

# European standards affect African growers

*European standards imposed on imported produce are having unprecedented impacts on growers in Africa. While they are encouraging development of better practice they place a disproportionately heavy financial burden on small-scale growers. Andy Graffham reports on preliminary findings from research in Zambia.*

European Union (EU) regulatory requirements exert an increasing influence on the production of fresh produce for export in sub-Saharan Africa [see PN50 12-13 and PN64 12-13]. Besides regulations on pesticides, new regulations on market grade standards, traceability and general hygiene of foodstuffs have been introduced since 2001. Nevertheless, it appears that private sector standards, notably the EurepGAP protocol for fresh fruit and vegetable production (see box p10), is having more impact at individual enterprise and produce sector levels. EurepGAP's membership has now expanded to 30 major retailers in 12 European countries and some smaller importers and wholesalers now ask for EurepGAP certification as a requirement of market entry. It is the most widely promoted and successful standard and yet many African companies and growers are confused about its legal status believing it to be an official EU requirement.

The impact of standards such as EurepGAP is not uniform and depends on the scale and sophistication of operations. For large, commercial operations (LCOs) cultivating 100-1000 hectares (ha), finance, infrastructure and personnel are in most cases not a problem. However, for small-scale operations (0.1-4.0ha), lack of finance, infrastructure, personnel shortages and low capacity are problems, as is the complexity of management and control systems required.

## The Zambian experience

Despite many commentators' concerns on the negative impacts of EurepGAP for developing countries, a project being run jointly by the Natural Resources Institute and the International Institute for the Environment and Development (NRI/IIED) shows that Zambian farmers like the EurepGAP concept and aim to apply it to all their crops, both for export and for local markets. Their argument is that following the protocol and its principles enables: better control of inputs (reduced theft, more efficient use) due to records and traceability system; improved understanding of profitability of farming as a business; improved farm management; and increased exportable yields. Furthermore, the experience has helped growers become better organised for price

negotiations and has stimulated professional pride and group organisation.

Zambian export companies can now comply with EU sanitary and phytosanitary standards and with requirements of the EurepGAP protocol. Vertical and horizontal traceability of operations has proven possible, with good management and control of the system. Worker safety and food safety related to pesticides is much improved, as is hygiene (sanitary and phytosanitary).

## NRI/IIED project

The NRI/IIED project examined EurepGAP implementation by Zambian small-scale growers, using the farmer group certification option. Farm infrastructure requirements (field toilets, hand washing facilities, plot markers, field shelter, first aid kit) posed no problems nor did basic good agricultural practice because the groups centralise agrochemical input storage and pesticide application. Compliant record keeping is possible but takes time for farmer understanding and staff capacity.

The real challenge is the requirement for an International Standards Organisation (ISO) type of quality management system (QMS). EurepGAP's checklist for this is very complex and demanding for small-scale growers. The QMS audit takes about half a day and involves roughly 400 documents. The group managers or technicians must be able to understand and explain the inter-relationships between all these documents. Small-scale grower groups cannot implement this without extensive external support raising the question of whether all this is necessary to ensure food safety and good agricultural practice (GAP) on farm.

This question is all the more relevant when the actual auditing of EurepGAP compliance forms the strongest and weakest link in the process with variable levels of competence of auditing companies. The project team visited ten out of around 90 EurepGAP-certified farms (mostly large operations) in Zambia and discovered that none were truly compliant for EurepGAP because they were missing essential infrastructure or classic mistakes had been made by auditors such as advice to keep the first aid kit inside the pesticide store.

## Costs of certification

The project experience indicates that the best certification bodies are transparent and keep charges reasonable while the worst are not transparent and donor funding seems to lead to big price hikes in certification charges. Furthermore, local certifiers are not automatically cheaper. Quotes from some African certifiers have been up to four times more expensive than quotes from European-based certification bodies. These charges become the major barrier to compliance. Donor initiatives have also distorted the picture by providing extensive technical support and heavily subsidising the costs of compliance with EurepGAP.

So can small-scale growers groups achieve and sustain EurepGAP certification without external support? The complexity of QMSs and the main system makes good technical support essential for implementation and maintenance. The economic picture is more complex as this depends on productive land area, value of crop, stability of contract, certification fees, and group organisation. The majority of farmer groups will need donor support to cover initial costs but some will be able to sustain recurring costs from farm income, with the help of a business plan.

However, analysis shows that costs are disproportionately burdensome for the smallest growers. Unless they receive external support the initial capital outlay for EurepGAP certification for a grower with 0.3-0.8ha is 58% to 160% of their annual profit with subsequent costs reducing to 19% to 53% of annual profit. Initial capital outlay for a grower with 2.0-6.0ha will be 8% to 23% of annual profit with subsequent costs reducing to 3% to 8% of annual profits.

## Conclusions

Linkage with the European market is not simply a question of inclusion or exclusion. There is increasing evidence that small-scale producers excluded from or not participating within vertically linked and large retailer supply chains continue to sell their produce to consumers through other supply chains, including wholesale markets. The impact of European retailers is not confined to those included in their supply chains. There are 'spill-over' effects from the export market – in terms of technology, quality and supply chain management into the domestic food sector within developing countries. In the case of Zambia, there are clear positive spill-over effects on pesticide use and food safety in local markets but the sustainability of many of the smallest growers' participation in export markets is far from certain.

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