



EAC REGIONAL POLICY BRIEF

Adopt the Kilimohai Mark as the Official Quality Standard for Regional Organic Trade

Executive Summary

The organic sector in East Africa is currently flourishing. Uganda and Tanzania are ranked amongst the countries with the most organic producers in the world and Kenya is experiencing an explosion in consumer demand for organic produce. Regional trade in organic produce should also be thriving. However, inconsistency in quality requirements between national borders, as well as obtuse bureaucracy at border posts, are driving organic operators away, or into the grey economy. The solution to these problems is for the East African Community to widely adopt the Kilimohai Mark, the regional organic product standard, as the official standard for cross border organic trade. By mainstreaming the Mark across border posts as the quality standard for organic produce, the EA community would facilitate and accelerate organic trade, and create a conducive environment incentivizing producers to raise quality, and gain access to premium markets.

Introduction

In 2007, the East African Organic Products Standards, referred to locally as the Kilimohai Mark, was launched. The establishment of the Kilimohai Mark, the only set of regional standards to be developed after the EU standards, has been a groundbreaking achievement for the region. The mark provides a guarantee to consumers and traders that produce was grown and processed following organic principals and is adapted to be appropriate in an East African context.



Currently, most trade in organic produce in East Africa is in the form of exports to the US and Europe. To facilitate this trade, produce must be certified by international standards.

These are expensive and not always appropriate for East Africa's farmers. The significance of the Kilimohai Mark is that it is adapted to local and regional markets in East Africa, making it more attainable for East African producers.

The Kilimohai Mark was developed to foster greater domestic trade in organic produce in East Africa as well as more cross-border trade in organic produce within the region. Regional trade in organic produce is still dwarfed by trade from the region to the rest of the world. One reason for this is that the Kilimohai Mark has not been fully adopted by the East African community. Despite glowing endorsements for organic agriculture from the African Union, the East African Community has shown little support for the sub sector, and has done little about the policy barriers restricting trade. One simple way for the regional authorities to boost the sectoral development would be through promotion and more thorough adoption of the Kilimohai Mark.

Problem Statement

A recent study implemented by the Tanzania Organic Agriculture Movement, with funding from the Trade Mark East Africa Challenge (TRAC) Fund, set out to identify policy barriers to regional trade in organic produce. The study revealed a number of barriers affecting trade between the three countries (Kenya, Tanzania and Uganda). One barrier highlighted was the lack of coordination in terms of quality standards and checks. Produce that meets quality standards at one border may be rejected at another. One such example is coffee traded between Uganda and Kenya. Relatively low quality requirements for coffee in Uganda mean that despite enjoying a comparative advantage over Kenya in coffee, large quantities of Ugandan coffee are rejected at the Kenyan border. Kenyans however are free to export coffee of the same quality into Uganda due to the more liberal Ugandan laws.

Bureaucracy at the border also presents a major challenge to regional trade. Produce crossing borders is held up by multiple checks, with questions about authenticity, reliability and origin. Despite efforts from the EAC to minimise bureaucracy by developing a customs union (REFERENCE), numerous studies have consistently pointed to bureaucracy as a barrier to regional trade. An example of this is the strict controls on moisture content of grains, and certificates of origin for imports into Kenya.

For organic farmers, the delays caused by such bureaucracy can be debilitating, as they threaten to compromise the quality of produce, an essential factor in the organic sector. Many operators bypass this bureaucracy through informal trade routes, but this is not an option for organic traders, whose business is reliant on compliance with regulations at every stage in order to maintain traceability and certification.

This, together with the lack of national or regional organic policies, has resulted in a shortfall in regional trade. In Tanzania, there is some mention of organic agriculture in the National Agriculture Policy and Kenya and Uganda have taken steps toward developing organic policies, but as yet, there remains no policy framework to guide organic operators.

The result of these barriers is that very little organic produce is being traded across the region's borders. This means that demand for neighbouring countries' products is not being met, and many opportunities to boost the regional economy are being lost.

Case for Change

The inconsistencies at border posts call for equivalence in requirements. For trade parity to exist, and to maximize regional trade, quality requirements for organic produce should be equalized. Theoretically this would mean either lowering all requirements to the lowest common denominator, raising all requirements to meet the strictest rules, or finding a compromise between the two. The practical solution is to adopt the already developed Kilimohai Mark as the official quality standard, as it presents an agreed set of strict standards for quality of organic produce.

The Kilimohai Mark was developed with the purpose of increasing organic agriculture production and exports, thereby improving the trade balance of EAC countries (OECD, n.d.). The standard was also expected to facilitate negotiations for export market development. Since inception of the mark in 2007, the numbers of organic farmers and area of organic certified land have risen dramatically across the three countries, providing increased potential for regional trade.

It makes economic sense for the Kilimohai Mark to be accepted at the region's national borders as a sign that produce meets the standards for importation. The Mark has the seal of approval of stakeholders in each of the region's nations and testifies to the quality of the produce it grades. Produce presented at the border together with the Kilimohai Mark certificate should be fast-tracked across the border, as rigorous quality, authenticity and origin tests have already been passed in the production process. Fast tracking organic produce would create an incentive for producers to seek certification under the Mark. The promise of simpler trade processes through certification would also attract many of the growing numbers of informal traders into the formal arena.



Conclusion

With the lack of coherence in quality requirements at East Africa's national borders, trade in organic produce in the region is being severely constrained. This, together with slow and rent-seeking bureaucracy, is the underlying reason why regional trade in organic produce is yet to take off, despite high demand within the region's member states. It is therefore high time for the East African Community to take steps towards building coherence in regional organic trade. This can be done simply by embracing the Kilimohai Mark as the official organic quality standard for the East African Community.

Policy Recommendations

- 1) Regional border requirements and checks on organic produce should be harmonized to reflect the standards laid out in the Kilimohai Mark.
- 2) Produce passing through the borders carrying the Kilimohai Mark should be fast tracked to accelerate trade and ensure that organic quality standards are not compromised.
- 3) A Regional Organic Policy should be developed to ensure a harmonized approach to this fast growing sector of the economy.

References

EAC, 2007. *East African Organic Products Standard*. Regional Standard. Arusha: East African Community East Africa Community.

OECD, n.d. *AidForTrade*. [Online] OECD Available at: <http://www.oecd.org/aidfortrade/47719232.pdf> [Accessed 19 February 2016].

