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Fresh perspectives

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GlobalGAP version 3: threat or opportunity for small-scale African growers?

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Private standards compliance is becoming increasingly important for all fresh commodities produced in developing countries and sold in overseas markets. GlobalGAP (formerly EurepGAP) is one of the most widely recognised international standards. The standard was originally developed by (and for) European retailers to provide guidelines and monitor on-farm production. A new version – version 3 – was published in August 2007 to meet the increased expectations of consumers and retailers in Europe. This paper discusses the implications of version 3 for small-scale growers (SSGs) in Africa. Compliance with version 2 was demonstrably difficult for SSGs; version 3 does not make compliance easier and could accelerate SSGs' departure from export markets. Of the 236 control points in version 3, 40 are either new or require stricter compliance. For SSGs, some of these changes will not only mean increased costs but also may not be achievable at all, even when allowing for the cost savings associated with group membership under Option 2 (see below).

key messages

- **Private standards are not fixed but evolve to encompass additional areas of production**
- **Version 3 of GlobalGAP sets standards higher. It has some good points but with 11 new absolute control points and 21 new 95 per cent control points, there are new challenges**
- **Some of the newly-introduced control points are particularly difficult for small-scale growers (SSGs), and more farmers are being excluded from compliance**
- **The needs of smallholders must be addressed to prevent more farmers failing to obtain or maintain compliance**

In the past, food safety requirements from the food industry to satisfy authorities and buyers were relatively relaxed and informal. However, demand for better control systems and management of food safety led to changes in legislation to reduce risk. In addition to these legal requirements, retailers in Europe have developed their own 'private' standards to manage risk during farm production, processing and transportation. One such private standard – GlobalGAP (previously EurepGAP) – was developed specifically for, and by, European retailers to monitor on-farm production. GlobalGAP has now become widely recognised and although some supermarket chains have their own even more stringent standards, GlobalGAP has established a international reputation and is being stipulated as a requirement by an increasing number of companies in more than 20 countries.

Large farms, both in Kenya and Europe, find it easier than smaller ones to comply with private voluntary standards. This is mainly because of their financial capacity to invest in certification rather than the technical requirements of production. To reduce costs for small farms, a collective certification scheme (GlobalGAP Option 2) was set up to allow groups of farmers to comply as a unit. Estimates by Graffham *et al* (2006) put the total cost of compliance for a SSG via this collective route at £636 for establishment and £175 per annum for maintenance. Although these figures do not include the support from outside sources, such as donor-funded programmes to assist certification compliance, the investment remains unaffordable for some. As a result, the general trend is for fewer SSGs to comply with GlobalGAP, and hence for fewer farmers to be able to meet European market requirements.

There are both strong incentives and considerable challenges for SSGs to comply with GlobalGAP. Compliance is recognised by growers as having several practical advantages over and above the improvement of market access. It sets a management discipline that helps to focus business aims and enables growers to track many of the

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>> continued operational components more effectively. It clearly also gives farms a means of improving control of food safety. However, it presents significant financial and administrative challenges and these often preclude participation by smallholder farmers.

Version 3 of GlobalGAP sets standards higher than version 2 and presents added challenges for SSGs. First, it is more complex; the single list of compliance criteria that comprised earlier versions has now been split into three parts. Growers must now comply with the 'All Farms Base', the 'Crops Base' and the 'Fruit and Vegetables Module'. There may be advantages to having the three separate modules for mixed farms; for instance, the 'Farms Base' will not need to be repeated for livestock certification. However, there are few obvious advantages for SSGs in developing countries engaged in single-crop cultivation, e.g. export horticulture. Version 3 is also more demanding. Of a total of 256 control points version 3 includes 11 *additional* compulsory points and 21 new points requiring 95 per cent compliance. Significantly, many of the control points that in version 2 were 'minor musts' (meaning points requiring 95 per cent compliance) have now been upgraded to 'major musts' i.e., they must all be met (100 per cent compliance). In addition, many 'recommendations' (formerly non-compulsory control points) have been upgraded to the category requiring 95 per cent compliance. In sum, to obtain a GlobalGAP certificate, all farmers must comply 100 per cent with the 74 'major musts' and 95 per cent with the 125 'minor musts' in three separate modules (the remaining points are recommendations that will not fail the farm). The farmer can fail to comply with only six control points out of 199 in these two categories.

Moreover, the revised quality management system (QMS) for version 3 requires greater quality control from smallholders. Graffham *et al.* (2006) reported that the QMS component was the most challenging part for SSGs in a previous version of the standard, the EurepGAP Fruit and Vegetables Protocol V2.1, January 2004. In version 3 the number of control points in the main QMS checklist has increased from 94 to 141. A good example of this is the section on farmer/farm inspection (2.8.2), which had five control points in the old protocol but has 16 control points (QM9.2) in version 3.

Finally, where it was already difficult for SSGs to meet the challenges of version 2 (as of mid-2006 in Kenya, 60 per cent of the estimated 45,000 smallholders supplying exporters in 2003 had already been dropped by their export company or had withdrawn from compliance schemes as a direct result of their inability to comply or maintain compliance with EurepGAP), version 3 may even exacerbate the situation. The increased requirements are accompanied by the need for additional record keeping, labelling, water testing, facilities, certificated training for workers, more stringent worker conditions and product recall systems. Transaction costs for farmers are therefore increased.

The way forward

Unless agreements can be reached between FoodPlus (the owners of the standard) on interpretation and audit of the standard, significant numbers of SSGs may find it either too technically restrictive or too expensive to comply, effectively denying them access to European markets. While the authors accept this is not the intention of version 3, analysis of the changes does look positive for producers in Africa. The IIED/NRI team would like to try to broker agreements between all stakeholders so that SSGs are not prevented from accessing the benefits of GlobalGAP.

Table 1	Additional compulsory control points	Additional control points requiring 95% compliance	Additional recommendations	Total
All farm base	1	7	1	9
Crops base	3	9	1	13
Fruit and vegetables	7	5	4	16
Total	**11**	**21**	**6**	**38**

Table 1: Summary of added control points and compliance criteria

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