

# OECD Scheme for the Application of International Standards for Fruit and Vegetables

OECD activities on online trade

**IAT-2023**, Bonn, Germany **14-16** March **2023** 









# OECD Activities on internet sales



#### 2016

- OECD Heads of National Inspection Services meeting
- Raises awareness

#### 2017

- Set-up of a SWGBelgium
- France
  Germany
  Kenya
  Netherlands
  and Spain

#### 2018

- Surveys
- Concerns

#### 2019

- OECD Business Model
- Collaboration with Freshfel

#### 2020

- Release of Joint Study
- SWG roadmap on hold due to the pandemic

#### **Next Steps**









# Internet sales – a growing concern 1/2

Outcome of a questionnaire circulated to the OECD FVS Scheme Member countries in 2017 to try to identify existing regulations and major challenges faced by the inspection services.

Answers by Finland, Germany, Israel, Italy, Kenya, New Zealand, Poland and Switzerland

The major challenges reported by participating countries were

- 1. physical detection of the consignment/traceability
- 2. biosecurity/phytosanitary non-compliance
- 3. non declaration of consignment at port of entry
- 4. knowing the companies being active in internet sales of fruit and vegetables
- 5. knowing where the deliveries are generated and the goods are picked and packed
- 6. knowing where the contract is concluded (article 5 of 543/2011)





# Internet sales – a growing concern 2/2

The major challenges reported by participating countries were

- 7. knowing whether produce delivered directly to the final consumer by subscribing a box scheme is covered by the term "online sale"
- enforcing that the online offer exactly provide the information (produce, country of origin, and where applicable quality class and variety/commercial type)
- 9. enforcing that produce be labelled correctly and that invoices and accompanying documents indicate this information
- 10. being aware that some online traders are fighting for very weak regulations in saying that it is too complicated to update databases for online sales in a timely and precise manner, amongst other.





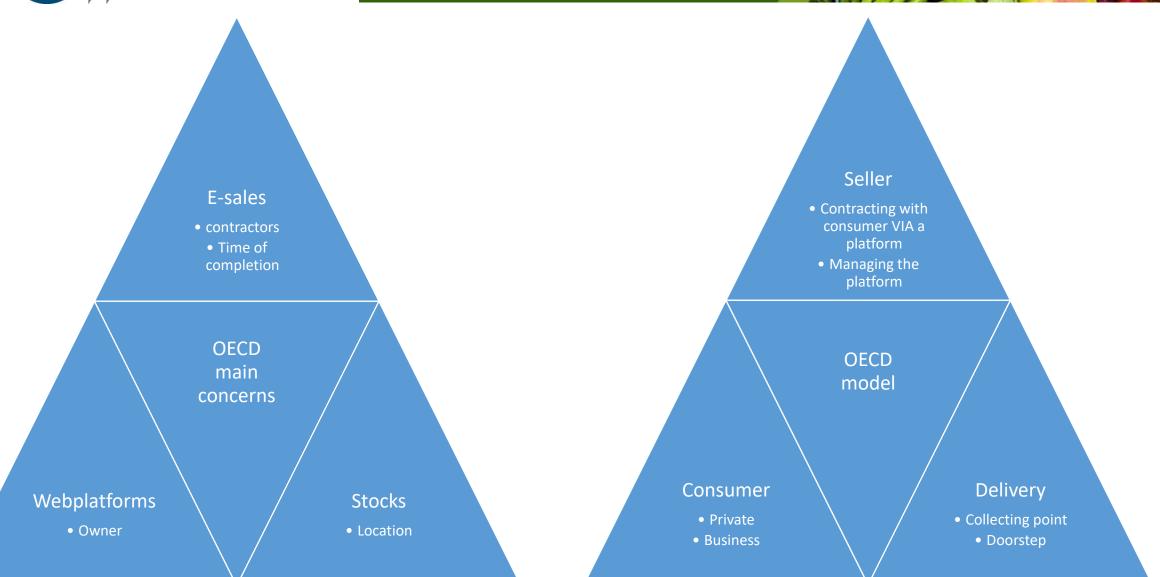
# Sub-Working group to tackle this matter

- enable the consumer to have complete and reliable information
- develop OECD guidelines for internet sales of fruit and vegetables
- advise participating countries on how, where and when to conduct inspections to ensure there is compliance with the rules and regulations
- guarantee fair competition between internet and physical sellers
- ensure the rules are respected by all stakeholders dealing with fresh fruit and vegetables trade (traditional and internet sales)
- have a common registry or database of all internet sites that sell fruit and vegetables online.



#### **FRUIT AND VEGETABLES SCHEME**









### **OECD Model for online platforms**

#### Model 1

An online platform that connects Consumers with Physical sellers

Whichever type of consumer, seller and delivery, the sale is completed via the platform between the consumer and the seller

PHYSICAL SELLER	online retailer	Retailer shop	Retail shop	Agricultural producers	Agricultural producers	Agricultural producers
CONSUMER	individuals	individuals	individuals	individuals	individuals	Wholesalers
DELIVERY TYPE	doorstep	Collecting point	doorstep	Collecting point	doorstep	Delivery









# **OECD Model for online platforms**

#### Model 2

An online platform managed by a physical seller to reach consumers online

Whichever type of seller, consumer or delivery, the sale is completed between the consumer and the physical seller that manages the platform

PHYSICAL SELLER	Retailer	Retailer	Online shop	Retailer	Agricultural producers	Agricultural producers
CONSUMER	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals
DELIVERY TYPE	Collecting point	Doorstep	Doorstep	Doorstep	Collecting point	Doorstep

French Click&Collect model

# OECD ( The SWG members tested the OECD Model to sort a sample of their online platforms

#### The aim was

- >To try to find one example for each sub-models of Models 1 and 2 and
- For each example, try to clarify the following points:
- Identification of the platform
- Identification of the physical seller
- Identification of the customer
- · Completion of the sale (Time of Completion of the contract, Prices in general)

- Types of fruit and vegetables for sale
- Other information on delivery
- Order preparation (Location, terms and conditions)
- Applicable regulation on Fruit and vegetables sales
- Applicable regulation on e-commerce



#### FRUIT AND VEGETABLES SCHEME



D.C.W M. I.I.A		cts Consumers with Physical s	ellers of fruits and vegetables (whic	hever type of consumer, seller a	nd delivery, the sale is completed	d via the platform between the
Definition - Model 1	consumer and the seller)					
Survey						
Physical seller	online retailer	Retail shop	Retail shop	Agricultural producers	Agricultural producers	Ag producers
Consumers	private consumer	Private consumers	Private consumers	Private consumers	Private consumers	Wholesalers of FV
Type of delivery	delivery at doorstep	Collecting point	Delivery at the doorstep	Collecting point	Delivery at the doorstep	Delivery
Identification of the platform			·	J.		
Name of the Online Platform						
Website URL						
URL of the Terms&conditions / legal mentions						
owner of the website						
operator of the website						
More details on the website operator						
Name and address						
Electronic mail address or website						
Country of registration and registration number						
VAT details where applicable						
dentification of the physical seller						
Name and address						
Electronic mail address or website						
Country of registration and registration number						
VAT details where applicable						
dentification of the customer						
customer as described in the Terms&Conds if applicable						
Completion of the sale						
Time of Completion of the contract						
prices in general						
Types of fruit & vegetables for sale						
please list the produce						
other information on delivery						
Places where to collect/from where it is delivered						
time slot between order and delivery/collection						
other comments on delivery/collection						
Order preparation						
Identification of where physically the order is prepared						
Is it at the same place as the physical seller's address?						
How is it referred as on the website?						
What do the terms & conditions specify for missing products?						
Applicable regulation on Fruit and vegetables sales						
National						
EU (if applicable)						
International (if applicable)						
ort description of the information that should be made available						
Applicable regulation on e-commerce						
National						
EU (if applicable)						
International (if applicable)						
rt description of the information that should be made available						



customer as described in the Terms&Conds it

Types of fruit & vegetables for sale

Places where to collect/from where it is delivered time slot between order and delivery/collection other comments on delivery/collection

other information on delivery

Time of Completion of the contract

Completion of the sale

applicable

Prices in general

please list the produce



Definition - Model 2	An online platform that is managed by a physical seller to reach consumers online (whichever type of seller, consumer or delivery, the sale is completed between the consumer and the physical seller that manages the platform)										
Survey											
	"Click & Collect" sub-model		"Click & Collect" sub-model								
Physical seller	Retail company  Private consumers	, ,	Retail company Private consumers	, ,	, ,	•	, ,	Agricultural producers  Private consumers	Agricultural producers  Private consumers		
Consumers  Type of delivery	Collecting point	Delivery at the doorstep	Collecting point	Delivery at the doorstep	Collecting point	Delivery at the doorstep					
Identification of the platform											

Name of the Online Platform Website URL

URL of the Terms&conditions / legal mentions owner of the website operator of the website Identification of the physical seller

Name and address

Electronic mail address or website Country of registration and registration number VAT details where applicable dentification of the customer



# The SWG reviewed applicable regulations

For Model 1 (sale completed between consumer and physical seller via platform)

- applicable on fruit and vegetables sales
  - EU marketing standards Regulation No. 543/2011,
  - EU Regulation No. 2017/625 on provisions on official controls and other official activities and
  - EU Regulation No. 1169/2011 on food labelling standards.
  - EU Regulation No. 882/2004 on official controls to ensure compliance with feed and food laws, and animal health and animal welfare rules.
- applicable on e-commerce
  - EU Regulation No. 543/2011,
  - EU Regulation No. 2017/625 on official controls and other official activities Regulation.
  - Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce).

For Model 2 (sale completed between the consumer and the physical seller that manages the platform)

- applicable on fruit and vegetables sales
  - EU marketing standards (Reg. (EU) No. 543/2011,
  - EU food labelling standards (Reg. (EU) No 1169/2011).
- applicable on e-commerce
  - directive No 2011/83/UE of 25 October 2011 on consumer rights.
  - provisions on marketing standards in the case of distance contracts in EU Regulation No. 543/2011
  - provisions on official food controls in case of distance contracts EU Regulation No. 2017/625.





# Market Study

- Online search with key-words
- « all findings » and the Top-50 findings
- Applying the OECD model (sellers, consumers, delivery systems)
- Across 7 EU countries



# Screen Checks

- Compliance with EU regulation
- Same 7 EU countries
- Apple case
- Data accessibility
- Mention of Origin, Class and Variety





In general, the online-offer addresses private consumers

Some commonalities

across countries While many web shops aimed to increase transparency of their supply chain, the overall impression was confusing

Pre-selected mixtures of fruit and/or vegetables was very often proposed in all 7 countries

Most of the fruit and vegetables online-sales target clients at the national level

Pure online-shops often dominated the core-findings, but would not be reflected in the overall structure

BUT... Each of the sample countries provided a unique profile







Retail-dominated / Online B2B models

"Drive" /Click-and-collect

Organic/Demeter - Altruistic consumption

Still in trial phase

Small but organic

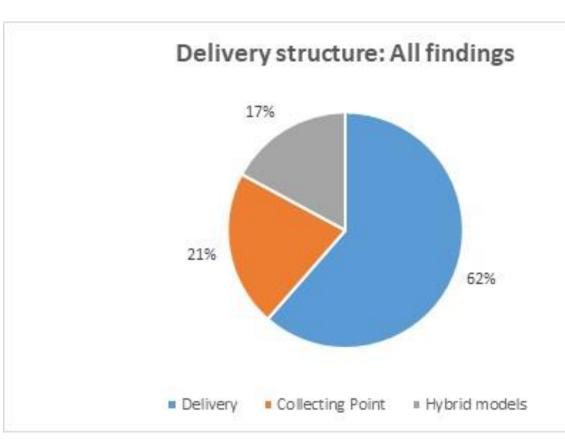
"Fruiteria" gone online vs. Agricultural suppliers

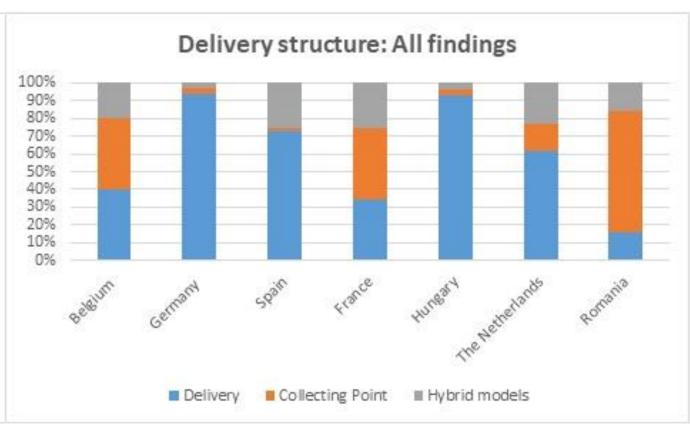
Retail and convenience





# Delivery structure at doorstep versus collect point



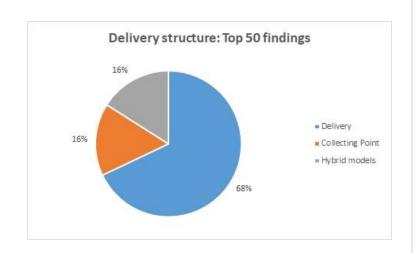


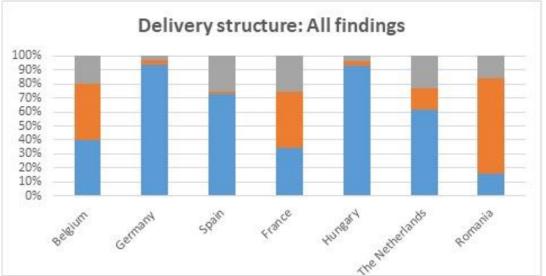


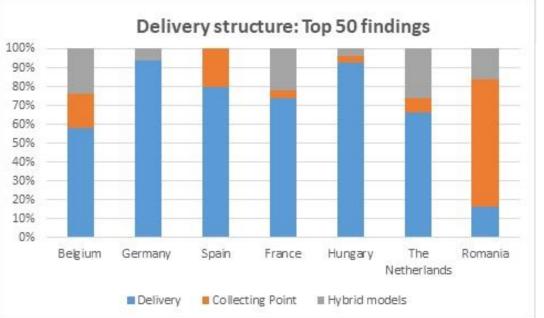


Delivery structure at doorstep versus collect point





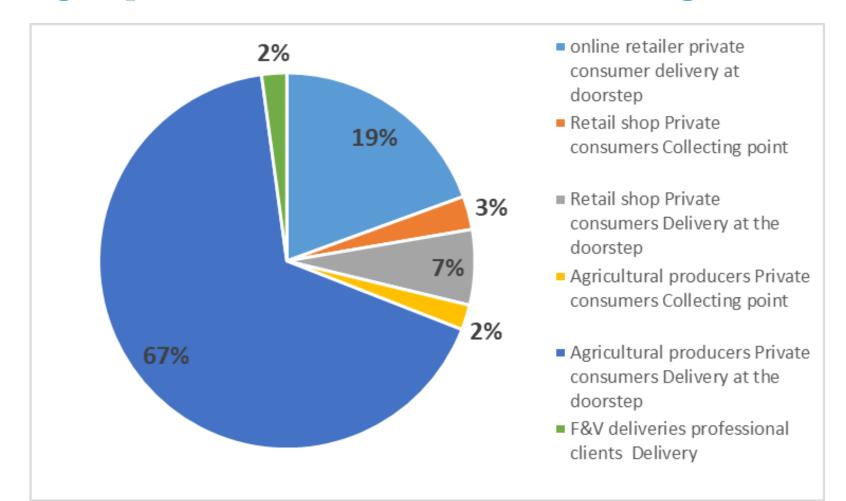








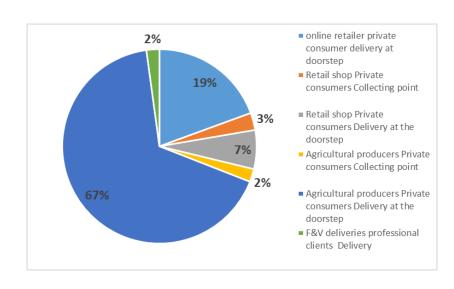
#### Germany market (all findings) dominated by agricultural producers selling to private consumers and delivering at doorstep

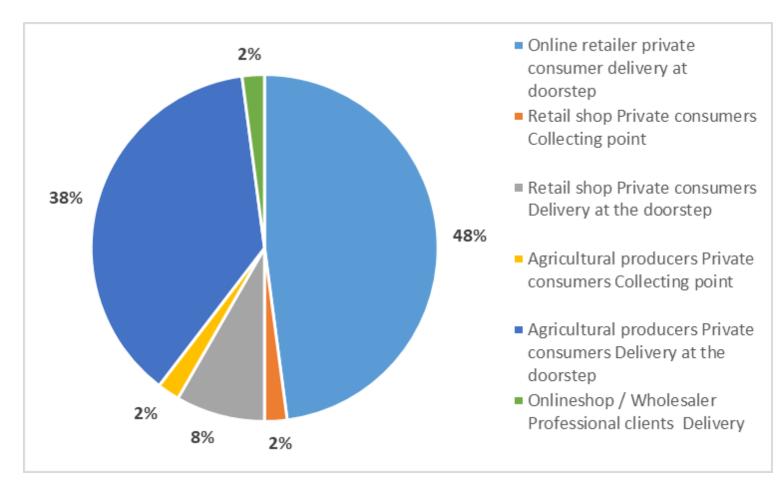






#### BUT...When considering the <u>Top-50</u> findings, dominated by pure online retailers selling to private consumers with delivery at doorstep











- Same 7 EU countries
- 10 first websites found
- Apple case
- Data accessibility
- Mention of Origin, Class and Variety





The prescribed information is next to the product of interest

#### **Screen Checks**

**Accessibility** ranking

- An additional "cursor"-click/action needed, to access marketing standard information
  - More than two clicks/action to access marketing standard information

No information displayed/accessible





Out of the 10 (or 20) first findings

**Screen Checks** 

**Marking** ranking

- Origin, Class, variety
- The prescription is indicated
- The prescription is not indicated
- Addition of the 10 scores







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### Internet sales - Next steps at OECD

Agreed at the December 2019 Plenary - On hold due to the pandemic

- Over 2020, the members of the SWG will notably implement
  - 1. harmonised website checks of e-sellers chosen by the NDAs
  - 2. dispatch point check
  - 3. actual purchase for assessment delivery *versus* order. **Secretariat will put money** aside as needed.
- The Sub-Working group may extend the collaboration with FRESHFEL for
  - 1. an insight into the consumer side (subject to funds availability)
  - 2. a comparison with the type of information provided on other more successful markets such as China, India, the US
  - 3. a qualitative approach to map supply chains: at a later stage.



#### **FRUIT AND VEGETABLES SCHEME**





#### For more information

- Visit our website at www.oecd.org/agriculture/fruit-vegetables
- Download the joint OECD Freshfel study on Online sales of fruit and vegetables in Europe
  <a href="https://www.oecd.org/agriculture/fruit-vegetables/joint-freshfel-europe-oecd-study-on-internet-sales-in-europe.pdf">https://www.oecd.org/agriculture/fruit-vegetables/joint-freshfel-europe-oecd-study-on-internet-sales-in-europe.pdf</a>
- Contact us at tad.contact@oecd.org
- Follow us on Twitter @OECDtrade

#### OECD Fruit and Vegetables Scheme

The OECD Fruit and Vegetables Scheme promotes international trade through the harmonisation of implementation and interpretation of marketing standards. Download our brochure (pdf)

#### Harmonization of the Fruit and Vegetables Quality



We are pleased to invite you to the international training course "Harmonization of the Fruit and Vegetables Quality Assessment". which will take place from 5 to 7 September 2022 in Mojmirovce, Slovak Republic

ownload the Programme

Now available in ILibrary: German translations for the International Standards for Fruit and Vegetables brochures on Apples and Leeks. To come soon: Chicory, Mangoes, Pears, Plums, and Table Grapes

#### The OECD and trade in fruit and vegetables



#### Download our fruit and vegetables explanatory standards brochures















Thank you for your attention