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Date 23.05.2007

MSc Thesis – Who wants to work on:

„Adaptation of Small Farmers to the Increasing Demand for Standards: A Case Study for Horticultural Products in Thailand”

We are searching for a MSc student who wants to work on the above topic, including a farm survey in Thailand. The thesis will take part in close cooperation with the GTZ and a German PhD student based in Thailand.

Travel costs will be covered by GTZ.

For a detailed description of the topic see below.

In case you are interested:

Contact Harald Grethe at harald.grethe@agrار.hu-berlin.de until 15.06.2007

Adaptation of Smallholder Farmers to the Increasing Demand for Standards: A Case Study of the Horticulture Sector in Thailand

Food standards gain increasing importance, not only on export markets but within many developing countries as well. This is especially true for the horticultural sector.

In Thailand, increasing demand for high-value products such as fruits and vegetables can be observed. The trend has led to two interesting developments: the expansion of the production area for fruits and vegetables and the ongoing restructuring of the retail sector. New supermarkets and hypermarkets have a high interest in developing their range of fresh and processed fruit and vegetable products to meet the growing demand. To communicate the higher product value (such as low pesticide residues) to the consumers, standards and special labels are required. As companies which supply domestic supermarkets with high-value products are often integrated or interested in the export market as well, they focus on the implementation of international standards instead of establishing new national ones.

These developments impact smallholders in different ways. New marketing channels appear that offer chances but challenges as well. They are coupled with new institutional arrangements along the supply chains that aim to ensure quality and safety. Therefore they often require a certification of the farmer according to a certain standard.

One of these quality standards is the EUREPGAP standard. Farmers in the horticultural sector can achieve EUREPGAP certification as a member of a farmer group, which is seen as a good alternative to individual certification efforts. A prerequisite for group certification is a Quality Management System that allows the external Certification Body to delegate the annual inspection of individual group members to qualified staff within the Farmer Group.

Group certification is considered as the preferred option for small farmers who would not be able to reach individual certification. It is associated with various mostly intangible benefits such as better management practices, greater scope for continuous improvement, greater cohesiveness and uniform application of the standard. While group certification has lower external costs, the costs related to the preparation and operation of the Internal Control System vary to a large extent, given that the starting point for the groups, their social cohesiveness and educational background as well as their financial resources are quite different. The costs related to the Internal Control System are frequently underestimated. This is due to the fact, that there is very little information about actual costs on an exemplary basis. Against this background it is difficult for the groups to raise additional funding or to conclude cost-sharing agreements.

GTZ is currently assisting an overall number of 20 farmer groups in Kenya and Ghana and further 6 groups in Thailand to design their Internal Control System according to EUREPGAP General Regulations in a view to achieve certification under EUREPGAP option 2. Selected pilot groups will be prepared to provide information on their control systems, on a confidential basis. By extrapolating these data, a method shall be developed how to estimate the total cost of operation for different Internal Control Systems under worst vs. best case scenarios. The method shall be tested with selected farmer groups and a tool developed for use by group advisers.

The Master Thesis for Thailand shall start with a comparative overview about the regulations of the EUREPGAP standard and other existing certification schemes (Organic Product, Q-label) in Thailand. Experience which has been made in the course of implementation and certification of other standards shall be considered as far as possible. Additionally, an analysis of the different costs and benefits of group certification for smallholder farmers in the selected pilot groups, especially with regard to the costs of the preparation and operation of the Internal Control System shall be undertaken.