

EU/PALTRADE **MARCH 2019**

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Consultancy Assignment to Develop a Market Study for **Green Agricultural Products in Target Markets**

Export Guide Germany

Project No. SP-01-01-2019





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PROJECT NO. SP-01-01-2019
DOCUMENT NO. EXP-GD-DE-01

VERSION 1

DATE OF PUBL. March 21st 2019

ELABORATED N/A

CONTROLLED March 20th 2019 - CESO - Rita Araújo APPROVED March 20th 2019 - CESO - Rita Araújo Consultancy Assignment to Develop a Market Study for Green Agricultural Products in Target

Export Guide Germany







Export Guide: practical steps to exporting to Germany

This export guide describes the practical steps you should take to make sure that you are ready to export to the German market. It discusses which questions to ask yourself and gives you an overview of all the aspects you should consider during the process.

7.1 Introduction

In order to export olive oil, dates and/or fresh herbs to Germany, you as an exporter need be prepared.

You need to know **your company and products** (am I ready and able to export to Germany? If I make all the cost calculations, am I able to make money with export?), and you need to know **the market and the buyers** (Do I comply with all the rules and regulations? Can I deliver the quality and quantity that buyers want? Do I have all the necessary certifications to be (more) successful?). When you see that there is a gap between what you can offer and what the German market is demanding, you may need to take a step back and make some changes.

To help you determine if you are ready and if you know the market well enough, please answer the questions below.

Critical Self-Assessment

Initial questions you should ask yourself:

- Why are you looking for export business?
- Have you done your homework on your domestic market? Are you able to get more business there?
- What is your sales approach: private label or brand?
- What is your unique selling proposition (USP)?
- What are you willing or able to invest?
- Where has your product been successful in the past?
- How tough will it be to launch your product or brand in a new market?
- Do you have the time and energy to make export a success?
- Can all parties involved make money with your product or brand?

Self-reflection is a crucial precondition!



Are you informed about your target market?

- What do you know about the size of your target market?
- What do you know about existing product offers?
- What do you know about your competitors?
- What do you know about your target consumers?
- What do you know about the rules and regulations?
- What do you know about the needs of the buyers?

Information is another crucial precondition!



Tip: The International Trade Center (ITC) supports the internationalization of small and medium-sized enterprises. ITC offers a variety of free online courses and teaching material on specific subjects: https://learning.intracen.org/#/Default

Preliminary Steps¹

Before getting involved in the export business, Palestinian exporters should do the following:

- 1. Assess the potential market abroad for the product intended for export.
- 2. Gather information on standard requirements and quality standards in the country of destination.
- 3. Ascertain whether any trade agreements exist, signed by the PLO, which grant preferential tariffs (either duty free or reduced tariffs) to export to the selected country.
- 4. Negotiate and agree with the importer the terms of the contract such as quantities, quality, packing, marking and labelling requirements, prices, terms of payment, means of transportation and payment of the shipment.
- Obtain all necessary documents, licenses and certificates required for exporting. These include health certificates, standards testing, veterinary, phytosanitary certificates and export licenses.
 Documents are required according to the type of product to be exported as well as on the importer's requests.
- 6. Obtain the Foreign Trade Dealing registration.
- 7. Contact a clearing agent to gather information about requirements and procedures for exporting.

This guide will help you to prepare yourself for the German market. It will look at market & buyer requirements (including labelling & packaging), business culture, logistics & shipments (export documentation) and duties & taxes. It will also give you practical tips at the end.

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7.2 **Preparing for Export: Market & Buyer Requirements**

7.2.1 **Finding & Approaching Buyers**

Import trading companies can be your bridge to the German market. For many foreign companies, especially smaller SMEs, it is not easy to get access to the German market. Lack of information, financial risks, and legal constraints may hinder exporters from placing their goods on the German market successfully. At this point, a German importer may help (or even a Dutch importer if you have already found one that also covers Germany).

Exporters can use the diverse and broad services of German import trading companies for marketing, selling and distributing their products on the German market, and even within the EU. German importers (can) act as intermediaries between suppliers abroad and customers in Europe. Building a good relationship with an importer will help your export business now and in the future.

Please be advised that not all importing companies may be looking for suppliers at this moment, and that they are approached almost every day by exporters looking for somebody to sell their products. Competition is strong, so be prepared when approaching a potential importer or distributor. In Germany, it often works better if you send an email explaining your offer before calling the company by telephone. The email (preferably in German) must be polite and to the point, asking for a convenient time to call them.

The best way to find potential buyers (importers or distributors) is by attending a trade fair for your product. A trade fair offers you an opportunity to speak directly to potential partners, talk to them about your product, hear what they expect from you and see what your competition is doing. You can also see the current trends and developments in olive oil, dates, and fresh herbs.

Relevant fairs in the EU are:

- BioFach, Nuremberg, Germany https://www.biofach.de/en
- Anuga, Cologne, Germany http://www.anuga.com
- Fruit Logistica (www.fruitlogistica.de) in Berlin, Germany, is an international trade fair for fresh produce trade
- Food ingredients Europe, France, Germany and the Netherlands http://www.figlobal.com/fieurope/home

All upcoming trade fairs on fresh food can be found at: http://www.tofairs.com/fairs.php?fld=&rg=1&cnt=&cty=&sct=124

Other sources to find potential buyers are online market places like <u>Go4WorldBusiness</u> and <u>Europages</u>.

Before you contact any third parties in Germany to see if they would be interested in your products, it is essential that you do some preparatory work and make sure you have:

- Presentation of your company, product, your USP (Unique Selling Point) and strategy (in the German language if possible)
- Production of fresh samples
- Elaboration of product specification and technical data (in German language if possible)
- Elaboration of pricing structure
- Clear logistics solution for transport to all parts of Germany
- Check on legal conformity (you can do that yourself using the information from the market research report on Germany, or you can get a professional check organized by e.g. SGS Institut Fresenius or Eurofins)



7.2.2 Green Labels

There are a variety of Green Labels that are used in Germany. These are mostly not mandatory, but can give you a competitive advantage.

7.2.2.1 GlobalG.A.P.



GlobalG.A.P. is a must. Although it is not mandatory, Europe's consumers and importers want quality and transparent proof of origin. For this reason, GlobalG.A.P. certification - one of the most important European standards for sustainable production and high food safety - is a must for exporters of fresh fruit and vegetables. GLOBALG.A.P is a pre-farm-gate standard, which means that the certificate covers the process from farm inputs like feed or seedlings and all the farming activities until the product leaves the farm. GLOBALG.A.P includes annual inspections of the producers and additional unannounced inspections by independent accredited certification bodies. Steps to take in order to get certified: https://www.globalgap.org/uk en/what-we-do/globalg.a.p.-certification/five-steps-to-get-certified/index.html

7.2.2.2 Fair Trade²



Figure 2 Fairtrade Germany logo

Producers and traders from Palestine are eligible for Fair Trade Certification. Information about the process to get through:

https://www.fairtrade.net/producers/becoming-a-fairtrade-producer.html

The first step is to determine if there are Fairtrade Standards that apply to your product. If you have decided you are interested in supplying your produce to the Fairtrade market you should go to the website of <u>FLOCERT</u>, who certifies new producers.

Fair Trade standards: https://www.fairtrade.net/standards.html
Fairtrade Germany: www.fairtrade-deutschland.de
Certifying organisation for Fair Trade Mark: Flocert https://www.flocert.net/

7.2.2.3 Organic / bio label



Figure 3 EU Organic logo

EU Organic/Bio logo

Products complying with the <u>rules for EU organic farming</u> can bear the **EU organic farming logo**. This logo certifies that the product has been manufactured according to organic standards. There is a strict certification process for producing and marketing organic products with labels and logos on the EU market. More information on EU policy in organic farming

The organic logo can only be used on products that have been certified as organic by an authorised control agency or body. This means that they have fulfilled strict conditions on how

² https://www.fairtrade.net/about-fairtrade/fairtrade-and-you/selling-fairtrade.html



they must be produced, processed, transported and stored. The logo can only be used on products when they contain at least 95% of organic ingredients and additionally respect further strict conditions for the remaining 5%. The same ingredient cannot be present in organic and non-organic form. Next to the EU organic logo, a code number of the control body must be displayed as well as the place where the agricultural raw materials composing the product have been farmed. More information on the use of the logo (manual).

In addition to the European Bio label, it is allowed to use national or regional labelling (like the Bio-Siegel in Germany, see below).

Bio-Siegel

In addition to the EU organic logo, Germany has its own organic/bio certification: Bio-Siegel (<u>www.bio-siegel.de</u>). Currently, the official German Bio-Siegel is used by 5.254 companies on 78.656 products (March 1 st, 2019).



Figure 4 Bio-Siegel logo

Pursuant to the EU rules and regulations on organic farming and as of 1 July 2012, pre-packed organic foods must be labelled with the EU organic farming logo, the related code assigned by the control body and a general indication of origin regarding ingredients. This applies to both organically farmed products and to organic foods which are partially processed in the European Community. Consequences for the national German Bio-Siegel:

As a protected sign, the Bio-Siegel may continue to be used unchanged and in connection with the EU organic farming logo to label organic food.

The use of this national ecolabel is voluntarily and for free.

Prior to being brought into circulation, every product to be labelled with the Bio-Siegel must be notified to the Bio-Siegel Information Service. Steps to follow in order to get the certification: https://www.oekolandbau.de/en/bio-siegel/information-for-companies/steps-towards-the-bio-siegel/checklist-for-producers-and-processors/

7.2.2.4 Other Labels & Certifications

In addition to the above-mentioned standards, private grower and producer organisations with their own organic standards and labels play a major role in Germany. Many of these are members of the German Federation of the Organic Food Industry (Bund Ökologische Lebensmittelwirtschaft - BÖLW), the umbrella organisation for the German organic farming and food sector. The German organic farming associations' guidelines meet the criteria of EU organic farming law, but have in some respects a broader scope. The use of the private labels is restricted to members and licensees of the associations that fulfil the requirements of the private standards. In some cases, the user has to sign a sublicense contract with the labelling organisation. The private labels can be used in addition to the EU eco label, and can help you to distinguish yourself from the competition. The most well-known private labels are Bioland, Naturland and Demeter. Specifically for fresh herbs there is FairWild.



Example: Demeter



Figure 5 Demeter logo

Demeter is a private-label brand for products from Biodynamic Agriculture. Only strictly controlled and contractually bound partners are permitted to use the Brand.

A comprehensive verification process insures strict compliance with the International Demeter Production and Processing Standards, as well as applicable organic regulations in the various countries; without a gap,

through every step, from agricultural production to processing and final product packaging. The holistic Demeter requirements exceed government mandated regulations. Not only do they exclude the use of synthetic fertilisers and chemical plant protection agents in agricultural crop production, or artificial additives during processing, but also require very specific measures to strengthen the life processes in soil and foodstuffs. More on Demeter: https://www.demeter.net/what-is-demeter/this-is-demeter

7.2.3 Organic Product Regulation

7.2.3.1 Mandatory Organic Standards and Labels

Pre-packed organic products sold in Germany have to be labelled with the EU organic farming logo. For products imported from third countries the use of the EU organic farming logo is optional. A mandatory national organic logo does not exist.

7.2.3.2 Control Bodies

The organic control and certification process is performed by private control bodies approved by the Federal Office for Agriculture and Food. The control bodies are supervised by the control authorities of the 16 Federal States of Germany. The scope of the inspection bodies can be restricted to certain federal states or inspection areas (e.g. farming, processing, import, feeding stuff). The up-to-date directory of German inspections bodies is published by the EU. List of approved control bodies: http://ec.europa.eu/agriculture/ofis public/actor cbeu/ctrl.cfm?targetUrl=home

Certifying bodies for organic products from Palestine

Organic product categories:

A: Unprocessed plant products

D: Processed agricultural products for use as food

- PS-BIO-140: Ceres Certification of Environmental Standards GmbH, Vorderhaslach 1, 91230 Happburg, Germany, http://www.ceres-cert.com/
- PS-BIO-163: Company of Organic Agriculture in Palestine, Palestine, https://coap.org.ps
- PS-BIO-149: Control Union Certificiations, Meeuwenlaan 4-6, 8011 BZ Zwolle, The Netherlands, http://certification.controlunion.com
- PS-BIO-154: Ecocert SA, BP 47, 32600 L'Isle-Jordain, France, http://www.ecocert.com



7.2.3.3 Import Requirements for Organic Products³

The procedure for the import of organic products into Germany depends on the country of origin. Within the European Union, organic products can be marketed freely in all Member States. Organic products from countries outside the European Union can be imported into Germany if the exporting country is listed in the directory of recognised third countries or the products have been certified by a control body authorised by the EU Commission as equivalent.

Palestine is not on the list of recognised third countries, so organic products can only be imported into an EU country and marketed with reference to organic production if they have been **certified by a third countries' control body** approved by the EU Commission according to Annex IV of Regulation (EC) No. 1235/2008. See http://ec.europa.eu/agriculture/ofis public/actor http://ec.europa.eu/agriculture/ofis public/actor cbeu/ctrl.cfm?targetUrl=home

7.2.4 Packaging and labelling requirements

7.2.4.1 General: Packaging Waste

All packaging placed on the EU market must meet basic requirements regarding composition and recoverability. These requirements aim to prevent the production of packaging waste, to promote the reuse of packaging (recycling or other forms of recovering packaging waste) and as such to reduce the final disposal of such waste.

In particular, packaging must:

- be of minimal value and weight
- contain minimal quantities of hazardous substances (especially heavy metals)
- be suitable for reuse, recovery and recycling.
- labelled to indicate its composition (to facilitate collection, reuse and recovery)

The requirements directly relevant for producers mainly relate to maximum concentration levels for heavy metals (lead, cadmium, hexavalent chromium and mercury) contained in packaging and to labelling (marking and identification of the materials used).

More on EU policy on packaging waste



The Green Dot (Der Grüne Punkt) system, which was developed to assure that product materials are recycled in a controlled facility, involves placing a symbol on the packaging material of virtually all retail products in Germany. The use of the Green Dot is not a legal requirement for all products but, in practice, it will be very difficult to market a (pre-packaged) product in Germany without it. Ask your importing partner if they can help you in case you need to comply, as the process can be quite complicated for non-German companies that are not familiar with the German context. The Green Dot follows the New German Packaging Act.

³ Source: https://www.organicexport.info/germany.html



7.2.4.2 Olive Oil Labelling⁴

Bulk products

This section describes the labelling requirements for olive oils sold as bulk products in Germany and in the European Union as a whole.

The labelling requirements are as follows:

- Ensure traceability of individual batches.
- Use English for labelling purposes, unless your buyer has indicated otherwise.
- Labels for bulk products must include the following information:
 - Product name and grade (According to <u>Commission Regulation (EEC) No 2568/91 and its</u> amendments)
 - Batch code
 - A statement that the olive oil is destined for use in food products
 - Name and address of exporter
 - Best-before date
 - Net weight
 - Recommended storage conditions

Organic (if applicable): Name/code of the certifying body and certification number.

Consumer Product

In case the product is packaged as a **final product (i.e. in consumer bottles)** in the origin country, the <u>Commission Implementing Regulation (EU) No. 29/2012</u> (amended by <u>Commission Implementing Regulation (EU) No. 1335/2013</u>) on marketing standards for olive oil applies, in addition to the minimum requirements of Regulation (EU) No. 1169/2011 on the provision of food information to consumers.

- Name of product and grade of olive oil:
 - (1) extra-virgin olive oil,
 - (2) virgin olive oil,
 - (3) olive oil composed of refined olive oils and virgin olive oils,
 - (4) olive-pomace oil.
 - The categories (1) extra-virgin olive oil and (2) virgin olive oil shall bear designations of origin according to Article 4 of Regulation (EU) No. 29/2012.
- *Optional* terminology: Positive attributes (fruity, bitter and pungent), according to the intensity of perception: intense, medium and light.
- Other optional indications may include: Indications of organoleptic properties:
 - (1) first cold pressing: this may only be used for virgin or extra virgin olive oils obtained at a temperature of below 27°C by means of an extraction system using hydraulic presses;
 - (2) cold extraction: this may only be used for virgin or extra virgin olive oils obtained at a temperature of below 27°C by percolation or centrifugation of the olive paste; (3) organoleptic properties referring to flavour and/or odour: indications referring to taste and/or smell may only appear for extra virgin and virgin olive oils;
 - (4) acidity or maximum acidity: this may appear only when it is accompanied by an indication, in lettering of the same size and in the same visual field, of the peroxide value, the wax content and the ultraviolet absorption, determined in accordance with the methods of analysis stated in the Commission Regulation.

These indications must comply with their respective requirements, as described in Article 5 of

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⁴ CBI Product Factsheet: Olive Oil in Germany



Regulation (EU) No. 29/2012.

- List of ingredients.
- Quantity/categories of ingredients.
- Net quantity.
- Date: minimum durability.
- Special storage/usage conditions.
- Declaration of allergenic substances.
- Business name and address.
- Usage instructions.

Example of retail labelling







Figure 7 Example Label Olive Oil; source: Il Palazzone

Organic: To be marketed as organic-certified in Germany and throughout the European Union, olive oil must bear the European Union's organic logo. In order to qualify for the organic logo, the olive oil must comply with the European Union regulations on organic farming and marketing. In addition to the European Union logo, Germany has its own (voluntary) organic logo: the Bio-Siegel.



Labelling of organic olive oil



Figure 8 Olive Oil Label with EU organic logo (right) and Bio-Siegel (left); Source: Jordan Olivenöl

7.2.4.3 Labelling of Dates

General requirements⁵

The labelling requirements for fresh dates in Germany follow the general European Union requirements for fresh vegetables. These requirements are described under the <u>Marketing Standards for Fruit & Vegetables</u> according to Commission Implementing Regulation (EU) No. 543/2011.

In case of the supply of dried dates is the general quality requirement for all dried fruit that products should be of 'sound, fair and marketable quality' and bear the full name of their country of origin. Fruits and vegetables that are not covered by a specific standard must meet the general standard — or the <u>UNECE Standard DDP-08</u>.

All fresh vegetables subject to European Union's marketing standards must be labelled with:

- name of product, specifying whether the product is naturally dried of sugar is added (for specific types of dried fruit).
- label should declare the presence of pits
- nature of produce
- country of origin
- standard/class
- crop year and variety (if included in the standard).

There are also marking provisions for dates which are sold in bulk⁶:

- Name and physical address of packer and/or dispatcher, or a code mark officially recognized by the national authority.
- Name of the product: "Dates", when not visible from the outside.
- Name of the variety and/or commercial type (optional).
- "Cluster" or "stems", where appropriate.
- "Pitted", where appropriate.

 $^{^{5}\ \}underline{\text{https://www.cbi.eu/market-information/processed-fruit-vegetables-edible-nuts/edible-nuts-dried-fruits/europe}$

⁶ CBI/GIZ: Dates in Germany 2016



- Country of origin. Optional: District where dates are grown, or national, regional or local place name.
- Class.
- Crop year (optional).
- "Best before", followed by the date (optional).
- Official control mark (optional).
- Organic: Name/code of the certifying body and certification number.

Labelling for consumer packaging⁷

Dates which are pre-packed at origin must follow the European Union's labelling requirements. The focus lies on providing as much information as possible to the consumer, including:

- Name of the food. For dates, that can include variety or commercial type, pitted/unpitted, organic (if compliant with European Union standards).
- List of ingredients.
- Ingredients or processing aids causing allergies or intolerances.
- Quantity of ingredients or categories of ingredients.
- Net quantity.
- "Use by" date.
- Storage conditions and/or conditions of use.
- Name and address of business.
- Country of origin.
- Lot number.
- Nutrition information: energy value (mandatory)
 - the amounts of fat, saturates, carbohydrate, sugars, protein and salt (mandatory)
 - mono-unsaturates, polyunsaturates, polyols, starch, fibre, vitamins or minerals (non-mandatory)

The information above will have to be in German or multi-language including German.

Pay attention to other aspects like minimum font size. In addition, any certification logo, or retailer logo in the case of private label products, should be displayed on the label.

These particulars must appear on the packaging or on a label attached to pre-packaged foodstuffs. In the case of pre-packaged foodstuffs intended for mass caterers (foodstuffs sold in bulk), the compulsory labelling particulars must appear on commercial documents while the name under which it is sold, the date of durability or use-by-date and the name of manufacturer must appear on the external packaging.

The labelling must not mislead the purchaser as to the foodstuff's characteristics or effects nor attribute the foodstuff special properties for the prevention, treatment or cure of a human disease. The information provided by labels must be easy to understand, easily visible, clearly legible and indelible and must appear in the official language(s) of the Member State where the product is marketed. However, the use of foreign terms or expressions easily understood by the purchaser may be allowed.

Organic: In order for dates to be marketed as certified organic in Germany and more generally in the European Union, they must contain the European Union's organic logo, along with other information on the label like the number of the certification body. In order to include the organic logo, the product must comply with European Union regulations for organic farming and marketing (see the section on Buyer Requirements in chapter 6 and on Green Labels in chapter 7).

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⁷ CBI/GIZ: Dates in Germany 2016



Example of Retail Labelling Dates



Figure 9 Example Multi-lingual Retail Labelling Dates Germany

7.2.4.4 Labelling of Fresh Herb

General requirements

The labelling requirements for fresh herbs in Germany follow the general European Union requirements for fresh vegetables. These requirements are described under the <u>Marketing Standards for Fruit & Vegetables</u> according to <u>Commission Implementing Regulation (EU) No. 543/2011</u>.

All fresh vegetables subject to European Union's marketing standards must be labelled with:

- nature of produce
- · country of origin
- standard/class
- variety (if included in the standard).

If the produce is sold pre-packaged, the following additional information must be stated on the product label:

- name and address of packer
- weight or number of items in the package
- lot number
- size (if stated so in the standard).

If the product is sold in retail packaging, all information above will have to be in **German**. In addition, any certification logo, or retailer's logo – in the case of private label products – should be displayed on the label.

Organic: In order for fresh herbs to be marketed as certified organic in Germany and more generally in the European Union, they must contain the European Union's organic logo. In order to include the organic logo, the product must comply with European Union regulations for organic farming and marketing (see the section on Buyer Requirements in chapter 6).

In addition to the European Union logo, Germany has its own organic logo, the <u>Bio-Siegel</u>. This logo is less commonly used than the European organic logo, but it may be required by some retailers. Discuss these options with your buyers.



Example of Retail Labelling Fresh Herbs



Figure 10 Example Retail Labelling fresh herbs Germany

7.2.5 Documentation

7.2.5.1 Olive Oil8

Several of the essential documents that are commonly required by importers in Germany and the European Union in general are listed below:

- Certificate of Analysis (explanation; example)
- Technical Data Sheet (TDS) (example)
- Material Safety Data Sheet (MSDS) (example)
- Certificate of Origin (natural vs. synthetic, local vs. imported and naturalised)
- Allergens declaration
- CMR declaration (non-Carcinogenic, Mutagenic, or Toxic for reproduction)
- Declaration: free from BSE (Bovine Spongiform Encephalopathy)/TSE (Transmissible Spongiform Encephalopathy) contaminants
- Gluten-free declaration
- Heavy metals declaration
- Non-nanoparticles declaration
- Other certificates (e.g. organic or Fair Trade), if applicable

7.2.5.2 Dates

Several of the essential documents that are commonly required by importers in Germany and the European Union in general are listed below:

- Certificate of Origin (natural vs. synthetic, local vs. imported and naturalised)
- Other certificates (e.g. organic or Fair Trade), if applicable

Check the following website for more information on documentation needed: http://trade.ec.europa.eu/tradehelp/myexport#?product=0804100091&partner=PS&reporter=DE

⁸ CBI Product Factsheet: Olive Oil in Germany



Product-specific requirements

The European Union refers to the UNECE Standards for Dry and Dried Produce for specific quality requirements for dried dates (UNECE Standard DDP-08).

They specify the general requirements for fruits and vegetables. The purpose of the standard is to define the quality requirements of dates at the export-control stage, after preparation and packaging. Again, this is only applicable to dates intended for direct consumption, not for industrial processing.

The minimum quality requirements for dried dates are:

- Intact. Dates affected by mashing, tearing, breaking of the skin (leaving the pit visible) are excluded.
- Sound. Dates affected by rotting or deterioration such as to make it unfit for consumption are excluded.
- Clean. Practically free of any visible foreign matter, excluding coating ingredients.
- Free from living pests (whatever their stage of development).
- Free from pest damage visible to the naked eye. This includes dead insects and/or mites, and their debris or excreta.
- Free from mould filaments visible to the naked eye.
- Free of fermentation.
- Free of unripe fruit (light in weight, stunted or distinctly rubbery in texture).
- Free of un-pollinated fruit (indicated by stunted growth, immature characteristics and absence of pit).
- Free of blemished fruit (scarred, discoloured or sunburnt, darkened head or spots having, or abnormalities affecting an area at least as large as a circle of 7 mm diameter).
- Free of abnormal external moisture.
- Free of foreign smell and/or taste.

The condition of the products must be such as to enable them:

- To withstand transport and handling.
- To arrive in satisfactory condition at the place of destination.

The moisture content of dried dates should not exceed 26% for cane sugar varieties and 30% for invert-sugar varieties. The moisture content is determined according to UNECE standards. The minimum weight of dates shall be 4.0 g per date.

Dates are classified into three groups: "Extra" Class, Class I and Class II. This classification is based on the tolerance levels for defects (in %, number or weight) covering:

- Produce not satisfying the minimum requirements.
- Size.
- Other defects.

Other requirements in the UNECE standard cover the following aspects of product presentation:

- Uniformity: Packages should contain dates which are uniform, of the same origin, quality and variety. The visible parts should be representative of the entire content of the package.
- Packaging materials: The product should be protected properly when packaged. The materials used
 inside the package must be clean and avoid damage to the dates. Paper and stamps bearing trade
 specifications can be used, but printing/labelling must be done with non-toxic ink or glue. Packages
 should be free from foreign matter; decorate material like rachis, stems and plastic forks are
 allowed, but should respect the tolerance levels.
- Other aspects: Dates must be presented in bags or solid containers, each package being of the same weight. Dates may be presented:



- In clusters (mainly rachis and stems) or in stems (separated from the rachis): Stems should be at least 10 cm in length and carry around 4 fruits each. A maximum of 10% loose dates is allowed. The ends of the stems must be cleanly cut.
- Separated in individual fruits, arranged in layers, or loose in the package.

7.2.5.3 Fresh Herbs

Several of the essential documents that are commonly required by importers in Germany and the European Union in general are listed below:

- Certificate of Origin (natural vs. synthetic, local vs. imported and naturalised)
- Other certificates (e.g. organic or Fair Trade), if applicable

Check the information documentation needed: following website for more on http://trade.ec.europa.eu/tradehelp/myexport#?product=0709999040&partner=PS&reporter=DE

7.2.6 **Transportation & storage**

7.2.6.1 Olive Oil⁹

Options for transporting olive oil in bulk include the following:

- Drums (58 gallons/220 litres)
- Totes (275 gallons/1,014 litres)
- Flexitanks (5,812 gallons/22,000 litres), according to ISO 9001:2000 standards
- Flexitanks for liquid transportation with ISO 20' dry container
- Flexible bags designed and developed for transporting bulk olive oil.

For additional information on the bulk transportation of olive oil and shipping options, refer to Olive Oil Market: Olive Oil Transportation. Be sure to consult your buyer concerning specific requirements and/or preferences regarding bulk transportation.

Given that olive oil is liquid under normal transport conditions, it requires no heating. At temperatures below 6°C, however, it assumes a semi-liquid consistency, with 50% of the oil precipitating out. At 0°C, olive oil takes on a buttery consistency. As such, olive oil should be heated in order to prevent quality loss and achieve pumpability. Ensuring the proper travel temperature as much as possible during transport is also important in order to minimise oxidation processes.

Example of bulk packaging



Figure 11 Source: Olives South Africa

Other measures to safeguard the quality of olive oil include the following:

- Cleaning and drying the drums, tanks, totes or bags before loading the oil
- Not loading rancid olive oil

⁹ CBI Product Factsheet: Olive Oil in Germany



 Filling tanks, totes, bags or drums as fully as possible in order to avoid ventilation and light: ventilation should not be used under any circumstances, as it would supply fresh oxygen to the cargo, thus promoting oxidation processes and premature rancidity.

Note that organic olive oil should remain physically separated from conventional oils.

Additional information on the appropriate conditions for the transportation of olive oil can be found under the websites of Cargo Handbook: Olive Oil and Transport Information Service: Olive Oil.

Example of cargo transport



Figure 12 Source: Olive Oil Market

Consumer packaging

According to Commission Implementing Regulation (EU) No 29/2012 (amended by Commission Implementing Regulation (EU) No. 1335/2013) on marketing standards for olive oil, the product must be presented to the final consumer in packaging of a maximum capacity of 5 litres. Such packaging must be fitted with an opening system that can no longer be sealed after the first time it is opened, and it must be labelled according to the requirements described above in the section on 'Labelling'.

In the case of oils intended for consumption in restaurants, hospitals, canteens and similar collective establishments, the maximum packaging

Examples of consumer packaging



Figure 13 Source: Imgbuddy

capacity of 5 litres may be exceeded, depending on the type of establishment concerned.

The most common type of consumer packaging available from German retailers is glass (usually with a net content of 0.5 litre but ranging between 0.25 litre and 0.75 litre; packages of 2 and 5 litres are also available from selected retailers). Other packaging solutions are available on the market as well, as described in the section on 'What trends offer opportunities for olive oil on the German market?' The ideal packaging material should prevent air and light penetration, and oil should be stored in the dark at temperatures 16 o–180 C in order to maximise shelf stability.

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The retail market in Germany is currently in need of new packaging solutions for olive oil (e.g. increased use of aerosol-packaging). Although most olive oils are still packaged in bottles or cans, industry experts have associated these common forms of packaging with problems in terms of flavour and quality. In contrast, aerosol-packaged oils are pure. The trend towards this new packaging is driven by the popularity of the Mediterranean diet and by increasing consumer interest in convenience, product purity and value (Olive Oil Market). This could be an opportunity for you if you are able to produce innovative packaging that complies with EU legislation.



Tip: Although innovation is encouraged, it is important to remember that packaging solutions for olive oil must comply with the Commission Implementing Regulation (EU) No 29/2012 (amended by Commission Implementing Regulation (EU) No. 1335/2013) and any additional buyer requirements communicated by direct customers in Germany/Europe.

Another interesting development in Germany concerns the expansion of package-free retailers, which cater to a niche market segment. In such establishments, various products, including olive oil, are sold in bulk form, in an effort to avoid the excessive use of packaging/waste materials. The Zero Waste Europe website describes this development, in addition to listing several retailers in Germany (e.g. Unverpackt). Specialised retailers (e.g. Oil & Vinegar) also provide bulk solutions to customers, allowing them to dispense customised amounts of olive oils from vacuum-sealed stainless steel containers (see example). This could be an interesting opportunity for you, as it would eliminate the need to re-package your olive oil into consumer packaging.

7.2.6.2 Dates

The UNECE standards establish some general requirements for the packaging of dried dates, applying to both bulk and consumer packaging. They include protection and presentation of the product. However, packaging materials are not specifically mentioned. Both bulk and consumer packaging can be done in the country of origin, for example in Palestine. It is not common to send packaging materials to the origin country, but buyers expect you to sign a conformity statement to show that the packaging matches their requirements.



Bulk Packaging

For bulk packaging of dates, the most common material is cardboard box with plastic lining for extra protection, with weights usually ranging between 5 and 8 kg. When packaged in corrugated or millboard cartons, the product should be transported on pallets. They should conform to the conventional pallet sizes (800x1200 mm and 1000x1200 mm).

Figure 14 Example Bulk Packaging Dates: Pitted Dates in Cardboard Box with Plastic lining (10kg). Source: Tilouche Import

Consumer Packaging

The type of packaging demanded by the supermarkets has seen a trend in recent years. In the old days the dates were usually packed in Styrofoam shells, today wood pulp punnets

are preferred. They are better suited to the natural aesthetics of the product. There is also an increase in demand for so-called DOY packs (sealed plastic bag that is designed to stand upright). The most popular packaging size at present are the 200g wooden punnets in shrink wrap. Packaging material, size and the popularity of organic products are linked to the trends towards healthy, natural nutrition, convenience and sustainability of the food industry. 10

Other types of packaging include carton boxes, with or without plastic wrap covering.

Example of Consumer Packaging





Figure 15 Example Retail Packaging Dates Germany

Some of the most common consumer packaging solutions for **organic dates** in Germany are:

¹⁰ https://www.freshplaza.com/article/9029874/customers-want-to-know-what-s-in-it-and-what-s-on-it/



- 200 to 500 gram plastic bags (especially loose dates)
- 180 to 250 gram plastic or carton trays (especially dates in clusters/stems)
- 1 to 5 kg carton boxes (both loose and in clusters or stems)

Handling, transportation and storage¹¹

The correct handling, transportation and storage of dates are essential in safeguarding their quality. Dates are vulnerable to contamination and decay, but you can follow general guidelines to avoid further problems.

One crucial aspect for organic dates: they should remain physically separated from conventional dates at all stages of harvesting, processing, transportation, storage and packaging to avoid contamination and to facilitate traceability.

Dates should be stored and transported in cool and dry conditions, with good ventilation if required; highquality dates (dessert dates, selected) are transported in cold stores.

- At temperatures < 10°C, possible mite growth is inhibited.
- At temperatures > 25°C, syrup forms and fermentation may occur. There is a risk of the syrup ("date honey") seeping out of the packaging and damaging other goods. Discoloration may also occur, such as darkening or blotchiness.
- At a relative humidity > 70%, dates have a tendency to become mouldy, to support yeast growth and to ferment.
- At a relative humidity < 60%, dates become tough and hard.
- Infestation with moths (almond moth, meal moth), beetles (sap beetle, saw-toothed grain beetle, flour beetle), rats, mice and ants leads to contamination and loss of volume.

More tips and tools on the handling, storage and transportation of dates can be found on the website of the German Transport Information System.

Insect infestation is the most common problem which German and other European buyers face with dates. German buyers recommend the use CO2 pressure to remove infestation. For organic dates, it is not allowed to use chemicals in the fumigation process.

7.2.6.3 Fresh Herbs

Packaging and transport

Harvested fresh herbs which are perishable need to be packaged and transported in such a way that maintains the integrity of the herbs. Producers need to minimise the time between harvesting and packaging to ensure maximum freshness and quality.

The Codex Alimentarius Code of Hygienic Practice for Fresh Fruits and Vegetables includes an Annex on fresh leafy vegetables, which includes fresh herbs (Annex III). This Annex provides more information on the storage, packaging and transport of such herbs. Moreover, the Codex Alimentarius Code of Practice for Packaging and Transport of Fresh Fruit and Vegetables contains several recommendations for maintaining the quality of produce during transportation.

¹¹ CBI/GIZ: Dates in Germany 2016



Product-specific requirements

Fresh herbs need to be cooled during transportation. The optimum temperature is usually around 0°C, but this depends on the species. For intstance, basil is frost-sensitive and should be kept at higher temperatures to prevent deterioration (around 10°C).

Bulk packaging

Packaging of fresh herbs often depends on the customer's requirements. Herbs are usually packed in Styrofoam boxes or waxed cartons, covered with plastic, in 1-3 kg portions. Growers can also choose to pack herbs in perforated polyethylene or poly propylene bags inside waxed cartons. Packaging in plastic bags or films is mainly done to reduce water loss.

Herbs should not be packed in wooden containers, because the potential for contamination is too high and the containers are difficult to clean.

Retail packaging

Common retail packaging in supermarkets includes plastic bags or packs, usually weighing 15, 30 or 40 grams. Also common are fresh herbs in pots.

Example of Consumer Packaging





Figure 2 Example Retail Packaging Fresh Herbs Germany



7.3 Business Culture

Germans have a reputation for efficiency and innovation, and this can certainly be seen in the country's business culture. Punctuality, order and industriousness are key to success in Germany and are expected as standard from those looking to succeed in exporting their wares to German markets. Sticking to agreed timescales and milestones is essential.

Never underestimate the importance of punctuality in German business culture. Arriving five to ten minutes early for important appointments is the norm. Showing up even five to ten minutes after the appointed time is perceived as late; a fifteen-minute variance could be considered impolite. However, if there is a delay, call ahead and explain the situation and late arrival.

Be prepared to make an appointment for most things. The preferred times for business appointments are between 10:00 a.m. and 1:00 p.m. or between 3:00 p.m. and 5:00 p.m. Avoid scheduling appointments on Friday afternoons, as some offices close by 2:00 p.m. or 3:00 p.m. on Fridays.

Business relationships in Germany are highly professional – private lives are largely kept separate from corporate interactions. Business dealings are formal and direct, with emotion usually removed from the equation. Hierarchical structures are highly respected and those in authority are deferred to for their greater skills and experience. Therefore, formal introductions and the use of official titles should be respected. Professionalism is highly valued. Acting in a formal and respectful way is important, particularly at first, but following the example of others is a good rule, as companies and people can differ.

Personal space is important, and greetings generally consist of a firm handshake and nod or polite smile. For face to face meetings, greetings are formal – handshaking is the norm both when greeting a business contact and when departing. That applies to every meeting, even when businesspeople have been working together for quite some time.

Business dress is generally formal and conservative; suits with ties and conservative dresses or suits for women. Germans generally act and communicate in a straight forward and direct way. This is not meant to be rude but rather to get to the point and can include honest criticism.

Giving compliments is not part of German business protocol and can often cause embarrassment and awkwardness. Gift giving among business partners and associates is not common and can be viewed as inappropriate. After negotiations or an agreement have been successfully concluded, a small gift may be acceptable. When giving gifts, they should not be overly expensive but of good quality. Germans traditionally use: "Wie geht es Ihnen?" ["How are you?"] as a literal question that expects a literal answer, in contrast to the common English usage of "How's it going?" to simply meaning "Hi". It may, therefore, be considered strange or superficial to ask the question and keep on moving without waiting for an answer.

There's a great deal of written communication involved in doing business in Germany. Agreements are recorded in writing and those records tend to be formal in their nature, even when they are conducted by email. Contacts should be addressed by their title and surname, even once well-established – first names are for family members and good friends. Formal language (including "Sie" for "you") is appropriate for everything from emails to contracts and legal translation services are essential for any paperwork being agreed between international partners.

More information on the German business culture.



7.4 Logistics & Shipment¹²: Export Documentation

KEY AREAS

- 1. Commercial Invoice
- 2. Customs Value Declaration
- 3. Freight documents
 - Bill of Lading
 - FIATA Bill of Lading
 - Road Waybill
 - Air Waybill
 - Rail Waybill
 - ATA Carnet
 - TIR Carnet
 - Freight insurance
 - Packing list
- 4. Single Administrative Document (SAD)
 - Documents associated with the SAD

Organic Products

1. Commercial Invoice

The commercial invoice is a record or evidence of the transaction between the exporter and the importer. Once the goods are available, the exporter issues a commercial invoice to the importer in order to charge him for the goods.

The commercial invoice contains the basic information on the transaction and it is always required for customs clearance. Although some entries specific to the export-import trade are added, it is similar to an ordinary sales invoice. The minimum data generally included are the following:

- Information on the exporter and the importer (name and address)
- Date of issue
- Invoice number
- Description of the goods (name, quality, etc.)
- Unit of measure
- Quantity of goods
- Unit value
- Total item value
- Total invoice value and currency of payment. The equivalent amount must be indicated in a currency freely convertible to Euro or other legal tender in the importing Member State
- The terms of payment (method and date of payment, discounts, etc.)
- The terms of delivery according to the appropriate Incoterm
- Means of transport

No specific form is required. The commercial invoice is to be prepared by the exporter according to standard

¹² http://trade.ec.europa.eu/tradehelp/documents-customs-clearance



business practice and it must be submitted in the original along with at least one copy. In general, there is no need for the invoice to be signed. In practice, both the original and the copy of the commercial invoice are often signed. The commercial invoice may be prepared in any language. However, a translation into English is recommended.

2. Customs Value Declaration

The Customs Value Declaration is a document, which must be presented to the customs authorities where the value of the imported goods exceeds EUR 20 000. The Customs Value Declaration must be drawn up conforming to form DV 1, whose specimen is laid down in <u>Annex 8 to Regulation (EU) 2016/341</u> (OJ L-69 15/03/2016) (CELEX 32016R0341) known as UCC Transitional Delegated Act. This form must be presented with the Single Administrative Document (SAD).

The main purpose of this requirement is to assess the value of the transaction in order to fix the customs value (taxable value) to apply the tariff duties.

The customs value corresponds to the value of the goods including all the costs incurred (e.g.: commercial price, transport, insurance) until the first point of entry in the European Union. The usual method to establish the Customs value is using the transaction value (the price paid or payable for the imported goods).

In certain cases the transaction value of the imported goods may be subject to an adjustment, which involves additions or deductions. For instance:

- commissions or royalties may need to be added to the price;
- the internal transport (from the entry point to the final destination in the Community Customs Territory) must be deducted.

The customs authorities shall waive the requirement of all or part of the customs value declaration where:

- the customs value of the imported goods in a consignment does not exceed EUR 20 000, provided
 that they do not constitute split or multiple consignments from the same consignor to the same
 consignee, or
- the importations involved are of a non-commercial nature; or
- the submission of the particulars in question is not necessary for the application of the Customs
 Tariff of the European Communities or where the customs duties provided for in the Tariff are not
 chargeable pursuant to specific customs provisions.

Legislation

- Regulation (EU) No 952/2013 of the European Parliament and the Council, laying down the Customs Code(OJ L-269 10/10/2013) (CELEX 32013R0952)
- Commission Delegated Regulation (EU) 2016/341 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446 (OJ L-69 15/03/2016) (CELEX 32016R0341)



3. Freight Documents (Transport Documentation)

Depending on the means of transport used, the following documents are to be filled in and presented to the customs authorities of the importing European Union (EU) Member State (MS) upon importation in order for the goods to be cleared:

- Bill of Lading
- FIATA Bill of Lading
- Road Waybill (CMR)
- Air Waybill (AWB)
- Rail Waybill (CIM)
- ATA Carnet
- TIR Carnet

Bill of Lading

The Bill of Lading (B/L) is a document issued by the shipping company to the operating shipper, which acknowledges that the goods have been received on board. In this way the Bill of Lading serves as proof of receipt of the goods by the carrier obliging him to deliver the goods to the consignee. It contains the details of the goods, the vessel and the port of destination. It evidences the contract of carriage and conveys title to the goods, meaning that the bearer of the Bill of Lading is the owner of the goods.

The Bill of Lading may be a negotiable document. A number of different types of bills of lading can be used. 'Clean Bills of Lading' state that the goods have been received in an apparent good order and condition. 'Unclean or Dirty Bills of Lading' indicate that the goods are damaged or in bad order, in this case, the financing bank may refuse to accept the consignor's documents.

FIATA Bill of Lading

The FIATA Bill of Lading is a document designed to be used as a multimodal or combined transport document with negotiable status, which has been developed by the International Federation of Freight Forwarders Associations (FIATA).

Road Waybill (CMR)

The road waybill is a document containing the details of the international transportation of goods by road, set out by the Convention for the Contract of the International Carriage of Goods by Road 1956 (the CMR Convention). It enables the consignor to have the goods at his disposal during transportation. It must be issued in quadruplicate and signed by the consignor and the carrier. The first copy is intended for the consignor; the second remains in the possession of the carrier; the third accompanies the goods and is delivered to the consignee and the forth one must be signed and stamped by the consignee and then returned to the consignor. Usually, a CMR is issued for each vehicle.

The CMR note is not a document of title and is non-negotiable.

Air Waybill (AWB)

The air waybill is a document, which serves as a proof of the transport contract between the consignor and the carrier's company. It is issued by the carrier's agent and falls under the provisions of the Warsaw Convention (Convention for the Unification of Certain Rules relating to International Carriage by Air, 12 October 1929). A single air waybill may be used for multiple shipments of goods; it contains three originals and several extra copies. One original is kept by each of the parties involved in the transport (the consignor, the consignee and the carrier). The copies may be required at the airport of departure/destination, for the delivery and in some cases, for further freight carriers. The air waybill is a freight bill, which evidences a contract of carriage and proves receipt of goods.

A specific type of Air Waybill is the one used by all carriers belonging to the International Air Transport Association (IATA); a bill called the IATA Standard Air Waybill. It embodies standard conditions associated to those set out in the Warsaw Convention.

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Rail Waybill (CIM)

The rail waybill (CIM) is a document required for the transportation of goods by rail. It is regulated by the Convention concerning International Carriage by Rail 1980 (COTIF-CIM). The CIM is issued by the carrier in five copies, the original accompanies the goods, the duplicate of the original is kept by the consignor and the three remaining copies by the carrier for internal purposes. It is considered the rail transport contract.

ATA Carnet

ATA (Admission Temporaire/Temporary Admission) carnets are international customs documents issued by the chambers of commerce in the majority of the industrialized world to allow the temporary importation of goods, free of customs duties and taxes. ATA carnets can be issued for the following categories of goods: commercial samples, professional equipment and goods for presentation or use at trade fairs, shows, exhibitions and the like. Further information may be obtained in the International Chamber of Commerce website: http://www.iccwbo.org/ata/id2924/index.html

TIR Carnet

TIR carnets are customs transit documents used for the international transport of goods, a part of which has to be made by road. They allow the transport of goods under a procedure called the TIR procedure, laid down in the 1975 TIR Convention, signed under the auspices of the United Nations Economic Commission for Europe (UNECE): http://www.unece.org/trans/bcf/tir/welcome.html.

The TIR system requires the goods to travel in secure vehicles or containers, all duties and taxes at risk throughout the journey to be covered by an internationally valid guarantee, the goods to be accompanied by a TIR carnet, and customs control measures in the country of departure to be accepted by the countries of transit and destination.

Freight Insurance

The insurance is an agreement by which the insured is indemnified in the event of damages caused by a risk covered in the policy. Insurance is all-important in the transport of goods because of their exposure to more common risks during handling, storing, loading or transporting cargo, but also to other rare risks, such as riots, strikes or terrorism.

There is a difference between the goods transport insurance and the carrier's responsibility insurance. The covered risks, fixed compensation and indemnity of the contract of transport insurance are left to the holder's choice. Nevertheless, the hauler's responsibility insurance is determined by different regulations. Depending on the means of transport, indemnity is limited by the weight and value of the goods and is only given in case the transporter has been unable to evade responsibility.

The insurance invoice is required for customs clearance only when the relevant data do not appear in the commercial invoice indicating the premium paid to insure the merchandise.

The standard extent of the transporter's responsibility is laid down in the following international conventions:



a. Road freight

International transport of goods by road is governed by the Convention for the Contract of the International Carriage of Goods by Road (CMR Convention) signed in Geneva in 1956.

Under this Convention, the road hauler is not responsible for losses of or damages to the goods if he proves that they arise from:

- the merchandise's own defect(s);
- force majeure;
- a fault by the loader or consignee.

There is no European Union's regulation regarding indemnifications for road freight.

b. The rail carrier

International transport of goods by rail is regulated by the Convention concerning Intercarriage by Rail (CIM Convention), signed in Bern in 1980.

The rail carrier is not responsible for losses of or damages to the goods if he proves that they arise from:

- the merchandise's own defect(s);
- force majeure;
- a fault by the loader or consignee.

Regarding compensation, currently there is no European Union regulation. Indemnification is normally limited to a maximum amount per gross kilo lost or damaged. What can be concluded from this system is that, in the majority of the cases, the company is unlikely to receive anything approaching the value of its goods.

c. The shipping company

The 1968 International Convention on Bill of Lading, better known as 'The Hague Rules' or the 'Brussels Convention' dictates the marine carrier's responsibilities when transporting international goods.

The shipping company is not responsible for losses of, or damage to, the goods if it proves that they arise from:

- the merchandise's own defects and loss in weight during transport;
- a nautical mistake by the crew;
- a fire;
- if the ship is not seaworthy;
- · force majeure;
- strikes or a lock-out;
- a mistake by the loader;
- hidden defects on board ship, which went unnoticed during rigorous inspection;
- an attempt to save lives or goods at sea.

As far as compensation is concerned, there is currently no harmonisation at European Union level. It is normally limited to a certain sum per kilogram of lost or damaged goods. This system causes the same problems as with rail accidents, being the exporter likely to lose much of the value of the goods.

d. The air carrier

The 1929 Warsaw Convention as well as the Montreal draft Treaty of 1975 determines that the air carrier is not responsible for damages or loss of goods if it is proved that:



- the carrier and associates took all the measures necessary to avoid the damage or that it was impossible for them to be taken (force majeure);
- the losses arise from a pilotage or navigation mistake;
- the injured party was the cause of the damage or contributed to it.

Concerning the injured party's indemnification, there is no European Union standard. Compensation is normally limited to a set amount per gross kilogram of damaged or lost goods.

The air carrier can state specific reservations at the time of receiving the cargo. These reservations will be written on the air consignment note (ACN) (air transport contract) and will be used as evidence. However, airlines will normally refuse dubious packages or those not corresponding to the ACN.

Packing List

The packing list (P/L) is a commercial document accompanying the commercial invoice and the transport documents. It provides information on the imported items and the packaging details of each shipment (weight, dimensions, handling issues, etc.).

It is required for customs clearance as an inventory of the incoming cargo.

The generally included data are:

- Information on the exporter, the importer and the transport company
- Date of issue
- Number of the freight invoice
- Type of packaging (drum, crate, carton, box, barrel, bag, etc.)
- Number of packages
- Content of each package (description of the goods and number of items per package)
- Marks and numbers
- Net weight, gross weight and measurement of the packages

No specific form is required. The packing list is to be prepared by the exporter according to standard business practice and the original along with at least one copy must be submitted. Generally there is no need to be signed. However, in practice, the original and the copy of the packing list are often signed. The packing list may be prepared in any language. However, a translation into English is recommended.

4. Customs Import Declaration (SAD)

All goods imported into the European Union (EU) must be declared to the customs authorities of the respective Member State using the <u>Single Administrative Document (SAD)</u>, which is the common import declaration form for all the Member States, laid down in the Union Customs Code (UCC) adopted in Regulation (EU) No 952/2013 of the European Parliament and the Council (OJ L-269 10/10/2013) (CELEX 32013R0952) and the UCC Transitional Delegated Act adopted in Commission Delegated Regulation No 2016/341 (OJ L-69 15/03/2016) (CELEX 32016R0341).

The declaration must be drawn up in one of the official languages of the EU, which is acceptable to the customs authorities of the Member State where the formalities are carried out.

The SAD may be presented either by:

- Using an approved computerised system linked to Customs authorities; or
- Lodging it with the designated Customs Office premises.

The main information that shall be declared is:

Identifying data of the parties involved in the operation (importer, exporter, representative, etc.)

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- Custom approved treatment (release for free circulation, release for consumption, temporary importation, transit, etc.)
- Identifying data of the goods (Taric code, weight, units), location and packaging
- Information referred to the means of transport
- Data about country of origin, country of export and destination
- Commercial and financial information (Incoterms, invoice value, invoice currency, exchange rate, insurance etc.)
- List of documents associated to the SAD (Import licenses, inspection certificates, document of origin, transport document, commercial invoice etc.)
- Declaration and method of payment of import taxes (tariff duties, VAT, Excises, etc)

The SAD set consists of eight copies; the operator completes all or part of the sheets depending on the type of operation.

In the case of importation generally three copies shall be used: one is to be retained by the authorities of the Member State in which arrival formalities are completed, other is used for statistical purposes by the Member State of destination and the last one is returned to the consignee after being stamped by the customs authority.

Documents associated to the SAD

According to the operation and the nature of the imported goods, additional documents shall be declared with the SAD and shall be presented together with it. The most important documents are:

- Documentary proof of origin, normally used to apply a tariff preferential treatment
- Certificate confirming the special nature of the product
- **Transport Document**
- Commercial Invoice
- **Customs Value Declaration**
- Inspections Certificates (Health, Veterinary, Plant Health certificates)
- **Import Licenses**
- Community Surveillance Document
- Cites Certificate
- Documents to support a claim of a tariff quota
- Documents required for Excise purposes
- Evidence to support a claim to VAT relief

Legislation

- Regulation (EU) No 952/2013 of the European Parliament and the Council, laying down the Customs Code(OJ L-269 10/10/2013) (CELEX 32013R0952)
- Commission Delegated Regulation (EU) 2016/341 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446 (OJ L-69 15/03/2016) (CELEX 32016R0341)

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Organic Products: Customs clearance and import notification

Each batch of organic products imported into the EU has to be accompanied by an electronic certificate of inspection as defined in Annex V of Regulation (EC) No 1235/2008, which is issued by the control body of the operator conducting the last preparation step in the third country, e.g. packing and labelling the export batches. According to amendment 2016/1842 of Regulation (EC) No. 1235/2006 this electronic certificate of inspection has to be generated via TRACES (Trade Control and Expert System) since 20th of October 2017.

Each company with physical goods contact being involved in the export and import procedure has to register itself in the TRACES database. For that, an EU-Login is necessary. After registration with TRACES, the company has to inform its control body or authority which has to validate the registration.

The use of digital certificates of inspection with electronic signatures is foreseen, but might not be everywhere accepted, in which case printed and signed paper certificates of inspection are used.

The import company notifies its control body about its imports through TRACES.

At the point of entry, the certificate of inspection has to be presented as original paper to the EU customs authority. The certificate is examined by customs for correctness and provided with an endorsement. Additionally, the customs authority checks the data in the online version of the inspection certificate in TRACES. Complete and correct data are required for customs clearance. After customs clearance, the imported lots can be traded freely in all member states of the EU.

Ask your importing partner about TRACES and what they need from you in this.



7.5 Duties & Taxes

7.5.1 Duties & Taxes for Olive Oil13

EU Import duties for olive oil

Origin	Measure Type	Tariff	Conditions	Footnote	EU Law
Any Country	Third country duty	124.50 EUR / 100 kg			R1821/16
Any Country	Suspension - goods for certain categories of ships, boats and other vessels and for drilling or production platforms	0%	Show	EU003 TM510 TM511	R2658/87
Occupied Palestinian Territory	Tariff preference	0%			D0824/11

Source: DG Taxation and Customs Union, Taric: 04/02/2019

Internal taxes for olive oil

	Standard Rate	Country
VAT	7%	Germany, EU
Excise	-	Germany, EU

VAT footnote for Germany

- 1. A tax rate of 7% applies to fats and oils of animal or vegetal.
- 2. A tax rate of 19% applies to all other products.

7.5.2 Duties & Taxes for Dates¹⁴

EU Import duties for dates

Origin	Measure Type	Tariff	Conditions	Footnote	EU Law
Any Country	Third country duty	7.70%			R2204/99
Occupied Palestinian Territory	Tariff preference	0%			D0824/11

Source: <u>DG Taxation and Customs Union</u>, <u>Taric</u>: 04/02/2019

 $^{13}\,\underline{\text{http://trade.ec.europa.eu/tradehelp/myexport\#?product=1509102010\&partner=PS\&reporter=DE}$

¹⁴ http://trade.ec.europa.eu/tradehelp/myexport#?product=0804100091&partner=PS&reporter=DE&tab=2



Internal taxes for dates

	Standard Rate	Country
VAT	7%	Germany, EU
Excise	-	Germany, EU

7.5.3 Duties & Taxes for Fresh Herbs¹⁵

EU Import Duties for fresh herbs

Origin	Measure Type	Tariff	Conditions	Footnote	EU Law
Any Country	Third country duty	12.80%			R1006/11
Occupied Palestinian Territory	Tariff preference	0%			D0824/11

Source: <u>DG Taxation and Customs Union</u>, <u>Taric</u>: 18/03/2019

Internal taxes for fresh herbs

	Standard Rate	Country
VAT	7%	Germany, EU
Excise	-	Germany, EU

7.6 Trade barriers

Trade barriers usually consist of so-called 'non-tariff measures'. What are non-tariff measures (NTMs)?

- Official policy measures on export and import, other than ordinary customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, prices or both.
- Mandatory requirements, rules or regulations legally set by the government of the exporting, importing or transit country (in contrast to private standards)
- Can affect both export and import.
- Include technical measures and standards, as well as regulations on customs procedures, paratariff measures, financial measures, prohibition, etc.

¹⁵ http://trade.ec.europa.eu/tradehelp/myexport#?product=0709999040&partner=PS&reporter=DE&tab=2

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Internal Palestinian trade barriers

Inspections, quality control measures and rules of origin are considered the most onerous measures reported by Palestinian exporters. Domestic procedural inefficiencies include delays, high fees (such as for certificates) and arbitrary behaviour of officials.¹⁶

Palestinian exporters from Gaza also face internal barriers to trade.¹⁷ For instance, Gaza exporters face numerous and diverse obstacles in transferring their agricultural produce to the West Bank and international markets, forcing them to incur high costs, extended waiting times and shipment constraints that often render exports unprofitable.

These obstacles include:

Administrative hurdles

- Lack of a defined time period and considerable wait times for the transfer process to be completed. Approximately an average of 7.7 hours is needed to transport goods from warehouse in the Gaza Strip to the West Bank.
- Inspection is done in an open area (exposed to sun and rain) which lacks any cold storage facilities and goods are exposed to weather conditions. The waiting area where goods are offloaded at the Inspection is done in an open area (exposed to sun and rain) which lacks any cold storage facilities and goods are exposed to weather conditions. The waiting 1 1 side is an open area as well. Perishable goods, such as agriculture and food products, are the most vulnerable under these conditions, with the cold storage chain interrupted. Exporters thus incur extra cost (approximately 2.5 USD per pallet) to wrap the pallets with fortified plastic wrap as a protective measure against rain and other weather conditions;
- The requirement to use pallets of only 1.2*1.6 m in length and height makes it difficult to maximize the full use of the pallets, thus reducing the amount of goods on each pallet and creating the need to use extra pallets that means higher cost of shipment;
- Repeated and unexpected closures of the Gaza Strip's lone commercial crossing; and
- Limiting the export of goods to three days a week (Sunday, Monday and Thursday) adds more restrictive measures, thus hindering exporters' capacity to readily meet export demands and in some instances making export goods liable to spoilage as it awaits export. For instance, if agriculture goods are exported on Thursday then it must wait for two days (Friday and Saturday) once it reaches the KHB before its passes through to the other side.

Inadequate infrastructure

- Poor quality of land transport infrastructure remains the major infrastructure constraints.
- The use of Back-to-Back system in unloading and reloading operations at the crossings points takes place twice at the Kerem Shalom/Karim Abu Salem, and again at (Alkarama crossing between Jordan and Israel), and three times when exporting through Jordan. This system demands more time, high transportation costs (loading and unloading are done at a cost), and complexity of clearance procedures, and can damage to some exporting agricultural items.
- The closures of all commercial crossings between Gaza Strip and Israel, keeping only Kerem Shalom/Karim Abu Salem which is not equipped with the necessary infrastructure for agricultural exports.
- Reliance on Al Karama /Allenby (King Hussein bridge) crossing, the only commercial crossing between Palestine and Jordan and the rest of the Arab world, which lacks and refrigeration facilities causing damage to goods and waiting for long hours at the crossing.



¹⁶ http://www.intracen.org/publication/State-of-Palestine-Company-Perspectives-An-ITC-Series-on-Non-Tariff-Measures/

¹⁷ https://www.paltrade.org/upload/multimedia/admin/2016/12/584966112f402.pdf



Frequent delays

The loading and unloading process cost around 700 NIS per truckload regardless of the number of pallets per truck. In addition, any waiting time that can cause spoilage of agriculture goods translates to financial loss for the exporters (and in many occasions, the loss is borne by the farmer). Limiting the export window to three days a week contributes to this as well.

Trade barriers German market

There are no specific trade barriers for Palestinian products to the German market. Since Germany is part of the European Union, EU regulations determine how products can enter the market.

This being said, because of the large variety of EU rules and regulations, notably when it comes to agri-food products, it is quite difficult to comply with all of them for smaller exporters. In addition to the rules, German buyers can also have added requirements in terms of preferred green labels. But all these rules and requirements apply to all competitors from all countries, so cannot be deemed trade barriers for Palestine specifically. For more information on rules & regulations, see 4.1 Market Access Requirements in the Market Research on Germany Report. For more information on labels, see 7.2.4 in this Export Guide to Germany.

7.7 **Top Tips**

General Tips:

- Cooperate with other exporters in your country; join forces to export to the European market.
- Try to partner up with local importers in order to have the right equipment for processing and to meet the different requirements of European buyers.
- Try to develop long-term partnerships with European buyers, for example in a long-term buying programme with a European retailer. Make sure that your company is ready for that level of commitment.
- Contact an experienced importer/distributor before you enter the German market for more information on requirements and expectations from supermarkets. Be aware that delivering to supermarkets is very demanding in terms of buyer requirements and price.
- Make sure that you are a reliable and accessible partner. Adhere to agreements and make sure you are easy to contact. Be aware that buyers are demanding in their selection of partners; professionalism is a must.
- Always be available for communication. Be open and honest in your communications and promptly answer questions and requests from (potential) buyers.
- Visiting or even participating in trade fairs is highly recommended as one of the most efficient methods of testing the likely market response, obtaining market information and finding prospective business partners.
- Invest in packaging equipment if you aim to supply to retail chains. With the possibility to offer different packing formats and produce recyclable packaging, you increase your chances of becoming a supplier to private-label brands of European retail chains.
- Take advantage of the opportunity posed by Germany Sustainable Development Strategy, that sets the goal of increasing the share of imports from LDCs in total imports by 100% by 2030 (base value: 2014).

Olive Oil Tips:

If you would like to market blended olive oils as branded consumer products, be sure that your products meet the sensory (organoleptic) properties of olive oil, as demanded in Germany. In Europe as a whole, and specifically in Germany, olive oil blends have a mild organoleptic profile (not too strong, not too weak). Develop expertise and skills in blending and quality control in order to ensure your ability to offer oils with this profile consistently throughout the year.



- Develop a strong marketing story for your olive oil. This is essential if you would like to enter the
 German market for specialty oils, in addition to ensuring a high-quality product and complying with
 the European law. As a marketing element, your product story could possibly include:

 The origin of the olive oil, including elements of the producing communities
 Traditional and/or current production methods
 Environmental and social impact (substantiated with certificates)
- In order to be marketed as 'organic' in Germany (or in any other country in the European Union), a
 product must comply with the EU (Council Regulation (EC) No 834/2007 and Commission
 Regulation (EC) No 889/2008 (OJ L-250 18/09/2008) for organic production and labelling. Claims of
 'Natural', 'Pesticide free' or 'Organic by default' are not valid without organic certification.
- Always consult your buyers with regard to your options for complying with organic certification.
- Organic olive oil is the most sold vegetable oil in Germany so there is an opportunity in this segment.
- Speciality olive oils (controlled designation of origin, special additions, gourmet) can also be an opportunity. Visit GenussGipfel fair for the gourmet sector- https://www.genussgipfel.eu.
- Consider participating in competitions/contests like the "International Competition FLOS
 <u>OLEI</u>" aiming at enhancing the quality of extra virgin olive oil at international level, awarding prizes
 to the best products, spreading oil knowledge and thus contributing to its correct marketing.
- Consider participating in Chef-Sache cuisine festival, directed to chefs, restaurants and hotels https://www.chef-sache.eu.

Dates Tips:

- Ensure that you can supply stable supplies of dates, both in quantity and quality. Link up with sector associations or other producers/cooperatives if you cannot reach the required volumes by yourself.
- Make sure that you are a reliable and accessible partner. Adhere to your agreements and make sure you are easy to contact, for example e-mails should be responded to within one nor two days.
- Always be available for communication! Be open and honest in your communications and promptly
 answer questions and requests from your (potential) buyers.
- Develop treatments and techniques to solve pest problems and treat diseases for date palms.
- Do not use the fumigant methyl bromide, as this has a harmful effect on human health and the
 environment.
- Prevent or treat dates for product infestation, for example with CO2 treatments.
- Invest in packaging facilities, staff and materials to ensure consistent packaging of dates.
- Use the healthy food trend and the nutritional composition of dates as a unique selling point for your dates (high in fibre and minerals). Promote them as healthy snacks.
- Add value to your dates and set them apart from competition by adding recipes, investing in storytelling and marketing communication, showing the final consumer where and how your dates have been produced (label, website, social media).

Fresh Herbs Tips:

- If you can produce fresh herbs in Germany's off-season, you can benefit from the gap in local
 production in Germany, especially when you produce varieties that are grown (and popular) in
 Germany (e.g. chives, basil and mint). Ensure that you are able to deliver these products fresh,
 which requires logistic and planning skills.
- Include in your marketing materials which different fresh herbs you can export at the same time. Buyers often buy a range of herbs from the same suppliers.
- Be aware that you can expect competition from a wide range of suppliers, in the Mediterranean, Africa, Asia and South America. Be aware that you will face competition from growers in countries such as Kenya, Ethiopia and Israel, who already supply fresh herbs to Germany and other European countries.

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- If you can differentiate your product on the market, you can improve your competitive position. As a fresh herbs supplier, you have several options for doing this. Examples include complying with organic certification, adding recipes for your products, as well as marketing communication in general. Add further value by investing in storytelling and marketing communication, showing the consumer where and how your herbs have been produced (label, website, social media) or by compensating for the emissions during the long transportation of your fresh produce. You can also improve your competitive position if you can meet the interest of German consumers in good social and environmental practices by adding such information to your product.
- Try to differentiate your product on the market and compete on added value, such as herbs with organic certifications, that are sustainably produced or which are ready-to-cook (pre-cut).
- Ensure freshness and quality of your products to compete with European suppliers of fresh herbs.
 Employ good post-harvest processes: store your products in clean containers in a clean warehouse, ensure hygienic grading and sorting conditions and apply strict sorting and grading standards. Store herbs at the right temperature. Refer to transportation requirements and the Buyer Requirements for more info. You also need logistic and planning skills to ensure that your products arrive fresh in Germany.
- Focus your exports of fresh herbs to Germany during European's off-season. In those months, imports usually increase considerably as buyers seek to source year-round.
- Make sure that you can trace your fresh herbs back to the farm that produced them and communicate this to your buyers. Increasing transparency helps build trust with buyers.



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