



# OECD-UNECE Joint Study

*Economic Impact of Marketing Standards on Trade*  
***Preliminary Results***

Monday, 15 November 2021





# Marketing Standards

Marketing standards encourage high-quality production, improve profitability and protect consumer interests.

**UNECE** standards are used internationally by Governments, producers, traders, importers, exporters and international organizations.

The aim of the **OECD** Fruit and Vegetables Scheme is to facilitate international trade through the harmonization of implementation and interpretation of marketing standards.





## 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





International Standards for Fruit and Vegetables: Tomatoes

Normes internationales des fruits et légumes : Tomates

**Suberization of the stigma**  
*Cicatrices pistillaires*

*Classification – Ribbed tomatoes*  
*Classification – Tomates à côtes*

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



1

Limit allowed – Class I  
 Limite admise – Cat. I



2

Limit allowed – Class II  
 Limite admise – Cat. II



3

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



## 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



## 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 and UNECE.
- We check the impact in case only one country is member of the Scheme/UNECE.
- 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 follow the same system, 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 OECD brochure based on a UNECE Marketing Standard, trade in apples increases by 11%, trade in pears and quinces increases by 7%, and trade in hazelnuts increases by 12%.



## Key Messages

- Preliminary results suggest that **marketing standards** work and have a **positive impact** on trade.
- Having a common system (**same marketing standards, harmonized interpretation** and **common inspections methodologies**) amplifies the positive impact on trade.

## Key Beneficiaries

- **Farmers** benefit from harmonized inspection methods and clear quality standards classification that promote fair trade
- **Consumers** benefit from quality assurance and fair prices.

