

# CAPTURING THE GAINS



## Horticulture in a changing supermarket landscape

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Global fresh fruit, vegetable and flower production is expanding rapidly to meet international demand for produce all year round. Meeting supermarket demands for fresh fruit and vegetables requires more skilled and empowered workers. Production and packing are becoming more complex because of rising standards and diverse market requirements. Commercial pressures are contributing to the casualization of workers and the exclusion of smaller producers.

Capturing the Gains carried out research in six countries (China, India, Kenya, Uganda, Brazil and South Africa) to look at supermarket value chains linking producers, retailers and consumers, and found that European supermarkets are finding it increasingly difficult to be assured of quality supply.

Export to global supermarkets in Europe and North America is normally through a small number of agents and larger commercial producers, but in some countries smallholders are the main source. Supermarkets negotiate hard on price. Suppliers face rising input costs and are often squeezed.

Quality is critical and supermarkets have stringent standards. Producers need more skilled workers to meet rising standards. Smallholders need to be organised to be certified for standards. More skilled workers and smallholders are exiting agriculture, seeking better opportunities elsewhere.

Seasonal workers are the majority of the workforce, often on minimum wages. Smallholder incomes are often below the poverty line. Incomes are insufficient to provide a decent living given rising food prices.

Protests have recently erupted amongst fruitworkers in South Africa demanding a doubling of the minimum wage. The government has set up public hearings to review the farmworkers situation.

Supermarkets must offer better terms and conditions to producers to attract and retain quality suppliers. Living wages for workers and smallholders should be factored into price negotiations to ensure those with skills are remunerated and

retained. Better schools, health clinics, transport, energy and housing are necessary to attract workers and smallholders and retain them in their communities.

Coordinated government policy, Aid for Trade and donor initiatives are needed to provide wider value chain support to communities, producers and workers.

**REMINDER: Capturing the Gains Global Summit, 3-5 Dec, Clock Tower at the V&A Waterfront**

Researchers from the University of Cape Town, the Brooks World Poverty Institute at the University of Manchester, and the Centre on Globalisation, Governance and Competitiveness at Duke University will present their findings on how resources, materials, workers and producers are deployed in three discrete sectors of global industry - mobile phones, clothing, and food – at the Capturing the Gains Global Summit on 3-5 December 2012 at the Clock Tower at the V&A Waterfront.

They will also discuss the role of women across these sectors and how their skills are often under-valued, trapping them in low-status jobs. Delegates will include policy makers as well as specialists in business, labour and trade.

Please visit [www.capturingthegains.org](http://www.capturingthegains.org).

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**ENDS**

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