

REPORT on a MEETING of the
"CONDITIONS" sub-COMMITTEE
of the SCOTTISH POTATO
TRADE ASSOCIATION held at
25 South Methven Street, PERTH
at 2 p.m. on Monday, 5th APRIL
1982.

PRESENT:

Messrs. K.A. McKenzie (Convenor)., R.G. Ramsay, J.O. Robertson
and R. David Hunter, with D. Blackmore (Assistant Secretary) in
attendance.

APOLOGY:

Mr. Blackmore intimated an apology for absence on behalf of
Mr. J. Henderson.

DISCUSSION:

Mr. Hunter explained the sub-Committee has been asked to prepare
Conditions of Sale and Conditions of Purchase specifically for use
between growers and exporters of seed potatoes and also to look into
the possibilities of preparing Conditions of Sale and Conditions of
Purchase for use by the Ware Trade. The Committee agreed to proceed
with the first of these tasks by considering adaptation of the Association's
existing Conditions of Sale for seed potatoes to the particular needs
of the export trade.

Mr. Robertson reported that initial meetings of the new Development
Council had indicated an intention to try to devise a GAFTA-type contract
for potato exports. The Committee agreed that with a minimum of eight
weeks before that Council's Chief Executive could be appointed and take
up his duties, the Committee should press ahead with the intention of
producing something in time to be used for the 1982/83 Season exports.

Mr. Ramsay next explained that in his experience DAFS seemed to
act more as agents for the importing country instead of for Scotland
as the exporting Country. Additionally, for commercial reasons, an
exporter does not want to disclose the tonnage involved in his export
contract or to disclose the identity of the importing country. In
respect that different standards are required by different countries
it would be helpful if these could be "grouped" (to permit each
purchase to specify which "group" was required). He had not been able
to decide whether DAFS could not, or would not, provide detailed
standards required by an importing country. He also pointed out that
the Scottish market structure provided an importing country with a
monopoly buyer role and that one such country had changed its required
standards three times over the last four years.

The Committee also considered whether some amendment of the home
trade Conditions of Sale (which the Association has ruled out) would
be helpful. It was agreed to keep this in mind as a step towards
reconciling standards with those of importing countries, which latter
standards are to be required from DAFS.

CONDITIONS
OF SALE FOR
EXPORTS:-

In their clause by clause consideration of the adaptation of
the existing (home trade) Conditions of Sale the Committee agreed
meantime as follows:-

Clause 1.- include without change

Clause 2.- (1) -do- (it defines exactly what the Conditions are
all about - (i.e. the limitations it contains)

- (2) -do- -do-

- (3) -do-

- Clause 3.- (1) ~~do~~ (meantime) - (noted an exporter cannot ever be regarded as a consumer)
- (2) ~~do~~
- Clause 4.- (1) essential to amend to include phytosanitary Certificate provisions.
- (2) include without change
- (3) ~~do~~
- Clause 5.- ~~do~~
- Clause 6.- ~~do~~ (meantime)
- Clause 7. This will require to incorporate any special requirement laid down by the importing country (perhaps "groupings" or the like).

N.B Mr. Ramsay was unsure whether this definition complies with Algerian (for example) contract. RUCIP tallies (Rule 10 is near enough). Importing country may agree to use of RUCIP Rules yet not be bound by them. This definition may therefore require amendment later.

- Clause 8.- (1) Requires amendment for export situation (see * below)
- (2) ~~do~~ (~~do~~)
- (3) ~~do~~ Mr. Robertson pointed out that export is more localised than Home trade. Mr. McKenzie felt inclusion of (3) could help exporter contracting with an importer. Mr. Ramsay felt the Buyer (exporter) should not have the option of forcing a seller (grower) into a risk situation. It was agreed to include (3) meantime.
- (4) Inappropriate- in the whole concept of Clause 8 the Buyer (exporter) must be in control (of delivery) not the seller (grower), as in the existing (home trade) Conditions.
- (5)(i),(ii),(iii) and PROVIDED THAT decided to be not inappropriate and to be included meantime
- (6) To be included, after deletion of "when the seed potatoes' to which the seed potatoes are consigned"

* In reconsideration of the whole of Clause 8 from the point of view passing control of delivery from the Seller to the Buyer, Sub. para. (1) could be included with an addition specifying the changed control of delivery - e.g. "delivery must be at the time specified by the Buyer time being of the essence."

The Committee discussed in considerable detail the normal loading arrangements, actual delivery dates and times, shipping problems etc. that are encountered in exporting. From this it was felt to be advisable to repeat the essence of Clause 2 within Clause 8 and to provide for the seller (grower) to receive a minimum of 14 days warning or notice to dress and a minimum of 7 days warning or notice of the expected arrival of the vessel. Sub.para. (2) to (6) of Clause 8 were confirmed as dealt with as stated above.

Clause 9. It was agreed that provided "delivery" had been correctly defined in Clause 8, sub. paras (1) (a), and (c) as well as sub.para. (2) of Clause 9 could be included without change, (it being noted that "rejection" is covered by Clause 11 below)

Clause 10/

Clause 10. - must be included without change.

- Clause 11. - (1) Following a long and very full discussion it was concluded this sub.para. should also be included without change.
- (2) This sub. para. to be extended by "providing the original delivery instructions are still complied with" and thereafter included.
- (3) must not be included.

It was felt that specific reference to "skinspot, dry rot and gangrene" should not be included, since RUCIP Rule 6 (b) on page 36 allows three weeks for complaint for gangrene. Mr. Hunter preferred to leave the 3-day and 10-day provisions alone meantime but to anticipate objections from exporters and to hope to help them by covering these with a "blanket" reference to RUCIP. He also felt an extra paragraph or clause in respect of "whole cargo" rejections (to prevent a non-defaulting supplier bearing any share of a defaulting supplier's responsibilities) would be desirable. This course, too, would also help to protect exporters. Mr. Ramsay emphasised that any specific ^{reference} to, eelworm must be completely excluded from Conditions for export.

Clause 12. Accepting the foregoing, this clause can be included without change.

Clause 13. To be included without change

Clause 14. -do- to either sub.para. (1) or (2).

Clause 15. To be included once amended to relate to a Scottish bank's Base Lending Rate.

Clause 16. To be included without change but noting that specific items therein would require to be agreed with the importing country.

Clause 17. To be included without change. (Discussion of the possibility and/or competence of introducing RUCIP herein was inconclusive.)

Clause 18. To be included meantime, noting that determination of the RUCIP question above will bear on this Clause also. Describing problems encountered abroad, Mr. Ramsay recommended that export Conditions should contain a clear definition of an "expert examiner".

Mr. Hunter explained that today's meeting had provided sufficient progress for a first draft of Export Conditions to be prepared, a copy of which will be sent to each member of Committee in early course for further detailed scrutiny.

WARE
CONDITIONS:

The Committee had doubts that Conditions for Ware trading will serve any useful purpose. Mr. Blackmore explained the background to the matter and undertook to copy relevant memos and excerpts of Council Minutes to each Committee member.

The Meeting was thereupon concluded.