

Participation of smallholders in sustainable products trade - perspectives

An importers view ?

Or..

Challenge or Opportunity ?

13 Slides in Ten Minutes.....

- 20 years working in international horticulture
 - 1985 Quality standards BS5750/ISO into packhouses
 - 1999 Eurepgap technical committees
 - Participation in Eurepgap standards at all levels including Board
 - 2004 First impact assessments and evaluationsand concerns
 - 2007 Independent standards consultancy
 - IIED/DFID/NRI Standards Project
 - IIED / Rainforest Alliance (Gates) Development project
 - DFID/Chatham House Procurement Forum
 - Governing Board Director of CMI and ETI

Ten years of standards

Good Agricultural Practice

Eurepgap
Natures Choice
Field to Fork



Good Manufacturing Practice

BRC
SQF
GFSI



- Food safety is an easy concept for consumers to understand but not an easy science.
- It is hard for retailers to sell food safety as a product differentiator because this would imply that any product not having this differentiator might be unsafe.
- Consequently food SAFETY became a pre-competitive measurable B2B concept and developed in line or ahead of legislation
- Food QUALITY became the competitive force more subjective and B2C and brand TRUST developed

Small Farmers meet the challenge

- After the “panic” of 2004 codes are written and adapted
- GlobalGap and the EU traceability laws are understood?
- Small farmers prove that small scale does not mean low standards
- Retailers begin to see small farmers as “lower risk” when part of an integrated supply chain
- Small Farmers start to produce ‘premium’ products better than plantations
- Private and EU standards start to be adopted into public standards
- A mature debate begins – GlobalGap Africa Observer.

Independent scrutiny ?

GlobalGap	Kenya Bureau Of Standards
BRC	NEMA – National Environment
ETI smallholder	HEBI – Ethical Business
Fair Trade Organisation	MRL Residues 91/414/eec
BOPP – UK packhouse	FPEAK – Exporters Assoc
Tesco Natures Choice	Marketing Stds 1148/2001
M&S Field to Fork	Traceability 178/2002
Ministry Of Labour	Harmful Organisms 29/2000
Department Of Health	Food Safety - 882/2000

- *Small scale farmers can meet the standards required of them ... but need verification and certification systems that are affordable and sustainable*



Technically proven... but sustainable ?????

Integrity

Provenance



Campaigns & media



- Fair trade once the darling of the campaigners now finds itself under media and NGO scrutiny
- The application of fair trade by mainstream retailers is the issue not fair trade itself
- With such an explosion of audits and demand for new sources audit capability and capacity are under pressure
- Calls for increased regulation from anti corporate NGOs
- An immature public debate media driven but disconnected with mainstream consumers

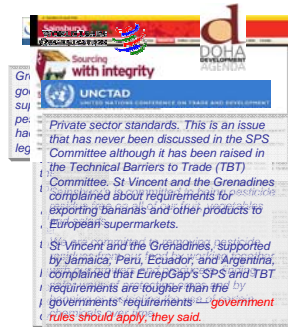
Campaigns & media

- *“To you it is a bag of salad, dropped into the supermarket trolley with the weekly groceries”*
- *“The world is running out of water and British supermarket shoppers are contributing to global drought”*



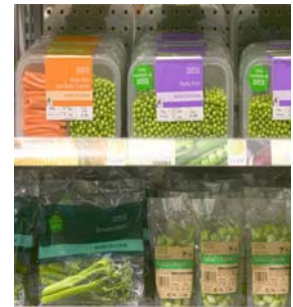
Chaos theory at work

- EU Harmonisation still unclear both in status and impact
- Campaigns by NGOs “name and shame” retailers who spend €M on brand image and consumer confidence
 - Food Miles = local food = organic = soil association = air freight ban
- Retailer reaction
 - Sainsbury “Residue Free”
 - M&S “Field to Fork”
 - Tesco “Natures Choice”
 - GLOBAL GAP MRLS chapter
- SPS / TBT complaints and investigations into the impact of private standards



Food miles & carbon

- Black aeroplanes on Air freighted products Jan 2007 to coincide with the launch of Plan A and other retailer initiatives
- No effect on sales and no consumer reaction. – Big reaction from Africa.
- Labels have got smaller
 - Have been integrated into normal label
 - Have been replaced with smiling African farmers.
- *“Black aeroplanes to black faces in just 9 months”*



Risk or opportunity

- Small Farmers bring OPPORTUNITY
 - Premium products
 - Flexibility
 - Proven technical ability
 - Good PR for hard pushed brands
 - Development Vs Carbon = a ‘holding position’ – Fair Miles (IIED)
- Small Farmers bring RISK
 - MRLs difficult to do testing
 - Social, Ethical and Fair concepts are hard to prove
 - Dependency and commitment reduces global flexibility

Summary

- Can smallholders participate in sustainable products trade ?
 - There is no technical reason why
 - The answer to the question is at the top of the supply chain
 - The pressures against are subjective and media or brand driven
- What needs to be done ?
 - Private standards reduce the cost to the buyer of evaluating product safety and integrity and evaluating offers from different sources
 - The cost of proving compliance has to be spread across the whole chain
 - The top tier brands in the value chain can make BRAND decisions to include small farmers and not be afraid to include them on MERIT
- **The question of whether smallholders can participate may lay in the hands of the people who know least about the true picture !**

Thank You.....



- *There are plenty of people in the modern world who know what is best for everyone else. Self appointed experts and pressure groups abound, all with their own good causes and all trying to convince states, corporations, and individuals how much better off they would be, if only they would follow certain specific rules of behaviour....*

Brunsson, N. and Jacobsson, B. (2000) 'The Contemporary Expansion of Standardization', in N. Brunsson and B. Jacobsson (eds), *A World of Standards*, Oxford, Oxford University Press: 1-17