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**Economic Commission for Europe**

Steering Committee on Trade Capacity and Standards

**Working Party on Agricultural Quality Standards**

**Specialized Section on Standardization of Fresh Fruit and Vegetables**

 GE.1 POST-SESSION DOCUMENT 25 April 2016
*Work in progress*

***Delegations are invited to send their comments and/or additional proposals to the Secretariat by 31 December 2016.***

 Standard Layout for UNECE Standards on Fresh Fruit and Vegetables -

The following document combines the proposals submitted by Germany and the United States to the Specialized Section (contained in documents ECE/CTCS/WP.7/GE.1/2016/11; and ECE/CTCS/WP.7/GE.1/2016/INF.11) and the update by the Rapporteur of the Netherlands on Tolerances contained in ECE/CTCS/WP.7/GE.1/2016/16. In addition it includes the summary of discussions as contained in the report of the April 2016 session.

***Work in progress***

**Summary of Specialized Section discussion in April 2016 (excerpted from report ECE/CTCS/WP.7/GE.1/2016/2)**

 Discussion on quality tolerances in marketing standards (see Specialized Section report (Chapter VII, paragraphs 68-70)

At its 2015 session, the Specialized Section had started discussions on quality tolerances for decay in UNECE marketing standards. The Rapporteur (Netherlands) introduced the proposed increase of tolerance levels for decay. While several delegations agreed that allowing more defects at export control stage might cause significant lowering of quality during shipment, at import stage, an increase to 3 per cent, taking into consideration the highly perishable nature of certain produce and long distance of transport could be feasible. Other delegations noted that the tolerance should be increased only at wholesale stage whereas the delegation from the United Kingdom noted that they used a 3 per cent tolerance for decay at all stages of the marketing chain (export, import, retail). Producing countries trading over long distances such as Kenya or Namibia expressed their support for an increase of the tolerance level. A possible compromise solution proposed by Sweden could be an increase of the tolerance to 2 per cent.

It was also pointed out that there was a difference of view between producers, traders and inspectors. The latter were more in favour of an increase than the former as traders in particular had to resell the produce. The delegate from the Netherlands stressed that the Specialized Section should attempt to analyse what was best for the whole supply chain and all actors including producers, traders and inspectors.

The Specialized Section will re-discuss this issue at its 2017 session in the context of the revision of the Standard Layout in an informal working group meeting preceding the formal session.

 Revision of the Standard Layout for UNECE Standards on Fresh Fruit and Vegetables (Chapter IX, paragraphs 73-74)

The delegation from Germany presented their proposed changes. The Specialized Section discussed the possible deletion or rewording of the reference to the “export-control stage” in the first paragraph of the Standard Layout (see ECE/CTCS/WP.7/GE.1/2016/11) as UNECE standards were applied at all stages of marketing. The adoption of the change will be decided at the 2017 session of the Specialized Section. Discussions also took place on the replacement of the indication of the packer/dispatcher by the indication of name and address of the importer or seller, while any code to indicate the packer/dispatcher could be given in addition. The Specialized Section took note of the comments outlined by the delegation of the United States on simplifying Section IV (Provisions concerning tolerances) as well as the definition of tolerances based on the characteristics of the produce and new tolerances for decay.

Delegates were invited to send to the secretariat further proposals by 31 December 2016 to allow for discussions at the 2017 session which will be preceded by an informal working group meeting on the revision of the Standard Layout. All proposed amendments will be compiled in a post-session document as “work in progress”.

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 **Proposals by the delegation of Germany** (April 2016)

 II. Provisions concerning quality

The UNECE standards may be applied at all levels of marketing. Therefore, the first paragraph should be amended as follows:

“The purpose of the standard is to define the quality requirements for *{name of produce}* at the export-control or dispatch stage after preparation and packaging.”

Alternatively, the words “at the export-control stage” could be deleted.

 B. Maturity requirements

The Standard Layout should contain an optional section on maturity requirements.

For non-climacteric fruits the text should read: “The *{name of produce}* must be sufficiently developed and display satisfactory ripeness.”

For climacteric fruits the text should read: “The development and state of maturity of the *{name of produce}* must be such as to enable them to continue their ripening process and to reach a satisfactory degree of ripeness.”

 VI. Provisions concerning marking

 A. Identification

The option to replace name and physical address of the packer and/or dispatcher by an officially recognized code mark is not working properly in international trade. It is no problem to apply this option within a country where the authority recognizing or issuing a code mark is known. In trade between two countries it is always difficult to get information on the competent authority who could provide information on the company behind that code.

In trade we see more and more packages labelled with name and physical address of the importer or the seller. Which would be fine as long as this company would be able to trace back to the packer and/or dispatcher. Therefore, the following amendments are proposed:

“Packer and/or dispatcher/shipper:

Name and physical address (e.g. street/city/region/postal code and, if different from the country of origin, the country) ~~or a code mark officially recognized by the national authority~~[[1]](#footnote-2).

This indication may be replaced by name and physical address of the importer [or seller] which must be preceded by “imported by [or sold by]” (or equivalent denomination/abbreviation). In this case, the marking shall also include a code representing the packer and/or the dispatcher. The holder/seller shall give all information deemed necessary by the inspection body as to the meaning of this code.”

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 **Proposals by the delegation of the United States of America** (April 2016)

**U.S. COMMENTS**

The U.S. submits the following comments for consideration as part of the discussion on Agenda Item 5 of the 64th Session of the UNECE Specialized Section on Standardization of Fresh Fruits and Vegetables- Discussion on Quality Tolerances in Marketing Standards (Section IV: Provision Concerning Tolerances of the standard layout).

**PROVISIONS CONCERNING TOLERANCES**

**Issue 1:** Simplify Section IV – Provisions Concerning Tolerances and allowances for Class I FFV in Extra Class and for Class II FFV in Class I.

This section of the standard is too normative and complex to apply for the following reasons:

1. It indicates a total tolerance for defects per class without naming the individual defects and their tolerances. This format is not sufficiently detailed. It is written in a manner that does not enable quick referencing or facilitate allows uniform international application.

**U.S. Proposal:** U.S. proposes to simplify this section of the UNECE FFV standards by placing the tolerances allowed in a table format as done in the UNECE Dry and Dried Produce Standards.

1. The allowances for FFV of the lower classes in the higher ones as currently indicated is confusing- i.e. for if Class I FFV is allowed in Extra Class, and Class II FFV is allowed in Class I; does that mean that Class II FFV can be in Extra Class?. FFV Classes should only be judged on the requirements of a said class. Hence, inclusion of FFV from the lower classes, depresses the overall quality of the lot of produce.

**U.S. Proposal:** The U.S. proposes to discontinue the inclusion of tolerances for produce of the lower classes into the higher ones.

**Issue 2:** Tolerances for Decay and Internal Breakdown in all FFV Classes

The inclusion of tolerances for decay, soft rot, or internal breakdown in UNECE FFV standards in all quality classes is necessary to facilitate transparency in trade and the uniform application of the standard internationally. Some of the key reasons for inclusion are as follows:

1. The inclusion is a form of public disclosure that circumvents importers making fraudulent claims of poor quality and importing countries randomly applying low to zero tolerance as an import barrier. The agricultural trade cannot survive in a “zero” tolerance system.
2. Notwithstanding of the quality class, FFV are perishable by nature. Their deterioration (senescence) commences and/or quickens immediately after harvest. Irrespective of the post-harvest technological applied at packing, transportation and distribution stages, senescence is only temporarily slowed down; it cannot be halted.
3. Consumer demands for: (i) wholesome, chemical free FFV and more results in reduced application of agro-chemicals at all stages from farm to fork and (ii) more physiologically developed FFV e.g. as tree ripened fruits, to maximize organoleptic characteristics result in produce being traded with shorter shelf life and more susceptible to the rapid onset of senescence/deterioration – even during transportation.
4. Private trading parties make allowances in their contracts for FFV affected by decay, soft rot or internal breakdown in all quality classes. These contractual allowances set maximum limits (percentages) of decay, soft rot, or internal breakdown that may be present to justify the buyer/importer’s rejection of an FFV lot, or seeking a price adjustment.
5. Irrespective of the quality class, packers/shippers cannot guarantee that every piece/unit of fruit in a lot is perfectly sound. The same physiological issues occurring in the lower classes occur in Extra class as well. While it is understood that “Extra” class is the highest level of quality, with the FFV being packed and handed with utmost care – they are still perishable by nature – and often perish irrespective of that special care.

**U.S. Proposal:** The U.S. proposes the inclusion of Tolerances for Decay and Internal Breakdown in all FFV Classes

**Issue 3:** Tolerances based on characteristic of produce

Sometimes, during the standard development process, the product characteristics are often overlooked in setting the total tolerances. Rather, they are set based on a pre-set total per class (5% in Extra class, 10% in Class I and II). Consideration of the product characteristics are very important, because highly perishable FFV such as tomatoes and berries, should have total tolerances different from pumpkins or citrus fruits. These highly perishable FFV should have tolerances set for shipping points and another set for destinations. Furthermore, such different tolerances would also be a key factor in the elimination of food loss/waste due to the application of standards at destination.

**U.S. Proposal:** The U.S. proposes that the Specialized Section of the Standardization of Fresh Fruits and Vegetables discuss this issue with a view to making adjustments to the standards of the most highly perishable FFV where appropriate.

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 Update by the Rapporteur from the Netherlands (April 2016)

The issue of tolerances was introduced by the Netherlands at the 2015 meeting of the Specialized Section on Standardization of Fresh Fruit and Vegetables of the United Nations Economic Commission for Europe (UNECE). Many countries supported the initiative to discuss the level of tolerances, because the current tolerance level is found to be too strict in practice, and it was decided to put it on the agenda for the 2016 meeting.

Meanwhile, in October 2015 the CODEX Committee on Fresh Fruits and Vegetables (CCFFV) discussed the layout of standards. A less strict level of tolerances was included in the pre-session proposal. The proposed level of 3% tolerance for decay in Class I and Class II was not approved because of the general remark that the CODEX norm has to be in line with the UNECE standard. However, the total of remarks received on this proposal gave a clear view of opinions on tolerances. This can be used as a starting point for further discussion in Geneva.

 Remark 1

CODEX norms are applied at export control stage. They should be strict in order to prevent the risk of uncontrollable proliferation of decay during transport which might destroy the whole lot.

 Comment

CODEX norms are in line in with UNECE standards when it concerns levels of tolerances. The European Union (EU) marketing standards are deducted from the UNECE standards and the levels of tolerances are the same, i.e. 1% for Class I and 2% for Class II.

Although the CODEX norms are applied at export, the EU marketing standards are applied at both the export and the import control stage. So this means that the same levels of tolerances are applied at different stages in the supply chain.

Tolerances are created to allow for loss of quality during transport. When exporting countries ‘use’ these tolerances to send lower quality products they take deliberately the risk of rejection upon import.

Many exporting countries confirm to apply stricter requirements for export, in order to fulfill the import requirements of the EU. Nevertheless, lots are being rejected by EU member states for the reason of exceeding the 1% tolerance for decay in Class I. This decay mostly occurs during transport and is not yet visible at the moment of export.

We hardly see whole lots being destroyed by proliferation of decay. When a complete lot is no longer fit for use this is usually caused by an external factor like a low temperature or low oxygen level in the container. However, quite often we see a box with one or more fruits that have been damaged by one single decayed fruit in it.

In practice, this means for example a container with 6000 boxes of oranges Class I, of which 15 boxes have to be selected for inspection. In a box there are about 80 fruits, so in total 1200 fruits are inspected. If in 3 boxes there is a decayed fruit that has infected 3 surrounding fruits (total 12 fruits) and in the sample there are 3 other boxes with 2 fruits showing skin defects exceeding the limits for Class II (total 6 fruits), the tolerance level would be exceeded, as 18/1200 =1,5%, and the lot would be rejected.

 Remark 2

One single decayed fruit or vegetable can never be ruled out. However, a single decayed fruit or vegetable is unlikely to be found using normal sampling methods. Moreover, single decayed fruits and vegetables are already accepted at import control stage without a specific mention in the respective standard.

 Comment

Exceeding the tolerance level can be caused by single decayed fruits or vegetables in a box.

In a lot of 350 boxes of tomatoes, 7 boxes have to be inspected with on average 45 fruits. In total 315 fruits are judged. When 6 out of 315 fruits have a defect within the 1% tolerance, this results in 1,58% decay and therefore rejection. Seven fruits with a defect means 1,90% decay and also rejection.

Article 4, sub 5 of EU Regulation 543/2011 allows for fruits and vegetables in Class I and Class II to show in stages after export to some small loss of freshness and turgidity and some small quality loss due to development and decay. But this “small” is not quantified. And therefore, in the example of the tomatoes, is 1,58% small and 1,90% not? Or are both to be regarded as small and therefore allowed?

Not having a quantification allows for different interpretations between countries and even between individual inspectors. This is contrary to the objective of a level playing field for companies across the European Union and abroad.

The OECD guidelines are being developed to guarantee uniform execution of inspections across member countries. Uniformity will not be reached when inspectors look on a case-by-case basis whether it suits them to apply the guidelines, but can only be reached through the strict application of what has been agreed upon.

 Remark 3

Internationally agreed quality standards that inflict increased financial losses on the importing party due to high tolerances are likely to be replaced by private standards that are stricter.

 Comment

Rejections are causing a slowdown in the logistical process with financial consequences for both the exporter and the importer. The slowdown also implies a further loss of quality as products are becoming less fresh or continue to deteriorate while lots are waiting to be brought to conformity.

Internationally agreed quality standards should enhance trade and ensure that high quality products reach consumers and not target at getting the last few fruits or vegetables perfect as well.

This is a “mission impossible” when working with perishable products that naturally go down in quality after harvest.

 Proposal

Related to remark 1 and the comment (see above), it has been suggested to define separate tolerance levels for each stage, i.e. for import and export. This does not seem a practical solution. Many imported products are re-exported again. Allowing a higher tolerance at import would create problems with re-export.

The other option is of course to increase the tolerance levels. Several importing countries have indicated to work unofficially with 3% tolerance. It is obvious that this is done, because the 1% tolerance is found to be too strict to use in practice. There is no indication this has caused an increase of private standards that are stricter.

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1. ~~The national legislation of a number of countries requires the explicit declaration of the name and address. However, in the case where a code mark is used, the reference “packer and/or dispatcher (or equivalent abbreviations)” has to be indicated in close connection with the code mark, and the code mark should be preceded by the ISO 3166 (alpha) country/area code of the recognizing country, if not the country of origin.~~ [↑](#footnote-ref-2)