

**HARTUNG BROTHERS, INC.**  
**AGREEMENT FOR MARKETING THE 2024 CROP OF**  
**MACHINE HARVEST CUCUMBERS FOR PROCESSING**

**Under the Farm Products Marketing Act**

**1-Price**

- (a) The minimum price to be paid (Note: all prices contained in this Agreement are in U.S. currency.) to every grower for all MACHINE HARVEST cucumbers produced in Ontario during the year 2024 purchased, received, and graded for processing delivered to buyer's receiving station shall be according to the following size ranges:

<b>Minimum Prices for Each Ton</b>		
<b>Grade Sizes</b>	<b>(f.o.b. receiving station)</b>	
	<b>U.S. \$/Ton</b>	
Up to 1 1/16"	1	0
1 1/16" to 1 1/4"	2A	<u>\$290.00</u>
1 1/4" to 1 1/2"	2B	<u>\$300.00</u>
1 1/2" to 1 3/4"	3A	<u>\$280.00</u>
1 3/4" to 2"	3B	<u>\$267.00</u>
2" to 2 1/8"	4	<u>\$54.00</u>
Over 2 1/8"		<u>\$10.00</u>
Nubs & Crooks		<u>\$30.00</u>

After a grower exceeds their 3-year average yield, prices will be paid according to the following size ranges.

<b>Minimum Prices for Each Ton</b>		
<b>Grade Sizes</b>	<b>(f.o.b. receiving station)</b>	
	<b>U.S. \$/Ton</b>	
Up to 1 1/16"	1	0
1 1/16" to 1 1/4"	2A	<u>\$280.00</u>
1 1/4" to 1 1/2"	2B	\$280.00
1 1/2" to 1 3/4"	3A	<u>\$265.00</u>
1 3/4" to 2"	3B	<u>\$245.00</u>
2" to 2 1/8"	4	\$25.00
Over 2 1/8"		\$0
Nubs & Crooks		\$20.00

- (iii) A grower's 3-year yield average from 2020-2022 will be used for the High Yield Pricing during the season which includes previous 2A deliveries. 2A and Oversize deliveries in 2023 will not be counted toward the calculation of High Yield Pricing.
- (iv) At the end of the grading season, if the receiving station in the aggregate does not exceed 100% of contracted machine volume, then any grower that received High Yield pricing during the season shall be paid additional compensation to true up to standard pricing for all bushels delivered by such grower.
- (v) New parthenocarpic growers without a 3-year growing history will be paid at the 3-year parthenocarpic station average yield.
- (vi) 15% cap on 4A, 8% cap on oversize. Additional 4A's will be paid at \$25/ton. Additional oversize will have no compensation. Pay rate on 4A and oversize will change upon the grading certificate after the grower has surpassed the contract cap.

- (b) Buyer agrees to share in the cost of the downy mildew treatment program. Buyer shall pay per recorded Liter or Kilogram of active ingredients applied as verified by Authentix towards said treatment program. Every grower accepting a contract to supply cucumbers in the 2024 season is required to have a spray program in use to minimize the effects of the downy mildew disease. HBI has the right to audit growers each year, proof of purchase and application documentation to be submitted upon request. Prices to be paid out to the Grower per Liter/Kilogram will be determined by requesting pricing from 3 local suppliers, the average price per unit will be reimbursed to the Grower. The prices will be identified and sent out to the Grower no later than May 1<sup>st</sup> of each year. This reimbursement will be paid with the final settlement each year.

**Approved products for reimbursement**

Bravo ZN  
Echo 720  
Manzate ProStick  
Orondis Ultra  
Sylguard  
Torrent  
Zapro  
Miravous Duo  
Quadris Top

- (c) Every Grower accepting a contract to supply cucumbers in the 2024 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 additional compensation. Note: An effective spray program is defined as a minimum of one targeted downy mildew spray application every seven days, but no more than one spray in five days, unless mutually agreed upon by both parties, weather permitting, once Buyer informs Grower of Downy Mildew being confirmed in the Great Lakes Region.
- (d) Growers shall be required to make an application of Quadris Top on all fields at or near vine tip-over for the prevention and control of belly rot, to be eligible to receive this additional compensation.
- (e) Grower's spray equipment must be able to apply a minimum of 20 gallons of water per acre as a carrier at 40 PSI to be eligible for the premium.
- (f) Only fungicides approved by buyer & labelled for cucumber use in both Canada and the USA may be used. Most restrictive label must be followed. Growers must submit Report 5 for any chemicals not pre-cleared by buyer on the annual approved chemical list.
- (g) Buyer may, based on its sole assessment of the current lack of control, order a third-party to apply fungicide on a grower's field to slow the spread of downy in a production area. Any application will be done at labelled rates. Buyer shall pay third-party supplier and deduct said payments from proceeds due to the grower for the cucumber crop.

## **2-Food Safety**

- (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 online Grower and Field Assessment prior to May 1 and,
  - (ii) Complete all sprays in Authentix on a field by field basis no later than 3 days prior to harvest.
  - (iii) record daily harvest in Authentix and attach Authentix planting identification information to field load paperwork.

Failure to record all sprays and harvests in Authentix prior to harvest 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 the additional compensation, referenced in 1(b) owed to the grower for the downy mildew treatment program.

### 3-Payment Provisions

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 14, 2024, to be paid for by July 26, 2024.
- (b) All deliveries from July 15, 2024, up to and including July 28, 2024, to be paid for by August 9, 2024.
- (c) All deliveries from July 29, 2024, up to and including August 11, 2024, to be paid for by August 23, 2024.
- (d) All deliveries from August 12, 2024, up to and including August 25, 2024, to be paid for by September 6, 2024.
- (e) All deliveries from August 26, 2024, up to and including September 8, 2024, to be paid for by September 20, 2024.
- (f) All deliveries after September 8, 2024, and Downy Mildew compensation to be paid for by October 4, 2024.
- (g) All payments shall be transmitted 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.

### 4-Seed

- (a) The price of cucumber seed shall be priced per thousand seeds:

**Conventional**

\$4.55 U.S. for VlaspiK

\$4.55 U.S. for Journey

\$5.15 U.S. for Expedition

**Parthenocarpic**

\$15.15 U.S. for Gershwin

\$15.10 U.S. for Vesta 5016

\$16.05 US for NUN 5062 &NUN 5063

\$15.95 U.S. for Henley

- (b) Other grower requested and buyer approved seed varieties will be sourced by buyer and deducted from grower at cost delivered to station, as agreed upon by grower prior to order. Payment for all seed shall be deducted from growers' settlements. Grower is always responsible for payment of seed invoice to buyer.
- (c) Only seed supplied by buyer shall be used by the grower to plant the production acres under this contract.
  - (i) All carryover seed must be reported at conclusion of planting to buyer.
  - (ii) No planting of non-buyer supplied seed, including trial seed varieties.
  - (iii) Only current year seed is eligible to be returned and shall be in full unopened containers and shall be returned to grower's respective grading location within 3 days of completion of planting of that variety to receive full credit.
- (d) Cucumber seed, referred to in Section 4, shall conform to the requirements of the Canada Seed Act.
- (e) Growers shall list buyer as an assignee of crop insurance proceeds (using Agricorp form) at the time of contracting with buyer to secure payment of seed costs. The assignment shall be released once grower has delivered enough crop to cover seed costs.

### 5-Planting

- (a) The buyer shall advise grower of proposed planting date and delivery point at time of contracting.
- (b) The buyer shall supply the grower with a weekly planting schedule and week's allotment of cucumber seed for planting the crop.

- (c) In the event buyer directs grower not to plant contracted acres, on a field that had no prior revenue crop that growing season, buyer will not compensate grower if acres are cancelled on or before May 15. Buyer will compensate at the rate of \$425/acre if cancelled after May 15 and before May 31, \$500 if cancelled from June 1 until June 15, and \$600 if cancelled after June 15.
- (d) In the event grower does not plant base contracted acres without buyer's approval, grower shall lose said acres from future base allocations.
- (e) Grower must provide Buyer an update on planting progress by 9:00am every Monday once the grower has commenced planting until his final planting report is given.

## 6-Contract Provisions

- (a) All machine harvest processing cucumbers shall be contracted by the acre.
- (b) Either party hereto shall have the right to cancel or request an increase or decrease of the acreage contracted for by giving written notice to the other party on or before March 31, 2024.
- (c) Cucumbers shall not be planted on land that has produced a peanut crop in any of the previous 3 years. All fields where cucumbers are grown must be free and clear from all nut type trees for a minimum of 100 feet from the cucumber crop. Grower represents that the cucumbers delivered to the Buyer shall be free from all nuts and/or other allergens. Failure to comply with 6(c), the Grower's contract may be terminated at the buyer's option.
- (d) Dual contracting with other processors/greenshippers is not permitted. Growers who produce fresh market pickling cucumbers must, prior to planting, receive written permission from Buyer detailing the terms and agreement of how crop is to be handled.
- (e) Subcontracting a grower contract is not permitted.
- (f) Buyer shall have final say on field selection. Grower shall submit field options for the contracted acres by April 20<sup>th</sup> of each year. Buyer shall evaluate the tendered acres for:
  1. Previous crop history
  2. Soil type
  3. Field trash, cobs, fodder and allergen risks (peanuts grown in the previous 3-years and nut trees)
  4. Field location, size and shape
  5. Other agronomic and operation evaluations as determined by buyer
 Buyer shall notify grower no later than May 10<sup>th</sup> of each year what fields tendered can be planted.
- (g) Buyer or it's representative shall have the right to enter on to grower's cucumber land for the purpose of confirming compliance with this agreement including measuring grower cucumber acres.

## 7-Reasons for Non-Fulfilment

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.

## 8-Reports to Local Board

- (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, base acreage/tonnage, acres and tons contracted identifying parthenocarpic and/or conventional plantings 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 by option.

- (c) Every buyer shall file with the local board on or before the 15th day of October a summarized list of every producer indicating measured planted acres, and tons harvested by identifying parthenocarpic and/or conventional plantings; for each grading station, Gross Dollars Generated; deductions, other charges and license fees deducted on all payable tons for each producer; spray or other premiums paid; as well as a copy of each grower's final settlement documentation to verify the summary.
- (d) Every buyer shall contribute \$0.60/ton on all payable tons 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 Research Committee.

## 9-Representation

- (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, other than termination for cause, either party may request in writing a meeting between the grower, the buyer, the OPVG and the OFVPA 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.

## 10-Harvesting

- (a) The grower shall provide the buyer or its designee with a 5-day forecast by 8 a.m. daily, beginning 5 days prior to first harvest and concluding with last harvest.
- (b) It shall be the grower's responsibility to harvest the crop and to deliver the harvested crop to the grading station.
- (c) 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. The cost of conducting the appeal shall be billed one half to the buyer and one half to the grower who requested the appeal.
- (d) Buyer requires that wagons and/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. All nuts, corn, wheat, and soy are potential allergens. The Grower guarantees that the equipment used to ship cucumbers does not have any physical hazards (i.e., rust, holes) that could contaminate the product.

## 11-Grading

- (a) All cucumbers for processing shall be graded by the Third-Party Service Provider in accordance with procedures approved by the parties to this agreement and set out in the Cucumber Grading Manual.

### 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.
  - (iv) The Grower's delivery shall not contain any type of allergen.
- (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) 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.
- (e) The cost of conducting the appeal shall be billed one half to the buyer and one half to the grower who requested the appeal.

## 12-Pre-Grading

- (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 a mutually agreed upon third-party. 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:

	Tolerance	Reject Point
Phytophthora, soft rot and mold	2%	Over 2%
Belly rot, scab and disease	3%	Over 3%
Spongy, sun burned or frozen	5%	Over 5%
Physical Damage, Nubs and Crooks	15%	Over 15%
Oversize > 2 1/8"	20%	Over 20%
The total of any of the above tolerances shall not exceed	25%	Over 25%
<u>Any/All types of Allergens</u>	<u>0%</u>	<u>0%</u>

## 13-Nubs and Crooks

- (a) 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 #1 (top left-hand). (See Official Chart - Attached).

## 14-Unharvested Acreage (Insured Peril)

- (a) When a crop insurance production claim results in zero production, grower shall be assessed seed charges.
- (b) Buyer shall provide any information and documentation requested by Agricorp (Crop Insurance) necessary to adjudicate Crop Insurance claims.
- (c) A cucumber crop not harvested must be destroyed immediately upon release weather permitting.

## 15-Unharvested Acreage (Buyer Directed)

- (a) Where a buyer chooses not to accept delivery of the whole or any part of the planting of cucumbers, not due to insured peril or quality standards, the buyer shall notify the grower.
- (b) The buyer shall pay for the estimated yield of such cucumbers net of a \$150/acre non-incurred expense reduction. In the event a test pick to determine yield is not practical, buyer and grower will come to a mutual agreement regarding the yield in the field.
- (c) A representative acceptable to both parties may be called to try to determine a settlement.
- (d) Buyer shall have the right to deduct seed charges on acreage so affected.

- (e) Payment to be made taking into account date upon which decision not to harvest was made, and payment provisions contained in the Agreement.
- (f) A cucumber crop not harvested must be destroyed immediately upon release weather permitting.

## General Terms

- 16. 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 2024. 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.
- 17. 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.
- 18. 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 2024 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 2024 license number, issued by the Farm Products Marketing Commission or the OPVG, where applicable.
- 19. No modification, waiver or termination of any terms or conditions of this agreement shall be binding without advance notice to the OPVG, and written agreement by both parties.

## Causes for Termination

- 20. The buyer may terminate this Agreement immediately for cause upon the occurrence of any of the following:
  - (a) Failure of the grower to comply with Section 2
  - (b) Failure of the grower to comply with Section 4(c)
  - (c) Failure of the grower to comply with Section 6(c-e)
  - (d) Failure of the grower to comply with Section 10(a)
  - (e) Failure of the grower to comply with Section 14(c)
  - (f) Failure of the grower to comply with Section 11(b)(iv)
- 21. Buyer may give notification of termination of any contract without cause by December 31<sup>st</sup>. Grower choosing to continue for final year must comply with requirements of Marketing Agreement for said year.

**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**

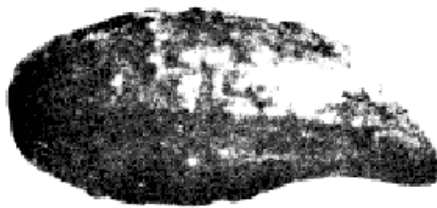
**OFFICIAL CHART - PICKLE PACKERS INTERNATIONAL, INC.  
Crooked Pickles and Nubbins**

**ACCEPTABLE (1)**



1

**NOT ACCEPTABLE (2-6)**



2



3



4



5



6