International Food and Agribusiness Management Review
Volume 11, Issue 2, 2008

Executive Interview - Kristian Moeller

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Abstract

Throughout history people have been facing risks associated with food. Food scares of the twentieth century have caused consumer panic leading to loss of confidence in the safety of the food chain. Many public and private initiatives in the form of food quality certification schemes have evolved to restore confidence. One such private initiative is the GLOBALGAP (former EUREPGAP). This executive interview discusses the role of GLOBALGAP in food certification with Dr. Kristian Moeller who is the Managing Director for GLOBALGAP. This discussion took place during IAMA's 17th Annual World Forum and Symposium in Parma, Italy on June 25, 2007.

Keywords: EUREPGAP, GLOBALGAP, food safety, good agricultural practice, farm assurance. transmission rather than from incentive based contractual arrangements.

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Introduction

According to Innovative Relay Centre (IRC), food quality and safety are two parallel concepts that have become the subject of many research projects within the food industry. In developed countries where the supply of food is not an issue, modern day consumers are worried whether food is truly healthy, or has sufficient nutritious and organoleptic properties - essentially food quality and safety. The IRC states that in addition to being common sense, it is a legal requirement that food products for human or animal consumption are safe. However, although marketed products must first and foremost be safe, different qualities and presentations between products in the same category do exist.

According to (IRC), there are control measures to ensure marketed food is safe and free from pollutants that could pose a health threat. Food quality measures have been instituted in relation to geographic characteristics such as the *Denomination of Origin* and *Protected Geographic Indication*. There are also various food quality standards relating to composition and production for example in extra virgin olive oil or eau-de-vie oil.

Control measures are applied to ensure food state and characteristics are 100% safe, these include the *Good Agricultural Practices* and *Hazard Analysis and Critical Control Points (HACCP)*. The most significant measure, however, is that of traceability, the ability to trace the history, application, or location of a product at every point in the food chain. In 2005 a European Regulation was passed stating all food products must have an information label displaying their traceability, i.e. the entire process, from origin to consumer hands. With the food crises that have arisen in recent years this label has become even more important. As a result many food quality and safety systems have emerged within the EU with 106 in Europe alone (Innovation Relay Centres Network, 2007).

Biographical Profile

Kristian Moeller hails from northern Germany where he grew up a son of a farmer. Agriculture is something in his blood and has given him a passion, clarity and depth which are apparent when he discusses the issues surrounding his work with GLOBALGAP, Integrated Farm Assurance, and Benchmarking.

Dr. Moeller received his undergraduate in Agribusiness Education at Universität Paderborn in Germany and proceeded to earn a master's degree in Agricultural Economics and Agribusiness Management at Purdue University, Indiana, U.S.A. He completed his PhD at Kiel University in Germany. He spent one year in basic agricultural training on farms in both Germany and in the United Kingdom.

His professional experiences include managing some European projects (1996-1998) and serving as a Senior Consultant-Quality Assurance (1999-2000) at the EHI-EuroHandelsinstitut, Cologne, Germany. His areas of special interest include food, fresh produce, meat and dairy products. Since 1997 he has been the Secretary of the EUREP and since 2001 he has been the Managing Director of the FoodPLUS GmbH.

EUREPGAP/GLOBALGAP and FoodPLUS GmbH

In the 1990's, the agricultural sector faced increasing concern from consumers, NGOs and governments about food safety and environmental issues related to food production (Pakistan Horticulture Development & Export Board, 2007). According to Dr. Moeller the idea of EUREPGAP began around 1996. He says the aim was to agree on the development of harmonized Good Agricultural Practices and Certification.

Several leading European supermarkets responded to this concern in 1997 with the development of the Euro-Retailer Produce Working Group (EUREP). This working group of the major European retailers developed a framework for Good Agricultural Practice (GAP) for overseas products. The objective of this framework, which is now widely known as the EUREPGAP standard, was to increase food safety by the promotion of sound agricultural production methods based on international standards.

Step-by-step the initiative developed into an equal partnership of growers of agricultural produce and their trading partners. In September 2007, EUREPGAP announced they were changing their name and logo to GLOBALGAP. Today, there are about 80,000 GLOBALGAP certified farms in more than 80 countries and 270 member organizations. Retailers, producers, suppliers and supporting members from the agricultural services sector, comprise the organization. Their aim is to develop internationally accepted standards and procedures to certify Good Agricultural Practices (GAP). These standards are accessible to the public from the online resources of the GLOBALGAP. Worldwide, GLOBALGAP aims to integrate, harmonize and make as many existing agricultural standards as transparent as possible (Transparent Goods, 2006).

According to Dr. Moeller, the purpose for creating this structure was to minimize quality assurance issues like agrochemical residue minimization in horticultural crops, beef labeling after the BSE scare, and moving towards a unified standard, ensuring safety of imports from outside Europe. So with the vision of 'global partnership for good agricultural practice', GLOBALGAP seeks to respond to consumer concerns on food safety, environmental protection, worker health, safety and welfare and animal welfare by encouraging adoption of commercially viable farm assurance schemes.

This vision of a global partnership would promote the minimization of agrochemical and medicinal inputs, within Europe and worldwide and develop a Good Agricultural Practice (GAP) framework for benchmarking existing assurance schemes and standards including traceability. It would help provide guidance for continuous improvement and the development and understanding of best practices and establish a single, recognized framework for independent verification; communicating and consulting openly with consumers and key partners, including producers, exporters and importers.

GLOBALGAP is a private sector body that sets out voluntary standards for the certification of agricultural and aquaculture products around the globe. Dr. Moeller mentioned that in countries where government intervention is stronger, it becomes a public-private partnership kind of arrangement. Such countries will include inter alia China and Malaysia in Asia. It is a global scheme and a reference for Good Agricultural Practice (GAP), which is managed by the GLOBALGAP Secretariat. The FoodPLUS GmbH, a non-profit industry owned and governed organization, legally represents the GLOBALGAP Secretariat. According to Dr. Moeller. GLOBALGAP is 50/50 governed by agricultural producers and retailers through a supply chain partnership that want to establish certification standards and procedures for Good Agricultural Practices (GAP).

GLOBALGAP provides the standards and framework for independent, recognized third party certification of farm production processes based on EN45011 or ISO/IEC Guide 65. This is the certification of the production process – cropping, growing, rearing, or producing - of certified products ensures that only those that reach a certain level of compliance with established GAP set out in the GLOBALGAP normative documents are certified.

Good Agricultural Practice (GAP)

According to Food and Agriculture Organization (FAO) (2003), the concept of Good Agricultural Practices (GAP) has evolved in recent years in the context of a rapidly changing and globalizing food economy and as a result of the concerns and commitments of a wide range of stakeholders about food production and security, food safety and quality, and the environmental sustainability of agriculture. GAP applies recommendations and available knowledge to addressing environmental, economic and social sustainability for on-farm production and post-production processes resulting in safe and healthy food and non-food agricultural products. This, according to Dr. Moeller is exactly what GLOBALGAP is helping primary agricultural producers around the world to achieve.

Integrated Farm Assurance

The GLOBALGAP Integrated Farm Assurance standard is a pre-farm gate standard that covers the whole agricultural production process of the certified

product. It starts before the plant is in the ground (origin and propagation material control points) or when the animal enters the production process to non-processed end product (no processing, manufacturing or slaughtering is covered). The objective of GLOBALGAP certification is to form part of the verification of Good Agricultural Practices along the whole production chain. Moeller says that since GLOBALGAP is a business-to-business tool, it is therefore not directly visible to the final consumer. He stresses that GLOBALGAP is not another 'consumer label.' According to the GLOBALGAP, consumers do want to be sure that their food is being produced safely, environmentally friendly, and that the welfare of both animals and humans are in no way compromised. All product offered to the consumer should at least comply with certain requirements that are implicit and taken for granted by the consumer (GLOBALGAP, 2007).

GLOBALGAP recently launched its third version of its Good Agricultural Practice standard. This comes after two years of intensive stakeholder discussions with more than 500 experts ranging from producers, traders, retailers, governmental and non-governmental organizations from 56 countries who provided proposals, comments and suggestions for the new version.

In a major step forward GLOBALGAP harmonized its criteria for food safety, environmental and worker protection across major product areas. There is now one GAP standard integrating common elements from each sector, with major product areas being served by specific industry modules such as fruits and vegetables, combinable crops or Salmon. The new structure can be seen in figure 1 below (GLOBALGAP, 2007).

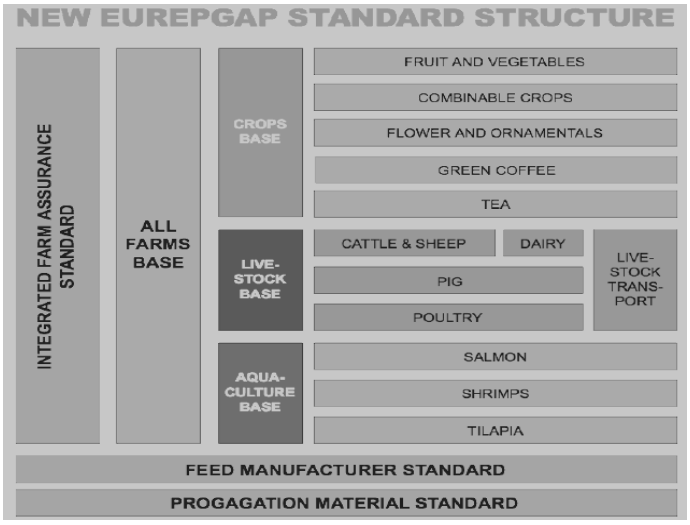

Figure 1. New GLOBALGAP Standard
Source: GLOBALGAP(2007)

Feedback from nearly 10 years of working with the standard have been incorporated into the newest version making it more relevant to today's concerns

and advanced production techniques. Dr. Moeller says, that in the crop scopes, integrated crop management (ICM) has a stronger emphasis in the 2007 version, with a focus on showing commitment to integrated pest management (IPM) practices such as prevention, observation and monitoring and the use of responsible crop protection intervention strategies.

Certification Process and Options

Certification according to Mewisses et al. as cited by Theuvsen and Gawron (2007), is the (voluntary) assessment and approval by an (accredited) party on an accredited) standard. Neutral and independent third-party audits by a certifying party with the aim of assessing the compliance of a certifiable party—a farm or a firm—with a standard typically laid down in a systems handbook, are at the heart of certification procedures. Firms successfully passing the audit procedure receive a certificate that can be used as a quality signal in the market to reduce the quality uncertainty of buyers and, thereby, lower transaction costs Luning et al. as cited by Jahn et al. (2004).

According to Moeller, GLOBALGAP makes use independent third party auditing by about 130 approved organizations which are licensed by the GLOBALGAP. These organizations will use standards published by the GLOBALGAP to carry out their audits. They report to the GLOBALGAP about the conformity of audited farmers to the standards. The GLOBALGAP then issues farmers with audit certificates which should be renewed annually.

GLOBALGAP offers four options (Table 1) to producers who seek to obtain certification under the standard. Under Option 1, an individual farmer applies for certification. The farmer must carry out an internal self inspection and undergo an external inspection by a certification body, which is a certification enterprise accredited by GLOBALGAP. Under Option 2, a group of farmers applies for a group certificate. Farmers must establish an internal management and control system perform individual self inspections and group internal inspections before receiving an external verification by a certification body. Under Options 3 and 4, individual farmers or farmer groups that have already implemented another standard can apply for a GLOBALGAP benchmarked scheme certificate (GLOBALGAP, 2007).

Table 1. EUREP GAP Certification Options

GLOBALGAP Certification Options	
Option 1 Individual Certification GLOBALGAP	**Potion 2** Group Certification GLOBALGAP
Option 3 Individual Certification Benchmarked Schemes	**Option 4** Group Certification Benchmarked Schemes

Source: GLOBALGAP(2007)

According to the European Commission's 2006 report on Private Food Standards and their Impacts on Developing Countries, in order to acquire EUREPGAP certification, the grower or group of growers must apply to a recognized certifying body for a certification audit. The certifying bodies carry out the initial certification and annual verification audits of farms wishing to become producer members of EUREPGAP. A total of 214 control points is divided into 49 Major Musts, 99 Minor Musts and 66 Recommendations. These controls points include specific requirements in relation to site management, varieties and rootstocks, soil management, fertilizer usage, irrigation, crop protection as well as waste and pollution management. Stipulations with regard to worker health and welfare as well as wildlife conservation are also covered. The successful grower is issued with a certificate valid for one year. If a grower cannot fulfill a 18 "major must", its certificate will be temporary suspended. When less than 95% of the "minor musts" is fulfilled, the certificate will also be temporary suspended. The suspension period has a maximum of six months. After this period, and without fulfillment of the requirements, the certificate will be terminated.

Small-scale farmers, international trade and developing economies

The Pesticides Action Network-United Kingdom (PAN-UK), 2006, argues that the European Union (EU) regulatory requirements exert an increasing influence on the production of fresh produce for export in countries from the Sub-Saharan Africa. They state that besides regulations on pesticides, new regulations on market grade standards, traceability and general hygiene of foodstuffs have been introduced since 2001. They argue that it appears that private sector standards, notably the GLOBALGAP protocol for fresh fruit and vegetable production, are having more impact at individual enterprise and produce sector levels.

Dr. Moeller notes that GLOBALGAP is not a barrier to trade for the developing countries. He mentions that GLOBALGAP is sensitive to the needs of small-scale framers not only in Africa and other developing countries but also in developed countries because concerns of the small-scale farmers are the same across the board especially with regard to costs of certification. He said this then is not a development issue but a structural issue. GLOBALGAP has even appointed an Ambassador for Smallholders in Africa: The expert Dr. Johannes Kern, is not only looking after Africa but has the responsibility for the developing countries in general.

According to Moeller, there are options that small-scale farmers can consider like group certification in instances where small-scale farmers have faced a challenge of setting up a particular infrastructure, they could outsource an activity like the storage of pesticides to a central unit. According to Dr. Moeller, national chapters of the GAP, so called National Technical Working Groups, can be established as it has happened in countries like The Netherlands, France, Italy, Argentina or Thailand.

These help to ensure the adaptation of the GAP to local standards while still meeting international requirements. In that way they are able to work with a system that has been adapted and is well understood locally.

Benchmarking and Harmonization

Dr. Moeller acknowledges the existence of many certification standards some of which existed before the establishment of the GLOBALGAP. With numerous numbers of standards on the markets, there is a possibility of duplication of standards and audits with increased costs on the side of the producer. GLOBALGAP works towards harmonizing the standards and recognizes other standards as equivalent. The benchmarked standards include KenyaGAP, MexicoGAP, New ZealandGAP, and ChileGAP. Harmonization is a holistic approach that does not only look at food safety but also incorporates social and environmental issues. Dr Moeller mentioned that more specific issues like organic, fair trade and social responsibility are considered by most retailers as just add-ons to the GLOBALGAP which they accept as the minimum standard. He mentioned that GLOBALGAP's relationship with other standards is complimentary especially those who extend their scope beyond the farm gate. He stated that these directly communicate with the consumer and compete with each other in the market, which in a way can be an advantage to the consumer because competition will regulate costs and make them to be cost-effective.

Conclusion

Although GLOBALGAP has not been around long, Glassheim and Nagel (2006) of the Northern Great Plan Inc, see it as the fastest growing private protocol, third party certification organization. They note that although it started as a retail industry group, it has broadened its governing membership, has begun to move into high tech, data and internet products to facilitate worldwide record keeping and pinpointing field locations, in case rapid product recalls are required. Glassheim and Nagel (2006) further assert that GLOBALGAP has consolidated its leadership and is aggressively expanding its activities well beyond Europe resulting in the formation of national chapters of the GLOBALGAP like ChinaGAP, ChileGAP, KenyaGAP to name but few. It does not appear that any other private or public body has won as large a share of the global harmonization market as GLOBALGAP.

Dr, Moeller concludes by pinpointing a few reasons why GLOBALGAP is worth considering. For primary producers, GLOBALGAP contributes to sustainable agricultural production on the global level. The system helps to improve the management of the farm as farmers strive to adhere to higher standards of GAP. There is always value added for the products farmers produce, this global certification system builds integrity for the farmers when they are GLOBALGAP-certified, where otherwise small-scale farmers would struggle to access

international markets. As a member of GLOBALGAP, it is easy for their produce to be accepted in international markets especially produce from developing countries coming into the EU. The GLOBALGAP system harmonizes core buyer requirements and provide the cost-effective solution for the whole industry.

In an environment where consumers are skeptical and extra-vigilant of what they eat, the continued growth of GLOBALGAP will restore the trust and confidence of the consumers to agri-food supply chains to deliver safe food that is certified by an organization with credibility and global presence and acceptance. This will also ensure access to world markets by small-scale farmers especially those from developing worlds.

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