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Factors Determining Farmer Satisfaction with the Organic Certification Process in Chile

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Abstract

Certification schemes currently play a key role as quality assurance instruments in the food industry. This is particularly important in organic production, as this is a process-oriented attribute that can not be verified at the end product level, and inspections normally carried out by independent bodies (third -party certification) are required to control for fraud in the whole organic supply chain. Farmers may benefit from the use of organic certification, especially those from developing countries, but also perceive negative effects of adopting such a scheme. In other words, organic certification may not always meet farmers' expectation with detrimental consequences on farmers' satisfaction. Dissatisfaction with the organic certification system may encourage farmers to change the current certification body or shift to conventional agricultural practices with implications for the private and public sector. Under these circumstances it seems to be reasonable to assess the farmers' satisfaction with the certification system. Therefore, we develop and analyse a structural equation model using data collected through face to face interviews in the Ñuble and Curicó provinces of Chile. In total, 60 organic farmers were surveyed on their perceptions about organic certification. The findings show that the majority of the organic farmers are satisfied with the organic certification. We also observe that the perceived benefit in terms of farm income has a positive effect on and is a significant predictor of farmers' satisfaction. As we expected, bureaucratic aspects influence significantly and negatively farmers' satisfaction, which indicates the need to simplify the bureaucratic procedure to obtain the organic certification approval. Surprisingly, the perceived reliability of the organic certification has no significant impact on satisfaction. In the same way, neither the reputation of the inspector nor the certification body determine the perceived reliability of the organic control scheme. In this case, external sources of monitoring and the perceived risk in the organic sector play a major role. Based on the results of this study we develop recommendations for the public and private sector.

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