Research on the Standard of Agricultural Products’ Online Sales in Hubei Province—Based on International Beneficial Experience

Ying LIU
Economics College, Wuhan Donghu University, Wuhan Hubei, 430212, China
Agricultural E-commerce Collaborative innovation Center (Cultivation) in Hubei Province, Wuhan Hubei, 430212, China
helen1982117@sina.com

Keywords: Online Sales Standard, Agricultural Products, International Experience.

Abstract. As a large agricultural province, Hubei Province should seize the opportunities for the development of E-commerce. Accelerating the development and improvement of agricultural products online sales standards, is conducive to the rapid development of agricultural products in Hubei Province’s E-commerce. In this paper, according to the standard of merchantability of online trade of agricultural products, the online sales standard of agricultural products consist of the standard of agricultural products quality and classification, the standard of agricultural products’ commercialization (including packaging standard specifications and product encoding standard), and the standard of agricultural products distribution. In view of the related problems of online sales standard of agricultural products in Hubei Province, this paper draws lessons from the beneficial international experience and puts forward some suggestions on how to develop the online sales standard of agricultural products in Hubei Province.

Introduction
Agriculture is the fundamental of a country. The key point of agriculture lies in the transformation of supplication’s structure, to lead to the improvement of supply and to change the mode of agricultural development. Under the great trend of “agriculture combined with the internet”, the E-commerce of agricultural products has become a significant platform, bridging the sellers and buyers. However, the standardization of agricultural products, at lower level, has become an important factor, restricting the development of E-commerce of agricultural products. The biggest difference between online selling and traditional retail is that the information cannot be accessible before the deal is done. As for the agricultural products of non-standardization, in experiential type, consumers cannot make an objective comment until they have used it, which makes the production and selling poorly matched during the process of online selling. The result of the online survey the cognition to the research of the standardization of fresh agricultural products shows that 91.49% of the respondents are willing to buy products of agricultural products with high lever standardization; 80.3% of respondents thought the most concerned online among purchase of agricultural products is about product safety problems; compared with the same kind of low price products, 54.26% of the respondents are more willing to make purchase to higher standardization of agricultural products, although the price is higher. It’s found that consumers commonly have a favorable opinion about the standardization of agricultural products. Meanwhile, they are mainly concerned with the safety standard of agricultural products while shopping online.

According to the standard of marketability of online trade of agricultural products, the paper’s research on online sales standards for agricultural products is based on three standards, which is consist of the standard of agricultural products quality and classification, the standard of agricultural products’ commercialization (including packaging standard specifications and product encoding standard), and the standard of agricultural products distribution. According to the experience of international organizations, foreign government departments, industry associations, agricultural enterprises and E-commerce service intermediary, this paper offers some solutions, which are combined with the current situation and main problems of the online-selling standards of
agricultural products in Hubei province. It’s expected that they can be beneficial to the development of the E-commerce of agricultural products sold online in Hubei province.

**Current Situation and Main Crux of Online Sales Standard of Agricultural Products in Hubei Province**

Hubei Province has developed the standard construction of agricultural products and achieved initial results. But generally speaking, local standards should be formulated as a higher and more local agricultural products quality standard within the scope of national or industry standards. As far as the online sale standard situation of agricultural products in Hubei province is concerned, problems are still remained as follow:

Firstly, in the standard of agricultural products quality and classification, the standard system of agricultural products quality is not sound when agricultural products quality and classification are ranked. It exists in some of the agricultural products technology that operation is poor and standards of quality and safety are mixed up. The existing agricultural quality standard system is still not perfect. As far as the existing local agricultural product standard system is concerned, however, it’s specification while producing and less of quality standard after producing. The situation control is lacked of before producing so that market and circulation are not linked closely.

Secondly, in the standard of agricultural products’ commercialization and distribution, there are still ascension space in standard formulation and execution, although Hubei province is constantly completing in the aspects of postpartum commercial and delivery standard. On one side, the institutions in charge of postpartum commercial and delivery standard are still not sound. Conflicts exist in some locations among the standard distributions of processing, circulating and selling the products, which may effect on the promotion of the postpartum commercial and delivery standard. On the other side, construction on agricultural products’ postpartum commercial and delivery standard is still not perfect. Strict requirements are still not enacted in many special projects.

**International Standards for Online Sales of Agricultural Products**

**International Online Standards for the Quality and Classification of Agricultural Products**

The quality grading standard of agricultural products is important basis of realizing pricing of agricultural products by quality, promoting large-scale agricultural trade, futures trade and reducing market transaction cost. International organizations and countries attach great importance to the role of agricultural product quality classification standards, and have a long history of development and successful experience. According to importance, following content indicates the situation of quality grading standard of agricultural products in the United States, the EU and Japan.

**The Situation of Grading Standard of Agricultural Products in the United States.** After the first grading standard in the US--Potato standard which is made in 1917, the grading standard standardization progress of agricultural products has developed more than one hundred years. Abundant and distinctive grading standards system of agricultural products has been established. Although many American companies have their standards and grading, the US Department of Agriculture's agricultural product classification is the most authoritative standard. There are 342 agricultural products grading standards made by the US, most of them are collected in CFR7 which belongs to the US Code of Federal Regulations. The new grading and standards need to be continually made, and about 7% grading content is revised every year. These grading standards of agricultural products are made according to the "US Agricultural Sales Law" and mark the different quality grades of agricultural products. Producers, suppliers, purchasers and consumers voluntarily use these standards. If these standards are quoted when the government enacts technical regulations, these standards would be given mandatory enforcement of attributes by the federal, state, or local laws.

**The Situation of the European Union Agricultural Product Quality Standards.** Form 1962, The ES Establish a common market, it started to execute agricultural product quality standards,
especially for fresh vegetables. Since the 1980s, the EU has made and revised the quality standards for many agricultural products, mainly the quality grading standards for fresh fruits and vegetables. The quality standards of various types of agricultural products in the EU are mainly composed of the following aspects: ① product definition ② basic characteristics; ③ classification, quality requirements, including the grading principle of each grade, the basic quality requirements; ④ size requirements (the minimum requirements and measurement standard of each level) ⑤ tolerance requirements, including weight tolerance and size tolerance of each level; ⑥ packing requirements, including product consistency, packaging and packing methods and other requirements; ⑦ label identification requirements, including identification of packaging Personnel and delivery personnel, product type, product origin, product description and official inspection standard (optional). The ES frequently and instantly revises the grading standards of agricultural products, which reflects this organization highly concerns the validity of agricultural products grading standards.

The Situation of Agricultural Product Quality Standards in Japan. Agricultural products specifications or grading standards of Japan are based on the Japanese Quality standard and quality identification method of agricultural and forestry products, that is JAS law, the purpose is to improve quality of agricultural products, promote the rationalization of production, the fairness and simplification of transaction and rationalization of products use and consumption by making and popularizing proper and reasonable specifications or grading standards of agricultural products. Besides that, JAS law can help consumers choose agricultural products by regulate relevant sign about quality of agricultural products, thus it can promote the improvement of public welfare. The content of these agricultural products grading standards generally include the scope of use, language definition, grade grades (including product quality standards, size and weight standards, packaging standards), measurement methods, qualified labels, registration standards, technical standard for the production license, and so on. Since now, Japan government has made specifications or grading standards for 7 categories, 393 kinds of agricultural products and foods. The main basis of the classification is: the weight of the goods, length, diameter and the number of a standard package as indicators for pricing according to quality, pricing goods with great quality higher.

International Online Sales Standards for Post-natal Commercialization of Agricultural Products

At present, both the International organization and the foreign developed countries attach great importance to the standardization work about the commercialization of agricultural products processing. How to make the agricultural products access to the market smoothly, to gain the greatest economic benefits gradually become the projects that Global operators of agricultural products have to pay close attention to.

As for the largest and most authoritative institution of standardization, ISO has dealt with some commercialization of agricultural products and formulated some relevant regulations. In addition to ISO, CAC and ECE and other International organizations are also actively carried out the standards work about the dispose of commercialization of agricultural products.

In the process of standardization in the commercialization of agricultural products in packaging procession, many countries will choose the corrugated boxes as the first choice of agricultural products packaging. Now in order to promote the development of corrugated boxes, CPA and FBA launched the CCF in 2000. CCF has offered the specification of the corrugated boxes consistent standards. Not only the tray packaging of the agricultural products (fresh fruits and vegetables) can apply to industry standards, but also improve the efficiency of loading and unloading, transportation and storage.

International Online Sales Standards for Distribution of Agricultural Products

Through the B2C E-commerce pattern, many developed countries sale and distribute agricultural products online, and also have a certain standardization requirements on the distribution to the native country's agricultural products of network marketing.
In Japan, the starting point of agricultural products sales channels is farmers, after the farmers’ rough machining on agricultural products, carry out standardized graded packing. For those cartons which have strict rules on distribution, are all required to containing identification which commodity should have, such as the name, specification, origin, manufacturer name and bar code. According to the insect resistance of processed agricultural products packaging materials, Australian’s department of agriculture, forestry and fisheries divided commodity into two categories "exposed" and "non-exposed".

Due to the existence of agricultural structural, seasonal and regional, leading to the agricultural products will cause a lot of problem, rotten in distribution through the fresh state occurs, many developed countries take steps of refrigeration technology for this problem, after picking agricultural products, send into the frozen state of shipping directly, so as to ensure the quality of the agricultural product during transportation.

Conclusion

From the development of the construction standard among representative countries and international organizations, online sales of agricultural products is necessary and imminent. Special standards organizations should be set up, and related infrastructures should be improved; Combined with the actual situation, based on the national standards and international standards, it should be formulate online sales standards of agricultural products, which accompany with regional characteristics. Combined with the actual situation of Hubei Province, some suggestions are put forward as follows:

Firstly, Hubei province should quicken the making of characteristic agricultural products quality standard systems; improve the quality standard of each kind of characteristic agricultural product. The construction of online trading information platform need to combine with the offline agricultural products information, first set native special agricultural products and popular agricultural products as the pilot, government matching funds and give policy support, establish the standard to make talent information database, related agricultural products’ leading enterprises can also actively participate in the establishment of higher quality standards. Intensify efforts for agricultural products standard, emphasize the effect of demonstration, take 'three products one standard' as an entry point, and propose a higher quality Classification standard. Combine the characteristics of sales of the agricultural products on the Internet, analysis the structure of sales of the agricultural products on the Internet in our province with the data of e-trading, quicken the making of the quality standard of agricultural products which occupy large proportions of turnover offline, focus on building brand for agricultural products region and sales on the internet.

Secondly, Hubei province should strengthen the construction of core demonstration areas. With regard to township construction units that have applied for demonstration areas, the building of core demonstration areas must be based on the help of leading enterprise on agricultural industrialization or rural professional cooperation organizations. In view of some standardized agricultural products, linked pieces of conserved lands are performed. Open up the techniques and process of demonstration areas regularly. And in the form of open days, the application, which is how to utilize standardization of commercial processing on agricultural products, is passed to agricultural producers and operators of agricultural products network sales. Hubei province should expand the propaganda plans of the brand. Hubei province has introduced many standards aimed at goods standardization of every agricultural product, but it isn’t compulsorily regulated as laws and regulations for application. In addition, the propaganda of introduced policies and benefited products isn’t closely related. As for construction and development in the future, it is feasible to extent the brands succeeding in applying commercialization process of agricultural products combining standard policies. In this way, more agricultural producers and operators will know and increase products profit.

Thirdly, optimize and improve layout of net-outlets on logistics distribution. For lots of distribution on network sales of agricultural products, it hasn’t been uniformly planned. Therefore,
logistics distribution enterprises should stick to overall plans, at the same time, improve layout construction of logistics reasonably.

Acknowledgement
This work was supported by the grants from Hubei Provincial Collaborative Innovation Centre of Agricultural E-Commerce (under Construction) (Wuhan Donghu university research [2015] No. 11 Document).

References