

Appendix 1

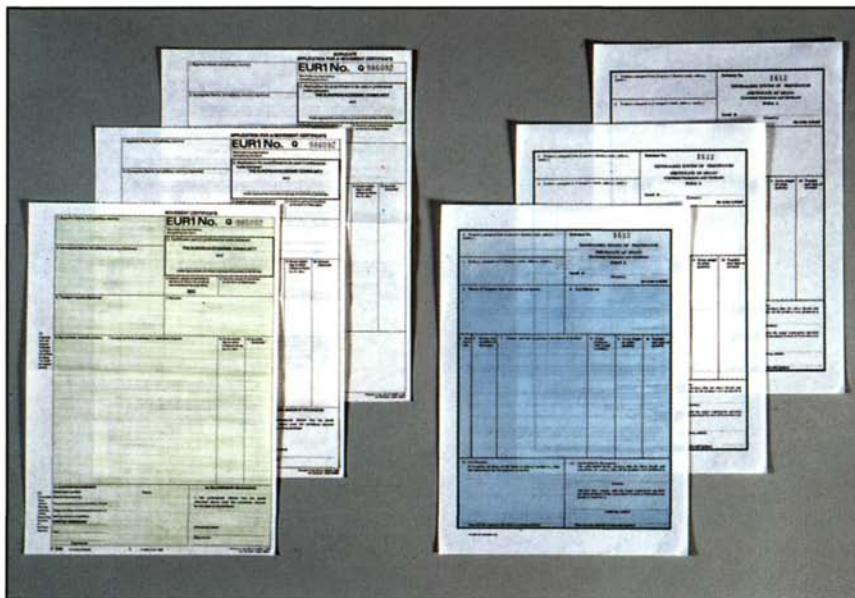
Import legislation

Preferential Tariff Documentation

Commonwealth countries are likely to benefit from preferential tariffs under three categories: those available to ACP countries, the Generalised System of Preferences (GSP), or those available to Least Developed Developing Countries (LDDC). The rules of origin covering the ACP countries are more straightforward than those governing GSP, so, where both systems offer the same tariff, an exporter would generally opt for ACP. For example, produce freighted from an ACP country to the UK, but diverted through another ACP country, is still eligible for the preferential tariff. The same need not apply for produce originating from a country benefiting from GSP.

An additional reason is that generally the exporting country's Customs and Excise Department is responsible for the handling of ACP exports, whereas the relevant Ministry is in charge of LDCC or GSP exports. Dealing with the Customs and Excise, who have to deal regularly with such procedures, may be more straightforward for an exporter.

ACP Exports



Appendix 1

Form EUR 1 (see page 48) must accompany produce sent from ACP countries, if the exporter is to benefit from the lower tariffs applicable. These forms should be available from the exporting country's Customs and Excise Office, which is responsible for classifying the goods as originating from an ACP source, the Ministry of Trade or the Chamber of Commerce. Alternatively, the importer should be able to offer assistance in acquiring these forms. A list of Commonwealth ACP countries is given at the end of this appendix.

GSP and LDCC Exports

Form A must accompany produce sent from qualifying countries, to benefit from the lower GSP or LDCC tariff. These forms should be available from the country's Ministry of Trade, or the Chamber of Commerce in the exporting country, but otherwise may be obtained with assistance from an importer.

Customs Entry

The importer is responsible for customs clearance and presentation of the Customs Entry form (C88).

Reference Price System

The reference price system has been established for certain agricultural products under the Common Agricultural Policy (CAP) of the European Economic Community. It is in place to ensure that European producers obtain a fair price for their produce, seeking to prevent any unfair competition (so-called dumping) from imported produce. If CIF prices fall below a certain level stipulated by the European Commission, then a compensatory tax is levied on the produce. The reference prices are set, according to the market situation, for the whole season or part of a season and can vary by country of origin. Of the vegetables include in this publication, aubergine, courgettes and tomatoes have reference prices set for part of the European production season.

Health and Hygiene Legislation

All fresh fruit entering the EEC must be accompanied by the original of a phytosanitary certificate, submitted by the authority given that responsibility in the exporting country. There are currently no other regulations in force, but there are certain standards and a number of importers already test for chemical residue in fruit. Legislation governing residue levels in food was brought in in the UK during 1988, but did not cover the vegetables dealt with here. However, legislation may eventually be brought into force for all EEC countries.

Appendix 1

Commonwealth ACP countries are:

AFRICA

Botswana
The Gambia
Ghana
Kenya
Lesotho
Malawi
Mauritius
Namibia
Nigeria
Seychelles
Sierra Leone
Swaziland
Tanzania
Uganda
Zambia
Zimbabwe

CARIBBEAN

Antigua & Barbuda
Bahamas
Barbados
Belize
Dominica
Grenada
Guyana
Jamaica
St Kitts & Nevis
St Lucia
St Vincent & the
Grenadines
Trinidad & Tobago

PACIFIC

Kiribati
Papua New Guinea
Solomon Islands
Tonga
Tuvalu
Vanuatu
Western Samoa

Appendix 2

Contacts in the market

The organisations included in this list, which is by no means exhaustive, are known to trade or have a wish to trade in the items included in this booklet. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these organisations.

NB Telephones: The international dialling code for the UK is 44, after which the area code and number are dialled, but excluding the 0 at the beginning of the area code.

MAJOR MULTIPLES (supermarkets)

Argyll Foods plc

(Argyll, Safeway,
Presto)

Argyll House
6 Millington Rd
Hayes
Middlesex UB3 4AY

phone: 081 848 8744
telex: 934888
fax: 081 573 1865

Asda Stores

Asda House
South Bank
Great Wilson St
Leeds LS11 5AD

phone: 0532 435435
fax: 0532 418666

Budgen Stores Ltd

PO Box 9
Stonefield Way
Ruislip
Middlesex HA4 0JR

phone: 081 422 9511
telex: 269531
fax: 081 864 2800

Gateway Foodmarkets Ltd

Hawkfield Business
Park
Whitchurch Lane
Bristol BS14 0TJ

phone: 0272 780629
telex: 44313
fax: 0272 359359

Littlewoods Organisation plc

JM Centre
Old Hall St
Liverpool
Merseyside L70 1AB

phone: 051 235 326176
telex: 628501
fax: 051 235 3252

Marks and Spencer plc

Michael House
47-67 Baker St
London W1A 1DN

phone: 071 935 4422
telex: 267141
fax: 071 487 2679

Safeway

Argyll House
6 Millington Rd
Hayes
Middlesex UB3 4AY

phone: 081 848 8744
telex: 934888
fax: 081 573 1865

J Sainsbury plc

Stamford House
Stamford St
London SE1 9LL

phone: 071 921 6000
telex: 264241
fax: 071 921 6132

Tesco plc

Tesco House
PO Box 18
Delamere Road
Cheshunt
Waltham Cross
Hertfordshire EN8 9SL

phone: 0992 32222
telex: 24138
fax: 0992 30794

(continued)

Appendix 2

Waitrose Ltd
Doncastle Road
Southern Industrial
Area
Bracknell
Berkshire RG12 4YA

phone: 0344 424680
telex: 847271
fax: 0344 488195

WHOLESALE IMPORTERS

**Bluebell International
Ltd**
646 Kingsbury Road
London NW9

phone: 081 459 4466
telex: 923940
fax: 081 459 4000

K S Butt & Co Ltd
Smithfield Wholesale
Market
Pershore St
Birmingham B5

phone: 021 622 3210

Condor Fruit Ltd
Block B
29/33 Wholesale Fruit
and Vegetable Market
Prescot Road
Liverpool

phone: 051 259 1301/2
telex: 267179
fax: 051 220 1361

**Consolidated Fruit Co
Ltd**
25/26 Humber St
Hull HU1 1TS

phone: 0482 24058
telex: 592252
fax: 0482 225090

**Del Monte Fresh Fruit
(UK) Ltd**
Paddock Wood
Tonbridge
Kent TN12 6UU

phone: 089 283 6111
fax: 089 283 6055

**Exotic Farm Produce
Ltd**
628 Spur Road
Feltham
Middlesex
TW14 0SX

phone: 081 890 2222
telex: 9419833
fax: 081 890 6261

JC Exotics Ltd
B60/61 New Covent
Garden
London SW8

phone: 071 720 0482

Fagan
Balmoral Industrial
Estate
Balmoral Road
Belfast
BT12 6QA

phone: 0232 663691
telex: 747593

Fyffes Group Ltd
12 York Gate
Regents Park
London
NW1 4QS

phone: 071 487 4472
telex: 919186
fax: 071 487 3644

**The Geest
Organisation**
White House Chambers
Spalding
Lincolnshire
PE11 2AL

phone: 0775 61111
telex: 32481
fax: 0775 60254

Glass Glover & Co Ltd
Coldharbour Road
Elizabeth Way
Pinnacles Industrial
Estate
Harlow
Essex
CM19 5BE

phone: 0279 35422
telex: 817208
fax: 0279 441509

Hunter Saphir plc
10 Finsbury Square
London
EC2A 1AD

phone: 071 638 8222
telex: 914952
fax: 071 628 1168

Appendix 2

Janic Import Export Ltd

Orchard Court
4 Station Square
Balgores Lane
Gidea Park
Essex
RM2 6AT

phone: 0708 766819

John Denis Food Group Ltd

Wholesale Market
Pershore St
Birmingham
B5 6UN
phone: 021 622 5473
fax: 021 622 6686

J O Sims Ltd

16 Winchester Walk
Borough Market
London
SE1 9AQ

phone: 071 407 0756
telex: 886769

Joseph Lowe & Sons

25-28 NE Wholesale
Fruit Market
Team Valley Trading
Estate
Gateshead
Tyne & Wear
NE11 0QY

phone: 091 482 2551
telex: 379622
fax: 091 487 9021

Kirby International Foods Ltd

17 Swan St
Congleton
Cheshire CW12 4BN

phone: 0477 34506
telex: 367484
fax: 0477 37170

Louis Reece Ltd

B124/129 Fruit &
Vegetable Market
New Covent Garden
London SW8 5LS

phone: 071 720 6931
telex: 91759
fax: 071 627 5845

Mack Multiples Division Ltd

Church Road
Paddock Wood
Kent TN12 6ES

phone: 089 283 5577
telex: 95215
fax: 089 283 4890

Max Levin & Partners Ltd

The Warehouse
Pattenden Lane
Marden
Kent TN12 9QL

phone: 0622 831653

Minor, Weir and Willis

Smithfield Wholesale
Market
Pershore Street
Birmingham B5

phone: 021 622 3984

Montana

A130-131 New Covent
Garden Market
London SW8 5EE

phone: 071 720 0212
telex: 888040
fax: 071 622 0415

Pascual (Fruit Importers) Ltd

Paddock Wood
Tonbridge
Kent
TN12 6UX

phone: 089 283 2333

Poupart Ltd

Station Approach
Waltham Cross
Hertfordshire
EN8 7LU

phone: 0992 700711
telex: 266351
fax: 0992 768233

O M Sharif & Co

Wholesale Market
Precinct
Pershore St
Birmingham B5

phone: 021 622 3949
telex: 339551
fax: 021 666 6835

(continued)

Appendix 2

**Suma Fruit
International Ltd**

Suite 22/23
The London Fruit
Exchange
Spitalfields Market
Brushfield Street
London
E1 6HB

phone: 071 247 3381/6
telex: 945858

Sunzest Ltd
101 Commercial Road
London
E1 1RD

phone: 071 377 9000
telex: 918083
fax: 071 247 7159

Wealmoor Ltd
Jetha House
Springfield Road
Hayes
Middlesex
UB4 0JT

phone: 081 569 1760
telex: 888725
fax: 081 569 1755

**William McGrattan &
Sons Ltd**

Balmoral Fruit Market
Belfast
BT12

phone: 0232 663581
telex: 747624

**PACKAGING
SUPPLIERS**

**Consolidated Bathurst
Inc**

PO Box 69
Montreal
Quebec H3C 2R5
Canada

phone: 010 1 514 875
216

Corby Cases
Ainsley Road
Weldon Industrial
Estates

Corby
Northants NN17 1QW
UK

phone: 0536 60848
fax: 0536 400132

**Corrugated Products
Ltd**

Butlers Leap
Clifton Road
Rugby
Warwickshire
CV21 3RQ
UK

phone: 0788 70612

Domtar Packaging

PO Box 7211
Montreal
Quebec H3A 1L6
Canada

phone: 010 1 514 848
5400

Lin Pac

Paper Mill Road
Rawcliffe Bridge
Goole
Northumbria
DN14 8SL

phone: 0405 83331

Metal Box Ltd

Queens House
Forberry Road
Reading
Berks
UK

phone: 0734 581177

Reed Corrugated Cases

Aylesford
Maidstone
Kent ME20 7PF
UK

phone: 0622 883715
telex: 96123
fax: 0622 715121

Transportation and packaging

Transport

Fresh produce goes through at least three stages of transportation and it is in the exporter's interest to monitor the first two of these quite carefully. There is initial transport from the growing area to the place of shipment, for which the grower may be responsible. Shipment by sea or by air comprises the second stage, and the final stage is from port of arrival into the UK to point of sale, ultimately to the consumer. Once the produce has reached the importer, with whom the exporter has contracted, the importer takes responsibility for any further distribution prior to selling.

There are a number of factors influencing the state of the produce on arrival and so it is in the exporter's interest to ensure they are correct. They include:

- timely departure
- careful loading and stacking
- temperature control - from pre-cooling, through cold storage/refrigeration
- adequate ventilation, particularly when using sea freight.

The exporter needs to know the approximate storage life of the vegetable being transported, and this varies in relation to a number of different factors, such as when it was picked and whether it has been sufficiently cooled prior to shipment.

It is important that vegetables are not transported with items which could impair their quality or flavour. For example, ethylene is expelled by some produce and this causes other produce to ripen. Vegetables will take on the flavour of strongly scented goods, if stored alongside, so this should be avoided.

The choice of transport mode depends upon the buyer's requirement for freshness and the price that he is willing to pay, since prices will not always warrant the extra cost of air freight. Exporters usually need to make arrangements with the freighter themselves, unless their contact importer is already receiving shipments and has additional space. It is always worth negotiating with the freight carrier and may be advantageous to negotiate jointly with other exporters, since this increases bargaining power and may result in space being filled and unit transport costs being reduced.

(continued)

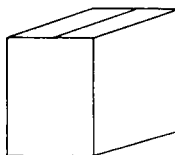
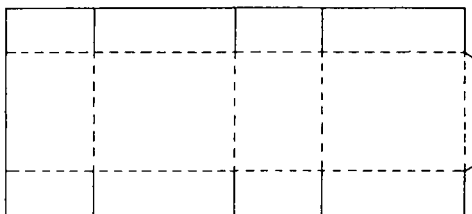
Appendix 3

Packaging

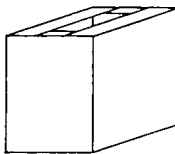
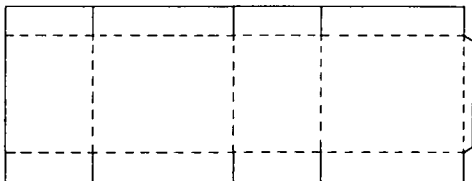
Packaging should be selected with the type of journey in mind, to make sure it is suitable. Neat, easy to handle and well labelled packaging is more likely to be carefully handled at the receiving end. There are a number of types of packaging and it is advisable for the exporter to consult with the importer on the preferred style.

There is an International Fibreboard Case Code, under which boxes are given reference numbers. Commonly used types for fresh fruits and vegetables are:

Code 0201: a one-piece box.



Variation (a)



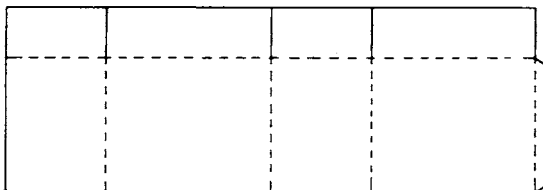
Variation (b)

Appendix 3

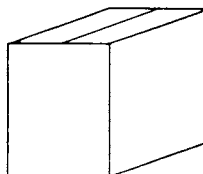
Code 0320:

full telescope box (a two-piece in which the lid slides over the lower part and covers the full height of the box).

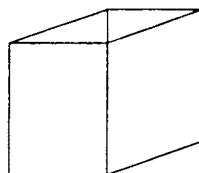
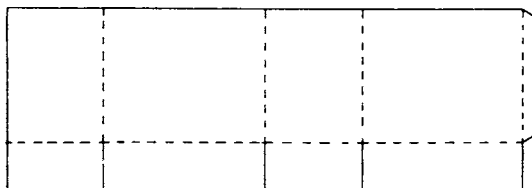
Upper part (lid), blank



Assembled box



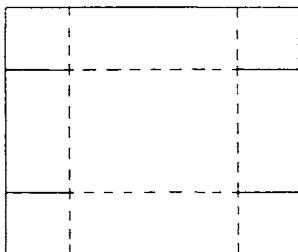
Lower part (base), blank



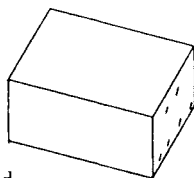
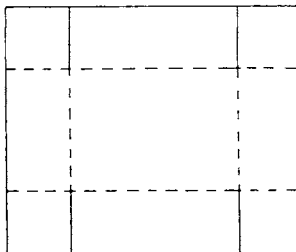
Code 0301:

case lid box (a two-piece box without manufacturer's joints, requiring erection using staples or glue).

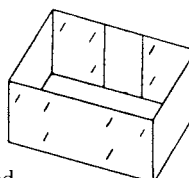
Upper part (lid), blank



Lower part (base), blank



Assembled
upper part (lid)



Assembled
lower part (base)

(continued)

Appendix 3

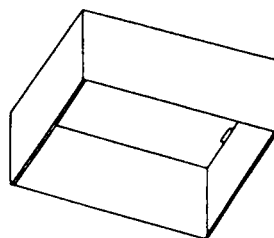
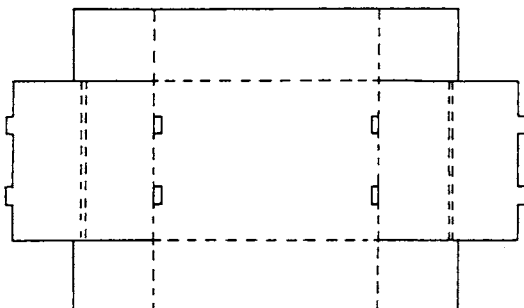
Code 0422 to 25:

two-piece folder type boxes, die-cut (the shape is cut and the creases formed, for easy erection).

Stackable trays are also used, but are not coded.

Code 0422:

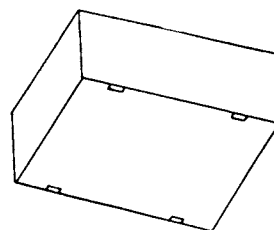
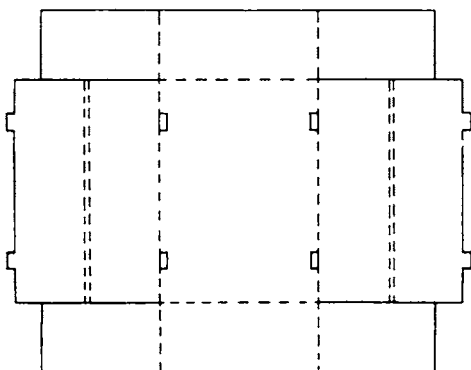
Upper part, blank



Assembled upper part

Code 0423:

Lower part, blank

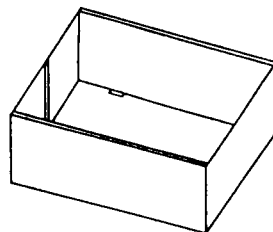
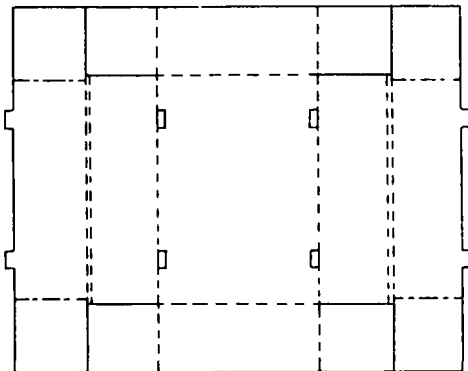


Assembled lower part

Appendix 3

Code 0424:

Lower part, blank



Assembled lower part

The International Trade Centre (ITC) has recently published a handbook which gives details on how to package fresh fruit and vegetables (Manual on the Packaging of Fresh Fruit and Vegetables: ITC - see Appendix 5). It may be that it is difficult in an exporting country to acquire the correct type of box. A limited list of possible packaging suppliers is given in Appendix 2.

Appendix 4

Marketing costs

Actual costs vary according to country of origin, type and quality of vegetable and the quantity being sold, but the exporter needs to take account of all costs listed below to calculate whether it is profitable to ship produce to the UK.

Grower: Transport cost between growing area and port of embarkation

Exporter: Letter of credit (if required)

Export duties

Freight costs

Customs duty (if applicable)

Insurance costs

Importer: Commission or margin to the importer (5-10% of wholesale price or of final cost to the importer)

Customs entry and clearance

Handling charge to importer (can be a small charge deducted from wholesale price)

Transport to packhouse and on to depot

Packing and labelling

Overheads and wastage and shrinkage allowance

Retailer: Mark up by retailer (50-60% for independent greengrocer, up to 30% for supermarkets)

In either system of selling (fixed price or commission trading, but particularly the latter), it is in the exporter's interest to know overall market prices, since his own returns are dependent upon the end price. It must be remembered that final retail prices will include allowances for wastage and shrinkage and final packaging and so cannot be readily related to the FOB price paid to an exporter. It is easier for an exporter to work backwards from a wholesale price, as shown in the examples below, than from a retail price. Regular price data are available from a number of sources, such as the International Trade Centre (ITC) or COLEACP (see Appendix 5), but this is not detailed enough to enable an exporter to make a decision on whether it is

Appendix 4

worth shipping produce that day. This emphasises the need to have a trusted party monitoring UK market prices.

Examples are given here to illustrate how the system could work for asparagus, chillies and okra, but it must be stressed that the exporter should assess the costs applicable to his or her own situation very carefully in each case.

Example 1

The current wholesale price for asparagus is £1.30 per lb, which is equivalent to £14.30 for a 5 kg carton.

Working back to the FOB price achieved by the exporter, the following would have to be taken into account:

	£
Importer margin:	1.10
Clearance, insurance and transport from port:	0.60
16% import duty (applied on C&F price):	1.74
Airfreight:	6.60

In this example the above costs total £10.04, which is £4.26 less than the wholesale price of £14.30 per kg. From this FOB price of £4.26 the exporter would have to subtract the costs for:

- produce
- packaging
- export duty (if applicable)
- letter of credit (if required)
- transport to port

in order to work out whether the returns are high enough to warrant shipment.

Example 2

Taking another example, chillies currently have a wholesale price of £8.00 per 2 kg. The FOB price achieved by an ACP exporter would therefore be £4.40 per kg once the following costs totalling £3.60 per kg are taken into account:

	£
Importer margin:	0.60
Clearance, insurance and transport from port:	0.40
Import duty (applied on C&F price):	0.00 (ACP duty free)
Freight:	2.60

(continued)

Appendix 4

From this FOB price of £4.40 per kg the exporter would have to subtract the costs for:

- produce
- packaging
- export duty (if applicable)
- letter of credit (if required)
- transport to port

in order to work out whether the returns are high enough to warrant shipment.

Example 3

As a further example, okra have a wholesale price of £4.50 per 2 kg. The FOB price achieved by an ACP exporter would therefore be £1.10 per kg once the following costs are taken into account:

Importer margin:	0.40
Clearance, insurance and transport from port:	0.40
Import duty (applied on C&F price):	0.00 (ACP duty free)
Freight:	2.60

From this FOB price of £1.10 per kg the exporter would have to subtract the costs for:

- produce
- packaging
- export duty (if applicable)
- letter of credit (if required)
- transport to port

in order to work out whether the returns are high enough to warrant shipment.

Appendix 5

Useful addresses

COLEACP

5, Rue de la Corderie
Centra 342
94586 Rungis Cedex
FRANCE

phone: 331 468 70206
telex: 205166 F
fax: 331 468 63315

Offers trade information, trade promotion and technical assistance to ACP fruit exporters. (Countries from Africa, the Caribbean and the Pacific - see Appendix I for list of Commonwealth countries included)

Developing Countries Trade Agency (DECTA)

69 Cannon St
London EC4 5AB

phone: 071 248 4444
telex: 888941 LCCI G

Provides information on UK market and importing requirements to exporters

Fresh Fruit and Vegetable Information Bureau

Bury House
126-128 Cromwell Road
London SW7 4ET

phone: 071 373 7734

Provides information on and promotes fresh produce to the consuming public

Fresh Produce Journal

Lockwood Press Ltd
430-438 Market Towers
New Covent Garden
London SW8 5NN

phone: 071 622 6677
telex: 915149

Publishes weekly wholesale prices and general information on UK market trends

Fruit Importers' Association

Room 408/9 Market Towers
New Covent Garden
London SW8 5NQ

phone: 071 720 1387
telex: 919219

Trade association representing UK fruit importers, can provide details on association members and market information

HM Customs and Excise

King's Beam House
39-41 Mark Lane
London EC3R 7HE

Can provide up-to-date information on export procedures governing the entry of fresh produce to the UK

Appendix 5

The Geest Organisation

White House Chambers
Spalding
Lincolnshire PE11 2AL

phone: 0775 61111

telex: 32481

fax: 0775 60254

Undertakes small scale public education and promotion programmes regarding the source and use of fresh produce, which can occasionally be linked with retail promotions.

Overseas Development Natural Resources Institute (ODNRI)

Central Avenue
Chatham Maritime
Chatham
Kent M4 4TB

phone: 0364 880088

fax: 0364 880077

Scientific Unit of the Overseas Development Administration, which provides technical assistance to developing countries and can offer advice on post-harvest technology.

International Trade Centre

UNCTAD/GATT

54-56 rue de Montbrillant
1202 Geneva 10
Switzerland

phone: 41 22 34 60 21

telex: 289466 MNS CH (for news service)

Transmits market information on fresh horticultural products through Market News Service (MNS), helps exporters with contacts, provides export packaging and other advisory services. Recent publications: 'Manual on the Packaging of Fresh Fruits and Vegetables (1989)'; 'Tropical and Off-Season Fresh Fruits and Vegetables: A Study of selected European Markets (1987)'.