

## Chapter- V

### INTERNATIONAL TRADE REQUIREMENTS

International trade in fruits and vegetables has expanded more rapidly than trade in other agricultural commodities especially since the 1980s. Global fruit and vegetable trade has increased from \$ 3.4 billion in 1961 to \$ 90.48 billion in 2006. There is enormous diversity in fruits and vegetable trade, because of increase in variety of offerings. Advanced technology and trade agreements have played a major role in allowing access to markets and in promoting trade. In this backdrop, the understanding of the requirements of the international trade is very much required to accelerate the process. The requirements of International trade are classified into two group's i.e. legislative and non-legislative requirements which are illustrated below:

#### **(a) Legislative requirements**

- (i) Tariffs
- (ii) Non- tariffs – quality standards, MRL's, marking, labeling, better packaging, contamination etc.

#### **(b) Non- legislative requirements**

- (i) Good Agricultural Practices

Legislation for tariff barriers has been mainly enacted by the countries with a view to protect the farmers, whereas legislation for non- tariff barriers like quality standards etc. have been framed in the interest of consumers. Substantial reduction in tariff barriers is essential to further enhance the global exchange of fruits and vegetables. In this regard, regional trade agreements, negotiated bilateral free trade agreements and further liberalization as a result of WTO negotiations, will eventually result in lowering the barriers to trade and better access.

Requirements of tariffs and non-tariffs for different countries i.e. European Union, CIS countries like Russia and Ukraine, ASEAN countries, GCC countries, Australia, Japan,

Korea, China and U.SA, are presented below. These requirements are based on Volume – IV (B & C), of International Market Research covering Trade Scenario and Specifications.

## **5.1. REQUIREMENTS OF EUROPEAN COUNTRIES**

The EU is the leading destination and source of supply in global trade of fruits and vegetables. In the EU, all member countries have not only a common tariff for third countries, but also a common market organization with policy mechanism and trade agreements to stabilize the market for fruit and vegetables sector. Details of both legislative and non-legislative requirements are given below:

### **5.1.1. Legislative Requirements**

#### **(a) Tariffs**

- **Generalized System of Preferences (GSP) Scheme**

Under this initiative, tariff exceptions have been made for developing and least developing countries. These countries have duty free access to EU round the year for fruits and vegetables except for banana.

- **Special regulatory requirements for banana**

Imports of bananas into the EU are regulated by tariffs and quota since 2006. Early tariff quota structure has been replaced by a single tariff (Euro 176 per ton) without quota restriction. For bananas from ACP (African, Caribbean and Pacific countries) countries, a zero duty is applicable up to the first 7, 75,000 tons net weight annually. The quantum is distributed among ACP countries on a first come, first serve basis.

- **Spices**

Import duties on most raw spices like pepper, cinnamon, cardamom, coriander seeds, cumin seeds, ginger, turmeric, curry, etc. are nil. However major spices that attract duties are vanilla (2.1%), cloves (2.8%) and mixture of spices (2.3%).

- **Other commercial crops/products**

Imports of sesamum seeds, soyameal and cotton from GSP countries is duty free.

**(b) Non Tariffs**

Many other aspects, comprising quality standards, labeling and marking, MRL's, hygiene of food stuff, contamination, packaging standards, etc. should also be considered while exporting to EU markets. The quality standards of India which are being adopted by exporters meet the EU requirements.

**5.1.2. Non legislative requirements**

Non legislative requirements include environmental, ethical and social policies.

**(a) Bench Marking Food**

There are a number of non legislative standards that have to be adopted on a voluntary basis. Many buyers may ask suppliers to comply on environmental, health, safety, traceability, good agricultural practices and social responsibility issues. Details of which are given in the following paragraphs:

- **Food quality**

Complete traceability from the field to final consumers is required. A set of standards have been established through the production chain and in audit system for verification.

- **Social impact**

Social impact comprises occupational health, child labour, forced labour, minimum wages, etc. This aspect aims to ensure that reasonable conditions for workers are provided based on ILO conventions and ISO management system.

- **Environment friendly production**

It requires that food is produced with a minimum damage to the environment using sustainable farming system.

- **Good Agricultural Practices**

EUREPGAP which is now known as GLOBALGAP is already quite popular among Indian farmers and most of them are covered under registration.

### 5.1.3. Trade and Consumer Preferences

#### (i) General preferences

General preferences of consumers are given below:

- **New and Exotic products**

Exotic items are becoming common and popular like mango, papaya, pomegranates, *Physalis*, etc. that have decorative attributes also, Similarly there is lot of demand for small products comprising mini cucumbers, mini sweet peppers, cherry tomatoes, etc.

- **Uninterrupted Supply**

Because of new health trends, consumers prefer the supply of the fruits and vegetables, which are made available by mostly countries in Southern hemisphere, African countries, India and Pakistan throughout the year.

- **Changing Life style**

There is increased demand for processed items such as pre-cut-washed and scraped-peeled-prepared items.

- **Food Safety**

Because of food safety concerns, there is demand for organic fruits and vegetables mainly in Germany, Sweden, Denmark, France and UK. Social awareness has also led to increased demand for “**Fair trade**” certified products.

## (ii) **Specific product preferences**

### **EU Market requirements**

#### **(a) Mango**

The details of market requirements of mango are described in brief:

- **International quality standards**

Already well adopted in India as Codex Alimentarius standards

- **Minimum Labeling**

It is well documented and exporters are aware of the requirements like:

- Name and address of exporters/ packers
- Name of product/ variety
- Origin of produce
- Class or grade
- Size
- Weight

- **Packaging**

Mangoes are packed in a single layer in fruit cartons (telescope or single piece folding) Fruits are wrapped in paper or padded.

- **Import regulatory documents**

- Phytosanitary certificate from the country of origin
- Certificate of origin on GSP Form A for developing and least developed countries

- **Specific Market trends and preferences**

- Market for mangoes is growing because of improvement in quality, longer shelf life and shift from air to sea freight with bulk deliveries at competitive prices.

- Coloured mangoes are preferred over green varieties
- Many consumers prefer pre-peeled and pre-cut (ready to eat).
- Multiple retailers have already started responding to the demand.

## **(b) Pineapples**

### **◆ Market requirements**

International quality standard (Codex Alimentarius standards for pineapples) is followed in India. The labeling and import regulatory documents are the same as given for mango.

### **◆ Specific Market trends and preferences**

- Germany, Italy and UK are the largest markets. Costa Rica is the leading supplier followed by Ivory Coast, Ghana, Ecuador, Brazil, etc.
- EU market is growing and there is demand for new varieties like Baby, MD2.
- As it is cumbersome to cut pineapple. Some African countries supply value added pre-cut packed or ready to eat pineapples to Europe.
- UK and France prefer 0.9 kg to 1.5 kg fruits.
- UK prefers 2/3 colour stage at destination.
- Crown must be free of dried and dead leaves and its leaves must be fresh, turgid and green.
- Preferences are for uniformity in colour and size in a pack.

## (c) Spices

### Import Regulations and Requirements

#### ◆ Quality standards - Sanitary and Phytosanitary

The standards of most importing countries carry specification on micro cleanliness. The ESA and ASTA guidelines are in use all over the world. The details of which have been given in Report on International Market Research Volume - IV C (i) and are summarized below (Table 1).

**Table 1: ESA quality specifications**

S.No.	Specification	Ginger	Turmeric	
			Whole	Ground
1	Extraneous matter %	1	1	1
2	Foreign matter %	2	2	2
3	Ash % w/w max (ISO)	8 (ISO)	8 (BSI)	9 (ISO)
4	Acid insoluble ash % w/w max	2 (ESA)	2 (BSI)	2.5 (ESA)
5	Maximum water % w/w max	12 (ISO)	12 (BSI)	10 (ISO)
6	Volatile oil	1.5 (ISO)	2.5 (BSI)	1.5 (ESA)
7	Microbe a. <i>Salmonella abs</i> in 25 g, yeast & molds b. <i>E. coli</i>	105/g target, max 106/g absolute  102/g target, max 103/g absolute		

Source: <http://www.espspices.org/content/pdts/ESAQualityMinimalDocument191104.pdp>

BSI: Bureau Standards Institute

ESA: European Spices Association

ISO: International Organization for Standardization

American Spices Trade Association has fixed its own specifications which are given in Table 2

**Table 2: ASTA Cleanliness Specifications for spices**

<b>Specification (1)</b>	<b>Units (2)</b>	<b>Ginger (3)</b>	<b>Turmeric (4)</b>
Whole insects dead	by count no/pound	4	3
Excreta mammalian	by mg/pound	3	5
Excreta other	by mg/ pound	3.0 whole 10.0 split	5.0
Mold	% by wt	3	1.0
Insect inflated/infested	% by wt	3	1.0
Extraneous/foreign matter	% by wt	1.0 for whole 0.5 for splits	0.5

Source: 1) Booklet, Dried ginger for exports, Spices Board, Cochin

2) Booklet, Turmeric for export, Spices Board, Cochin.

◆ **Microbial load**

Microbial contamination mainly arises from improper post-harvest handling and storage. Proper drying and storage can reduce the microbial contamination. Markets prefer a “clean” product rather than “cleaned”. Use of ethylene oxide is a popular method for eliminating microbial contamination, but its use has been banned in Europe and Japan. Sterilization by steam causes loss of volatile oil and flavour and it is costly. However irradiation process is cost effective and practical.

◆ **Aflatoxins**

Aflatoxins are extremely toxic metabolites (including B<sub>1</sub>, B<sub>2</sub>, G<sub>1</sub>, G<sub>2</sub>, M<sub>1</sub>, and M<sub>2</sub>) produced by fungi *Aspergillus flavus* and *Aspergillus parasiticus*. Maximum load for total aflatoxin has been set in almost all developed countries between 1 ppb and 20 ppb. The use of scientific methods of handling and use of modern dryers can reduce the problem considerably.

According to the EU direction 3347/99 Sept 2001, nutmeg, pepper, turmeric and ginger can have maximum 10 ppb total aflatoxins.

◆ **Trace metal contamination**

Hazardous metals are mercury, cadmium, arsenic, chromium and lead. The ESA specifications on trace metal contaminants in spices (limit in mg/kg) are lead 10, Arsenic 5, Copper 20 and Zinc 50.

◆ **Pesticide residues**

Tolerance limits in pesticide residues in EU are presented in Table 3.

**Table 3: Tolerance limits of pesticide residues in ppm**

Product	DDT	Endrin	Heptachlor	Captol	Chlorophysiphos
Spices	0.05	0.01	0.01	1.02	0.05

◆ **Other EU directives**

EU direction 1999/2/EC allows spices and herbs to be treated with ionizing radiation; however, consumer acceptance is very low. At the same time use of Ethylene oxide is banned in EU but it is accepted in USA. Therefore, the best way is to adopt scientific methods and modern dryers for eliminating microbial load, aflatoxins, etc.

◆ **Hazard Analysis**

EU food hygiene directive (1993/43/EEC) requires food producing companies to do HACCP analysis to ensure appropriate food safety.

◆ **Traceability**

Complete traceability from field to the final consumers is required in EU. A set of standards have been prescribed along with in audit system for verification.

◆ **Packing**

Processed products should be packed in sealed, clean and sound paper cartons of 0.5 kg to 2.0 kg properly lined with a waterproof paper or in moisture proof bags made of materials which do not impart any smell to the products. A suitable number of such packs should be packed in cardboard or wooden boxes. The size of cardboard boxes and number packs packed in a cardboard box is left to purchaser and seller.

◆ **Marking**

The following particulars should be marked or labeled on each bag or container of the products:

- a) Name of the material and the trade or brand name, if any
- b) Name and address of manufacturers/packers
- c) Batch or code number
- d) Net mass
- e) Grade of the material (if graded) according to national standards
- f) Producing country
- g) Any other marking required by purchaser
- h) Year of production if known

### ◆ **Storage and Transport**

The packs of spices should be stored in covered premises well protected from sun, rain and excessive heat. The store room should be dry, free from objectionable odours and proofed against entry of insects and vermin.

The ventilation should be controlled so as to give ventilation under dry conditions and to be fully closed under damp conditions. In a storage godown, suitable facilities should be available for fumigation. The packs should be so handled and transported that they are protected from rain, from the sun, or other sources of excessive heat, from objectionable odours and from cross infestation especially in the holds of ships.

## **5.2. CIS COUNTRIES - RUSSIA, UKRAINE AND KAZAKHSTAN**

### ◆ **Tariff structure**

In Russia, there is a high tariff for tomato depending upon season of export. For mango, banana, pineapple and grapes there is a tariff ranging from 3.75% to 4.85%. Tariff for soyameal is 3.75% for GSP countries and sesame can be exported free of duty to Russia.

For Ukraine tariff duties for mango and banana is 3% which is quite low but for grapes it is 10%. For soyameal and cotton, the duties are also low 5% and 0% respectively, but tariff duties for sesame are high i.e 20%. Tariff duties for tomato and onion for exporting to Ukraine are also very high.

For Kazakhstan, fruits like mango, grapes, banana and pineapples can be exported with a tariff of 3.75%. However, for exporting tomato, onion and green chillies a tariff duty of 11.25%, 15% and 15% respectively will have to be paid. For exporting soyameal and sesame a tariff duty of 3.75% will be charged. But cotton can be exported duty free.

The tariff structure for these countries is given in Table 4.

**Table 4: Tariff Rates in Russia, Ukraine and Kazakhstan**

Commodity	Tariff rates in %		
	Russia (GSP Tariff)	Ukraine (General Tariff)	Kazakhstan (GSP Tariff)
Mango	3.75	3.00	3.75
Grapes	3.75	10.00	3.75
Pomegranate	-	-	-
Lychees	-	-	-
Banana	4.85	3.00	3.75
Pineapples	3.75	4.00	3.75
Tomato	16.57 – *25.98	100.96	11.25
Onion	11.25	20.00	15.00
Green chillies	11.25	-	15.00
Ginger	-	-	-
Turmeric powder	-	-	-
Soyameal	3.75	5.00	3.75
Sesame	0.00	20.00	3.75
Cotton	-	0.00	0.00

Source: ITC Trade map

\* Duty varies depending upon season of exports

### **5.3. REQUIREMENTS OF ASEAN COUNTRIES**

#### **◆ Tariffs and Protocols**

Understanding tariffs and protocols of ASEAN countries is absolutely essential as all these countries are in the neighbourhood of our country and we have specific interest/inclination to export the farm produce and other commodities to these

countries. In this document, only six countries namely Thailand, Indonesia, Philippines, Malaysia, Vietnam and Singapore have been covered. The present state of tariffs and protocols which are necessary to follow are described in following paragraphs:

## **I. Tariffs**

Export of mango, grapes and pomegranates to Thailand is free of duty as a result of India-Thailand Free Trade Agreement w.e.f. 1/03/2006. However, high import duty is imposed on lychees, bananas, pineapples, tomato, onion, green chilly, ginger, turmeric powder and sesame. Export of cotton is also duty free whereas a duty of 6% is levied on export of soyameal.

Indonesia has imposed 25% tariffs on import of mango and onion, whereas import of soyameal and cotton is without any tariff. Imports of all other items attract a tariff of 5%.

Export of onion, green chillies, and ginger to Philippines attracts tariff of 40%, 20% and 20% respectively. Similarly items like mango, banana, lychees, pineapples and tomato are imposed tariffs in the range of from 10 to 15%. However, other commodities like grapes (7%), turmeric powder (3%), soyameal (3%), sesame (7%) and cotton (1%) are imposed with lower tariffs.

Malaysia imposes lowest tariffs as there is no tariff on tomato, onion, green chillies, ginger, turmeric powder, sesame and soyameal. There is 60.82 \$/ton tariff on mango, tariff of 364.96 \$/ton on bananas, 228.17 \$/ton on pineapples and 5% tariff on grapes & lychees. Export of cotton to Malaysia attracts a tariff of 10%.

Tariffs imposed by these four ASEAN countries on imports are detailed in Table 5.

**Table 5: Current tariff rates in ASEAN countries**

Commodity	Tariff rates in %			
	Thailand	Indonesia	Philippines	Malaysia
Mango	free	25	15	60.82\$/ton
Grapes	free	5	7	5
Pomegranate	free	-	-	-
Lychees	40% or 852.74 \$/ton	5	10	5
Banana	40% or 852.74\$/ton	5	15	364.96\$/ton
Pineapples	40% or 852.74\$/ton	5	10	228.17 \$/ton
Tomato	40% or 108.18\$/ton	5	10	0
Onion	60% or 159.09 \$/ton	25	40	0
Green chillies	40% Or 108.18 \$/ton	5	20	0
Ginger	27% or 95.46 \$ /ton	5	20	0
Turmeric powder	27% or 95.46 \$ /ton	5	3	0
Soyameal	6	0	3	0
Sesame	30	5	7	0
Cotton	0	0	1	10

Source: ITC Trademap ([www.trademap.org](http://www.trademap.org))

\*According to India-Thailand Free Trade Agreement, exports of mango, grapes and pomegranates to Thailand are free

**(a) Vietnam**

**Tariff structure**

General tariff for imported food articles as per [www.trademap.org](http://www.trademap.org) are, as follows:

<b><u>Product</u></b>	<b><u>Ad Valorem</u></b>
1) Fresh onions, tomatoes and green chillies	30%
2) Fresh bananas, guavas, mangoes, grapes etc.	40%
3) Sesamum seeds	10%
4) Cotton	Nil

**(b) Singapore**

**Tariff structure**

Tariffs on imported fruits and vegetables as per [www.trademap.org](http://www.trademap.org), are applied on the basis of MFN duties (Most Favoured Nation), details of which are given below:

<b><u>Product</u></b>	<b><u>MFN duties</u></b>
1) Fresh onions, tomatoes and green chillies	Nil
2) Fresh mangoes, grapes, pineapples, bananas, and Litchi.	Nil
3) Sesamum seeds, soyameal and cotton	Nil

With the signing of India-Singapore Comprehensive Economic Cooperation Agreement (CECA) there is free trade between India and Singapore.

**II. Other Non-tariff Requirements**

**(a) Thailand**

**(i) Sanitary and Phytosanitary aspects**

Sanitary and phytosanitary certificate is required from the exporting country. However, there is no post-entry quarantine. Also no radiation certificate is required. Products, however, must be free of pests of quarantine concern.

## **(ii) Other requirements**

- Notice of intention to import must be given.
- Hand written phytosanitary certificates are not acceptable.
- All consignments must be labeled in Thai language giving
  - Generic and Trade
  - Registration number
  - Name and address of manufacturer
  - Date of manufacturing
  - Net weight of contents
  - Any additives used
- Registration Food and Drug Administration
  - Registration with FDA is mandatory
  - While seeking registration apply with two samples of the product, details of exact composition by percentage of each ingredient and six labels.
  - For commodities of interest, an application can be made simply by submission of a completed Orr 6 form (which can be downloaded from <http://www.fda.moph.go.th/eng/food/details/form Orr 6.stm>.)
  - FDA can be contacted at:
    - Food Control Division
    - Tel: 66-2590-7186, 66-2590-7189
    - Fax: 66-2591-8460
    - E mail: food @ fda.moph.go.th

## **(b) Indonesia**

### **(i) Quarantine requirements**

- Phytosanitary certificate is absolutely necessary from the country of origin by appropriate authority for all products.
- The consignments are subject to plant quarantine inspection upon arrival in Indonesia.

- No radiation certificate is required.
- No import permit is necessary for exports of fruits and vegetables, but it is required for export of sesame seeds.
- Pesticides regulations exist for fresh fruits and vegetables i.e. Maximum residue levels.
- Products must originate from areas free of all types of fruit fly especially in fresh fruits. Vegetables must be free of pests of quarantine concern.
- Fresh fruits may be required treatment of cold disinfestations up to 18 days at 2.8°C and fumigation with methyl bromide prior to importation.
- The above treatment is applicable to specific products for which local plant health authority should be contacted.

## **(ii) Labeling**

- The use of Bhasa Indonesia is mandatory on all types of goods. Approval to omit Bhasa Indonesia labeling must be obtained from the Indonesian Authority General.
- Labels for food products must-
  - Indicate registration and issue of product no. (ML number) by the Food & Drug Control Agency.
  - Have an expiry date
  - Be in Indonesian language.
  - Have the complete name and address of importer
  - Have a halal certificate from an agency approved by Indonesian Islamic Council

## **(iii) Registration**

- All food and beverages imported must be registered at the Indonesian Food and Drug Control Agency. For imported products, the registration process is completed by the Indonesian importers on behalf of foreign exporting companies before goods are shipped to Indonesia.

- Special forms are available that contain procedures required to be followed.
- It is obligatory to send samples for analysis to determine the ingredients, additives and microbiological content.
- Can contact Food and Drug Control Agency  
Badan POM (NADFC)  
J1 Percetakan, Negara No 23  
Jakarta-10560, Indonesia  
Fax: 021-42884117  
E mail: informase @ pom.qo.id

### **(c) Philippines**

#### **Non tariff protocols / requirements**

##### **(i) Import permit**

Import permit is required for exports of all fresh fruits, vegetables, sesame but not for soyameal or raw cotton otherwise it is required for all plants and plants products. This can be obtained from:

The Director  
Bureau of Plant Industry  
Department of Agriculture  
692, San Andres St.  
Malate, Manilla, Philippines

##### **(ii) Radiation certificate**

It is not required.

##### **(iii) Phytosanitary certificate**

All goods transported to Philippines must have phytosanitary certificate from place of origin.

## **Concerns**

- Products must originate from areas free of all types of fruit fly.
- Products may be subject to cold disinfestations and should be declared on phytosanitary certificate.
- Fruits must also be free of san jose scale, oriental fruit fly and codling moth.
- All fresh vegetables must be free of pests of quarantine concern.

### **(iv) Food regulations**

All food regulations are based on Codex Alimentarius Commission.

### **(v) Registration**

Food and Beverage products are required to be registered with the Bureau of Food and Drug ([http:// www.doh.gov.ph/bfad.2/main.htm](http://www.doh.gov.ph/bfad.2/main.htm)) prior to being sold in Philippines market. Food registration is the responsibility of Philippians importer / agent/ distributor.

### **(vi) Labeling**

All goods must have a label in English or Filipino showing:

- Common or generic name
- Physical or chemical composition
- Preparation and storage direction
- Name and address of manufacturer/packer
- Country of origin
- Net contents

## **(d) Malaysia**

### **Non - tariff protocols /requirements**

All aspects of food standards in Malaysia are regulated under Food Act 1983 and Food Regulation 1985.

**(i) Import permits**

No import permits are required for export of fruits, vegetables, sesame and raw cotton to Malaysia and if required it should be obtained from Director General of Agriculture, Kuala Lumpur.

**(ii) Phytosanitary Certificate**

Phytosanitary certificate is required for export of mango and raw cotton; and it will be preferable to obtain Phytosanitary Certificate from the authorities in the country of origin.

In case of mango, Phytosanitary certificate should declare it is free of mango seed weevil. All fresh fruits and vegetables will be inspected on arrival.

Stored pests of concern (in case of sesame) are:

- i. Khapra beetle : *Trogoderma granarum*
- ii. Grain borer : *Prostephanus truncatus*

All consignments of raw cotton must be free of weed seeds as below:

- i. *Parthenium hysterophorus*
- ii. *Sorghum halpense*
- iii. *Rottboellia cochinchinensis*

**(iii) Malaysian SPS and Food standards system**

Malaysia applies strict sanitary and phytosanitary measures for trade in plants, food products. The legislative and regulatory measures are covered under Rules of Plant Quarantine 1981 and Food Regulation 1983.

Malaysian food standards and regulation require that food be processed, stored and handled in a sanitary manner which is applied to both domestic and imported products.

#### **(iv) Labeling**

Prepacked goods must include on the label

- Type
- Minimum quantity (weight) in metric scale
- Name and address of manufacturer / importer, of country of origin
- Language must be in Bhasa Malaysia or English
- Labels must not include wording which are likely to be misleading

#### **(e) Vietnam and Singapore**

Non- tariff requirements are not available.

### **5.4. GULF COUNTRIES**

#### **(i) Tariff structure**

Examination of tariff structure of Saudi Arabia, UAE, Kuwait and Qatar shows that in Saudi Arabia there is no general tariff on the import of fruits and vegetables, whereas, in UAE, Kuwait and Qatar, there is a provision of imposition of MFN duties on the entry of some commodities, but for fruits and vegetables, no duties are charged. However on entry of ginger, turmeric, sesame seeds and cotton there is a tariff of 5%. For soyameal export, however, there is no duty.

#### **(ii) Non-tariff requirements**

Details of non-tariff requirements are not available with regard to Gulf countries.

### **5.5. PACIFIC RIM COUNTRIES, CHINA AND U.S.A**

Tariff and non- tariff requirements of Australia, Japan, China and South Korea are discussed in the following pages:

#### **(i) Tariff structure**

The tariff structure on entry of fruits and vegetables, spices and other products is given in table 6.

**Table 6: Current Tariff rates applicable in Pacific Rim countries and China**

Product	Countries					
	Australia	South Korea	Japan		China	
	Tariff rate in %	Ad Valorem %	Equivalent Tariff as applied MFN and GSP duties (%)		Equivalent Tariff as applied MFN and APTA duties (%)	
			MFN	GSP	MFN	APTA
Mango	0	30	3.0	0	15	10
Banana	0	30	20 <sup>#</sup> -25 <sup>##</sup>	-	10	6.9
Pineapple	-	30	17	-	12	7.9
Lychees	-	-	-	-	-	-
Grapes	5	45	7.8 <sup>**</sup> -17 <sup>***</sup>	-	13	-
Pomegranates	-	-	-	-	13	-
Tomato	-	45	3.0		13	-
Onion	0	27	8.5	-	13	6.5
Green Chillies	0	-	-	-	-	-
Ginger (Dried)	0	-	-	-	-	-
Turmeric Powder	5	-	-	0	-	-
Soyameal	0	3	4.2	-	9	-
Sesame Seeds <sup>✓</sup>	0	40	0	-	10	9
Raw Cotton <sup>✓✓</sup>	-	0	0	-	40	-

Source: www.trademap.org

\*\* If imported during the period from 1<sup>st</sup> Nov to last of Feb.

\*\*\* If imported during the period from 1<sup>st</sup> of March to 31<sup>st</sup> of Oct

# If imported during the period from 1<sup>st</sup> April to 30<sup>th</sup> Sep

## If imported during the period from 1<sup>st</sup> Oct to 31<sup>st</sup> March

✓ Tariff duty of 40% is applied to exports of sesame seeds to South Korea within quota.

✓✓ For export of cotton to China within quota, tariff duty of 1% is applied. But for exports beyond quota tariff duty of 40% is imposed.

## **(ii) Non-tariff requirements**

### **(a) Australia**

#### **(i) Import permit**

An import permit is required before sending any food product to Australia. Application for import permits can be carried out online at <http://www.daff.gov.au/aqis/import/application/forms>.

However, some products are strictly prohibited and others are prohibited unless a specific Import Risk Assessment (IRA) is carried out.

#### **◆ Mangoes**

IRA for mangoes from India was started in April 2008. Provisional IRA has been released as there is already an IRA for mangoes from Mexico with established protocols and also Australian Quarantine Inspection Service recognizes Indian Directorate of Plant Protection and Quarantine & Storage as a competent authority to undertake pre-export inspection.

However, until the provisional IRA is finalized, imports will not be allowed. Fruit flies, mealy bugs, red banded mango caterpillar and mango weevil are the pests of great concern to Australia.

The recommended quarantine measures are pre-export irradiation treatment, supported by an operational system to maintain and verify quarantine status. Australian quarantine inspectors are also required to pre clear and verify the irradiation treatment of mangoes prior to export.

#### **◆ Turmeric (fresh)**

Turmeric fresh is prohibited into Australia unless a permit to export has been issued.

◆ **Turmeric (dried)**

- An import permit is not required, but a quarantine entry must be lodged for each consignment.
- Material must be labeled with full botanical names, i.e. genus and species.
- All the material must be thoroughly dried and not capable of propagation and must be free of prohibited seeds, live plant parts, live insects, soil and other quarantine risk material prior to arrival in Australia.

◆ **Ginger (fresh)**

Ginger fresh is prohibited for entry into Australia.

◆ **Sesame seeds – hulled**

- An import permit is required and must be applied prior to importation.
- Quarantine entry must be lodged for each consignment.
- Seed must be free of live insects, soil, disease symptoms, prohibited seeds and other plant material (leaf, stem, and pod material), animal material (e.g. animal faeces, feathers, etc.) and any other extraneous contamination of quarantine concern.
- Each consignment must be packed in a new and clean packaging.
- All commercial consignments require mandatory fumigation either pre or on arrival in Australia with methyl bromide @ 80g/m<sup>3</sup> for 48 hrs at 21°C.
- Pre-shipment fumigation is acceptable if the goods are accompanied by an official Phytosanitary certificate along with fumigation details.
- On arrival, consignment must be inspected by a Quarantine officer to ensure that the goods are packed in gas permeable bags.
- If the sesame is packed in gas proof packaging, the Phytosanitary Certificate must state that sesame seed was fumigated prior to being packed.

## **(b) South Korea and China**

### **Non-tariff barriers**

Details of non- tariff protocols are not available for South Korea and China. However Japan has specific requirements for entry of mangoes from India.

## **(c) Japan**

### **Non-tariff barriers**

For export of mangoes to Japan the requirement is to heat the mangoes with vapour heat at 46-49°C for 20-30 minutes depending on the variety, to eradicate fruit fly. After treating the fruits with vapour heat, the fruits should be treated with hot water fungicidal solution and allowed to cool and dry before grading and packing.

For details of vapour heat treatment and operational aspects of equipment, one can refer to guidelines from APEDA for export of mangoes to Japan.

## **(d) U.S.A**

### **Non-tariff requirements**

#### **Phytosanitary requirements for export of mango to U.S.A**

Import of mangoes from India is regulated under the “Fruits and Vegetables Quarantine procedures.” CFR 305 & 319. The brief requirements of Animal and Plant Health Inspection Service (APHIS) – USDA for entry of Indian mangoes into U.S.A are:

- The mangoes must be treated in India with irradiation by receiving a minimum absorbed dosage of 400 gamma rays.
- Importers must secure USDA import permit 30 days in advance of arrival of irradiated commodities at the scheduled port for further facilitation.

- The mangoes must also be given post harvest hot water fungicidal treatment (Prochloraz at 500 ppm) at 52°C for 3-4 minutes.
- Each consignment must be inspected formally by USDA-APHIS and NPPO of India as part of the required pre-clearance inspection activities.
- Each consignment of mangoes must be accompanied by a Phytosanitary Certificate issued by NPPO of India certifying that fruits received the required irradiation treatment and confirming that:
  - i. Mangoes were subjected to post-harvest mitigation option as above
  - ii. Mangoes were inspected and found free of *Cytosphaera mangiferae*, *Macrophoma mangiferae* and *Xanthomonas campestris cv mangiferae indicae*.

No duties are imposed on entry of mangoes from GSP countries. But MFN duties vary from 7.3% to 7.66%. For further details, one can refer to guidelines for export of Indian mangoes to USA, APEDA, New Delhi, April 2007.

## **5.6. COMMODITY SPECIFIC PREFERENCES / SPECIFICATIONS FOR EXPORTS**

Region wise commodity specific preferences as per [www.msamb.com](http://www.msamb.com) are given below:

### **(A) Mango**

The size, packing, storage, temperature as per variety, for different regions is given in table 7.

**Table 7: Export specifications for mangoes**

		<b>Middle East</b>	<b>Netherlands /Germany</b>	<b>U.K.</b>	<b>Japan</b>	<b>USA</b>
<b>Variety</b>	Alphonso	Wt: 200-250 gm	Wt: 250-300 gm	Wt: 250-300 gm	Wt : 250-300 gm	Wt : 250-300 gm
	Kesar	Wt: 200-250 gm	Wt: 225-250 gm	Wt: 225-250 gm	Wt : 250-300 gm	Wt : 250-300 gm
<b>Packing</b>		1 Doz/2.5 kg	1 Doz/2.5 kg	1Doz/2.5 kg	1 doz / 3.5 kg	1 Doz / 3.5 kg
<b>Storage Temperature</b>		13°C	13°C	13°C	13°C	13°C

**(a) Middle East preferences**

- Early arrivals during May-June months.
- Substantial demand for Banganpalli.
- Prefer yellow colour & thin skin.

**(b) European Union**

- Accurate size grading.
- Yellow or red depending on variety. Red blush very popular.
- Fully mature but firm.
- No fibrous tissue.
- No turpentine flavour.
- Easy stone removal.
- Fragrant.

**(c) South- East Asia**

- Predominantly yellowish in colour when ripe.
- Firm flesh and free from fibre.

- Prefer fruit between 14 +, 18 counts.
- Count of 20 is acceptable in Singapore.
- Fruit smaller than 20 counts are not accepted.
- Fully mature but firm, showing some yellow colour on arrival.
- Mixed ripeness in packs is not accepted.
- Fruits packed in cup insert called plix for securing, are preferred.

**(B) Grapes**

Export specifications for different varieties are given in table 8.

**Table 8: Export specifications for grapes**

Variety	Countries		
	Middle East	Holland/Germany	U.K.
Thompson Seedless	Berry Size: 15mm Colour: amber	Berry Size: 16mm Colour: white/amber	Berry Size: 18mm white
Sharad Seedless	Berry Size: 15mm black	Berry Size: 16mm black	Berry Size: 18mm black
Flame Seedless	-----	Berry Size: 16mm pink	Berry Size: 18mm pink
Packing	1 Kg	4.5 Kg /9 kg	4.5 Kg /9kg
Storage Temp.	0-1 °C	0-1 °C	0-1 °C

**(C) Pomegranate**

Details of specifications are given in table 9.

**Table 9: Export specifications for pomegranate**

		Middle East	Netherlands/Germany	U.K.
<b>Variety</b>	Ganesh, Bhagwa	300-450 gm Red	250-300 gm Red	250-300 gm Red
	Arakata,	200-250 gm Deep	200-250 gm Deep red	200-250 gm

	Mrudula	red		Deep red
<b>Packing</b>		5 kg	3 kg	3 kg
<b>Storage</b>		5 °C	5 °C	5 °C
<b>Export</b>		By Sea	By Sea	By Sea

#### (D) Bananas

Export specifications for banana are given in table 10.

**Table 10: Export specifications for bananas**

		<b>Middle East</b>
<b>Variety</b>	Grand Naine Cavendish	Colour : Green, Weight of Bunch : 2.5 Kg Fruits preferably straight
<b>Packing</b>		13 Kg
<b>Storage</b>		13-14 °C
<b>Transport</b>		By Sea

Apart from above, as our exports of banana have started picking up to Middle East countries and will enhance further if we follow Fair Trade standards which are very popular in entire EU.

#### ◆ **Fair trade standards for inorganic bananas**

**Size:** Minimum length 16 cm (baby bananas 14 cm) and minimum thickness 27 mm. Tolerance 10%.

**Latex:** Clusters should be free of latex. Tolerance 3% of clusters.

**Flowers:** All bananas must be deflowered. Tolerance 3% having unremoved flowers.

**Scarring:** Total scarred area acceptable is no more than 5 %. Tolerance 3% of the clusters.

**Thrips:** A cluster more than 2 fingers affected is unacceptable. Tolerance is 3% of the clusters.

**Specking :** A cluster with more than 1 finger affected is unacceptable. Tolerance 3% of cluster.

**Multilated finger:** A cluster with one or more multilated fingers is unacceptable.

## **(E) Vegetables**

### **Parameters for export**

- Okra – 3-5” in length, green lender, packing 5 Kg.
- Green chillies – 3-4” in length, green, packing 5 kg.

## **5.7. EFFORTS OF INDIA ON TRADE LIBERALIZATION**

In order to further liberalize trade among South East Asian, Pacific Rim countries and China. India has embarked upon signing of free trade agreements. Govt. of India has taken initiative of “Look East Policy”.

- **India-Thailand Free Trade Agreement**

Recently India signed FTA with Thailand and now India has free trade with this country.

- **India-Singapore Free Trade Agreement**

India has signed FTA with Singapore and now India has free trade with this country.

- FTA with China is being worked out. It is hoped that free trade with China will start soon after signing the FTA.

- Same is the case with Australia; it is likely that FTA will be concluded very shortly.

- FTA with South Korea has been finalized and is likely to be signed by end of this year.
- Asia-Pacific Trade Agreement (Bangkok agreement) has also been adopted by India as a founder member. As a result, trade liberalization is sure to follow. The other members are Bangladesh, Sri Lanka, Republic of Korea and Laos. China has also acceded to Bangkok agreement.