DOES FARM CERTIFICATION FOR SUSTAINABLE AGRICULTURE CONTRIBUTE TO FOOD EXPORT? A CASE STUDY IN MIDDLE-INCOME COUNTRIES

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INTRODUCTION

Agriculture contributes to economic growth while endangering the environment and causing global climate changes. This sector requires transformation in terms of sustainability and greening practices and payment (EC, 2019; EC, 2020; FAO, 2018; World Bank, 2021). Private standards in agriculture are created to support food traceability, safety and security. Simultaneously, they contribute to responsible agriculture and sustainability aims, with the focus on environmental sustainability.

LITERATURE REVIEW / THEORETICAL BACKGROUND

Implementation of private standards in agriculture practices is a catalyst for transforming agricultural systems into environmentally sustainable ones, while supporting export performances of national economies (Andersson, 2019; Bain, 2010; Fiankor et al., 2020; Henson et al., 2011; Kleemann, 2016; Laosutsan, Shivakoti & Soni, 2019; Masood & Brümmer, 2014; Nupueng, Oosterveer & Mol, 2022). This support is more expressed in less developed countries than in high-income countries (Andersson, 2019).

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METHODOLOGY

The GLOBALG.A.P. standard is the leading private standard in plant production, oriented towards the holistic approach to sustainability and environmental responsibility on farms (GLOBALG.A.P., 2022). Using the example of 13 middle-income countries of Europe and Central Asia, we examined the impact of the GLOBALG.A.P. certification on national export results in the fruit and vegetable sector during the period 2010-2021. Descriptive statistics and panel regression were used for this analysis.

RESULTS

The panel regression results confirmed a statistically significant impact of the change of the GLOBALG.A.P. certified farmers' number on the: (a) growth of export values in the fruit and vegetable sector ($p=0.000$; $R^2=0.586$); (2) growth of export values of fruit and vegetable to high-value markets ($p=0.000$; $R^2=0.806$), as well as (c) on the growth of the percentage share of fruit and vegetable export to high-value markets compared to the total export of these two sectors ($p=0.011$; $R^2=0.586$).

DISCUSSION / POLICY IMPLICATIONS

The obtained results confirm and complement similar results reached by other authors (Andersson, 2019; Bain, 2010; Fiankor et al., 2020; Henson et al., 2011; Laosutsan, Shivakoti & Soni, 2019; Nupueng, Oosterveer & Mol, 2022). However, they do not confirm the findings of Kleemann (2016), Masood & Brümmer (2014) and Schuster & Maertens (2015), who question the contribution of the GLOBALG.A.P. certification to export results in less developed economies, particularly from farmers' perspective.

CONCLUSION

Stimulating the reforms focused on greening economies and improving resource and energy efficiency is crucial for all countries, particularly the less developed ones. Private standards in agriculture, based on sustainability principles, can significantly assist this turn. Their implementation requires fulfilling numerous pre-conditions, the most significant being building trust between all participants of the food supply chain and strengthening farmers' financial resources.

KEYWORDS

Agriculture, Farm certification, Environmental sustainability, Export performance, Middle-income countries

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