



PRODUCER-EXPORTER ASSOCIATIONS AND CODES OF PRACTICE

Why should producer associations be concerned about codes of practice?

What are key areas where growers and exporters need assistance? How can producer associations help?

What are key strategic issues for African export horticulture industries?

Sources of further information

Many of the major European supermarkets are developing codes of practice as a result of growing consumer concern about food production methods and their impact on poor people and the environment. Exporters and growers in Africa are increasingly being asked to comply with these codes. Supermarket codes of practice cover:

- **Food quality & safety** - there has to be complete traceability from the field to the plate, with an agreed set of quality and safety standards at every step along the production chain, and an audit system for verification.
- **Social impact** - there must be reasonable conditions for workers, and due reward for smallholders.
- **Environmentally friendly production** - food must be produced in farming systems that do not cause damage to the environment.

Why should producer associations be concerned about codes?

Many growers and exporters are concerned about codes of practice because they fear that codes bring increased costs e.g. higher wage bills. However, there are also good reasons for getting involved in codes:

- The ethical market is becoming **the** market. Codes of practice apply to the mainstream as well as niche markets.
- Adopting sustainable production systems that are beneficial to the environment can reduce costs. Less pesticides are used and fertiliser is used more effectively.
- Communication up and down the production chain can be improved. This leads to greater understanding of issues and swifter solution of problems.
- Codes of practice are here to stay. It is better, therefore, to become involved, right at the beginning, in helping to develop codes, and avoid having to accept irrelevant measures at a later date.
- Implementing codes can help to improve management efficiency. A review can show up shortcomings and identify problems before they become disputes.
- Producers not committed to traceability and environmental and social improvement will find it more and more difficult to market produce to European supermarkets.

What are the key areas where growers and exporters need assistance? How can producer associations help?

Casual workers

Some growers/exporters may fear the extra costs of granting permanent employment status to long-term employees who are currently employed on a casual basis.

Assistance: Producer associations can help by showing how a more stable and productive labour force benefits employers, and leads to better quality produce.

Children

Many codes wish to eliminate the employment of children. This would deprive working families of extra income.

Assistance: The producer associations can help to present the facts to European buyers that income earned by children is vital, and that unemployment may drive them into undesirable work or prevent school fees being paid. It can suggest ways round the problem by helping to draw up guidelines which would allow children to be employed on light duties that do not interfere with their education or welfare.

See Theme Papers 2 and 5 for further information.

Equal opportunities

Creating equal opportunities for men and women may come up against local tradition.

Assistance: Producer associations can assist in breaking these barriers down for the industry as a whole.

See Theme Papers 2 and 5.

Health & safety

Granting full health benefits to workers, and improving safety at work is a morale booster and provides for a more productive labour force.

Assistance: Producer associations can help to spread these beneficial affects across the industry.

See theme paper 2.

Housing

Initiating a housing programme may be difficult for many employers due to lack of finance, and the unwillingness of banking institutions to grant loans.

Assistance: The association could consider setting up a revolving fund that members can borrow from to upgrade worker housing. Donor assistance might be sought for loans. The association could also employ someone to consult with workers across the industry on appropriate housing designs.

See Theme Paper 2.

Integrated Pest Management (IPM) and other sustainable farming systems

Most growers have no experience in IPM. Advice and training is needed.

Assistance: If training and advice can't be provided from local resources, the producer association can assist in finding and obtaining the necessary expertise through contacts with donor institutions and consultancy organisations. If there are any farmers who are already practising IPM, the association can use them as "demonstration" farms that can be visited. The association can publicise the advantages of IPM systems, and help to train advisors who can visit farms on a regular basis.

See Theme Papers 3 and 5

Smallholders - contracts

Smallholders need transparent and binding contracts with exporters.

Assistance: The association can promote good practice through publicising "good examples", where exporters who build good long-term relationships with their smallholder suppliers are rewarded with better quality produce and more reliable supply.

See Theme Papers 2, 5 and 6.

Smallholders - finding local markets

Where export quality standards are not met, the rejected produce should be returned to the grower who may be able to find a local market.

Assistance: Associations can encourage exporters to do this, and help smallholders with little marketing experience to find local markets.

Smallholders - meeting quality standards

For many producers, especially small-scale farmers, growing for export is a new experience. In particular, meeting export quality standards requires technical assistance, and some exporters may be unwilling to deal with growers while they are "learning the ropes".

Assistance: Associations need to set up special smallholder support programmes to help them meet the standards and raise the quality of their produce. Introducing inexperienced growers to successful farms could help raise standards quickly.

See Theme Papers 3, 5 and 6.

Wages

National minimum wages are often below the living wage – i.e. a wage that allows the worker to meet basic needs. The level of the living wage will vary from place to place depending on the cost of living. So there is a need to establish what is a living wage for workers. This is best done through participatory research with workers and their families. The expertise for this, however, may not be available within the industry.

Assistance: The association could commission a relevant institute/researcher to do the research for the industry as a whole. The researcher could be asked to establish the level of a living wage and make recommendations for how producers might move towards that wage over a period of time, given existing constraints.

See Theme Papers 1, 2 and 5

What are the key strategic issues for African export horticulture industries?

While implementing codes of practice can bring benefits to African industries, African interests are often not properly taken into account by existing codes. Producer associations can take a number of steps to help protect African industries:

- Associations need to keep up to date with changes in EU industry standards and codes, and feed this information back to their members;
- Consider developing a national code of practice which takes local conditions as well as European market requirements into account – **see Theme Paper 4.**
- Link up with other (African) exporting countries to increase bargaining power, and negotiate with European retailers for:
 - (a) flexibility on key problem areas in codes such as child labour
 - (b) Sharing costs of implementing codes, and provision of incentives for “good practice”
- Co-operate with other producing countries in securing and providing technical advice for sustainable farming methods, including IPM.

For further information...

Further information about the issues raised here can be found in the following theme papers, available from NRET at the address below:

1. How exporters can find out about and strengthen relationships with workers and smallholders
2. Relationships with workers and smallholders – key problems exporters and growers must address
3. Key environmental threats that growers and exporters should address
4. Developing a national code of practice – why and how
5. What are the key areas of existing European-initiated codes that are causing problems for African industries? How can these problems be overcome?
6. What are the effects of supermarket and importers’ buying practices on African growers and workers? How can resulting problems be addressed?

Continued overleaf

Other sources of information:

Natural Resources and Ethical Trade Programme (NRET): c/o Natural Resources Institute, University of Greenwich, Chatham Maritime, Kent ME4 4TB, U.K.; email: nret@gre.ac.uk.

VINET (Virtual Information Network for Ethical Trade): <http://www.nri.org/vinet/>. For up-to-date information on ethical trade issues in the fresh produce industry.

Ethical Trading Initiative (ETI): 78-79 Long Lane, London EC1A 9EX, U.K. Phone: +44 (0)207 796 0515; Fax: +44 (0)207 796 0514; email: eti@eti.org.uk; Website: www.ethicaltrade.org. They can supply information about implementing and auditing against labour standards in Africa.

COLEACP: 5, Rue de la Corderie, CENTRA 342, 94586 RUNGIS CEDEX – FRANCE. Phone: +33/1-41-80-02-10; Fax: +33/1-41-80-02-19; email: coleacp@coleacp.org; Website: <http://www.coleacp.org>. COLEACP has been working with African grower associations to harmonise their national codes of practice and benchmark them against European market standards such as EUREP.

Leading African industry associations involved in this initiative include:

Horticulture Promotion Council (HPC), Zimbabwe: PO Box WGT 290, Westgate, Harare. Phone: +263-4-725130/725136; Fax: 795303; email: hpc@cfu.gaia.co.zw.

Kenya Flower Council (KFC): PO Box 24856, Nairobi. Phone/Fax: +254-2-883041; email: kfc@africaonline.co.ke.

Fresh Produce Exporters Association of Kenya (FPEAK): PO Box 40312, Nairobi; Phone: +254-2-564170/561304; Fax: 561304; email: fpeak@africaonline.co.ke.

Zambia Export Growers' Association (ZEGA): PO Box 310245, Lusaka; Phone: +260-1-271166; Fax: 271167; email: zega@zegaltd.co.zm.

Global IPM Facility: c/o FAO, Viale delle Terme di Caracalla, 00100, Rome, Italy; Phone: +39-06-5705-2907; Fax: +39-06-5705-6227; email: Global-IPM@fao.org. Can provide assistance on IPM training and advice.

Save the Children Fund (UK) – check if there is a local office, or contact the HQ: 17 Grove Lane, London SE5 8RD, U.K; Phone: +44-(0)207-703 5400; Fax: 703 2278. SCF can provide guidance on how to tackle problems associated with employment of children.

Local NGOs and researchers: You may find that some NGOs and research institutes/university departments in your country have a lot of useful knowledge and experience of working with smallholders and farm workers, and have expertise on training smallholders in IPM and other techniques.

The information contained in this document is distilled from a 3-year study managed by the Natural Resources and Ethical Trade Programme (NRET) and involved in-depth research in Ghana, Zimbabwe and the U.K. It presents the key issues raised by all key stakeholders involved in the supply of fresh horticultural produce to European markets, from farm workers to supermarket buyers. For more detailed information about the findings from the study, please contact NRET at the address above.

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