



OECD Fruit and Vegetables Scheme

Cost-effectiveness of marketing standards for business operators and international trade.

Preliminary Results

Thursday, 9 September 2021



Outline

- What is OECD?
- History of the OECD Fruit and Vegetables Scheme
- Main activities of the Scheme
- Fruit and Vegetables **Marketing Standards** in Europe
- OECD Explanatory Brochures
- Economic Benefits (standards, common inspection system)
[[**Preliminary Results**]]
- Key messages





Organisation for Economic Co-operation and Development (OECD)

- **Inter-governmental Organisation**

- Established in 1961
- Based in Paris, France
- 38 Member countries
- Works with > 80 partners, developing and transition economies
- Works with > 30 international organisations (IOs)

- **Multilateral Forum ...**

- Addresses economic, social, environmental, trade and agricultural challenges
- Economic analyses ...





Brief history of the OECD Fruit and Vegetables Scheme

- established in 1962 (inter-governmental organization)
- 26 participating countries
- 33 Explanatory Brochures
- OECD Conformity Certificates
- 6 OECD Guidelines
- 10 Peer Reviews
- Meeting of Heads of National Inspection Services



What is the OECD Fruit and Vegetables scheme?

The main objective of the OECD Fruit and Vegetables Scheme is to facilitate international trade through the harmonization of implementation and interpretation of **marketing standards**. A further objective is to facilitate mutual recognition of inspections by participating countries. The Scheme is well known for its explanatory brochures on standards, but is also involved in defining inspection procedures that are recognized in many countries, and in sponsoring training courses. The Scheme also organizes peer reviews with the goal of helping the reviewed country improve its quality inspection system.



Core work

- Provides framework for the export **quality inspection system**
 - International Standards
 - Inspection Methods
 - Conformity Certificates

Complementary work

- Peer reviews
- Market Analysis
- Guidelines
- **Explanatory Materials**
- Capacity building
- Meetings of the Heads of National Inspection Services



OECD Inspection Methods

- The basis of the Scheme's activities
- Unique in international trade
- Applied by many countries and EU Member States and recommended by the UNECE
- Operating rules on conformity checks - last revision
- 2013 (*Annex II to C(2006)95*)
- Adoption of OECD Guidelines on Quality Inspection (2018) – FEEDBACK FROM THE HEADS OF NATIONAL INSPECTION SERVICES)



OECD Conformity Certificate

- It attests that the consignment conforms with the **standard** applied under the Scheme
- Verified by the official control service. Certificate of the final product – (vs. private quality assurance systems)
- It is applied by many countries (e.g. EU members)

(Appendix I to [C(2006)95])

APPENDIX I: MODEL CONFORMITY CERTIFICATE

1 Exporter		OECD SCHEME	CONFORMITY CERTIFICATE N°	
		This certificate is for the exclusive use of control services		
2 Packer as indicated on packing (if other than exporter)		3 Control service		
		4 Country of origin *	5 Country of destination	
6 Identification of means of transport		7 Space reserved for national regulations **		
8 Number (and kind **) of packages	9 Nature of produce (variety when specified by the standard)	10 Quality class	11 Total weight in kg gross/net ***	
The consignment referred to above conforms, at issue time, with the standards.				
_____ Customs office of departure **		_____ Place and date of issue		
Duration of validity _____ days				
_____ Signatory (name in block capitals)				
_____ Signature			_____ Seal of Authorized Control Service	
13 Observations				
* When the produce is re-exported, indicate its origin after the nature of the produce ** Optional ****				

Format of the certificate: printed on a 297 mm x 210 mm sheet



EU Marketing Standards

EU countries implement Regulation n°543/2011 in respect of the fruit & vegetables sector, which lays down a general marketing standard (GMS) and ten specific marketing standards (SMS).

The SMS are on the following products: apples; citrus fruit; kiwifruit; [lettuces, curled leaves and broad-leaved endives]; [peaches and nectarines]; pears; strawberries; sweet peppers; table grapes and **tomatoes**.

The GMS is a list of minimum requirements completed with provisions on tolerances and on labelling of the country of origin.

The implementation of the **OECD and UNECE standards** is made on a **voluntary basis**. The **trader can choose** to label a quality class on the product.





EU Marketing Standards

- I. DEFINITION OF PRODUCE
- II. PROVISIONS CONCERNING QUALITY
- III. PROVISIONS CONCERNING SIZING
- IV. PROVISIONS CONCERNING TOLERANCES
- V. PROVISIONS CONCERNING PRESENTATION
- VI. PROVISIONS CONCERNING MARKING

STANDARD FOR TOMATOES

II. PROVISIONS CONCERNING QUALITY

A. Minimum requirements

In all classes, subject to the special provisions for each class and the tolerances allowed, the tomatoes must be:

- **intact,**

- sound, produce affected by rotting or deterioration such as to make it unfit for consumption is excluded,

- clean, practically free of any visible foreign matter,

- fresh in appearance,

- practically free from pests,

- free from damage caused by pests affecting the flesh,

- free of abnormal external moisture,

- free of any foreign smell and/or taste.



OECD BROCHURE ON TOMATOES

- Prepared by The Netherlands
- Based on a UNECE standard [FFV-36, 2017]
- Issued in 2019
- Freely available as an electronic version on our website





Structure of the Explanatory Brochure

- Text
 - Follows the Standard layout
 - Standard + OECD interpretation
 - Classification table
- Illustrations
 - Follow the Standard layout
 - Illustrate all quality parameters (as far as possible)



Illustrations - Principles

- Quality parameters and defects are determined at export stage after preparation and packaging
- ‘2D interpretation’ – all defects are shown on the visible part of the product – other side is perfect
- 1 type of defect per photo
- Minimum requirements – ‘not allowed’ photos (‘limit for practically free – allowed in all classes)
- Classifications – Limit allowed photos





Title of the illustration

Reference to the Standard text

*Suberization of the stigma
Cicatrices pistillaires*

*Classification – Ribbed tomatos
Classificati on – Tomates à côtes*

Classification lines

Photos

Limit allowed - Extra Class
Limite admise - Cat. «Extra»

Limit allowed – Class I
Limite admise – Cat. I

Limit allowed – Class II
Limite admise – Cat. II



1



2



3

Reference number

30

Tomatoes / Tomates	Extra Class Cat. «Extra»	Class I Cat. I	Class II Cat. II	Not allowed Exclu	Notes
Suberization of the stigma Cicatrices pistillaires	1	2	3	-	1. Suberization of the stigma. / Cicatrice pistillaire. 2. Suberization of the stigma $\leq 1 \text{ cm}^2$ - Class I. / Cicatrice pistillaire $\leq 1 \text{ cm}^2$ - Cat. I. 3. Suberization of the stigma $\leq 2 \text{ cm}^2$ - Class II. / Cicatrice pistillaire $\leq 2 \text{ cm}^2$ - Cat. II.

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Explanatory table



Impacts on Trade (MKT Standards/ Membership common system/ Explanatory Brochures) **Preliminary Results**

Descriptive Statistics

- **Products Covered:** *apples, [pears & quinces], cherries, [peaches and nectarines], [plums and sloes], apricots, grapes, avocados, strawberries, [melons and watermelons], [guavas, mangoes, mangosteens], figs, [onions and shallots], garlic, leeks, lettuce, chicory, hazelnuts, mushrooms, [cauliflowers and broccoli], asparagus, carrots, beans.*
- **Period:** 1995-2019
- **Countries:** 196
- **Source:** *BACI (Gaulier and Zignago, 2010) and denominated in nominal U.S. dollars (thousands).*
- Trade flows in USD



Impacts on Trade (MKT Standards/ Membership common system/ Explanatory Brochures) **Preliminary Results**

Equation

- We want to measure the impacts on trade flows between two countries.
- Measure the impact in case both countries are members of the OECD Fruit and Vegetable Scheme.
- We check the impact in case only one country is member of the Scheme.
- We measure the impact of the OECD Explanatory Brochures (Mkt standards) and other control variables

Trade= BothFVS + OneFVS + Explanatory Brochure (MKT Standard) + other control variables



Impacts on Trade (MKT Standards/ Membership common system/ Explanatory Brochures) Preliminary Results

Results

- In general, if both partners are FVS members, the model predicts that fruit trade is larger for figs (by 34%), avocados (59%), **grapes** (37%), melons and watermelons (57%), apricots (40%), **strawberries** (50%), and hazelnuts (70%).
- For many of these same regressions, the effect of single-country FVS membership is also positive, large, and statistically significant. Specifically, the estimates suggest that even if only one partner is a member, trade increases for figs (25%), guavas, mangoes, and mangosteens (26%), melons and watermelons (34%), **strawberries** (38%), and hazelnuts (47%).
- One year after publication of the relevant brochure, trade in **apples** increases by 11%, trade in **pears** and quinces increases by 7%, and trade in hazelnuts increases by 12%.



Key Messages



Quality assurance

- Common procedures
- Common regulations

Harmonization

Trade Facilitation

- Clear origin of Fruits and Vegetables
- Clear classification of product quality.

Key Beneficiaries



Government

Ensure that Marketing Standards are interpreted homogenously amongst member countries

Farmers

Farmers benefit from harmonized inspection methods and clear quality classification that promote fair trade.

Consumers

Quality assurance for the final Fruit and Vegetables consumers.



For more information

- Visit our website at www.oecd.org/agriculture/fruit-vegetables
- Contact us at tad.contact@oecd.org
- Follow us on Twitter [@OECDtrade](https://twitter.com/OECDtrade)

Thank you for your attention!!