RESPONSIBILITY FOR MATERIAL DEFICIENCIES OF GOODS, WITH REFERENCE TO ORGANIC PRODUCT

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A R T I C L E I N F O

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A B S T R A C T

In this paper, the authors discuss the responsibility for material deficiencies of goods, with reference to the organic agriculture products, given the specific and highly demanding production system and the growing demand for organic products in developed countries and in Serbia. An integral part of everyday life is the risk that the goods purchased are more or less materially defective. Organic production methods involve the usage of natural processes and substances, and limit or completely eliminate the use of synthesized agents. Also, producers inevitably suffer from various external influences. The desire of consumers is to buy products which use natural ingredients that are obtained on the basis of natural procedures. Research in this paper has shown that in the creation of an organic product may occur material defects that more or less impair its essence. Therefore, this paper analyzes such shortcomings and also recommends how customers can act when they find themselves in this situation.

Introduction

In this paper, the authors analyze the material defects of the item with reference to the organic plant product for which the seller is responsible, in cases where there are material defects, having in mind the specifics of the organic production process, types of defects, and the rights of the buyer if there are material defects on the purchased item.

The responsibility of the seller (transferor) for items with a material defect is a general rule and an important instrument that ensures the protection of the interests of the buyer (Law on Contracts and Torts: ZOO, Law on Consumers Protection). Broadly speaking,

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the basis of this responsibility, considering its practical significance, is also based on the principle of equal value of benefits (the principle of equivalence of obligations) in a bilateral freight contract (Goldštajn, 1967).

Material defects exist if the sold item (product) does not have properties for its regular, usual use or trade, as well as when the item does not have the required properties for special use for which the buyer procures it, and the seller knew it or must have known it. There are also material defects if the item does not have the properties and characteristics that are explicitly or tacitly agreed between the parties, or prescribed, but also when the seller handed over the item that does not comply with the sample or model, unless the sample or model was used only to inform the other contracting party.

Contrary to the above, the seller is not liable for defects if they were known as such to the buyer at the time of conclusion, or could not remain unknown to him.

If the defects in the items are visible, they should be discovered during the usual inspection which the buyer is obliged to perform, or the item may be given for inspection to another qualified person, as soon as possible according to the regular course of things. The buyer is obliged to inform the seller about the visible shortcomings within eight days, and in the case of a contract in the economy immediately, otherwise he loses rights that belong to him on that basis (ZOO).

If it turns out, after receiving the item from the buyer, that the item has a defect that could not be detected by the usual inspection, then it is about a hidden flaw. As in the case when there are visible defects, the buyer is obliged, under the threat of losing the right, to inform the seller about that defect within eight days, but counting from the day when he discovered the defect. In the case of a contract in the economy, the buyer must inform the seller without delay. The buyer is obliged to describe the defect in more detail to the seller in the notice of defect and invite him to inspect the item.

The seller is not responsible for defects that appear after the expiration of six months from the delivery of the goods, except when the contract stipulates a longer period (ZOO). In the case of agreements on the international sale of goods, this period is two years (United Nations Convention on Contracts for the International Sale of Goods, 1980).

As organic production is a demanding, complex and comprehensive food production management system that combines best environmental practices, high levels of biodiversity (Paull, 2011), conservation of natural resources and the application of high standards (Book of Recommendations of the National Convention on European Union 2015), and the production method is in line with the desire of a particular consumer to buy products that use natural ingredients, which are obtained on the basis of natural processes (Kuepper, 2010; Popescu et al., 2019) while production is subject to external adverse effects with which the manufacturer can not always manage, there are great opportunities that an organic product has flaws, visible or hidden.

Material defects of the product

The transferor in the cargo contract is responsible for the material defects of the thing that it had at the time of transferring the risk to the acquirer, regardless of whether he was conscientious, or whether he was aware of the existence of defects. The transferor is also liable for those material defects that occur after the transfer of risk to the acquirer, if they are the result of a cause that existed before (ZOO; Perović, 1995).

The transferor is liable to the acquirer for material defects of the thing under certain conditions, which must be cumulatively fulfilled:

- the existence of product defects,
- concealment of shortcomings,
- the existence of a defect at the time of the transfer of rights,
- timely notification of the transferor by the acquirer.

The existence of product defects - The basic presumption of the carrier's liability is the existence of a material defect in the product. A defect is considered to exist if item does not correspond to the usual quality i.e. if it cannot be used in the usual way, on the one hand, and if it cannot be used in the manner specified in the contract between transferor and acquirer, on the other. In essence, material defects are those defects that affect the cause of the contract itself. Minor material defects are not taken into account (Čubrilo et al., (1979).

According to the provisions of the ZOO, material deficiencies exist in the following cases:

- if the thing does not have the necessary properties for its regular use or for trade
- if the thing does not have the necessary properties for its special use for which the acquirer procures it, and which was known to the transferor, or must have been known
- if the thing does not have the properties or characteristics that have been agreed upon, explicitly or tacitly
- when the transferor has handed over an item that does not comply with the sample or model, unless the sample or model is shown for information only.

Concealment of shortcomings - The principle of conscientiousness and honesty implies the appropriate behavior of both, the transferor and the acquirer of things. This means that the acquirer should also inspect the item he is acquiring with the usual care, which can be used to determine the existence of visible defects, i.e. defects, such as physical damage, etc. However, the situation is not the same when it comes to the classic contractual obligation between natural persons and the legal persons. If the examination of things includes certain professional knowledge, the acquirer in the contract in the economy, should also provide a basic examination which will be performed by experts of the appropriate profession. (Čubrilo et al, 1979; Milojević et al., 2020). There are often hidden flaws in things. When, after receiving the goods from the acquirer, it is determined that there is a defect that could not be determined by the usual inspection

during the takeover, then it is about a hidden defect of the thing. In such a case, the acquirer is obliged to inform the transferor about the defect, who is responsible for the defects regardless of his conscientiousness, i.e. whether or not he knew of the existence of deficiencies.

Existence of a defect at the time of transfer of rights - In the legal system of Serbia, the transferor is liable for material defects of the thing, regardless of his conscientiousness. So, the transferor is responsible for those shortcomings that the thing had at the time when it was in his possession. However, the transferor is responsible for those material defects that occur after the transfer of risk to the acquirer, but under condition that they are a consequence of the cause that existed before (ZOO; Perović, 1995) .

Timely notice - If the items are inspected in the presence of the representatives of both contracting parties, the acquirer is obliged to put remarks od the visible shortcomings immediately, otherwise he loses the right that belongs to him on that basis. In the event that the acquirer dispatches the item further (e.g. for resale), and the transferor knew or should have known about such shipment at the time of concluding the contract, the inspection of the item may be postponed until its arrival at the new destination. In that case, the acquirer is obliged to inform the transferor about the defects of the items as soon as, according to the regular course, he had to find out about them. The transferor will also be liable for a visible defect, if he stated to the acquirer that the items have no defects, and the acquirer is obliged to inform the transferor within eight days about visible defects, and in the case of trade contracts, without delay (Perović, 1995).

In the case of hidden defects, the transferor is liable for material defects if the transferee informs him about it within a subjective period of eight days, and in trade contracts without delay, because otherwise, the transferor loses the right to protection. However, the transferor will not be liable for hidden defects that appear after the expiration of six months from the sale of the item, when it comes to the objective deadline, unless a longer deadline is agreed. If the item was handed over for repair due to defects, or another item was delivered, replacement of parts or similar, these deadlines start to run from the delivery of the repaired item, delivery of other item or similar.

Characteristics of organic production

Agriculture, as the most important strategic economic branch, aims to produce quality and safe food for humanity as well as natural cycles necessary for the survival of life on earth. Unlike conventional production, organic production is based on the biological balance of the system. One of the basic principles of organic production is perhaps best illustrated by the importance of organic products: healthy soil - healthy plants and animals - healthy people (Book of Recommendations of the National Convention on the European Union 2015).

Organic production methods include a system of sustainable agriculture based on high respect for environmental principles, rational use of natural resources, use of renewable energy sources, conservation of natural diversity and environmental protection (Paull,

2006). Therefore, organic production is currently the fastest growing food sector in developed countries, with a significant impact on the creation of new quality of life, human health, quality of the environment and plant communities.

Organic production is production with many restrictions and prohibitions in the process of production and transport of organic products. The use of genetically modified organisms, artificial colors, sweeteners, flavor enhancers, synthetic plant protection products, preservatives, etc. is prohibited. For example, in the processing of raw materials in conventional production, the use of about 390 additives is allowed, and in organic only 49.

In addition to the above, the process of organic production is also influenced by external factors. These are elements of the external environment, over which the manufacturer has no control, can not affect the way they will be formed (Rajnovic, 2021) or their appearance, such as pollution of water, environment, land, natural disasters. They can present opportunities or threats to the manufacturer, depending on the form in which they appear.

The basic principles for the development of organic agriculture were set by the International Federation of Organic Agriculture Movements (IFOAM, 1972.), International organization for organic production, which was founded in 1972. These standards are based on European Union regulations, then the Codex Alimentarius, as well as the Law on Organic Production and Organic Products of the Republic of Serbia.

The basic principles on which organic agriculture is based according to IFOAM are:

- principle of health - organic agriculture should maintain and increase the health of people, plants, animals, land and the planet as a whole (Wheeler, S. A. (2008),
- principle of ecology - organic agriculture should be based on living eco-systems and cycles, to support them and help maintain them (Emsley, J. 2001),
- principle of justice - organic agriculture should be based on fair relations with the general environment, nature and life,
- the principle of nurturing and caring - organic agriculture should be managed in a prudent and responsible way to preserve the health and well-being of present and future generations and ecosystems.

Aim of the paper and methodology used

For the purposes of this paper, the authors conducted an interview with 26 entities engaged in organic production for the territory of Vojvodina, from which 22 are entrepreneurs and 4 are small legal entities. All of them have been involved in organic plant production for at least ten years and all of them are members of an association of organic producers. All entities are regularly educated in this field.

The following methods were used in the research of the topic in question, in order to collect and evaluate relevant information:

- producer's interviews as a descriptive method, which show what kind of product deficiencies have occurred in the producer's practice so far and that the observed cases can be taken as typical cases,
- the comparative method enabled the authors to come to generalizations or new conclusions by comparing the same or similar phenomena or establishing similarities and differences between them,
- method of synthesis, was used in the end to summarize the conclusions at the level for the territory of Republic of Serbia, with recommendations for efficient and effective resolution of the consequences of the sold organic product with shortcomings.

From the analysis of all collected data, the authors came to the conclusion that, given that Serbia is a predominantly rural country with an unpolluted agricultural system, due to the use of smaller amounts of chemicalization, which means that organic products with quality deficiencies do not appear in production. Quality is the basic feature of an organic product, without which an organic product would not have defined properties.

To a lesser extent, there are products with material and physical defects, mainly physical damage caused in transport or due to other external influences.

Research results

According to the data from 2011, organic production was applied in 120 countries in the world and has been developing very fast until today. Over the last decade, the volume of organic production in the world has increased significantly, so that on a global scale, organic production covers more than 26 million hectares of agricultural land (www.organic-world.net). Sales of organic products in the world are increasing from year to year. The most important markets for organic food are the United States, Canada, Europe and Japan. The largest consumers of organic food in Europe are Germany, Great Britain, Italy and France (Organic production in Serbia 2020).

According to data from 2011, the countries with the largest organic areas are Australia (11.8 million hectares), Argentina (3.1 million), China (2.3 million) and the United States 1.6 million hectares). The percentage of areas under organic production in relation to the area of the country shows a completely different situation because in the first ten countries of the world only European countries are represented: Liechtenstein (26.4%), Austria (12.9%) and Switzerland (10.27). The tendency of development of organic production in the countries of Central and Eastern Europe is more and more pronounced (www.organic-world.net).

Serbia is a country that is at the very top of other countries in terms of the area of land on which it is possible to apply organic production, since Serbia is full of regions that practically represent "untouched nature". There is a possibility to immediately include these areas in organic production without the flow of time required for conversion, which is a great advantage. According to official data for 2011, organic production in Serbia took place on an area of 2,860 hectares. This data also includes areas used

for the collection of wild fruits, mushrooms and medicinal plants (Organic Production in Serbia, 2013). Organic production in Serbia is becoming increasingly popular and economically important. In 2019, the area of land under organic plant production was 21,264 ha (Organic production in Serbia 2020). Organic production can significantly contribute to the development of rural areas and agriculture in general, which is why it is set as one of the priorities of agricultural development and is an integral part of the strategy for rural and agricultural development of Serbia.

Research in practice

For the purposes of this paper, the authors conducted an interview with 26 people engaged in organic production in Vojvodina, of which 22 are entrepreneurs and 4 small companies. All have been involved in organic plant production for at least ten years and all are members of an association of organic producers. All persons are regularly educated in this field.

The research was conducted in a period of three years, from 2019 to 2021. In the observed period, there was a minimum amount of defective products, of which about 90% were physical defects caused by harvesting, transport or transshipment of products and only in one case in one agricultural year an insignificant amount of products with a qualitative deficiency appeared, in the case of seed wheat. This shortcoming was immediately noticed by the buyer of the product, who immediately filed a complaint, i.e. immediately after the vegetation and the classification of seed wheat. There were no other qualitative shortcomings of the product.

In order to research this topic in the case of organic products, it was necessary to determine:

- were there any product defects,
- type of deficiencies: physical or qualitative?

Table 1. Deficiencies of organic products in the observed period

Serial number	Product type	Kind of a defects		No flaws	Period of observation		
		Physical	Qualitative		2019.	2020	2021
1.	Seed wheat		Qualitative		Yes	No	No
2.	Broccoli	Physical			Yes	Yes	Yes
3.	Raspberries	Physical			Yes	Yes	Yes
4.	Strawberries	Physical			Yes	Yes	Yes
5.	Cherries	Physical			Yes	Yes	Yes
6.	Walnut			No	No	No	No
7.	Hazelnut			No	No	No	No

Source: Research of Authors.

Possible shortcomings of the organic product and responsibility for the shortcomings

Agriculture is the primary branch of the economy, present in all economic and political systems that accompany people, in all climatic zones and regions. The activity of agriculture, everywhere of the world, in addition to the factors and phenomena created by people, is determined by the conditions created by the forces of nature. Agriculture has a dual role: it needs to find a way to produce quality food for the population and at the same time take care of nature while preserving biodiversity (Rajnović et al., 2020; Micić et al., 2022). Ecologically sustainable agriculture that uses natural resources wisely is essential for food production and the quality of life of people. For all that, agriculture needs a material basis and permanent acquisition of new knowledge all the time of business (Cico et al., 2021).

Organic production is fully controlled production, the conditions of which must be adapted to the specific conditions of the country in which the production takes place (OECD, 2013). In order to develop organic production in a certain area, it must meet precisely set goals, namely: isolation of land, livestock farms and processing facilities from possible sources of pollution, adequate quality of irrigation water, coordinated development of plant and livestock production, ability of producers to production of organic products with the obligation of continuous improvement in this area (IFOAM, 1972). In order to preserve economic benefits with reduced application of chemicalization, it is necessary to use natural resources with the greatest care, especially pastures and meadows (FAO, 2010).

Since in the developed countries of the world, modern agriculture with aggressive application of all available chemicals has led to the deterioration of air, water and soil quality, it is almost impossible to establish organic production because it would lead to irreversible quality deficiencies of organic products. Due to that, there is a lack of organic products in those countries. Therefore, less developed countries, where the game system is still preserved, have the opportunity to develop organic production without qualitative shortcomings.

As the conditions for organic production are highly demanding, which can be affected by unforeseen external influences, an organic product can have visible or hidden shortcomings. The essential shortcomings of the organic product are certainly the qualitative shortcomings, because quality is the basic feature of these products and at the same time the reason why the consumer buys them. In this paper, the authors analyze the position of the contracting parties when the transferor sells a defective product, in which case the buyer’s right is at the same time the seller’s obligation.

Protection effect - When a seller sells a defective product, the question arises as to how the buyer’s interests are protected. The goal of protection must be the correction of these disorders, in order for the contract to remain in force (ZOO; Perović, 1995). For this purpose, various legal instruments can be used, namely: the duty of the transferor to eliminate the defect at the request of the acquirer; the duty of the transferor to replace

defective generic items; contract termination; compensation for damages. Based on the mentioned legal instruments, two basic systems of protection of the buyer's interests are envisaged in foreign law.

The first system, which has its basis in Roman law, involves the possibility of applying two lawsuits:

- *Actio redhibitoria*, which demanded the termination of the contract of sale and a refund of the price paid, due to hidden defects that diminished the value of the thing, or excluded the normal use of the thing,
- *Actio quanti minoris,* was raised for the same reasons, but when the buyer did not want the termination, but the survival of the contract, in which case he was entitled to a certain price reduction.

The second system differs from the first in that the acquirer has no *ius optionis,* because the survival and termination of the contract is decided by the court, taking into account the circumstances of the case and the relevant legal standards. In this system, too, the acquirer is protected by appropriate legal instruments, but he cannot choose them at will. In this case, the termination of the contract can occur if the shortcomings are such that they cannot be eliminated, or significantly hinder the use of things, i.e. when it comes to major shortcomings. In case of minor defects, the acquirer cannot request the termination of the contract, but only a proportional reduction of the price, repair of the item or supplementation of what is missing. The acquirer will also be entitled to compensation for damages, and its amount will depend on his conscientiousness, as in the first system.

In addition to these two, there is a third system, mixed, which is accepted in Serbian law and starts from the idea that such a measure should be found, which will not give preference to either the transferor or the acquirer, as the previous two systems give, which means a combination of the previous two systems. Accordingly, the buyer who has timely and properly notified the seller of the material defect of the product has the right to request: fulfillment of the contract, price reduction, termination of the contract and compensation for damages (ZOO).

Fulfillment of the contract implies the right of the buyer to demand from the seller to remove the defect or hand over other things without defect, while the solution which implies lowering the price means the survival of the contract, but also changing its essential element, i.e. price.

In addition to these rights, the buyer is also given the right to terminate the contract. However, this right may be excluded by the contract, but the acquirer, who waived the right to terminate the contract due to physical defects, retains all other rights. In order to exercise this right, the acquirer must allow the transferor a subsequent reasonable time to perform the contract (Perović, 1995). An exception to this condition is also provided. Namely, if the transferor informs the acquirer that he will not fulfill the contract even after the notification of defects, or if the circumstances of the specific case obviously

show that the seller will not be able to fulfill the contract even later, the acquirer may terminate the contract without leaving a deadline.

If only a part of the delivered item has defects, the acquirer may terminate the contract, but only in the part that has defects, or in respect of the missing part. The acquirer will lose the right to terminate the contract due to physical defects if it is impossible to return the item, or the inability to return the item in the condition in which it was at the time of receipt. If the thing has failed in whole or in part, or has been damaged due to a defect that justifies the termination of the contract, the law gives the acquirer the possibility to terminate the contract (Krulj, 1972). The acquirer may terminate the contract if the item is completely or partially lost, or is damaged due to the buyer's obligation to inspect the item, or if the customer spent or changed part of the item during its regular use before the defect was discovered, as well as in cases where damage or alteration slight.

Consequences - With the termination of the contract due to the existence of material deficiencies, the cause of mutual services ceases to exist, which means that the party who fulfilled his service will have the right to restitution, ie both parties will have the right to restitution if they performed their actions. In doing so, each party will be obliged to reimburse the benefits it has received from the use of the items (Perović, 1995).

The agricultural insurance market in Serbia is characterized by a small percentage of insured areas and unfavorable agricultural insurance structures because one-case insurance dominates, most often from the hail, while insurance against other risks in Serbia is not available (Vasiljevic et al., 2020; Andrei, & Darvasi, 2012). Due to that, the compensation for the damage to the buyer, in Serbia, is mostly borne by the seller.

Exercising the right on the basis of the institution of material defects of things, involves two types of deadlines: timely notification of the transferor by the acquirer of the existence of defects and timely filing of a lawsuit by the acquirer:

- timely notification of the transferor by the acquirer of the existence of defects is related to short deadlines. The notification should follow the discovery of the defects without delay, because in this way, it seems certain that there is a defect and eliminates the possible greater damage that may occur due to the functioning and use of the defective item. Serbian law provides for a subjective deadline for notifying the transferor, which is eight days from the day the defect was discovered, if it is a hidden defect. In addition to the subjective, there is also an objective deadline of six months from the delivery of the item (Krulj, 1972). The transferor is not responsible for deficiencies that appear after this deadline. However, this objective deadline also depends on one subjective circumstance, namely the conscientiousness, ie negligence of the transmitter. If the transferor knew, or should have known about the defect, then the transferee does not lose the right to protection even when he did not inspect the item without delay, ie when he informed the transferor within eight days, and even when the defect became apparent after six months (Perović, 1995).

- timely filing of a lawsuit by the acquirer, with the merits of the lawsuit, is a condition for success in the dispute. In the law of Serbia, two situations are envisaged: the first, when the acquirer fulfilled his performance, and the second, when he did not fulfill his performance. In the first case, the rights of the acquirer, who promptly informed the transferor of the existence of a defect, shall cease after one year from the date of dispatch of the notice to the transferor, unless his fraud prevented the transferor from using them. In the second case, the acquirer who has timely notified the transferor of the existence of a defect and has not yet paid the price, may, after one year, file a request to reduce the price or compensate him for the damage, as an objection to the transferor's right to demand fulfillment of the acquirer's performance (ZOO; Perović, 1995).

Deviation from the legal rules of protection in case of physical defects of the product

Provisions on protection due to the sale of defective items are of a dispositive nature, so that legal regulations enable the contracting parties to regulate their mutual rights and obligations differently, but the negligence of any contracting party cannot be tolerated, nor can the functioning of basic legal instruments.

When it comes to physical defects, the contractors can expand, reduce or limit, but also exclude the liability of the transferor. According to the law of Serbia, the contractors can limit or completely exclude the seller's liability for material defects of the thing, but under the condition of the conscientiousness of the transferor, because otherwise, such provisions will be null and void (ZOO; Perović, 1995).

In the case of a voluntary public offer, all the rules of the seller's liability for both legal and physical defects apply, while in the case of a forced public sale, the holder whose item was sold is not liable for defects.

Amount of compensation for material damage

The scope of compensation includes everything that reduced the property of the injured party due to the damage, including actual damage, lost profit, as well as all other costs caused by the harmful event, such as costs of transporting goods, interest on lost funds to eliminate the consequences of damage and similarly. The injured party is entitled to compensation for ordinary damage, but also to compensation for lost profits, and the principle of integral compensation applies to its amount.

In the case of contractual liability for damage, the degree of guilt should be taken into account: in the case of ordinary negligence of the pest, the actual damage and lost profits are limited to foreseeable damage; when it comes to fraud, intent and gross negligence, the seller owes the entire damage; if the creditor has incurred any gain due to causing damage, it will also be taken into account when determining the amount of damages.

The amount of damages is determined according to the prices at the time of the court decision, except when otherwise provided by law. When assessing the amount of lost profits, the profit that could reasonably be expected according to the regular course of events or according to special circumstances, and the realization of which is prevented by the pest's action or omission, is taken into account. If the thing was destroyed by a criminal act committed with intent, the court may determine the amount of compensation according to the value that the thing had for the injured party.

The court will award compensation in the amount necessary to bring the injured party's property situation to the state in which he would have been if there had been no harmful act or omission. In certain cases, the court may order the responsible person to pay less compensation than the amount of damage, which will be the case when the damage was not caused intentionally or with gross negligence and the responsible person is in poor financial condition, which is why the payment of the full amount of damage would bring him into poverty. Reduction of compensation is also possible if the pest caused damage by doing something for the benefit of the injured party, whereby the court takes into account the degree of attention that the pest shows in its own affairs. When making a decision on reducing the compensation, the court must also take into account the condition of the injured party's property.

In the case of shared responsibility for causing damage, the injured party who contributed to the damage occurring or being greater than it would otherwise be, is entitled only to a proportionately reduced compensation.

Conclusion

This paper analyzes the legal institutes most important in the field of trade in defective products, especially when the subject of trade is an organic plant product, for the production of which there are significant potentials in Serbia, given that it has numerous places of ecologically clean natural conditions needed for organic production. The analysis was performed from the aspect of domestic and comparative law, as well as international uniform rules, with special emphasis on their application in practice.

Conditions for organic production are highly demanding, based on the use of crop rotation, compost and biological control of insects, green manure. Organic production involves the use of fertilizers and pesticides that are considered natural. Methods of organic agricultural production are internationally regulated and implemented by many countries, and are based on standards established by IFOAM, with the aim of establishing sustainable development, conservation and health and safety, which are the main reasons for the introduction of organic production.

The quality of an organic product is an essential motive for purchase by consumers, because quality is the basic feature of an organic product. This flaw is usually a hidden flaw. In this paper, the authors analyze the position of the contracting parties in a situation where the transferor sells a defective product, in which case the buyer's right is the seller's obligation.

In this period of research, the authors found that in practice there is a minimum amount of defective products, of which about 90% are products with physical defects, which were mainly created during harvesting, transport or transhipment of products and only in one case in one agricultural year a small amount of products with a qualitative deficiency appeared, in the case of seed wheat.

The liability of the seller (transferor) for defective items is a general rule and an important instrument that ensures the equivalence of the obligations of the contracting parties in a bilateral cargo contract. Therefore, the transferor, in the case of delivery of defective goods, is obliged to compensate the buyer for the damage suffered at the request of the buyer. Of course, the rules determined by law in this matter can be regulated in a different way by an agreement between the seller and the buyer.

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Conflict of interests

The authors declare no conflict of interests.

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