

21/08/06



# **VOLUNTARY CODE OF PRACTICE**

## **For the Sale of Vegetable Seed for Sowing in New Zealand**

As adopted in Taupo  
**17 November 2005**

Copies of this document can be obtained from:

The Executive Director,  
Level 1 122 Riccarton Road  
PO Box 8605, Christchurch, New Zealand  
Phone +64 3 341 6059 : Fax +64 3 341 5408  
Email: [ann.harper@seedindustrynz.co.nz](mailto:ann.harper@seedindustrynz.co.nz)

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#### **Disclaimer**

The New Zealand Grain & Seed Trade Association Inc. bears no responsibility for the accuracy or any inaccuracy of the contents of this document.

## **Scope of the Voluntary Code of Practice**

This Code of Practice has been prepared by the New Zealand Grain & Seed Trade Association Inc. (NZGSTA) following consultation with industry members and other interested parties. It is intended to provide, the basis for self-regulation of vegetable seed for sowing standards by the Vegetable Seed Section of the New Zealand Grain and Seed Trade Association.

**It is emphasised that this Code has been specifically drawn up for application to vegetable seeds for sowing sold to growers in New Zealand for the production of vegetable crops for consumption. It is recognised that local vegetable seed multiplication companies have earned a reputation for production excellence and the delivery of quality in globally competitive markets. In order to maintain international opportunities it is necessary for New Zealand companies to meet or exceed the conditions stipulated in production contracts with overseas customers. As a result the code does not apply to vegetable seeds that are:**

- a) **used for experimental or breeding purposes, or;**
- b) **produced in New Zealand for international markets, or;**
- c) **conveyed in a transaction in which a written contract governs the parties (unless this Code and its standards are referenced as a part of the contract).**

Signatory to this Code is voluntary. However, all signatories subsequently bind themselves to the terms of the Code.

## **Quality Policy**

Signatories to the Code seek to;

- Provide the best quality seed and customer servicing at all times.
- Have in place robust safe Quality Assurance programmes to ensure seed quality specifications are monitored and known.
- To have an effective Quality Control system to ensure customer confidence.
- To ensure company staff are adequately trained in seed Quality Control and have a conscientious work ethic to maintain high standards.

## Definitions

**'Analysis'** includes any analysis or test or any combination thereof which are conducted according to recognised industry practices and procedures.

**'Association'** means the New Zealand Grain & Seed Trade Association Inc.

**'Vegetable Seed Section'** means those members of the Association who are represented on the Vegetable Seeds Committee of the Association.

**'Breeding'** – the process of developing new plant genotypes by the application of scientific procedures, the generation of new genetic variability by intercrossing or other methods and/or the selection of new and novel plant genotypes.

**'Proprietary Cultivar'** – a proprietary cultivar is one for which ownership can be proven, either through PVR, patents, breeding records, or ownership of the component parts (in the case of hybrids). The ownership may be transferred from the breeder to a marketer through an agreement. Marketers may claim exclusive distribution rights for a proprietary cultivar where written or verbal agreement between the breeder and the marketer grants such distribution rights.

**'Code'** means the New Zealand Grain & Seed Trade Association Inc. 'Voluntary Code of Practice for the Sale of Vegetable Seed for Sowing in New Zealand.'

**'Cultivar'** includes true breeding open or self pollinated lines, as well as hybrids.

**'Hybrid variety'** means the first generation seed (F1) of cross fertilization produced by controlled pollination so as to cross fertilise -

- a) two or more inbred lines;
- b) two single crosses of inbred lines;
- c) one inbred line with an open-pollinated variety;
- d) a single cross of inbred lines with an inbred line; or
- e) One inbred line or single cross with an open-pollinated variety.

**'Label'** includes any tag or sticker affixed to or printed on the tag or parcel. The 'label format' referred to in Section 6.11 of the Code which is to be printed on a parcel of seed or label attached thereto shall be in English, legible and in indelible ink.

**'Lot designation'** means the code, brand, mark, lot or line number which distinguishes a lot of seed from any other lot. Its use should enable traceability of a seed parcel back from a customer to an approved seed source from the original supplier.

**'Lot of Seed'** means a quantity of seed identified by the same lot designation every parcel of which is uniform within the tolerances specified in the Rules of the International Seed Testing Association.

**'Parcel'** includes bag, barrel, case, container, package, packet or sack.

**'Rules of the International Seed Testing Association'** means those rules set out in the journal 'Seed Science and Technology, Volume 24, Supplement 1996, published by the International Seed Testing Association', and as amended from time to time.

For the purpose of any examination of seeds 'name' means the botanical name or preferred common name published in the MAF Biosecurity Authority Seed Sowing Standard 155.02.05.

## **1 Introduction & Recognition of Intellectual & Marketing Rights**

This Code will strive to ensure that customers are provided with consistent and accurate information to enable them to make informed decisions about the suitability of vegetable seed for sowing. Signatory members of the Vegetable Seed Section have voluntarily concurred in the promulgation of the Code and accept its provisions.

This Code also acknowledges intellectual property rights and obliges signatories to adhere to the provisions of the Plant Variety Rights Act in respect to marketing of material covered by the legislation.

Signatories accept the right of members to acquire exclusive rights to material from plant breeding organisations or other institutions from within New Zealand or overseas and have the right to market this material in New Zealand, acknowledging the company's proprietorship over such material.

Signatories acknowledge and recognise that companies, through their own entrepreneurial activities, may acquire trademarks or develop customised recognition for products which can be accepted as that company's intellectual property.

## **2 Application of the Voluntary Code**

This Code applies to all vegetable seeds sold or supplied for the purpose of sowing by those companies who voluntarily sign the Code. 'Sold' or 'sell' includes barter, exchange, and exposing, having in possession, or delivering for sale, in New Zealand.

## **3 Sales to Which the Code Does Not Apply**

The Code does not apply to vegetable seeds that are:

- a) used for experimental or breeding purposes, or;
- b) produced in New Zealand for international markets, or;
- c) conveyed in a transaction in which a written contract governs the parties (unless this Code and its standards are referenced as a part of the contract).

## **4 Responsibility for Label Information**

In general, every written statement made regarding the contents of a parcel of seed by a vendor, constitutes a warranty by the vendor that all particulars contained in the statement are true and correct at the time of labelling.

In determining whether a statement referring to the results of an examination of the seed is or is not true and correct, the statement shall be deemed to be true and correct if the results obtained by further examination do not differ from those in the statement by more than the prescribed tolerances.

## **5 Sampling and Examination of Seeds**

The taking of any sample and the conduct of any analysis or assessment of seeds for any of the purposes of the Code shall be carried out in a manner consistent with the Rules of the International Seed Testing Association.

## 6 Minimum Details Required on Label or Parcel

This Code of Practice requires that signatories shall not sell vegetable seeds contained in a parcel unless there is clearly written or printed thereon, or on a label securely attached thereto, a statement setting out the particulars referred to in sub-sections 6.1-6.10 below.

### 6.1 Species

The *COMMON* or *BOTANICAL* name of each species present in the seed lot in a proportion by mass or by count of 5% or more.

### 6.2 Germination

The proportions of the seeds of each species named that are germinable:

- as a minimum percentage at the time of sale expressed as:  
"Min. germination (%)....."

or

- the actual germination as determined in an examination expressed as follows:  
"Germination (%) ....."  
Date of test  
Month/Year

### 6.3 Other Seeds

The total proportion of seeds, other than those named as per sub-section 6.1 above, present in the lot of seeds by mass as an actual or maximum percentage, or by number per kilogram, or by number per unit mass.

### 6.4 Chemical/Additive Treatment

The statement on the parcel, or label attached thereto, to set out all chemical/additive treatment to which the seeds have been subjected and should be expressed as:-

*"CAUTION - TREATED WITH (common or brand name of a Fungicidal/Insecticidal Seed Dressing), DO NOT USE FOR FOOD, FEED OR OIL."*

For seed sold in small home garden size packs the following wording may be used:-

*"CAUTION - TREATED WITH (common or brand name of a Fungicidal/Insecticidal Seed Dressing), DO NOT EAT THESE SEEDS OR FEED TO ANIMALS".*

All chemical treatment applied to seed should include a distinctive colouring agent.

### 6.5 Biological Treatment

The statement on the parcel, or label attached thereto, to set out any biological treatment to which seeds have been subjected and should be expressed as:-

*"IMPORTANT - SEED INOCULATED WITH LIVE ROOT-NODULE BACTERIA"* with accompanying information of:-

**Date of application**  
**Batch or Lot Number**  
**By (name and address)**

### 6.6 Mass of Parcel

The net weight of the contents or the number of seeds.

## 6.7 Lot Designation

A number, brand or code which identifies the seed lot from which the parcel was drawn.

## 6.8 Seller

The name and address of the seller, distributor or packer of the seeds or a registered brand identifying same.

## 6.9 Summary of Label Information

To summarise, the following label format would be acceptable:

<b>LOT NO:</b>	.....
<b>CROP SPECIES:</b>	.....
<b>VARIETY:</b>	.....
<b>GERMINATION (Min):</b>	.....
<b>NET WEIGHT or SEED NUMBER:</b>	.....
<b>CAUTION:</b>	<b>TREATED WITH .....</b>
	<b>DO NOT USE FOR FOOD, FEED OR OIL</b>
<b>PACKER:</b>	<b>Good Seeds, 1 Main Road, Auckland, NZ.</b>

All seed for sale must be supported by a seed testing analysis certificate which must be made available on request.

The product specifications and corroboration must be able to be traced for all label claims and be supported by relevant tests and monitoring records.

Equipment for weighing / counting must be correctly calibrated and routinely serviced and certified by the relevant authorities.

## 7 Sales of Seed Not Requiring Full Labelling

### 7.1 Seed Sold in Large Quantities

Where seed from one lot is sold in a quantity greater than 500 kilograms, the parcel or parcels must be marked with the number, code or brand identifying the lot of seeds and the vendor must provide the purchaser with a written statement containing the full labelling details if so requested.

## 8 Product Identification and Traceability

If the seed is imported then on arrival into New Zealand the seed consignment will be consigned to a MAF or NZ customs bonded warehouse to ensure it meets with all the seed importation requirements set out in the various NZ Government Seed Importation Protocols.

After all Customs and MAF processing has been satisfactorily completed, the seed consignment is then released from the bond area, to be delivered to the importers warehouse. Once the consignment, from foreign or local supplier, is at the company's warehouse the company ensures;

- The presence of or the allocation of a unique seed Lot Number from a serial sequencing system. These numbers are specific to seed supplier, species and seed variety. This allows every seed lot to be traced back through the importation process to the supplier if required.
- The supplier must have in place a similar traceability system to enable the seed to be traced back through the stages of production to a quality assured source of seed.

With every sale, the product lot number is identified on the invoice and on the seed container. As a result traceability is total as the selling company lot number can be related back to the supplier lot number, and the supplier can relate their number back, and so on to the origin of the seed.

These records will be maintained for a minimum of 2 years after the date of despatch of the last parcel of seed from a particular lot before destruction.

## **9 Quality Assurance**

The Quality Control system employed must be robust enough to satisfy all reasonable requests made upon it relating to any seed lot supplied. It must also withstand internal scrutiny regarding the above and be subject to audit.

This system must enable every seed line packet to be traced from the original supplier through to sale to the company's customer.

The system needs to be maintained by suitably trained staff with the aptitude and attitude to handle sequential processes accurately and correctly.

### **9.1 Records**

Records maintained should contain information relating to the various company procedures, including;

- Track and trace.
- Quality Policy.
- Product identification systems.
- Product specifications.
- Delivery requirements.
- Storage inventory management.
- Company terms and conditions of trading.
- Equipment calibration and maintenance.
- Internal assessment.

### **9.2 Customer Services**

The prime responsibility of customer services is to create a favourable contact environment for the company's customers. Customer Services will be knowledgeable about office systems and administration but not necessarily with respect to technical aspects of the products sold. As a result technical enquiries must be efficiently handed to a competent technical person.

### **9.3 Customer Complaints and Communication**

In the event of a customer complaint, these should be handled in a transparent manner and may include;

- Minor and obvious complaints should be quickly and simply corrected.
- Major complainants (those that specifically relate to seed or product quality and performance) must be recorded in writing and submitted to the company for a formal response. The list of information required may include;
  - Date of seed purchase and related sales data.
  - Kind, quantity and seed lot purchased.
  - Nature of the complaint.
  - Date, depth, method of sowing and any related seed treatments applied.
  - Weather conditions prior, at, and after sowing, including moisture availability.

- Soil type, soil condition, presence of pests, paddock history, etc.
- Other applied treatments such as fertiliser, herbicide, insecticide, fungicide or other chemicals which may have an impact on seed performance.
- Previous problems with this variety or similar varieties.
- Experiences of other growers with the same seed lot.
- Observations made by an on site technical report if necessary.
- Possible causes of the problem.
- Likely consequences and recommended resolution procedures.

Once all the facts are collated an official company reply should be provided to the customer with the aim of resolving the issue to the satisfaction of both parties.

Should the matter not be resolved, the customer can take the complaint to the New Zealand Grain & Seed Trade Association requesting the Management Committee to preside over the issue. This process is formally outlined in Section 16 of this Code.

#### **9.4 Company Quality Control and Internal Assessments**

The supplying company should undertake its own internal review of their Quality Assurance Policy and Procedures at least once every year. Evidence of such review must be presented annually to the Management Committee in terms of Section 15.5.

The internal review must include the following;

- An analysis of major customer complaints since the last review and how effectively and efficiently these were handled.
- The adoption of improved policies and procedures to reduce recurrence of systematic quality problem areas and enhance the quality system generally.

### **10 Use of Cultivar Names**

If cultivar or variety names are used it is the vendor's warranty that the seed contained in the parcel is seed of the cultivar or variety so named.

If the seed contained in a parcel is seed of a hybrid variety, the word HYBRID and or F1 and the name, code or number of that variety must be included on the parcel or label attached to the parcel.

### **11 Restrictions on the Use of Certain Words**

Words such as 'certified', 'registered', 'verified', and 'approved' or any other words of similar implications must not be used in a written statement referring to seeds for sale unless the seeds have been certified, registered, verified or approved under a scheme recognised by the Association.

Words such as 'disease-resistant', 'pest-tolerant', 'pest-immune', or any other words of similar implication, which suggest that the seeds are free from, or any plants grown from the seeds would be resistant, tolerant or immune to diseases or pests in general, must not be used in a statement relating to seeds for sale unless the pest or disease is specifically stated.

### **12 Prohibited Seeds / Noxious Weed Seeds**

This Code recognises that it is an offence to sell seed which is contaminated with seeds, bulbs, corms or tubers, prescribed as prohibited or noxious species, without declaration.

Seed testing certificates must identify in the “Other Seeds” section of the seed testing analysis certificate the botanical name of New Zealand prohibited or noxious species in the seed lot.

### **13 Marketing and Promotion**

The advertising methods employed should be centred on the provision of accurate and complete information, should conform to standards of ethics, be in conformity with the New Zealand Fair Trading Act and should be in good taste. These precepts are embodied in the detailed provisions of the Code as set out hereunder.

#### **13.1 Marketing**

It is a breach of the Code to market, promote or pack a product in any way which is a breach of the law of New Zealand.

Methods of advertising must conform to normally accepted good advertising practice of the Industry.

Cultivar information furnished must be accurate and balanced and must not be misleading, either directly or by implication.

The cultivars or services of other companies should not be unfairly disparaged either directly or by implication.

#### **13.2 Claims and Comparisons**

Claims for the usefulness of cultivars should be based on the most recent available evidence, which was or could by the exercise of reasonable diligence have been available to the person making the claim.

Comparisons of cultivars must be factual, fair and capable of substantiation. In presenting a comparison, care must be taken to ensure that it does not mislead by distortion, by undue emphasis, or in any other way.

Price or savings claims which are misleading, or which do not offer provable bargains or savings, must not be used.

#### **13.3 Advertising and Promotion**

There shall be no statement bearing on the performance of the cultivar which uses reprints, abstracts or quotation in such a way as to mislead the reader by omitting relevant parts or by quoting in such a way as to imply a meaning that was not reasonably open on the whole of the material from which the reprint, abstract or quotation was taken.

Advertisements must be clearly distinguishable from editorial matter. Where there could be doubt, the word “advertisement” is required.

Promotional material, such as mailings and journal advertisements, must not be designed to disguise its real nature.

Promotional material should not imitate the devices, slogans or general layout adopted by other companies in a way that is likely to mislead or confuse.

Advertisements adopted from scientific data should be able to be fully substantiated.

Advertisements must never be such as to bring discredit upon, or reduce confidence in the industry.

### **13.4 Public Relations**

Information furnished on any aspect of the industry generally should be accurate.

### **13.5 Market Research**

Methods used for market research must never be such as to bring discredit upon, or reduce confidence in, the industry.

The following provisions apply whether such research is carried out directly by the manufacturer or by an organisation acting on his/her behalf:

- interviews must not be gained by subterfuge;
- any incentives given should be kept to a minimum and be commensurate with the work involved;
- questions intended to solicit disparaging references to competing cultivars must be avoided;
- market research must not be used as a form of disguised sales promotion.

### **13.6 Repacking and Labelling**

Those sections of the industry involved in the repackaging of vegetable seed for sale in New Zealand will ensure that these activities are at all times carried out in accordance with the Code.

Labels must be so produced and fixed to containers as to remain legible and attached under all reasonable climatic, storage, transport and other conditions likely to be experienced.

### **13.7 Handling, Storage, Packaging and Delivery**

Packaging must be suitable under all reasonable climatic, storage, transport and other conditions likely to be experienced. Seed is a living entity and so should be treated as such. Optimum seed storage conditions should be maintained to reduce the risk of product deterioration. The preferred storage conditions will depend on the seed species, value, parcel size and packaging material.

Consideration should be given to the following principles in order to maintain seed quality;

- Vacuum packing in air tight containers such as tins, drums and hermetically sealed aluminium foil.
- Opened containers should be maintained in an air tight condition.
- Bulk seed packed in polypropylene or jute sacks being more readily affected by the immediate ambient air may require conditioned storage conditions.
- The maintenance of appropriate moisture and temperature regimes are important in the maintenance of seed quality.
- Commercial seed packaging used should be robust, for example cans, durable plastic drums or thick aluminium foils and due care must be exercised during seed handling to ensure any sudden impact does not result in damage to the packaging or seed.
- Seed deliveries to customers should be despatched in well wrapped and protected packaging and exposure to hostile environmental conditions avoided.

## **14 Compliance with the Code of Practice**

All Vegetable Seed Section members who are signatories of the Code are bound by the provisions of this Code of Practice. The New Zealand Grain and Seed Trade Secretariat will maintain a register of participating companies.

## **15 Management of the Code of Practice**

### **15.1 Management Committee**

Management of the Code will be vested in a Vegetable Seed Industry Code Management Committee comprising:

- 1 Chairman who is the Chair of the Vegetable Seeds Committee;
- 2 Nominees of the Vegetable Seeds Committee and duly appointed to the Management Committee by the Executive Council of the Association;
- 1 Secretary who is the Executive Director of the Association;

(Note: Secretary does not have voting rights).

The office of the Seed Industry Code Management Committee is located at:

Level 1, 122 Riccarton Road  
Christchurch,  
NEW ZEALAND.

Telephone: 03 341 6059

Facsimile: 03 341 5408

### **15.2 Term of Appointment**

Appointments are to be made annually by the Executive Council of the Association.

### **15.3 Conflict of Interest**

Should a complaint concern a member company represented by a member of the Management Committee that member of the Management Committee will, for that investigation, disqualify himself or herself and the Executive Council will appoint a representative of another member company to act as a temporary member of the Management Committee.

### **15.4 Quorum**

Two members of the Management Committee will constitute a quorum.

### **15.5 Management Committee Terms of Reference**

The terms of reference for the Management Committee include:-

- mediation and determination of disputed cases of alleged non-conformity to the Code;
- an annual review of the industry's performance in compliance with the Code;
- an annual review of complaints and their status;
- promotion of the Code to industry; and
- a review of the Code, as necessary, to assess the need for changes.

## **16 Complaint Handling Procedure**

Allegations of a breach of the Code must, in the first instance, be pursued by the person or company making the complaint directly with the person or company alleged to have breached the Code.

### **16.1 Alleged Breach of the Code**

If a complainant alleges a breach of the Code, the complainant shall notify the respondent (of whom the breach is alleged) in writing within 21 days of the date of the complainant becoming aware of the incident;

- a) specifying the breach;
- b) requiring that the breach be remedied;
- c) requiring that a reply in writing be given to the complainant within 21 days from receipt of the notification by the respondent;

- acknowledging receipt of the complainants notice;
- admitting or denying the breach;
- and if admitting the breach, setting out the steps taken or proposed to remedy the breach.

If;

- a) there is no reply by the respondent within the time limited;
- b) the respondent denies the breach;
- c) the respondent while admitting the breach, does not remedy the breach or propose a remedy which is satisfactory to the complainant; or
- d) the complaint is not otherwise resolved;

There is a dispute which may be referred by either party to the Management Committee.

### **16.2 Referral of Dispute to Management Committee**

If the complainant refers the dispute to the Management Committee, the complainant must send to the Secretary of the Management Committee:

- a) a copy of the notice given under 16.1;
- b) a copy of the reply if any given by the respondent;
- c) notice setting out the clauses of the Code alleged to have been breached;
- d) a request that the dispute be referred to the Management Committee;
- e) a fee of \$2500.00.

### **16.3 Documents Referred to Respondent by Secretary**

Upon receipt by the Secretary of the documents referred to in 16.2 a), b) c) and d) from the complainant, the Secretary shall send copies of them to the respondent and require the respondent within 14 days from receipt of the documents to send to the Secretary;

- a) an acknowledgment of receipt of the copies of the documents;
- b) any response the respondent desires to make.

Upon receipt from the respondent of the documents referred to in 16.3 a) and b) or upon expiration of 21 days after sending the documents referred to in 16.2 a), b), c) and d) to the respondent whichever first occurs, the Secretary shall refer the dispute with copies of any documents received by him under 16.3 a) and b) to the Management Committee.

### **16.4 Management Committee Options**

The Management Committee may at its option;

- a) attempt to resolve the dispute through mediation. The Chairman of the Management Committee shall obtain consent of all parties to the mediation before commencing;
- b) call upon the complainant or the respondent to provide such further information as the Management Committee may require;
- c) co-opt the services of appropriate experts as required. Such co-opted experts will have no voting rights. The costs incurred in the co-opting of appropriate experts will be covered by the parties to the dispute on a basis pre-determined by the Management Committee and agreed in writing by the parties prior to the co-opting of such services.

If the dispute cannot be resolved within twenty eight (28) days through mediation, it will be reviewed by the Management Committee who will decide whether to refer the matter to Arbitration according to procedures laid down by the NZGSTA Arbitration Rules in force at the time.

## 17 Remedial Action

The objectives of this Code of Practice are to assist and encourage vendors to provide meaningful information to consumers who purchase seed for sowing purposes. Matters which are determined to be outside the spirit of the Code and which are deemed of sufficient importance are to be followed through by the Management Committee.

### 17.1 Actions for Breaches of the Code

Where breaches of the Code have been clearly established the following actions may be taken by the Management Committee:

- Notify the respondent in writing to give a written undertaking to discontinue, within a specified time frame, any practice which has been determined to constitute a breach of the Code;
- Upon notification in writing, the respondent may be required to issue corrective statements as appropriate. The format, size, wording, mode of publication and method of distribution of such statements will be subject to the approval of the Management Committee prior to release/publication;
- A breach of the Code may be referred to an appropriate regulatory authority;
- Continued refusal by the offending party to undertake the required remedial action may lead to the Management Committee recommending the expulsion of an Association member from the New Zealand Grain & Seed Trade Association Inc. as provided by clauses 4(b) and 4(c) of the Association Rules and Constitution.

**THE UNDERSIGNED** being duly authorized have signed this Code of Practice for the Sale of Vegetable Seed in New Zealand.

<b>COMPANY NAME:</b>	
<b>NAME OF SIGNATORY:</b>	
<b>SIGNATURE:</b>	
<b>DATE:</b>	