

THE GLOBALG.A.P. CERTIFICATION SCHEME IN SERBIAN AGRICULTURE: CONSULTANTS' ATTITUDES¹

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Abstract

The authors examine the progress of Serbia in the implementation of the GLOBALG.A.P IFA standard, as well as the quality of the business environment for its implementation. Data on the number of certified producers were obtained from the GLOBALG.A.P. organisation which is the standard's owner. The business environment was assessed based on the results of the interviews with six representatives of domestic consulting companies which provide support to farmers in certification processes. The results show that although Serbia is making progress in this field (considering the number of GLOBALG.A.P. certified producers according to indicators), the percentage share of certified farmers in the total number of farmers is extremely low and can be expressed by parts per thousand. The authors identified numerous systemic problems in the process of the standard implementation, as well as the limitations related to high implementation and certification costs.

Key words: sustainable agriculture, farm certification scheme, Serbia, business environment.

Introduction

Throughout the literature authors strongly agree that it is required to monitor the environmental sustainability of agriculture, invest in new (cleaner and greener) agricultural technologies, while promoting more environmentally friendly and energy-efficient sector policies and applying environmental regulations in a stricter manner (Latruffe et al., 2016; Pasko et al., 2020; Uddin, 2020; Rad, Ray & Barghi, 2022; Mitić, Fedajev & Kojić, 2023). The response

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of public policies, traders and processors to the demands of consumers and society regarding a more intensive transformation of agriculture in terms of sustainability can be seen in numerous standards for food safety and quality, plant health, and animal health and welfare. This response is also reflected in food quality schemes which combine public regulations with private and voluntary agricultural product certification schemes in an increasing number of countries (de Raymond & Bonnaud, 2014; Popović & Paraušić, 2016; FAO, 2016; EC, 2020; Flachsbarth, Grassnick & Brümmer, 2020; EU, 2022).

The private scheme and the standards of GLOBALG.A.P. (Good Agricultural Practices for primary production and the supply chain) represent one of the leading international farm certification schemes for sustainable agriculture (EU, 2022). As stated by a group of authors (Laosutsan, Shivakoti & Soni, 2019, p. 878), “*good agricultural practices are important for the most important thing - that is human health followed by the economic value of the products*”. GLOBALG.A.P. standards focus on sustainable agricultural practices, supply chain traceability, food security and safety, workers’ well-being, and animal welfare (FAO, 2016; EU, 2022; GLOBALG.A.P. organisation website). They are requested as a trading requirement in the EU from farmers and exporters by retailers, supermarkets and processors (EU, 2022; GLOBALG.A.P. organisation website). The most significant GLOBALG.A.P. standard (resulting in the largest number of certificates) refers to the Integrated Farm Assurance (abbr. IFA) standard for fruit and vegetables (abbr. F&V) (GLOBALG.A.P. organisation website; GLOBALG.A.P. database). This is a standard for “*responsible farming practices at primary production level. It is built on a holistic approach that covers the key topics of food safety, environmental sustainability, workers’ well-being, production processes, and traceability*” (GLOBALG.A.P. organisation website).

The compliance with the GLOBALG.A.P. IFA standard is increasingly becoming a prerequisite for exporting F&V to the EU market (and other high-income markets). Therefore, there is a clear impact of this standard on the international trade flows, global food supply chains, as well as on the competitiveness and export performances of companies and national economies in all countries worldwide, particularly in developing countries (Masood & Brümmer, 2014; FAO, 2016; Andersson, 2019; Fiankor et al., 2020; Flachsbarth, Grassnick & Brümmer, 2020; Amekawa et al., 2021; Rao, Bast & De Boer, 2021).

In the paper, the authors consider the progress of Serbia in the implementation and certification of the GLOBAL G.A.P. IFA standard in agricultural production, and they examine the factors of the business environment which affect this process, either by encouraging it or limiting and hindering it. The main objective of this paper is to provide recommendations to the relevant ministry for eliminating potential problems in the process of the standard implementation and creating a stimulating business environment for the more intensive implementation of this standard in the future.

Material and method

For the needs of the research, the authors used data on the number of GLOBAL-G.A.P. certified producers and certified area (crops base) in Serbia during the period from 2013 to 2022. Upon the authors' request, the data were provided by the GLOBALG.A.P. organisation based in Germany (GLOBALG.A.P. c/o FoodPLUS GmbH), which owns the standard. The interview method was applied to examine the factor of the business environment which influences (either positively or negatively) the process of the standard implementation. In September and October 2023, the authors conducted 30-minute to one-hour long phone interviews with six consultants (from different consulting companies) whose knowledge and competences made them competent for the research topic. Comprehensive local and foreign literature was analysed, while descriptive statistics and inductive and deductive methods were applied to reach suitable conclusions.

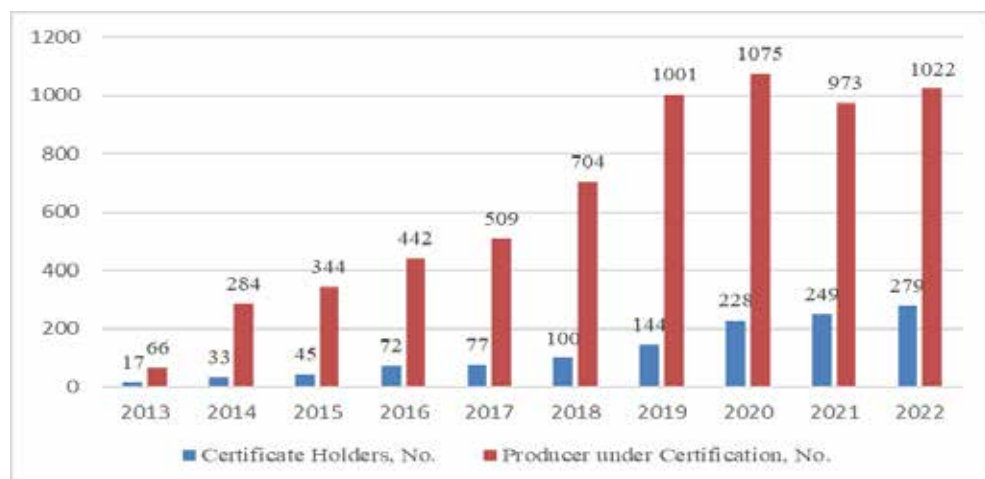
Achievements of Serbia in the implementation of the GLOBALG.A.P. standard

Different quality schemes and food safety and quality standards are part of the national policy on the quality of agri-food products. This policy is under the jurisdiction of the Ministry of Agriculture, Forestry and Water Management (abbr. MAFWA), and the Sector for Rural Development (The Government of the Republic of Serbia, 2014).

For many years, MAFWA has provided support to agricultural producers who implement and certify primary production in accordance with the GLOBAL-G.A.P. farm certification schemes (co-financing the certification costs). However, the relevant ministry does not have the data on the number of GLOBAL-G.A.P. certified producers yet. In 2024, it is planned to establish an indicator

(GLOBAL G.A.P. certified producers as the % of the total number of farms) through its baseline and target values (The Government of the Republic of Serbia, 2022).

Graph 1. Certificate holders (group certification) and producers under GLOBALG.A.P. IFA certification in Serbia, crops base, 2013-2022, No.



Source: GLOBALG.A.P. database. Data obtained on the authors' request.

Note. For 2022, the period until June 30, 2022 is included.

According to the data obtained by the authors from the GLOBALG.A.P. organisation (the standard's owner), the certified area in plant production in Serbia increased by 38 times during the period from 2013 to 2022. Starting from 893 ha in 2013, it reached the area of 33,973 ha in 2022. The number of producers under certification rose from 66 in 2013 to 1,022 in 2022, while the number of certificate holders (group certification) rose from 17 (2013) to 279 (2022) (Graph 1). Although the number of producers under certification increased by more than 15 times during the analysed period, the percentage share of GLOBALG.A.P. IFA certified farmers in the total number of farms in Serbia is still extremely low and can be expressed parts per thousand.

Since the GLOBALG.A.P. standard is private (and voluntary), it is still not widely present in Serbia. The reasons for this are reflected in the following circumstances: (a) the domestic market of agricultural products does not set standards as a prerequisite for marketing products (except in the case of several large retail chains, such as Lidl or Delhaize); (b) a large number of small-scale farmers participate only in local markets and are insufficiently

integrated into global food supply chains; (c) due to production, financial and many other limitations, a large number of small-scale farmers are unable to access the EU market or fulfil the strict EU standards regarding food quality and safety as well as the requirements of domestic retail chains (The Government of the Republic of Serbia, 2014; Bešić et al., 2015; Paraušić & Roljević Nikolić, 2020; The Government of the Republic of Serbia, 2022; Paraušić, Bekić Šarić & Babić, 2023).

Experiences in the implementation of the GLOBALG.A.P. standard in Serbia: the consultants' attitudes

According to the information obtained in the interviews with the consultants providing services to producers in the implementation of the GLOBALG.A.P. standard, berries are most frequently certified in Serbia, followed by other fruits (apples, cherries, plums, sour cherries). When it comes to vegetables, the most commonly certified types are lettuce, tomatoes, peppers, cucumbers, peas, green beans, sweet corn, carrots and potatoes. In general, certification of vegetables is more prevalent in the region of Vojvodina, while fruit certification is more common in other regions of Serbia.

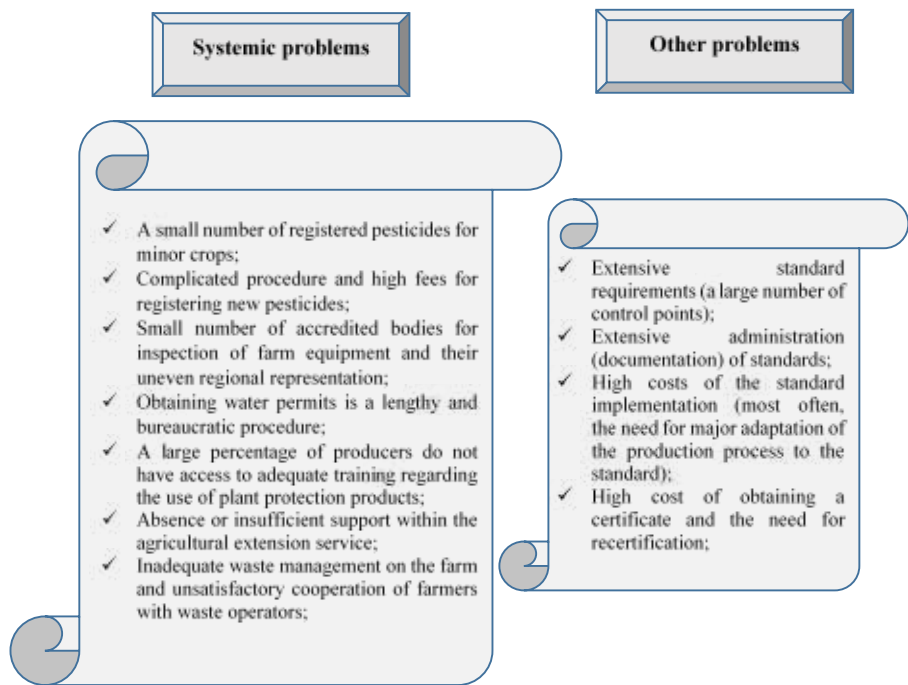
The interviewed consultants receive the largest number of requests for support in the standard implementation when it comes to individual certification (where the standard's holder is a cooperative, company and less frequently a family farm). These producers establish their production on large areas, and their production capacities can meet the demands of large buyers (in terms of the quantity and quality of deliveries). The holders of group certification are legal entities. These are most frequently refrigerated storerooms (which are often exporters of fresh and/or frozen F&V), and suppliers of fresh and chilled F&V that deliver to domestic and/or export markets.

The implementation of the GLOBALG.A.P. standard is most frequently demanded by buyers from the EU. Most certified producers have decided to use this standard because it increases their export possibilities. The standard implementation is additionally stimulated by the standard possession requirements (as a precondition for cooperation and entry into the supplier database) imposed by F&V processors (for example, by the company Frikom Ltd, Belgrade) and several large retail chains in the country.

Scheme 1. shows some of the most frequent limitations for greater GLOBALG.A.P. IFA certification, based on the perceptions of the interviewed con-

sultants. In addition to these limitations, another obstacle to more extensive certification is the fact that agricultural producers frequently do not achieve higher (or significantly higher) selling prices on the market (domestic and/or foreign market) for certified F&V compared to uncertified ones.

Scheme 1. Limitations of GLOBALG.A.P. certification in Serbia, perceptions of the interviewed consultants



Source: Paraušić, Bekić Šarić & Babić (2023).

The relevant ministry provides the support to agricultural producers through the measure Introduction and certification of food quality systems, organic producers and products with the geographical indication of origin (50-65% certification cost reimbursement). However, the consultants highlight that this support is useful but not as crucial as the possibilities for marketing products, particularly to the EU market, which are offered by the standard.

Conclusion and recommendations

The IFA standard for F&V is an internationally acknowledged standard, as well as and the most significant and prevalent GLOBALG.A.P. standard. It

is based on a holistic approach and focuses on the compliance with the principles of sustainable and responsible farm production. Since this is a private (voluntary) standard, it is still not widely represented in Serbia. However, the increasing demands of the EU retailers, supermarkets and processors towards farmers and exporters of F&V, and demands of a number of domestic retail chains lead to the rise of the number of GLOBALG.A.P. certified farmers in Serbia. Consequently, during the period from 2013 to 2022 (until June 30, 2022), the certified area in plant production in Serbia rose by 38 times (from 893 ha in 2013 to 33,973 ha in 2022). The number of producers under the IFA certification increased by more than 15 times, i.e. from 66 in 2013 to 1,002 in 2022. Nevertheless, the percentage share of GLOBALG.A.P. IFA certified farmers in the total number of farms in Serbia is still low and can be expressed by parts per thousand.

The interviews with the consultants who provide support to farmers in the implementation of this standard revealed numerous systemic problems which significantly impede and hinder the process of the GLOBALG.A.P. standard implementation. Several other limitations were also identified – extensive standard requirements, extensive administration requirements, high costs of implementation and certification. Another important obstacle lies in the fact that agricultural producers do not often obtain higher (or significantly higher) selling prices for certified F&V compared to the producers who sell uncertified F&V.

In the future period the increase in the number of agricultural producers within the GLOBALG.A.P. certification scheme will greatly depend on the financial strength of family farms, cooperatives and export companies implementing this standard. In addition, the systemic problems in this field must be solved. Being under the jurisdiction of the Government of the Republic of Serbia, this process involves institutional adjustments, i.e. amending/passing of appropriate laws and applying the existing regulations more efficiently.

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