

**BONDUELLE ONTARIO INC./CAMPBELL COMPANY OF CANADA  
AGREEMENT FOR MARKETING THE 2017 CROP  
OF CARROTS FOR PROCESSING**

**Under the Farm Products Marketing Act**

**Price - Topped Carrots**

1. (a) The minimum price to be paid every grower for topped carrots for processing, as specified in Appendix A, produced in Ontario during the year 2017 purchased and received for processing f.o.b. factory receiving station or f.o.b. factory shall be:

Dicer Carrots: \$101.50/ton  
Slicer Carrots: \$133.50/ton

Note: Dicer carrots required prior to September 15 shall be paid a premium, to be negotiated between processor and grower, over and above the base price.

- (b) No other charges, costs or expenses shall be made other than such charges, costs or expenses as are provided for in the Agreement or Award in force for carrots for processing.

Every contract between a grower and a processor shall specify the following:

- Type of carrot: dicer or slicer
- Crowned or uncrowned: If crowned, the option to be used.
- A schedule of deliveries detailing tonnage to be delivered by month
- Method of Delivery. The method of delivery shall be stipulated by the processor at contracting time. Prices outlined in this Agreement apply to carrots where the processor does not place any restrictions on the method of delivery. Where the processor does place a restriction upon the method of delivery, the following premiums will be applied in addition to the prices outlined in the agreement.
  - (i) A premium of \$30.00/ton shall be paid where the processor requires delivery in bins supplied by the grower. (wooden or plastic)
  - (ii) A premium of \$25.00/ton shall be paid where the processor requires delivery in bins supplied by the processor. (wooden or plastic)
  - (iii) A premium of \$8.00/ton shall be paid where the processor restricts delivery to belt bottom trailers, walking floor trailer.

**Price - Field Crowned Carrots**

- (b) The minimum price premium to be paid for all field crowned carrots for processing shall be:
- (i) Dicers (each processor to choose one option at contracting)

	<b>Minimum Crowned %</b>	<b>Premium</b>
Option 1	80%	15%
Option 2	80% with a 20% tolerance for loads in the 70-79% crowned range.	14%

- (ii) The processor may at his discretion one time only, after having given the growers and the board one week notice, switch to an option with a lower minimum crowned percentage and pay the corresponding premium.

- (iii) Slicers

	<b>Minimum Crowned %</b>	<b>Premium</b>
	80% with a 10% tolerance for loads in the 70-79% crowned range.	15%

- (c) Carrots that are not crowned by weight as per option specified are rejectable. The premium for crowned carrots shall be paid on all rejectable loads accepted by the processor.
- (d) Any notice regarding failure to meet the minimum % crowned shall be provided to the grower prior to unloading.
- (e) Any determination regarding rejectability shall be made prior to unloading.
2. Where a processor requires the grower to wash carrots, there shall be a minimum additional payment of \$8.50 per ton. The requirement for washing and the washing system shall be agreed upon in writing at the time of contracting.

**Late Delivery Surcharge**

3. Except in the case of carrots delivered out of storage, for which storage charges shall apply, a late delivery surcharge shall apply to all carrots delivered as follows:
- Slicers: Starting November 8, \$1.75/ton/day capped at \$33.25/ton.
- Dicers: Starting November 10, \$1.75/ton/day capped at \$31.50/ton.

## Storage

4. (a) Carrots not required by the processor for immediate delivery may be put in storage with the grower in accordance with a written storage agreement which shall provide:
- (i) the number of tons of carrots to be delivered each month by the grower to the processor;
  - (ii) payment in full including storage charges in the event the processor fails to take delivery as provided in 4(a)(i), unless mutual agreement has been reached to the contrary.
  - (iii) a minimum charge as outlined in the following schedule.

DATE	YEAR	PRICE/ TON
November 15 - December 31	2016	\$38.25
January 1 - 31	2016	\$49.75
February 1 - 28/29	2016	\$69.75
March 1 - 31	2016	\$89.75
April 1 - 30	2016	\$109.75
May 1 - 31	2016	\$129.75
June 1 - 30	2016	\$159.75
July 1 - 31	2016	<u>\$159.75</u>

## Payment Provisions

5. (a) The processor shall pay to the grower the full amount of the purchase price due and owing the grower for carrots delivered from and including the 1<sup>st</sup> to the 15<sup>th</sup> day of any month on the thirtieth day of that same month and for carrots delivered from and including the 16<sup>th</sup> day to the last day of the month on the fifteenth day of the next month following.
- (b) All payments shall be postmarked no later than the due date.
- (c) The processor shall be entitled to deduct from the first payment or payments due by him to the grower thereunder all monies owing to the processor by the grower to such date.
- (d) The processor shall forward, with each cheque to the grower, an itemized statement covering the grower's sale of carrots detailing all deductions including G.S.T. charges, quantities, grades delivered and marketing board fees, etc.

## Contract Provisions

6. (a) Carrots produced in Ontario in 2017 by any grower and sold for processing shall be sold and purchased by a written contract between the grower and processor on an acreage or net tonnage basis at the option of the processor at the time of contracting. When the carrots are contracted on a net tonnage basis, the contract shall specify the number of tons of carrots to be delivered by the grower without limitation as to the number of acres to be planted and the contract shall be deemed to have been fulfilled when the grower has delivered the tonnage specified. When the carrots are contracted on an acreage basis, the contract shall specify the number of acres to be planted by the grower and the grower shall deliver and sell all carrots produced on this acreage to the processor and the processor shall accept and pay for

all carrots produced from such acreage excepting such carrots as may be rejected in accordance with the terms of this Agreement. Carrots which are surplus to the provisions of the above contract arrangements shall be sold to the contract processor or any other licensed processor in accordance with minimum prices set out in Section 1 inclusive.

- (b) (i) A processor may reject carrots if such carrots carry a harmful residue making the carrots unsuitable for processing as a result of application of crop protection products not in accordance with recommendations for carrots by the Ontario Ministry of Agriculture and Food and the Ministry of Health and/or the processor.
- (ii) The grower shall be required to maintain and submit, prior to and at the conclusion of harvest, a written record of crop protection products applied as set out in Form 1. Failure to do so shall constitute breach of contract and may result in processor refusing to accept delivery.
- (iii) A processor may reject a specific load of carrots if at any time up to the last inspection prior to cooking, freezing or blending with any other product, the carrots are found to contain glass or larvae and the load can be positively traced to a particular grower. The grower shall be notified immediately and in any event the grower's liability shall not exceed the value of the carrots delivered in that load.
- (iv) Whereas the grower determines the method and contracts with a carrier, it is the grower's responsibility to ensure the equipment is free of hazards that can contaminate the product, inclusive of recognized allergens - soy, wheat, triticale, mustard, peanuts and tree nuts. Any determination of these hazards at the unloading, are subject to rejection.
- (c) The following terms of purchase and sale shall form part of every contract between a processor and a grower of carrots:
- (i) every contract or purchase order shall specify a factory or receiving station where delivery is to be made and where the delivery point is changed by the processor after the contract is entered into the additional haulage, if any, shall be for the account of the processor;
  - (ii) where containers are supplied by the grower for delivery of carrots to the processor and are properly identified by name, initials or other satisfactory identifying marks, the processor shall be responsible for damage or destruction, reasonable wear and damage excepted, for the containers while the containers are in the custody of the processor, provided that the processor shall make available the containers to the grower on or before the date of final settlement;

- (iii) when the containers are supplied by the processor for delivery of carrots by the grower, the grower shall be responsible for any damage or destruction, reasonable wear and damage excepted, for the containers while the containers are in the custody of the grower, provided that the grower shall return the containers to the processor on or before the date of final settlement.
- (d) Where a processor requires a specified variety growers shall be provided with written specifications as soon as possible and these requirements shall be identified in the grower/processor contract.
- (e) No grower may purchase, sell or transfer carrots from or to any other grower.

## Grading

- 7. (a) All carrots for processing may be graded by the processor by taking a random 100 lb. sample in accordance with the following sampling procedures.
  - (i) **Bin Delivery**  
 Number of bin samples to be determined based on a number of bins in load.
 

Up to 16 bins	select 2
17-32 bins	select 3
33-40 bins	select 4
41+ bins	select 5

 Randomly pre-select the number of bins needed for sampling as they come off the truck. Select samples from a pre-determined corner of each box.  
  
 Note that, in order to obtain a representative sample, it is important that carrots are drawn from the top, middle and bottom of the bin. Taking the sample from a corner of the bin allows easier access to middle and bottom of the bin, ensuring a more representative sample.
  - (ii) **Bulk Delivery**  
**Yuba City Sampler:** Minimum of two probes is to be taken from each load. Location of each probe to be selected using bulk load sample chart supplied by Upgrade Consulting Ltd. Damage caused by the probe procedure shall not be included as tare.  
**Manual Sampling:** A minimum of four random samples using bulk load sample chart supplied by Upgrade Consulting Ltd.
- (b) In the event of a dispute between a processor and a grower as to the original grade determination, an appeal may be made by either party to an independent third party, pursuant to an agreement between the OPVG and the OF&VPA, who shall review the matter in dispute and make a decision respecting such grade, which shall be final.
- (c) The cost of conducting the appeal shall be paid 50% by the grower and 50% by the processor.

## Receiving

- 8. (a) Bulk - Upon delivery of a load of carrots, the processor shall provide to the grower and/or trucker, a signed duplicate copy of a receiving slip that shows the gross and net weight of carrots.
- (b) Bins - Upon delivery of a load of carrots, the processor shall provide to the grower and/or trucker, a signed duplicate copy of a receiving slip that shows the total number of bins received.
- (c) The processor shall file with the local board on or before the commencement of seasonal deliveries, certification from Weights and Measures (Canada) or an independent firm, confirming that the processor's weight measurement equipment, upon which payment to the grower is based, is accurate, operating properly and complies with the standards administered by the Ministry of Consumer and Corporate Affairs (Canada) Weights and Measures.

## Reasons for Non-Fulfilment

- 9. (a) The grower or processor shall be excused for non-fulfilment of contract caused by inability beyond the control of either party by acts of God, fire, floods, strikes, earthquakes, wind, hail, invasion, order of civil or military authorities to the extent that the fulfilment of contract has been hindered or prevented in whole or in part by such cause or causes.
  - (b) (i) Where the processor is unable to receive and accept carrots for processing, the processor shall notify the grower in writing and shall make payment at the rate of 101.50/ton for each dicer ton so affected and \$133.50/ton for each slicer ton so affected.
  - (ii) Processor liability to grower limited to growers applicable contract tonnage.

## Representation

- 10. (a) A duly appointed representative of the local board shall have the authority to represent the growers in all matters concerning this Agreement in accordance with the provisions of the Ontario Vegetable Growers' Marketing-for-Processing Plan.
- (b) Where a disagreement arises between a grower and a processor concerning the application of any provision of this agreement, either party may request in writing a meeting between the grower, the processor, the OPVG and the OF&VPA in an effort to resolve the dispute. The meeting shall occur within 10 days of the request. Failing a satisfactory resolution, the matter shall be referred to an arbitrator, which shall take place within 21 days. The arbitrator shall be appointed by the FPMC and shall have total discretion in resolving the dispute. The decision shall be final and binding on all parties. All other remedies, including legal action, are hereby waived by the parties.

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## Reports to the Local Board

11. (a) Every processor shall file with the local board, on or before the 15th day of May, a list of every producer with whom the processor has entered into a contract on or before the 1st day of May, including the name, mailing address, email address, telephone number and the acres or tons contracted of slicer and/or dicer carrots, or
- (b) Every processor shall file with the local board a true copy of every contract entered into with a producer after May 1st, including the name, mailing address, email address, telephone number and the tons contracted of slicer and/or dicer carrots.

**CAUTION:** This edition is prepared for purposes of convenience only. For accurate reference, recourse should be made to the original filed with Farm Products Marketing Commission.

**Memorandum of Understanding #1**

*Example.*

<u>LOAD</u>	<u>CROWNED %</u>	
<u>1</u>	<u>70</u>	<u>1/10 = Acceptable</u>
<u>2</u>	<u>80</u>	
<u>3</u>	<u>80</u>	
<u>4</u>	<u>80</u>	
<u>5</u>	<u>80</u>	
<u>6</u>	<u>80</u>	
<u>7</u>	<u>80</u>	
<u>8</u>	<u>80</u>	
<u>9</u>	<u>80</u>	
<i>if 70%</i> <u>10</u>	<u>80</u>	<u>2/10 = Rejectable</u>
<u>11</u>	<u>80</u>	
<u>12</u>	<u>80</u>	
<u>13</u>	<u>80</u>	
<u>14</u>	<u>80</u>	
<u>15</u>	<u>80</u>	
<u>16</u>	<u>80</u>	
<u>17</u>	<u>80</u>	
<u>18</u>	<u>80</u>	
<u>19</u>	<u>80</u>	
<u>20</u>	<u>70</u>	<u>2/20 = Acceptable = 10%</u>
<u>21</u>	<u>70</u>	<u>3/21 - Rejectable = 14%</u>

**APPENDIX A**

**2017 PROCESSING CARROT QUALITY STANDARDS**

Carrots may be contracted as either Dicer or Slicer. Carrots shall be either acceptable or rejectable using the quality standards contained in this Appendix. No tare penalties shall apply other than those specifically identified in Section 8. The following definitions apply to all grade options. Note that, to aid in grade determination, photos available through the independent service provider may be used as a reference when clarification of grade standards is required.

**Defects:**

1. Carrots must be:
  - (a) of similar varietal characteristics;
  - (b) firm but not seeders;
  - (c) non mis-shapen to the extent that the carrot is deeply indented, knobby or forked;
  - (d) free from serious damage from rodents, sunburn (green), disease, sprouts, mould, frost decay and secondary growth that results in a loss of more than 10% of the carrot surface area;
  - (e) free from hollow heart that is decayed.
2. Cracked or Split:
  - (a) Cracked or Split, Fresh: any cracked or split carrot that has not formed scar tissue is deemed acceptable.
  - (b) Cracked or Split, To The Core: any carrot that is split or cracked so that the core is readily visible will be considered a defect.
  - (c) Cracked or Split: any carrot that has formed scar tissue and the core is not readily visible will be classified as acceptable for dicer carrot grading and will be categorized as split or cracked for the purpose of slicer carrot grading.
3. Material other than Carrot (M.O.C.) is defined as:
  - (a) foliage;
  - (b) dirt (to be determined by using one of the following procedures);
    - (i) washed sample - before any of the carrots are graded, the weight of the washed sample will be subtracted from the weight of the unwashed sample and a percentage dirt will be calculated. Any dirt percentage greater than 1% will be reduced by 1%.
    - (ii) Unwashed sample - The loose dirt is accumulated and weighted. No washing of the carrots is permitted at any time during the entire grading procedure.
  - (c) any carrot with a top exceeding 1" in length (for the purposes of grading the carrot top to be removed at the crown of the carrot and included in the weight of M.O.C.); this provision does not apply to carrots that have been stored.
  - (d) stones;
  - (e) any other material that is not carrots.

4. For dicer carrots, where any decay/crown rot or insect damage can be removed by trimming and the amount trimmed is no more than 15% of the total carrot by weight, the carrot shall be acceptable.
5. For slicer carrots, where decay/crown rot or insect damage affects less than 10% of the total carrot by length, the carrot shall be acceptable.
6. A Crowned Carrot is defined as a carrot which has had the crown or top mechanically removed in the field prior to delivery to the processing plant. Enough of the stem and foliage must be removed so that none will remain after the carrot has undergone the normal peeling process.
7. Dicer Carrots

<u>Category</u>	<u>Rejection Point</u>
M.O.C.	over 3%
Decay/Crown Rot	over 3%
Defects	over 10%
Undersize: (Oct. 15 - Jun. 30)	over 6%
(Jul. 1 - Oct. 14)	over 20%
Seeders	over 1%
Insect Damage	over 2%
Glass	detectable

Undersize for Dicer Carrots is defined as:

- (a) Individual pieces (broken or unbroken) that are less than 3.0" in length and 1 1/2" in diameter.
- (b) any part of the carrot that has been removed in the crowning process is considered to be M.O.C.

**Slicer Carrots**

<u>Category</u>	<u>Rejection Point</u>
M.O.C.	over 3%
Decay	over 2%
Defects	over 6%
Splits & Cracks	over 4%
Seeders	over 1%
Insect Damage	over 2%
Glass	detectable
Crown Rot	over 2%
Oversize	over 25%

Slicer Carrots are defined as:

- (a) having a minimum diameter of .75" and a maximum of 1.7" when using a hole sizer. Processors may choose to pay for carrots on the basis of those carrots that fall through a roll sizer set at a minimum of 1.5".
  - (b) a minimum length of 4.5" when topped and 4" when crowned.
  - (c) individual pieces of carrots provided they meet the standards outlined in (a) and (b).
8. Notwithstanding the provisions of Section 7 of Appendix A the reject point for both slicers and dicers for decay for carrots out of storage shall be 5%. Decay on carrots out of storage may be tared x 1.

**APPENDIX B**  
**HARVEST AND TRANSPORTATION EQUIPMENT**

Date/Time	Harvester	Truck	Trailer	Container	Inspected By	Comments

Denotes changes for 2017.



**FORM 1**  
PESTICIDE REPORTING FORM

**MONTH/YEAR:** \_\_\_\_\_ **GROWER:** \_\_\_\_\_

**CROP:** \_\_\_\_\_ **ACRES:** \_\_\_\_\_

**INSTRUCTIONS:**

- INCLUDE ALL HERBICIDES, INSECTICIDES, FUNGICIDES, FUMIGANTS AND GROWTH REGULATOR TREATMENTS APPLIED BY THE GROWER.
- COMPLETED FORM MUST BE SIGNED BY THE GROWER AND RETURNED TO THE PROCESSOR AS SPECIFIED BY THE TERMS OF THE AGREEMENT.

<u>PLEASE PRINT PESTICIDE HISTORY</u>				
INCLUDE - HERBICIDES, INSECTICIDES, FUNGICIDES AND GROWTH REGULATORS				
FIELD LOCATION	APPLICATION DATE	ACRES SPRAYED	PESTICIDE INCLUDING FORMULATION	PRODUCT RATE PER ACRE
<u>EXAMPLE</u> Field #1 (Smith's)	36284	12.5	Sencor (500 g/L)	.25 L/acre

**THE UNDERSIGNED HEREBY AFFIRMS THAT ALL MATERIALS APPLIED TO THE CROP ARE LISTED ABOVE AND THE INFORMATION IS TRUE, ACCURATE AND COMPLETE.**

\_\_\_\_\_  
Grower's Signature \_\_\_\_\_ Date

**THE UNDERSIGNED HEREBY AFFIRMS THAT ONLY MATERIALS REGISTERED FOR USE ON CARROTS HAVE BEEN APPLIED TO THIS CROP.**

\_\_\_\_\_  
Grower's Signature \_\_\_\_\_ Date

## Form 2

### Grower Crop Assessment Report (To be Completed within 7 days of receipt)

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1. Overall Crop health:

2. Expected % of contract available for delivery:

3. Reason for shortfall (if any):

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The undersigned hereby affirms that the above crop estimate is accurate and complete.

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Grower Signature

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Date