



CHAMPION FLOUR MILLING LTD.
MILLING WHEAT NORTH ISLAND CONTRACT 2020 HARVEST

PARTIES TO AGREEMENT

Champion Flour Milling Ltd

Contract # _____

Broker Reference.....

Merchant.....of.....

Grower Name..... of Farm/'Trading As'

Grower Address.....

Email address..... Cellphone.....

Grower GST Number QA Number.....

Comments.....

Transport CompanyLocation of Line (silo#).....

Signed by the Grower - Date: / /

Signed for and on behalf of the Merchant - Date: / /

Signed for and on behalf of Champion Flour Milling Ltd and its duly authorised representatives
..... Date: / /

This contract is not binding unless it is signed by all interested parties.

1. PURCHASE OF MILLING WHEAT

1.1 Champion Flour Milling Ltd agrees to purchase and the Grower agrees to sell on the terms hereinafter set out the Grower's milling wheat harvest as specified below ('the Crop'):

Cultivar Tonnage

Nominated Delivery Point - CHAMPION FLOUR MILLS MOUNT MAUNGANUI, or other delivery point stipulated by Champion Flour Mills within a 40km radius of Tauranga and as notified to the Grower in accordance with clause 5.1.

2. QUALITY SPECIFICATIONS

2.1 The Crop to be sold and purchased shall meet the Quality Specifications set out in Schedule 1.

3. PRICE

- 3.1 The price payable for the Crop will be calculated on the basis set out in schedule 2 and in all cases on the basis of turn out weights and grading at the Nominated Delivery Point.
- 3.2 The grading of the Crop will be carried out by Champion Flour Milling Ltd at the Nominated Delivery Point and in accordance with the tests specified in Schedule 5. The Grower agrees to abide by the grading as determined by Champion Flour Milling Ltd.
- 3.3 All Crop production costs shall be for the Grower's account, including drying and screening costs if required.
- 3.4 The Grower acknowledges that a royalty charge will be deducted by Champion Flour Milling Ltd and paid to the grain breeder ('the Breeder'), such royalty charge to be based on payment weight and GST as stipulated by the Breeder from time to time.

4. GROWER'S UNDERTAKINGS

- 4.1 The Grower shall procure sufficient quantity of seed certified as true to variety in the specified cultivar and shall grow and harvest the Crop in accordance with recognised and generally accepted crop husbandry principles.
- 4.2 The Grower's production area is to be Quality Assurance Registered in the QAgainz scheme.
- 4.3 The Grower shall not supply any wheat that has been treated with any form of chemical defoliant or animal effluent.

5. DELIVERY

- 5.1 The Grower shall be responsible to arrange delivery of the Crop as and when required by Champion Flour Milling Ltd to the Nominated Delivery Point (as notified by Champion Flour Milling Ltd prior to delivery) or such other delivery point stipulated by Champion Flour Milling Ltd within a 40km radius of Tauranga.
- 5.2 The Grower acknowledges that whereas Champion Flour Milling Ltd will endeavour to require delivery of the Crop in the projected delivery month, Champion Flour Milling Ltd nevertheless has complete discretion as to when it calls for delivery of the Crop and as to how much of the Crop it requires to be delivered at any particular time.
- 5.3 Costs for delivery to the Nominated Delivery Point shall be for the Grower's account. Where Champion Flour Milling Ltd calls for delivery to some other place there will be an adjustment to the account between the parties, such adjustments to represent the difference between the cost of delivery to the Nominated Delivery Point and the costs of delivery to the actual delivery point. Where the cost of delivery to the actual delivery point is less than the cost of delivery to the Nominated Delivery Point the purchase price for the Crop will be reduced by a corresponding amount. Where the cost of delivery to the actual delivery point is more than the cost of delivery to the Nominated Delivery Point Champion Flour Milling Ltd shall, at its option, pay such additional cost directly or reimburse the Grower for such additional cost.

6. STORAGE

- 6.1 The Grower will provide dry and uncontaminated storage of the Crop pending its delivery hereunder and will ensure that the Crop is stored separate and readily distinguishable from other lines of wheat and other produce.
- 6.2 Where the Crop or any other portion thereof is required to be stored after 30 April 2020, the Grower shall be paid, in addition to the purchase price, a storage fee computed by reference to the storage index in Schedule 4, which fee shall be payable in a lump sum contemporaneously with payment of the purchase price.



7. RISK AND TITLE

- 7.1 Risk and title in the Crop shall pass to Champion Flour Milling Ltd upon delivery to the Nominated Delivery Point (or other stipulated point).

8. SAMPLE TESTING

- 8.1 The Grower shall during the harvest of the Crop obtain a 2 kilogram sample which is truly representative of the whole of the Crop ('the Sample').
- 8.2 The Grower shall ensure that as soon as possible following harvest of the Crop, and in any event no later than 31 March 2020, the Sample is received by Champion Flour Milling Ltd for testing. On receipt of the Sample, Champion Flour Milling Ltd will test the Sample using the procedure specified in Schedule 5. The cost to be for the growers account. The Grower must keep the Sample for three months following delivery of the entire Crop in accordance with this agreement.
- 8.3 Should artificial drying of the Crop be needed, the Sample taken for testing must be representative of the whole crop after drying has been undertaken and the Sample is to be labelled accordingly.
- 8.4 Champion Flour Milling Ltd shall immediately notify the Merchant of the results of testing of the Sample.
- 8.5 In the event that the Grower does not submit a Sample in accordance with clause 8.2, or if the Sample submitted does not meet the Quality Specifications set out in Schedule 1, Champion Flour Milling Ltd may, in accordance with clause 10.1, reject the Crop (or any part of it) to which the Sample relates, or would relate had a Sample been provided.

9. METHOD OF PAYMENT

- 9.1 All payments for Crop deliveries made prior to the 15th day of the month will be made by Champion Flour Milling Ltd on or before the 22nd day of the month, such payments being made to the Merchant as agent for the Grower by bank draft or direct credit. For deliveries made following the 15th day of the month payment will be made by Champion Flour Milling Ltd on or before the 7th day of the month following delivery of the Crop (or any portion thereof) delivered in accordance with Champion Flour Milling Ltd's instructions.
- 9.2 Payment of the purchase price for the Crop by Champion Flour Milling Ltd to the Merchant is made in satisfaction of Champion Flour Milling Ltd's obligations to pay the Grower under this agreement and Champion Flour Milling Ltd shall not be concerned to see the application of the purchase price once in the hands of the Merchant.
- 9.3 If the Merchant should be placed in receivership, liquidation or statutory management then the Grower may direct Champion Flour Milling Ltd to make payment excluding commission and any wheat levies provided for in any regulations, statute or wheat industry agreement now in force or hereafter enacted or promulgated, directly to the Grower or any other person by giving written notice to Champion Flour Milling Ltd, such notice to be received by Champion Flour Milling Ltd no less than five working days before payment is due to be made in accordance with this agreement.
- 9.4 Prior to making any payment to the Grower in accordance with clause 9.3, Champion Flour Milling Ltd shall contact the Merchant's receiver, liquidator, or statutory manager with a view to determining whether there are any charges or crop liens over the wheat concerned. If any or all of the wheat concerned is subject to a charge or crop lien then Champion Flour Milling Ltd may decline to make payment to the Grower until the consent in writing is obtained, on terms acceptable to Champion Flour Milling Ltd, from the holder of the charge or crop lien (as the case may be).

10. REJECTION OF CROP

- 10.1 Without limiting its right to reject the Crop in accordance with clause 8.5, Champion Flour Milling Ltd will be entitled to reject all or any part of the Crop which fails to comply with the Quality Specifications set out in Schedule 1.
- 10.2 Any Crop (or any part of it) that is rejected will be re-delivered to the Grower, such costs to be for the Grower's account.
- 10.3 The Merchant shall, on behalf of the Grower, take all steps as are reasonably practicable to re-sell any rejected wheat.
- 10.4 The Grower authorises and directs the Merchant to pay to Champion Flour Milling Ltd from the proceeds of any such re-sale the amount required to reimburse Champion Flour Milling Ltd for any monies paid by Champion Flour Milling Ltd to the Grower from time to time (including, without limitation, any Subsequent Payments made in respect of the Crop (or part thereof) that has been rejected), whether pursuant to this agreement or otherwise, together with any interest that is due.

11. COMMISSION

- 11.1 The Merchant will receive a commission in respect of its services provided under this agreement, such commission being \$[] per tonne (as agreed between the Grower and the Merchant) and shall be for the Grower's account.

12. ASSIGNMENT

- 12.1 Champion Flour Milling Ltd may, at its discretion, assign or otherwise transfer any of its rights or obligations under this agreement to any of its related companies or to any registered banking institution. "Related company" has the same meaning as set out in Section 2 of the Companies Act 1993 save that the reference to "company" shall mean any company, whether or not incorporated or constituted in New Zealand.

SCHEDULE 1

Quality Specifications-Milling Wheat

- (a) MOISTURE maximum 14.5%
- (b) TEST WEIGHT min 72 kgs/HL
- (c) KERNEL WEIGHT (grams per 1000 kernels clean wheat)
All wheats min 38 grams (buyer's option to purchase below 38 grams at contract price).
- (d) FALLING NUMBERS All wheats min 280 secs (buyer's option to purchase below 280 secs at contract price)
- (e) BLACK POINT NUMBER maximum 5 by MPI scale.
- (f) APPEARANCE – all wheat shall be sound, sweet and clean, free from bug damage, foreign grains, smut, mould, decay, insect and grain storage pests, vermin, visible sprout, stones, straw and any other blemish or damage.
- (g) PESTICIDE RESIDUES – Maximum 2 parts per million organo – phosphates – NIL organo-chlorides.

SCHEDULE 2			
Contract Prices 2020			
Grade	Strong Wheat	Milling Grade 1	Milling Grade 2
Protein Minimums	11.0%	10.5%	10.5%
Cultivars	Conquest Reliance Duchess Griffin Viceroy	Discovery Saracen Sensas Catherine (CRWT235)	Raffles Hanson Mulika Quartz
Price per tonne	\$445	\$433	\$423
Option to purchase	Option to purchase at contract price if below minimum protein		

SCHEDULE 3

Screenings	All weed seeds and foreign matter fully deductible – a maximum of 0.5% weed seeds by weight allowable, above 0.5% rejected with an option to screen.
Up to 2%	- No deductions.
2% to 5%	- deduction by weight of 1% or part thereof of all screenings over 2%.
Above 5%	- Buyer's option to purchase (& option to screen at seller's cost).

SCHEDULE 4

Storage Increment	8 cents per tonne per day as from 1 st May of the year of harvest.
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SCHEDULE 5

Testing Procedures

Tests will be the following test methods used by Champion Flourmills: Mt. Maunganui and Christchurch.

(i)	PROTEIN	-	AACC 46.30 on wheat meal at 14% m.b. NIR ANALYSER
(ii)	SCREENINGS	-	CARTER DOCKAGE / ROTOSCREEN 2 mm.
(iii)	MOISTURE	-	AACC 44.15A AIR OVEN / NIR ANALYSER
(iv)	FALLING NUMBER	-	AACC 56.81B on unsieved <u>wheatmeal</u>
(v)	KERNEL WEIGHT	-	Grams per 1000 kernels of clean wheat
(vi)	TEST WEIGHT	-	Kilograms per Hectolitre of dirty wheat
(vii)	BLACK POINT NUMBER	-	MPI index
(viii)	PESTICIDE RESIDUES	-	Champion Flour Milling Ltd.