Private Sector Perspective of GAP Development in Asia

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<table>
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<tr>
<th>Market Access</th>
<th>Increasing dominance of transcontinental supermarkets limiting export clientele. Second level of export market access falls into the wholesale markets.</th>
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<tr>
<td>Profitability</td>
<td>Supermarket price system is strict and inflexible. Production costs are a major factor in determining profitability.</td>
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<td>Productivity</td>
<td>Horticulture production is a science. Farm extension services is desperately needed.</td>
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<td>Competitiveness</td>
<td>Multiple market intermediaries greatly influence the competitiveness and development of SME producers.</td>
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Global Trends Impacting the Asian SME Horticulture Producers

- **Globalization**
  - Market liberalization
  - Growth in international trade
  - Advances in public media

- **Changes in Consumer Demands**
  - Access to information
  - Differentiated product
  - Demand safe/healthy food
  - Concern for environment

- **Technology & Innovation**
  - Improved farm management technology
  - Improved PHH technology
  - Lower production cost per unit

- **Changes in the Industry**
  - Global Food Sector
    - Globalize supermarkets
    - Globalize sourcing
    - Global telecommunication
    - Effective logistics management

- **Changes at Ground Level**
  - Young Urban Consumer
    - Educated informed consumers
    - Ability to choose
    - Demand sustainable systems
  - Higher Farm Productivity
    - Better seed quality
    - Fertilizer application
    - Effective P&D control
    - New PH techniques
Conditions of Smallholder Carambola Farmers

- Farmers mostly elderly and not literate
- **Work with traditional cultivation practices**
- Limited financial resources
- **Achieve quality produce by applying more chemicals**
- Rely on the chemical retailer for technical information
- **Multiple market intermediaries between producers and consumers**
The K-Farm GAP Program
The K-Farm GAP Program was developed as a private sector initiative, out of need to change Carambola cultivation practices because of changing market conditions and requirements where small and rural farmers on their own, have limited resources to achieve the quality and food safety standards to access competitive markets and where these farmers will always be caught in the vicious cycles of ineffective cultivation techniques, low productivity, low income and disconnected.
Feeling Hopeless
## Developing K-Farm GAP Program - 1

<table>
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<th><strong>Problem:</strong></th>
<th>Non compliance of safety standards of Carambola for the EU markets</th>
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<tbody>
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<td><strong>Scale:</strong></td>
<td>Work with contracted small holder farm clusters</td>
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<td><strong>Solutions:</strong></td>
<td>Adopt GlobalGAP Protocol into current farm practices</td>
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<td><strong>Objective:</strong></td>
<td>Seek clients compliance on food safety – GlobalGAP Certification</td>
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<td><strong>Immediate action:</strong></td>
<td>Monitor and control pesticides MRL management</td>
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Developing K-Farm GAP Program - 2

Plan of work:  Develop incentives and contractual commitments
              Replace toxic pesticides
              Review fertilizer / pesticides application regime
              Develop production schedules to match export demands

Technical  In-house agriculture expert

Support: National Research Institute
         Department of Agriculture
### Steps in Developing the MRL Management Program

1. List all approved chemical permissible use in Malaysia
2. Confirm the list with DG SANCO permit to use
3. List the pest and disease infections on calendar / production progress
4. Confirm chemical suitability / effectiveness for crop and pest
5. Prepare a spray plan
   - Chemical persistency (contact / systemic compounds)
   - Mode of Action of Chemicals
   - Ensure no repeat usage
6. Modify spray program based on MOA and persistence management
7. Prepare alternative spray program for:
   - PHI
   - Change in weather condition
   - Chemical resistance
   - Residue accumulation
8. Refine spray program for other considerations
   - Non-chemical alternative
   - Cultural practices
Day out to the Market
Parting Knowledge to Farmers
Farm Essentials – Monitor and Control
Financially sustainable

1. GlobalGAP certification Option II with K-Farm
2. No financial contribution from farmers
3. Low cost maintenance program
4. Financial gains at early stages of participation
5. New and up-end markets opened to the higher quality produce

Sustainability of the program

1. The profitable trade continually drives farmers’ performance
2. The farmers realize the need to leverage on each other in the program and benefit financially from the efforts
3. K-Farm trade with competitive product at competitive price and market.
Thank you

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A Debate

1. Government authorities have spent considerable amount of money and resources in setting up voluntary food safety standards – only to be over-ridden by private food safety standards that are adopted and supported by the retailers.

   *Has this been a prudent effort by the government authorities?*

2. But if producers were to fully rely on Private Standards in their quest for recognition and compliance of food safety standards . . . . .

   *Is this a sufficient approach or a sustainable approach in resolving the issues of food safety compliance?*
Developing Sustainable GAP Practices in Pakistan – TRTA II Programme