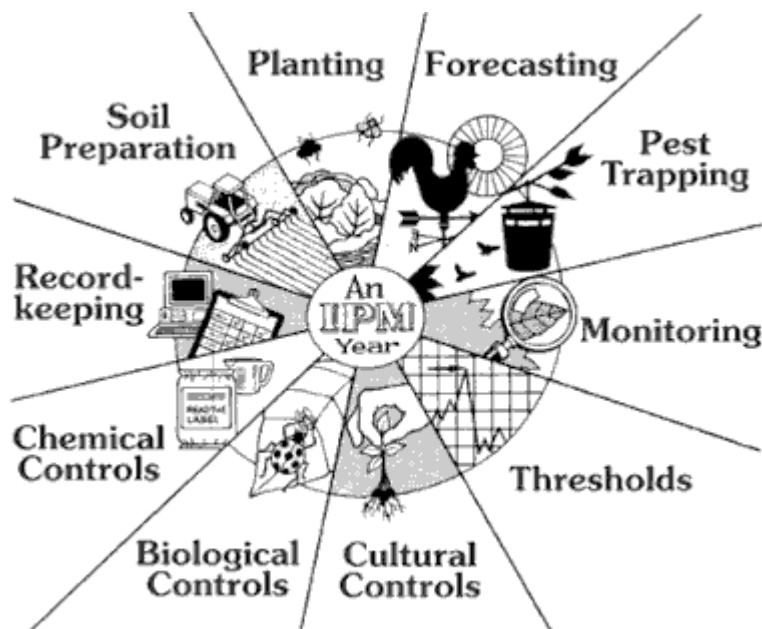
- ▶ **Operational efficiencies**
- ▶ **Worker awareness of food safety**
- ▶ **Better quality**
- ▶ **Fewer rejections**

GAP Benefits cont.

- ▶ Expanded markets
- ▶ Increased production
- ▶ Scarce evidence of better prices
- ▶ **CONTINUED MARKET ACCESS**

Recommendations

- ▶ Establish Food Safety ‘culture’
- ▶ Identify food safety ‘champions’
- ▶ CARIFORUM GAP Standard
- ▶ Integrated Pest Management



Recommendations cont.

- ▶ Regional Lab Network with Centres of Expertise
- ▶ Foster cluster development
- ▶ Exploit Fair Trade and Organic markets
- ▶ Seek Public-Private Partnerships



Recommendations cont.

- ▶ Tackle land rights issue
- ▶ Provide business training for smallholders
- ▶ Grease the food value chain

CONCLUSIONS

- ▶ **Changing traditional farming approaches is a daunting task - for smallholders everywhere**
- ▶ **CARIFORUM country smallholders, exporters and processors have adapted well to private standards**

CONCLUSIONS cont.

- ▶ Implementation of these recommendations will contribute to maintaining and growing international markets
- ▶ FSMA has enshrined Good Agricultural Practices (GAP) in legislation
- ▶ GAP is here to stay in one form or another - public or private

THANK YOU !!

QUESTIONS?