Adopting and adapting the principles of Participatory Guarantee Systems for local quality assurance systems in conventional agriculture

Pacific Agribusiness Research in Development Initiative Phase 2

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Introduction

The beginning of the organic movement during the early 1900's was spurred on by the shift towards nitrogen fertilizers and pesticides for industrial agriculture. Following this, a small group of concerned farmers from various associations (Demeter International of Germany (pioneers of certification programs in industrial agriculture), the Australian Organic Farming and Gardening Society, the Soil Association of the United Kingdom, and Rodale Press in the United States, and others) came together to form the International Federation of Organic Agriculture Movements or IFOAM. During the 1980s, pressure from various farmer and consumer groups for more organic production and particularly standards of production, led to legislation and certification enacted in some governments later on during the 1990's (Paull, 2008; Wikipedia, 2019a). Some of the most stringent certification standards for organics are in the US, the European Union, China and Japan, otherwise known as the regulated markets. In 2016, the largest single market for organic produce was the United States (47% of the global market) followed by the European Union (37%). The less stringent or unregulated markets include Australia, New Zealand and other Pacific islands to name a few. However, it is the Oceania region that holds the largest areas of organic agricultural land (Australia being the largest at 27.3 million hectares, almost half of the worlds organic agricultural land) (Willer and Lernourd, 2018).

Globally organic farmland makes up only 1.2% of all agricultural farmland (Willer and Lernoud, 2018). However, compared to conventional agriculture, organic farming has been seen to be up to 22-35% more profitable. After examining the financial performance of organic and conventional agriculture from a global dataset spanning 55 crops grown on five continents over a 40-year period, organic farming had a higher cost/benefit ratio (20-24%) than conventional agriculture when premiums were applied. Although premiums were 29–32%, breakeven premiums necessary for organic profits to match conventional profits were only 5–7%, even with organic yields being 10–18% lower (Crowdera and Reganold, 2015). However, these profits are only available to farmers or producers who have access to these markets - of which organic certification is the doorway. There are two types of certification, third-party (for regulated markets with produce of longer supply chains) and participatory guarantee systems (for local and unregulated markets, short supply chains and in some cases as a first step towards third-party certification). Those with third-party certification are expected to rigorously comply with increasing requirements and updates to this certification. This has been a result of numerous food safety issues such as, food fraud, food crimes, mislabeling and authenticity which has also led to increased traceability issues and demands.

Participatory Guarantee Systems (PGS) came into existence in 2004, following workshop discussions between IFOAM and MAELA (the Latin American Agroecology Movement). Reasons for this alterative certification were wide and varied:

"…. *looking for systems more adapted to their realities*. *The reasons for these "alternative" methods of certification vary, but are often a result of high certification costs, disagreement with the paradigm for ensuring credibility, or a political ambition to strengthen the farmers. In such cases ISO 65 type certification is seen as unnecessary…….In the participants view, there is a need to look for alternatives adapted to the different economic, social and cultural realities of small farmers all over the world*." (IFOAM, 2004).

Participatory Guarantee Systems (PGS) are technically known as locally focused quality assurance systems, that certify (organic) producers based on active participation of stakeholders and are built on a foundation

of trust, social networks and knowledge exchange (IFOAM, 2007). Based on the data collected through the Global PGS Survey (2017) conducted by IFOAM, PGS initiatives are established in 66 countries, with at least 311'449 farmers involved in PGS initiatives worldwide. This includes mostly small farmers and small processors. It is estimated that there are currently at least 241 PGS initiatives, of which 127 are fully operational (Willer and Lernourd, 2018).

The cornerstone of PGS lies in the "participatory "approach - the peer review process to provide the guarantee. IFOAM outlines the *key elements* of a PGS, which include:

- A shared vison
- Participatory in nature
- Transparency
- Trust through "an integrity-based approach" (an unparalleled transparency and openness, maintained in an environment that minimizes hierarchies and administrative levels).
- A learning process and
- Horizontality (where power is shared, achieving this quality/standard is not in the hands of a few)

In addition to this, IFOAM states *key features* that are essential for an operational PGS group, these are:

1. **Norms conceived by the stakeholders through a democratic and participatory process**. The norms should stimulate creativity, instead of inhibit it.
2. **Grassroots Organization**: The Participatory Certification should be perceived as a result of a social dynamic, based on an active organization of all stakeholders.
3. **Appropriate to smallholder agriculture**
4. **Principles and values that enhance the livelihoods and well-being** of farming families and promote organic agriculture.
5. **Documented management systems and procedures** (ideally minimal but demonstrated).
6. **Mechanisms to verify farmer's compliance to the established norms** (able to stimulate participation, organization, and which allow a learning process for all the stakeholders.
7. **Mechanisms for supporting farmers** (to produce organic products and be certified as organic farmers, to include field advisors, newsletters, farm visits, web sites etc.)
8. Should have a bottom-line document, for example a **farmer's pledge** stating his/her agreement with the established norms.
9. **Seals or labels** providing evidence of organic status.
10. **Clear and previously defined consequences** for farmers not complying

Participatory Guarantee Systems, it's approach, key elements, key features and mindset towards certification and achieving standards (in this case quality assurance) is definitely a concept that should be reflected on, adopted and adapted for furthering conventional agriculture and tackling future challenges, particularly in the context of small-scale farmers and farmer organizations.

To do this, we needed to first understand the current perceptions of PGS, in this context – the Pacific, its small-scale farmers, producers, processors and those involved in operation PGS groups.

Current perceptions of PGS in Fiji/Pacific (preliminary findings)

During mid-April to mid-May (2019), brief interviews were carried out with a variety of stakeholders that were involved (or perceived to be involved) in PGS. Questions included:

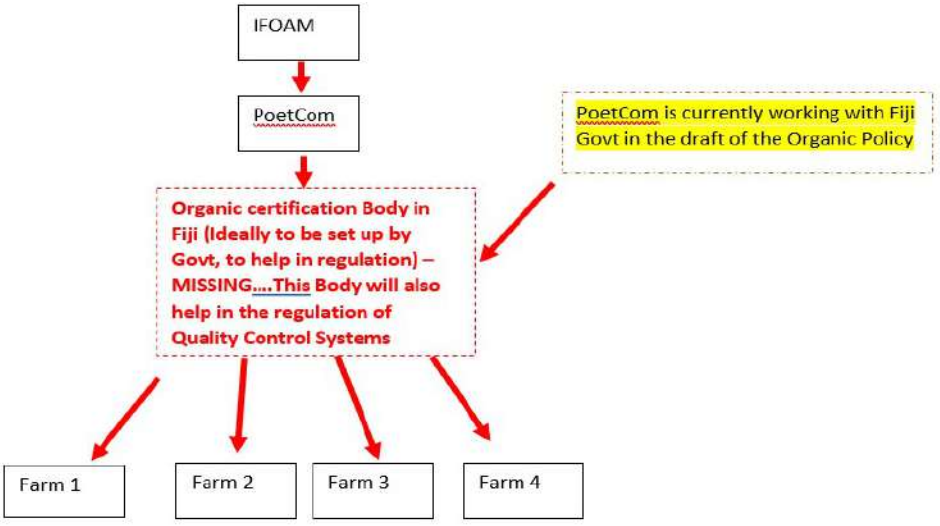
- How long have you been involved in PGS?
- Why do it? How is it done?
- Advantages and disadvantages?

The following groups were interviewed:

- POETCom – Steve Hazelman
- Bula Kava – Sanfred Smith
- Sigatoka Valley PGS – David Hicks
- Honey (ACIAR) - Cooper Schulten
- Farm Support Association – Peter Kaoh
- Loving Islands – Litia Kirwin
- Fiji Ginger – Calvin Kaiming
- FRIEND Fiji – Sashi Kiran

Preliminary Findings (Summary):

- *POETCom – Steve Hazelman*: Pacific organization for organics, formulated the Pacific Organic Standard (which includes the PGS method), supporting and enabling body, provide training for organics to achieve certification. Weaknesses of PGS include:
    - the need to be a managing body for organic certification in the Pacific, as there is a growing demand.
    - There needs to be better support from agricultural extension officers.
    - Need for stronger capacity from POETCom as the demand rises in the Pacific
    - PGS is expensive to establish BUT it is cheaper to manage



- *Bula Kava – Sanfred Smith*: issues with the consistency of quality of green (fresh) kava from their farmers, but they are keen on marketing their kava capsules to large markets so there is a need to meet pharmaceutical standards. They want to develop a "PGS" relating to pharmaceutical standards.

- *Sigatoka Valley PGS – David Hicks*: tomato farmers are spending much of their own money for transport costs to the sorting house (where they sort the tomatoes into grades) then they spend more money to transport their tomatoes to the various hotels or resorts. They want to eliminate

all these costs and only have hotels/resorts come straight to the farms and pick up a full crate of mixed grade tomatoes. They want to/are formulating a PGS around "pricing".

- *Honey (ACIAR)- Cooper Schulten*: there doesn't seem to be any attempt to formulate PGS here but the greatest need to help increase supply is capacity building for beekeepers, particularly technical skills and general best practices for beekeeping management. Opportunity to develop local quality assurance standards for the general quality of honey currently sold. Currently no imports of honey. There is potential to develop a "PGS" around honey quality for the local market.

- *Farm Support Association (Vanuatu*)– Peter Kaoh: currently carries out PGS for various organic products such as Tanna Coffee and Vanilla. They also consider their M&E of their students at their rural training centre as a PGS.

- *Loving Islands* – Litia Kirwin: produce a variety of organic products from Matuku and Totoya to Australia (and possibly local and NZ markets) by adopting PGS (with POETCom).

- *Fiji Ginger* – Calvin Kaiming: ginger processor and exporter, they do not do any PGS, they carry out 3rd party certification for bigger markets, so they have their farmers follow agreed farming requirements to meet these standards. They do not believe that the Pacific Organic Standard is really organic at all, not useful for their needs. They also follow a variety of other food standards including HACCP, ISO, FSA (?) and religious food safety standards Halal and Kosher. Challenge to keep up with increasing food safety requirements from these large regulated markets (consumer driven, issues with food fraud). Also very expensive.

- *FRIEND Fiji – Sashi Kiran*: works with rural communities in Vanua and Viti Levu to produce a variety of food products (teas, jams, flours, chutneys) some of which are organic-certified through PGS (with POETCom). They detest the idea of the term "PGS" being used loosely used by those who do not practice organics, as this undermines the credibility of the organic body and its standard in Fiji and the Pacific. Some countries have known to be blacklisted for not pertaining to organic standards despite their carrying an organics label. To attain organic-status, there is alot of rigorous testing of foods and residues, organics industry needs to be protected particularly for rural communities that have agreed to work with organizations to enter this niche market and who have built themselves livelihoods around these organic products.

The term *Participatory Guarantee Systems* began from the organics movement. IFOAM coined the term, defined it, established its philosophy, stated its principles, values, elements, features and guidelines for procedures. PGS is focused on quality assurance, set by a group of growers in consultation with their consumers (and other actors and enablers of their value chain) and carry out proper procedures by co-operating with an additional organic governing body (e.g POETCom), in the context of organics. It is recommended that the term PGS remain and operate within an organics context for the following reasons:

- To avoid confusion of the term by its traditional users. This is particularly critical in regards to low literacy levels of rural communities who are part of a PGS group and have come to associate the term PGS with activities in organics and the Pacific Organic Standard.
- To avoid undermining the credibility of the growing organic movement in Fiji and the Pacific.
- To distinguish quality assurance efforts in organics (particularly in a community development setting) from conventional agriculture and
- To avoid confusion of the term by others who are not in the organics industry which may lead to misleading research efforts, outcomes, public information and applications.

Stemming from similar instances of the misuse of the term "organic" which has led to public confusion, mistrust from consumers, food fraud, food crimes, lawsuits and lost livelihoods, the misuse of the term PGS must be avoided. However, its radical and empowering elements and features are worth adopting and adopting for enhancement of conventional agriculture and livelihoods.

From a conventional-agriculture perspective, there are five characteristics of the PGS approach that can be **adopted**:

1) The participatory nature and spirit of all involved in the value chain (actors and enablers).
2) Arriving at a particular standard that has been contextualized for the realities of the product, producers, locality and market.
3) A clear and agreed pathway to achieving a standard based and spurred on by trust and transparency
4) Capacity-building and the learning process
5) Greater empowerment to producers, small-scale farmers and farming communities, resulting in greater social responsibility, improved supply and improved livelihoods

In addition to this the 10 key elements of an active and operational PGS group (outlined earlier) can be **adapted** for conventional agriculture, particularly in meeting demand and improving supply.

In this light, firstly, I propose the following methodology to achieve Objective 3 of the PARDI2 project (**Evaluate the effectiveness of participatory guarantee systems for improving value chain linkages and performance for emerging market opportunities).**

Objective 3.1 –Undertake participatory evaluation and situation analyses of products with PGS potential (selected from high-value vegetables & fruit, kava, ginger, value –added coconut produce and sea cucumber)

Method: a relevant selection of farmers, produce (such as high value fruits and vegetables) or farmer-organizations (from Fiji, Vanuatu and Tonga) need to be selected for an initial participatory evaluation and situation analysis of their need for an achieved and agreed standard/assurance. The criteria of selection may need to be predetermined and must take into account relevance, practicality, impact and time. The standard/assurance needed may be in the area of technical skill, training, marketing, achieving a particular food or drug safety standard such as pharmaceutical, exporting, processing, logistics, financing, buyer-supplier relationships, FO's as service providers, communal production, etc. Ideally the standard/ assurance identified must be one that has become a bottleneck in improved produce supply and essentially livelihoods. There may be a need to also select areas that are led by women and/or youths.

Objective 3.2 – Identify benefits and options for a PGS model and an M&E framework

Method: Once a standard/assurance has been identified and analyzed in objective 3.1, under the guidance of the actors and enablers, wide yet relevant consultation with various stakeholders, and adapting some of the key features of a PGS; critical steps will then be outlined to produce a model (with benefits and options/modifications where needed) to achieve an agreed standard/assurance that addresses the identified bottleneck in supply in the hope of also improving livelihoods. These models will also include indicators enabling a monitoring and evaluation framework.

Objective 3.3 – Implement at least three PGS, including training of PGS members in improved production and business practices and documentation, evaluate using a participatory action research approach and chemical/quality analyses of products.

> **Method:** The PGS models identified in objective 3.2 will be implemented and include training on production and best business practices pertaining to the model identified. The model will be evaluated using either/and participatory action and chemical/quality analysis of the products.

Secondly, I propose that this new method of adopting and adapting from the PGS method (organic agriculture) to come up with similar approaches to address bottlenecks in produce supply in conventional agriculture (by establishing and working towards agreed standards/assurance) and enhancing livelihoods be termed - Participatory Action for Standards in Conventional Agriculture (PASCA).

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