UNITED NATIONS



Economic and Social Council

Distr. GENERAL

TRADE/WP.7/GE.1/2002/20/Add.12 23 July 2002

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT

Working Party on Standardization of Perishable Produce and Quality Development

<u>Specialized Section on Standardization of</u> <u>Fresh Fruit and Vegetables</u>

REPORT OF THE FORTY-EIGHTH SESSION

Addendum 12

Note by the secretariat: The document contains the summary report of the second session of the working group on international harmonization of produce coding.

Report on the second session of the Working Group on Internationally Harmonized Produce Coding, Geneva, 25 April 2002

- 1. Participants: Austria; Canada; Chile; COLEACP (Comité de Liaison Europe Africa Caraïbes Pacifique pour la promotion des fruits tropicaux, légumes de contre-saison, fleurs, plantes ornementales et épices); Denmark; EAN International; Estonia; European Community; Finland; Germany; Italy, Netherlands, New Zealand; Poland; Slovakia; South Africa; Spain, Sweden; United Kingdom of Great Britain and Northern Ireland; and United States of America.
- 2. The session was chaired by Mr. Miodrag Mitic (EAN International). He congratulated the participants of the first session on their work on identifying attributes for coding the UNECE standards (see TRADE/WP.7/GE.1/2002/17).
- 3. He proposed to review the documents from Italy (INF.1) and Canada (INF.6/7) and then discuss how to achieve a concrete outline for a code structure.
- 4. The delegate from Italy introduced document INF.1 on redesigning the supply chain, which in its first chapter contains a proposal for a general minimum standard for product catalogues. He said that the first choice to be made was, which information should be transported along the supply chain
- 5. He said that information could be classified into three groups:
 - compulsory information (e.g. international regulations)
 - optional information first order of importance (e.g. protected designation of origin)
 - optional information second order of importance (any additional information suggested)
- 6. It was mentioned that each UNECE Standard contains compulsory and optional information but that the status of information could different depending on the produce so the code should be flexible.
- 7. The delegation from Canada introduced documents INF.6/ INF.7. They said that the code should simplify the exchange between buyer and seller and not burden it. At present, trading partners seeking to conduct business "electronically" must go through a rigorous mapping process to ensure that their internal product codes are properly synchronized.
- 8. To reach harmonization the PMA and CPMA (North American Produce Marketing Organizations) had developed a set of twelve standard produce attributes that are static and to be used consistently through the growing season to preserve the identity of products through the distribution chain.
- To fully address industry-wide product synchronization, these organizations believe that a centralized IPD (Industry Product Database) needs to be established containing trading partner profiles and company organization and contact information. The IPD would serve as a central repository for the classification and codification of fresh produce industry wide and resolve product synchronization through a "one-time" mapping procedure. Regardless of how many trading partners a given company has, they will only be required to complete a "one-time" map of their internal product codes to the IPD.

- 10. They said that care should be taken to arrive at a truly international solution and that the wholesale and retail sector should be involved in the work. All attributes that were selected should be clearly defined to avoid any confusion e.g. crop year might not be the same in northern and southern hemispheres.
- 11. The Chairman reviewed the table of attributes in 2002/17. It should be simplified to the essential (12 digits). He said that the attributes commodity, variety and size could possibly be grouped in one 4-digit field based on the results of the standardization of PLU numbers (the International Federation of Produce Coding had defined 1300 to 1500 Plus. and additionally there were 300-400 retailer assigned numbers). He also said that the attributes net weight, country of origin, lot number, company and packing date were already treated within the EAN/UCC system.
- 13. A number of comments were made concerning the attributes:
 - clear definitions for all attributes are needed;
 - 4 digits would not be enough to code commodity, variety and sizing;
 - crop year is only mandatory for some tree nuts and optional in some other standards;
 - the attribute "treated with" is only used for citrus fruit;
 - commodity, variety, size, commercial type, crop year and treated with could be grouped in one field;
 - the attributes commodity, grade/class and variety should be the first ones to be agreed because they are universally used and also must be on the label;
 - sizing could be grouped with packaging;
 - one should concentrate on the mandatory items in the UNECE standards (net weight, lot number and packing date were not required according to the UNECE standard and could be left out;
 - for attributes in the list that were already coded internationally these codes should be adopted (net weight, country of origin, lot/batch number);
 - an additional attribute called "product specific requirements" was proposed, which could contain information that regards only few kinds of produce;
 - the growing method should be included;
 - "crop year" could lead to confusion as some commodities could be stored for years without problems.
- 14. Several delegations commented on the scope and use of the work:
 - the scope of the work should be defined;
 - it should be clarified what the group was trying to achieve;
 - examples for the use of the code should be given
 - there should be an international list of varieties but there are also many national varieties, which will have to be taken into account.
 - should coding be restricted to international commerce?
 - the system should also give benefits to the consumer
 - the work should concentrate on coding in all forms not just on bar-coding.

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- 15. The delegation of COLEACP said that it should be avoided that the introduction of the new coding system would cause any disadvantages to poorer countries.
- 16. It was emphasized that it was not intended to impose the system and that it should facilitate trade for all countries whatever their stage of development.
- 16. The Chairman summed up the discussion as follows:
 - The scope of the work of the Working group should be put clearly in writing.
 - To start the work, only what is mandatory in the UNECE standards should be included in the coding scheme.
 - The scheme should be simplified by combining those attributes that can logically be combined.
- 16. The delegation of the Netherlands proposed to hold a working group session during the OECD Meeting of heads of control services (3-5 September 2002).
- 18. The delegate of EAN International proposed to hold a coding session with the secretariat in the week of 23 September 2002.
- 19. A further session of the group will be held during the Working Party session on 30 October 2002.