



Costa Rica-GAP case study

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ABOUT THIS REPORT

This report has been developed for UNCATD.

This study has been prepared by Dr. Bernard Kilian, Production and Research manager of CIMS Foundation (Sustainable Markets Intelligence Center), with the collaboration of Lloyd Rivera, Markets Analyst at the same institution.

For more information, please contact:

info@cims-la.com

Phone: +506 437 2294

Fax: +506 433 9912

www.cims-la.com

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2 Executive Summary

Costa Rica has a relatively high dependency on agricultural exports, mainly fresh products. The most important, in terms of employment generated, planted areas, volume of exports and value of exports are: bananas; pineapples; plants, flowers and foliages; melons; and roots and tubercles. Almost every product has a considerable group of small producers that have had no access to the Eurep-GAP certification. The main exporters in Costa Rica are a group of trans-national companies like Chiquita, Dole and Del Monte, and a few local exporters. This situation has caused Costa Rica to be aware of, and adapt to the most important international exportation trends and requirements.

Currently there are several important requirements for exporting to both the American and the European markets. As a result, producers and the government consider that the produce exporting sector should receive technical and information support, not on a single standard, but on a mixture that includes the most important ones related to good agricultural practices (GAP). That way the producer would obtain the benefits of GAP and the option of becoming certified by the one that can benefit him or her the most.

Central America will soon initiate a free trade policy when it homogenizes its customs policies in the five countries. Nevertheless, Costa Rica lacks national legislation for GAP, different from the rest of the countries. This situation causes unfair competition since Costa Rica's imports from the rest of the region countries will not have to fulfil a GAP standard, but Costa Rica's export will have to fulfil the requirements dictated by the country of destination's legislation.

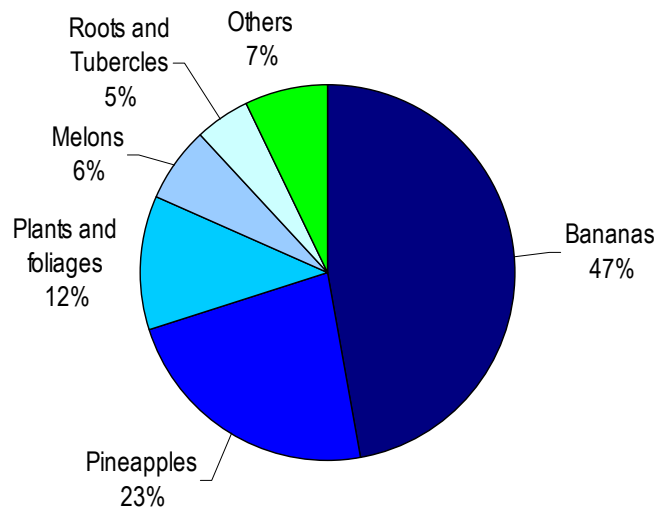
Costa Rica has the personnel required to extend the needed services; but because of insufficient budget, the capacity of effectively and efficiently giving the service is not a reality. The governmental institutions are not very popular among a large group of producers. They consider them too slow for business activities, and even worse when the producer is involved in exportations, since that market requires a high reaction capacity, e.g. one week for obtaining a sanitary certificate, when the industry requires a supplier who is able to export an additional product request in a short time.

In general terms it is considered that the producers that have the opportunity to export to the European Union (EU) already own a Eurep-GAP certification. This does not mean that all Costa Rican produce exporters to the UE own a certification, but that, in the case that the buyer asks for a Eurep-GAP certification, the producer is able to obtain it, even with the high costs it represents.

3 Overview of the production and trade patterns of Costa Rica with the European Union

In 2002 Costa Rica exported a total of US\$ 1.12 billion of agricultural products. From that grand total, more than 50% was exported to the USA and 40% to the EU. The main products exported by Costa Rica were: bananas, pineapples, foliages, melons and tubercles. Together, they made up 70% of the export value of the agricultural products in 2002. The value continues to increase. In 2004 the export value of bananas increased from US\$ 470 million (2002) to US\$ 542 million, the value of pineapples increased from US\$ 160 million to US\$ 257 million, melons passed from US\$ 55 million to US\$ 70 million and for tubercles just cassava exports rose from US\$ 25 to 34 million. As shown in Chart 1, bananas represented more than 40% of the agricultural exports of Costa Rica in 2002. (Procomer, 2003 and Comex, 2004)

Chart 1. Costa Rican agricultural exports share based on FOB value, 2004. Produce share emphasis

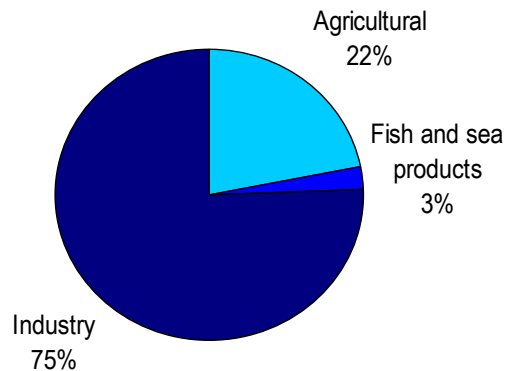


Source: Adapted from Procomer, 2004

Costa Rica has a high economic dependency on agricultural exports. In 2004, around 25% of Costa Rica's total exports were agricultural products. At the same time, in 2004, 15% of the total workforce was employed in agricultural activities (Costa Rican Central Bank, 2005). It is evident that Costa Rica's economy and social well being are very dependant on agricultural activities, especially considering that the agricultural workforces many times do not have other working options.

In Chart 2 the importance of agricultural products is clearly reflected. The industry numbers are highly affected by the exportations of the Intel plant installed in the country. Nevertheless, the importance of the agriculture exportations still reaches 22%.

Chart 2. Costa Rican exports share based on FOB value, 2004



Source: Adapted from Procomer, 2004

Of the total Costa Rican agricultural exports in the year 2004, the EU imported about the 40%, the US 50% and others the remaining 10% (Procomer, 2004). This indicates the importance of the EU market for Costa Rican exports. On the other hand, Europeans reported import values shown in Table 1.

Table 1. European imports of produce based on CIF value, 2004

Produce	Value on thousands of €
Bananas	531 940
Pineapples	217 160
Plants, flowers and foliage	85 000
Melons	44 227

Source: Adapted from Eurostat, 2005

Trans-national companies have had great influence in Costa Rica. Since 1880, when the first banana exportation was made by Minor Keith through the company now known as Standard Fruit Company (today it is the third most important agricultural products exporter in the country), Costa Rican export activity has been highly related to major industry actors. Other companies like Del Monte (currently the most important agricultural products exporter in Costa Rica) and Dole have also had an influence in the fruit export activity. They not only produce and export bananas, but also export bananas from local producers and diversifying the local production and exportations with products like pineapple, plantains and others.

3.1 Main fresh export products of Costa Rica

3.1.1 Banana producer profile

Costa Rica has a total area of 42,000 hectares of banana plantations, which produce a total of 1.63 million metric tones (MT) yearly. Almost 100% of the production is located close to the Atlantic coast of the country, and more than the 85% of the production is centralized in the province of Limon (Corbana, 2005). More than 80% of the production comes from medium-size producers of about 150-250 hectares, and the exportations are carried out mostly by Chiquita (Standard Fruit Company), Dole and Del Monte.

3.1.2 Melon producer profile

In Costa Rica there are about 30 melon producers. About 10 of them are large producers with an average farmland size of 1,000 -1,500 hectares, and 20 are small producers of 5-10 hectares. About 30% of the exports go to Europe and about 90% of the total exports are managed by Del Monte. Most of the large producers are already certified Eurep-GAP, even though their buyers do not ask for the certification.

3.1.3 Cassava and tubercles producer profile

The cassava and tubercles producers are very peculiar. Normally, they are people that decide what to produce based on the latest prices and no well-based speculation. These producers regularly change the crop they grow from year to year, especially if the last year prices were not as good as they expected. The big roots and tubercles farmers cultivate an average of 30-50 hectares. Some of these growers are also exporters—the only constant producers. The large producers are located in the northern part of the country, while the small producers are located in the province of Limon, the Caribbean part of the country. Those farmers cultivate about 2-3 hectares and are very used to renting land for cultivation since they are not able to invest in farmland of their own. For this reason it is very common to have a producer moving from one place to another.

3.1.4 Foliage producer profile

Foliage production is very unique. These producers are very diverse and are very specialized in the market to which they have access. There are medium-sized producers (most of them, 10-25 ha.), one large producer (4,000 ha) and small producers (0.25-2 ha.), who regularly produce plants with low value. However, since this foliage is not involved in the fashion market, it does not suffer from abrupt demand changes. The foliage market is mostly a long-term relationship between exporters and importers. Small producers are usually part of the exports so that they can continue producing. The greatest interest that the exporters have is for the small producers to offer products during high season.

3.1.5 Pineapple producer profile

Pineapple is a large producer industry. The largest producers own 3,000-7,000 hectares and are mostly independent exporters. Most of the production is grown by middle-size producers of 1,000-1,500 hectares. Approximately 90% of the exportations are made by large exporters like Del Monte and other local exporters (only 3 or 4 of them). This causes high levels of production process sophistication, and because of recent impressive prices received by the industry, investments for certification are not a problem.

3.2 Awareness of key food safety and quality requirements

Due to the high importance of fresh produce exports in Costa Rica, most of the exporters are aware of the main food safety and quality requirements. For example, Costa Rica already had the equipment needed for wood pallet treatment required by the APHIS-USDA; Wood Packing Regulation's final rule was just recently published.

According to the exports sanitary authority in Costa Rica (Servicio Sanitario del Estado), currently, the main banana, melon, watermelon, cassava, ornamental plants, pineapple and other important export produce from the country, with Europe as a final destiny already have received relevant certifications required by the market. Some certifications are Eurep-GAP, Good Manufacturing Practices (GMP), the US Anti-terrorism regulation, and others. Due to the fact that a great amount of Costa Rica's exports are sent by international companies, such as Del Monte, Chiquita, Dole and other national exporters that export large volumes of products, national production is highly involved in good quality production practices and high-quality standards. Even more, local producers are asked to become certified with certain standards by these exporting companies, because of the importance of their international brand name.

The presence of international, highly-recognized companies has caused the latest requirement information to be well-known by producers and by those who want to do business with them, those close to the export industry. However, the information is somewhat restricted to medium to large producers, and the possibility of becoming certified is not that great for smaller producers. This is due to high certification costs, the lack of information oriented toward those who are not able to make large investments, and a cultural restriction that disables small producers to become informed, capacitated, and finally, receive the certification.

This is the case for many banana, melon, foliage and pineapple producers. However, things change when talking about small- and medium-size tubercles producers. As they mostly produce sporadically, exporters do not find it very useful to invest money in training and educating producers. It is also true that the small producers sell their produce to any of the exporters as they focus mainly on the price paid and not as much on building a long-term relationship. Therefore, tubercles producers are not as aware of high-technology and food and safety requirements as are foliage, banana, or pineapple producers.

3.3 Main Eurep-GAP differences with other important normative

Considering that the US is the main buyer of Costa Rican exportation products, there is great interest to know more about American requirements. Currently, most local exporters who send their produce to the US are subject to the Anti-terrorism law and HACCP. The Anti-terrorism law is highly focused on traceability, while HACCP gives a high value to the Good Manufacturing Practices. On the other hand, Eurep-GAP is also oriented toward Good Agricultural Practices, as its name clearly states. People involved in the certification and accommodation processes consider that these requirements can be put together in an implementation manual for those producers interested or currently exporting to both markets since they all have common requirements, like keeping farm records. Others also consider that Eurep-Gap could be the backbone for this manual and that certification could even be combined with Anti-terrorism and HACCP standards.

The differences are the following: Ant-terrorism asks for tracking and record keeping, HACCP asks for the manufacturing process, and Eurep-GAP considers both but not as target issues.

From a national viewpoint Costa Rica lacks national regulation to control Good Agricultural Practices. Several industry actors, particularly those involved in the regional markets, consider that Costa Rica

has a disadvantage since Costa Rican produce would find it difficult to meet all the international regulations, while produce from other countries can easily penetrate the market. At the same time, this situation affects small producers the most since they do not receive hardly any training on Good Agricultural Products. Meanwhile, medium and large producers are able to meet international requirements.

3.4 The Eurep-GAP standard importance for the export market

As it has been stated before, Costa Rica exports mainly to the US and the EU markets, as well as other markets like Japan, China and Switzerland. From the more than US\$ 1 billion of exports from Costa Rica destined for the EU, 25% corresponds to bananas, 8% pineapples, 4% foliages, 2% melons and less than 0.5% for cassava and tubercles (Procomer, 2005). It is estimated that about the 90% of the produce exportations to the EU are already Eurep-GAP certified (Monteverde, G. 2005).

In general terms, exporters and producers consider that Eurep-GAP is very important to be able to export to Europe. Nevertheless, some of the major produce exporters in Costa Rica consider that the buyer (supermarket, distributor, etc.) is the only one that can tell them if the certification can be useful. The fact that Good Agricultural Practices is useful for the producer, considering the fact that it helps them become organized, have better control of the way they manage the production process, etc., is not denied by anyone. But the certification limitations, such as the costs, and the European orientation, makes Costa Ricans reconsider if the certification process is valuable for them, according to their specific conditions.

The banana situation is very particular. The current quota system modifies the way the market works in a very interesting way. Considering that quotas are assigned to each of the major exporters, according to their exportation history by the European countries, exportations to the EU are made mostly by trans-national companies. Other local exporters are also part of the group, however, a small one, since quotas are assigned according to their exportations history. As mentioned before, these companies fulfil the international requirements as they take care of a developed brand, brand image and buyers satisfaction. Therefore, they ask their banana and other fruits suppliers to become certified according to what their buyers ask for them.

For the rest of the produce, in general terms, people consider certification as an important issue for those who want to enter the market. For those who are already exporting to the EU, in almost all cases, they have a certification. Those who do not possess it (very few companies) believe that they do not need it because their buyer does not require it.

3.5 Implications of the Eurep-GAP normative

Eurep-GAP certification has a major impact on small producers. A typical small pineapple and tubercles producer would face major limitations, such as: not benefiting from the land they rent for cultivation because the actual landowner would be the owner of the certification and the infrastructure. Therefore, an Eurep-GAP certification is not adequate for them, even if the market situation asks them for it. For the medium and large producers, the situation is very different since they own the land, and the certification and infrastructure investment will most surely benefit them.

On the other hand, there are also market access implications. The market for the produce considered in this study is likely filled by several producers from around the globe. Bananas from Ecuador, foliages from Guatemala, cassava from Africa, melons from Mexico and pineapples from Ecuador make the market highly competitive. This causes most products to be certified for the European market where prices are more attractive for medium and large producers.

This having been said, it is easy to understand why for a small producer the Eurep-GAP certification would not cause a major market impact for their produce. Not all the produce importers ask for the certification, and access is limited due to major produce exporters. The impact that a National GAP would have is much less than what it would have been five years ago when some European supermarkets were asking for certified produce (not as a requirement however), and large and medium sized producers were not yet certified.

3.6 Indicative certification costs

According to Ecologica (national certifier very well-known, especially as an organic certifier), the average certification cost for a company ranges from US\$ 800 – US\$ 1,200 for fixed costs; additional costs can be added depending on the farmland extension, location and access difficulty.

For the consulting period (technical support for getting ready for the certification inspection), the costs vary from US\$ 3,000 (for a special case where a group of companies received the certification and technical support) to US\$ 12,000. The most important variables for the certification and technical support costs depended upon the certification company, the technical support company (normally international companies have higher costs since they have to pay for additional transportation and travel allowance), and the current Agricultural Practices knowledge, adequate infrastructure and record-keeping practices.

It is important to consider the implementation costs, as well. Most of the certified producers consider that the infrastructure investment is the highest cost, since some requirements, like potable water for application on field, sometimes require more investment.

3.7 Accredited certifiers

For national organizations, Ecologica is the only Eurep-GAP certifier. They were accredited as certifiers more than a year ago and have certified one foliage farm and are in the process of certifying about three more growers from different producing sectors. For international organizations, Costa Rican production has been certified by: SKAL, SGS, LATU and Primus Labs. The relatively long list of available certifiers shows not only the interest shown by Costa Ricans to become certified, but also the high value that producers and exporters give to reliable certification, coming from a well-known international organization.

4 National quality systems

According to most of the industry actors in the country, Costa Rica lacks adequate regulation on the Good Agricultural Practices. The governmental institutions have not been successful in stating regulations and the fulfilment verification is even worse. Recently, the governmental institutions have seen their budget diminished because of several situations, like insufficient money, doubtful internal use of resources, and a generalized lack of confidence from the users towards the public servants. Therefore, activities like a Good Agricultural Practices program have passed to second or third place in terms of priorities. According to regional exporters and importers, this situation puts Costa Rican commerce, in comparison with the rest of Central America, in a disadvantaged situation. This is because the rest of the region's countries have national legislation making Central American products easily commercialized in Costa Rica.

This situation is currently not affecting the commerce very much, but the Central American Customs Union seems to be a great future threat for Costa Rican regional exportations, since it will make easier for regional products to penetrate the market.

Because of a lack of national regulations detail companies in particular have had to work in order to make sure that the product they sell has met the adequate production conditions. Specifically supermarkets (largely integrated in the region) have promoted Good Agricultural Practices among their suppliers, many of them based on Eurep-GAP. This is not only for better quality assurance for national consumption, but also allows some suppliers to produce exports to countries like Nicaragua and Honduras.

4.1 The CNP experience

The Consejo Nacional de Producción (National Production Counsel, CNP) is a governmental institution, dependant of the Ministerio de Agricultura y Ganadería (Agricultural and Cattle Raising Ministry, MAG). Its initial goal was to support the national production and distribution of the mostly nationally-consumed grains (beans, rice, corn, etc.). Currently the institution's goal is to support the national producer.

This organization had an interesting experience working for national quality systems called "Costa Rica Certified Quality". This initiative was focused on exportations produce, and it considered international guidelines like the ones stated by the U.S. Environmental Protection Agency (EPA) and Codex Alimentarius. Since it started in 1999, it did not consider Eurep-GAP. The program had the goal of promoting Costa Rica as a country that offers great quality and meets the importers and final consumer's expectations. The planned activities included producer technical support, "brand" or seal international promotion, quality control and follow-up for hygiene analysis.



Nevertheless, this project was not able to continue because the organization's director was removed, and the new one considered it unnecessary and did not follow the program's priorities. The project would have been a great platform for an eventual Eurep-GAP benchmarking, producer technical support and new regulations updating.

5 Factors to be reflected in a national protocol on GAP

5.1 General issues of standard development

Up until now governmental institutions have established national standards based on the international requirement. For example, the "Costa Rica Certified Quality" project was based on the Codex Alimentarius and the EPA regulations due to the importance exportations have in Costa Rica. The producers involved in exportations were aware of the importance that those requirements had and, therefore, they were willing to receive support.

Even more, they have put pressure on different organizations to receive help. For example, the Agriculture and Agro Industrial Chamber was highly pressured by its members to lead an initiative so that some interested growers were able to become Eurep-GAP certified.

For a National GAP, the standards should be consulted with the production sector actors. Contacting the different chambers where they are grouped might be a good way of giving a chance to the different interest groups to become involved. Unfortunately, most of the interest groups consider that they have been excluded from these kinds of standards discussions. This has happened mostly because the national GAP initiatives are made with the purpose of satisfying international standards and political interests.

National initiatives that look for the implementation of Eurep-GAP standards are not well aligned with international benchmarking guidelines. Since there has not been much interest in establishing

national GAP standards, and the few that have started have been particularly focused on the US market, initiatives have not investigated well the different options that Eurep-GAP offers.

Some of the current initiatives are considering the possibility of a benchmark, but the interest is still only a possibility. There is little to no knowledge about the procedures to follow.

According to the opinion of most of growers, the government should not be the legal owner of the national standard. This is because it has lost much credibility due to recent corruption scandals, coupled with generalized disconformities. For example, exporters say that the sanitary certifications emitted by the Agricultural Ministry never come on time.

On the other hand people involved with the standards consider that the government should be at least part of the initiative, since it can have the most international influence. Procomer (the national commerce promoter, which is half governmental and half private) has also considered the possibility of integrating the different initiatives.

On the private side the Agriculture and Agro Industrial Chamber is working on an initiative for the implementation of GAP. They are not completely sure if they would be interested on a Eurep-GAP benchmarking since they believe that the standard should also consider the US norms. In addition, they say that the people interested in the Eurep-GAP certification have already obtained it.

5.2 Reflection of specific factors

Small producers who have not had access to the Eurep-GAP certification should be ones most inclined to support the development of a national GAP. The fact that the market is finally valuing certification should be considered. However, the time and resources required for a certification investment may not produce expected returns.

Eurep-GAP benchmarking should always consider first the existence of a market asking for certification. There are several examples of financial support for certifications that has created the expectation that the producer will be able to find a market because of the certification, when sometimes buyers are not that interested in it or if the interested buyers are already getting what they want. This is the case for most Costa Rican produce. There is plenty of Eurep-GAP certified banana produce, pineapple produce, and melon produce. Consequently, promoting the certification for a small producer will not necessarily be a market advantage.

The first priority for Costa Rican small- and medium-sized producers is to find a market for their product, and one that pays a fair price. If that market is interested in the Eurep-GAP certification, then the investment on the certification will be valuable for the producer. Nevertheless, GAP implementation could be useful for the producer. It helps to organize the way he or she works and to allow the producer to realize what changes need to be made for greater profit. This should be the priority of the standard owner, and the Eurep-GAP certification should be second place to that. For this reason, the standards related to record-keeping should be the priority, secondly those with the less financial impact for the producer, and finally those that require an investment, once the producer has found a market that requires the certification.

6 Costa Rica GAP impact on small producers

There are important differences between the produce exported from Costa Rica. Large and medium banana producers are well-informed, have information and support from CORBANA (National Banana Corporation, for its Spanish acronym) and other organizations, and must meet the requirements of the world's leading fresh fruit exporters. A very different situation is faced by roots

and tubercles growers. They are not organized as a production group, and the exportations are led by local exporters.

For these reason, each industry will be described individually here:

- A. Bananas. There are very few small producers. Most of them are organic producers who sell fresh fruit but mainly raw material for processing plants.
- B. Pineapples. Small producers most of the time rent their land. The inconvenience of it is that the certification process will not benefit the growers for sure, considering that the next year rental is not guaranteed. There are some small producers who own the land and may take advantage of the Costa Rica GAP. Growing pineapple has been highly profitable lately, and it is possible that the growers are able to invest in the facilities and infrastructure required, as in the certification itself. Currently the European pineapple market is growing at a much slower pace than it has been for the last 4 years, but small producers and exporters may find a market for their product. Nevertheless, the benefit of the Costa Rica GAP would become a benefit for the small producer only if: he owns the land and his buyer asks for the certification.
- C. Melon. There are no small melon producers in Costa Rica. There are large and mostly medium-sized producers. In most of the cases, these producers export the melons directly to an importer, or they sell their product to a local exporter or a trans-national company. It is considered that, for that reason, the exporters with market possibilities in Europe already have Eurep-GAP certification.
- D. Foliages. Small foliage producers are very few in Costa Rica. Most of them are medium to large producers and, for that reason, the situation is very similar to the one of the melon producers.
- E. Root and tubercles. There is a large group of small roots and tubercles producers in Costa Rica. In fact, almost all the producers can be considered to be small producers since the “small producers” group grow 2-3 hectares, and the “medium producers” 20-40 hectares. In both cases producers normally cultivate part of the farmland with tubercles, and the rest are dedicated to other activities. They do not usually produce every year as they regularly decide what to grow from one year to the next and switch between different products depending mostly on what they have seen and heard. The problem with this kind of behaviour is that they cannot get certified since they grow in different areas and may not grow the same produce each year. From the market point of view lately tubercles and roots exporters are not being able to satisfy the US demand. Consequently, the European market is not a target so the impact of Eurep-GAP would be very limited.

6.1 Considerations for the National Gap implementation

There are three initiatives on Good Agricultural Practices in the country, as there are different interest groups involved. The election of any of the initiatives would generate a conflict since they all work separately because their objectives are not aligned. Because of that, some valuable available resources may not be taken advantage of, and/or interest groups may be excluded from the certification benefits because of possible conflicts.

6.2 Special considerations for small producers

In general terms, it is considered that the average small producer does not have the education and culture necessary for record keeping, one very important aspect for Eurep-GAP. This is one of the

main inconveniences that local supermarkets have had when implementing their own Good Agricultural Practices programs. There is an important consideration for some (but few) illiterate producers. For them record keeping is something very hard to do.

The education level is another important consideration. A medium or large producer may have professional or qualified personnel available. This personnel may help in the implementation process. Small producers depend mostly on technical support and need more time to implement changes and to understand processes. Other traditional considerations like using non-reliable water sources and lacking safety equipment need to be changed for a systematic approach.

From the markets point of view, it is very important to consider the fact that most small producers sell their product to the buyer offering the best price at the moment. Because of that, the exporter is the one who decides the final destination and because of that, a possible certification may not be of help all the time since it may or may not be bought for the European market.

6.3 Financial concerns

The infrastructure investment is one of the main concerns for most of the small producers. They must have available facilities like on-farm packing, toilets, safety equipment, and other considerable investments that for a 2-3 hectares producer may represent much more than the total annual income. That means not only that small producers will need financial support, but also that the investment may not have the expected results because the benefits for the producer are not as great as the investment.

Another concern is the implementation costs. The CNP-Agricultural and Ago Industrial Chamber initiative was able to lower these to US\$ 2,000-3,000 (including the technical support, manuals, and everything else needed to apply for the certification), and for some of the interested growers that was still a very high cost.

7 The role of extension services

Extension services must play a very important role. Particularly for small producers it is very difficult to interpret Eurep-GAP guidelines. The implementation process requires technical support since growers are not that familiar with certain procedures, like record keeping (the most difficult practice to implement), systematic use of safety equipment and systematic use of hand-washers in packing plants. Since Eurep-GAP practices require understanding and that all personnel must be well informed of the rules, the technical support becomes a learning process. Even more, it is necessary for at least one person to understand Eurep-GAP very well, since the certification requires that a person be in charge of the certification and an internal yearly inspection.

Extension services are able to promote the certification, too. The supermarkets' experience is very clear in this aspect. The extension services, provided by the supermarket corporation, frequently get asked for help to become involved in the GAP practices. Producers communicate between each other and that way they find the usefulness of the certification as a way of getting the farmland well organized.

The extension services must be the core of the implementation process in order to make sure that, at the moment that the farmland receives the certification inspectors, the certification will be received almost for sure. This is because if a certification inspector has to make more than one visit, the certification costs may rise considerably.

7.1 Support services needed

As mentioned before, the training-educating processes require the most resources and effort. It is time-demanding and requires well-informed personnel. The best way of making sure that the certification will continue to work well is by making sure that the people involved in the process understand it and, even better, understand the importance of GAP as a benefit not only for the consumer and retailer, but also for the producers. This applies to all sizes of producers.

The support services must have good access to agrochemical and bacteriological contamination monitoring tests. According to the CNP experience, the process of eliminating contamination sources requires careful examination and monitoring. The supermarkets corporations' experience is very similar. In the CNP case the supermarket initiative contracts the laboratory tests from local, well-known laboratories.

In some cases, the resources are very limited and a lot of creativity is required. The understanding of the producers may not be the best, as some may even be illiterate.

7.2 Actual support services

The CNP program used very well-trained personnel available, as well as other resources, such as laboratories and trained coordination people. They were able to help in the implementation processes for about 100 producers. About half of the group obtained the Eurep-GAP certification. Currently, the technical support team has about 6 inspectors-visitors, and can easily reach about 15 more inspectors in a short time since they have some personnel with experience of technical support.

On the other hand, the supermarket corporations have their own internal technical support personnel for their suppliers. Even though they do not offer support for most of the produce exporters, some of their suppliers are also exporters, so they may benefit from the technical support for local production, and implement the knowledge when Europe is the final destination.

7.3 High potential support organizations

As mentioned before, CNP has valuable experience in technical support to small, medium and large producers on GAP and even on Eurep-GAP certification. Nevertheless, as it is a governmental institution, with credibility and financial problems, some industry members do not consider it a good support organization. The personnel is very well-qualified and they are able to support effectively the growers, but unfortunately problems like money administration and a very bureaucratic organization discredits the institution.

The Agriculture and Agro Industrial Chamber, which initially dealt with CNP, is also interested in implementing GAP. However, they believe that there is no need to have a support unit since they may subcontract the service. It may be a good option, but the personnel would require qualification.

The Costa Rican University has worked on the foliage industry with GAP. They have experience and knowledge for the foliage and ornamental plants industry, but not for the rest of the produce.

The supermarkets initiatives are not interested in offering the service, since that is not part of their business. Their personnel contribute to other internal quality control processes. But these personnel might be part of an outsourced service contracted by the benchmarking holder, since they have lots of experience on GAP implementations, working with small and very small producers.

8 The Eurep-GAP certification and inspection systems available in Costa Rica

As said in the accredited certifiers section, Ecologica is a national certifier accredited for certifying Eurep-GAP. Ecologica was created in 1997 and has much experience as an organic certifier, accredited by the USDA Organic, the European organic seal and the Costa Rican legislation. They are also certify Bird Friendly® and are verifiers for Starbucks. There are also some other well-known certifiers from other countries available, like LATU (the main Eurep-GAP certifier) and Primus Labs.

8.1 Group certifications

Group certifications are a very good option for the growers. They can benefit not only from better certification and implementation prices due the negotiation capacity, but also from the experiences of others in implementing GAP.

Costa Rica already has experienced this kind of initiative with successful and not so successful results. The successful results are that about half of the producers were satisfactorily capacitated on GAP, looking towards the Eurep-GAP certification. The not so successful results were the costs, since the technical support services required much more money than it was expected, and dishonest expense reports are suspected.

8.2 CNP- Agriculture and Agro Industrial Chamber Eurep-GAP certification project

The CNP and the Agriculture and Agro Industrial Chamber offered a very good deal for growers. They were able to offer a US\$ 2,000-3,000 cost for the implementation process including the actual certification. The implementation process was assumed by the Chamber, which had to pay exclusively for the supervisors' travelling costs; the CNP assumed the salaries and the laboratory costs. One hundred companies benefited from the program and half of them were able to obtain the certification at the end of the process.

But several differences came out, and the Agriculture Chamber is not dealing with the CNP. One of the reasons for the separation is the dissatisfaction with the money management for the travelling costs and the amounts the CNP asked to be paid.

Currently, the Chamber is trying to offer another option, this time with a broader scope including other international requirements and normative, like the Anti-terrorism, HACCP and Codex Alimentarius. They believe that GAP are of great benefit for the produce and agro industries as a whole, and that the benefits are not only the Eurep-GAP certification, but also a platform for other certifications. The implementation process would be mostly assumed by the producer, and the technical support would be sub-contracted. This is still an initiative, since the older agreement with CNP broke-up, and the Chamber now considers that the project was fulfilling producers' requirements.

9 Governmental role in the development and implementation

The government, through the CNP, is able to play different roles. They have the capacity to guide the whole implementation process since they have already done so and the producers were satisfied and able to get the certification. Their laboratory facilities are also very useful for the process and, considering that it is a completely ran by the CNP, the costs may be lower than the local market prices.

Nevertheless, they lack adequate transportation and financial resources for: paying the salaries (the Quality Direction has a very limited budget), IT resources and the laboratory expenses.

9.1 Previous experiences

As mentioned before, the CNP and the Agriculture and Agro Industrial Chamber have worked together for the implementation of Eurep-GAP with several Costa Rican growers. The project was very successful from the technical and the producers' points of view, but not successful from the CNP-Chamber relationship and the project costs points of view.

The Universidad de Costa Rica, a university and governmental institution, has worked with foliage producers and has a very good experience with that sector. Extending the service to the rest of the produce may be a possibility. The University also counts with laboratory facilities and trained human resources.

9.2 Role to be played

The government should offer the whole implementation process. They have the experience, the knowledge and the resources that should be used. There are three major problems for this, though: doubtful money management, as experienced before; insufficient budget assigned for the Agricultural Quality Unit (CNP); and the fact that the government does not consider this kind of project a national priority. Proof of this is that the national quality program was not able to continue because it was considered unimportant.

9.3 Supportive policies

The most important policy to be implemented is to give quality assurance and technical support in the corresponding field. With that, the Agricultural Quality Unit would be able to operate in a more supportive way, and the growers may have better access to the information and knowledge available in the unit. However, it is important to consider the fact that some of the growers do not consider the government institutions as reliable, and several experiences indicate that the CNP is known not as a good money administrator. Finally, bureaucracy is a main problem that growers have to confront.

10 International organizations role

UNCTAD role

The United Nations Conference on Trade and Development (UNCTAD) may play a role in fund raising as well as policy pressure to make sure that the corresponding governmental institutions not only get enough budget assigned for this purpose, but also to make sure that it is efficiently used. The Costa Rican Government lacks enough money to make this kind of investment and, because of this, it is very hard for the institutions to move forward. For example, the CNP's vehicles are from the 1970s. That means that the condition of the cars makes it almost impossible to get to the farmlands in a short period of time and in a safe way. The institution also does not have computers available for the technical support personnel. These kinds of conditions must change in order for it to work efficiently.

Giving the money necessary and making sure that it is properly used would cause a mayor impact on the institution and the way it may benefit the small and medium producers. Even so, the bad reputation between some producers diminishes its capacity to have a positive impact. It should be

considered that the CNP, as well as many other governmental institutions, have an organizational culture that does not promote efficiency or honest behaviour, diminishing trust from producers.

As for technical assistance, Costa Rica has the knowledge and experience on implementing the standards. A standard owner would have to be able to have those people on their technical support team.

11 Discussion

The importance of the Eurep-GAP, not only as a certification for assuring the market but also as a great internal control tool, is not a matter of discussion in this study. What is the matter of interest is the possible impact of a Costa Rica-GAP, particularly for those who have not been able to obtain it for various reasons, costs being one of the most relevant.

Because Costa Rica is highly involved in the international produce trade and an important part of the exports are handled by trans-national companies, there is a high awareness of the international trade requirements and preferences. That gives the producer an advantage in terms of information and, because of that, the possibility to satisfy international requirements even before they are demanded. This is mainly for the medium and large producers, since they are constantly in contact with major exporters and have the human capacity to understand the new requirements and to implement the new standards. For the small producers it is much harder. They do not receive so much information and are not as able to understand, implement and invest in new regulations and standards.

Even so, this does not mean that the small producer would make good use of a Eurep-GAP certification. Some large- and medium-sized producers that have had the certification for more than three years have never made use of it. They benefit from GAP, but they have no commercial benefit. That means that in case a buyer asks one of Costa Rica's large exporters, who dominates produce exports, to offer Eurep-GAP certified produce, the companies already certified will be able to satisfy that demand quickly and with high volume capacity.

Currently, there are about three initiatives working for the implementation of Eurep-GAP. Some are on reorganization, looking for funding and analyzing which standard scheme would better work for them. The three organizations working on these initiatives are: CNP, the Agricultural and Agro Industrial Chamber and the Universidad de Costa Rica.

Governmental institutions lack credibility among producers. They believe the government is too slow for the business activity and that the personnel are not used to work at times when the producers require support and other services, like sanitary inspections. Recent corruption scandals have also reduced trust in the government, in general. Nevertheless, people involved with certifications and standards consider that the governmental institutions should be highly involved in a Costa Rica-GAP since they have very well-trained personnel, experience in implementing the standard and the responsibility, as an organization in charge of stimulating agriculture activity and commerce. Even though, they also consider that governmental institutions need major reorganization, modernization and mostly an adaptation to today's priorities and the producers' requirements. Internal corruption is the issue that worries producers and involved organizations most deeply, since it is hard to remove and can negatively affect the benchmarking.

The GAP implementation can be very useful for the producers as it organizes the way they administer the production process, controls the use of pesticides that can cause environment and social problems, protects the workers and makes sure that the produce offered to the consumer is

innocuous. Small producers would be able to become Eurep-GAP certified quite easily, if the market required it. Another good option considered by the CNP and the Agricultural and Agro Industrial Chamber, is to make a single standard that would consider the most important standards, giving the producer an even higher capacity to certify him or herself with the best and most-beneficial standard.

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