

MINUTE of MEETING of the
CONDITIONS SUB-COMMITTEE of THE
SCOTTISH POTATO TRADE
ASSOCIATION held in THE ICE RINK,
Glover Street, PERTH, at 11.00
a.m. on THURSDAY, 3rd JULY,
1997.

PRESENT: Messrs. A.M. Beattie, D. Harley, J.B. Hollywood and J.O. Robertson.

CHAIRMAN: Mr. A.M. Beattie, the Association Vice-President, occupied the Chair in the absence of the President, Mr. A.B. Pullar.

APOLOGIES: Apologies for absence were intimated on behalf of Messrs. A.B. Pullar, J.M. Marshall, K.A. McKenzie and J.M. Swinton.

(1) MINUTES: The Minute of Meeting of the Sub-Committee held on 21st January, 1997 was taken as read.

(2) CONDITIONS OF PURCHASE: The Sub-Committee resolved to recommend to Council that the following paragraph be added to Paragraph 14 (COMPENSATION AND DAMAGES) of the Association's Conditions of Purchase, namely:-

"(3) Notwithstanding the provisions and limitations of Clause (4) (1) and (2) above, said provisions and limitations of said Clauses shall not apply in respect of failure by the seller to implement delivery of seed potatoes."

(3) CONDITIONS OF SALE AND PURCHASE: To implement the new Arbitration Rules the Sub-Committee resolved to recommend to Council that the existing Clause 18 of the Conditions of Sale and Clause 19 of the Conditions of Purchase be replaced with the following, namely:-

"DISPUTES: All disputes arising out of this contract shall be settled by Arbitration according to the Joint Arbitration Rules of the National Association of Seed Potato Merchants and The Scottish Potato Trade Association in force as at the date of receipt by the Secretary of a Notice to Refer together with payment of the non-returnable Registration Fee, plus V.A.T. and a security deposit as prescribed in said Arbitration Rules. All parties whether members of said Associations or not shall by their respectively accepting this contract be deemed to have full knowledge of said Rules and to have agreed to be bound thereby. A copy of said Arbitration Rules can be obtained from the Secretary of either of said Associations."

(4) NEW ARBITRATION RULES: The Secretary reminded the Sub-Committee that it had previously been resolved that this Association should seek legal clearance in Scotland of the proposed new Arbitration Rules. The Secretary added that the NASPM were to carry out a similar exercise in England. The Secretary stated that following the previous weekend's Arbitration Training Seminar he considered that a number of minor improvements could be incorporated into the existing draft Rules and Guidance Notes. He pointed out also that suggested alterations to the Rules and Guidance Notes had been received from the Farmers' Union of England and Wales and from the Farmers' Union of Scotland. The Secretary stated that a further more fundamental alteration to the Rules will require to be considered in view of the comments regarding the Appeal

Procedure received from Donald Rennie, Solicitor, Edinburgh, in connection with the recent Seminar. The Secretary added that Mr. Rennie had agreed to let him have, free of charge, his observations regarding the way in which the Appeal Procedure could be structured to be effective in Scotland. Mr. Hunter confirmed that all of these possible amendments to the Rules and Guidance Notes would be considered in detail by the Arbitration Rules Joint (NASPM/SPTA) Working Party.

The Secretary reminded the Sub-Committee that it had been previously decided that the new Arbitration Rules would be introduced to become effective in respect of the 1997 Growing Crop. Mr. Hunter pointed out that the Arbitration Rules had not yet been finalised and accordingly the original timetable was slipping. It was agreed to recommend to Council that time should be given to getting the Arbitration Rules absolutely correct and that accordingly the introduction of the new Arbitration Rules should be put back until Council was satisfied that they were correct. It was agreed that all of the proposed amendments to the Association's Conditions should be implemented at the one time and accordingly all of the proposed amendments would require to be delayed until a date had been decided for the introduction of the new Arbitration Procedures which may be the Spring of 1998. It was agreed, however, to recommend to Council that the Secretary be instructed to draw to the attention of members the likelihood of the Conditions being amended within the next twelve months and to plan the printing of stationery accordingly. It was also agreed to recommend to Council that this Association keeps the National Farmers' Union of Scotland informed as decisions are made with regard to proposed alterations to the Association's Conditions of Purchase and to the proposed Arbitration Rules, Guidance Notes and Schedule of Costs.

- (5) AMENDMENTS TO NASPM'S CONDITIONS OF SALE: The Secretary read to the meeting a letter which he had received from the Secretary of the NASPM apologising for their failure to advise this Association of the introduction of amended Conditions of Sale.

The amendments carried out by the NASPM were as follows:-

- (a) The introduction of an Interpretation Clause;
 - (b) The re-drafting of Clause 7.1.4. dealing with the time or date for despatch or delivery of seed potatoes given by the Seller, to make the Clause more "customer friendly"; and
 - (c) A new Clause dealing with "Insolvency of the Buyer".
- The Sub-Committee considered that these amendments did not materially alter the effect of the Conditions of Sale. The Sub-Committee was conscious of the fact that it had been previously agreed that an effort should be made to make the Conditions of Sale adopted by the respective Associations as similar to each other as possible. Accordingly, it was agreed, with this in mind, to recommend to Council that, subject to NASPM not seeking any Royalty Payment from this Association, that similar alterations be incorporated into this Association's Conditions of Sale and Conditions of Purchase.

- (6) ARBITRATION SEMINAR: Those members of the Sub-Committee who had attended the Training Seminar in York the previous weekend stated that they had found the Seminar to be most beneficial but that it would have been better with improved organisation. It

was agreed, however, not to register any complaint with the NASPM in this respect.

A vote of thanks to the Chairman terminated the meeting.