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**Governance and Agency in the Global Horticulture Chain:
the Case of GlobalGAP.**

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Abstract

This paper traces the spread of the GlobalGAP standard and explores the governance processes associated with the promotion of food safety and good agricultural practice in global value chains for horticultural produce. Private standards are plentiful in agri-food chains as retailers and brands seek to minimise risks and also respond to new demands from civil society. They represent a new form of regulation which raises questions regarding governance in the south: private standards may overshadow or conflict with government regulation of business, they may displace existing institutions or create new ones; potentially they may provide a space for participation of previously voiceless groups or they may circumscribe discourse and sustain or increase existing power inequalities in the value chain.

EurepGAP, now GlobalGAP, was established to fill a regulatory gap: in many countries from which European retailers were sourcing public regulation of food safety and the good agricultural practices which are a prerequisite to minimising the risk of food hazards were absent or poorly implemented. Many stakeholders in the sector, particularly growers, also hoped that the harmonisation of standards offered by EurepGAP would reduce the number of private sector standards with which suppliers were increasingly being confronted.

Our analysis of GlobalGAP is based on an expanded form of value chain analysis that explores the horizontal dimensions of value chain governance and the power relations between actors, integrating this with more conventional analyses of vertical governance and the power exercised by buyers. The analysis aims to explore: the structural characteristics of the value chain; how and by whom discourse is being framed around the governance of the value chain and the changing roles and agency of stakeholders with the emergence of private standards, in this case GlobalGAP (Tallontire 2007; Riisgaard 2007). This approach uses the lens of civic governance and separation of powers to critically appraise the legislative, executive and judicial aspects of the private standard, focusing on who makes the rules and how and associated discourse (legislative aspects); how conformity is assessed (judicial) and management of participants including the use of incentives and sanctions (executive).

Our on-going empirical study involves a detailed case study of private standards in the Kenyan horticulture sector (ESRC-DFID award no167-25-0195, Governance implications of Private Standards Initiatives in the Agri-food Chain). In this paper we draw on preliminary interviews with donors, members of GlobalGAP and its secretariat and key stakeholders in Kenya. In these interviews we have explored the way in which GlobalGAP has been adopted by exporters, their associations and suppliers and the way in which key stakeholders - public and private, Kenyan and foreign- have adopted or influenced or otherwise interacted with the concepts and structures associated with the GlobalGAP standard.

We illustrate key aspects of governance associated with GlobalGAP in Kenya through analysis of two related processes: (i) the evolution of the KenyaGAP standard, an initiative to produce a 'locally-owned' standard has been bench-marked with GlobalGAP and (ii) efforts to facilitate compliance with GAP standards by smallholders to ensure their continued participation in the agri-food chain.

The case study analyses how the discourse is being framed – by whom and how.. Initial findings suggest that retailer's concerns dominate and frame the discourse of value chain regulation with respect to food safety and agricultural standards, not only of other actors in the value chain, but also the prevailing discourse of development practitioners. However GlobalGAP is showing signs of increased receptiveness to wider stakeholder concerns, particularly challenges faced by smallholders in complying with requirements of the standard.

1. Introduction

This paper traces the spread of the GlobalGAP standard and explores the governance processes associated with the promotion of food safety and good agricultural practice in global value chains for horticultural produce. Private standards such as GlobalGAP, formerly known as EurepGAP, are plentiful in agri-food chains as retailers and brands seek to minimise risks and also respond to new demands from consumers and civil society. They represent a new form of regulation which raises questions regarding governance in the south: private standards may overshadow or conflict with government regulation of business, they may displace existing institutions or create new ones; they may provide a space for the participation of previously voiceless groups or may circumscribe debate (Tallontire 2007). In this paper we focus on the ways in which GlobalGAP is being used to re-regulate the agri-food chain, through a combination of vertical and horizontal governance processes, including the use of discursive power and interaction with other agents. We highlight how retailer's concerns dominate and frame the discourse of value chain regulation with respect to food safety and agricultural standards, not only of other actors in the value chain, but also the prevailing discourse of development practitioners. However GlobalGAP is showing signs of increased receptiveness to wider stakeholder concerns, particularly challenges faced by smallholders in complying with requirements of the standard.

Empirically, this paper draws on preliminary findings from an ongoing project¹ on private standards in the agri-food chain in the horticulture sector in Kenya where leading European retailers and other key buyers are sourcing cut flowers and vegetables. We draw on secondary data supplemented by key informant interviews conducted to date to explore the way in which GlobalGAP has been adopted by exporters, their associations and suppliers and the way in which key stakeholders - public and private, Kenyan and foreign- have interacted with the GlobalGAP standard. We seek to illuminate some of the key governance issues relating to the implementation of GlobalGAP by using an evolving analytical framework that brings together an expanded value chain framework with insights from concepts associated with regulation and sociological theory. Our aim is to undertake conceptual analysis of PSIs that includes both institutional/normative issues and structural/ material factors, including the south-north value chain dimension.

In order to achieve this, first we summarise our evolving framework and the key concepts that we use in this paper to explore our findings to date. Drawing on this framework we set out the roles played by GlobalGAP as a standard and institution and map some of the key players involved in the organisation, both directly as retailer members and their suppliers who are expected to comply with the standard, and also indirectly organisations trying to influence the development and implementation of GlobalGAP. We then discuss our interim findings with regard to governance trends resulting from the application of GlobalGAP. We consider efforts to make GlobalGAP more locally appropriate and

¹ ESRC-DFID award no167-25-0195, Governance implications of Private Standards Initiatives in the Agri-food Chain

achievable; the way in which the governance processes, centred on GlobalGAP may be challenged by certain actors, either upstream in the value chain or by other actors, in a process of horizontal governance. We conclude the paper by considering the legitimacy of GlobalGAP.

This paper provides empirical detail to support the observation that private systems of governance based on food and quality standards are becoming increasingly significant in global agrifood systems and are altering the nature of governance (Henson and Reardon, 2005; Ponte and Gibbon 2005; Busch and Bain 2004). This is particularly true for food safety and food quality (Fulponi 2006, Humphrey 2007). Our preliminary analysis responds to issues concerning the balance of private and public sector governance and concerns about market access raised in this literature but also raises questions about how discourse about food safety standards such as GlobalGAP is constructed.

2. Our approach

Our analysis of GlobalGAP is based on an evolving expanded form of value chain analysis that explores horizontal dimensions of governance and the power and inter-relationships between stakeholder, integrating this with more conventional analyses of vertical governance and the power exercised by buyers (Tallontire 2007).

Our aim in developing the framework has been to balance recognition of the importance of economic structures in shaping standards with recognition of the way in which the imperatives of the supply chain and its vertical governance interact with the institutions and power relations of horizontal governance. In our 2007 paper we drew on the insights of Kaplinsky and Morris (2002) regarding ‘civil governance’ and separation of powers and explored how this could be used to explore the dynamics of private standards. Looking at PSIs we focus on the legislative, executive and judicial aspects of the private standard as a central part of our analysis. This considers who makes the rules and how and associated discourse (legislative aspects); how conformity is assessed (judicial) and management of participants including the use of incentives and sanctions (executive). This is particularly useful for understanding the outputs of politics, the decisions made and rules set and to explore the dynamics of participation. However, we also recognised there was a need to supplement this with an assessment of the more subtle processes by which new forms of governance are legitimated, i.e. the way in which power can be expressed and potentially gained through the shaping of ideas and discourse.

In our earlier article we referred to the ‘cognitive’ and ‘integrative’ effects of a private standard initiative, referring respectively to the ways in which the language of the standard may be adopted and concrete institutional effects such as co-operation between government and private regulators or the adoption of private standards in public regulations, drawing on Pattberg (2006). In addition, we have been increasingly drawn to the concepts of *agency* and *discursive* power to deepen our understanding of how governance of value chains, in vertical and horizontal dimensions, is shaped and contested by the development and implementation of private standard (Fuchs and Lederer 2007: 9).

The analysis thus aims to explore the ways in which the structural characteristics of a particular value chain, the agency of key actors, and the associated discourses inter-act, are contested and shaped, specifically in relation to the emergence of private standards, in this case GlobalGAP .

3. GlobalGAP: an initial mapping of processes and institutions

Drawing on this framework we initially discuss GlobalGAP as a standard and institution under three headings relating to its ‘legislative’, ‘judicial’ and ‘executive’ roles. In this section we take a functional approach, focusing on the formal structures and terms used by actors working for, or with, the GlobalGAP organisation.

It should be recognised that GlobalGAP does not have a monopoly on ‘good agricultural practice’. In several countries national level programmes have been developed to promote good agricultural practices (GAP). These tend to be voluntary guidelines that aim to share and promote understanding of good practice. These can be seen as a useful first step to compliance with private standards such as GlobalGAP but have domestic policy objectives as well (Busch et al 2005; Poisot 2007, Vosenaar 2007). However, in countries dependent on the European market for horticultural exports, GAP tends to mean GlobalGAP.

3.1 GlobalGAP and legislative governance

First of all we consider legislative governance with respect to the origin of the standard, and refer to how it is linked to other standards, both in the public and private domains. We outline who is involved as members and the way in which they may participate as well as how decisions are reached.

a) Origins

EurepGAP, now GlobalGAP² was established in 1996 as an initiative by retailers belonging to the Euro-Retailer Fresh Produce Working Group (EUREP) to develop standards for Good Agricultural Practice (GAP). It was a response to consumer concerns and European legislation on food safety and also aimed to fill a regulatory gap. In many countries from which European retailers were sourcing public regulation of food safety and GAP which are a prerequisite to minimising the risk of food hazards, were absent or poorly implemented. The aim of the original eleven retailers was to develop a single private sector standard for integrated crop management, food safety and quality. Protecting reputation is an important motivation for implementing standards, but the ‘legal liability framework’ for food safety has also become an important driver. Systems such as GlobalGAP are an effort to demonstrate that a retailer has put in place appropriate precautions (Fulponi 2006: 9), in the UK law a ‘due diligence defence’ (Graffham and Macgregor 2007).

² EurepGAP officially became GlobalGAP at the organisation’s annual conference in September 2007.

Many stakeholders in the sector, particularly growers, also hoped that the harmonisation of standards offered by EurepGAP would reduce the number of private sector standards with which suppliers were increasingly being confronted. In particular European markets, notably the UK, Netherlands and Switzerland it has become the minimum requirement for producers wishing to sell through the multiple retailers (Henson and Reardon, 2005; Jaffee et al. 2005). It is also slowly becoming more significant for retailers in Germany (Gould 2007). However, many retailers involved in GlobalGAP also require their own food safety and quality standards to be implemented by suppliers.

b) Content

Retailers require their producers of fruit and vegetables to demonstrate compliance with a normative document for certification including *control points* for agricultural activities from preparation of the ground to harvest of the raw product, including: chemical use, post-harvest handling, environmental protection and worker welfare. Under each of the headings there are several criteria and related indicators, which are differentiated as 'major musts', 'minor musts' and 'recommendations'. In many respects GlobalGAP is more stringent and is more detailed than national law, reflecting the consumer pressures for strict food safety standards in many countries.

There have been at least three iterations of the protocol. The latest version (3) was launched in March 2007 which is now the official standard, though the previous version, 2.1 will be also recognised during a transition period. GlobalGAP version 3 is described as the Integrated Farm Assurance Standard as it is comprised of a core standard (the General Regulations and GAP requirements, known as Control Points and Compliance Criteria (CPCC), with modules for different product groups (known as 'sub-scopes')³, whereas earlier versions had different standards for different products. In addition to changes in the structures of the standard, there have been some important changes to the CPCC. There is a new section on integrated pest management, new CPCC on in-field packing and hygiene and a stronger section on 'worker health, safety and welfare' (WHSW). Changes with respect to WHSW include the upgrading of several recommendations to 'minor musts' especially on training and the upgrading of two 'minor musts' to 'major must' on cleaning protective equipment and, perhaps more significantly, a requirement to identify a person in management with responsibility for WHSW.

c) Membership and decision-making structures

The decision-making structure is headed by an eight member elected board, with four supplier members and four retailer members⁴ which is chaired by an 'independent chairman', who is employed in an executive role, alongside the managing director. A non-profit limited company, FoodPlus, acts as secretariat for GlobalGAP. FoodPlus is legally owned by a retailer organisation, EHI Retail Institute. In addition to the board

³ In the 2007 version of GlobalGAP the sub-scopes are as follows: Fruit and Vegetables, Cattle and Sheep, Combinable Crops, Dairy, Flowers and Ornamentals, Pigs, Green Coffee Poultry, Tea, Salmon

⁴ Until late 2007 with the appointment of Chusak Chuenprayoth from Thailand there was no developing country participation in the Board.

and the secretariat there are currently three sector sub-committees elected from the members which cover the sub-scopes of the standard.

Whilst GlobalGAP began as an organization of retailers, suppliers to these retailers are have been an official part of the organization since 2001. Indeed the producer/ supplier category of membership now numbers in the region of 146 whereas there is a total of 37 retailer members. With respect to supplier/ producer members, GlobalGAP has some claims at being global, with ten members from Africa, eleven from South America, four from North America and three from Asia, and members in New Zealand and Israel, but around three quarters are from Europe. All but two of the 38 retailers are from Europe (Aeon from Japan and most recently Wegmans from the USA) with the greatest number of member retailers now coming from Germany (13), followed by the UK (eight) and the Netherlands (6).⁵

In addition to full producer and retailer members there are associate members, many of which are certification bodies or inspection services (CBs). Associate members are not directly involved in decision making but are recognized as playing ‘an integral part in the GLOBALGAP network’; interestingly CBs are the only group currently listed under the heading of ‘stakeholder consultation’. However, changes in the consultative process have recently been instituted to ‘formalise opportunities for stakeholder consultation’ (GlobalGAP 2008b).

3.2. GlobalGAP and executive governance

We next consider the executive governance of GlobalGAP or how it is implemented. Retailer members of GlobalGAP began to require their suppliers to be certified against the GlobalGAP standard from January 2004. By September 2006 41,000 suppliers were certified according to EurepGAP (Graffham and MacGregor 2007: 2), a figure which had grown to ‘over 80,000 certified producers in no less than 80 countries’ by September 2007.⁶ It is the producers who must make the necessary investment to ensure that they meet the retailers’ requirements and who pay for certification, but retailers and importers may assist in the process by providing advice and information, especially for preferred suppliers (Humphrey 2006: 582).

There are four ways that a producer can demonstrate compliance with Eurep GAP:⁷

1. Individual Farmer applies for a EurepGAP certificate.
2. Farmer Group applies for a EurepGAP certificate.
3. Individual Farmer applies for EurepGAP benchmarked scheme certificate.
4. Farmer Group applies for EurepGAP benchmarked scheme certificate.

⁵ Calculated from member lists on GlobalGAP website, 22 February 2008.

⁶ As cited in Update on Kenyan Horticulture, USAID/Fintrac Kenya Horticultural Development Program, August-September, p. 2, [Internet] <http://www.fintrac.com/docs/kenya/KHDP%20Update%20August%20%20September%2007.pdf>, [accessed 26/2/08]

⁷ www.eurep.org

Option 2 tends to be the approach adopted by small producers as they frequently do not have the financial or technical resources to ‘demonstrate compliance with all of the control points specified’ (Graffham and Macgregor 2007: 4). Option 2 involves the establishment of a legal organization owned by the farmers known as a primary marketing organization (PMO). The PMO develops a central procedure which covers all the farms sites in the group, which from September 2005 included a requirement for a Quality Management System.⁸ All farms in the grower group must be inspected each year by an internal auditor. An external auditor from an accredited CB audits the systems on an annual basis and a random sample of the farm sites have an on-site audit.

Options 3 and 4 were developed in order to recognise equivalent schemes that were being developed at a national level such as the UK’s Assured Produce Scheme and AENOR in Spain. Producers in many countries were quick to establish national programmes to facilitate schemes that could be benchmarked to EurepGAP, leading to the development of ChileGAP and New Zealand GAP amongst others. Some existing standards were also benchmarked, including the Kenya Flower Council’s (KFC) silver standard in June 2005, and later the Fresh Produce Exporters’ Association of Kenya (FPEAK) also benchmarked a new standard, KenyaGAP, see below.

One of the aims of the National Technical Working Groups, and ultimately the benchmarked national standards, is to provide a ‘focal point for local stakeholders to meet and develop relevant practices and standards’ (Gould 2007). These initiatives help to foster a culture of compliance and can potentially reduce costs, These institutional developments raises questions about the overlap between public and private governance, and how the discourse is shifting and configuration of relevant actors (both within the value chain and those interacting with it) is changing as a result.

3.3. GlobalGAP and Judicial governance

Under executive governance we have discussed the expectations of retailers regarding compliance with the EurepGAP standard and the different options for how compliance may be achieved. Judicial governance in relation to private standards is concerned with the auditing procedure – i.e. how compliance is assessed and certified.

By 2007 there had been over 100,000 completed audits against GlobalGAP standards (GlobalGAP 2008). GlobalGAP accredits third party auditors who operate according to ISO Guide 65 to audit the standard under certain ‘scopes’ or products or product groups, depending on skills and experience. The first auditors to be certified were European with considerable experience of quality assurance schemes, for example CMI, Food Cert and EGIS. Once the supermarkets began to insist on compliance, it was recognised that there was a shortage of auditing capacity in many supplying countries, particularly in Africa.

⁸ There are 85 control points in the QMS checklist and 9 control points pertaining to the farm inspector, point out Graffham et al (2007).

Partly as a result of donor interventions, auditing organisations have been established and some accredited in some African countries, e.g. Africert, based in Kenya.

Auditing to the GlobalGAP standard is a formal process which takes place on an annual basis. Producers pay for certification and then are able to demonstrate compliance to existing or prospective buyers. The site may be awarded the certificate if it complies fully with all CPCC or if it fails a small number of 'minor musts', depending on their severity, usually dependent on these being rectified within a specified period. Auditors are not permitted to provide advice other than setting out reasons for a failed audit or if there are conditions attached, in order to preserve their independence and ensure transparency and credibility of the standard and auditing procedures.

GlobalGAP is presented by the standard owners as a useful mechanism to ensure that consumer and public health requirements regarding safe food are met, and also 'one of the leading drivers for implementing changes in farming practices towards sustainability' (GlobalGAP, Coop Switzerland and GTZ 2007: 3). The standard owners highlight the worldwide spread of the standard and efforts to evaluate and recognise different local practices that may be considered equivalent methods to achieve the overall goal.

4. Kenya and GlobalGAP

GlobalGAP was established by retailers who wished to ensure that their global sourcing policies did not leave them at risk of being found negligent for food safety issues. In this section we consider the way GlobalGAP is being implemented in Kenya. We focus on two inter-related process issues: efforts to enable smallholders to access and retain access to European retail supply chains through compliance with GlobalGAP and more broad-based efforts to build up the soft and hard infrastructure for good agricultural practice at a sectoral level. However before we do this it is important to understand the broader regulatory system in Kenya. Action to support compliance with private standards such as GlobalGAP is closely related to enabling producers and related support systems meet the requirements for access to international markets that are set by public sector actors such as Sanitary and Phytosanitary measures (SPS measures).

The European market is becoming increasingly difficult for developing country exporters to access partly because of SPS requirements and the way in which they are being enforced (Henson and Loader 2001); market access is a challenge even without GlobalGAP. The ability to comply may be closely related to the overall competitiveness of a country. Indeed, it has been argued that in the case of Kenya, standards have been a catalyst for competitive advantage (Jaffee et al. 2005).

Whilst the enforcement of labour law has been typically weak in Kenya, the government infrastructure for enforcement of trade standards is improving, for example the Kenya Plant Health Inspectorate Service (KEPHIS) and Pesticides Control Board have been strengthened and made more effective as regulators and have earned a good reputation. The Kenyan horticulture sector has typically been described as benefiting from limited 'interference' from government in the commercial aspects of their business (Dolan and Humphrey 2000). Indeed, it has been the industry itself which has

established an infrastructure capable of delivering high quality vegetables and flowers to very demanding supermarket clients. The main exporter associations, the KFC and the FPEAK have developed set standards and systems that have driven up quality.

As SPS measures have become more stringent, and particularly in response to the EU Sanitary and Phytosanitary (SPS) regulations on maximum pesticide residues (known as MRLs), the Kenyan government has become a more visible participant in the horticulture sector. In 2002 the Ministry of Agriculture established the National MRL Steering Committee which later renamed itself National Taskforce on Horticulture (NTH) to reflect its broader remit. The NTH is a broad forum of government ministries, exporters, producers, service providers and pesticide manufacturers that aim to address the challenges faced by the industry, particularly to ensure that Kenya's horticultural produce complies with EU regulatory and market requirements. This initiative received donor funding from 2004 to the end of 2007 from COLEACP Pesticide Initiative Programme (PIP) and USAID representatives participated in its meetings.⁹ Whilst the NTH has been the locus of many discussions on GlobalGAP, a separate working group has been established to develop a national GAP standard. The COLEACP PIP, funded by the European Union, was originally established to enable compliance with EU SPS public regulations through training and development of crop protocols and food safety systems. In practice PIP has focused much of its effort on enabling compliance with private standards, particularly GlobalGAP (Stinglhamber 2007), including providing funding for the KenyaGAP benchmarking process.

4.1 Smallholders and compliance with GlobalGAP

For political and technical reasons smallholders have been important to the continued growth and success of the Kenyan horticulture sector, though their absolute number has been decreasing since the mid 1990s (McCulloch and Ota 2002). The introduction of ever more demanding standards, including the roll out of GlobalGAP along the supply chain, has made maintaining access difficult for smallholder farmers. Some smallholders are closely tied to certain exporters who have invested heavily in systems to ensure compliance of 'their' smallholders. However many smallholders targeting the export horticulture market are less closely tied to particular growers and have faced problems with complying with standards, including those that have been assisted through various donor market linkage programmes (Davis 2006, Dolan 2005).¹⁰

The development of a group certification procedure, Option 2, and benchmarking of national and industry association standards have been critical for the spread and acceptance of the GlobalGAP standard around the world and indeed in Africa (Graffham

⁹ This forum has been headed by KEPHIS which from this year has found internal funds to continue the initiative.

¹⁰ In Kenya HVA has been targeted through programmes such as the Business Services Market Development Programme (BSMDP) horticulture sub-project which operated from 2003 to 2007 funded by the UK's Department for International Development (DFID) (<http://bsmdp.org/winner.asp?pcat=subsectors&cat=exportsector&sid=118> [accessed 4 March 2008]) and the USAID-funded projects implemented through Fintrac, the Kenya Horticultural Development Project (KHDP) (<http://www.fintrac.com/donor.asp?project=kenya>, [accessed 18 March 2008]).

and Macgregor 2007:2). Nevertheless, many commentators have highlighted the challenges of compliance with GlobalGAP for smallscale producers, even using Option 2 for group certification, with some saying that benefits to the farmers are negligible or unsustainable given the high costs of compliance: the direct costs of auditing are a few hundred dollars per year per farmer, but the indirect costs of improvements on the farm and the development of management systems can be much larger. Moreover, one recent study suggests that for smallholders the recurrent costs of certification cannot be covered by revenues and that many Kenyan smallholders who achieved compliance have failed to maintain it and have been dropped by their buyers in the high-value horticulture market (Graffham et al. 2007). Their data indicates that the establishment of GlobalGAP for a smallholder in Kenya costs at least £430 per grower with annual maintenance of EurepGAP per smallholder least £105, whereas income was £200 per annum, of which recurrent costs of accounted for 56%. They conclude that compliance with GlobalGAP has only been possible due to substantial external support from export companies and donors. Humphrey's (2006) analysis of the way in which GlobalGAP has been implemented in Kenya also highlights the importance of highly integrated exporter-led outgrower schemes for continued compliance with the standard.

Other commentators have argued that smallholders can meet these standards and be certified (Fintrac 2005, Nyagah 2007). One project funded by the Dutch development agency seeks to use Option 1 as a route for compliance by smallholders, whereby several farmers are registered as one farm for certification purposes, rather than as a marketing unit as is the case in Option 2, thus meaning that only one set of management procedures is required thereby cutting costs (Wageningen University 2006).

There is widespread acceptance that compliance with GlobalGAP is very difficult for smaller producers (Temu and Marwa 2007). However, given the considerable resources invested by aid donors in schemes for compliance and the vested interests of consultants and auditors in facilitating and promoting compliance, Graffham et al's findings regarding the limited viability of smallholders have been quite controversial. The challenge as represented by USAID is that 'A replicable commercial model is still being sought to reach large numbers of groups [of smallholders] without involving direct donor support' (USAID 2007). The chair of GlobalGAP maintains that it is too early to discount Option 2 as too expensive for smallholders as systems are only in their infancy and can be further refined.¹¹

GlobalGAP has recognised that there are specific compliance issues for smallholders to the extent that, with co-funding from GTZ and DFID, an 'ambassador for smallholders' /'African observer' was appointed in May 2007 whose remit is 'to identify specific ways that EurepGAP standards can be more inclusive of smallholder farmers from developing countries and assist EurepGAP members to develop/ adjust appropriate technical standards'; and 'to raise awareness amongst stakeholders about the EurepGAP decision making process' (Kern, 2007), see below.

¹¹ Interview with author, 18 March 2008.

4. 2 Benchmarking with GlobalGAP

Larger producers were able to meet the GlobalGAP standard independently or by virtue of compliance with the KFC standard which has been benchmarked. However, as we have indicated above certification to GlobalGAP proved more challenging for small to medium producers of horticultural products. Moreover, Humphrey has noted that the 'pressure for a response to this EUREPGAP standard was increased because many people in Kenya, including the government and NGOs, believed that EUREPGAP was a mandatory EU standard' (Humphrey 2006: 589). This led to the establishment of a National Technical Working Group in late 2004 to explore the potential for a KenyaGAP standard that would be more attuned to local conditions. Led by FPEAK, many of whose members include more medium and small scale operators compared to KFC, the initiative was private sector led. However, Kenyan government bodies have also played an important role in the discussions to redevelop the FPEAK standard. Donors such as Coleacp PIP and USAID have helped with finance and advice and technical assistance and training was offered by NGOs and 'experts'. In presentations on the process, farmers are also listed as an important part of the process with regards to 'investment, adoption of new techniques and group co-operation' (Garbutt 2007). However how they may be involved has received little attention and direct representation of smallholders is not mentioned in the literature found to date on the process.

Ensuring credibility of national sectoral standards was a priority for FPEAK as was a concern to ensure that technical criteria required by international retailers could be interpreted by and fit the position of Kenyan producers with fewer resources and using different systems of agriculture (in some cases rain-fed rather than irrigated and using manual rather than mechanical application of pesticides). We have not yet been able to inspect a copy of the KenyaGAP standard, but it is reported to include not only requirements but information on how they may be achieved and also a QMS template. As Cosmas Kyengo, technical manager of FPEAK comments, the GlobalGAP standard 'gives you the exam but not the reading material you need in order to pass'. The KenyaGAP provides guidance. Some modifications to CCP relating to the scale of farmeres have been permitted, most significantly that small farmers using small amounts of agro-chemicals can store them in a locked metal box rather than having to build a concrete storage building.¹²

For FPEAK and others involved in the KenyaGAP initiative, the benchmarking process was an important way of enabling small producers to achieve the standard.¹³ The chairman of GlobalGAP has stressed the importance of the National Technical Working Groups with the mantra 'think global, act local' and has explicitly highlighted the Kenyan Technical Working Group as an example of how GlobalGAP can work effectively at the local level (Gould 2007).

GlobalGAP documentation suggests that the benchmarking process should not take longer than nine months from submission of the documentation (Garbutt and Coetzer

¹² Interview with Cosmas Kyengo, technical manager of FPEAK, 21 May 2008.

¹³ Hasit Shah, the chair of FPEAK, as quoted in EurepGAP (2005)

2005). The idea of redeveloping the FPEAK standard and benchmarking was hatched in 2004 and agreement was reached with GlobalGAP in March 2005 to formally initiate the project. A first draft was submitted to GlobalGAP in late 2005 (according to Fintrac 2005) and was approved in July 2007. Some involved in supporting the KenyaGAP benchmarking process have described it as a ‘difficult and cumbersome’ process, highlighting how those involved in the process of peer review had little understanding of smallholder agriculture.¹⁴ In defence, the chair of GlobalGAP said that the process ‘takes as long as it takes’, pointing out that delays can be due to the time it takes the applicants to respond to the reviewers’ queries and in the case of KenyaGAP there was an ‘inter-regnum’ due to a change in chief executive officer in FPEAK.¹⁵ An FPEAK spokesperson highlighted the importance of consulting widely in Kenya to ensure national acceptance of the KenyaGAP proposals.

More generally, others have raised questions about GlobalGAP’s understanding of ‘equivalence’, a key WTO term relating to standards (Poissot 2007, Vossenaar 2007). Some commentators are concerned about the extent to which the benchmarked standards will be recognised by the buyers, especially those that have insisted on certification according to their own standards in addition to GlobalGAP, but it is claimed by the GlobalGAP chair that most benchmarked standards are recognised due to the confidence that retailers have in the benchmarking and accreditation procedures.¹⁶ However, to date we have not met a Kenyan exporter who has used the standard to the exclusion of GlobalGAP which it is supposed to replace.

In this section we have explored the way in which GlobalGAP has been adopted by exporters, their associations and suppliers, particularly in terms of the challenges faced by smallholders and the efforts to facilitate compliance with the standard by smallholders. Indeed much of the debate about GlobalGAP is focused on compliance with the standard and how compliance can be facilitated. The debates around smallholder compliance and the formation of alliances associated with the benchmarking process have brought new actors into contact with GlobalGAP. In the next section we discuss some of the implications of these new relationships. Does the structural power of retailers in the value chain mean that GlobalGAP is immutable or can some actors with agency to influence the evolution of GlobalGAP and more broadly the discourse and governance in the value chain?

5 GlobalGAP: an evolving PSI

GlobalGAP’s rise to prominence in the food governance scene has been rapid. Twelve years ago it was an initiative of eleven Dutch and UK supermarkets concerned to harmonise a bottom line standard for food safety, but it is now involved in a wide range of policy issues relating to the governance of agriculture particularly as regards environmental sustainability and market access. While observers have rarely condemned GlobalGAP outright, as it became apparent that GlobalGAP’s standard was to be applied

¹⁴ Confidential interviews from donor programme officer and consultant

¹⁵ Interview with Nigel Garbutt, GlobalGAP, chair by author, 18 March 2008.

¹⁶ Interview with Nigel Garbutt, GlobalGAP, chair by author, 18 March 2008.

by retailers right up the supply chain to smallholders, concerns began to be raised.. For example, an FAO representative at the EurepGAP conference in Bologna 2001 highlighted the need for impact assessment, especially as regards the cost of certification for more vulnerable stakeholders in developing countries, and called for GlobalGAP to undertake greater consultation with stakeholders to ensure that it responds to diversity.¹⁷ Over time more detailed criticisms, based on research and practice, have emerged.

Based on their own understanding of good agricultural practice (GAP) and different approaches to implementing national GAP frameworks around the world, international organisations such as FAO and UNCTAD have raised questions about standards developed outside of government frameworks. These include concerns about the standard development process such as whether private standards undertake appropriate stakeholder consultation or understand the meaning of trade related principles such as 'equivalence'. Concerns have also been raised about how the priorities of private GAP standards are balanced with those of national GAP standards, especially where the former are focused on consumer concerns (recognising that food safety is not always the top priority in developing countries). In contrast it is argued that national GAP standards could potentially be vehicles to promote broader objectives, whether access to a wider range of markets or sustainable agriculture (Funge-Smith et al 2007, Poisot 2007 and Vossenaar 2007).

International organisations have tended to have an arm's length relationship with standards such as GlobalGAP due to the way in which their mandate is developed. In contrast, certain bilateral donors have had a closer relationship with GlobalGAP and have tried to influence its direction more directly. GTZ has had a link with FoodPlus, the organisation behind GlobalGAP, since 2000 and has developed collaborative projects with GlobalGAP through its international sectoral programmes and desk offices.¹⁸ DFID funded several research projects to help understand how smallholders may comply with GlobalGAP from around 2003 (Graffham et al 2006). This support continues, as indicated by a statement at a recent conference: 'Standards are only going to get higher; small farmers will struggle to meet the standards – how do we help LDCs meet the standards?'¹⁹

GlobalGAP has responded to growing criticism and implicit questioning of its legitimacy in two ways. First it has acknowledged that there are particular issues to be considered with regard to smallholders, especially those in Africa and other parts of the developing world. Second GlobalGAP has begun to engage more proactively in consulting with external stakeholders. These changes have emerged as a result of internal pressures within the governing structures and membership of GlobalGAP as well as external lobbying by some development agencies.

¹⁷ Author's notes from participation in conference

¹⁸ Interview with Doris Guenther, GTZ, 13 November 2007.

¹⁹ Closing speech by Tim Leyland at ISEAL Alliance DFID Seminar 'Private Standards - Public Policies: Making the Fit', 11 October 2008, author's notes from participation in event.

GlobalGAP and smallholders

With respect to smallholders, key milestones have been agreement to post on their website a manual for a quality management system aimed at producers aiming at certification through Option 2 produced by GTZ; the election of a certain ‘smallholder friendly’ supplier representative on the board and the appointment of the Africa Observer/ Smallholder Ambassador.²⁰

The Africa Observer/ Smallholder Ambassador is an individual who has been funded by DFID and GTZ and is based at the GlobalGAP offices to provide technical support to members in developing countries and to act as a smallholder ambassador who can identify ways that can facilitate the compliance of smallholder farmers with GlobalGAP standards. The smallholder ambassador sees his role as to ‘have smallholder opinion respected at the standard setting body...[so that we] have things in the standard that are working and are not too much burden’.²¹ Importantly he is not an African, nor a smallholder, though he does have considerable experience of horticulture around the world and of policy making. Opinions of this role have been mixed. One observer pointed out that his role is highly constrained: ‘He can’t talk to anyone without permission’, whereas another has pointed out how Dr Kern has been able to develop his own set of terms of reference.²²

Concerns that the Africa Observer was just a puppet could be laid to rest since the establishment by GlobalGAP of a more broadly based Smallholder Task Force by GlobalGAP. This donor-funded initiative aims to facilitate a wider public consultation on ‘stakeholder views and concerns related to GlobalGAP implementation in smallholder agriculture worldwide’ with a view to making the next revision of GlobalGAP standard more attuned to the smallholder situation. Suggestions are to be considered at a workshop in April 2008 and proposals presented at the next annual conference of GlobalGAP in October 2008.²³

GlobalGAP and stakeholders

Early public statements from the then EurepGAP focused on celebrating the development of a comprehensive standard and related procedures that met the needs of the retailers in fostering compliance so that food industry could ‘score for the consumer’.²⁴ Indeed the strictness of the standard has frequently been justified in terms of consumer requirements ‘these are not the demands of the retailer but of the consumer’.²⁵ While outside observers were welcomed in the annual conferences organised by GlobalGAP and indeed there were speakers at the 2001 conference from FAO as well as WWF and the European Consumers Union, stakeholder engagement tended to be ad hoc. With the exception of FAO and Rainforest Alliance, external stakeholder presentations at the 2001 conference

²⁰ Interviews with donors and consultants

²¹ Interview with Johannes Kern, Africa Observer, 5 October 2007

²² Confidential interviews, December 2007.

²³ Press release 22 February 2008 [internet] <http://www.africa-observer.info/documents/080222-Smallholder-Task-Force.pdf> [accessed 14 March 2008].

²⁴ Kristian Moeller, secretary of then EurepGAP, Bologna conference 2001, author’s notes.

²⁵ Retailer spokesperson at plenary session EurepGAP, Bologna conference 2001, author’s notes

did not present understanding the producer level implications of the standard and presented a largely European consumer perspective.²⁶

It has been acknowledged that more formal stakeholder liaison only really began just over two years ago. This coincided with an internal re-organisation, the appointment of a stakeholder liaison officer and the initiation of the aquaculture standard development process which generated considerable NGO interest.^{27 28} In 2005 more concrete evidence of a changing attitude started to emerge as GlobalGAP began to get involved in donor-funded projects, most notably the GTZ-funded project to develop a Quality Management System manual that would simplify the process and thereby lower the cost of certification for smallholders using Option 2. The aquaculture standard development process and the establishment of Smallholder Task Force appear to mark a significant change in stakeholder engagement, demonstrating a new openness. However the organisation remains solidly an initiative of the private sector, which enables it to be focused which is why it is effective, argues the Chair.²⁹

6. Conclusions

In this paper we have undertaken a preliminary analysis of the structures and processes by which GlobalGAP is governed, drawing on on-going research on private standards initiatives in agrifood chains originating in Kenya. We have outlined the way in which local and international actors have demonstrated the challenges of compliance for small producers and the way in which national organisations are working together to ensure that market access is maintained. Issues that are emerging on the agenda of international organisations and bilateral donors with respect to private standards such as GlobalGAP are the extent to which the private standards can act as catalysts as opposed to barriers, which methods of compliance are best and the balance of public and private sector roles in governing the sector.³⁰ At the national level in Kenya there has been little public debate until recently about the role of certification, though the content and approach of standards have been questioned. This is perhaps partly because of the way in which the participation of industry players in retailer-driven value chains constrains their ability to question the mechanisms for governance or their application. What is rarely on the agenda is the trend of passing the cost of compliance ‘down the supply chain, with a disproportionate impact on the poorest and least resourced players’ (Stinglhamber 2007) and the commitment to food safety. Indeed, debates about EurepGAP are increasingly about the internal governance of the standard and its relationship with the public sector, not just compliance. Food safety debates and the responsibilities of the retailers to provide ‘wholesome and safe food to the consumer’ are presented by the standard owner,

²⁶ Analysis based on author’s notes from participation in conference and interview with managing director of GlobalGAP in June 2002.

²⁷ Interviews with Nigel Garbutt, GlobalGAP, chair, 18 March 2008 and with Doris Guenther, GTZ, 13 November 2007

²⁸ NGOs such as Oxfam-Novib and IUCN are participating in the development of the aquaculture standard (van Mulekom and Parr 2007).

²⁹ Interview with Nigel Garbutt, GlobalGAP, chair, 18 March 2008

³⁰ ISEAL-DFID conference 11 October 2007; interview with Sasha Courville, ISEAL executive director 8 February 2008

and to a certain extent by the bilateral donors, largely as a technical matter where stakeholders admitted to discussions are largely ‘technical experts’.

It can be argued that donor and international agency interventions are attempting to deal with legislative governance, and to a certain extent judicial governance (e.g. support to African certification bodies) but executive governance, i.e. the co-ordination within the chain, which is based on structural power, is not touched. The ability of a small number of actors to act with *agency* with respect to GlobalGAP has not necessarily changed the overall structure of the institution, however, changes are afoot. GlobalGAP is listening to a wider number of stakeholders compared to a decade ago, or even five years ago. The source of this *discursive* power over GlobalGAP is linked to changing understanding within civil society and indeed within government about how the private sector should manage and discharge its responsibilities, particularly how it should operate as a corporate *citizen*.

GlobalGAP is showing signs of increased receptiveness to wider stakeholder concerns, particularly challenges faced by smallholders in complying with requirements of the standard. Nevertheless GlobalGAP remains a vehicle for retailers and some more powerful producers, whereas for smallholders only debate is focused on how to comply and ensure market access. A challenge at the national level is the extent to which broad coalitions of actors in the public and private sector can use the standard to promote national priorities or whether these become swamped by the dominance of the executive governance of retailers in the value chain. Our forthcoming fieldwork in Kenya and subsequent analysis of the discourse associated with GlobalGAP in the country will enable us to undertake a more detailed assessment of the agency of these actors.

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