

Experiences on Adjustment to Private Standards in Key Export Markets

*A Case of East Africa
(Uganda)*

By

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Presentation Based on:

- Findings from the UNCTAD study; “**Reflecting on National Circumstances and Development Priorities in National Codes on Good Agricultural Practices that can be benchmarked to EUREPGAP – The Case of Uganda**”
- **Key Findings from the FAO – UNCTAD Joint East African Regional Workshop on Good Agricultural Practices (GAP)**

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Summary

- Background and Current Status
- Opportunities presented by Private standards
- Challenges
- Key Conclusions

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Background

- There has been growing concern about food quality and safety worldwide
- In industrialized country markets, governments have enacted various protective regulations to ensure food safety
 - 1993 European directive on Hygiene of Food stuffs (No. 93/43) :emphasizing prevention of food poisoning to consumers

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Background cont'd

- European General Food Law (EC 178/2002): highlights mandatory requirements to trace and track food through out the Agri- food chain on a one up-one down principle
- EU directive EEC No 85/374 of 1995 as amended by directive EC 1999/34: places the liability of placing any defective product on the producer
- In addition, there has been an upsurge of **private sector standards** and **codes of practice**, that have been passed down the supply chain to suppliers in developing countries e.g. EUREPGAP, UTZ Kapeh, etc

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Background cont

- The private standards largely driven by major retailers, have become of increasing significance to exporters and associated smallholder farmers in developing countries, given that over 70% of the food products in most of the major European markets is sold through supermarkets
- In the past few years, there has been increased difficultness of horticultural exporters and associated smallholder outgrowers in East Africa to comply with EU market requirements (regulations and private standards), especially with regards to the increasing strictness of the private standards.

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Current Status

- Horticultural exports in East Africa growing at an average of 33% per annum and represents a major source of income and livelihood to smallholder farmers
- Over 99% of horticultural export products in Uganda and over 70% in Kenya, coming from smallholder producers.
- Almost all exporters had met the minimum legal requirements regarding traceability under EC 178/2002, especially through support from the EU Pesticide Initiative Programme (PIP)
- There was no export company in Uganda already certified to EUREPGAP and a few in Kenya

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Background cont'd

- There was generally low awareness among the stakeholders in Uganda about food safety requirements and GAP, and quite often there was a lot of mix up between mandatory requirements (e.g. EC 178/2002) and Private standard requirements (e.g. EUREPGAP)
- Entirely all fruits and vegetable exports from Uganda were sold to the wholesale and ethnic markets due to not being able to meet the private standards.
- Poor physical and system infrastructure among the smallholder farmers to meet the private standards especially as regards traceability, social and environmental requirements.

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Current status cont'd

- Lack of focused organization among the smallholder farmers in Uganda except in Organic certified projects), making compliance to standards and delivery of extension services in line with food safety and GAP difficult.
- Low government investment in food safety and Gap related issues
- Low coordination among the public and private stakeholders on issues related to food safety and GAP

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Opportunities

- Increasing importance of private standards provides an opportunity for developing countries to re-evaluate their food safety systems and develop the necessary infrastructure and programs to increase compliance for continued access to export markets

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Challenges

- Compliance to private standards by the predominantly smallholder farmers require a comprehensive approach;
 - Organizing the farmers in product focused groups
 - Designing/building simplified and customized systems (internal control systems) among the groups to facilitate traceability and overall compliance
 - Establishment of associated and focused physical infrastructure to facilitate meeting the food safety requirements
 - Establishment of focused trainings and extension services in food safety and Gap, targeting the smallholders and other actors along the chain.

THE QUESTION: WHO SHOULD MAKE THIS INVESTMENT?

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Challenges cont'd

- Private standards like EUREPGAP do not offer additional incentives like a premium compared to other environmental standards e.g. Organic , utz kapeh, etc.

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Key Conclusions

- Development of comprehensive GAP system in each of the East African countries as a foundation for compliance to private and Legal standards
- Approaches would vary in different countries
 - Kenya: Kenya gap already being benchmarked to EUREP Gap
 - Uganda: UgaGAP focusing on export, customized to specific Uganda conditions to allow building of local capacity, and not necessarily targeted to EUREPGAP benchmarking.
- Explore and consolidate other opportunities for smallholder farmers such as organic and Emerging regional markets
- Close partnership between the public and private sector required, as has been the case of development of the regional East African organic Standard supported by the joint UNCTAD-UNEP CBTF project.

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Thank you

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