Dynamic Interactions between Public and Private Food Standards: main issues and perspectives

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Outline

• Challenging the legitimacy of public standards?
  ▫ Current public standards setting
  ▫ Private food standards

• Impacts of standards on different value chain actors and countries: the issue of inclusiveness

• Ways forward: interactions between private and public standards
  ▫ The case MSC-FAO guidelines on ecolabeling for fisheries

• Concluding remarks
Challenging the legitimacy of established institutions in global food standards?
1. Current public standards setting

- WTO TBT (Technical Barriers to Trade)
  - TBT agreements ensure that regulations, standards, testing and certification procedures do not create unnecessary obstacles to trade

- SPS Agreement (Sanitary and Phytosanitary Measures)
  - Recognizes Codex alimentarius as the international reference for food safety standards
  - Highlights that Codex standards are accepted as the benchmark in trade dispute settlements
  - Aims at limiting the use of unjustified, unscientific regulations to restrict trade
2. Private food standards

- **Drivers**
  - Food scares
  - Consumers awareness
  - Globalization/supermarkets dominance
  - Evolution of public legislation (EU) = shift responsibility of food safety to private actors
  - Social and environmental concerns

Two main types of private food standards
- Dealing with food safety
- Involving environmental and social concerns
How regulations and private standards interact

Legal Requirements
Government has to ensure a legal frame
Mandatory standards
Food safety and quality
Pre-competitive standards
Food Safety +
Private sustainability standards
Social and environmental issues

ILO, SPS, WHO, OIE, IPPC
CODEX
e.g. GlobalGAP, SQF 1000
e.g. Organic, Fairtrade

Source: TSPN, 2012
Impacts on countries and value chain actors: the issue of inclusiveness
3. Impacts at national public sector level

- Food safety standards often work in parallel to public systems

- Risk of exclusion of smallholders and small agribusiness due to costs

- Multiplicity of standards create confusion

Government support should respond to strategic decision-making about which standards for what national priorities
3a. Public investments required to implement private food safety standards

- Infrastructure for ensuring food safety (local accreditation or certification systems; lab analysis and its accreditation)
- Traceability systems (documentation and record keeping system)
- Enabling business and technical services (BDS, inputs supply, technical assistance)
- Support training to different actors
3b. Examples of government support to private standards on food safety

<table>
<thead>
<tr>
<th>Country</th>
<th>Support Details</th>
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<tbody>
<tr>
<td>Kenya</td>
<td>• Public support to enhance food safety and quality (KEBS, KEPHIS and HCDA)</td>
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<tr>
<td>South Africa</td>
<td>• PPECB to ensure regulation and private standards compliance until shipment</td>
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| Chile     | • What: ChileGAP blends requirement of EU and US markets  
           • Why: Explicit long-term policy to enhance food quality throughout the agri-food chain  
           • How: Strong public sector support with financial mechanisms for investment and training |
Impacts at level of value chain actors

- Greater responsibility for food safety by private sector food business operators
- Greater level of oversight and management by buyers of other actors in the chain
- Shifted obligations and costs of ensuring safety down in the chain: **unbearable** by many smallholders

Benefits and costs are often unequally distributed among actors
4. Impact of voluntary standards on small farmers access to market

Which voluntary standards are the most inclusive?

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<td>Fairtrade</td>
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<td>Organic</td>
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<td>RFA</td>
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<tr>
<td>CAFÉ Practices</td>
<td>5</td>
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<td>GlobalGAP</td>
<td>4</td>
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<td>BRC</td>
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<td>SQF 1000</td>
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<td>ISO 14000</td>
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Do smallholders profit from standards?

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- **Smallholder Participation**: Dark green bar
- **No Smallholder Participation**: Light green bar

Inclusiveness and smallholders profitability depends on producers’ assets, enhanced collective action and enable institutional setting.
Conditions to make voluntary standards more inclusive

- Markets demanding application of standards – stability in requirements (prices-volume-quality attributes)

- Articulation of local actors priorities and public-private alliances

- Strong producer organizations and internal development strategies

- Existence of physical infrastructure at farm/community level that support standards implementation
Ways Forward: interaction between public and private standards
Middle ground between public and private standards?

- **Global benchmarking** (e.g., GlobalGAP and national GAP standards)
  - **Opportunities**: mutual recognition between national standards that are local appropriate
  - **Challenges**: difficult to achieve
- **International Guidelines**
  - **Opportunities**: can benchmark best practices based on scientific evidence
  - **Challenges**: no official enforcement capacity
Interactions between International Guidelines and private voluntary standards: The example of Marine Stewardship Council

- **1995**
  - FAO Code of Conduct for Responsible Fisheries

- **1997**
  - Establishment of MSC

- **2003-2005**
  - FAO ecolabeling for fish and fisheries

- **2006**
  - MSC split standard setting and accreditation functions

- **2007- now**
  - Government support for MSC

**Impact:**
- Increase certified fish from 12 in 2005 to 135 in 2011
- 136 fisheries in assessment and 40 in pre-assessment
- All reach 9 million tons seafood around 10% global fish captures
Concluding remarks

✔ The current regulatory setting on food governance is challenged by private standards.

✔ This challenge responds to trends at the level of global supply chains.

✔ Countries and actors in the value chain could be excluded if policies and resources are not in place and responding to a strategic decision.

✔ New governance mechanisms at global and national level should be implemented.
Thank you!!!

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