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Adoption of Food Safety and Quality Standards among Chilean Raspberry Producers – Do Smallholders Benefit?

CHRISTINA HANDSCHUCH¹, MEIKE WOLLNI¹, PABLO VILLALOBOS²

¹*Georg-August Universität Göttingen, Department of Agricultural Economics and Rural Development, Germany*

²*University of Talca, Department of Agricultural Economics, Chile*

Abstract

Higher international trade volumes and increasing consumer concerns have led to an increasing importance of food safety and quality standards in recent years. While the compliance with standards might entail benefits such as better market access or higher incomes for smallholders, non-compliance can lead to an exclusion from important markets. High initial investments that need to be made to fulfil the requirements of standards, certification costs, and managerial skills can be a barrier for small-scale farmers, who often lack access to credits and training. The present study aims to identify the factors that influence the implementation of US GAP and Chile GAP standards and the impact on farm management and income. For this purpose, survey data from 57 certified and 169 non-certified Chilean smallholder raspberry farmers are analysed using descriptive statistics and econometric analyses.

Based on statistical tests, it is shown that credits and trainings are important prerequisites for a certification. Certified farmers have better quality management and higher yields on the average. Product quality is positively influenced by a certification. Although there is no price premium on the average for certified raspberries, overall, certified farmers perform better in terms of raspberry income.

Results from a probit regression model show that larger farms are more likely to obtain a certification. Further factors which positively influence the adoption of a certification include education, family labour endowment, and membership in a farmer's association. We find no selection bias with respect to certified and non-certified farmers' performance. Consequently, we estimate two linear regression models that confirm the positive effect of certification on product quality and of product quality on raspberry income.

Based on the results, we conclude that certified farmers mostly benefit from the quality and yield-enhancing effects of training and standard implementation, whereas the certification of raspberries is not associated with premium prices. As long as price premiums are absent and certification is not mandatory, implementing standards rather than certification should be the focus of policy makers. Should a certification become an asset or even a prerequisite on the export market, the smallest farms are threatened by market exclusion.

Keywords: Certification, Chile, food safety, quality standards, raspberry export, small-scale farmers