
CERTIFICATION GUIDE FOR EXPORTERS



*Understanding the
Advantages &
Disadvantages of
CERTIFICATION*

WEST AFRICA TRADE HUB TECHNICAL REPORT #30

SEPTEMBER 2009

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CERTIFICATION FOR EXPORTERS

UNDERSTANDING THE ADVANTAGES AND DISADVANTAGES OF CERTIFICATION

Trade Hub Technical Report No. 30

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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Introduction

Increasingly, consumers are only willing to buy- even at higher prices - products produced in environmentally and socially responsible ways. There are numerous certifications that create consumer confidence by verifying that a product was produced in a way that was environmentally friendly and socially responsible. It is the wave of the future for international products from cosmetics to handcrafts to food. The USAID West Africa Trade Hub invites you to learn more and get on board.

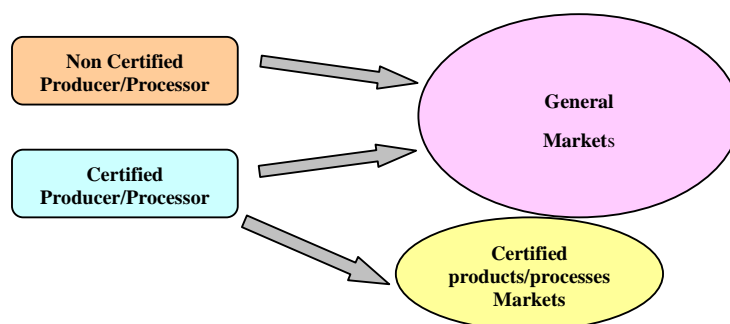
What is certification?

Certification is the process by which an authorized body evaluates and recognizes a product as meeting a set of requirements or criteria.

Over the years, world bodies have streamlined the concept of certification and have set internationally accepted principles and processes for certifying products. A set of clearly defined principles guides the awarding of every type of certification. For example, if a company wants its product to be certified as fair trade there are fair trade standards (for hired labor and small farmers) which act as guiding principles.

Certifications can boost product appeal and acceptability to consumers and also create more opportunities for higher premiums on certified products. Certification can be used as a marketing tool where consumer trends for environmental sustainability or social responsibility drive demand e.g. organic and fair-trade certification.

Producers decide whether to obtain certification based on their management, investment and marketing strategies. Certification offers producers certain advantages. Certified producers get access to markets for certified goods that non certified markets may not have access to.



Certifications are usually done by a third party certifying service. Labels on certified products indicate the type of certification awarded.

Should I have my company and/or its products certified?

Certification can expand the market for a product but it is not always the best option. A company should carefully analyze the costs and benefits of certification before getting into it. Certification can be very expensive.

How much does certification cost?

The costs to certify a company and/or its products vary considerably according to a variety of factors. The table below offers a range of costs for selected types of certification. Contact a certification agency (many are listed in this document) to obtain precise costs. There are also grants available to cover certification costs.

Type of certification	Cost range
Organic certification	\$US 8,000 to \$US 10,000
Fair trade certification	\$US \$200 to \$US 4,000
WRAP	\$US 6,000 to \$US 7,000
GlobalGap	\$US 200 for members, \$US 600 for non-members, plus cost of air travel, accommodation for site visit

What are the advantages and disadvantages of certification?

The table below summarizes the key advantages and disadvantages of certification.

Advantages of certification	Disadvantages
<ul style="list-style-type: none"> • Certification increases reliability and credibility of products by reducing uncertainty and provides an objective evaluation of the product's attributes • It helps improve the livelihoods of producers and helps producers to effectively compete in international trade • It helps to protect the environment and endangered species • It allows for traceability of raw materials and supply chains and also assures that products comply with laws in other countries 	<ul style="list-style-type: none"> • Filling out necessary paperwork and the actual auditing process is time consuming • Certification can be expensive

What are the different types of certification?

The table below summarizes the different types of certification discussed in this guide and the sectors in which these types of certification apply.

	Handcrafts	Shea	Cashew	Specialty foods	Apparel	Fish & sea food
Fair Trade						
Organic						
ISO certification						
HACCP Plan						
GLOABALGAP						
REACH						
Greentick						
BRC (Food Safety)						
Bird Friendly						
Cashew Concern						
Halal						
Kosher						
WRAP						

Certification today comes in many shapes and sizes, but they all address issues of concern to consumers. The most common types of certification appear in the list below beginning with the most widely known and roughly in decreasing order of popularity. More recent issues that have not yet led to the implementation of formal certification procedures are included at the end. More detailed explanations for selected certification bodies appear later in this document. More information is also available at:

http://www.med.govt.nz/templates/EcolabelAlphabeticListing_40254.aspx

http://www.fairmatchsupport.nl/documents_certification_systems.php

- **Fair trade certification**

There are several types of fair trade certification. All are designed to allow people to identify products that meet agreed environmental, labor and developmental standards, and provide a guaranteed minimum price to producers as well as a premium. Producers must comply with standards developed by the certifier that generally prove that business is being conducted in a socially responsible manner, promotes economic development beneficial to producers and does not harm the environment. Some standards are internally generated by buyers (e.g. The Body Shop) but the most widely used certifications are developed and evaluated by third party organizations.

- **Organic certification**

Organic agriculture emphasizes soil fertility and biological activity while avoiding the use of non renewable resources, synthetic fertilizers and pesticides, in order to protect the environment and human health. To be certified organic, products must be produced in accordance with organic production and processing standards and certified by a duly constituted certification body or authority.

- **Quality management certification**

ISO 9000 is a family of standards for quality management systems. ISO 9000 is maintained by ISO – the International Organization for Standardization – and is administered by accreditation and certification bodies. ISO 9001, which is one of the

standards in the ISO 9000 family, includes a set of procedures that cover all key processes in business monitoring to ensure they are effective.

- **HACCP**

Hazard Analysis and Critical Control Point (HACCP) is a tool to control food hygiene and ensure food safety. HACCP systems are being used in the food sector and are applicable to companies that process, treat, pack, transport, and distribute foodstuffs. Food safety is a legal requirement for the import of all foodstuffs, and HACCP is one of the few systems that guarantee this.

<http://www.fda.gov/Food/FoodSafety/HazardAnalysisCriticalControlPointsHACCP/default.htm>

- **GLOBALGAP (formerly EUREPGAP)**

Established by European retailers to define the elements of good agricultural practices (GAP), this certification addresses areas such as Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), Hazard Analysis and Critical Control Points (HACCP), worker health, safety, welfare and environmental pollution and conservation management. www.globalgap.org

- **REACH**

REACH (Registration, Evaluation and Authorization of Chemicals), is aimed at ensuring a high level of protection of health and the environment as well as enhancing innovation of green chemicals. REACH's goals are to improve the protection of human health and the environment from the risks that can be posed by chemicals, enhance the competitiveness of the European Union's chemicals industry, a key sector for the economy of the EU, promote alternative methods for the assessment of hazards of substances, and ensure the free circulation of substances in the EU.

- **GreenTick certification**

GreenTick certification proves to markets and consumers that a company's claims of sustainability have been independently tested and shown to be genuine. In this way, GreenTick assures consumers that the products they are buying have been manufactured in a genuinely sustainable manner. GreenTick brands include products

certified as sustainable, climate-friendly, genetically engineering-free, organic, natural and/or fair trade.

- **BRC**

The British Retail Consortium (BRC) is a UK trade association representing a broad range of retailers that sell a wide selection of products. The BRC Global Standards is an inspection protocol used by British retailers. In addition to the aspects related to environment, process and personnel, BRC integrates HACCP principles for analyzing and mastering hygiene hazards concerning food products. www.brc.org.uk

CERTIFICATIONS RELATED TO SPECIFIC CONCERNS OF CONSUMERS

- **Bird Friendly certification**

Bird Friendly Coffee certification was created by avian enthusiasts at the Smithsonian Institute, and aims to certify coffee farms that have enough shade cover, species diversity and natural resources to support a healthy migratory bird community.

- **Cashew Concern certification**

The Cashew Concern certification takes the best of different certification and compliance programs and puts them into one for the cashew nut industry. Cashew Concern certification offers clients an all in one compliance and tracking program as well as a marketing tool to obtain a premium price, guaranteeing the consumer that proactive steps have been taken to ensure a safe and labor-friendly product.

- **Dolphin Friendly certification**

Dolphin friendly certification assures consumers that the tuna they are purchasing has been caught using methods that do not involve the deliberate hunting, capture and subsequent death of dolphins.

- **Halal certification**

All foods and ingredients which are lawful to consume according to Islamic dietary laws are called *Halal* (for example, fruits, vegetables, meat and fish). *Halal*

Certification is recognition that the products are permissible under Islamic law. Many Muslim countries require that all food products and ingredients exported to their countries be *Halal* certified.

- **Kosher certification**

Kosher Certification indicates that a product has been prepared according to Jewish dietary laws. Observant Jews generally will only eat permitted foods and this is where *kosher* certification becomes relevant.

- **WRAP**

The **WRAP** apparel certification program certifies individual factories for compliance with WRAP's principles and procedures concerning fair pay, workers' dignity, safety, security, and environmental impact. It also provides various training programs to educate workers, factory managers, government inspectors and others about issues related to global supply chains and their workers. www.wrapapparel.org

NEW AREAS OF INTEREST FOR CERTIFICATION

Some issues of concern to consumers do not involve a formal "certification" process – yet. Nevertheless, they are of significant importance to importers and exporters to the U.S. market.

- **Customs Trade Partnership Against Terrorism**

Customs-Trade Partnership Against Terrorism (C-TPAT) is a voluntary supply chain security program led by U.S. Customs and Border Protection (CBP) and focused on improving the security of private companies' supply chains with respect to terrorism. http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/what_ctpat/ctpat_overview.xml

- **Lead safety**

Testing for lead in products has become increasingly important, particularly products destined for use by children. Many countries are now requiring imported products to be tested before entering the country. Lead exposure in children has been linked to lower IQs and developmental delays and to some extent harms the reproductive

system. In some countries, like the United States, laws are in place to ensure consumer safety through lead testing. Modern concerns over serious health issues regarding absorption of various materials by children especially, has led to severe regulatory laws. For more information visit <http://www.cpsc.gov/about/cpsia/cpsia.html>

What are the objectives of selected certification schemes, what steps do they involve, what agencies provide services and what are the advantages and disadvantages?

FAIR TRADE

There are several certification systems that use the term fair trade but differ in the standards they apply, the products they apply them to, and the recognition the awarded certification carries. In general, fair trade aims to build dignified trading relationships between consumers in developed countries and producers in developing countries. This involves changing the way that international trade works, so that producers are guaranteed a minimum price for their goods, obtain the security of long term trading contracts, benefit from guaranteed minimum health and safety conditions, do not suffer exploitation and receive education and training opportunities.. Each of the fair trade certifications has a different set of standards that organizations must comply with before they can be certified. The standards seek to support the development of disadvantaged and marginalized small-scale farmers and producers. Fair trade standards relate to three areas of sustainable development which are economic development, environmental development and social development.

Within Fair Trade, there are two types of certification:

Product Certification

To obtain Fair Trade certification for products, companies must fulfill four expectations:

1. Pay producers of raw materials or goods at least enough to cover the costs of sustainable production (the Fairtrade Minimum Price)
2. Pay a premium that producers can invest in development (the Fairtrade Premium)

Fair Trade: The Global Mamas experience (Handcrafts)

Global Mamas is a network of 400 women in Ghana, West Africa, who produce apparel, jewelry, accessories and home décor products for customers in North America and Europe. The company has been operating for five years and has assisted these women in various ways. Global Mamas has fair trade certifications from the Fair Trade Federation and IFAT (now World Fair Trade Organizations). The company has been certified for three years and has been enjoying the benefits of fair trade. Certification benefits Global Mamas by allowing it to sell its products to many more customers. Their customers require Global Mamas to have certification in order to do business. The certification also informs its customers that ideally they share the same principles. The company's certification process included completing applications (both certifying bodies have their applications online), getting audited by the certifier and then paying a fee.



3. Partially pay in advance when producers ask for it

4. Execute contracts that allow for long-term planning and sustainable production practices.

Some fair trade standards also have environmental requirements. Fair trade certification systems cover a growing range of products, from commodities, processed foods, beverages, fruits and vegetables to handcrafts. Fair trade is different from other ethical trading schemes because it provides producers a Fair trade Minimum Price (a guaranteed price that covers the cost of sustainable production and is always the minimum price paid to producers but rises if market prices are higher) and a Fair trade Premium (a separate payment designated for social and economic development in producing communities; producers or workers themselves decide how to use these funds). According to certifiers, the fair trade premium and the fair trade minimum price do not necessarily significantly increase the end price consumers pay for a product. Other factors also affect the price structure of fair trade products, such as the size of the producing country's economy and the quality of the product.

Membership Organizations

The [World Fair Trade Organization](#) (formerly IFAT) and the [Fair Trade Federation](#) (FTF) evaluate organizations for their commitment to fair trade principles.

The World Fair Trade Organization is developing the Sustainable Fair Trade Management System (SFTMS) that originally targeted marginalized artisan cooperatives, groups and businesses in order to certify them as Fair Trade. The SFTMS Standard is now in its second draft, and stakeholder consultations are currently taking place. You can read the [SFTMS Draft Standard](#) to learn more about how to participate.

Certification steps

The basic steps to certification are outlined below.

- Decide on which organization to use and research the organization. Consider cost, standards, and market advantage in your decision. Some organizations may provide grants to help pay certification costs.
- Order the standards and accompanying documents from the selected certifying agent and learn about the various criteria and issues associated with the certification option.
- Complete a quotation form and provide the certifying body with a commodity chain description.
- Complete the pre-evaluation form and prepare for the inspection. The pre-evaluation may require submission of several documents to determine if your organization is eligible for the certification.
- Evaluation and inspection is done by the certifying agent. An audit report is processed and a certificate issued once you qualify.

Certifying agents

- Cooperation of Fair Trade in Africa (www.cofta.org)
- Ecocert (www.ecocert.com)
- Fair Trade Labeling Organizations (www.fairtrade.net)
- Institute for Market Ecology (www.imo.ch)
- Transfair (www.tranfairusa.org) (www.transfair.ca)

(Please note: this list is not exhaustive.)

The table below presents the key advantages and disadvantages of fair trade certification.

Advantages of fair trade certification	Disadvantages
<ul style="list-style-type: none"> • Fair trade schemes set a price for products which buyers must pay even when the market price is lower, reducing the effect of price fluctuations on producers and ensuring a stable income • Buyers also pay premiums to the producers or organizations which can be used for investments or to expand the business but most often for community based projects • Helps producers to improve their livelihoods by capturing a greater percentage of the profits from the sale of their products • Helps producers organize and build capacity to have a stronger position in trading relationships • Raises awareness among consumers about development and ethical trade issues • Creates pressure to change trade policies in favor of poor countries 	<ul style="list-style-type: none"> • Certification costs tend to be high in some cases • The length of time it takes to complete the paperwork and process • Proof of compliance as well as requirements are often complicated • Can increase the product price beyond what consumers are willing to pay • High fixed prices can discourage larger volume purchasing that can result in fair trade staying in a small niche level of production

ORGANIC CERTIFICATION

Organic farming maximizes the use of farm resources by emphasizing soil fertility and biological activities while minimizing the use of synthetic fertilizers and pesticides. The aim is to protect the environment as well as human health. There is a growing demand for organically certified products. Being able to put the word "organic" on a food product is a valuable marketing advantage in today's consumer market. Certification also protects consumers from misuse of the term, making buying organic products easy. In some countries, organic standards are formulated and legislated and their use is regulated by the government. In countries without such laws, government guidelines may or may not exist, and certification is often handled by non-profit organizations and private companies. In the United States, products made entirely with certified organic ingredients

Organic Certification: The OLAM Experience

OLAM is a leading global supply chain manager of agricultural products and food ingredients. Its distinctive position is based both on the strength of its origination capability and its strong position in the destination markets worldwide. The company manages each activity in the supply chain from origination to processing, logistics, marketing and distribution. This complete integration allows OLAM to add value and manage risk along the entire supply chain. OLAM is a supplier to many of the world's most prominent brands, and has a reputation as the "brand behind the brands.". The company is committed to providing employment, supporting the community and protecting the environment in every country in which it operates. OLAM's experience with organic certification has been mixed. The firm sometimes faces difficulties with receiving premiums for organic sales. This is because the organic market for cashews is restricted to certain grades of cashew. The market generally requires a container of one grade of cashew which is sometimes difficult to deliver, the reason being that small scale producers cannot deliver the volumes required for a single grade of cashew – they can only provide a container with mixed grades. Because it is difficult to trace raw cashews currently, it is difficult to receive premiums for traceability. Small scale processors that are fair trade and organically certified could potentially benefit when they work in cooperatives and produce traceable cashews; then, importers will be more likely to pay premiums.



and methods can be labeled "100% organic" and products with 95% organic ingredients can use the word "organic." Both may also display the U.S. Department of Agriculture's organic seal. A third category – products containing a minimum of 70% organic ingredients – can be labeled "made with organic ingredients." In addition, products may also include the logo of the certification body that approved them. Products made with less than 70% organic ingredients cannot advertise this information to consumers and can only mention this fact in the product's ingredient statement. Standards for organic food production and labeling in the EU are laid down in Council Regulation (EEC) 2092/91. This regulation and subsequent amendments establish the main principles for organic production at the farm level and the rules that must be followed for the processing, sale and import of organic products from third (non-EU) countries. The EU imposes similar percentages and labeling requirements to the U.S. Internationally, negotiations are underway to harmonize certification between countries, facilitating international trade.

Certification steps

The basic steps are outlined below but there may be slight differences depending on the certifier used.

- Identify a suitable certifier
- Submit an application
- The certifier reviews the organic farm plan application to be certain that it is complete and that the operation appears able to comply with organic standards
- On-farm inspection is conducted
- The organic farm plan application and inspection

report is reviewed by an individual or certification committee with expertise in organic farming and certification standards

Certifying Agents

- Agri Food (www.agrifoodcert.com)
- Australian certified organic BDOCA (<http://www.bdoqa.co.za>)
- Bio (www.bio-siegel.de)
- Eco-cert (www.ecocert.com)
- IMO (www.imo.ch)
- Lacon (www.laconindia.com)
- QAI (www.qai-inc.com)
- Soil Association (www.soilassociation.org)

(Please note that this list is not exhaustive.)

The table below presents the key advantages and disadvantages of organic certification.

Advantages of organic certification	Disadvantages
<ul style="list-style-type: none">• The potential of receiving a premium price for your product helps to improve the quality of life and incomes of producers• Strong growth in market demand for organic products gives assurance for organic production• Research studies show added health benefits of organic food• Leads to improved soil and water quality through enhanced management and reduction of synthetic chemicals leading to protection of the environment• Leads to reduced handling of potentially hazardous and expensive agricultural chemicals• Increased profits due to reduced off-farm inputs• Yearly documentation of production activities provides a historical reference and contributes to the development of effective farm plans.	<ul style="list-style-type: none">• There is the risk that the organic market may become oversupplied which may decrease the price premium.

Organic Cosmetics

In Europe and the United States, organic certification is an important trend in the cosmetic industry. In market forecasts by IFOAM, a market research organization that specializes in organic products, the European market for organic cosmetics in 2008 was worth € 800 million. Mintel Global New Products Database (GNPD) reports that the market has increased 53% in the number of new organic and/or all-natural product launches in the past two years – from 554 in 2005 to 846 in 2007. In fact, by 2010 it is expected that the market for organic cosmetics will rise to 10% of the entire cosmetics market. It is important to mention that this 10% is marketed to higher end consumers, and that potential revenues from this side of the spectrum can be significantly higher than non-organic cosmetics. In the United States, sales of organic goods have been consistently rising, too. Many large buyers are sourcing organic products because they anticipate consumers' preference for them. Consumers are willing to pay a premium for organic products in the cosmetic industry. Unlike *Kosher* and *halal* certification which are based on religious/cultural preferences, or lead testing which is related to safety issues, organic relates to the philosophy surrounding the production process and reflects a concern among consumers that a product has been produced in a way that is environmentally sustainable. However, not having the organic label does not mean a product cannot gain a defined percentage of the market. The organic label increases the value (on top of the social responsibility that it reflects) of a product and makes it more attractive to higher end consumers.

Customers who buy organic goods also often show interest in those certified as fair trade; hence, stores market both types of products together, more and more often. Many organizations provide organic certification for cosmetic products and training on how to achieve organic standards.. But there is not yet a harmonized set of standards for organic cosmetics. Cosmos standards for natural cosmetics has recently been announced after six years of negotiations between the natural and organic cosmetic certification agencies in Europe: BDiH (Germany), Soil Association (UK), Ecocert (France), Cosmebio (France), ICEA (Italy) and Ecogarantie (Belgium) and is expected to begin in September 2009. These agencies provide certification to about 1,000 cosmetic companies and 10,000 products. (<http://www.cosmos-standard.org/>). NaTrue launched its standard in May 2008, with the first certified products coming into the market at the end of the year. The standard has three levels: organic, made with organic ingredients, and natural(www.natrue-label.com).

The Natural Products Association (NPA) launched its standard in May 2008 and over 200 products are now certified according to its standards.

(<http://www.naturalproductsassoc.org>) The NSF 305 standard applies to cosmetic products that contain a minimum of 70% organic ingredients. Developed by organic cosmetic companies, it has recently received official recognition by the American National Standards Institute (ANSI) and OASIS, supported by companies like Aveda and Hain Celestial.

ISO QUALITY CERTIFICATION

ISO 9000 is a family of standards for quality management systems (QMS). ISO 9000 is maintained by ISO, the International Standardization Organization, and is administered by accreditation and certification bodies. Some of the requirements in ISO 9001 (which is one of the standards in the ISO 9000 family) include a set of procedures that cover all key processes in businesses, monitoring processes to ensure they are effective, keeping adequate records, checking output for defects (with appropriate and corrective action where necessary), regularly reviewing individual processes and the quality system itself for effectiveness and facilitating continual improvement

A company or organization that has been independently audited and certified to be in conformance with ISO 9001 may publicly state that it is "ISO 9001 certified" or "ISO 9001 registered." Certification to an ISO 9000 standard does not guarantee any quality of end products and services; rather, it certifies that formalized business processes are being applied. Companies can enter the ISO 9001 certification as a marketing tool. When a company's QMS is in conformity with ISO 9001:2000, it can enjoy the following benefits:

- Expanded market access
- Reduced cost of sales
- Reduced transaction costs
- Improved overall performance

Certifying agents

- SGS (www.sgs.com)
- Country Standards Boards

HACCP

Hazard Analysis and Critical Control Points (HACCP) is an industry-wide effort approved by the scientific community as well as regulatory and industry practitioners. This effort is designed to focus specifically on food safety, including food safety in retail establishments.

The HACCP program is designed to raise awareness of the Critical Control Points within an establishment and ensure that these critical points are monitored in order to produce a safe food supply.

Advantages of HACCP	Disadvantages
<ul style="list-style-type: none">• Cost-effective and leads to reduced product loss and wastage.• Increases the effectiveness of the quality system by focusing on the critical parts of the process.• Aids inspection by regulatory authorities and promotes international trade by increasing confidence in food safety and promotes the stability of the food business.• Reduces the need for, and the cost of, end product testing• Complementary to quality management systems such as ISO 9000• Reduces the likelihood of product recall and adverse publicity by enhancing customer satisfaction (reducing dissatisfaction)• Facilitates better understanding of food packaging safety issues throughout the organization	<ul style="list-style-type: none">• There may be insufficient technical resources to perform the HACCP study or difficulties with assembling the HACCP team because one or two people have many responsibilities. The concentration of functions also makes it difficult for employees to include HACCP work in their daily routines and set aside the time necessary to do so.• The cost of implementing the HACCP system is higher for smaller companies relative to their revenue. Smaller companies cannot often exert sufficient influence on their suppliers to start using the HACCP system and the power that they can exert over clients is limited. This makes it difficult to ensure that the control of hazards is maintained right up to the point of sale.

GLOBALGAP (FORMERLY EUREPGAP)

GLOBALGAP: The Blue Skies experience (Specialty Foods)



Blue Skies has been cutting and packing just-harvested fruit and delivering it to Europe since 1998. The company has grown through its ongoing commitment to delivering consistent, very high quality prepared fruit products and through developing loyal customers and suppliers. Blue Skies employs over 2,000 people in Ghana, Egypt, South Africa and Brazil and supplies to a variety of customers including some of the biggest supermarket chains in the UK, Europe and South Africa. Blue Skies has been GLOBALGAP (formerly EUREPGAP) certified for seven years. The benefits have been enormous for Blue Skies. These include farmers producing their crops under Good Agricultural Practices (GAP) and minimized use of agro-chemicals on crops and livestock, which assure consumers of food safety, promote worker health, safety and welfare on farms and good environmental protection practices. The scheme, however, is expensive to operate, time consuming, and requires the assistance of persons with knowledge of the standards. Blue Skies was also certified with SGS Ghana with headquarters in the Netherlands. The process included an internal audit of all registered farmers in the company's supplier group and then applying for external inspection from a certifying body. Blue Skies believes it is a requirement if not an obligation for producers to be compliant with these standards.

GLOBALGAP is a private sector body that sets voluntary standards for the certification of agricultural products. The GLOBALGAP standards apply to the way food is produced on farms. The program aims to minimize detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare. GLOBALGAP serves as a practical manual for Good Agricultural Practice (G.A.P.) anywhere in the world. It is based on an equal partnership of agricultural producers and retailers who wish to establish efficient certification standards and procedures.

How to get certified

Private certification agencies approved by the EUREP Secretariat can certify under GLOBALGAP. Both individual and groups of producers can apply for certification. Certification steps may vary depending on the agency selected and may include the following:

- Read and understand GLOBALGAP standards (General Regulation, Control Points and Compliance Criteria).
- Implement the standards in the production system.
- Complete GLOBALGAP certification form from the certifier.
- Sign GLOBALGAP certification agreement committing to comply with GLOBALGAP standards. An inspection schedule and certification fee is set.
- Conduct a self assessment of the system.
- The certifying agent audits and certifies the system.

Advantages of GLOBALGAP	Disadvantages
<ul style="list-style-type: none"> • To obtain GLOBALGAP certification, the producer needs a complete administrative system to keep track of all farm activities. For a company largely involved in exports, this system could make it easier to fulfill and meet other regulations and certifications. • The GLOBALGAP certified producer may also have an advantage when selling products to one of the GLOBALGAP members. In the future, some of these supermarkets will probably require that their suppliers have the GLOBALGAP certification. • There is an added advantage of selling to the 31 retail-members of GlobalGAP operating in the United Kingdom, the Netherlands, Germany and other countries. 	<ul style="list-style-type: none"> • Most certified producers are large-scale farmers who have the necessary administrative and financial capacity. • There is no special price premium or product label associated with GLOBALGAP, as it is a minimum standard focused on business-to-business relations.

Certifying Agents

- Argencert (www.argencert.com.ar)
- Africert (www.africert.co.ke)
- SGS (www.sgs.com)

(Please note this list is not exhaustive.)

HALAL

All foods and ingredients which are lawful to consume according to Islamic dietary laws are called *halal* (for example, fruits, vegetables, meat and fish). *Halal* certification indicates that a product can be eaten under Islamic law. These products are thus edible, drinkable or usable by Muslims. *Halal* certified food products and ingredients help many food companies to increase their annual sales. Many Muslim countries require that all food

products and ingredients exported to their countries be *halal* certified. This means that the potential market for *Halal* certified food products is vast, even more so than *Kosher* products. Currently, the largest certification body for *Halal* is the Islamic Nutrition and Food Council of America (IFANCA) in the United States and the *Halal* Monitoring Committee (HMC) in the United Kingdom. Unlike the market for *kosher* products, *halal* is expanding. The competitive advantage achieved by obtaining *halal* certification increases to the extent that the purchasing power of Muslim countries that require *halal* certification increases as well. *Hala* certification could be useful for accessing new markets, especially if combined with efforts to access Muslim consumers through marketing strategies that promote a product as *halal* certified.

Certifying agents

- *Halal* Monitoring Committee <http://www.halalmc.co.uk/>
- Islamic Food and Nutrition Council of America <http://www.ifanca.org>
- OU *Kosher* www.oukosher.org

KOSHER

A product certified *kosher*, usually food, has been prepared according to Jewish dietary law. Observant Jews generally will only eat permitted foods and this is where *kosher* certification becomes relevant.

Though not all Jewish people are strict about eating *kosher* food, this certification can gain producers access to a percentage of the market that is otherwise unreachable. This may be of particular importance for higher end products, products intended for use in restaurants or catering events, as many businesses that cater large events or expect patronage by observant Jews who wish to remain *kosher* will screen ingredients for *kosher* certification.

It is important to note that over 60% of food products manufactured in the United States obtain *kosher* certification in order to preserve access to this market. Furthermore, according to data collected by Integrated Market Communications (IMC), *kosher* products sell 20% better than competing non-*kosher* brands.

OU *Kosher* is by far the largest *kosher* certification agency and sets the industry standard for cost and procedures . However, various *kosher* certification agencies operate

WRAP Certification: The Network Knitwear experience (Apparel)

Network Knitwear specializes in sock finishing. Network Knitwear is WRAP and C-TPAT certified. These are very important certifications for apparel manufacturers who want to export their products to the United States. Most U.S. apparel importers require producers to be WRAP certified. WRAP certification includes training of employees, systemizing operations, maintaining clean facilities and improving conditions of service for employees. Network Knitwear has benefited greatly from WRAP certification. The company is getting more contracts and orders from importers. Employees are benefiting from training in fire, security as well as factory cleanliness. Employees also benefit from a social security scheme which is required under WRAP. Employees are allowed to organize meetings and document proceedings of their meetings. Network Knitwear does not encounter problems when exporting its products. WRAP certification mandates the company to perform precise checks and routines before shipping to ensure compliance with accepted standards and this prevents port delays and other shipping issues.



throughout the world and boast of competitive prices for their services. Some also specialize in lower volume products and may be more cost effective than OU. The OU symbol, however, is the most recognized *kosher* symbol in the United States. Exporters of food products should carefully weigh the costs and benefits to *kosher* certification based on market trends. *Kosher* is not necessarily an expanding market, however, it is one from which many products can be excluded based on strict dietary/cultural preferences.

WRAP CERTIFICATION

The Worldwide Responsible Apparel Production (WRAP) program is the world's largest factory certification program focused on the apparel, footwear and sewn products sectors. WRAP is a non-profit, non-governmental organization, with a board of directors that is independent of any industry group. The WRAP principles are based on generally accepted international workplace standards, local laws and workplace regulations that encompass human resources management, health and safety, and environmental practices. Import/export, customs compliance and security standards also figure into the standards. Factory managers must rigorously self-assess their operations before they are audited by an independent third-party monitoring company. WRAP enjoys wide support from the global apparel industry but is, at the same time, independent of the industry. Active support is provided by the International Apparel Federation, the American Apparel & Footwear Association and more than 20 other trade and industry associations from around the world. The objective of the WRAP Certification Program is to

promote and certify lawful, humane and ethical manufacturing throughout the world.

Benefits of the WRAP Certification Program

- WRAP places primary responsibility for improving workplace conditions on those who own and operate sewn product manufacturing facilities.
- Retailer and Brand acceptance of the WRAP program has grown steadily over the past few years.

Certification Steps

- Visit www.wrapapparel.org to register your facility.
- Complete and submit the self assessment documentation.
- Contact the monitoring firm you have chosen. The monitor will help you plan evaluation visits.
- The monitor will then audit your facility against WRAP principles.
- Certification recommendation and additional information is sent to WRAP for internal review.
- Follow up visits then follow, if necessary.

Certifying Agents

- ALGI Global Compliance Solutions (<http://www.algi.net>)
- Intertek (www.intertek.com)
- SGS (www.sgs.com)

(Please note this list is not exhaustive.)

Emerging Issues in Certification

New issues regularly emerge in markets reflecting the dynamic nature of world business. World events, specific safety issues and evolving ethical norms – all have led to new approaches to protecting consumers. The three issues discussed below could very easily lead to new types of certification of interest to exporting companies.

CUSTOMS TRADE PARTNERSHIP AGAINST TERRORISM

Customs-Trade Partnership Against Terrorism (C-TPAT) is a voluntary supply chain security program led by U.S. Customs and Border Protection (CBP) focusing on improving the security of private companies' supply chains with respect to terrorism. C-TPAT is a voluntary government-business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security. C-TPAT recognizes that U.S. Customs and Border Protection can provide the highest level of cargo security only through close cooperation with the ultimate owners of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. C-TPAT offers trade-related businesses an opportunity to play an active role in the war against terrorism. By participating in this initiative, companies will ensure a more secure and expeditious supply chain for their employees, suppliers and customers. Beyond these essential security benefits, CBP offers benefits to certain certified C-TPAT member categories, including a reduced number of CBP inspections (reduced border delay times), priority processing for CBP inspections (front-of-the-line processing for inspections when possible), and assignment of a C-TPAT Supply Chain Security Specialist (SCSS) who will work with the company to validate and enhance security throughout the company's international supply chain and improve self-policing and self-monitoring of security activities. Even if they choose not to participate in C-TPAT, companies should consider employing C-TPAT guidelines in their security practices. (http://www.cbp.gov/xp/cgov/trade/cargo_security/ctpat/)

How to apply

Participants can complete an online electronic application on www.cbp.gov that includes submission of corporate information, a supply chain security profile, and an acknowledgement of an agreement to voluntarily participate. In completing the supply

chain security profile, companies must conduct a comprehensive self-assessment of their supply chain security procedures using the C-TPAT security criteria or guidelines jointly developed by CBP and the trade community for their specific enrollment category. The criteria or guidelines, available for review on the CBP website, encompass the following areas: business partner requirements, procedural security, physical security, personnel security, education and training, access controls, manifest procedures, information security, and conveyance security.

CONSUMER PRODUCT SAFETY

The U.S. Consumer Product Safety Commission (CPSC) has created mandatory limits on proportions of lead and certain phthalates in products intended primarily for use by children 12 years of age or under. Whether a product fits this definition is determined by the nature of the product, its packaging and display and whether the product is commonly recognized by consumers as being intended for use by children. The specific guidelines used to classify products as intended for use by children and hence required to meet standards for lead proportions can be accessed at www.cpsc.gov . Though these guidelines are specific, many products can fall into the hands of children whether or not they are primarily intended for their exclusive use. Therefore, the limits specified by CPSC for proportions of lead in products will apply to a wider range of products than those listed on its website. The limits for proportions of lead in children's products (understanding that this includes many products not specifically designed or intended for the use of children) are as follows.

Lead in paint (understanding that paint in any product, even if not designed or perceived to be intended for the use of children) has a limit of 90 ppm as of Aug. 14, 2009 (reduced from 600 parts per million (ppm)).

Children's metal Jewelry (understanding that all metal jewelry can fall into this category regardless of it being designed or perceived to be intended for the use of children) has a limit of 300 ppm as of Aug. 14, 2009 (reduced from 600 ppm). The limit will be reduced to 100 ppm Aug. 14, 2011, if feasible technology exists by that date. Products should be officially certified for product safety and the responsibility to obtain this certification lies with the importer who must present documentation that the product has been tested by an accredited testing facility and that it falls within the limits stated above, as well as the

contact information of the original manufacture or company/person who originally submitted the product for testing. Therefore, products that include paint, as well as metal jewelry should be tested for lead by an accredited testing facility before they are intended to be exported. One sample of each product that has an identical assembly process and identical components must be tested, and the results of said test should be valid to the extent that the components and assembly of the product are the same.

Phthalates are chemicals that are used to make vinyl and other plastics soft and flexible. Currently six phthalates, DEHP, DBP, BBP, DINP, DIDP and DnOP are banned in concentrations of more than 0.1% in children's products. Testing for these products can be done at the same facility as lead testing, and proof that a product does not contain these chemicals must be provided to the importer. Full enforcement of these guidelines is set to begin on Feb. 10, 2010, at which time a general certificate of conformity will be required of importers of any product. This certificate will not be attainable without documentation of the necessary tests; so, buyers will most favor products and companies that follow the guidelines. To ensure continued access to markets as these requirements are phased in and fully enforced, products must be tested at an accredited testing facility for lead and phthalates. Lead testing can be done through SGS (www.sgs.com).

LACEY ACT

The Lacey Act, passed into law by the U.S. Congress in 2008, requires all importers of plants or plant products to prove that these plants were not taken in violation of any law within the country of origin. The first phase of enforcement of this legislation related specifically to the following wood products: Fuel wood, wood in the rough, hop wood, poles, posts stakes, railway and tramway sleepers, wood sawn or chipped lengthwise, sheets for veneering, wood continuously shaped, tools, tool handles, broom handles and builders joinery. If a product being exported consists entirely of, or contains components of any of the above materials, this product will be subject to full enforcement under the Lacey act. To comply with the law, importers of these products, or products containing the above materials, have to submit a document known as PQ505 for clearance. This document is available on the customs and border patrol website www.cpb.gov.

Note: Though the PQ505 is initially only required for the above mentioned materials, the Lacey Act will eventually encompass all plant materials imported into the United States.

Exporters furnish required information on the PQ505 form in order for their consignees to be able to clear products from customs. Section 1 of this document requests the following information:

- Date of Arrival
- Entry #
- Bill of Lading
- Importer Name and Address
- Container #
- MID
- Consignee name and address

Section 2 requests the information that is most important for compliance with the Lacey Act. It requires the following information:

- Description of Merchandise
- HTSUS number
- Value (in US\$)
- Article (or component of Article) that contains plant material
- Plant Scientific Name (Genus and Species)
- Country of Harvest
- Quantity
- Unit of Measure
- % of recycled materials

Section 2 of PQ505 is critical for importers to remain in compliance with the Lacey Act. Supporting documentation that shows the source (country of harvest) of any plant material, as well as the Plant Scientific Name (genus and species) of said material will need to accompany products. Therefore, a record must be kept of this information from the source of the plant material.

As enforcement of the Lacey Act expands, the importance of including supporting documentation proving lawful origin of plant material will become more important. Providing this information, and where possible, doing so in a way that closely matches the format of CPB form PQ505 will be of great help to buyers and ensure a smooth export/import process. Accurate documentation of the source of wood, reflecting its lawful extraction, shall be a key component of a continued business relationship with buyers in the United States.

Some businesses in the United States are working to ensure not only that their products comply with the Lacey Act but that the plant materials contained within these products are sustainably sourced from renewable forests. Crate and Barrel, a large buyer of wood products in the United States has decided to purchase only products certified by the Forest Stewardship Council (FSC) or a similar third party certification organization. Such organizations track the chain of custody of plant materials all the way from the original point of harvest to the end consumer. These certifications can be costly; however, they may imply continued access to markets and may be necessary if large buyers continue to require such certification for their products. Businesses should make their own decision as to whether to pay for third party certification of their products, and weigh the costs and benefits appropriately. For more information on third party certification of wood products and plant materials, as well as a list of accredited certification agencies all over the world, please visit www.fsc.org.