



Av. Santa Maria 0112, J• 7550000 Providencia •
Santiago de Chile

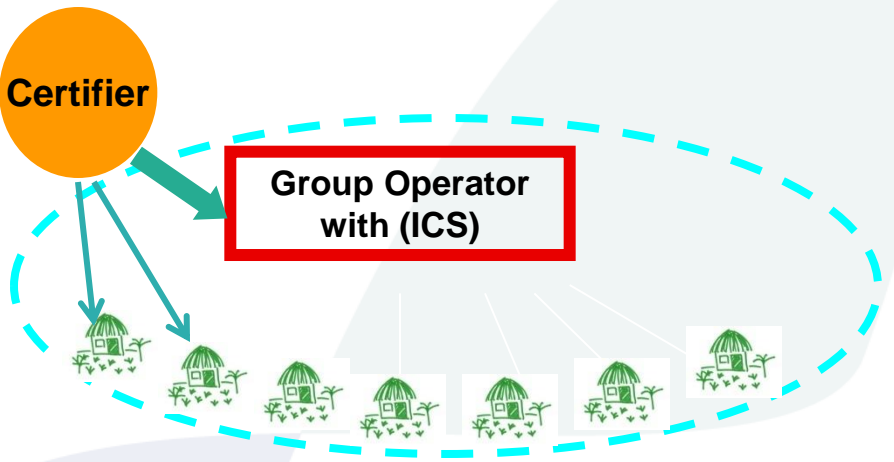
Fon +56 2 2792 6151

www.imochile.cl • www.imo.ch

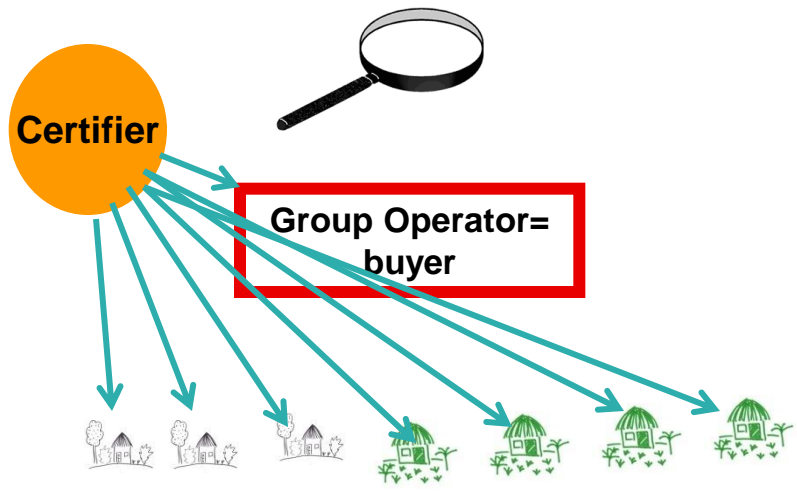
Small producers: their integrity and market access

(Henrich Neisskenwirth; Biofach 2015)

Overview: Different Types of Farmer Groups



„Classic“ smallholder group with ICS



Group of small/medium farms, no ICS



Several big farms selling to various traders, but all to one

Example: Chile wineries with supplying farmers, without ICS

- Small/medium sized farms, production often slightly more complex than typical smallholder groups with ICS (inputs, etc.), not part of classical „third world“ country
- Farmers (at least within subgroups/*project centers*) have very similar production system & activities
- ICS introduction not foreseen or not possible due to lack of capacity for complex production and inspection
- Group operator (buyer) runs farmer advisory system and ensures certain basic farm documentation
- Group operator organizes purchase from farmers



“Project Centers” as Inspection Sub-Units

- **Project center is the term used for a homogenous sub-group of farmers, normally from one region or valley. Each farmer is only in one project center**
- **Examples (Chilean projects):**
 - **Winery has project centers with focus on production on certain crops: the wine grapes of a farmer, the animal husbandry etc., not certified.**
 - **Each center being also a distinct site in different regions of Chile.**
 - **The farmers in the different project center are homogenous in relation to size and intensity.** 2 valleys are rather small and simple farms, all have same subsistence inter- and rotation crops ⇒ Project center 1
 - **3rd valley has more intense production with more inputs, many farmers also have conventional fruit production ⇒ Project center 2**



Performance of different groups

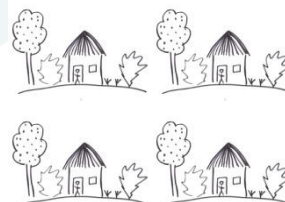
„Classic“ smallholder group with ICS



Organisation

- Documents; operator = group
- OHP for whole group
- ICS and 100% control of farms
- CB inspect small % of farmers

Group of small/medium farmers, no ICS



Organisation

- Documents; operator= group
- OHP for each sub-group (project centre)
- CB inspect 100% of farmers
- Operator control 100% of farmers

Several big farms selling to one trader



Organisation

- Documents; operator= each farm
- every farm by it self
- OHP for each farm
- CB inspect 100% of farms

Documents and Registers



**Certain documents must be kept for each farmer
“farmers list”**



**These records are controlled as part of both the
internal and external inspection process.**



**As far as possible the farmers should be responsible
for keeping their own records but in situations where
they cannot, then the operator should provide the
necessary support (e.g. field officers keep records)**



**The operator has to comply with the task of managing
the complex filing and storing of information with are
from second party and responds to third parties.**

Information in the OHP, required for inspection

Organic Handling Plan GROUP OPERATOR

- Operational overview (on different projects centres)
- Description of extension & quality assistance for farmers
- Group operator is the responsible of the assessment, coordination and implementation at the contracted farmers for organic production of certain products.
- One Summary Assessment (with non-conformities and corrective actions) for entire group (if necessary with sections for specific project centres)

Organic Handling Plan PROJECT CENTRE

- One overview of each project centre
- Contains description of farm production (incl. input list)
- A project centre is a (sub-)group of farmers that basically produces the same products by the same (or very similar) production methods (and inputs)

Note: processing/export activities of group operator are dealt separately (as export activity)

Coordination of a group inspection



The operator has to:

- **Appoint internal inspector/supervisor who visits the farmer: - explains obligations; - visit fields; - farm entrance form; - map; - sign agreement**
- **Provide the Farmer's Checklist(s) with any instructions that may be relevant.**
- **Provide the inspector with the updated farm file and other farm documentation, comments from field advisors that confirm:-Screening of documents; - determine conversion; -status; - enter farmer in farmers list; - overview map; - signed agreement**
- **Deal with the previous year buying summary and actual harvest estimations. Be able to deal with the different (organic) standards achieved by the individual farms.**

Consequences for the integrity and market access of a Group of Farms

To achieve integrity of groups:

- Each farm has to be inspected with a lot of checks, avoiding that documents have slight difference of individual information
- Authority trusts documents only which are consistent for each and every farm
- It is really easier, to be certified as one „project“ with one summary assessment than with different summary assessments
- Prepare a system which guaranties that the verification of farmers meets ALL the requirements outlined in the various organic standards.
- The group operator needs to be the coordinator in his key position, and has to provide personnel for: inspector; field officer; buying officer; warehouse manager; processing manager

Consequences for the integrity and market access of a Group of Farms

To achieve market access for groups:

- **Need of a possibility to reduce costs for inspection through third party CB, resulting in a higher demand by the organisation in charge of the internal quality assurance (ICS) as group operator. This requires high qualified persons and/or software often difficult to achieve for groups.**
- **Huge amount of data to be managed with simple tools (simpler than the ones used by specialised CBs)**
- **It is much easier to access markets under one „project“-certificate and with a defined product range.**
- **A well organized group is a much more interesting supplier for buyers!**



Software as central tool for Farmer Groups (with ICS or with 100% inspection)

	I: Smallholder Group with ICS	II: Small/medium farmer without ICS/ with 100% individual inspection
On site	<ul style="list-style-type: none"> - Guarantee precise information about farms, acreage and other registers - Assure ICS is in place that is capable to deal with the complexity of member information, production, etc. - To deal with production, similar & simple enough to be summarized in ONE Operator profile for each project site 	<ul style="list-style-type: none"> - Guarantee consistency of registers - Assure consistency of complex structures not known to everybody in the control chain - To deal with rather complex production → chances for establishing a sufficiently well working group in those cases where farmers are 'against' organizing in cooperatives
Responsibility	The tool for external group operator of the certified producers, exclusively.	
Documentation	<p style="text-align: center;">Farm extension, keeping documents for farmers, farmers' list management of purchase, contact to certifier</p> <ul style="list-style-type: none"> - Internal inspection - Approval & sanctions - Several formal requirements reg. staff etc. 	<ul style="list-style-type: none"> - Sanctions/dealing with non-conformities during the year - Too many documents for the same information with slight differences in exact information

Software as central tool for Farmer Groups (with ICS or with 100% inspection)

	II: Small/medium farmer without ICS	II: Small/medium farmer without ICS / with 100% inspection
Authorities	<ul style="list-style-type: none"> - Don't like this system, but have confidence in clear and transparent structures - Trust mainly in documents, and need a lot of them - Do not accept inconsistency of information, a software gives clear figures and information 	
Responsibilities of group operator	<ul style="list-style-type: none"> - Help to ensure close farmers' support also when farms have very similar production, but they are high in number - Solution for screening and dealing with sanctions or non-conformities during the year - Helps with the common marketing of the certified produce by the group operator 	<ul style="list-style-type: none"> - Help where operator has limited access to farms and limited influence on production - Solution for providing sample documentation to farms, assistance in keeping documentation: - Back-up where farms are also in charge of their documentation - Gives better possibility for independent marketing of certain farms