

REPORT of a MEETING between the
SCOTTISH POTATO TRADE ASSOCIATION and
the DEPARTMENT OF AGRICULTURE AND
FISHERIES FOR SCOTLAND, held at Chesser
House, EDINBURGH at 2p.m. on THURSDAY,
22nd FEBRUARY, 1979

PRESENT:

D.A.F.S. - Messrs. D. C. Todd, E. R. Macdonald, I. McKenzie and Mrs. M. G. Cuthbert.

S.P.T.A. - Messrs. J. Cook, J. R. McArthur and K.A. McKenzie, with D. Blackmore in attendance.

Mr. D. C. Todd occupied the Chair.

SEALING OF
BULK LOADS:

In reply to Mr. Todd, Mr. Cook introduced the subject of sealing of bulk loads of seed potatoes for discussion by explaining that in view of the high and increasing cost of bags, his company has for some years past been actively encouraging bulk transportation of seed potatoes. He referred briefly to difficulties at the outset which seemed to be reviving to underly most of the present problems. He accepted the necessity for rules to be made but felt many of these are motivated by un-necessary suspicion and mis-trust. It must be kept firmly in mind that a customer's requirements must be met, for which reason alone a responsible trader does not risk losing his business by deliberately consigning bad or tampered merchandise. In this light he questioned why the present problems have arisen.

Mr. Todd explained that the present rules derive from an E.E.C. Directive that was already in operation and which was accepted as part of the total package required to gain U.K. admittance into the Common Market in 1973. Although implementation of the Directive could not be avoided altogether, it had been successfully delayed until the 1978 Seed Regulations came into operation. He stressed his Department was not being deliberately difficult or obstructive but rather it had no option but to operate the Regulations. These required that lot-separation must be maintained at all times somehow, but Mr. Todd accepted that this must be governed by physical practicalities.

Mr. Cook accepted this, but stated firmly that the Department's requirement for a letter from the customer confirming acceptance of delivery in bulk before labels are issued or sealing takes place is definitely rejected. He further explained that an inspectorate presence for sealing at departure and inspection on arrival is most frequently physically impractical to arrange, Mr. McArthur adding that the trade operate seven days a week but the inspectorate only five.

Mr. Macdonald explained that single customer letter would cover a complete order of however many separate loads, but Mr. Cook again questioned the need for such a letter at all. The Regulations do not require it, bulk loading is at the customer's express instruction and not a seller's option, quite apart from a genuine commercial need not to reveal the customer's identity to the loading party.

Mr. McArthur obtained the Department's confirmation that in respect of a single crop from a single producer, a single label is sufficient. He supported the view that a responsible seller's prime duty is to his customer and objected to the unsaid implication that bulk loading is evidence that dishonest practices are intended or taking place. Mr. Todd explained the intention is to prevent bulk loads to England being split and re-sold after arrival and Mr. Blackmore questioned whether the letter requirement, in effect, makes the Scots seller responsible for the honesty of his English customer. Both Mr. Cook and Mr. McArthur pointed out that if the English buyer intended to split and resell, then bulk delivery would be the last thing he would want, delivery in bags being infinitely better suited to his purpose.

Mr. K. McKenzie next explained that in the event that the customer decided not to co-operate in the letter requirement procedure, it is all too easy for him to instruct the potatoes be bulk loaded and invoiced as ware. This course would remove the potatoes from the inspectorate ambit altogether, a creating a far wider and much ^{worse} situation than the requirements intended to prevent.

Mr. Todd/

Mr. Todd next enquired how bulk loading instructions are given, whether verbally or written, at time of ordering or confirmation of order. Mr. Cook explained there was no standard procedure, each SPTA delegate instancing different examples. Mr. Todd felt a solution might lie in the Department being provided with a copy of a pro forma seller to buyer letter confirming bulk delivery, that sealing of each bulk load will take place, that each bulk load is for the buyer's own planting only and that further marketing after delivery must not take place. After further discussion Mr. Todd agreed this procedure of a confirmatory letter from the seller to be acceptable to the Department, Mr. Cook insisting that no letter should be required at all.

Explaining that the SPTA Conditions of Sale are currently being revised, Mr. McArthur suggested such bulk delivery conditions could usefully be incorporated. Mr. Todd agreed this would be acceptable, provided the Department be supplied with a copy of the Conditions.

Mr. K. McKenzie next sought clarification of procedure when seals are broken for commercial inspection. Mr. Todd stated that a Department inspector must be present to re-seal. Mr. K. McKenzie enquired whether consignments of half-tonne or one-tonne boxes under a roped tarpaulin can be sealed by the rope and that such sealing could be carried out by the merchant, without the physical presence of an inspector being required. Mr. Todd confirmed both points as being acceptable to the Department, explaining that in this respect paper sacks, hessian sacks, wooden boxes or even bulk containers all simply "containers" within the Regulations. It was thus no more necessary for an inspector to be physically present at the sealing of one type of container than another.

Mr. Cook next asked, then, why the Aberdeen inspectorate will not release a bulk container unless it is seen and sealed by an inspector. Mr. I. McKenzie pointed out that because the grower couldn't get a label or a seal without inspection he must provide the inspector with the lorry arrival time to within 30 minutes. Mr. Cook explained it is just impossible to meet this requirement. He had no difficulties whatever in this respect with either Cromarty or Lothians inspectors and did not understand why the problems are confined only to Aberdeen. Since it is not necessary for an inspector to be present at and to seal every consignment and he did not accept that it is the merchant's responsibility to overcome it, he asked why the Department cannot resolve the Aberdeen problem.

Mr. Todd agreed this stated the position in normal trading but not in the case of "one-off" or "first-time" occasions. After consulting with Mr. I. McKenzie, he felt perhaps a misunderstanding of his December '78 instruction (that until a trading pattern had been established, prior permission and written evidence should be required) may have occurred and he will re-issue that instruction. Mr. Cook pointed out that ensuring attachment of the grower's label was much more important than prior permission or written evidence (the Department agreed) and suggested this indicated an "educative" problem between the inspector and the grower.

Mr. Todd next sought an indication of the amount and proportion of bulk load consignments. In discussion, Mr. Cook thought it was difficult to quantify but it was increasing and, in his view, would continue to increase in future. He agreed with Mr. I. McKenzie that it might already be of the order of 10,000 tons, between 4% and 5% of all seed traffic. In reply to Mr. Blackmore, Mr. Todd explained that, although applications for bulk labels would be known to each area issuing office, these had not been centrally analysed. He recalled that in Working Party discussions to formulate the new Seed Regulations, the SPTA view had been that bulk load traffic was minimal.

Mr. Cook next recalled the difficulties he had experienced early this Season in transporting boxed "as grown" crop for centralised dressing on the growers behalf and sought assurance that this problem will not arise again. In reply he agreed the consignment contained undersized and oversized tubers as well as usual content of soil and lifting rubbish. In the following discussion all agreed that "marketing" had not occurred and the crop, therefore, neither required to be, nor was capable of being, labelled and sealed. The Department made clear that in exactly the same way/

way as on-farm movement, as grown movement was no problem within an area or, indeed, between one area and another, provided the Department's inspectorates) are notified beforehand.

In turn Mr. McArthur next stated that the SPTA would be unhappy if indiscriminate issue of labels to merchants to dress "as grown" stocks should occur. This led on to discussion of the wider issues involved in movement and dressing of "as grown" consignments. Mr. Macdonald stated the Department insists that there must be no "as grown" trade or movement from Scotland to England but, for centralised dressing purposes, such movement within Scotland is necessary.

The Meeting then considered the question of "marketing" after dressing, whether on an agency basis or otherwise. It was agreed that actual possession is not necessarily evidence that property has passed and the subject of passing of risk was lightly but inconclusively mentioned. It was next foreseen that stocks boxed for storage after dressing could subsequently be bulk-transported under seal within Scotland. Mr. Cook then pointed out that although this would still require the seller to provide the Department with the prior written evidence already discussed, the buyer, by arranging for an inspector to be present when the consignment arrived and the seal was broken for unloading purposes, would be eligible to apply for fresh labels to redress the consignment. In this way the stipulations that sealed bulk loads must be used for the buyers own planting only and no further marketing after arrival must take place can be seen to be inoperable in Scotland.

The Department agreed this to be the case and MR. Todd also instanced a hypothetical situation of a bulk-load consignment to an English buyer who could arrange for a Ministry inspector to be present when the consignment arrived and the seal was broken for unloading. This situation could be paralleled with an English Merchant at present intending to chit Scotch Seed for later sealed re-sale.

Further discussion supported the view that the required prior written evidence procedure does not achieve the desired end. Mr. McArthur stated in his view this illustrated the desirability of using a minimum number of the simplest possible rules, since proliferation both encourages and facilitates circumvention, the effort of doing so being unproductively wasteful. Due to a shortage of time for further discussion this impasse was left unresolved and with thanks to the Chair the meeting was concluded.