

**COMPARISON OF COSTS FOR COURT VS. ARBITRATION**

	<b>Public System of Justice</b>	<b>Private Arbitration</b>
<b>Judges/Jury</b>	Publicly financed	Poultry contracts generally require a 3 arbitrator panel. Arbitrators are typically private attorneys, who set their own rates. According to the American Arbitration Association, the rates charged by arbitrators range from \$100 to \$600 per hour, with an average being about \$300 per hour (per arbitrator) This adds to the high cost of arbitration. Costs are generally split by parties, though some new poultry contracts require the losing party to pay for the entire cost. Average arbitrators' costs for a poultry case run between \$30,000 and \$60,000, to be split between the parties. (Arbitrators' fee deposits must be paid 30 days before the hearing. If not, arbitration is terminated or suspended. AAA rules do not allow for the deferral or reduction of arbitrator fees or deposits.)
<b>Attorney's Fees</b>	Generally taken on contingency. Unless the grower wins, the attorney is not paid.	Growers rarely have an opportunity to present their claims in arbitration. Growers cannot effectively represent themselves against the seasoned legal teams of the companies. Growers can not afford to pay an attorney an initial retainer of thousands of dollars as well as hourly fees billed by the month. It is very difficult to get an attorney to represent a grower on a "contingency basis" in arbitration, because chances of prevailing are limited, recoverable damages are limited, costs are high, and discovery is greatly curtailed. Many arbitration clauses contain provisions that severely limit recoverable damages. In court, you are entitled to recover what state or federal law allows, which always includes actual damages, compensatory damages, consequential damages if proven, and punitive damages if allowed under certain types of claims. Many arbitration clauses now prohibit punitive damages, consequential damages as well as permanent injunctive relief. A good example of the unfairness of these limitations is a grower who is cheated by the false weighing of his chickens and loses his farm because he cannot make his payments on his government guaranteed loan. His losses are great, but some arbitration clauses limit his recovery to the value of the pounds of chickens he was cheated out of, even though the ultimate result was the loss of the farm (consequential damages). This is precisely why growers can rarely pursue an arbitration claim against the companies.

	<b>Public System of Justice</b>	<b>Private Arbitration</b>
<b>Filing Fee</b>	\$100-\$250	In a typical poultry case, the filing would be in the range between \$2,750 and \$10,000. The fee is based on the size of claim, under AAA rules and the number of arbitrators. The filing fee is referred to as the “Administrative Fee” (see <a href="http://www.adr.org">www.adr.org</a> for fee schedule for “Commercial Arbitration Rules”)(Must be paid up-front for arbitration process to begin.) Many arbitration clauses prohibit more than one grower from bringing a claim in one action. Such multiple party claims are always allowed in state and federal courts as long as the claims are related and the defendant is the same. Clearly, such prohibitions in arbitration clauses are included solely to discourage claims and to make the cost of arbitration higher.
<b>Case Service Fee</b>	No such fee in public court	In a typical poultry case, the case service fee would be in the range of \$1,250- \$4000, based on the size of the claim under AAA rules and the number of arbitrators. (See <a href="http://www.adr.org">www.adr.org</a> for fee schedule for “Commercial Arbitration Rules.” Must be paid up-front for arbitration process to begin.)
<b>Court Reporter</b>	Publicly financed	Proceedings in arbitration are private and confidential. There is no public record, no disclosure of wrongdoing, no precedent created and no appeal. A party can hire a reporter but must pay the costs themselves.
<b>Court Room/Hearing Room Rental</b>	Publicly financed	Varies depending on area. Cost paid by parties.
<b>Expert Witnesses</b>	Paid by party calling witness, though in the case of a grower, the cost is generally financed up-front by the attorney, and the expense is only reimbursed if the grower wins the case. If the grower loses the case, the attorney generally is not reimbursed for this cost.	Cost paid by party calling witness. However, growers can rarely afford the high hourly fees charged by expert witnesses.

	<b>Public System of Justice</b>	<b>Private Arbitration</b>
<b>Depositions</b>	Cost paid by parties	Cost paid by parties, though generally discovery dispositions are greatly curtailed. Therefore causing an attorney to spend more time questioning a witness at the arbitration hearing. This creates more expense because the arbitrators are being paid their high hourly fees.
<b>Travel and other expenses of judge/jury</b>	Publicly financed	Hotel, food, and mileage expenses are paid by the parties. The costs vary depending on distance of travel.
<b>Estimated Total Expenses for an Average Poultry Case</b>	The cost to the grower is the \$100-\$250 filing fee. If the grower wins the case, he must share a portion of his award with the attorney (generally 30-40 percent) and reimburse the attorney for costs.	Normally in poultry cases, the total cost for arbitration ranges from \$40,000 to \$70,000 to be split between parties as mandated by the arbitration clause. This does not include the cost of the company's legal team. Generally, grower's share would be about \$30,000, which has to be paid up front, and is not contingent on the outcome. However some arbitration clauses now include "loser pays" provisions. If the grower does not prevail he would be charged with the cost of the company's legal team which would normally amount to tens of thousands of dollars. Clearly, such provisions in arbitration clauses are included solely to act as a deterrent to grower claims.