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RDI REPORTS

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*Assisting the Egyptian Seed
Association to Design and
Introduce
A CODE OF ETHICS
and Supporting Trade and
Arbitration Rules*

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Acronyms

ASTA	American Seed Trade Association
APRP	Agricultural Policy Reform Project
ARC	Agricultural Research Center, MALR
CASC	Central Administration for Seed Certification, MALR
CASP	Central Administration for Seed Production, MALR
ESAS	Egyptian Seed Association
FIS	<i>Federation Internationale du Commerce des Semences</i> (International Seed Trade Federation)
ISTA	International Seed Trade Association
MALR	Ministry of Agriculture and Land Reclamation
NORAMseed	North American Seed Rules
PVP	Plant Variety Protection
RDI	Reform Design and Implementation Unit
SANSOR	South African Seed Organization
SIAA	Seed Industry Association of Australia

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Executive Summary

Industry associations throughout the world use codes of ethics to promote fair and professional business practices among members and to enhance the reputation of their industries. Codes of ethics can also serve to reduce or ward off costly government regulations by demonstrating to governments and the public that an industry is capable of regulating itself.

The Egyptian Seed Association (ESAS) decided in mid-1999 to develop a code of ethics for its members and requested the help of the Reform Design and Implementation (RDI) unit. With the assistance of the RDI consultant team, the association explored and considered different international models for codes of ethics and decided to develop a code of its own that contained three major elements:

1. A code of good business practices, that all members must commit to when joining ESAS.
2. A set of trade rules, defining the commercial norms by which domestic trade in seed is to be conducted. These rules will be considered when arbitrating disputes between different parties in the seed trade.
3. A set of arbitration rules, defining how ESAS will conduct its arbitration procedures.

These three elements are contained in the Draft Code of Ethics that is presented in Annex 1 and should be considered the major output of this consultancy. If this draft Code is further refined to meet the needs and concerns of ESAS members, it will serve the association well, making trade in seed more transparent and fair, thereby enhancing the quality and reputation of the Egyptian seed industry.

Background

The Egyptian Seed Association (ESAS) is a non-profit organization established in 1998 under Law 32/1964 by private sector producers and traders to represent their common interests. The association's stated goal is "to create a liberalized and integrated seed industry conducive to private investment for the benefit of Egyptian farmers, exports, and agricultural development." ESAS has six objectives, the first of which is "to improve the legal, regulatory, and competitive environment in the seed sector."

Over the past 12 months, ESAS and the Reform Design and Implementation (RDI) unit have worked together closely to open a productive dialogue with the Government of Egypt (GOE) on seed policy reform issues. In October 1998, ESAS and RDI collaborated to define and promote a policy reform agenda, which had an important influence on the agenda of the National Seed Conference organized by the Ministry of Agriculture and Land Reform (MALR) in May 1999. In the summer of 1999, ESAS provided crucial support to RDI in its dialogue with the GOE to reform the variety release policy of the GOE's Agricultural Research Center. In the spring of 1999, ESAS took the lead in pushing for reforms to facilitate the entry of new vegetable varieties, and the association also undertook advocacy activities for the privatization of hybrid maize seed production.

In its August 1998 Strategic Plan, ESAS defined as one of its top objectives:

"To establish an industry code of ethics and ensure member compliance."

In a letter sent to RDI in July 1999, ESAS stated that establishing this code of ethics was its highest priority. ESAS anticipated that the creation of a code of ethics would be useful in two important ways:

- To promote fair and professional business practices among seed companies to sell only high-quality, reliable seed; and
- To enhance the reputation of the seed industry and demonstrate to the government and the public the possibility of self-regulation.

Further strengthening of ESAS is in the interest of policy reform in the seed sector and therefore in the national interest. For this reason, RDI responded positively to ESAS's request for assistance by putting together a team of consultants to help the association develop a code of ethics.

Objectives

The team of consultants, led by Dr. David Gisselquist, had the following objectives:

- To review the experience of trade associations with the development and implementation of codes of ethics in both the U.S. and Egypt, particularly the American Seed Trade Association;
- To identify the key business ethics issues confronting the seed industry in Egypt, including production, labeling, trade, and retailing issues;
- To help ESAS develop, in a participatory way, a code of ethics for the members of the association;
- To ensure that ESAS and MALR co-ordinate in the development of the code of ethics to address all parties' concerns and specify the relationship between the code of ethics and GOE qualifications for registering as a seed company;
- To help ESAS develop a policy to promote member compliance with the code of ethics.

Considering Design Options for the Code

During several early meetings between the team and the ESAS Board of Directors, different design options were discussed and considered, including:

- (a) a short code of ethics that commits members to good behavior, with violations punished by censure, expulsion from ESAS, or other such measures;
- (b) seed trade rules with arbitration to encourage more orderly trade among members; and
- (c) extending seed trade rules to include retail trade to farmers, and extending arbitration to accommodate farmer complaints as well as trade disputes.

Supporting this discussion, RDI described experiences with these different options in other countries (see Annex 2).

During these group meetings and in other meetings with seed companies and traders in Cairo, Tux and Tanta (in the Delta), El Aminya (near Alexandria), and in new lands along the desert, seed producers and traders expressed a number of different ideas about what a code of ethics could and should do, based on their concerns (see Annex 4 for list of persons visited). For example:

- * One company with a license for a popular vegetable hybrid complained that another Egyptian company imported and sold seeds from a foreign supplier that had been deliberately mislabeled with the name of the popular and licensed hybrid.
- * Another company has imported and multiplied seed of a pea variety that is registered by other companies, and the same has happened with a bean variety.

* When seed is in demand, seed producers and traders sometimes do not honor commitments to deliver seed, but sell elsewhere for more money.

* There is widespread smuggling. (This is bad because it undermines phytosanitary controls and normal commerce). Government regulations blocking seeds of varieties that farmers want create immense pressures for smuggling. In such situations, the ethical failure may be on the part of government officials for not allowing legal import – but that issue goes beyond this code.)

* Some companies (particularly traders) complained about police raids or inspections for being heavy-handed and conducted by people who did not understand the seed business.

* One company said that traders could manage their own problems, so that an ESAS code or rules was not necessary.

* Many ESAS members felt that government should allow the seed industry to operate more freely, and hoped that adopting a code would demonstrate to government that the seed industry has high standards and is self-managing.

Several meetings were held also with MALR officials associated with seeds. In these meetings, most (but not all) pushed strongly for seed companies to take more responsibility and to expand their capacities for ensuring seed quality.

Reported Recent Cases of Poor Seed

During discussions, several cases came up where farmers had problems with poor seed quality. For example:

* CASP provided acid de-linted seed with a recommendation to reduce the seed rate (according to practice in other countries with such seed). However, the seed quality for acid de-linted seed in Egypt was not yet sufficiently high to justify the low seed rate that was recommended. Farmers that followed advice got poor stands.

* In another recent case, cooperatives sold CASP-produced wheat seed after storing it for a year in their warehouses. The germination rate was low. CASP authorities state that the seed was stored badly. Cooperative authorities say the problem came from poor seed and possibly a high moisture content at the time of initial delivery.

* One seed company reported a farmer-customer taking the company to court, but having the judge throw the case out because there was no proof of purchase from the accused company. A representative of the company asserts that the seed was produced by someone else and falsely labeled and sold as seed of the accused company.

* There seems to have been a lot of mostly minor disputes over the years between government seed-producing agencies (CASP is the major agency now) and contract farmers.

Existing Procedures to Resolve Disputes

Existing procedures for dispute mechanism are mostly administrative (rather than legal) and are imposed by MALR officials based on their continuing heavy involvement in seed trade, including authority for arbitrary regulatory decisions. For example, a seed company with a registered variety that faces illegal competition from mislabeled seed might appeal to government officials to enforce the existing law against his rival. MALR can do so by refusing import permits to the offending company. On the other hand, this raises questions about why MALR permitted the illegal (mislabeled) import in the first place.

CASC and CASP have standard procedures for addressing farmer complaints, whether from seed-producers or other farmers who buy CASP seed. Local CASC officials investigate. For large problems, MALR at the national level might get involved to appoint a committee. CASC plays a prominent role in such committees.

Farmers and companies rarely go to court. As already mentioned, only one case was found where a farmer went to court against a seed company. No cases were reported of one seed company taking another to court.

Arbitration?

ESAS has the option of developing trade rules and an arbitration mechanism as an alternative to court proceedings in cases of dispute. Egypt has a 1994 Law on Arbitration in Civil and Commercial Matters that allows parties to a contract to agree to arbitrate disputes. When this is done, neither party can take the other to court, unless the other party gives up its right to arbitration first. After arbitration, the court will enforce the arbitration decision, and the only issue the court will hear is whether or not the arbitration procedures were legal. Hence, arbitration can reach a legal solution without court costs and time. Within some limits, contracts can specify arbitration procedures (e.g., any odd number of arbitrators is legal; a private committee can appoint the presiding arbitrator; etc).

For ESAS, several options emerged: Arbitration can be through an existing arbitration chamber, ad hoc (using procedures described in the law, with the court appointing the presiding arbitrator), or in-house (with ESAS setting rules and fees). Arrangements for arbitration through existing organizations (eg, Cairo Regional Center for International Commercial Arbitration and another operated by the Federation of Egyptian Chambers of Commerce) seemed fine for large companies and contracts, but too expensive and formal for the average seed trader and especially for farmers. Ad hoc arrangements, where the court appoints the presiding arbitrator, created risks that the court would not know much about seeds and/or that the court might systematically favor farmers.

Another consideration for ESAS in considering what to do about arbitration for domestic disputes among companies and with farmers is that ESAS is already committed to arrange arbitration for international disputes. As a new member of FIS (*Federation Internationale du Commerce des Semences*) from mid-1999, ESAS is enjoined to arrange arbitration for international seed trade disputes in all cases where an Egyptian company is the seed exporter.¹ As of early October 1999, these arrangements were not yet in place.

Choosing Basic Design Features

In mid-October, ESAS leaders met again to choose among options and to order preparation of requisite drafts. At this meeting, a clear choice was announced to draft a Code of Ethics with enforcement including expulsion from ESAS, etc, and to also draft rules for seed trade and ESAS arbitration. Drafts presented in Annex I have been prepared according to that decision and presented to ESAS members for review.

Code of Ethics: The Code of Ethics enjoins members to standards of behavior (eg, obeying laws, selling truthfully-labeled seed, etc). The Code also commits members to honor contracts, including arbitration clauses. This provides a link to ESAS Seed Trade Rules and ESAS Arbitration Rules.

From experience in the US and South Africa with similar short codes, these are not often used to discipline members (see Annex 2). Action under the Code seems to come across as heavy-handed. However, even if it is not formally invoked, the threat of action under the Code may be sufficient to curtail incidents such as a company importing deliberately mislabeled seed to poach on another company's market for a popular cultivar.

ESAS Seed Trade Rules and Arbitration among companies: The Trade Rules propose a standard contract design so that disputes can be clarified, while the Arbitration Rules offer a mechanism for companies to resolve disputes. How often this mechanism will be used remains to be seen. So far, the Egyptian seed industry has been able to operate with little or no reliance on court solutions. Presumably personal relationships are strong, and these are able to discipline and pressure traders to maintain acceptable commercial behavior. However, as the Egyptian seed industry expands with liberalization and with more international connections and partners, traditional pressures and relationships may not go far enough. Hence, it may be time for people to learn to work with formal rules and to have arbitration available when informal conversations with old friends are no longer sufficient to solve all problems.

One of the advantages of arbitration is that it allows companies in disputes and also the association to adopt less truculent positions. To discipline a company under the Code, another company has to charge it with misbehavior. On the other hand, bringing a company to arbitration carries more of a sense of an unsettled disagreement, where either

¹ While Egypt is not a major exporter of seeds, it does export seeds of some specialty crops such as Egyptian clover and *molokhiya*. When Egypt is the importer of seeds, the country of origin is responsible to arrange arbitration in case of a dispute, according to FIS rules.

side could be wrong. Also, with violations under the Code, the object is simple discipline, whereas with arbitration – which deals with commercial disputes – the object is to shift money from one party to another, so that there are winners as well as losers.

ESAS Seed Trade Rules and Arbitration between companies and farmers: ESAS seed trade rules (based on the 25 October draft) explicitly cover retail sales to farmers, with special clauses describing how farmers can bring disputes against seed retailers and their suppliers (companies that label seeds). Similarly, ESAS Arbitration Rules contain special features to allow farmers to bring cases to ESAS for resolution. Specifically: fees can be as low as LE 500; for claims under LE 5,000, the claimant can opt for one arbitrator instead of three, which holds down arbitration costs; and the ESAS Chairman commits to seek counsel with a farmers' representative before appointing an arbitrator to deal with a case brought by a farmer.

Presentation to Members

The ESAS management presented the draft Code and Rules to ESAS members at a large workshop on 25 October attended by over 100 people. Several speakers from ESAS, the Government of Egypt, and RDI urged consideration and acceptance of the Code and Rules as a step forward for ESAS (see, for example, Annex 3).

From discussions at the workshop, substantial agreement appears to have been reached on major design features. Some time may be required for ESAS members to revise the Code and Rules to their satisfaction. Formal adoption may go through a decision by ESAS Board to put these issues on the agenda for the next General Assembly as an amendment to ESAS Bylaws. However, if it is difficult to revise ESAS Bylaws (which cannot be revised without formal approval by the Ministry of Social Welfare) some other arrangements may have to be considered for ESAS members to commit to the new Code and supporting Rules.

Adjustments with Use

Assuming ESAS adopts something along the lines of what has been proposed, we can expect that the usefulness of the various initiatives will become clear with experience.

Relations with government: One question to be resolved, for example, is what impact the Code and Rules will have on government policies and regulations affecting the seed industry. There are some strong expectations in government and ESAS that the Code and Rules will allow ESAS to take a more active role to enforce good behavior, while the government will be able to reduce its time and effort to supervise private seed production and trade.

Any formal linking of ESAS membership with licenses for seed production or trade carries serious risks for ESAS as well as Egyptian agriculture. If ESAS is allowed to have influence over licensing, it is next to inevitable that government will increase its influence over ESAS. This would mean that privatization and liberalization is going into

reverse. While this might not be apparent or seem damaging when well-meaning officials are in key positions, it can set the stage for disaster down the road. Also, working for formal links with government can draw attention away from service to members, which is the basis for a strong association over time.

Arbitration for farmers: The current arrangements for arbitrating disputes with farmers may not be sufficient to assure farmers that the presiding arbitrator (chosen by the Chairman of ESAS after consultation with a cooperative official or other farmers' representative) will be neutral. However, this is a situation that can be addressed over time based on experience arbitrating one or more farmer complaints. What seems to be important at this point is to establish a private and legal mechanism for arbitrating farmer disputes. In contrast, the existing MALR mechanism is based on administrative decisions and has no standing in court. The wrinkles may be ironed out over time.

International patterns: Current drafts of ESAS Seed Trade Rules include many features (clauses) from NORAMSEED Rules (for American Seed Trade Association and Canadian Seed Trade Association), which in turn depends heavily on FIS Seed Trade Rules. The advantage of introducing these patterns is not only that they are proven over many years, but also that they are standard practice in international seed trade, so that Egyptian seed companies can work with essentially one set of rules (with minor differences) in domestic as well as international trade. Similarly, the current draft of the ESAS Arbitration Rules includes many of the design features of FIS Arbitration Procedure Rules. Again, this allows Egyptian seed companies to learn and use one set of rules, with minor differences between domestic and international trade.

Conclusions and Recommendations

Industry associations throughout the world use codes of ethics to promote fair and professional business practices among members and to enhance the reputation of their industries. Codes of ethics can also serve to reduce or ward off costly government regulations by demonstrating to governments and the public that an industry is capable of regulating itself.

The initial decision of ESAS to develop a code of ethics was a wise one, demonstrating the association's commitment to improving the seed industry and serving its members. By interacting with this study team, the association explored and considered different international models for codes of ethics and decided to develop a code of its own that contained three major elements:

1. A code of good business practices, that all members must commit to when joining ESAS.
2. A set of trade rules, defining the commercial norms by which domestic trade in seed is to be conducted. These rules will be considered when arbitrating disputes between different parties in the seed trade.

3. A set of arbitration rules, defining how ESAS will conduct its arbitration procedures.

These three elements are contained in the Draft Code of Ethics that is presented in Annex 1 and should be considered the major output of this consultancy. If this draft Code is further refined to meet the needs and concerns of ESAS members, it will serve the association well, making trade in seed more transparent and fair, thereby enhancing the reputation of the Egyptian seed industry.

Now that over 100 members of ESAS have had the chance to consider the draft code of ethics at the workshop on October 25, our follow-up recommendations to ESAS are:

- Send a copy of the draft code of ethics to those members who did not pick one up at the workshop.
- Allow a period of one month for further input and feedback from members.
- Convene a small working group of ESAS staff, RDI staff, and two members appointed by the Board to review the feedback expressed at the workshop and during the subsequent month. This group should then finalize the Code of Ethics and submit it to the Board.
- After approval by the Board, the ESAS office should send the Code of Ethics to all members along with an announcement that enactment of the Code will be considered by vote at the next General Assembly.
- Vote to adopt the Code of Ethics at the next General Assembly either as an amendment to the ESAS by-laws or as a stand-alone policy document.
- After approval, employ a lawyer to create the legal arbitration body described in the ESAS Arbitration Rules (Part 4 of the Code).

Annex 1: ESAS Code of Ethics: Draft for Discussion during the Workshop on
Monday 25 October 1999

Egyptian Seed Association (ESAS)

Code of Ethics

Draft for Discussion during the Workshop
On Monday 25 October 1999

Pyramisa Hotel, Giza

Contents:

- Part 1: Code of Ethics
- Part 2: Enforcement of the Code of Ethics
- Part 3: ESAS Seed Trade Rules
- Part 4: ESAS Arbitration Rules for Trade in Seeds

*Support for this workshop has been provided by the RDI Unit of the
APRP Project of the MALR*

Part 1: Code of Ethics
(Draft, to be incorporated into ESAS bylaws)

All members of ESAS are bound by the provisions of this Code of Ethics and agree that compliance with this code is a condition of ESAS membership.

- 1) Members will promote the use of high quality seed, thereby promoting the well-being of the seed industry, farmers, agri-businesses, and consumers.
- 2) Members will act in accordance with the requirements of the laws and regulations which concern the seed industry in Egypt, including those for Plant Variety Protection.
- 3) Members will work to build private, non-governmental distribution networks for selling their seeds.
- 4) Members will provide truthful information about seeds for sale, including all information on labels or tags as required by law. Every written statement regarding seed for sale constitutes a warranty by the seller. Members will not label or advertise in a way that could cause buyers to become confused about the company responsible for the seed or about the name of the variety.
- 5) Members will avoid misrepresentation and misleading information in the course of providing technical service. All information that members present about performance of their own and other varieties will be based on observations of growing crops in the region of seed sale or in another region with similar conditions. Members will not advertise in a way that unfairly disparages the seeds of any other company.
- 6) Members will honor all valid contracts involving the production, processing, or sale of seed and avoid infringing on contracts made by others.
- 7) Members agree to mediate and arbitrate disputes involving seed according to ESAS Arbitration Rules and ESAS Trade Rules, in cases of domestic commercial disputes, and according to FIS Rules in cases of international disputes.
- 8) Members will conform to the mission and objectives of ESAS as stated in the by-laws. Members will not use the ESAS name or logo in a way that will confuse people to think that ESAS is responsible in any way for the independent activities of individual members.

Part 2: Enforcement of the Code of Ethics
(Draft, to be incorporated into ESAS bylaws)

- 1) Any Member may submit written charges of alleged behavior by any Member in violation of these Bylaws, including the Code of Ethics, to the General Manager of ESAS. Upon receipt of written charges, the General Manager will send a copy to the Member who has been charged. Said Member shall have 15 days to file an answer to the charges. Upon receipt of the answer, the General Manager shall forward a copy of the answer to the Member who submitted the charges. The latter shall have the privilege of filing a reply to the answer, a copy of which shall be sent to the General Manager within 10 days after the answer is mailed to the complaining member.

- 2) At this point, if the complainant has not withdrawn the charges, the General Manager will transfer all papers to the ESAS Chairman (or if there is a conflict of interest, the most senior member without any such conflict), who shall appoint a Committee of three people to investigate the charges. The Committee will give all parties a chance to be heard, if they so desire. The Committee will file a report with the ESAS Chairman within 30 days or exceptionally within 60 days setting forth its conclusions and recommendations. The Chairman shall present the report to the next regular meeting of the Board of Directors.

- 3) The Board may either approve the report or ask for further investigation. It shall then:
 - a) dismiss the charges;
 - b) send a confidential letter of censure to the Member;
 - c) send a letter of censure to the Member with copies to all other members;
 - d) send a letter describing the violation to the Ministry of Agriculture with copy to the Member; and/or
 - e) recommend the Member be expelled, which recommendation shall be considered by the next General Assembly.

Part 3: ESAS Seed Trade Rules (draft)

Rule 1: Application of these Rules

1. These rules shall govern transactions in seeds for sowing among ESAS members, unless parties to a contract agree otherwise in writing.
2. These rules may be used to govern transactions between ESAS members and non-member seed producers, processors, and traders, if both parties agree so in writing.
3. These rules shall govern transactions between ESAS members and farmers who buy seeds for planting only, unless the sales invoice states otherwise.
4. Conditions stipulated in a contract which constitute an exception to these rules shall automatically supercede the corresponding parts of these rules.

Rule 2: Seed Quality

1. All seeds for sale shall be labeled and packaged according to relevant laws and regulations. Where no specific seed regulations apply, seed shall be truthfully labeled with all essential information pertaining to seed quality, including all chemical/additive treatments or biological treatments.
2. For treatments that present a health hazard, labels shall contain prominent warnings against using such seed for food or feed. All such treatments should include a distinctive coloring agent.
3. All statements about trueness to type using the term "certification" will report decisions by CASC, by any equivalent official organization in a foreign country, or by any private organization recognized by ESAS as competent to determine trueness to type.
4. All other statements about seed quality will be based on laboratory tests carried out by competent seed analysts according to CASC or ISTA rules.
5. For all seeds sold retail, the seller will provide the buyer on request with a bill of sale listing date, quantity, price, name of the variety or other particulars sufficient to identify the company responsible for labeling the seed, and all information about seed quality that is legally required on the label.
6. Terms pertaining to tolerances are described as follows:
 - (a) terms such as "minimum," "maximum," "less than," etc. mean that no tolerances shall apply;

(b) tolerances as defined in _____ in effect at the time of the contract shall apply based on tests arranged by the buyer after receiving delivery of the seed.

Rule 3: Quality Deficiencies

1. Claims concerning the quality, other than for genetic purity, shall be communicated by the Buyer to the Seller within three working days of learning of the discrepancy but not later than within 45 days from the date of delivery, except that buyers who use seed exclusively for planting will be allowed 21 days from the date of planting.
2. Claims regarding genetic purity shall be made not later than within 180 days from the date of delivery, except that buyers who have used seed for planting shall be allowed 180 days from the date of planting. Fields or laboratory plantings used to determine genetic purity shall not be destroyed before the Seller has been notified of any discrepancies and given reasonable time to inspect them.
3. Claims regarding trueness to variety for lots of certified seed shall give the Buyer the right to obtain, upon request, a copy of the official analysis certifying the identity of the variety. This certificate shall be supplied by the Seller.
4. When the Buyer disagrees with the Seller about the quality of seed delivered, the Buyer will, as appropriate:
 - (a) ask CASC or other competent body to take a sample, which shall be divided into parts and delivered one part each to the Buyer and Seller and to CASC or other competent laboratory for analysis; and/or
 - (b) ask CASC or other competent body to organize a field visit to determine evidence of seed quality from planted fields.
5. The laboratory to which the sample has been sent shall submit without delay copies of its analysis to both the Buyer and the Seller.
6. The costs for sampling and analysis shall be paid by the claimant, but reimbursed if the claimant obtains a decision in his favor.

Rule 4: Remedies to Quality Deficiencies

1. The buyer shall accept the seed where tolerances apply as long as tolerances are not exceeded, as determined by a retest (see Rule 3). If the quality exceeds the permitted tolerances or tolerances are excluded by contract, the Buyer shall have the right to refuse the seed.
2. The Seller shall have the right to replace non-contractual seed as long as the replacement shall take place within the contractual shipping period, or for farmers in time to replant the crop for the intended season. The costs, including return freight, handling, etc, shall be borne by the Seller.

3. The Buyer and the Seller may agree that the Buyer attempts to recondition the seed at Seller's expense. The costs for reconditioning, however, cannot exceed the costs which would have occurred if the seed had been replaced by the Seller (including the loss of quantity due to reconditioning).
4. If an alleged offence has occurred, and if the final vendor asserts that he has used due care (eg, in selling seed pre-labeled in apparent conformity with these Rules) and that the alleged offence was committed by another person, the claimant may extend the claim to include the other person.
5. If no amicable settlement can be reached, the Buyer and Seller shall have the right to submit the case for arbitration in accordance with these rules.

Rule 5: Completion and Conditions of Contracts

1. (a) Offers/bids by letter shall be considered non-binding.
(b) Offers/bids by telecommunications shall be considered firm for reply by telecommunications within 24 hours after the hour of receipt (except Fridays and holidays).
2. If a contract is concluded, the Buyer and the Seller shall, within three working days, unless justified delay can be established, mail to each other a confirmation of the said contract. If neither of the contracting parties sends a written confirmation, the contract shall be maintained on the basis of the verbal agreement or telecommunication or letter exchange.
3. A contract established by a Broker resulting from an order or an acceptance shall be binding on all parties.
4. A description of the conditions shall be given in the offer/bid/contract/confirmation. Such description shall include:
 - (a) Date of transaction;
 - (b) Quantity,
 - (c) Kind and variety,
 - (d) Description of the quality (see Rule 2),
 - (e) Price per unit and freight basis,
 - (f) Description of the packaging (see Rule 6),
 - (g) Time of shipment,
 - (h) Terms of payment,
 - (i) Any terms or provisions which are not included in or which are contrary to these rules.
5. Any misprint, error, or omission in a confirmation or contract by a Seller, a Buyer, or a Broker shall be corrected within 24 hours (except Fridays and holidays) by telecommunication.

Rule 6: Quantity and Packaging

The contract shall state the total quantity transacted by weight or number of seeds, as applicable (such as: 1 truckload of approximately 40,000 kgs, 200 bags of 80,000 kernals each, 50 cans containing 500 seeds each).

2. The contract shall state the contents by weight or number of seeds, as applicable, for all units of packaging forming one lot. It shall state the type of packaging, such as jute, paper, or plastic bags, boxes, cans, bulk, etc.
3. The contract shall express whether the costs of packaging are included in or excluded from the contract price. If excluded, the costs of packaging shall be indicated in the contract.
4. In case of sale by weight, the contract shall state whether gross or net weights apply.
5. The use of words "about" or "approximately" shall permit the Seller to deliver, at the contractual conditions, 5 % more or less than the contract calls for.
6. If the quantity lies between two figures, delivery shall take place within these stated limits. In the event of non-delivery, the average between the two figures shall serve as the basis of a settlement.
7. The quantity of a lot shall not exceed the one determined by any applicable official restrictions.

Rule 7: Contracts Subject to Crop and Multiplication Contracts

1. If a contract is concluded "subject to crop," the Seller shall report to the Buyer in the regular course of production all essential information regarding time of planting, conditions and inspections of fields, crop prospects, yields and qualities.
2. (a) The Seller shall promptly inform the Buyer of any failure or deficiency in quantity and/or quality of the corresponding field and/or resulting seed crop.
(b) If the quality is below the contractual specifications, the Buyer shall retain the right to refuse the seed or accept it at a reduced price. If Seller and Buyer cannot agree amicably to a settlement, an arbitration (see Rule 14) may be initiated to determine an equitable solution.
3. Multiplication Contracts. ESAS Seed Trade Rules may also govern multiplication contracts. Appropriate special conditions agreed to between the parties shall be incorporated in the contract.

Rule 8: Shipping Terms and Periods

1. "Ex-warehouse," "ex-dock," "ex-wharf," etc, at named location. Under these terms, The Seller shall place the goods at the disposal of the Buyer at the agreed place, on the date or within the period specified, and the Buyer shall accept title to the goods at the named point and assume the costs and risks of the transportation from the named point.
2. "Delivered" at named point of destination. Under this term, the Seller shall assume the costs and risks of transportation to point of destination. Title passes to the Buyer at destination.
3. The following periods for shipment shall be valid if the parties have not previously agreed to other specific conditions:
 - (a) "Instant shipment" means shipment within 24 hours (except Fridays and holidays).
 - (b) "Immediate shipment" means shipment within 3 days.
 - (c) "Prompt shipment" means shipment within 10 days.
 - (d) "Shipment before a fixed date" means shipment on any date before the fixed date.
 - (e) "Shipment within a specific time period" (such as August/September) means shipment on any day within this time period.
 - (f) "Shipment at Seller's option" means shipment on any day convenient to the Seller within a given time span, if any is indicated.
 - (g) "Shipment at Buyer's option" means shipment within a time span of not less than 10 days, to be indicated by the Buyer.

Rule 9: Defaults of Shipping Instructions

1. If the Buyer does not give shipping instructions in time, the Seller shall give the Buyer at any time, via telecommunications, a delay of two working days to receive proper instructions.
2. Should the instructions be forthcoming within these two working days, the Seller shall not be entitled to any payment of damages, etc. However, should no instructions be received by the Seller within these two working days, the Seller shall have the right to cancel the contract and shall be entitled in payment of direct and indirect damages, such as interest, warehouse costs, price differences (loss of profit), etc. The Seller shall inform the Buyer of his decision by telecommunications.
3. Should the Seller accept shipping instructions after expiration of the contract period, payment of damages, if any, shall be agreed upon before shipment.

4. The provisions contained in Paragraphs 1, 2, and 3 of this Rule shall not apply where "instant" or "immediate" shipment is agreed to, because shipping instructions shall have been expressed at the conclusion of the contract.

Rule 10: Defaults of Shipment

1. If the Seller does not ship within the agreed time period, the Buyer shall, at any time, grant the Seller by telecommunication a delay of two working days to make shipment. No such delays apply to "instant" or "immediate" shipments.

2. Should shipment take place within the two days, the Buyer shall not be entitled to any damages, etc. However, should no confirmation be received by the Buyer that the shipment was made within this delay, the Buyer shall have the right to cancel the contract and shall be entitled to payment of direct and indirect damages, such as interest, warehouse costs, price difference (loss of profit), etc. The Buyer shall inform the Seller of his decision by telecommunications.

3. If the contract specifies "without extra time limit" or "latest" or in similar terminology expresses that there is not extension implied, the buyer shall have no obligation to grant an extra time limit.

Rule 11: Expiration of a Contract

If neither party has issued or received a request for shipment within 30 days of the last day of the permitted shipping period, the contract shall be considered lapsed without the Buyer or the Seller being entitled to any damages.

Rule 12: Payment

1. Terms of payment shall be specified in the contract.

2. In all cases, payment shall be made in full and immediately when due. Every portion of a shipment shall be paid for separately, as soon as payment falls due.

3. The charges for collection of payment shall be for the Seller's account unless the Buyer does not pay in full and immediately when due, in which case they shall be for the Buyer's account.

4. (a) If the Buyer does not pay within three working days of the due date of payment, he shall pay the charges for collection, as well as interest at a rate of 5 % per annum above the official bank rate at the time the invoice was due for payment.

(b) This penalty of 5 % is not due if the Buyer can prove that the delay in payment was due to circumstances over which he had no control.

5. It shall not be permissible to withhold payment to offset claims.

6. If the Buyer has not paid for the seed or not taken delivery upon arrival, or stated that he will not do so, he shall be liable for all damages, including expenses as well as loss of profit to the Seller.

7. If the circumstances indicate that the Buyer does not intend to pay or is unable to pay, the Seller shall have the right to seek collection of the outstanding debt through the intermediary of a court of law, without going to arbitration.

Rule 13: Force Majeure

1. The interpretation of "Force Majeure" as published by the International Chamber of Commerce at the date of the contract shall be guiding. (See Addendum 1.)

2. The party invoking Force Majeure shall inform the other party as soon as practical by telecommunication of the impossibility of delivery or the necessity for postponing delivery, indicating the reasons for the alleged Force Majeure.

Rule 14: Arbitration

1. (a) With the exception of the differences mentioned in Rule 12, Paragraphs 6 and 7, all differences which cannot be amicably resolved, even if only one party declares that there is a difference, arising from a contract started or concluded under these Rules, shall be decided by arbitration.

(b) Subject to any written clear and unambiguous agreement to the contrary, notice of intention to arbitrate and application for arbitration shall be made in conformity with the ESAS Arbitration Rules.

2. Such applications for arbitration shall be made within 30 days either:

(a) from the occurrence of the event, or first possible recognition of the deficiency giving rise to the claim, or

(b) after the date of telecommunication or deliver of a registered letter attempting to enter into friendly negotiations, which remained without positive reply, or

(c) from the date of breaking-off of negotiations to settle the case amicably.

3. Extension of time for application. The parties may modify this period of time by mutual agreement. ESAS for good cause, may extend a period of time established by its Rules, except the time for making the award. ESAS shall notify the parties of any such extension of time and its reason therefor.

Addendum: Force Majeure (Exemption) Clause

Grounds of relief from liability:

1. A party is not liable for a failure to perform and of his obligations insofar as he proves:
 - that the failure was due to an impediment beyond his control; and
 - that he could not reasonably be expected to have taken the impediment and its effects upon his ability to perform into account at the time of the conclusion of the contract; and
 - that he could not reasonably have avoided or overcome it or at least its effects.

2. Any impediment within paragraph 1 above may result from events such as the following, this enumeration not being exhaustive:
 - a. war, whether declared or not, civil war, riots and revolutions, acts of piracy, acts of sabotage;
 - b. natural disasters such as violent storms, cyclones, earthquakes, tidal waves, floods, destruction by lightning;
 - c. explosions, fires, destruction of machines, of factories and of any kind of installations;
 - d. boycotts, strikes and lockouts of all kinds, slowdowns, occupation of factories and premises, and work stoppages which occur in the enterprise of the party seeking relief;
 - e. acts of authority, whether lawful or unlawful, apart from acts for which the party seeking relief has assumed the risk by virtue of other provisions of the contract; and apart from the matters mentioned in paragraph 3 below.

3. For the purposes of paragraph 1 above, and unless otherwise provided in the contract, impediment does not include lack of authorizations, of licenses, of entry or residence permits, or of approvals necessary for the performance of the contract and to be issued by a public authority of any kind whatsoever in the country of the party seeking relief.

Duty to notify:

4. A party seeking relief shall, as soon as practicable after the impediment and its effects upon his ability to perform become known to him, give notice to the other party of such impediment and its effects on his ability to perform. Notice shall also be given when the ground of relief ceases.

5. The ground of relief takes effect from the time of the impediment, or if notice is not timely given, from the time of notice. Failure to give notice makes the failing party liable in damages for loss which otherwise could have been avoided.

Effects of grounds of relief:

6. A ground of relief under this clause relieves the failing party from damages, penalties, and other contractual sanctions, except from duty to pay interest on money owing as long as and to the extent that the ground subsists.
7. Further, it postpones the time for performance for such period as may be reasonable, thereby excluding the other party's right, if any, to terminate or rescind the contract. In determining what is a reasonable period, regard shall be had to the filing party's ability to resume performance, and the other party's interest in receiving performance despite the delay. Pending resumption of performance by the filing party, the other party may suspend his own performance.
8. If the grounds of relief subsist for more than such period as the parties provide (the applicable period to be specified here by the parties), or in the absence of such provision for longer than a reasonable period, either party shall be entitled to terminate the contract with notice.
9. Each party may retain what he last received from the performance of the contract carried out prior to the termination. Each party must account to the other for any unjust enrichment resulting from such performance. The payment of the final balance shall be made without delay.

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Part 4: ESAS Arbitration Rules for Trade in Seeds for Sowing Purposes (Draft)

Rule 1: General Provisions:

For the purposes of these Rules, ESAS is the Arbitration Chamber. The Chamber shall maintain a list of arbitrators.

Rule 2: Disputes Subject to Arbitration According to These Rules

1. The Chamber shall be specialized in settling the disputes concerning and related to the manufacture and trade of seeds either between members of the association or between the members and others, according to ESAS Seed Trade Rules.
2. For seed trade contracts between firms resident in Egypt and firms resident in another country or countries, the Arbitration Chamber will arbitrate disputes according to International Seed Trade Federation Arbitration Procedure Rules.
3. ESAS members and other claimants are encouraged to seek to resolve disputes through conciliation and mediation before applying for arbitration.

Rule 3: The Procedures for Requesting Arbitration

1. The claimant or his designee shall submit an application requesting to refer the dispute to arbitration according to the Chamber's rules. The application for arbitration shall be enclosed with the following:
 - (a) the claimant's name, address, and capacity;
 - (b) the defendant's name, address, and capacity;
 - (c) a summary of the nature of the dispute and legal evidence and documents enhancing the request for arbitration.
 - (d) if the claimant is asking for a settlement of less than LE 5,000, a choice between arbitration with a single arbitrator selected according to Rule 4 or with three arbitrators selected according to Rule 5.
2. Such application shall be in five copies, each of them to be signed by the claimant or his designee.
3. Applications must be accompanied by a deposit of LE 1500 or 20 percent of a requested settlement, whichever is less, but not less than LE 500.
4. If the Chamber asks for a larger deposit or if the application including deposit is not complete for any other reason, the claimant shall be given a period of time which will not exceed 30 days to complete the application.

5. The Chamber will register the application in a special book, listing date of submission, serial number of application, names of claimant and defendant, and all documents submitted and the numbers of such documents.

Rule 4: Optional Nomination of Single Arbitrators for Small Claims

1. If the claimant has opted for arbitration with one arbitrator, the Arbitration Chamber shall choose the arbitrator.
2. If the claimant is a non-member and the matter in dispute concerns seeds bought for planting only, including planting for seed production, the Chairman of ESAS shall choose the arbitrator after seeking consultation with the Director of the General Cooperative that is concerned with the relevant crop, or if there is no such General Cooperative, with the head of an official research agency or department dealing with relevant crop.

Rule 5: Nomination of Three Arbitrators

1. If the claim is not less than LE 5,000 or if the claimant has nevertheless opted for arbitration with three arbitrators the Arbitration Chamber shall send by registered mail to the two parties, the list of arbitrators referred to in Rule 1.
2. Each party to the dispute shall select an arbitrator and inform the Chamber within 15 days from the date of receiving the list; the selected arbitrators need not be from the list distributed by the Chamber.
3. Upon receiving the names of the two chosen arbitrators, the Chamber shall notify them to select the presiding arbitrator and to inform the Chamber of their choice within 15 days.
4. If one of the parties fails to select his arbitrator within the allowable period, or if both arbitrators fail to select the presiding one within the allowable period, the Arbitration Chamber shall select the missing arbitrator(s). If the claimant is a non-member and the dispute concerns seeds bought for planting only, the procedures described in Rule 4 paragraph 2 shall govern the Chamber's selection of the presiding arbitrator.

Rule 6: Challenge

1. The arbitrator shall have the same characteristics as a judge. He shall be an adult with full civil rights. He shall not have any personal interests with the subject matter of the arbitration and shall not have any conflict of interest with any of the parties.
2. If one of the parties challenges an arbitrator, the rules of the civil and commercial procedures shall apply.

Rule 7: The Arbitration Procedure

1. The language for arbitration shall be Arabic, unless the parties agree otherwise.
2. All discussions of the dispute shall take place and oral statements be made at a formal session, and minutes shall be recorded for all sessions.
3. As soon as all arbitrators have been selected, the Arbitration Chamber shall, by registered mail, inform the two parties of the time and place of the hearing. That information must reach the parties at least two weeks prior to the hearing. Unless in case of force majeure, the hearing shall take place within one month following the nomination of the arbitrators.
4. The Arbitration Chamber shall invite the parties to attend the hearing.
5. However, no oral hearing is necessary if the parties and the Arbitration Tribunal so agree.
6. The Arbitration Tribunal may ask the parties to present their cases in writing prior to the hearing; where appropriate, the provisions of Rule 3 paragraph 2 apply.
7. The Arbitration Tribunal may, if necessary, hold several sessions. They must inform the parties or their representatives in writing of their decision to do so, or they can inform parties orally during a hearing at which all parties are present.
8. The Arbitration Tribunal may ask parties to bring or to summon witnesses or experts, and they may summon witnesses or experts themselves.
9. The Arbitration Tribunal must send to each party a copy of all written statements.
10. At the request of the Arbitration Tribunal, the parties must supply all the details and information regarding the arbitration. They must also comply with requests made by the arbitrators.
11. If one of the parties has not supplied within the specified time explanations and samples asked for by the Arbitration Tribunal, or if he does not appear at the hearing, the award will be given on the basis of available documents.

Rule 8: Withdrawal of the Arbitration and Settlement

1. An arbitration may be withdrawn by the claimant in writing.

2. Once the defense has been presented, the arbitration cannot be withdrawn unless the other party either verbally at the hearing or in writing after the hearing declares that he assents to the withdrawal.

3. If in the course of the arbitration a settlement is reached, the award shall contain this settlement.

Rule 9: Award

1. The Arbitration Tribunal shall make their award to the best of their knowledge and belief in accordance with the ESAS Seed Trade Rules and any other conditions which have been agreed by the parties to the contract and without favor to either party, except for international arbitration which shall be decided according to FIS Arbitration Procedure Rules.

2. The Arbitration Tribunal shall give their award within three months after the day at which the first hearing was held unless the parties agree to expand such period.

3. Where there are three arbitrators, they shall reach their decision by majority vote.

4. The arbitration award shall contain:

- (a) the names of the parties;
- (b) the names of the arbitrators who have given the award;
- (c) a description of the matter in dispute;
- (d) a statement of the facts, the decision and the ground for the decision;
- (e) the amount of the costs and who is to pay them;
- (f) the place and the date of the award;
- (g) the binding signatures of a majority of the arbitrators; and
- (h) all other information necessary for the validity of the award.

5. The Arbitration Chamber shall send a copy of the award to each of the parties by registered mail.

Rule 10: Arbitration Costs

1. The arbitration costs shall generally be for the account of the party declared in default. The Arbitration Tribunal may, however, at their discretion, apportion the arbitration costs between the two parties.

2. The fees of the arbitrators shall be paid by the Chamber, and that shall be after the party or parties deposit their assessed arbitration charges with the Chamber.

3. [details about arbitration charges and arbitrator fees to be discussed with ESAS]

Rule 11: Court Filing

Any party may designate the Arbitration Chamber, by virtue of power of attorney, to enforce the arbitration award by issued the order of execution from the competent court. That party shall pay all the expenses required for such matter.

Annex 2: Some Options for Designing a Code of Practice or Ethics for ESAS

By David Gisselquist

Note presented to ESAS Board on 10 October and to selected ESAS members on 11 October 1999 (slightly revised on 28 October)

Purpose

The purpose of this note is to describe some options for codes of practice/ethics/conduct to assist discussions among ESAS members about whether and how to proceed to design and implement a code for ESAS.

How is a Code Adopted and Enforced?

In all cases discussed in this note (US, South African, Australian, Canadian, FIS) the code is attached to the bylaws of the seed association. When members join the association, they sign a membership agreement, which has the force of a contract. When the association has a code of practice/ethics/conduct in its by-laws or attached to its bylaws, each member has contracted to follow the code. When an association is operating without a code but wants to add one, the code is adopted through an amendment to the association's bylaws.

What Issues does the Code Cover and How Does it Work?

The examples distributed with this note illustrate three options, from simplest to most complex. (a) The simplest is a pledge to obey laws, etc. (b) With the next level of complexity, seed associations set rules for trade and arrange to mediate or arbitrate seed trade among seed companies. (c) With the most complex, the seed association sets rules for seed trade and also seed sale to farmers and arranges to mediate and arbitrate disputes among companies AND FARMERS when someone raises questions about seed quality, etc.

(a) **A pledge to obey laws, honor contracts, advertise truthfully, etc.** Some national seed associations have adopted short and simple codes of ethics. For example, the American Seed Trade Association (ASTA) from 1996, amended its bylaws to include a Code of Ethics as Article 1, Section 2. Article 13 shows how this can be enforced: Members can send written complaints to the Executive Vice President/Treasurer; he/she gives the one complained against a chance to respond; if the complainant is not satisfied, the Executive Vice President/Treasurer constitutes a three-person committee to make recommendations to ASTA's Board of Directors; the Board may decide to send a letter of reprimand, publish notification of violation, suspend the member, or expel the member.

has a set of seed trade rules that companies, including ESAS members, use as a basis for international contracts. As another example, the Canadian Seed Trade Association and the American Seed Trade Association have developed a set of rules for seed trade within North America, the NORAMSEED Rules. Also, within the last year, the Seed Industry Association of Australia has adopted a National Code of Practice that extends seed trade rules to cover retail sales as well as contracts among seed companies.

When an association adopts a set of standard seed trade rules, members are able to refer to those rules in their seed trade contracts as a short-hand way to take care of matters like seed quality, terms of payment, arrangements for delivery, etc. In other words, a set of seed trade rules provides a legal basis for standard and workable business practices. Building on these experiences, ESAS has drafted a short set of seed trade rules covering all aspects of seed trade, from production and import through retail sales.

Settling Disputes Efficiently and Fairly

An important aspect of orderly seed trade is dispute settlement. Many people think of business disputes as coming from dishonest practice or shady dealings. This is certainly part of the problem. However, there are many opportunities for honest misunderstanding, even with a good set of seed rules to use as a guide.

Whenever disagreements arise, one possible option is to take the matter to court. But this takes time and money. For the seed business especially, where time is an issue, alternate dispute mechanisms are crucial. All of the seed trade rules described above include clauses that promote mediation and arbitration as standard procedures to resolve seed trade disputes.

For example, the International Seed Trade Federation insists that all member associations make arrangements to arbitrate international disputes. As a member of the international association, ESAS is responsible to arrange arbitration in Egypt for any dispute in which an Egyptian seed company is the exporter. Similarly, ESAS members have access to arbitration for disputes when importing seed from suppliers from France, Italy, and other countries that are members of the international association.

Along these same lines, ESAS is considering to develop an in-house capacity to offer arbitration as a service to members to cut time and costs to solve seed-related disputes. A draft set of ESAS arbitration rules has been prepared for your consideration.

Conclusion

All of the draft documents prepared for consideration comprise a unified initiative for ESAS members to make a public commitment to good practice and quality seed and to put in place a set of standard rules and arbitration procedures to guide and assist all of the participants in Egypt's expanding private seed industry to make that commitment work.

Annex 3: Seed Association Experiences with Codes and Rules to Promote Seed Industry Development

By David Gisselquist

Presentation to ESAS Workshop on 25 October 1999

Introduction

The Egyptian seed industry is one of the oldest in the world, going back thousands of years in some form or other. In the recent past, government dominated seed production and trade. On the other hand, the Egyptian Seed Association is less than two years old. However, in its short life, ESAS has been strong, active, and effective in building international linkages (with FIS and the emerging African Seed Trade Association) and in promoting and assisting dialogue within Egypt on seed policies and regulations.

Another important initiative that is now underway – and is the subject of today's meeting – is to develop mechanisms for seed industry self-management, that is, to promote quality seed and orderly trade so as to reduce risks for farmers and seed companies alike. In this effort, the Association's current initiatives build on practices in a number of OECD countries and in the international seed industry. In the set of papers that ESAS has prepared for today's meeting, ESAS is proposing that members commit to good practices, and their commitments be guided and reinforced with a set of rules governing seed trade along with an arbitration service that will help seed companies, traders, and farmers resolve disputes fairly and efficiently.

Code of Ethics

The seed business builds on trust. For private seed companies in competitive markets around the world, sales and market share depend on farmer interest in the varieties that they offer and farmer confidence in the quality of their seed. In other words, seed companies know that their success depends on giving farmers good service.

To make this commitment clear to all concerned, including governments and farmers, a number of seed associations – including, for example, the America Seed Trade Association and the South African National Seed Organization – have adopted short codes of ethics within their by-laws. Building on international experience, ESAS has prepared a draft Code of Ethics to demonstrate to all concerned that ESAS members are committed to high standards of business practice and quality seed.

Seed Trade Rules

Making a commitment is one thing. Assisting in the development of orderly trade and quality seed is another. To do so, leading seed trade associations around the world have adopted standard seed trade rules. For example, the International Seed Trade Federation

The South African Seed Organization (SANSOR) has a similar code, which was adopted in its original bylaws, 10 years ago. Enforcement of SANSOR's code comes through recommendation of the Board of Directors to the General Assembly, since the General Assembly decides membership.

Note that these codes do not provide a basis for anyone to seek damages or to resolve commercial disputes. If a member is found to violate the code, the usual remedy is expulsion or public humiliation. Hence, these codes are valuable for public relations and exhortation, but are not much used for resolving disputes. As of mid-1999, ASTA has never had any complaint or action against any member with its code. On the other hand, SANSOR has expelled a member six years ago based on violations of its code (specifically, for not paying its dues to SANSOR, though the expelled member was also involved in illegal or unethical seed trade).

(b) Rules for seed trade with arrangements for mediation and arbitration to resolve disputes among companies. This sort of code is very common and can be introduced along with either or both of the other two types of codes discussed here.

All national associations that are members of FIS agree that all their members will operate according to FIS rules for international seed trade and also will submit to international arbitration according to FIS arbitration rules. In addition, some national seed associations endorse similar seed trade rules and arbitration procedures for seeds in domestic trade. For example, ASTA and Canadian Seed Trade Associations agree on Noramseed Rules. Any member company can bring complaints under these rules. Other non-member companies can agree to rules when signing contracts, so that non-members can take advantage of the rules and arbitration procedures as well.

Rule 16 of Noramseed Rules clarifies that disputes under these rules are resolved through arbitration, according to Commercial Arbitration Rules of the American Arbitration Association. In this procedure, each party to the dispute names a representative, while the American Arbitration Association names an arbiter. If the two parties cannot agree, then the arbiter decides.

(c) Rules for seed quality in trade, including sales to farmers, along with arrangements to mediate and arbitrate disputes about seed quality and trade between companies and farmers. Possibly the only code of this kind in the world seed industry comes from Australia, and has been adopted from June 1999. However, other countries (including Thailand, the Netherlands, and others) are considering to adopt a code along these lines.

The Seed Industry Association of Australia (SIAA) decided from 1996 to take a more prominent role in regulating seed quality, so that government would be able to let the industry and farmers take care of quality and work out any problems out of court. SIAA took several years to develop its code, and did this in conjunction with the Grains Council of Australia, a major farmers' organization.

SIAA designed the code on the basis of existing state laws about seed quality – so that the code repeats rules about truth-in-labeling, etc. This allows farmers or others to bring complaints first to the private Seed Industry Code Management Committee, so that farmers and companies can avoid going to court. The Seed Industry Code Management Committee has five voting members (Chairman of SIAA, two other members from SIAA, and two members from the Grains Council of Australia). This organization can mediate (ie, help parties reach a mutual decision) and – if that does not get results – arbitrate (ie, decide). With this code, members of SIAA are contracted to work through arbitration before going to court. Non-members can take a matter to court at any time.

Annex 4: List of People Visited

#	Name	Title	Affiliation	Telephone	Fax
1	Dr. Said Abdel Khalek	Secretary General	Alexandria Center for Int. Maritime Arbitration Arab Academy for Maritime Transport, Miami, Alexandria, Egypt 1, El-Saleh Ayoub St. Zamalek, Egypt	03/5482419 03/5560719 02/3401333 02/3401335	03/5482517 02/3401336
2	Councillor Hussein Mostafa Fathy	Vice President	State Lawsuits Authority	2748099 3542448 3401335	2725036
3	Rouchdy Saleh	Senior Natural Resources & Environment Specialist	The World Bank Egypt Country Department World Trade Center, 1191 Corniche El-Nil 15th Floor, Boulak, Cairo, Egypt	5741670	5741676
4	Abdel Sattar A. Eshrah	Secretary General	Federation of Egyptian Chambers of Commerce 4 El Falaki Square, Cairo	3552941 3542943 3551136 3551164	3557940
5	Jean - Francois Barres	Senior Project Officer Rural Development, Water & Environment Group	The World Bank Egypt Country Department World Trade Center, 1191 Corniche El-Nil 15th Floor, Boulak, Cairo, Egypt	5741670	5741676
6	Ahmed Kamel	Managing Director	Misr Pioneer Seed Company 98 Army Forces Buildings, Infront of Worker's Univ. Nasr City, Cairo 11371, Egypt	4181636 4181491 4181492 4181436	4181490 4181437
7	Mohamed Abdel Gawad		SAMICO Trading P.O. Box 10 Dokki	3457746 3447918	3447918

8	Dr. M. Essam El-Gressi	Imp., Exp. and Qty. Assurance Direcotr	Misr Hytech Seed Int. S.A.E. 2 Naguib Mahfouz St. off Abbas ElAkad St. Nasr City	2755041	2755043
9	General Mounir Mehesin	Chairman	Misr Hytech Seed Int. S.A.E. 2 Naguib Mahfouz St. off Abbas ElAkad St. Nasr City	2755041	2755043
10	Dr. Mohie El-Din I. Alameldin	Legal Advisor	CRCICA		
11	Dr. Mohamed Hossam Loutfi	Professor of Law Attorney-at-Law	Villa No. 24 St. No. 9 Almokatam, 11571 Cairo, Egypt	5082074	
12	Moalamen A. Hassan	Attorne at Law	Helmy & Hamza Members of Baker & Makenzie World Trade Center 1191 Cornich El-Nil 18th Floor, Cairo, Egypt	5791801/2/3/ 4/5/6	5791808
13	Ahmed Hassan			012/2100230	5682190
14	Chris Weisbecker	M.Sc. Seed Production German Team Leader	GTZ 4D El-Gezira St. Zamalek CASP 8 Gamet El-Kahira St. Giza	5734516 5690839	5702487 3412445
15	Dr. Helmut Schon	Agricultural Economist	GTZ 4D El-Gezira St. Zamalek Michael Bakhoum St. Dokki	3365416-17 3370498	3365415
16	Eng. Hussein Mahmoud El-Molla	Chairman	TAGRO	064-326256 064-324893 02-2741018	064-32328886
17	Eng. Adel Abboud	Board Secretary	ESAS 35 Gamet EL-Dowal El-Arabia St, Mohandseen, Cairo	3499178	3498994
18	Dr. Essam Z. Ghaith	Deputy Chairman	ESAS 35 Gamet EL-Dowal El-Arabia St, Mohandseen, Cairo	3499178	3498994
19	Dr. Samir El-Naggar	Chairman	DALTEX 42, Wadi El-Nil St. Mohandseen P.O.Box 491 Dokki	3050505	3044424
20	M. Farid Gaara	Treasurer	ESAS 35 Gamet EL-Dowal El-Arabia St, Mohandseen, Cairo	3499178	3498994
21	Dr. El-Asdoudi		Faculty of Agriculture - Ain Shams Univ Cairo - Egypt	03/4809304	

22	M. Yehia El-Ghorab	General Manager	ESAS 35 Gamet EL-Dowal El-Arabia St, Mohandseen, Cairo	3499178	3498994
23	Adel R. Iskander	Financial Analyst & Business Management Specialist	GTZ (CASP) 8 Gamet El-Kahira St. Giza	5734516 5690839	5702487
24	Dr. Herbert Froemberg	German Teamleader	GTZ/CASC(Project Office) 8 Gamet El-Kahira St. Giza GTZ 4D El-Gezira St. Zamalek	5718562	3412445
25	Dr. Walter Haege	Agronomist, seed technology & plant varieties	GTZ/CASC(Project Office) 8 Gamet El-Kahira St. Giza GTZ 4D El-Gezira St. Zamalek	5718562	3412445
26	Eng. Fawzy Z. Shaheen	Under Secretary, Head of CASC	CASC 8 Gamet El-Kahira St. Giza P.O.BOX 147Giza 1211	5720839 5720981	5724721
27	Eng. Madiha Moh. Hendawi	Production G.D.	CASP 8 Gamet El-Kahira St. Giza	5725011 5694080 H:4835776	5725986 5734516
28	Eng. Sherif El-Kerdany	Deputy General Manager	ESAS 35 Gamet EL-Dowal El-Arabia St, Mohandseen, Cairo	3499178	3498994
29	Mohamed Ezzat Abdel Hady		AGROLAND 1 Hamdi AbelSoud St. Wempy El-Haram 11 Banha St. Omrania Ghardia, Giza	5861271 5616432 H:5869054	5861271
30	Eng. Ehab Ramsis	Seeds Techno Commercial Manager	SAMTRADE 50 St. 105 Maadi - Cairo	5253725 5253747	5253728