

CUCUMBERS - CHATHAM - HAND HARVEST - 1
HARTUNG BROTHERS, INC.
CHATHAM STATION AGREEMENT FOR MARKETING THE 2018 CROP OF
HAND HARVEST CUCUMBERS FOR PROCESSING

Under the Farm Products Marketing Act

Price

1. (a) The minimum price (Note: all prices contained in this Agreement are in U.S. currency.) to be paid every grower for all HAND HARVEST cucumbers produced in Ontario during the year 2018 purchased, received and graded for processing f.o.b. Chatham receiving station shall be according to the following size ranges:

Minimum Prices for Each Ton
(f.o.b. receiving station)

Grade Sizes	U.S. \$/Ton
5/8 to 1 1/16" N ^o 1	\$20.00
1 1/16" to 1 1/2" N ^o 2	<u>\$342.00</u>
1 1/2" to 2" N ^o 3	<u>\$230.00</u>
2" to 2 1/8" N ^o 4	<u>\$80.00</u>
Nubs & Crooks	<u>\$27.00</u>

- (b) Buyer agrees to share in the cost of the downy mildew treatment program. Buyer shall pay \$16/ton (\$.40/bushel) towards said treatment program for all 1's, 2's and 3's accepted. Payment shall be made September 21, 2018. Every grower accepting a contract to supply cucumbers in the 2018 season is required to have a spray program in use to minimize the effects of the downy mildew disease, to be eligible to receive this premium.
- (c) Grower's spray equipment must be able to apply a minimum of 20 gallons of water per acre as a carrier at 40 pounds PSI to be eligible for the premium.
- (d) Only fungicides designated on Form 2 may be applied. Any variances must be approved by buyer using Report 5 prior to application.
- (e) Buyer may, based on its sole assessment of the current lack of control, order a 3rd party to apply fungicide on a grower's field to slow the spread of downy mildew in a production area. Any application will be done at labelled rates.
- (f) Buyer shall pay the 3rd party supplier and shall deduct said payment from the proceeds due to the grower for his cucumber crop.
- (g) Buyer shall have the right to mandate that a grower destroy crop in a field where excess downy mildew is present. Grower will have 48 hours to comply or the buyer may contract 3rd party and deduct the cost from grower payment.

Food Safety

2. (a) Only government and buyer approved pesticides may be used and only in accordance with published guidelines.
- (b) Every grower shall be required to:
- (i) submit a completed Field Assessment Report 1 and Field Map Report 4 for each field prior to May 1 and,
- (ii) submit by July 1, a completed Report 2 and prior to unloading, upon first delivery and all subsequent deliveries when a spray was applied.
- (c) Grower shall be compensated for food safety compliance at the rate of \$1.00/ton on all 1's, 2's and 3's accepted.

Failure to submit the required reports in a timely manner or spraying unapproved chemicals *or not adhering to published label guidelines* may result in the crop not being accepted and/or contract termination and/or forfeiture of payment owed to the grower for the downy mildew treatment program.

Payment Provisions

3. Payments shall be made, after deducting all monies due and owing to the buyer by the grower, for all cucumbers accepted by the Company as follows:
- (a) All deliveries up to and including July 1, 2018 to be paid for by July 13, 2018.
- (b) All deliveries from July 2, 2018 up to and including July 15, 2018 to be paid for by July 27, 2018.
- (c) All deliveries from July 16, 2018 up to and including July 29, 2018 to be paid for by August 10, 2018.
- (d) All deliveries from July 30 up to and including August 12, 2018 to be paid for by August 24, 2018.
- (e) All deliveries from August 13 to August 26, to be paid for by September 7, 2018.
- (f) All deliveries after August 26, 2018, to be paid for by September 21, 2018.
- (g) All payments shall be postmarked no later than the due date.
- (h) The buyer shall make direct deposit payments in U.S. funds directly to grower accounts. A payment statement will be prepared and issued to growers covering each direct deposit payment.

Seed

4. (a) The price of cucumber seed shall be \$3.75/thousand for non-parthenocarpic varieties and \$13.50/thousand for parthenocarpic varieties. which shall be deducted from grower payments. Other grower requested and buyer approved seed varieties will be deducted from grower at actual cost delivered to station (Report 3).
- (b) Only seed supplied by buyer shall be used by the grower to plant the production acres under this contract.
 - (i) No planting of non-buyer supplied carry over seed.
 - (ii) All carry over seed must be reported to Station Manager when contracts are signed.
 - (iii) No planting of trial seed varieties without prior written permission of buyer.
 - (iv) Only current year seed is eligible to be returned and shall be in full unopened containers and shall be returned to grower respective grading location by July 1 to receive full credit. Buyer is not obligated to accept partial opened bags or containers.
 - (v) Single and first planting seed hand out will be prior to June 1st of each year.
5. Cucumber seed, referred to in Section 4, shall conform to the requirements of the Canada Seed Act.

Contract Provisions

6. (a) All processing cucumbers are to be contracted by the ton, as agreed upon between the buyer and the grower, based on past performance of the individual grower.
- (b) Either party hereto shall have the right to cancel or request an increase or decrease of the tonnage contracted for by giving written notice to the other party on or before March 31, 2018.
- (c) (i) Dual contracting with other processors/greenshippers is not permitted. Growers who produce fresh market pickling cucumbers must, prior to planting, receive written permission from the Buyer detailing the terms and agreement of how the crop is to be handled.
- (ii) Subcontracting a grower contract is not permitted.
- (iii) The grower agrees to grow and deliver all cucumbers for processing contracted for delivery and sale to the buyer and not to any other person or corporation until the buyer has notified the grower that he will no longer accept deliveries.
- (iv) Buyer, following discussions with the grower, shall make the determination as to the number of acres to be planted in the grower's first and second planting. In absence of an agreement to the contrary, Buyer has the right to require 2/3:1/3 split planting. Deviation from the acreage specified in the contract may result in immediate contract termination or tonnage reductions in future years by the buyer. Buyer, or its' representatives, shall have the right to enter on to growers' cucumber lands for the purpose of

confirming compliance with this agreement including measuring grower's cucumber acreage.

- (v) Cucumbers shall not be planted on land that has produced a peanut crop in any of the previous 3 years. Where peanuts are found in a load, the load shall be rejected. Where peanuts are found in a load that originated in grower's field planted to peanuts in any of the previous 3 years, the grower's contract may be terminated at the buyer's option.
- (vi) No cucumber acres shall be planted prior to receiving an approved Report Form 1.
- (d) Every buyer shall contribute \$0.40/ton with their license fee remittance on October 15 to a cucumber research fund, to be matched by the OPVG and used for processing cucumber research as determined by the Industry Cucumber Research Committee.
- (e) The grower agrees to provide the buyer with an estimate of the level of contracted tonnage that is expected to be available for the harvest and delivery to the buyer. This estimate is to be provided two weeks after the start of the crop season in the given year.

Reasons for Non-Fulfilment

7. (a) The grower or the buyer shall be excused for non-fulfilment of contract caused by inability beyond the control of either party by acts of God, fire, lack of transportation facilities, 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. Grower must notify Buyer and OPVG of such an event on field(s) within 48 hours so event can be properly documented.
- (b) In the event that it is known there is no existing agreement between the labour work force and the management of a processing plant, the buyer shall notify the grower before contracting that such a situation exists.

Reports to Local Board

8. (a) Every buyer shall file with the local board, on or before the 15th day of May, a list of every producer with whom the buyer 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 and tons contracted at each grading station along with a single sample contract, or

- (b) Every buyer shall file with the local board a true copy of every contract entered into with a producer after May 1, including the name, mailing address, email address, telephone number and the acres and tons contracted at each grading station.
- (c) Every buyer shall file with the local board on or before the 15th day of October a list of every producer indicating the acres and tons harvested (to include a breakdown by grade) for each grading station and gross payment and license fees deducted for each producer.

Representation

- 9. (a) At the request of the grower, a duly appointed representative of the Ontario Processing Vegetable Growers will have the authority to represent the grower in all matters respecting this Agreement/Award.
- (b) Where a disagreement arises between a grower and a buyer concerning the application of any provision of this Agreement/Award, either party may request in writing a meeting between the grower, the buyer, 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 decisions shall be final and binding on all parties. All other remedies, including legal action, are hereby waived by the parties.

Grading

- 10. (a) All cucumbers for processing shall be graded by the buyer or Third Party Service Provider, as agreed, in accordance with procedures approved by the parties to this agreement and set out in the Cucumber Grading Manual which is attached and forms part of this Agreement.

Sample Grading

- (i) Sample grading is acceptable at any grading location provided that:
 - the procedures to be employed have first been approved by the parties to this agreement and set out in the Cucumber Grading Manual; and,
 - all growers and the board have been advised of the change to sample grading prior to contracting.
- (b) A Third Party Service Provider shall have full authority to inspect cucumber grading equipment and procedures to ensure:
 - (i) accurate sizing of cucumbers;
 - (ii) correct scoring of nubs and crooks and other defects, *freshly broken cucumbers are defined as a nub*; and,
 - (iii) proper receiving, grading and weighing practices.
- (c) The cost of activities noted in section (b) above and carried out by the Third Party Service Provider shall be shared equally by the Ontario Processing Vegetable Growers and the buyer.

- (d) Where during the unloading process, the buyer determines that the cucumbers are unacceptable for processing, he may reject the balance of the load. The grower may appeal the decision of the buyer to the Third Party Service Provider who shall make a decision respecting such grade or quality which shall be final.
- (e) In the event of a dispute between a buyer and a grower as to any matter arising out of grade or quality determination of cucumbers, an appeal may be made by either party to the Third Party Service Provider, who shall review the matter in dispute and make a decision respecting such grade or quality, which shall be final.
- (f) The cost of conducting the appeal shall be billed one half to the buyer and one half to the grower who requested the appeal.

Pre-Grading

- 11. (i) A load of incoming cucumbers may be selected by the buyer for pre-grading prior to unloading as a result of a visual inspection by the buyer.
- (ii) A minimum of 4 random samples, totaling no less than 50lbs shall be taken from the load.
- (iii) The sample may be washed at buyer's request.
- (iv) Immediately upon completion of pre-grade prior to unloading, the buyer must provide the grower with a copy of the pre-grade certificate.
- (v) A grower may appeal the pre-grade to Upgrade Consulting Ltd. Grade shall be final. Any load that is found to be out of spec and is rejected by the buyer will be returned to the grower.
- (vi) Where a load has been pre-graded and found not to meet the tolerances, it may be rejected at buyer's option.
- (vii) Quality standards to be applied only to all pre-graded cucumbers as follows:

	<u>Tolerance</u>	<u>Reject Point</u>
MOC - Vegetative Matter	3%	Over 3%
MOC - Non Vegetative Matter	3%	Over 3%
Decay, Rot and Disease	3%	Over 3%
Physical Damage, Spongy, Sun Burned, Over Ripe and Frozen	3%	Over 3%
Nubs and Crooks	20%	Over 20%
Oversize > 2 1/8"	20%	Over 20%
The total of any of the above tolerances shall not exceed	25%	Over 25%

Nubs and Crooks

12. Nubs and crooks for the purposes of this Agreement/Award shall be defined by the Pickle Packers International Inc. Official Chart, with the exception of pickles marked N^o 1 (top left-hand). (See Official Chart - Attached).

Harvesting and Delivery

13. (a) Buyer may request that wagons or trailers that haul a variety of products be either cleaned between loads of different commodities or dedicated to a unique product because of allergen concerns. Peanuts, corn and soy are potential allergens. Where applicable, ensure that trucks, trailers or containers used to ship cucumbers do not have physical hazards (i.e. rust) that could contaminate the product.
- (b) All notices regarding restriction of delivery shall be made by the buyer 48 hours or two delivery days in advance to the grower unless the grower was notified previously that total deliveries would be restricted to contract tonnage. All such notices shall be written on the grade ticket/receiving slip.
- (c) Once regular deliveries have commenced, the buyer shall receive cucumbers Monday through Saturday until such time as 90% of contracted growers have ceased delivery. A grower shall be considered to have ceased delivery if they have not delivered in the past 4 days.
- (d) Closing dates shall be September 1 or earlier if 90 percent of the contracted growers at a receiving station have ceased delivery. Any grower that has not filled his contract will be provided an opportunity to deliver the balance of his contracted tonnage to another open receiving station.
- (e) Buyer shall dispose of all cucumbers that are not marketable in a manner consistent with a protocol developed by the Ontario Cucumber Research Committee so as to minimize the risk of the spread of Phytophthora and other cucumber related diseases. At no time shall cucumbers be spread on fields that may be used for the production of cucumbers or any other crop that would serve as a host for cucumber related diseases. Each buyer's disposal plan shall be made available to the Ontario Processing Vegetable Growers upon request.
- (f) In order to minimize the risk of disease, grower shall, within two days of completion of harvest, destroy the crop.

General Terms

14. The provisions of this Agreement/Award shall apply to and form part of every contract entered into between a buyer and a grower for the purchase of cucumbers produced in Ontario for processing during the year 2018. Notwithstanding any provision in any buyer's contract that may be at variance with any section, sub-section or sections of this Agreement/Award, the relative section or sections of this Agreement/Award to apply to and be the governing clause or clauses.

15. A copy of this Agreement/Award shall be attached to each contract between grower and buyer and a copy of this Agreement/Award to be attached to the grower's copy at time of contracting if available.

16. Every contract between a grower and a buyer for the purchase of cucumbers for processing shall have printed as a clause thereof in the form as follows:

"The provisions of the Farm Products Marketing Act and the Regulations and the Agreement/Award for Marketing the 2018 Crop of Cucumbers for Processing, as approved by the Commission, shall apply to and form part of this contract"

and the buyer shall insert the said provision and his 2018 license number, issued by the Farm Products Marketing Commission or the OPVG, where applicable.

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.

SCHEDULE 1
OFFICIAL CHART - PICKLE PACKERS INTERNATIONAL, INC.

Crooked Pickles and Nubbins

Acceptable (1)



1

Not Acceptable (2-6)



2



3



4



5



6