2012 Tomato Pricing

The board reached agreement with H.J. Heinz but was unable to reach agreement with both Del Monte and Sun-Brite. All involved changes in prices, changes in the productivity formula and an increase in transplant pricing. The agreement and final offers of both parties are detailed as follows:

Agreement - H.J. Heinz Company of Canada LP:

1. (a) The minimum prices to be paid for tomatoes produced and delivered for processing in Ontario and graded in accordance with the following contract option shall be based on the 2012 crop CTGA price as per the following:

CTGA Price*	Tomatoes for Paste	Tomatoes for Juice
$68.00 or less	$93.25	$102.00
$68.25	$93.45	$102.20
$68.50	$93.65	$102.40
$68.75	$93.85	$102.60
$69.00	$94.10	$102.85
$69.25	$94.30	$103.05
$69.50	$94.50	$103.25
$69.75	$94.75	$103.50
$70.00 or more	$95.00	$103.75

***** In the event that CTGA has not finalized a price by August 1, 2012, growers to be paid basis $68.00/ton CTGA price with final settlement November 15, 2012 or within 2 weeks of settlement, whichever comes later.

Productivity Incentive Program

8. (c) Prices per net ton for all contract options shall be determined on the basis of the average yield per measured acre for all contract growers of an individual processor in accordance with the following:

(I) A price adjustment will be made in accordance with Appendix B calculated as follows:

- *for each 1 ton increase in yield over 40.4* net tons per measured acre (determined annually by calculating the previous ten year California industry average marketed tons/acre detailed in Appendix B) a price discount of 1% per ton.*

APPENDIX B

a) California ten year average marketed tons/acre (per CTGA):

2011	46.3
2010	45.7
2009	43.2
2008	42.8
2007	40.3
2006	36.2
2005	36.4
2004	41.5
2003	33.8
2002	38.0
Ten Year Average	40.4

b)

Net Tons/Measured Acre	**Price/Ton**
40.4	Neg. Price x 1.00
40.5	Neg. Price x 0.999
40.6	Neg. Price x 0.998
40.7	Neg. Price x 0.997
40.8	Neg. Price x 0.996
40.9	Neg. Price x 0.995
41.0	Neg. Price x 0.994
41.1	Neg. Price x 0.993
41.2	Neg. Price x 0.992
41.3	Neg. Price x 0.991
41.4	Neg. Price x 0.990
41.5	Neg. Price x 0.989
41.6	Neg. Price x 0.988
41.7	Neg. Price x 0.987
41.8	Neg. Price x 0.986
41.9	Neg. Price x 0.985
42.0	Neg. Price x 0.984
42.1	Neg. Price x 0.983
42.2	Neg. Price x 0.982
42.3	Neg. Price x 0.981
42.4	Neg. Price x 0.980
42.5	Neg. Price x 0.979
42.6	Neg. Price x 0.978
42.7	Neg. Price x 0.977
42.8	Neg. Price x 0.976
42.9	Neg. Price x 0.975
43.0	Neg. Price x 0.974
43.1	Neg. Price x 0.973
43.2	Neg. Price x 0.972
43.3	Neg. Price x 0.971
43.4	Neg. Price x 0.970
43.5	Neg. Price x 0.969
43.6	Neg. Price x 0.968

43.7	Neg. Price x	0.967
43.8	Neg. Price x	0.966
43.9	Neg. Price x	0.965
44.0	Neg. Price x	0.964
44.1	Neg. Price x	0.963
44.2	Neg. Price x	0.962
44.3	Neg. Price x	0.961
44.4	Neg. Price x	0.960
44.5	Neg. Price x	0.959
44.6	Neg. Price x	0.958
44.7	Neg. Price x	0.957
44.8	Neg. Price x	0.956
44.9	Neg. Price x	0.955
45.0	Neg. Price x	0.954
↓		↓

Transplants

Transplant price to increase by 50¢.

Grower Final Offer for both Sun-Brite and Del Monte:

Price

1. (a) The minimum prices to be paid for tomatoes produced and delivered for processing in Ontario and graded in accordance with the following contract option shall be based on the 2012 crop CTGA price as per the following:

		Price Per Ton → 0 to 37 Agtron Colour Level	
Option 7	**CTGA Price***	**Tomatoes for Paste**	**Tomatoes for Whole Pack**
	$68.00 or less	$93.25	
	$68.25	$93.45	
	$68.50	$93.65	
	$68.75	$93.85	
	$69.00	$94.10	$108.50
	$69.25	$94.30	
	$69.50	$94.50	
	$69.75	$94.75	
	$70.00 or more	$95.00	

* In the event the CTGA has not finalized a price by August 1st, 2012, growers to be paid basis a $68/ton CTGA price with final settlement November 15th, 2012 or within 2 weeks of settlement, whatever comes later.

8. (c) Prices per net ton for all contract options shall be determined on the basis of the average yield per measured acre for all contract growers of an individual processor in accordance with the following:

(i) A price adjustment will be made in accordance with Appendix B calculated as follows:

- *for each 1 ton increase in yield over 40.4* net tons per measured acre (determined annually by calculating the previous ten year California industry average marketed tons/acre detailed in Appendix B) a price discount of 1% per ton.*

APPENDIX B - ***See Heinz Agreement***

11. (c) The processor shall provide tomato transplants to growers at the following prices (inclusive of the 8% insurance surcharge and the grower share of plant counting cost):

	Open Pollinated	Hybrid
200 Cell Trays	*$33.75*	*N/A*
288 Cell Trays	*$28.50*	*$33.25*
512 Cell Trays (Southern)	*$28.50*	*$33.25*

11. (g) Where the decision is made to replant, the grower shall pay for replants as per the following:

(2) All replants over 8% of the growers original plant order as follows:

Open Pollinated	*$26.48*
Hybrid	*$30.90*

All other terms and conditions per Agreement dated March 1st, 2012

Sun-Brite Foods Inc. Final Offer:

1. Tomatoes for Paste priced at $93.25 per ton, based on a CTGA agreement of $68.00 US per ton, as per the attachment on “Price 1".

2. Tomatoes for Whole Pack priced at $102.75, based on the Paste price at $93.25 and a premium for Whole at $9.50 per ton. The Whole price will be scaled with CTGA, as outlined for paste above.

3. Productivity Incentive Program: As per Appendix B of the 2011 agreement, with the exception of increasing Base yield of 40.0 tons per acre and for each 1 ton increase in yield over 40.0 net tons per measured acre, a price discount of 3/4 of 1 percent.

4. Plug Plant Pricing: An increase of $0.50 per ‘000 plants price for both inbred and hybrid plants supplied to growers.

5. All other terms and conditions to remain the same, as per the 2011 Tomato Agreement.

<u>Price 1</u> (Sun-Brite continued)

1. (a) The minimum prices to be paid for tomatoes produced and delivered for processing in Ontario and graded in accordance with the following contract option shall be based on the 2012 crop CTGA price as per the following:

		Price Per Ton → 0 to 37 Agtron Colour Level	
Option 7	**CTGA Price***	**Tomatoes for Paste**	**Tomatoes for Whole Pack**
	$68.00 or less	$93.25	
	$68.25	$93.45	
	$68.50	$93.65	
	$68.75	$93.85	
	$69.00	$94.10	
	$69.25	$94.30	
	$69.50	$94.50	
	$69.75	$94.75	
	$70.00 or more	$95.00	

* In the event the CTGA has not finalized a price by August 1st, 2012, growers to be paid basis a $68/ton CTGA price with final settlement November 15th, 2012 or within 2 weeks of settlement, whatever comes later.

<u>Del Monte Canada Inc. Final Offer:</u>

1. Tomatoes for Paste priced at $93.25 per ton, based on a CTGA agreement of $68.00 US per ton. A price adjustment (+) at the rate of 0.91% is to be applied in the event of a CTGA agreement by the Arbitration date, capped at $70. If not settled by this date, the $93.25 price will be held firm.

2. Tomatoes for Whole Pack priced at $103.75, based on the Paste price at $93.25 and a premium for Whole at $10.50 per ton. The Whole price will be scaled with CTGA, as outlined by the parameters for Paste above.

3. Productivity Incentive Program: Maintain the 2011 Productivity agreement, as written, with the exception of moving the 'Base' to 37 tons per acre from 35 tons per care, as per Appendix B.

4. Plug Plant Pricing: An increase of $0.50 per '000 plants price for both inbred and hybrid plants supplied to growers.

5. All other terms and conditions to remain the same, as per the 2011 Tomato Agreement.