

# Review of the Implications of Changes in EU Pesticides Legislation on the Production and Export of Fruits and Vegetables from Developing Country Suppliers

## Summary Report

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# **Impact of EU pesticide legislation on developing countries**

## **EXECUTIVE SUMMARY of Report prepared for the UK Department for International Development (DFID)**

### **The eu mrl harmonisation programme**

Since 1993 the European Union (EU) has been implementing a programme to establish harmonised Maximum Residue Levels (MRLs) for pesticide residues in foodstuffs sold in the EU. Between 1993 and July 2000, the EU has been aiming to establish MRLs for approximately 100 pesticide active ingredients. However, acceptable data for establishment of MRLs has not been available for a significant number of crop/active ingredient combinations. In such situations, the EU has left the MRL position as an "open position" for a limited period of time. During this period, data can be submitted to the EU to provide for the establishment of an MRL – this is usually done by agrochemical companies, but can also be done by other interested parties. If the period expires and no acceptable data has been received, the MRL is set at the analytical Limit of Determination (LOD) i.e. analytical zero.

The establishment of harmonised MRLs is an ongoing process, with some MRLs having already been set, and levels for a further 700 active ingredients due to be established in batches in the future. Once EU MRL positions have been established (closed off), EU member states are obliged to incorporate these MRLs into their national legislation within 12 months.

Out of the many exported fruit and vegetables important to developing countries, only bananas and citrus are considered as "major crops" by the agrochemical companies, and in general they have not considered it commercially worthwhile to defend MRLs for minor crops. For this and other reasons, MRLs for many of the first 100 active ingredients used by developing country growers on tropical, sub-tropical and out-of-season fruit and vegetables have been set at LOD, or will be by July 2000. Proportionately more MRLs have been set at LOD for these fruits and vegetables, as compared to temperate crops grown in the EU. Some of these chemicals are currently seen by growers to be essential for producing crops for export, e.g. post-harvest fungicides required to preserve fruit during shipping.

This EU programme has caused serious concern amongst importers and retailers of imported fresh produce in EU member states, and amongst exporters and growers in developing countries. Importers and retailers in the UK are under particular pressure because the government allows results of the government's residue monitoring programme to be published each year, along with the names of the retailers from whom each sample is taken. This has the effect of "naming and shaming" retailers who are selling products with residues exceeding permitted MRLs. In response to concerns about negative publicity, UK retailers are putting in place particularly strict requirements on their suppliers to be able to demonstrate compliance with MRLs.

Resulting problems faced by developing country industries have been exacerbated by the fact that communication of the EU legislative position, and its implications for farming practices, has been poor, with the result that even the largest producers in the some of the larger exporting countries remain insufficiently informed to respond effectively to the legislative requirements.

In many developing countries, export of horticultural products not only constitutes an important source of national income and foreign exchange, but also provides cash income for many smallholders and employment for many other poor people. The implementation of the EU harmonisation programme, and the potential for a consequent fall in export production, therefore raises specific concerns about its impact on poor people who depend on export horticulture for their livelihoods. In response to these concerns, the UK's Department for International Development (DFID) Rural Livelihoods Department (RLD) commissioned the Natural Resources Institute (NRI) to conduct a study to obtain the appropriate information to allow informed assessment of the problem, and to allow DFID to consider whether or not they can offer any targeted assistance and what form that assistance should take. A summary of key findings and recommendations from this study is presented below.

## **Key problem areas identified**

### **Impact on industries**

The legislation is likely to lead to:

1. A fall in overall production of fruit and vegetables for export to the EU
2. Increased costs of production (although adoption of integrated pest management/IPM approaches may lead to a fall in costs in the long run in certain cases)
3. A higher risk of crop wastage and/or crop failure
4. Smaller growers no longer being able to export
5. Smaller exporting countries being excluded from the supply chain.

### **Impact on smallholders**

The EU MRL regulations are likely to have the following impacts on smallholders:

6. Importers will cut back on sourcing from exporters who rely largely on smallholder production for their supply of produce
7. Exporters will cut back on their sourcing from smallholders if alternative sources of supply are available
8. Exporters are likely to discontinue sourcing from independent smallholders (i.e. those that are not attached as outgrowers to particular exporters)
9. Smallholders will face increased costs of production (more expensive pesticides, and costs of control, monitoring, training etc. may be passed down by exporters)
10. Exporters are likely to tighten control over their smallholder suppliers, and in general smallholders will become more dependent on exporters and/or other outsiders.
11. Those smallholders with an option to produce cash crops for the local market instead may choose to switch (back) to local market production.

### **Impact on horticultural workers**

The MRL regulations are likely to lead to:

12. Substantial loss of jobs, especially for those working for smallholders or for medium-scale growers.
13. Increased seasonality of remaining jobs, which may have the effect of further reducing job security.
14. Possible expansion of job opportunities on the largest farms and exporting operations, and in monitoring, control and training of outgrowers. However, any resultant increase in jobs is unlikely to compensate for the general

downward pressure on employment, especially in the smaller exporting countries where there are no large-scale commercial operations.

## **Crops most affected by the legislation**

The following is a **preliminary list of priority crops** (using EU product classification):

- 1. Miscellaneous fruits** (including avocados, pineapples, passion fruit and mangoes)
- 2. Yams**
- 3. Other roots and tubers**
- 4. Peas and beans**

## **Information and communication**

15. The whole MRL issue is highly complex, both from a technical and legislative perspective, making it extremely difficult for non-experts to understand and explain.
16. The official channels for consultation and communication of the legislation in developing countries have not been effective, in part due to inadequate local government capacity.
17. Trade/growers' associations in developing countries can be an important conduit for information, and a mechanism for co-ordinating responsive action. However, not all developing countries involved in export have such associations, and where they do exist they vary greatly in their effectiveness.
18. Growers and exporters have therefore relied on diverse sources of information, which have tended to provide information which has been:
  19. Inaccurate
  20. Inconsistent
  21. Piecemeal
  22. Too late
23. Compared to the industry in Europe, growers and exporters in developing countries have been at the end of longer communications chains, often depending on their importers for information, leading to further delays and greater room for misinterpretation
24. Developing countries are faced in general with much poorer communications infrastructure, which poses a further constraint to receiving information.

## **summary of recommendations**

### **Immediate activities (within 12 months)**

1. Modify or augment current official procedures for consultation with developing countries on proposed EU directives affecting livelihoods in developing countries.
2. Implement a comprehensive information provision and awareness-raising campaign, targeting exporters and growers in developing countries who export fresh produce to the EU.
3. Modify current procedures such that there is sufficient time for the fresh produce industry and public sector bodies to prepare datasets for establishment of MRLs, after the full list of crop/active ingredient combinations to be defended by the agro-chemical companies is made available.
4. Initiate data collection for establishment of MRLs for post-harvest fungicides used on the preliminary list of priority crops.
5. Develop a suitable mechanism for future prioritisation of crop/active ingredient combinations for establishment of MRLs, which responds directly to the priorities of developing country industries.
6. Initiate programmes in vulnerable developing countries to provide support to exporters who source from smallholders, providing assistance in setting up appropriate management systems as well as technical assistance in

pest management.

7. Conduct a rapid review of proven non-chemical control techniques for key horticultural crops in affected developing countries.
8. Carry out an assessment of implications of the EU Review of Approvals process for developing countries, and develop appropriate strategies to address key threats.

### **Medium-term activities (within 5 years)**

9. Set up appropriate institution(s) to ensure effective two-way communication between the EU and the fresh produce industry in developing countries, and to co-ordinate the prioritisation of crop/active ingredient combinations and establishment of MRLs for these combinations.
10. Establish programmes for developing country exporters and producers to promote and build capacity for Integrated Pest Management (IPM) as a component of Good Agricultural Practice (GAP).
11. Raise awareness amongst European consumers about the implications of high cosmetic quality standards on crop wastage, and the consequent impact on livelihoods of smallholders.