



## FREQUENTLY ASKED QUESTIONS



### TRADE WITH CONFIDENCE

The DRC offers its members harmonized standards, procedures, and services that help them avoid commercial disputes. With education, mediation, and arbitration services available, the DRC provides efficient and cost-effective dispute resolution procedures for all its members.

 EDUCATION  MEDIATION  ARBITRATION



# TABLE OF CONTENTS

- ABOUT THE DRC ..... 3**
  - What is the DRC’s Vision and Mission Statement? ..... 3
  - What is the DRC? ..... 3
  - Where is the DRC located? ..... 3
  - What services does the DRC offer? ..... 3
  - How do I contact the DRC? ..... 3
  
- MEMBERSHIP ..... 4**
  - Who should be a DRC member and why? ..... 4
  - What are some of the benefits of DRC membership? ..... 4
  - Do I have to change my billing, documentation, or payment practices to use DRC services? ..... 4
  - If I am already a Blue Book member, why do I need the DRC? ..... 5
  - What is the difference between PACA and the DRC? ..... 5
  - What is DRC’s jurisdiction over disputes? ..... 5
  - Is a DRC membership mandatory for companies located outside of Canada? ..... 5
  - What is the cost of a DRC membership? ..... 5
  - What is the application process? ..... 6
  - Once I submit my application, how long does it take for my membership to become active? ..... 6
  - Can I join DRC after I have a dispute? ..... 6
  - Can two legal entities share a DRC membership? ..... 6
  
- DRC’S DISPUTE RESOLUTION MODEL ..... 7**
  - What types of disputes are addressed by DRC? ..... 8
  - Will the DRC resolve both domestic and international disputes? ..... 8
  - Do courts recognize DRC arbitration awards? ..... 8
  - Who mediates and arbitrates disputes brought to DRC? ..... 8
  - What do I do if I have a problem? ..... 8
  - If I am a DRC member, what happens if I have a dispute with a non-member? ..... 8
  - Is there a deadline to file a claim with DRC? ..... 8
  - What is the cost of bringing a dispute to DRC? ..... 9
  - Do I need to travel to Ottawa to bring a dispute to DRC? ..... 9
  
- OTHER FACTS..... 9**
  - Does DRC arrange for product inspections? ..... 9
  - What is DRC’s relationship with regulatory bodies such as the CFIA and the USDA? ..... 9



## ABOUT THE DRC

### What is the DRC's Vision and Mission Statement?

The DRC's vision is to promote economic viability and facilitate smooth transactions between buyers and sellers within the produce industry.

Our mission is to ensure fair and ethical trade for all our members.

### What is the DRC?

DRC is the short name for Fruit and Vegetable Dispute Resolution Corporation, a not-for-profit, member-based organization whose core work is "business-to-business private commercial dispute resolution." In other words, the DRC acts as a referee between parties when the purchase and sale do not go according to plan.

The DRC was established in February 2000 under [Article 707](#) of the North American Free Trade Agreement (NAFTA), which provided for the creation of a private commercial dispute resolution body for trade in agricultural goods.

On behalf of industry members, the DRC works closely with industry associations and governments to reform legislation, make federal inspections more accessible, develop best practices and level the playing field for participants.

The DRC is governed by a Board of Directors representing all facets of the produce industry. The Board consists of 12 directors, and 3 (non-voting) government liaison officers. The President and Chief Executive Officer report to the Board and manages the DRC's day-to-day operations.

### Where is the DRC located?

DRC's headquarters is in Building 75, Central Experimental Farm, 960 Carling Avenue, Ottawa, Ontario Canada, K1A 0C6.

### What services does the DRC offer?

The DRC:

- Offers a comprehensive and tailored suite of tools to build members' knowledge and capacity to avoid or resolve disputes.
- Provides harmonized standards, procedures, services, and education tools necessary to avoid and resolve disputes in the produce industry in a timely and cost-effective manner.
- Also provides seminars, webinars, and unlimited access to the DRC Help Desk, along with checklists and shareable educational materials to disperse in your office.

In addition, we offer a dispute resolution system that includes:

- **Consultation & Coaching:** Parties who need additional support may call the DRC for specific, confidential guidance.
- **Mediation:** Most disputes are resolved informally through informal consultations or mediation. For those who prefer a more structured process, we also offer formal mediation.
- **Arbitration:** Binding arbitration is available for disputes not resolved through the DRC's mediation process.

### How do I contact the DRC?

You can reach us by telephone at (+1) 613-234-0982; via e-mail at [info@fvdrc.com](mailto:info@fvdrc.com) or by fax at (+1) 613-234-8036. The DRC office is open Monday through Friday from 8:30 a.m. to 5:00 p.m. (EST). Our team is pleased to offer services in English, French, and Spanish. You may also visit our website at [FVDRC.com](http://FVDRC.com) for more information.

## MEMBERSHIP

### Who should be a DRC member and why?

Anyone who grows, buys, sells, brokers, or provides transportation services for produce should be a DRC member to reduce financial risk and improve profitability.

Membership is open to businesses located in a country adhering as a contracting state within the [New York Convention](#)<sup>1</sup>. Having a DRC membership demonstrates your commitment to fair and ethical trade.

### What are some of the benefits of DRC membership?

As a member, you will enjoy a range of benefits that can help you thrive in your business. These benefits include:

- Access to the member directory, which gives you the opportunity to connect with other members and expand your business network.
- Recognition as a preferred buyer or vendor, which can help you stand out from the competition.
- Greater commercial assurance, thanks to our commitment to fair and ethical business practices.
- One-on-one professional and confidential consultation with our experts, who can help you address any business challenges you may be facing.
- Access to our Help Desk, customized seminars, webinars, and print checklists for staff, as well as our publications and other resources.
- Fulfillment of the regulatory requirement for those subject to the Safe Food for Canadians Regulations (SFCR).
- Assistance on filing complaints through other dispute resolution mechanisms such as the Perishable Agricultural Commodities Act ([PACA](#)) or [Blue Book](#).
- Members have access to their own web portal, which includes:
  - Access to detailed membership-related information
    - Download and print your membership certificate.
    - You can search the membership directory for information about other members, pull reports by location and business type, and more.
    - View reports related to membership, such as active members, inactive members, and sanctioned parties.
    - Update your membership information and add new users.
  - Access to billing information such as:
    - Ability to pay your membership fees.
    - Look up past invoices and payments.
  - Access to trading assistance information.
    - View your past or present disputes.
    - Request trading assistance.

### Do I have to change my billing, documentation, or payment practices to use DRC services?

There is no need for changes if the practices have been agreed to by all parties (e.g., a contractual agreement) or are consistent with DRC's rules. If your contract of sale is vague or ambiguous, or you do not have one, DRC's established Trading Standards and Transportation Standards are the default.

<sup>1</sup>The 10 June 1958 Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also known as the "New York Arbitration Convention" or the "New York Convention", is one of the key instruments in international arbitration and is adhered to in over 172 countries.

If I am already a Blue Book member, why do I need the DRC?

[Blue Book](#) is a **for-profit organization** offering credit, marketing information and trading assistance for transactions in the produce industry whose jurisdiction is the United States.

The DRC is a **not-for-profit organization** whose primary focus is dispute resolution. Its jurisdiction includes members whose companies are located in countries identified as [contracting states](#) adhering to the New York Convention of 1958. Having a DRC membership demonstrates your commitment to fair and ethical trade.

What is the difference between PACA and the DRC?

Like the DRC, the USDA Perishable Agricultural Commodities Act ([PACA](#)) enforces a code of fair business practices and helps companies resolve business disputes.

The [difference](#) is that PACA has jurisdictional boundaries that are contained within the United States, whereas the DRC has jurisdiction between members whose companies are located within the contracting states adhered to the New York Convention. Other than the jurisdictional difference, DRC's Operating Rules are very similar to PACA's Statute.

What is DRC's jurisdiction over disputes?

The DRC is no longer limited to disputes arising in relation to transactions that have entered commerce in North America.

The DRC has jurisdiction over disputes between its members who are located where foreign arbitration awards can be court enforceable. Therefore, these members would reside in countries that adhere to the [New York Convention of 1958](#). As a result, the DRC does not need to offer regulatory support for enforcement. However, it does offer guidance on how to enforce an award.

With respect to member discipline, if a member does not act in accordance with DRC's By-laws and Operating Rules, the member may face disciplinary actions that can lead to the termination or expulsion of their membership. For Canadian buyers, membership termination limits one's ability to buy from outside the country or between provinces.

Any member who fails to follow its membership obligations, including fulfilling their financial obligations or payment of an arbitration award, will lose their membership, and members are notified of this sanction.

Under the Safe Food for Canadians Regulations, a DRC membership is a regulatory requirement for Canadian firms that buy, sell, import, or export fresh fruits and vegetables unless exempt.

Recognizing the importance of global supply chains, the DRC offers its services internationally to facilitate fair and ethical trade.

Is a DRC membership mandatory for companies located outside of Canada?

A DRC membership is optional for a company outside of Canada, unless you are a US non-resident importer ([NRI](#)). However, it is a legal requirement for a Canadian buyer to be a DRC member. If you sell fresh fruits or vegetables to a company in Canada, you must be a DRC member to access DRC's dispute resolution services. If a problem arises and you are not a DRC member during the transaction, you will not have access to these services, and your only recourse will be the lengthy and expensive court process.

What is the cost of a DRC membership?

The membership fee for companies **within Canada** is \$1,274 CAD plus tax if applicable. For companies **outside of Canada** is \$903 USD plus tax if applicable (as listed on January 1<sup>st</sup>, 2025). The fee covers a 12-month period and is paid annually. The fee may increase nominally each year to offset inflation. Complete details are outlined on the [application form](#).

**What is the application process?**

To begin, you can find the membership application on our website at [fvdrc.com/application-forms](https://fvdrc.com/application-forms). Alternatively, you may reach out to the [Help Desk](#) for assistance in obtaining the application or call +1 (613) 234-0982.

After filling out the application, make sure to include your payment when you return it to the DRC office.

Once your completed application and payment is received, a member services representative will get in touch with you to start the review process. It's important to note that the review can only begin once both the application and payment are submitted.

If your application is not approved or returned for any reason, you will not be charged a fee if paid by credit card. If you paid by cheque or wire transfer, you would receive a full refund.

**Once I submit my application, how long does it take for my membership to become active?**

The process of approving and issuing a DRC membership generally takes one (1) week to thirty (30) days. We recommend considering this timeline when applying for membership.

**Can I join DRC after I have a dispute?**

You may join at any time; however, DRC only has jurisdiction over transactions that occur following the approval of your membership application. If you were not a DRC member at the time of a transaction under dispute, DRC's ability to assist you is more limited than if you had been a member.

**Can two legal entities share a DRC membership?**

A DRC membership is only granted to a single legal entity. A membership may not be shared.

## DRC'S DISPUTE RESOLUTION MODEL

The dispute resolution model includes numerous components developed and implemented to ensure a timely, efficient, and satisfactory resolution. These include:

**Prevention Measures:** training, seminars and other informational and educational tools are the foundation of our system.

**Unassisted Problem Solving:** the parties try to resolve the dispute either on their own or with limited assistance from the DRC Help Desk

**Consultation & Coaching:** parties who need additional support may call DRC for specific, confidential guidance.

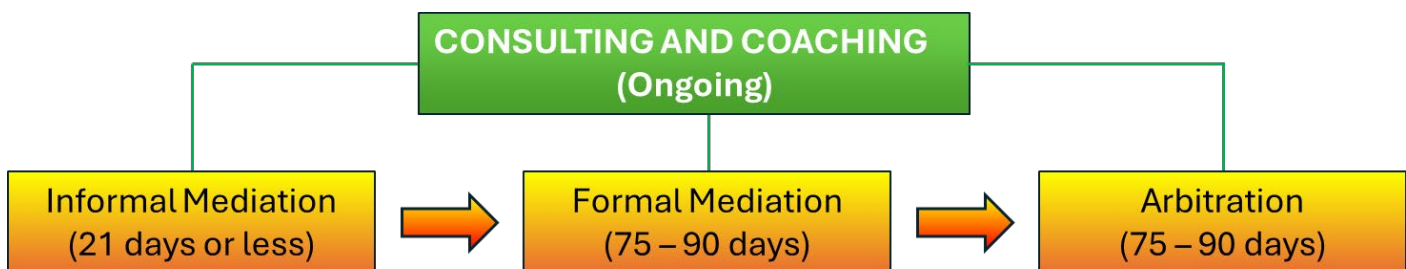
**Informal Mediation:** an informal exchange of documentation between DRC and the other parties involved; deadlines are imposed to ensure rapid resolution.

**Formal Mediation:** when informal Mediation has not resulted in a resolution, parties may agree to use an assigned mediator to help facilitate a voluntary settlement for a nominal fee.

**Expedited Arbitration:** less than 50,000 USD or by agreement of the parties – a mutually selected third party determines a binding settlement for a nominal fee.

**Formal Arbitration:** greater than 50,000 USD - a mutually selected neutral third party determines a binding settlement following an oral hearing; fees are applicable.

### DISPUTE RESOLUTION MODEL: Phases of the DRC Complaint Process



#### The most frequent and common inquiries:

- Whether the product meets or fails grade specifications
- Regarding Government Inspection Protocols (CFIA or USDA)
- Disagreements over an account of sales or liquidation reports
- DRC Good Arrival Guidelines Tolerances
- Non-payments
- Transportation-related matters
- DRC Member Standing (Member, Member in Good Standing, etc.)

<b>What types of disputes are addressed by DRC?</b>	The DRC can help resolve disputes related to the sale of fresh fruits and vegetables, from shipping point to upon arrival, including transportation, as well as cases of short or non-payment.
<b>Will the DRC resolve both domestic and international disputes?</b>	Yes. The DRC can resolve domestic and international disputes provided the buyers and sellers are members, have included a DRC arbitration clause in their contract, or mutually agree to use the DRC to resolve their dispute. Companies must reside within the <a href="#">contracting states</a> of the New York Convention of 1958.
<b>Do courts recognize DRC arbitration awards?</b>	Yes. Outstanding arbitration awards can be registered and enforced in the appropriate court of law or appropriate legal proceedings. 172 countries are contracting states to the New York Convention of 1958, which provides for the recognition and enforcement of foreign arbitral awards through the courts. Furthermore, failure to honour an arbitration award will result in expulsion from DRC.
<b>Who mediates and arbitrates disputes brought to DRC?</b>	<p>DRC members are obligated to have an informal mediation prior to initiating an arbitration process at no additional cost. Our highly skilled and experienced DRC staff are adept at managing the informal exchange of information between the parties. After discussing the case's strengths and weaknesses, efforts are made to reach an amicable and informal settlement.</p> <p>Over 80% of the cases presented to the DRC are resolved during the informal mediation process. Should this informal process not result in a settlement, the parties have the right to initiate the arbitration process where they participate in selecting a neutral arbitrator from the DRC approved list. These individuals are not DRC employees. While DRC staff administer the formal process, the independent arbitrators reach their decision without any influence from DRC staff or access to the informal file.</p>
<b>What do I do if I have a problem?</b>	Contact the DRC through our <a href="#">online form</a> or call +1 (613) 234-0982. DRC's Trading Assistance staff will advise you of the best course of action for your issue. Our services are available in three languages: English, French and Spanish.
<b>If I am a DRC member, what happens if I have a dispute with a non-member?</b>	<p>The DRC is dedicated to assisting its members, regardless of whether the dispute is with another DRC member or not. Non-members can also access DRC's dispute resolution services as long as the member voluntarily agrees to sign an arbitration agreement (or vice-versa), or a DRC arbitration clause is included in their contract. The non-member must pay a non-member fee to access the dispute resolution process, or they have the option of joining DRC. However, it's important to note that DRC's recourse is limited when dealing with a non-member.</p> <p>Therefore, we strongly recommend that you encourage your trading partners to join the DRC. This is a reliable way to ensure that you receive options and are not left without a remedy.</p>
<b>Is there a deadline to file a claim with DRC?</b>	Disputes must be submitted to the DRC within nine (9) months from the date on which the dispute arose. Unresolved disputes that exceed nine months will be considered abandoned.



**What is the cost of bringing a dispute to DRC?** With your DRC membership, you benefit from consultations and informal mediation at no additional cost. However, you may proceed to formal mediation or arbitration if your dispute remains unresolved. Please note that fees apply to formal mediation or arbitration but are based on a sliding scale to ensure affordability. Less than 20% of all disputes brought to the DRC proceed to this step. For arbitration procedures where the claim is less than USD 15,000, a fixed filing fee of USD 600 is in place. For claims over USD 15,000, please get in touch with the DRC office for a copy of the fee schedule.

**Do I need to travel to Ottawa to bring a dispute to DRC?** Consultations, coaching, informal mediation and expedited arbitrations under \$15,000 can be conducted over the phone, via e-mail, or virtually. All information can be exchanged electronically. During a formal arbitration, the parties will likely need to travel to a hearing unless they agree to have it virtually. When a presence hearing is needed, the DRC aims to choose a location that is easily accessible for all involved. Disputes very rarely escalate to formal arbitration.

## OTHER FACTS

**Does DRC arrange for product inspections?** The DRC does not offer destination inspection services nor accredit any service or policy, as noted below. Assuming there is domestic capacity within a member's country, the available options for inspection delivery are prioritized as follows:

- United States Department of Agriculture ([USDA](#)) and Canadian Food Inspection Agency ([CFIA](#)) government inspections
- USDA/CFIA accredited inspection services
- Private inspections mutually agreed upon by both parties involved in the dispute.

The service that carries the most weight is a government inspection (e.g., a CFIA or USDA inspection). The next best option is a destination inspection service accredited by CFIA or USDA; however, at present, there are none.

In the event of a dispute where a non-government survey or inspection is being submitted as evidence, the party submitting the inspection will bear the burden of proof regarding the agreement, the credibility, and the impartiality of that inspection. When using a non-government service, it is imperative to demonstrate that the parties discussed, understood, and agreed to use a non-government survey.

**What is DRC's relationship with regulatory bodies such as the CFIA and the USDA?** Both the CFIA and the USDA are actively engaged with DRC in an advisory capacity and a representative from each body maintains an ex-officio advisory position on the DRC Board of Directors.

## The Fruit and Vegetable Dispute Resolution Corporation (DRC)

Building 75, Central Experimental Farm, 960 Carling Avenue, Ottawa, ON K1A 0C6 Canada

Phone: +1.613.234.0982 | Web: [www.fvdrc.com](http://www.fvdrc.com) | Socials: [LinkedIn](#), [Facebook](#), [X](#)

The DRC team is pleased to offer services in three languages: English, French and Spanish.