



Natural  
Resources  
Institute

# Facing the challenge

## Applying codes of practice in the smallholder sector?

Report of a workshop organized by the Natural Resources  
and Ethical Trade Programme, held at the Horticultural Halls,  
London, 21 May 2001

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# Facing the Challenge: Applying Codes of Practice in the Smallholder Sector

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## SUMMARY REPORT

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***Facing the Challenge: Applying Codes of Practice in the Smallholder Sector*** was the third in a series of workshops organised by the Ethical Trade and Export Horticulture Research Project of the Natural Resources and Ethical Trade Programme (NRET). The Project was set up nearly 4 years ago, with the primary aim of making codes of practice more effective. In the last couple of years, the Project has focused on developing practical tools for implementing codes of practice, aiming to combine real social and environmental benefits with cost-effectiveness.

In the process of carrying out our research, it became clear that key industry stakeholders were concerned that smaller farms – in particular family-run smallholdings – would find it much more difficult to comply with codes compared to large-scale commercial operators. Buyers are often already sceptical about the ability of smallholders to meet quality and food safety standards. If buyers and exporters see social and environmental standards as a further obstacle to supplying from smallholders, there is a risk that exporters will opt not to supply from smallholders at all.

In response to this challenge, over the last year the Project has been carrying out fieldwork in Ghana and Zimbabwe to address the following questions:

- To what extent are social and environmental standards currently being met on African smallholder farms producing for export? Can these standards ever be met?
- What are the management implications and recommendations for improving compliance?
- How do you conduct an audit on small/medium scale farms, where there are few formal management systems and limited record keeping?

This workshop was organised to share findings from this fieldwork with key stakeholders, and to explore the implications for future management of codes of practice in the smallholder sector. To add value to the workshop, we also included a presentation on relevant experiences from another ongoing NRET project looking at managing smallholders in the export market.

The workshop attracted 40 participants, with representatives from UK and Dutch supermarkets (Albert Heijn and CWS), UK importers, growers and exporters from Ghana, fresh produce trade associations from Ghana, Zimbabwe and UK, DFID, GTZ and a number of NGOs and researchers working/campaigning on related issues.

**For further information about the background to the workshop, see Appendix 3 (presentation notes) or contact Man-Kwun Chan, Project Leader, Export Horticulture & Ethical Trade Project, NRET (email: [m.chan@gre.ac.uk](mailto:m.chan@gre.ac.uk)).**

## Managing smallholders in the export market: principles of good practice

NRET is in the process of developing a management guide to working with smallholders in the export market, written principally as a practical guide for exporters and other intermediary organisations working with smallholders. The first phase (just completed) brought together experts in the field to compile current knowledge on “best practice” into a draft guide. Key lessons included in the draft guide were presented at the workshop by Geoffrey Bockett (NRET) and Antony Ellman (consultant to NRET). Geoffrey and Antony have just started field-testing the guide with exporters in South Africa, Malawi, Bangladesh and Vietnam. The guide will be modified based on field testing and will be finalised by April 2002.

**For further information, see Appendix 4 (presentation notes) or contact Geoffrey Bockett, Project Leader, Smallholder Guidelines Project, NRET ([g.bockett@gre.ac.uk](mailto:g.bockett@gre.ac.uk)).**

## Can African smallholders comply with codes of practice?

Findings of our research on Zimbabwean smallholders were presented by Dr. Rufaro Madakadze (University of Zimbabwe, consultant to NRET) and Diana Auret (Vice Chairman of AEAAZ Zimbabwe, consultant to NRET). The study assessed whether or not smallholders growing vegetables for export to Europe currently comply with (a) the AEAAZ Zimbabwean code of practice, and (b) the COLEACP Harmonised Framework. The study also assessed the extent to which smallholders can improve compliance over time.

The study concluded that there are currently few areas of the code with which all smallholders are fully compliant. However, for many aspects of the code, the level of smallholder compliance is not significantly worse than on many commercial farms, especially when compared to commercial farms before they received training on the Code from AEAAZ/HPC. Moreover:

- There are many areas of the code where smallholders partially comply. For example, smallholders are not aware of national legislation which establishes minimum wages for different job types (grades). However, some workers are paid significantly more than the minimum wage, and in general workers are able to negotiate with smallholder employers about how much they are paid for a particular task;
- There are many areas where a significant proportion of smallholders fully comply with code requirements e.g. 53% of smallholders store chemicals in a store room separate from the living quarters;
- Smallholders currently have very little awareness of labour legislation, and smallholders tend to rely on informal labour arrangements and systems. As a result, there is currently limited compliance with labour standards, especially with specific requirements of the HPC/AEAAZ code. However, as yet, no one has undertaken to inform or train smallholders on labour legislation, and labour conditions on many commercial farms are no better than on smallholder farms. Health and safety aspects are also currently poorly met, but workers’ access to medical facilities etc. is not necessarily worse than for their employers (smallholders themselves have poor access to these facilities).

On the basis of the findings, the research team concluded that smallholders **can** comply with most code requirements, **if** there is a clear division of responsibilities between

smallholders and exporters, and smallholders receive support in the form of training (e.g. on code content and labour legislation) and assistance with necessary capital investments (e.g. toilets, boreholes).

**For further information, please see Appendix 5 (presentation notes), or contact Man-Kwun Chan ([m.chan@gre.ac.uk](mailto:m.chan@gre.ac.uk)) or Dr. Rufaro Madakadze, lead researcher in Zimbabwe ([rmadakad@cropsci.uz.zw](mailto:rmadakad@cropsci.uz.zw)).**

## **Integrated social and environmental auditing on small to medium-scale farms**

Findings from our research in Ghana were presented by Stephanie Gallat, leader of our research team in Ghana. A draft audit protocol was drawn up based on best practice from existing social and environmental auditing approaches, and this was then field tested on two commercial pineapple farms and their outgrowers. The audits were conducted against the draft Ghana code developed by the Ghanaian horticulture industry, which incorporates most key social, environmental and food safety requirements covered in European codes.

Key conclusions and recommendations from the piloting exercise included:

- Use of suitably trained, **local** auditors is highly recommended. Knowledge of local farming practices, culture and language leads to much more accurate audit results, and is more cost-effective than using foreign auditors;
- Frequent visits and continuity of auditors (use of the same auditors on a particular farm from visit to visit) are also recommended. Frequent visits helps to encourage a spirit of continuous improvement, and continuity of auditors helps to build trust between the auditor and farm managers and workers;
- Use of non-written verifiers (verbal and visual verifiers) takes more time, but they are more accurate than written verifiers;
- Integration of social, environmental and food safety issues in the same audit is recommended because of considerable overlap in indicators and verifiers, therefore avoiding duplication;
- Informal approaches to data gathering relax informants, and yield more reliable information;
- For the early stages of code development and implementation, it is highly recommended that the auditor also plays a supportive and advisory role to the farmer. Such an “integrated” approach leads the farmer to be more co-operative and is more likely to lead to continuous improvement. If the farmer is co-operative, the auditor in turn is more likely to get honest and accurate information from the farmer. Once farmers get “up to speed”, the auditor should play a more restricted “auditing” role, and self-audit questionnaires could be introduced to speed up the process.

**For further information, please see Appendix 6 (presentation notes), or contact Man-Kwun Chan ([m.chan@gre.ac.uk](mailto:m.chan@gre.ac.uk)) or Dr. Stephanie Gallat, lead researcher in Ghana ([sgallat@ghana.com](mailto:sgallat@ghana.com)).**

## Further dissemination of research findings

The Project is planning to disseminate its research findings more widely, targeting in particular those who are in a position to influence the development and implementation of codes of practice. In order to ensure that the right information gets to the right people, workshop participants were asked to identify:

- (a) The **area(s) of knowledge** generated by the Project in which they were most interested; and
- (b) In what form they would like to receive that information i.e. **dissemination methods**.

### Areas of knowledge

In general, participants were interested in receiving further information about most areas of knowledge generated by the Project. Greatest demand was for the following areas:

1. **A summary of areas of divergence between Southern stakeholder priorities and the content of existing (European-led) codes**
2. **Models and methods for developing and implementing codes:**
  - (a) How to introduce and build stakeholder support for a code of practice
  - (b) How to develop effective multi-stakeholder institutions for implementing codes
  - (c) How to develop criteria and indicators
  - (d) How to do an integrated social and environmental audit on small and medium-scale farms

### Dissemination methods

A wide range of dissemination methods were proposed by participants, but 4 particular methods or media received resounding support. These were:

1. **Flyers/leaflets/briefing papers** (in paper and electronic form with Internet access) – short and snappy summaries of key areas of knowledge.
2. **Manual/guidelines/toolbox** – a practical guide to applying the models and methods developed by the Project.
3. **Stakeholder workshops** – focusing on specific themes, and involving key stakeholders for that particular theme
4. **In situ training courses** – field-based training for growers, in-house training for key individuals in supermarkets.

### Dissemination strategy

The day after the workshop, the Project team met to decide how to take this forward. It was agreed that the team would prepare and seek funding for 2 separate proposals over the next 6 months:

1. To produce and disseminate additional leaflets on findings from the last year of research, to add to the series of coloured leaflets which have already been produced on findings from the first 2 years of research. Initial feedback on these has been very positive.
2. To scope out the demand for and feasibility of developing a multi-media training package, which could for example incorporate interactive training sessions supported by a manual or toolbox.

## The way forward – key challenges for the future

There was informed and lively discussion after each of the presentations, and also during the stakeholder group discussions where participants were divided into groups of importers and supermarkets (Groups 1 and 2), exporters and producers (Group 3), and NGOs and researchers (Group 4). Each stakeholder group was asked to identify what further information was needed to effectively implement codes of practice in the smallholder sector. Key issues arising from these discussions are summarised below.

### ***The future of national producer codes***

Compared to the situation a couple of years ago, there appeared to be a much greater acceptance amongst all stakeholder groups of the concept of national producer codes. However, these will only gain formal acceptance from the European market if they are benchmarked against European standards such as EUREP GAP. Benchmarking would involve an assessment of the national control mechanisms to ensure compliance, as well as a paper comparison of the code against the agreed European standard. The specific process and mechanisms still need to be developed and agreed upon, including:

- Against which European standards should the national producer codes be benchmarked?
- What are the specific mechanisms and procedures for benchmarking? How much flexibility should be allowed?
- Who does the benchmarking? Who does the verification? The role of international auditing companies such as SGS and BVQI was discussed in this context.

### ***The costs of implementing codes, and how to meet them***

As with last year's workshop, participants were keen to know the costs and benefits for producers of complying with codes of practice. In particular, there was interest to compare the costs of compliance between a large estate and a group of smallholders producing an equivalent amount of produce for export. As well as demand for research to quantify the costs and benefits, there was also a recognised need to further investigate options for effective cost-sharing mechanisms (sharing costs between smallholders, exporters and others e.g. donors, supermarkets).

It should be noted that, in response to the questions raised at the workshop last year, NRET has been carrying out studies on the cost of compliance in the flower and tea sectors in Kenya, pineapple farms in Ghana, and the wine industry in South Africa. Please contact Bo van Elzakker ([b.vanelzakker@agroeco.nl](mailto:b.vanelzakker@agroeco.nl)) for the report on the pineapple study, and Chris Collinson ([c.d.collinson@gre.ac.uk](mailto:c.d.collinson@gre.ac.uk)) for details of the studies on the flower, tea and wine sectors, as well as further information about the methodology used.

### ***Refining the audit methodology***

In general, participants appeared to be supportive of the integrated social and environmental auditing approach piloted by the Project in Ghana. Representatives from the AEAAZ Zimbabwe national code noted that the broad approach was similar to that being implemented in Zimbabwe. The next steps would be to further refine the audit methodology, in particular looking at how audits could be made more cost-efficient over time, and who would be responsible for auditing and verification.

### ***Synthesis and harmonisation of codes***

Discussions during the workshop reflected a general frustration at the confusion created by a growing plethora of codes and standards. There was a plea for someone to provide a synthesis of key issues covered by the main European codes – including EUREP GAP and ETI – as a short-term measure. As a longer-term measure, the need for a greater harmonisation of codes was recognised.

It should be noted that COLEACP, with technical support from NRET and CREM, has been working with African and Caribbean national producer associations over the last 2 years in developing a Harmonised Framework. This Framework is a move to harmonise existing African and Caribbean national producer codes, with the aim of benchmarking them against existing European standards. The Harmonised Framework has been revised annually, and summarises the main social, environmental and food safety issues covered in the key European and African codes, including EUREP GAP, ETI, SA 8000 and the Flower Label Programme. For more information please contact David Hirst, COLEACP ([dhirst@candoo.plus.com](mailto:dhirst@candoo.plus.com)) or Jon Parkin ([parkin@mweb.co.zw](mailto:parkin@mweb.co.zw)).

### ***Analysis of market trends vis-à-vis codes of practice***

Some participants felt that, while they were well informed about the significance of social and environmental standards to UK supermarkets and their suppliers, they were not well informed about the situation in other European countries. They therefore felt that, from the viewpoint of exporters and producers, it would be useful to carry out an analysis of market trends in European countries outside the UK, with a view to assessing to what extent social and environmental standards are important for these markets.

In particular, the question was raised as to what was the best marketing strategy for smallholders. Are they better off supplying the lower end of the market, in particular the wholesale market, where at present social and environmental standards are not important? Is the wholesale market growing or shrinking, and will they continue to turn a blind eye to social and environmental issues?

### ***Impact of codes on poverty reduction***

Donors and others involved in development work wanted to know about the development impact of codes of practice, including their specific impact on poverty reduction. In particular, they wanted evidence of whether or not codes benefit smallholders.

### ***Encouraging consumers and supermarkets to be more smallholder-friendly***

NGOs and researchers wanted to explore further how both supermarkets and consumers could be encouraged to support smallholders. One aspect of this would be to create a better understanding of conditions on smallholder farms, for example to generate a more rounded appreciation of issues surrounding child labour. Another aspect would be exploring marketing strategies based on selling the “development story” behind the product, i.e. informing the consumer that he/she is helping to support a smallholder family when they buy a product sourced from smallholders.

### ***Prioritisation of different aspects of codes***

There was an implicit recognition by participants that code compliance is a process of continuous improvement. In the case of smallholders in particular, it was also recognised that reaching a basic level of compliance would take time. The issue of how to prioritise different aspects of codes was therefore discussed. Several “models” were proposed. Some importers felt that food safety-related issues were most important for the market, so these should be prioritised by growers. Others proposed a phased process of compliance, where for example in Year 1 25% of suppliers need to comply, and in Year



2 50% of suppliers must comply. An alternative model of phasing would be based on all suppliers reaching for example 50% compliance in Year 1, 75% in Year 2 etc.

***Training and extension methods – building on existing good practice***

The importance of training and capacity building as a prerequisite for smallholders to comply with codes was emphasised in the findings from Zimbabwe. Participants pointed out that development workers and organisations have done a lot of work over the years in developing effective training and extension methods specifically geared for smallholder farmers, e.g. on integrated pest management. Those involved in developing code of practice training programmes for smallholders should make use of this existing “good practice”.

***Need for information on local legislation***

Importers and supermarkets felt that it was difficult to access information on local legislation relevant to codes of practice, and that efforts should be made to make this more available to them.

It should be noted that industry representatives have raised this issue before, and in response NRET is working to include such information on its VINET Website (<http://www.nri.org/vinet>).

### Appendix I: List of Acronyms

<i>AEEAZ</i>	<i>Agricultural Ethics Assurance Association of Zimbabwe</i>
<i>BVQI</i>	<i>Bureau Veritas Quality International (international inspection, verification and certification company)</i>
<i>COLEACP</i>	<i>Comité de Liaison Europe Afrique Caraïbes Pacifique pour la promotion des fruits tropicaux, légumes de contre-saison, fleurs, plantes ornementales et épices</i>
<i>CREM</i>	<i>Consultancy and Research for Environmental Management (The Netherlands)</i>
<i>DFID</i>	<i>Department for International Development of the United Kingdom</i>
<i>ETI</i>	<i>Ethical Trading Initiative (UK)</i>
<i>EUREP GAP</i>	<i>Euro-Retailer Produce Working Group framework for Good Agricultural Practice</i>
<i>GTZ</i>	<i>German Development Co-operation</i>
<i>HPC</i>	<i>Horticulture Promotion Council of Zimbabwe</i>
<i>NGO</i>	<i>Non-Government Organisation</i>
<i>NRET</i>	<i>Natural Resources and Ethical Trade Programme, managed by the Natural Resources Institute</i>
<i>SA 8000</i>	<i>Social Accountability 8000 (labour standard)</i>
<i>SGS</i>	<i>International inspection, verification and certification company</i>
<i>VINET</i>	<i>Virtual Information Network for Ethical Trade, managed by NRET</i>

## **APPENDIX 2**

### **List of participants and contact details**

**NRET WORKSHOP "FACING THE CHALLENGE: APPLYING CODES OF PRACTICE TO THE SMALLHOLDER SECTOR"  
MONDAY 21<sup>ST</sup> MAY 2001, ROYAL HORTICULTURAL HALLS, LONDON**

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## **APPENDIX 3**

**Facing the challenge: applying codes of practice in the smallholder sector**

***Notes from presentation by Man-Kwun Chan***



# **FACING THE CHALLENGE:**

## **APPLYING CODES OF PRACTICE IN THE SMALLHOLDER SECTOR**

Introduced by:

Man-Kwun Chan  
Natural Resources and Ethical Trade Programme



### **The Natural Resources and Ethical Trade Programme**

- Ensure that responsible business, ethical trade and ethical sourcing really benefits poor people and the environment, identifying and addressing key challenges to capturing these benefits
- Working with forestry, tourism, fisheries, agrochemicals, fair trade, cocoa, coffee, tea, floriculture, as well as fresh produce
- A portfolio of complementary projects working with the fresh produce industry



# **Ethical Trade and Export Horticulture Project**

*Evolved out of focus groups involving key players in industry*

## **Who we've been working with**

- Growers and exporters in Zimbabwe (vegetables), and Ghana (pineapples) - large-scale as well as small-scale
- Workers and smallholders
- Horticulture trade associations
- UK importers and supermarket representatives
- Standard setting bodies (EUREP, ETI)
- Annual workshops (for feedback & guidance)



## **Key outputs so far**

- Highlighted areas of divergence between stakeholder priorities and content of existing codes
- Development of criteria, indicators and verifiers
- Identified key elements of building effective institutions based on stakeholder participation
- Developed ways of working (how to introduce and develop codes of practice);
- Synthesis of key issues for key stakeholders along the supply chain



## Why smallholders?

- Perception that codes more difficult to apply on smaller farms;
- Risk that smallholders may be excluded from the supply chain;
  - Common problems in other sectors (e.g. home workers).

### Unpacking the problem...

- Difficulty in meeting social & environmental standards:
  - lack of resources (leading to lower wages, restricted choice of technologies)
  - poor access to information and knowledge
- Management problem (control & proof of compliance):
  - large number of dispersed small-scale units
  - no formal management systems & record-keeping



## The research questions

- To what extent are social and environmental standards currently being met on African smallholder farms?
- Can they ever be met?
- What are the management implications and recommendations for improving and ensuring compliance?
- Can an independent auditor get a reliable picture of a farm's compliance where records are scanty? If so, how do you do an audit in these circumstances?



## **Aims of the workshop**

- To share our findings and experiences from the Ethical Trade and Export Horticulture Project
- To contribute relevant experiences from other ongoing NRET projects
- To obtain feedback from workshop participants on the implications of the research findings, & on stakeholders' information needs
- To provide a meeting place for different stakeholders



## **FACING THE CHALLENGE:**

### **APPLYING CODES OF PRACTICE IN THE SMALLHOLDER SECTOR**



## **APPENDIX 4**

**Managing smallholders in the fresh produce export market: principles of good practice**

***Notes from presentation by  
Geoffrey Bockett & Antony Ellman***

# **Smallholders in export horticulture: principles of good practice**

**Antony Ellman and Geoffrey Bockett**

**21 May 2001**



# **Smallholders in export horticulture: principles of good practice**

## **Layout of presentation**

**Market trends concerning smallholders**

**Addressing these trends**

**Principles of good practice**

- ◆ **Enterprise, location and partner selection**
- ◆ **Clear definition of roles**
- ◆ **Transparent contracts and pricing**
- ◆ **Effective support services**



## **Smallholders in export horticulture: principles of good practice**

### **TRENDS LEADING TO BUYER SCEPTICISM**

- ◆ **Perceived inability of smallholders to meet quality, quantity and safety requirements**
- ◆ **UK government 'name and shame' policy concerning pesticide residues**
- ◆ **Food safety legislation and SPS agreements**





# Smallholders in export horticulture: principles of good practice

## REASONS FOR PERCIEVED UNRELIABILITY OF SMALLHOLDERS

### Company

Needs not explained

Services not supplied

Price not guaranteed

### Farmers

Not organised

Not serviced

Not financed

Not committed



## **Smallholders in export horticulture: principles of good practice**

### **REASONS TO CHALLENGE BUYER SCEPTICISM**

**For exporter**

**Cheaper raw materials**

**Shared production risk**

**Reduced conflicts  
(land, water, labour)**

**For smallholders**

**Guaranteed market**

**Transparent pricing**

**Access to inputs  
Access to services**

**Focus for DFID funded project on good practice**



# Smallholders in export horticulture: principles of good practice

## ESSENTIALS FOR SUCCESS

Careful planning

Enterprise selection

Location selection

Partner selection

Clear definition of roles

Farmer

Company

Financier

Facilitator

Effective services

Technical

Logistical

Financial

Facilitation



# Smallholders in export horticulture: principles of good practice

## **ESSENTIALS FOR SUCCESS** continued...

**Fair pricing**

**Essentials**  
**Desirables**  
**Optionals**

**Trust between  
partners**

**Confidence building**  
**Capacity building**  
**Mediation procedures**



# Smallholders in export horticulture: principles of good practice

## ENTERPRISE SELECTION

### Requirement

Comparative advantages  
of smallholder production

Compatability with  
other demands on  
smallholder resources

### Indicator guide

Labour intensive  
Low agricultural risk  
Low financial risk  
Quality sensitivity

Land for food production  
Labour, especially women's  
Water



# Smallholders in export horticulture: principles of good practice

## ENTERPRISE SELECTION continued...

### Requirement

### Indicator guide

#### Market prospects

(a) for raw materials

risk of over-supply

risk of alternative outlets

risk of price collapse

(b) for finished produce

risk of over-supply

risk of price collapse



# Smallholders in export horticulture: principles of good practice

## ENTERPRISE SELECTION continued...

**Requirement**

**Indicator guide**

**Economic viability**

**(a) to farmer**

**profitability at expected costs,  
yields and prices  
comparison with alternative  
opportunities**

**(b) to company**

**profitability at expected costs  
and prices**



# Smallholders in export horticulture: principles of good practice

## LOCATION SELECTION

### REQUIREMENT

Suitability for raw material production

Suitability for end produce manufacturing and marketing

### INDICATOR

Climate and soil  
Competing uses for land and water  
Environmental risks  
Accessibility for servicing

Services and infrastructure  
Access to supply of raw material  
Access to markets





# **Smallholders in export horticulture: principles of good practice**

## **PARTNER SELECTION**

### **Farmers**

**Keen on opportunity  
Have enough land and labour  
Well organised, well informed**

### **Company**

**Financial capacity  
Managerial competence  
Reputable and reliable**

### **Facilitator**

**Development expertise  
Commercial expertise**



# Smallholders in export horticulture: principles of good practice

## SPECIFICATION OF ROLES

### Farmer role

Grow the crop

Sell to the company

Pay for services

Join producer groups

- Consultation
- Negotiation
- Receipt of services
- Delivery of product

### Company role

Recruit growers

Supply inputs

Provide services

Buy product at agreed price

Process, store and pack product

Market end-product

### Facilitator role

Identify market opportunities

Bring partners together

Facilitate group formation

Advise and train partners

Facilitate negotiations

Monitor and evaluate

Mediate where needed



# Smallholders in export horticulture: principles of good practice

## BUYER - SELLER CONTRACTS

Rights and obligations of  
farmers

Rights and obligations of  
company

Charges for services  
rendered

Quality requirements for  
product

Price determination and  
adjustment

Purchase and  
payment procedures

Restrictions on sales

Penalties and  
bonuses

Arbitration in case of  
disputes

Duration and renewal  
of contracts



# Smallholders in export horticulture: principles of good practice

## RAW MATERIAL PRICING

- Essentials** Price covers farmer's production costs  
Profit competitive with profit from alternative enterprises  
Remaining revenue covers company's processing and marketing costs  
Early price announcement and prompt payment
- Desirable** Farmer's price linked to end market value of finished product  
Bonus payments for quality and quantity  
Farmer stake in company profitability (profit sharing, share distribution)
- Optional** Stabilisation scheme to iron out price fluctuations  
Insurance scheme against crop failure or price collapse



# Smallholders in export horticulture: principles of good practice

## SUPPORT SERVICES

<b>Technical services</b>	Agricultural research & extension Training
<b>Logistical services</b>	Input supply Output collection
<b>Financial services</b>	Input finance Payment and loan recovery Training in financial management
<b>Facilitation services</b>	Pre-appraisal checks Confidence building Capacity building Consultation and negotiation Monitoring and evaluation Mediation



## **APPENDIX 5**

**Compliance with codes of practice by  
smallholder farmers**

***Notes from presentation by  
Dr. Rufaro Madakadze & Diana Auret***

# **Compliance with Codes of Practice by Smallholder Farmers**

***Rufaro Madakadze<sup>1</sup>***  
***and***

***Diana Auret<sup>2</sup>***

<sup>1</sup>Horticulturist, University of Zimbabwe

<sup>2</sup>Sociologist, DMA Consultancy



## **Smallholder Horticulture**

- 👉 Production, transport and/or selling by households of horticultural products using little additional labour**
- 👉 In Communal area (2-5 Ha) or resettlement areas (12 Ha)**
- 👉 Horticulture production on less than 2 ha**
- 👉 Little or no motor driven implements**



## Methodology

- ☞ Three case studies conducted
- ☞ Irrigation scheme (296 farmers) – with technical personnel managing scheme
- ☞ Communal area but well supported by exporter
- ☞ Irrigation scheme (22 farmers) with farmer management of scheme
- ☞ Participatory Rural methodologies used



## Findings

### *Compliance*

- ① Small scale farmers comply with codes of practice in a few areas
- ② Partially comply in a lot of areas
- ③ No compliance in some areas

### *Reasons for status quo*

- ① Under capitalised
- ② Lack of knowledge and training
- ③ No monitoring systems by exporter







## Environment

- ☞ **Little environmental awareness**
- ☞ **Soil conservation**
  - ☞ **Fallow patches left between plots**
  - ☞ **Contour ridges**
- ☞ **Unprotected sources of water**
  - ☞ **irrigation dams**
  - ☞ **rivers or**
  - ☞ **shallow wells**
- ☞ **Good agricultural practice in 2 of the three schemes**



## Crop Chemicals

- ☞ **Farmers seek advice on chemicals to spray for specific problems**
- ☞ **53 % of farmers store chemicals in small storerooms**
- ☞ **Owners of plots handle chemicals including spraying (90 %)**
- ☞ **Little training on handling and use of chemicals (by exporter or otherwise)**
- ☞ **Record keeping a major problem in 2 of the 3 areas**
- ☞ **High level of awareness of the regulation to dispose chemicals and containers**
- ☞ **Large containers washed and re-used**





## Health and Safety Issues

- ☞ **Emergencies and accidents**
  - No ease of access to health facilities
- ☞ **Water and sanitation at workplace**
  - No potable water
  - Few toilets /persons in fields
- ☞ **Accommodation**
  - Single accommodation for permanent workers
  - Contract workers live in own homes
- ☞ **Protective clothing**
  - Little or no protective clothing in all areas



## Labour Issues

- ☞ **Employment of labour**
  - ☞ 93 % of farmers hire extra labour
  - ☞ 60% employ less than 5 people
- ☞ **Labour regulations**
  - ☞ No knowledge of labour regulations
  - ☞ No knowledge of labour representation
- ☞ **Employment of children in 2 schemes**
  - ☞ 77% only employ children over 12 years
  - ☞ Employed during school holidays & weekends only
- ☞ **Methods of payment - Cash and kind**





## Recommendations

- ① **Smallholder farmers given a longer time for reaching full compliance**
- ② **Clear division of responsibility**
  - ☞ **Exporter assumes greater responsibility for ensuring the out-grower complies, especially chemicals**
  - ☞ **Smallholder takes responsibility for the social chapter**
- ③ **Build capacity among farmers through training (e.g. exporters, government, NGOs)**
- ④ **Written contracts between exporters and farmers-formulated in both English and relevant local language**
- ⑤ **Establishment of a revolving fund for necessary capital outlay for compliance (e.g. NGOs, donors, exporter and grower associations)**



## Contractual agreement

- |                                 |  |
|---------------------------------|--|
| ☞ <b>Exporters</b>              | ☞ <b>Farmers</b>   |
| ☞ <b>Assistance with inputs</b> | ☞ <b>Chemical handling</b>                                 |
| ☞ <b>Transport</b>              | ☞ <b>Purchasing policy</b>                                 |
| ☞ <b>Crop Planning</b>          | ☞ <b>Obligations and responsibilities clearly laid out</b> |
| ☞ <b>Grading</b>                |  |





## **Training and capital items needed for compliance**

### **Training needs**

- ❶ Labour legislation
- ❷ Record keeping
- ❸ Chemical storage and usage
- ❹ Health and safety issues
- ❺ Contractual agreements and responsibilities
- ❻ Practical training in all aspects of chemical handling

### **Capital items**

- ❶ Chemical stores, and bathing or shower facilities for after spraying
- ❷ Toilets
- ❸ Boreholes



## **Compliance with Codes of Practice by Smallholder Farmers**

***Rufaro Madakadze<sup>1</sup>***  
***and***  
***Diana Auret<sup>2</sup>***

<sup>1</sup>Horticulturist, University of Zimbabwe

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## **APPENDIX 6**

**Piloting integrated social and environmental auditing on small/medium scale pineapple farms in Ghana**

***Notes from presentation by  
Dr. Stephanie Gallat***

# **Piloting Integrated Social and Environmental Auditing on Small/Medium Scale Pineapple Farms in Ghana**



## **Ghana's horticulture export industry – characteristics**

- Small commercial farms and large number of smallholders
- Inconsistent quality
- Lack of experience in negotiating with large buyers
- Lack of infrastructure
- Few written records kept by farms



## **Ghana's horticulture export industry – future potential**

- Fledgling industry in a rapid state of development
- Significant changes and improvements over the past three years
- Great potential for improvement in social, environmental and food safety standards, and general management practice



## **Characteristics of Ghana draft Code**

- Code developed using participative "bottom-up" approach
- Accurate reflection of key Ghanaian priorities and concerns
- Ownership of Code by industry encourages compliance
- Indicators and verifiers need further refining and definition
- Food safety issues need expansion to meet European market requirements
- Conditions of workers on smallholder farms not covered



## How we developed the audit approach

- Reviewed existing audit approaches plus our own experiences
- Combined promising aspects of each approach and developed a draft audit protocol
- Field tested the draft audit protocol



## Format of the audit approach

- Multi-purpose objectives
- Preliminary visits to raise awareness/ educate, test indicators and identify verifiers
- Main audit visits combining written, verbal and visual verification methods
- Review of findings and reporting





## Principles of the audit approach

- Integration of social, environmental and food safety aspects
- Reliance on non-written verifiers
- Triangulation
- Flexible and informal nature of data-gathering
- Frequent visits and continuity (same auditors)



## Principles of the audit approach continued.....

- Use of local auditors
- "Inspect, advise and support" - not just inspect
- **AUDIT REQUIRES A LOT OF TIME TO OBTAIN RELIABLE RESULTS!**



## **Recommendations for developing the auditing system**

- Sufficient time for audits
- Frequent visits and continuity
- Self audit questionnaire
- External verification
- Selecting, training and supporting local auditors
- Developing approaches for auditing outgrowers



## **Implications for European importers and supermarkets**

- As an importer or supermarket operating an ethical sourcing policy, how can you be sure that your suppliers in e.g. Ghana comply with your code?
- Will the auditing approach piloted by NRET cost us more than our current system?

