

Improving smallholder access to supermarket supply chains – policy learning

Intervention:	Small-Scale Producers and Standards in Agrifood Supply Chains
Country:	Africa
Date:	2005-2008
Challenge:	Promoting developing country exports is central to global efforts to support development through trade. African countries rely on agricultural trade for almost half their export income. In a landscape where long term declines in commodity prices paint a gloomy picture, recent increases in the high value horticultural export trade from Africa are good news.
Objectives:	To create opportunities and identify favourable outcomes for small-scale producers in developing countries to participate in international horticultural supply chains, in particular those in the UK.
Approach of the Intervention:	The programme is built around three themes: [1] dialogue among food retailers; standard setting bodies; industry and producer associations and development agencies; [2] Research into standards setting and compliance issues; and [3] establishing good practice with regard to standard setting and implementation.
Benefits and Impacts:	Joint UK position that acknowledges the benefits and costs of private sector standards to small-scale farmers Agreement of EurepGAP board to host a technical expert to support developing country producers in standard negotiation committees
Lessons learned:	Meeting supermarket standards does have benefits as well as costs. E.g. a typical green bean farmer in Kenya makes a profit of \$750 a year from export vegetables BUT even with outside assistance it will cost him \$1150 to establish that he can meet EurepGAP standards and a further \$315 a year to maintain his accreditation. Without assistance this would cost more than three times as much. These costs are increasing and squeezing poorer and smaller farmers out of this market.
Wider application:	
Implementing agency & partners	DFID Policy Division, International Institute for Environment and Development; Natural Resources Institute
Contact person:	Terri Sarch (t-sarch@dfid.gov.uk)

Box derived from above:

Promoting developing country exports is central to global efforts to support development through trade. African countries rely on agricultural trade for almost half their export income. In a landscape where long term declines in commodity prices paint a gloomy picture, recent increases in the high value horticultural export trade from Africa are good news. UK imports of green beans have quadrupled since 1990 with much of this (87%) coming from Africa and in particular Kenya.

European retailers have developed standards for good agricultural practice that have extended their control back along their supply chains to African farmers. Kenyan farmers now plant to a schedule that means UK supermarket shelves are stocked with green beans every week of the year.

This has both benefits and costs. Our research shows that Kenyan farmers earn between \$750 and \$2,250 a year from fine beans. And, the high standards of good agricultural practice required have enhanced the farm management skills of 1000's of small scale farmers. On the other hand, the costs of reaching and maintaining these standards are high and it's not clear whether small-scale farmers can continue to meet them without sustained donor or other external support.

DFID is working with supermarkets and standard setting bodies to maintain and increase the access of African farmers to our markets. We are also working across government to develop joint strategies that ensure that agricultural product standards benefit small scale farmers whilst not increasing the risk to UK food safety and agricultural health.

Contact Terri Sarch (t-sarch@dfid.gov.uk) or Tim Leyland (t-leyland@dfid.gov.uk) for more information



This is an agricultural cooperative manager harvesting baby corn in Tanzania. The coop exports this to UK supermarkets because they pay 15% more than the UK wholesale market and twice as much as maize sold locally.

Picture: James MacGregor, IIED