Good Agricultural Practices (GAP) for orchid producers and traders in Thailand

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Thai orchid exports

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production quantity (ton)</td>
<td>52,422</td>
<td>54,026</td>
<td>45,750</td>
</tr>
<tr>
<td>Export value of flowers &amp; live plants (Mio. EUR)</td>
<td>86</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td>Export value of fresh cut orchids (Mio. EUR)</td>
<td>59</td>
<td>58</td>
<td>56</td>
</tr>
<tr>
<td>Export value of orchid plants (Mio. EUR)</td>
<td>18</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>Cut orchid flowers in total export of flowers &amp; plants (%)</td>
<td>69</td>
<td>68</td>
<td>65</td>
</tr>
<tr>
<td>Orchid plants in total export of flowers &amp; plants (%)</td>
<td>21</td>
<td>20</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Office of Agricultural Economics (OAE), 2011

⇒ Share of the world market: 31 % in 2011
⇒ Major export markets: Japan, USA, Italy, China
⇒ Role of certification is promoted from importing countries
GLOBALG.A.P. PRESENTATION DURING SUMMIT 2012, MADRID

WeGa Research Project

"Network of Excellence in Horticulture: Assessment of Certification Systems at Farm and Trade Levels for Horticultural Products in Thailand"

Orchid producer interviews (258 households)
- Certified Q-GAP producers
- Former certified Q-GAP producers
- Non certified producers

Expert interviews – Thai traders / exporters

Aims of the presentation

- To provide an overview of the marketing channels of Thai orchids
- To inform about certification programs in the Thai orchid sector
- To explore producers’ and exporters’ attitudes towards certification
Market channels of Thai orchids

- Farmers
- Exporters
- Middlemen Collectors
- Wholesale market in the province
- Wholesalers in BKK
- Orchid supermarket
- Retailers
- Consumers
- Agents
- Auctions
- Importing wholesalers
- Retailers
- Consumers
- Thai exporters in destination country

Source: Producer & trader interviews and www.orchidnet.doae.go.th

GAP standard for Thai orchids

Requirements of national Q-GAP for cut orchid flowers:
- Farm condition
- Greenhouse
- Pest control
- Pre-harvest production
- Harvesting and post-harvest practices
- Personal health and training of workers
- Record keeping

⇒ 214 certified Q-GAP orchid producers in 2010
⇒ 70 certified Q-GAP orchid producers in 2012
### Reasons to implement Q-GAP

<table>
<thead>
<tr>
<th>Reasons</th>
<th>% of producers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Certified (n=68)</td>
<td>Former certified (n=76)</td>
</tr>
<tr>
<td>Sell orchids to export markets</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Improve farm management &amp; product quality</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td>Agricultural extension</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Producer group participation</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Continuation with Q-GAP standard</td>
<td>97</td>
<td>-</td>
</tr>
<tr>
<td>Like to implement Q-GAP standard again</td>
<td>-</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: Own calculation based on the 2012 WeGa data set.
Note: The percentage numbers do not add up to 100 due to selected major reasons.
n denotes number of respondent in each group.

### Reasons to leave Q-GAP

<table>
<thead>
<tr>
<th>Reasons</th>
<th>% Former certified (n=76)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not enough government officers for re-certification</td>
<td>41</td>
</tr>
<tr>
<td>Discontinued support from government or/and donor</td>
<td>15</td>
</tr>
<tr>
<td>Record keeping is difficult</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Own calculation based on the 2012 WeGa data set.
Note: The percentage numbers do not add up to 100 due to selected major reasons.
n denotes number of respondent in each group.
### Non-certified Q-GAP producers (n=114)

#### 22% of respondents plan to implement Q-GAP

<table>
<thead>
<tr>
<th>Reasons to implement</th>
<th>% of producers (n=25)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sell orchids to export markets</td>
<td>32</td>
</tr>
<tr>
<td>Expect to receive a price premium for certified orchids</td>
<td>20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reasons to not implement</th>
<th>% of producers (n=89)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producers (farms) are not ready</td>
<td>27</td>
</tr>
<tr>
<td>No export advantage</td>
<td>26</td>
</tr>
<tr>
<td>Complexity of standard implementation processes</td>
<td>20</td>
</tr>
<tr>
<td>Lack of information about Q-GAP</td>
<td>19</td>
</tr>
<tr>
<td>Sell orchids only to domestic market</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Own calculation based on the 2012 WeGa data set. 
Note: The percentage numbers do not add up to 100 due to selected major reasons. 
n denotes number of respondent in each group.

### Private GAP standards

<table>
<thead>
<tr>
<th>Attitudes</th>
<th>% of producers</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have basic knowledge about GLOBALGAP standard</td>
<td>12</td>
<td>Former certified 11</td>
</tr>
<tr>
<td>Have basic knowledge about ThaiGAP standard</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Interest to join a training program of GLOBALGAP standard</td>
<td>72</td>
<td>Former certified 53</td>
</tr>
<tr>
<td>Interest to join a training program of ThaiGAP standard</td>
<td>69</td>
<td>54</td>
</tr>
</tbody>
</table>

Source: Own calculation based on the 2012 WeGa data set. 
Note: n denotes number of respondent in each group. 
Statistical significance is based on Chi-square test, at the 0.01(***) , 0.05(**) and 0.1(*) level 
ns denotes non significance level.
Attitudes of Thai Exporters

- Q-GAP is not necessary at current stage
- Free of pests (i.e. thrips, beet armyworm) and diseases (i.e. flower rust)
- Physical characteristics: size and stem appearance
- Product innovation: new color or variety

Conclusions

Producers:
- Open to certification
- Require support and extension service

Government: “Strategy of Thai orchid competition in the world market”
- Clear GAP framework at national level
- Strengthen Standard knowledge & dissemination
- Promote production of high quality orchids: GAP farm

Which information is still needed?
- Do producers benefit from certification? (i.e. welfare, access to export markets)
- Information on environmental and social impacts
- Views of other stakeholders in importing countries i.e. buyers in EU

Views of buyers (retailers) in EU countries
The survey is conducted at the GLOBALG.A.P summit 2012.

We would kindly ask for your cooperation in sharing your experiences and information to achieve our study objectives.

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e-mail: lippe@iuw.uni-hannover.de

The results will help exporting countries to benefit from their production and marketing systems to the specific needs of their buyers.

Thank you for your attention