

Arbitration – Myths and Realities

Common Myths	Realities
<p>Mandatory arbitration is cost-effective and a time-efficient method of dispute settlement</p>	<p>Arbitration cases involving livestock and poultry are normally expensive and time consuming. Arbitration can require both filing fees and fees related to actual proceedings such as the arbitrator's hourly wage. Arbitration clauses require up-front arbitration fees and deposits that must be paid by the farmer before he or she is given an arbitration hearing. These amounts <u>can easily add up to thousands of dollars</u></p> <p>In contrast, <u>filing fees for a civil court case are \$150 to \$250</u> and you don't have to pay for the judge. Lawyer fees in a civil case are often paid on a contingent-fee basis. Further, complicated arbitration proceedings can take as long as nine to twelve months before a hearing is held.</p>
<p>Arbitration has less complex procedures and can be done without legal representation.</p>	<p>Arbitration limits the procedural safeguards that you have in a public court of law, such as standards of evidence and the discovery process. With limited safeguards, the company <u>may not have to share documentation or evidence that may be crucial to the dispute.</u></p> <p>While theoretically an individual could attend arbitration without a lawyer, there is little doubt the company counter- part to the dispute will have legal representation. The absence of legal representation for the farmer would create an immediate and significant disadvantage.</p>
<p>Arbitrators are like judges; they have to follow the law and publicly state the reasons they made their decision.</p>	<p>Arbitrators are not bound by the same duty to apply the law as judges are. They <u>don't have make public or even provide to the grower any explanation for ruling the way that they did.</u></p> <p>Moreover, it is <u>nearly impossible to appeal</u> adverse decisions by arbitrators. A decision may be overturned only in extreme cases such as fraud or corruption.</p> <p>Most arbitration clauses require that proceedings <u>be kept confidential</u>, even if the case raises important public policy issues. As a result, arbitrators do not set or follow precedent for similar arbitrations. Judges must set and follow judicial precedent to ensure consistency and fairness in legal proceedings.</p>

More detailed information about the costs of going to court and arbitration can be found at <http://www.rafiusa.org/pubs/arbitrationchart.pdf>