



OECD-UNECE Joint Study

Economic Impact of Marketing Standards on Trade *Update*

Monday, 16 May 2022





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

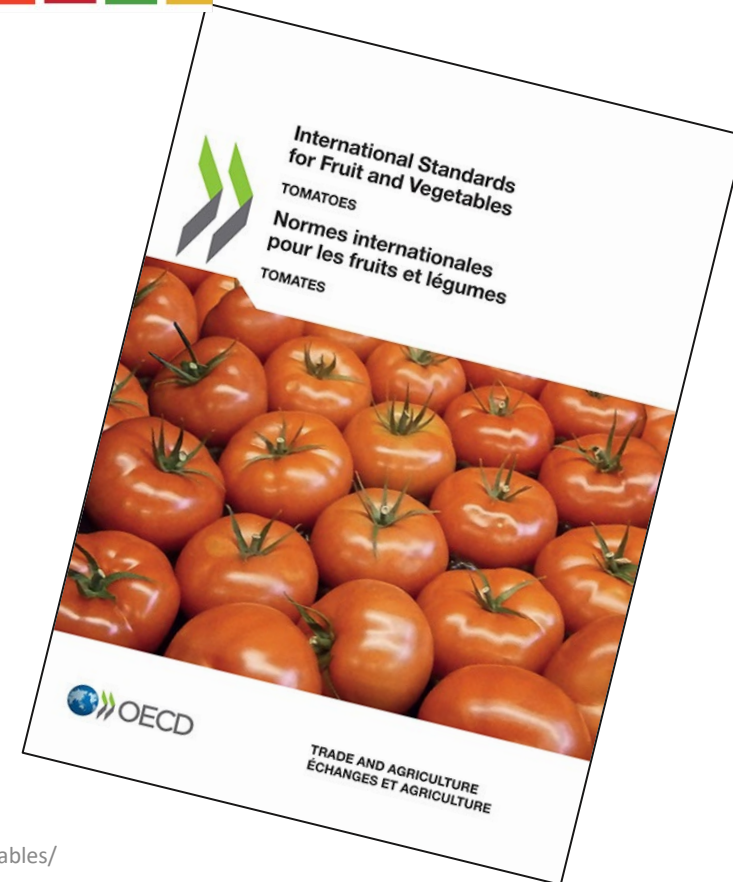
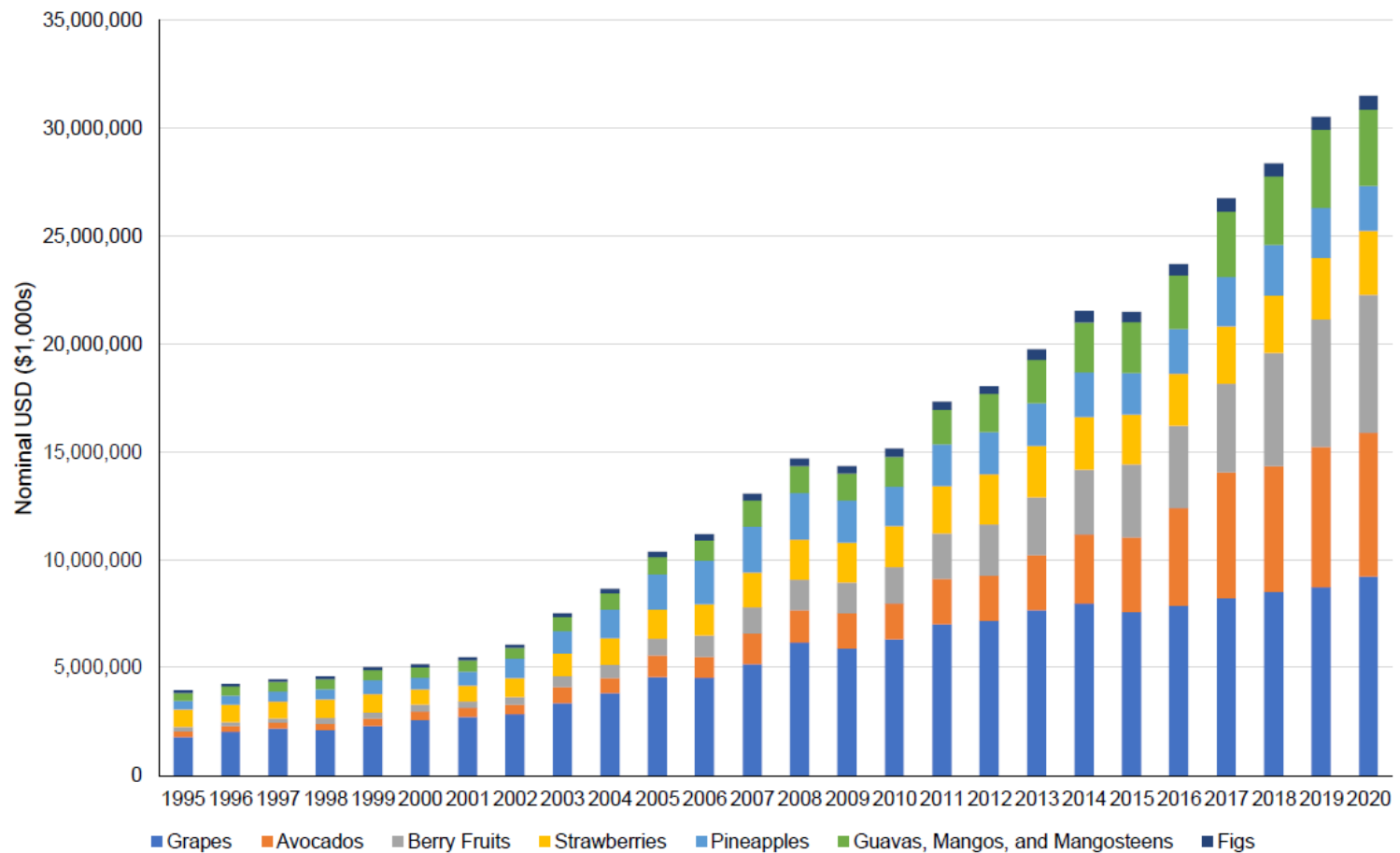




Figure 1a. Exports of Fresh Berries and Other Fruit



Notes: Data, available since 1995, are from BACI (Gaulier and Zignago, 2010) and denominated in nominal U.S. dollars (thousands).



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, etc.*
- **Period:** *1995-2020*
- **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



Figure 2. International Trade by OECD FVS Scheme Membership Status

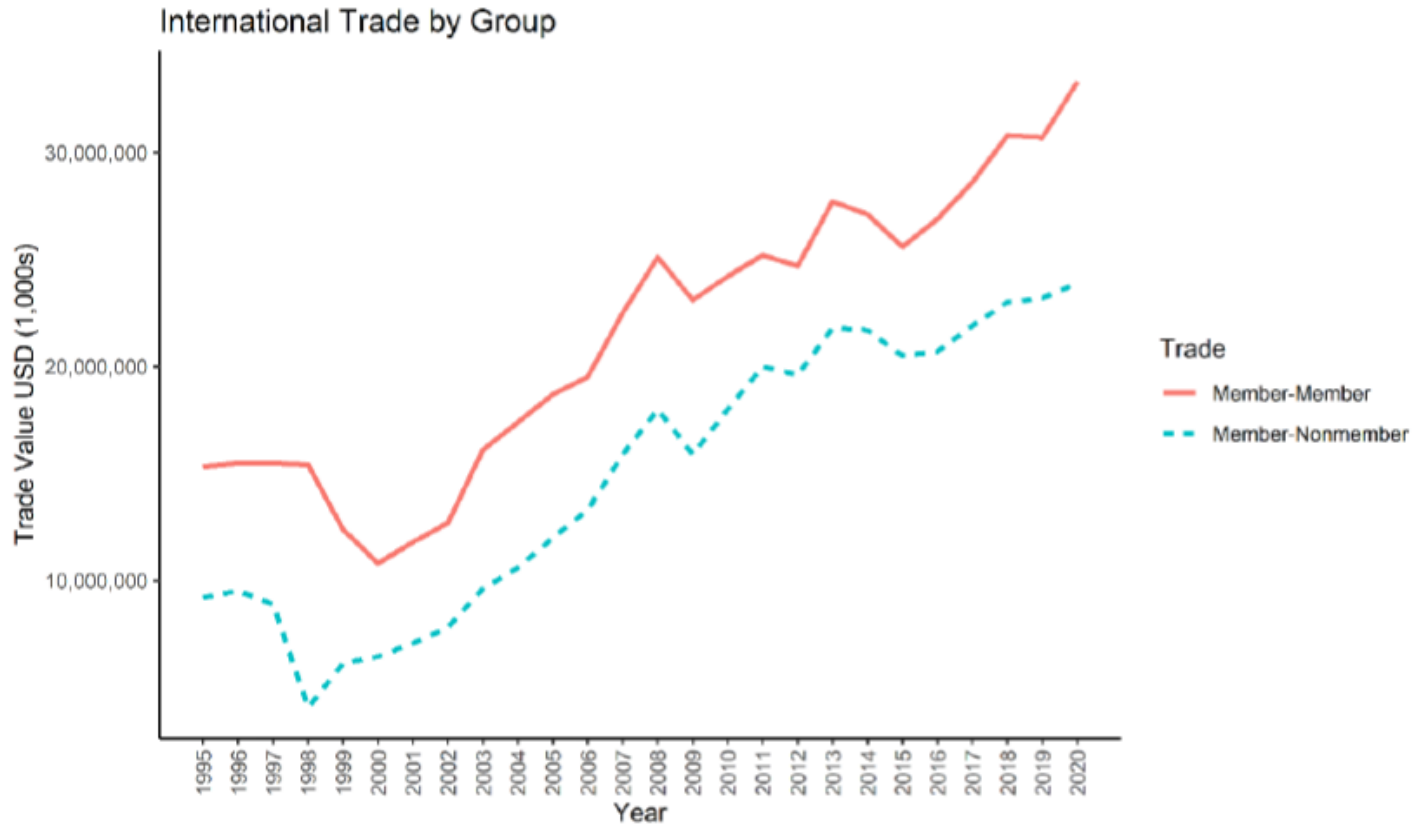
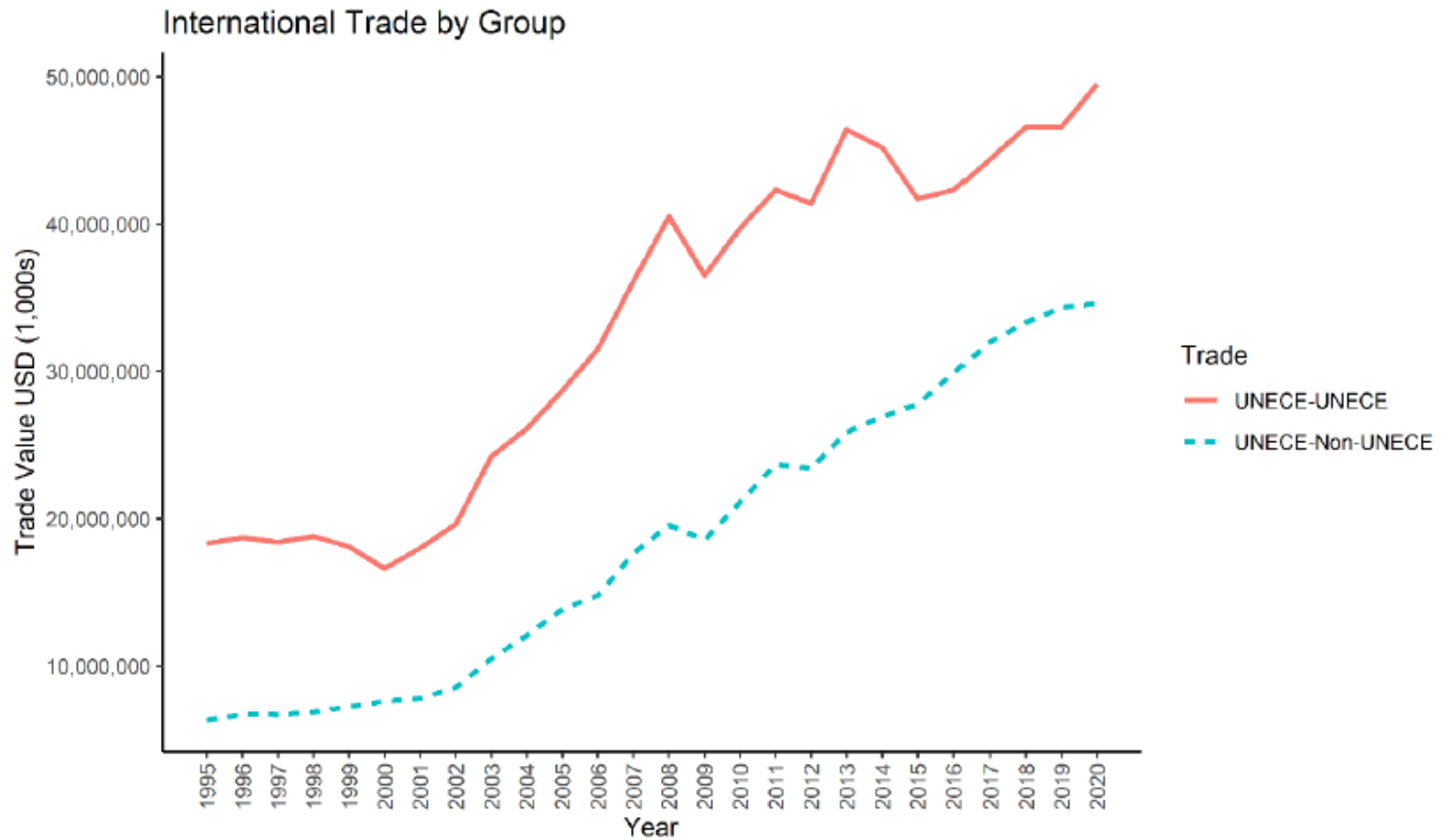




Figure 3. International Trade by UNECE Country Status





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

- Publication of FVS brochures have considerable positive effects on trade in fresh fruit and vegetables.
- Of the 25 brochures investigated, fully 14 indicated large and statistically significant effects on trade. In particular, in the years following publication, trade is statistically significantly larger for fruits and vegetables related to these brochures: apples (by 22%), apricots (22%), beans (25%), citrus fruits (27%), cucumbers (22%), figs (18%), grapes (9%), mangoes (29%), melons (24%), onions (23%), pears (25%), potatoes (42%), shallots (18%), and watermelons (34%).
- Note that all effects are with respect to the pre-brochure period. Thus, for example, after controlling for a wide variety of economic factors deemed to affect fresh produce trade, we find that trade in apples is 22% larger in the post-brochure period (2011-15) relative to 1995-2015.



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

- Evidence on the effects of the UNECE standards and standard revisions is comparable to that of the OECD FVS brochures.
- Of the 37 standards and/or standard revisions examined, there are positive, statistically significant effects on trade in artichokes (35%), asparagus (27%), broccoli (11%), carrots (14%), ribbed celery (25%), citrus fruits (16%), lettuce and endives (8%), mangoes (22%), cultivated mushrooms (82%), roots and tubercles (29%), shallots (16%), tomatoes (12%), and truffles (1,418%).
- The very large effect size for truffles reflects the tenfold growth in global exports of truffles that occurred between 2006 and 2007—a high level of trade that was sustained through 2011 before a ten-fold decrease in exports between 2011 and 2012.



Key Messages

- The analysis suggests that **publication of OECD FVS brochures and implementation/revision of UNECE standards are associated with substantial increases in international trade** across multiple product categories.
- Having a common system (**same marketing standards, harmonized interpretation and common inspections methodologies**) amplifies the positive impact on trade.

Key Beneficiaries

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

