

**PRIVATE INDUSTRY STANDARDS**

Communication from Saint Vincent and the Grenadines

The following communication, received on 27 February 2007, is being circulated at the request of Saint Vincent and the Grenadines.

1. St. Vincent and the Grenadines, as part of the Windward Islands Sub-Group, along with other Caribbean territories within the African Caribbean and Pacific Group (ACP) are traditional suppliers of a number of agricultural commodities to the European Communities (EC), thus contributing significantly to these small economies. St. Vincent and the Grenadines exports in excess of one million dollars (US\$1,000,000.00) of agricultural produce to the European Communities on a monthly basis (Central Statistical Unit, 2006). No adverse health or food safety concerns associated with the commodities have been raised by any of our trading partners within the European Communities. However, in recent times these exports have been subjected to a range of private standards that are affecting small farmers adversely.

2. It is well established that hundreds of private standards exist and that these standards have an important role to play in ensuring that producers focus on areas such as good agricultural practices and traceability, and have resulted in heightened awareness of environmental concerns.

3. The SPS Agreement recognizes the role of the International Standard Setting Bodies (OIE, Codex Alimentarius and the IPPC) as the only authorities for establishing SPS standards. However, the proliferation of standards developed by private interest groups without any reference to the SPS Agreement or consultation with national authorities is a matter of concern and presents numerous challenges to small vulnerable economies. These standards are perceived as being in conflict with the letter and spirit of the SPS Agreement, veritable barriers to trade (which the very SPS Agreement discourages) and having the potential to cause confusion, inequity and lack of transparency.

4. It is the position, therefore, of St. Vincent and the Grenadines that some industry and private standards do not conform to the provisions of the SPS Agreement.

5. The following are some other factors which may be of relevance to the discussion:

- Studies have shown that private standards tend to marginalize small farmers (UNCTAD, 2006). In circumstances where more than 95 per cent of the farming community consists of small farmers, the result is increased rural poverty and social disruption.
- Another issue is related to the objectivity of the auditing system. In some cases different auditors have varied interpretations of the application of procedures. For example, in the Windward Islands the external auditors consider treated sleeves used in the banana industry

as a pesticide and therefore require that these be stored under specific conditions. However, in the Dominican Republic sleeves are not considered to be pesticides and therefore there are no specific requirements for storage. (Lipper, 2007)

- The costs of compliance with these standards are high. It is costly to put in place the necessary infrastructure on the farms as well as at the industry level. It requires extensive training of farmers and extension personnel. (Fair Trade Unit, 2006; Ministry of Agriculture, Forestry and Fisheries, St. Vincent 2006). For example, in any given year the associated costs are as follows:

Initial cost to farmers (over 3000 farmers): US\$ 3,000,000

Human resource (monitoring): US\$ 45,865.00

Training and material for farmers: US\$ 5000.00

External Audit: US\$ 8, 560.00

Total cost: US\$ 3,059,425

- Farming on slopes is a characteristic of many of our islands and are the only lands available to a vast majority of small farmers. In St. Vincent and the Grenadines, the arable land area is 7.2 km<sup>2</sup>, and more than 60% of this is sloping lands (St. Vincent Agricultural Census, 2000). Hence, there is a marked increase in the cost of production.

6. In order to address some of the concerns raised above, the following could be considered:

- (a) Companies and corporations that institute these standards should make available a support facility for producers in small vulnerable economies.
- (b) Standards should be more flexible and take into consideration specific crops and country situations.
- (c) Producers should be involved as much as possible in the development of standards.
- (d) When standards are being developed, consideration should be given to compliance with the SPS Agreement and should involve the input of International Standard Setting Bodies.

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