



## CODES OF PRACTICE – WHAT DO THEY MEAN FOR THIRD WORLD GROWERS & EXPORTERS ?

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### *Why should growers and exporters be concerned about codes of practice?*

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*Codes of practice – which aspects are difficult to meet, and how can the difficulties be overcome?*

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### *Sources of further information*

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Many of the major European supermarkets are developing codes of practice as a result of growing consumer concern about food production methods and their impact on poor people and the environment. Exporters and growers in Africa are increasingly being asked to comply with these codes. Supermarket codes of practice cover:

- **Food quality & safety** – there has to be complete traceability from the field to the plate, with an agreed set of quality and safety standards at every step along the production chain, and an audit system for verification.
- **Social impact** – there must be reasonable conditions for workers, and due reward for smallholders.
- **Environmentally friendly production** – food must be produced in farming systems that do not cause damage to the environment.

### **Why should growers and exporters be concerned about codes?**

Many growers and exporters are concerned about codes of practice because they fear that codes bring increased costs e.g. higher wage bills. However, there are also good reasons for getting involved in codes:

- The ethical market is becoming **the** market. Codes of practice apply to the mainstream as well as niche markets.
- Adopting sustainable production systems that are beneficial to the environment can reduce costs. Less pesticides are used and fertiliser is used more effectively.
- Communication up and down the production chain can be improved. This leads to greater understanding of issues and swifter solution of problems.
- Codes of practice are here to stay. It is better, therefore, to become involved, right at the beginning, in helping to develop codes, and avoid having to accept irrelevant measures at a later date.
- Implementing codes can help to improve management efficiency. A review can show up shortcomings and identify problems before they become disputes.
- Producers not committed to traceability and environmental and social improvement will find it more and more difficult to market produce to European supermarkets.

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**Which aspects of codes are difficult to meet, and how can the difficulties be overcome?**

***Casual workers***

Codes may require that long-term casual workers are given permanent employment status. Employing more permanent workers means payment of benefits such as maternity and sick leave, which means higher labour costs for the employer.

**Solutions:** However, more permanent workers also brings benefits - a more motivated labour force and keeping of skilled labour, leading to better productivity and better quality produce. If extra costs are prohibitive, agree with workers who should be given priority for permanent status (e.g. based on length of service, seniority, performance) and agree annual targets.

**See Theme Papers 2 and 5.**

***Children***

Many codes wish to eliminate the employment of children. However, this can deprive poor families of much-needed extra income to pay for basic things like school fees.

**Solutions:** Offering light work to children that doesn't interfere with their education or well-being will still give families the extra income they need, as well as building up a more productive source of labour for the future. Drawing up and sticking to a clear policy which states maximum working hours and lists forbidden duties for children may help to persuade buyers to be more flexible, by convincing them that you are behaving in a responsible way.

**See Theme Papers 2 and 5 for further information.**

***Equal opportunities***

Creating equal opportunities for men and women may be seen to conflict with local tradition.

**Solutions:** If you have a large number of female workers, promoting women and well as men to supervisory positions would help improve morale and therefore productivity of female workers, reduce risks of sexual harassment from male supervisors, and improve communication between workers and management.

**See Theme Papers 2 and 5.**

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**Health & safety**

Providing full health care and a safe working environment are high priorities for all workers, permanent and casual. However, not all exporters and growers provide these.

**Solutions:** Making improvements in health and safety can make a big difference to worker morale, since this is a major concern for them. Provision of adequate sanitary facilities is a particular concern especially for female workers, and this also has a clear benefit in terms of meeting food safety requirements.

**See theme paper 2.**

**Housing**

Initiating a housing programme may be difficult for many employers due to lack of finance, and the unwillingness of banking institutions to grant loans.

**Solutions:** Asking workers about what type of housing materials, layout etc. they prefer, within given financial limits, can make workers happier and improve living conditions without increasing costs. Many workers understand that it is expensive to build houses and that employers may not be able to afford building houses for all workers immediately. Explain your constraints to workers, consult them about how housing should be allocated, and use fair and transparent criteria for allocating housing – this will help improve worker morale without incurring unreasonable costs.

**See Theme Paper 2.**

**Pesticides and Integrated Pest Management (IPM)**

Supermarket demands for “perfect” produce encourages growers to high pesticide use as they cannot risk any pest infestation. At the same time, codes of practice are asking them to cut down on pesticide use, and this is made even more difficult by the implementation of EU Maximum Residue Level (MRL) legislation.

Adopting Integrated Pest Management (IPM) systems can reduce need for pesticides and also cut costs. However, most growers have no experience in IPM. Advice and training is needed to find IPM systems suitable for a particular crop and location.

**Solutions:** Growers and exporters should review the pesticides that they are using and application rates – often these can be reduced without increasing risk of pest infestation. Exporters should consider supporting growers with training and advice on IPM. In some African countries, there are government and NGO programmes training smallholders on IPM. Exporters should consider seeking support from such programmes in training their smallholder suppliers. Exporters and growers can encourage their trade association to organise IPM training and demonstration farms for the industry as a whole.

**See Theme Papers 3 and 5**

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***Smallholders - contracts***

Transparent and binding contracts between smallholders and exporters are rare, and leaves both parties vulnerable.

**Solutions:** Investing in good long-term relationships with their smallholder suppliers can often mean better quality produce and more reliable supply.

**See Theme Papers 2, 5 and 6.**

***Smallholders - meeting quality standards***

For many small-scale farmers, growing for export is a new experience. As a result, it takes time for them to “learn the ropes”, and understandably exporters may become impatient. How rejected produce is dealt with is an important issue for smallholders. They want to know what proportion of their consignment is rejected and for what reasons. They want the rejects to be returned to them so they can sell it to local markets, or consume it themselves.

**Solutions:** Experience shows that smallholders can meet export quality standards, but they require technical assistance and they need exporters to explain the ins and outs of marketing requirements. Smallholders are much more likely to produce good quality produce if they understand why quality is important, and there is a clear and transparent system for dealing with rejected produce. Exporters should consider ways of getting rejected produce back to smallholders e.g. in the trucks sent to pick up newly harvested produce, which might be empty on the outward journey. This could make a big difference to the motivation of smallholder suppliers.

**See Theme Papers 3, 5 and 6.**

**For further information...**

Further information about the issues raised here can be found in the following theme papers, available from NRET at the address below:

1. How exporters can find out about and strengthen relationships with workers and smallholders
2. Relationships with workers and smallholders – key problems exporters and growers must address
3. Key environmental threats that growers and exporters should address
4. Developing a national code of practice – why and how
5. What are the key areas of existing European-initiated codes that are causing problems for African industries? How can these problems be overcome?
6. What are the effects of supermarket and importers’ buying practices on African growers and workers? How can resulting problems be addressed?

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Organisations who can provide further assistance on codes of practice:

**Natural Resources and Ethical Trade Programme (NRET):** c/o Natural Resources Institute, University of Greenwich, Chatham Maritime, Kent ME4 4TB, U.K.; email: [nret@gre.ac.uk](mailto:nret@gre.ac.uk).

**VINET (Virtual Information Network for Ethical Trade):** <http://www.nri.org/vinet/>. For up-to-date information on ethical trade issues in the fresh produce industry.

**Ethical Trading Initiative (ETI):** 78-79 Long Lane, London EC1A 9EX, U.K. Phone: +44 (0)207 796 0515; Fax: +44 (0)207 796 0514; email: [eti@eti.org.uk](mailto:eti@eti.org.uk); Website: [www.ethicaltrade.org](http://www.ethicaltrade.org). They can supply information about implementing and auditing against labour standards in Africa.

**COLEACP:** 5, Rue de la Corderie, CENTRA 342, 94586 RUNGIS CEDEX – FRANCE. Phone: +33/1-41-80-02-10; Fax: +33/1-41-80-02-19; email: [coleacp@coleacp.org](mailto:coleacp@coleacp.org); Website: <http://www.coleacp.org>. COLEACP has been working with African grower associations to harmonise their national codes of practice and benchmark them against European market standards such as EUREP.

**Leading African industry associations** involved in this initiative include:

**Horticulture Promotion Council (HPC), Zimbabwe:** PO Box WGT 290, Westgate, Harare. Phone: +263-4-725130/725136; Fax: 795303; email: [hpc@cfu.gaia.co.zw](mailto:hpc@cfu.gaia.co.zw).

**Kenya Flower Council (KFC):** PO Box 24856, Nairobi. Phone/Fax: +254-2-883041; email: [kfc@africaonline.co.ke](mailto:kfc@africaonline.co.ke).

**Fresh Produce Exporters Association of Kenya (FPEAK):** PO Box 40312, Nairobi; Phone: +254-2-564170/561304; Fax: 561304; email: [fpeak@africaonline.co.ke](mailto:fpeak@africaonline.co.ke).

**Zambia Export Growers' Association (ZEGA):** PO Box 310245, Lusaka; Phone: +260-1-271166; Fax: 271167; email: [zega@zegaltd.co.zm](mailto:zega@zegaltd.co.zm).

**Global IPM Facility:** c/o FAO, Viale delle Terme di Caracalla, 00100, Rome, Italy; Phone: +39-06-5705-2907; Fax: +39-06-5705-6227; email: [Global-IPM@fao.org](mailto:Global-IPM@fao.org). Can provide assistance on IPM training and advice.

**Save the Children Fund (UK)** – check if there is a local office, or contact the HQ: 17 Grove Lane, London SE5 8RD, U.K; Phone: +44-(0)207-703 5400; Fax: 703 2278. SCF can provide guidance on how to tackle problems associated with employment of children.

**Local NGOs and researchers:** You may find that some NGOs and research institutes/university departments in your country have a lot of useful knowledge and experience of working with smallholders and farm workers, and have expertise on training smallholders in IPM and other techniques.

The information contained in this document is distilled from a 3-year study managed by the Natural Resources and Ethical Trade Programme (NRET) and involved in-depth research in Ghana, Zimbabwe and the U.K. It presents the key issues raised by all key stakeholders involved in the supply of fresh horticultural produce to European markets, from farm workers to supermarket buyers. For more detailed information about the findings from the study, please contact NRET at the address above.

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