



Institutional Strengthening and Investments needed to comply with EurepGAP in Fresh Fruits and Vegetables

Case studies from
Kenya, South Africa, Chile and Malaysia

Pilar Santacoloma
Rural Infrastructure and
Agro-industries Division-FAO

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007

Outline of the presentation

- **Why the study**
- **Results from** Kenya, South Africa, Chile and Malaysia
 - Organisational structure at national level both public and private
 - Investments required at different levels
 - Capacity building at different levels
- **Lessons learned**
- **Recommendations to FAO**

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007



Why study Fresh Fruit and Vegetables?

- Opportunity for **export diversification**
- Big and **growing demand**
- **14 % share** of all agricultural exports from developing world
- **Lucrative prices** although volatile markets
- **New technologies** : ↓ costs, ↑ quality
- Most **affected sector by SPS**

Source : UNCTAD, 2006, FAO, 2006

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007



Why study compliance with EurepGAP?

▫ Although it is **voluntary standard**, evidence shows it is **important** from the commercial viewpoint to access lucrative and large export markets

No of countries with EurepGAP certified producers

Europe	Latin America and the Caribbean	Africa	Asia	Near-East	North America
21	13	13	5	3	3

Source : <http://www.eurep.org/documents/webdocs/E-book-Globalreport.pdf>

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007 4

FFV sector in the countries studied

	Area (ha)	Exports (ton)	Exports (\$ million)	Share in agricultural trade (%)
South Africa	438 303	2'373 589	1 546,2	45
Chile	420 753	2' 750 651	2 190,1	44
Kenya	308 380	192 086	272, 2	17
Malaysia	320000	731 180	241, 6	2,2

Source: FAOSTAT, 2006

5

Institutional Framework (1)

ii) PPECB/Ministry of Trade and Industry in South Africa:

Ownership : Government initiative

Status : PPECB Certification body with EurepGAP license

- + PPECB Statutory organization to support exports
- + SABS, SANAS, NML, DPQH to ensure food quality and safety
- Framework mostly to preserve EU market
- Lack of inclusiveness of smallholder and emergent farmers

PPECB: Perishable Product Export Control Board

SABS: S. A. Bureau of Standards; **SANAS**: S. A. National Accreditation System; **NML**: National Metrology Laboratory; **DPHQ** Directorate Plan Health and Quality



Institutional Framework (2)

iv) ChileGAP in Chile

Ownership: ChileGAP a private sector initiative
Status: ChileGAP: EurepGAP benchmarked

- + ChileGAP blends requirement of EU and US markets
- + Explicit long-term policy to enhance food quality throughout the agri-food chain
- + Strong public sector support with financial mechanisms for investment and training
- Structural deficit in smallholders impedes more participation

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007 ⁷

Institutional Framework (3)

j) SALM/MS GAP scheme in Malaysia (2002):

Ownership: Government initiative and leadership
Status: Baseline standard to be benchmarked to EurepGAP in future

- + Institutional support, infrastructure and investment incentives
- + SALM/MS GAP as developmental approach + branding
- + FFV supply to domestic and Asian markets
- No international recognition, except Singapore

SALM : Malaysian Farm Certification Scheme
 MS GAP : National GAP standard (proposal)

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007



Institutional Framework (4)

iii) KenyaGAP in Kenya:

Ownership: KenyaGAP a private sector initiative
 Public sector support to enhance food safety and quality

Status: KenyaGAP in EurepGAP benchmarking process

- + Public support to enhance food safety and quality (KEBS, KEPHIS, HCDA)
- + Business services development (donors support)
- Benchmarking is tedious and requires manpower
- More stringent standards than EurepGAP are appearing

9

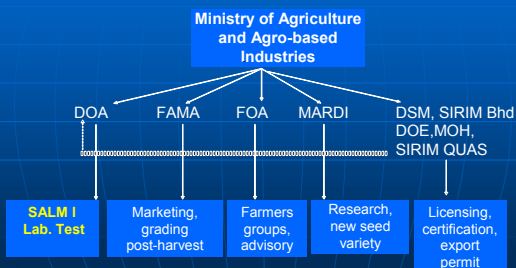
Investments required at the macro level

Installation or maintenance of :

- o Local accreditation or certification systems
- o Lab analysis and Lab accreditation
- o Documentation and record keeping systems
- o Business Development Services
- o Input Supply Services/ Input regulations
- o Training and Technical Assistance

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007 ¹⁰

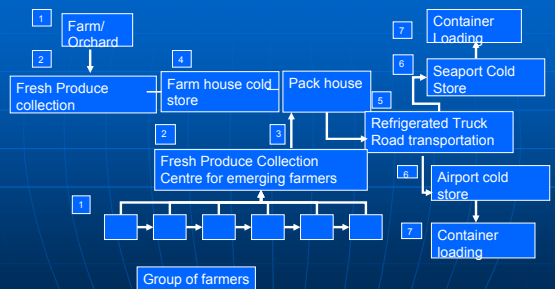
Government organisational structure to support certified GAP in Malaysia



Source : Robert and Menon, 2006

11

Coordination of actors to support FFV export from South Africa



Source : Olorunda, 2006

12

Capacity building required at the macro level

For extension agents

- ➔ GAP basic principles
- ➔ IPM and integrated crop management
- ➔ EU/US/Japan food regulation and market requirements for exports /SPS/TBT agreement
- ➔ Packaging and post-harvest technologies

Other agents

- ➔ Laboratories practices/methodologies/sampling
- ➔ Traceability procedures
- ➔ GAP auditors
- ➔ Market information systems

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007 ¹³

Investments needed at the farm level (US\$)

Item	Malaysia	S.Africa	Chile	Kenya
Initial Investment				
Basic pesticide/fertilizer storage	1350	1350	1500	60
Toilet and hand wash facilities	400	600	2010	180
Covered packaging storage	260	N.D.	310	240
Ongoing				
Lab analysis	350	300	300	600
Certification	1800		1140	750 *
Training	160		450	150 *

* in a group / ND No data

14

Capacity building at the farm level

Farmers need to be trained on:

- Pesticide management
- Traceability and record-keeping
- Farm business management skills
- Environmental and social sound practices
- Basic food hygiene and sanitation
- Post-harvest management
- Certification procedures

Regional Workshop on GAP and SARD in East and South Africa, Nairobi, March 6-9 2007 ¹⁵

Investment at the farm level to comply with EurepGAP in Kenya



Improved water reservoir



Pesticides storage

Photos : M'onguma, 2006

16

Investment at the farm level to comply with EurepGAP in Kenya



Cold storage



Covered packaging and storage area

Photos : M'onguma, 2006

17

Lessons Learned (1)

Compliance with EurepGAP standards in the studied countries implied **the need to:**

- Strengthen **public-private alliances** in order to face the institutional change from sector to food chain approach
- Public sector support to **enhance food safety and quality**
- Improve the **organization and coordination** of the food chain actors

18



Lessons Learned (2)

- Address **lack of inclusiveness** of smallholders and emergent farmers
- Seek **alternatives to decrease costs** of compliance at different levels
- Improve **managerial and business skills** at different levels and create new capabilities

19

Recommendations to FAO

- Facilitate **inclusiveness** of the different actors in the implementation of the institutional framework for GAP
- Help to **harmonize training programmes** on GAP
- Promote the **clusters approach in GAP**
- Disseminate **updated information** on GAP regulations, norms and standards



MANY THANKS FOR YOUR ATTENTION !!!

pilar.santacoloma@fao.org

21