

Overview of Outcome

Sub-regional Workshop, Bangkok 29 September to 1 October 2004

National Policy Dialogue on Environmental Requirements, Market Access and Export Competitiveness for Horticultural Products
Manila, December 2-3, 2004
Presented by: Ulrich HOFFMANN, UNCTAD secretariat

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

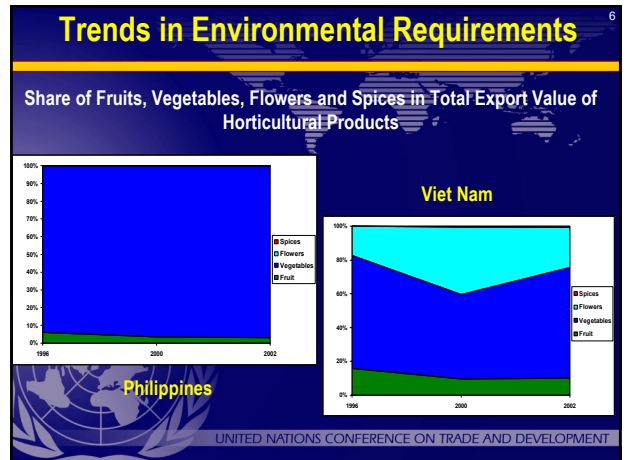
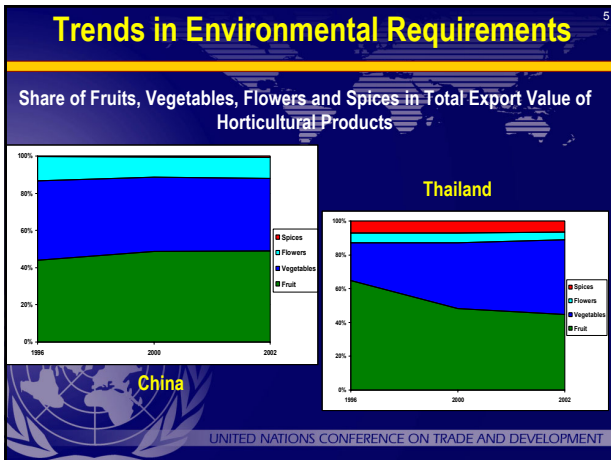
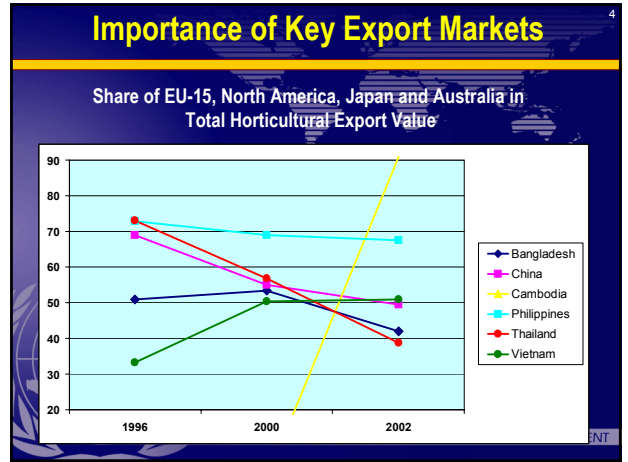
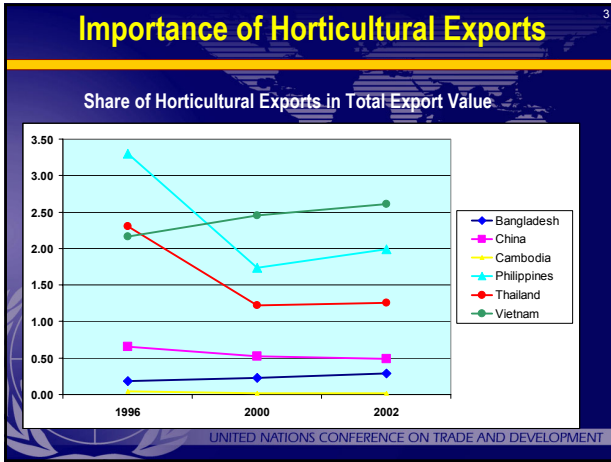
Abstract

Some empirical information on importance and structure of horticultural exports

Some key issues for analyzing the effects of environmental requirements on trade and development

Key problems as identified in the country studies

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



Some Key Factors Bearing on Demand for Horticultural Products in DMEs

- Demographic changes enhance safety and quality consciousness:
 - Fresh and freshly frozen products, rather than canned or dried food
 - increasing vegetarianism
 - enhanced appreciation of Asian vegetables
- Global importance of supermarkets and cut-throat competition among them:
 - Enhanced importance of globally managed supply chains
 - Internationally and also nationally, constantly high product quality is not remunerated by higher farm gate prices
- Documented safety of horticultural products is very high and drives high expectations: in three German country states over the last 10 years – less than 3% had problems, organic products 0.7%

Changes in Production Methods

- International retailers and crop solution industries have teamed up with primary producers globally in so-called strategic netchain alliances that include both horizontal and vertical modes of co-operation.
- Increasing importance of process standards, in addition to product performance requirements.
- The stringent product and process standards require technical competencies, technical support packages and new management methods.
- To assure constantly high product quality, quality management and traceability systems must be in place in the entire food chain
- Currently, there are two categories of suppliers that meet these criteria: large-scale producers, and network of outgrowers that are controlled in terms of inputs, outputs and farm practices.

Well-planned Adjustment Strategy

- Proper utilization of comparative advantage
- Improve market/marketing knowledge/intelligence
- R&D, including system of SMTQ
- Improvement of infrastructure
- Setting up local inspection sites
- Considering the establishment of regional accreditation bodies
- Providing micro credits for micro purchases
- Develop value added industries:
 - Organic markets
 - High value exotics (e.g. mushrooms)
 - Vegetables for baby food

Main Problems for Meeting ERs

- Infra-structural problems:
 - Poor post-harvest infrastructure
 - Lack of efficient internal transport
 - Shortage/Instability of energy supply
 - Limited air freight capacity
- Skill/Management-related problems:
 - No or little experience with EM practices
 - No or poor system of SMTQ
 - Lack of good quality materials' input (seeds, agro-chemicals)
 - Institutional infrastructure (education, R&D, extension)

Example: Agricultural Exports to EU

Impacted by:

- General Principles and Requirements of Food Law (EC R 178/02) – introduces mandatory traceability requirement
- Revision of Hygiene Regulation EC/93/43 – HACCP becomes compulsory for agriculture in general (for farming ISO 9000 is recommended)
- Pesticide Regulation on MRLs EC D 91/414 (and subsequent) – sets MRLs for pesticides often used for tropical products at LOD, by default

Significant adjustment costs:

- Macro-economic costs – Need for national food control strategy, functioning food laws and regulations, food inspection services, food control labs
- Costs at enterprise level – Need for qualified staff, change of management methods, IT requirements, testing and certification costs, new pesticides
- Only operating costs are estimated at 2-10% of export value (study Cerrex Ltd.)

Benefits:

- Health hazards (both for producers and consumers)
- Contamination of soil and water

Information Clearinghouses

As requirements, in particular MRLs, frequently change – regular access to such info is of key importance:

Overview of regulation and standards:

www.cbi.nl/accessguide

Overview of technical parameters:

FAO's International Portal on Food Safety, Animal & Plant Health

www.ipsaph.org

Horticulture Information Network (HORTINET) in the Ph

www.hortinet.pcarrd.dost.gov.ph

DOST-SETUP
HORTINET
 Horticulture Information Network
www.hortinet.pcarrd.dost.gov.ph

Technologies & Services for SMEs
 PCARRD Home | Message Board | Chat | Guestbook