

TYPICAL PRODUCTION CONTRACT (PULSE CROPS)

Recommended by the Canadian Special Crops Association and the Saskatchewan Pulse Growers

Date: _____

Between:

_____ (Grower's Name)
 _____ (Grower's Address)

 _____ (CWB No., if applicable)
 _____ (Email)
 _____ (Fax)

("Grower")

And

_____ (Buyer's Name)
 _____ (Buyer's Address)

 _____ (Email)
 _____ (Fax)

("Buyer")

1. Grower shall produce and deliver a crop from seed and other inputs purchased from the Buyer, and Buyer agrees to buy as described below:

Crop	<i>Full description of product to be grown and delivered, including variety</i>
Minimum Specifications	<i>The specifications should be described in as much detail as possible</i> <i>Maximum moisture levels</i> _____ <i>Grade:</i> _____ <i>Permitted Dockage:</i> _____ <i>Other Requirements:</i>
Grading Authority	<i>Choose one. If not checked, Canadian Grain Commission will be used:</i> <input type="checkbox"/> <i>Canadian Grain Commission</i> <input type="checkbox"/> <i>SGS Canada Inc.</i>
Acres To Be Planted	_____ <i>acres, located at</i> _____

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	<i>(include legal description of lands)</i>
Delivery Location	_____
Delivery Period	_____, 20__ to _____, 20__
Price (or price scale for differing levels of quality permitted)	\$ _____
Priced Tonnage Per Acre (s. 6)	_____ tonnes/acre
Extra Delivery Rate (s. 7)	\$ _____ /tonne
Extra Storage Fee (s. 7)	\$ _____ /tonne
Administration Fee (s. 5 of Standard Conditions)	\$ _____ /tonne
Inputs	<i>Full description of fertilizer, herbicides or other inputs to be purchased from Buyer, including prices and quantities</i>
Prohibited Product(s) (ss. 4(h))	<i>Describe any pesticides, herbicides or other products which may not be applied to the Crop</i>
Screenings Owner	Grower / Buyer (Circle one)

2.
 - a) Grower agrees to deliver the Crop to the Delivery Location, at the Grower's expense, during the Delivery Period, as directed by the Buyer.
 - b) Grower agrees to provide a representative sample of the Crop to the Buyer within ten (10) days of beginning harvest of the Crop.
 - c) The Buyer shall give the Grower at least seven (7) clear days notice of a delivery date or dates.

3. Provided that the Crop delivered meets the Minimum Specifications, the Buyer shall pay the Price, less any amounts owing to the Buyer by the Grower for Inputs, to the Grower within ten (10) days of delivery of the Crop.

4. Grower shall produce the highest quality product possible and meet the Minimum Specifications. In addition, Grower shall:

- a) take all reasonable measures to prevent contamination of the Crop during growing and handling of the Crop;
- b) unless otherwise provided in this agreement, be responsible for all costs of growing, storage and delivery of the Crop;
- c) advise the Buyer of any crop failure or substantial damage to the Crop within ten (10) days of its occurrence, and forthwith provide to the Buyer copies of all crop insurance loss reports;
- d) permit the Buyer to inspect the Crop while growing or after harvest, provided that the Buyer shall give reasonable prior notice to the Grower and shall perform such inspections during reasonable hours;
- e) provide reports and information, in the form disclosed by the Buyer at the time of signing this agreement, when reasonably requested by the Buyer and in any event, prior to delivery of the Crop;

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- f) keep harvest, handling and storage equipment free of mixtures of commodities and foreign materials;
 - g) utilize good husbandry practices, consistent with those customary in the province where the Grower resides;
 - h) not use any pesticides, herbicides or similar products on the Crop except where such product:
 - a. is registered for use on the crop under the *Pest Control Products Act* (Canada) or any federal or provincial legislation of similar application;
 - b. is used only in accordance with the product manufacturer's instructions and recommendations; and
 - c. is not a Prohibited Product.
5. Provided that Grower has used its best efforts to produce the Crop, Grower shall not be liable to deliver any quantity of Crop other than that grown on the Acres To Be Planted.
6. If the Grower produces Crop from the Acres To Be Planted that is more than the Priced Tonnage Per Acre, the Buyer will have the right of first refusal to purchase the additional Crop from the Grower at the Buyer's prevailing market bid price at the later of harvest or time of delivery. If the parties do not agree on the purchase price bid of the Buyer, the Grower may seek bids from other buyers. If the Grower receives a *bona fide* bid for the additional Crop from another buyer that is acceptable, the Grower will give written notice to the Buyer of all applicable terms and price of the bid, including the other buyer's name. If the Buyer decides to accept the price and terms described on the bid, then the Buyer must provide notice to the Grower within 2 days after receipt of the Grower's notice. If no such notice is given the Grower is then free to accept the bid. If the Grower decides not to accept that bid then the Buyer's right of first refusal remains in force until the additional Crop is ultimately sold.
7. If the Delivery Location is unable to accept delivery for any reason, the Buyer may:
- a) designate an alternate Delivery Location, and reimburse the Grower for any additional costs of delivery at the Extra Delivery Rate per additional kilometre; or
 - b) with the prior consent of the Grower, pay the Grower a monthly storage fee equal to the Extra Storage Fee per tonne for every month, or portion thereof, after the last day of the Delivery Period until delivery.
8. If the Crop does not meet the Minimum Specifications, the Grower may elect to provide product to the Buyer which does not meet the Minimum Specifications and to accept payment from the Buyer for the Crop of the quality so delivered at a price equal to the Price basis less the Buyer's price spreads in effect at the time of delivery of the lower grade.
9.
 - a) To secure delivery of the Crop to the Buyer, the Grower hereby grants to the Buyer a security interest in the Crop and all proceeds thereof. Upon any default under this agreement, which has not been remedied within ten (10) days of the Buyer providing written notice to the Grower, all amounts owing by the Grower to the Buyer shall become immediately due and payable. The Buyer may take such measures to enforce its security as may be permitted, including any rights under the personal property security legislation of the province in which the Grower resides.
 - b) Except for the security interest created under subsection (a), the Grower shall keep the Crop free and clear of all liens, security interests and encumbrances and shall transfer clear title of the Crop to the Buyer.
10. In the event that the Grower produces product of the same type as the Crop, and which is not the subject of this agreement ("the Additional Product"), the Grower shall, within ten (10) days of seeding the Additional Product, disclose the particulars to the Buyer.

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11. All deliveries shall meet or exceed the Minimum Specifications. In the event that there is a dispute regarding the specifications of the Crop delivered, a sample of the Crop shall be forwarded to the Grading Authority, whose decision shall be binding on the parties.

12. The terms and conditions contained in the Standard Conditions, and in Schedule "A" (if any) are incorporated into this agreement.

OPTIONAL CLAUSES

Note: The following clauses may be included or deleted, as the parties may agree. If they are deleted, they should be stroked out, and each party should initial the deletion.

A. Grower shall use fertilizers, pesticides, herbicides and other inputs purchased through the Buyer, unless specifically provided otherwise in this agreement.

Choose no more than one of B, C or D:

B. If either party is unable to deliver or accept the Crop, as the case may be, due to an Act of God, then the other party may elect to cancel this agreement, or to extend the time for delivery until the first reasonable opportunity. For purposes of this agreement, "Act of God" shall mean an occurrence due entirely to forces of nature which could not have been prevented through human intervention.

C. If either party is unable to deliver or accept the Crop, as the case may be, due to an Act of God, then this agreement shall be at an end, and neither party shall be liable to the other for any further costs, charges, damages or expenses of any kind. For purposes of this agreement, "Act of God" shall mean an occurrence due entirely to forces of nature which could not have been prevented through human intervention.

D. If the Grower is unable to deliver the Crop due to an Act of God, then this agreement shall be at an end, and the Grower shall reimburse the Buyer for any inputs, advances or other amounts provided to the Grower with respect to this agreement. The Grower shall have no further liability to the Producer after such reimbursement. For purposes of this agreement, "Act of God" shall mean an occurrence due entirely to forces of nature which could not have been prevented through human intervention.;

Grower

Witness

Buyer

Witness

