

# CROP SALE AND PURCHASE AGREEMENT

## Food Grade Corn Contract for 2007-08 Season

This Agreement between CORSON GRAIN LIMITED ("Corson") and \_\_\_\_\_ ("the Grower") whereby the Grower agrees to produce and deliver to Corson, and Corson agrees to purchase, upon the terms and conditions specified in this contract, the Crop as described below.

### A. The Crop:

<b>Food Grade Corn Hybrids</b>	Delitop N4187 N5901 C8449 @ \$330 per dry tonne (Base price) delivered subject to conditions below.
<b>Machine Dressed Maize Hybrid</b>	C7473 @ \$330 per dry tonne (Base price) delivered subject to conditions below.
<b>Planting Date Premium</b>	\$30 per dry tonne delivered if planted prior to 5 <sup>th</sup> October 2007 (Delitop). \$20 per dry tonne delivered if planted prior to 5 <sup>th</sup> October 2007 (N5901). \$10 per dry tonne delivered if planted prior to 19 <sup>th</sup> October 2007 (Delitop, N4187, N5901, C8449). Base price per dry tonne delivered if planted prior to 9 <sup>th</sup> November 2007 (All hybrids). Feed price if planted after 9 <sup>th</sup> November 2007 (All hybrids). Planting date premium is forfeit if grain specifications (Section B) fail the maximum or minimum permitted.
<b>Paddock Name (one per contract)</b>	_____.
<b>Area</b>	_____ hectares or _____ acres.
<b>Dry tonnes (estimate)</b>	_____ Tonne.
<b>Point of Delivery</b>	Corson Dryer, Awapuni Road, Gisborne.
<b>Drying Charges</b>	\$28 per wet tonne delivered up to 20% moisture, plus \$2 per moisture percent over 20% moisture, the cost of which is borne by the grower.
<b>Sowing rate</b>	_____ seeds per hectare or _____ seeds per acre.
<b>Bags of Seed Required</b>	_____.
<b>Seed Treatment Required</b>	No Poncho Mesuroil Poncho Plus
<b>Are extended payment terms required on inputs?</b>	No Yes (% interest rate per annum to be confirmed for account balance over \$400/ha contracted).

### B. Specifications:

Deductions apply to received grain as sampled according to Corson Wet Grain Receival testing procedures, and are based upon percentages of the base price indicated above.

Specification	Allowance	Food Grade Corn Deductions
Moisture	22% max	NA
Broken maize and foreign material	1% (3%max)	1.5% per 1% or fraction above allowance
Diseased maize	2% (4%max)	1.5% per 1% or fraction above allowance
Damaged maize	3% (5%max) (N5901: 4% allowance & 6% max)	1.5% per 1% or fraction above allowance
Kernel Count per 50g	Delitop : 160 (180 max) N4187 : 150 (170 max) N5901 C8449 C7473 : 140 (160 max)	1.5% per 10 kernels or fraction above allowance
Bathurst Burr	Nil	10% per weed seed as sampled
Mycotoxin and Aflatoxin	NIV + DON 0.5ppm max / Aflatoxin 5ppb max	NA
Test weight (kg/HL @ 14% KMC)	Delitop : 77kg/HL (73kg/HL min) N4187 N5901 C8449 : 75kg/HL (71kg/HL min) C7473 : 70kg/HL (68kg/HL min)	\$2.50 per 1kg/HL below allowance (Delitop) \$2.50 per 1kg/HL below allowance (N4187, N5901, C8449) \$5 per 1kg/HL below allowance (C7473)

The Grower irrevocably acknowledges that the Grower has read and fully understands this Agreement, including the terms, conditions and specifications both on this page and overleaf and as such agrees and accepts them in full, by duly signing below.

<b>Signed on behalf of Corson as buyer:</b>	<b>Signed by or on behalf of Grower as supplier:</b>
_____	_____
Date: ____ / ____ / ____	Date: ____ / ____ / ____
_____/07.	_____/07.

## CONDITIONS

1. Should the Grower be unable for any reason to plant the contracted crop by the nominated planting date, Corson shall be advised immediately. Corson may cancel or vary the contract and may change the hybrid to be planted.
2. Where Corson will supply the Grower with the seed, the Grower will use all such seed supplied by Corson strictly for the purpose of planting the Crop described in this Agreement. Without limitation to that obligation, all the seed will be sown in the total area described in this agreement. Corson will separately invoice the Grower for that seed.
3. The Grower must ensure that the paddock or paddocks in which the crop is to be planted is or are free from any noxious plants as defined by law or regulation. If a noxious plant or seeds of noxious plants are present in the Crop, Corson may reject all or part of the Crop.
4. The Grower shall do all things necessary to ensure that the Crop complies with the specifications contained in this Agreement. Detailed explanation of these Specifications may be obtained from Corson upon request. The Grower will sow the seed in a proper and careful manner in properly tilled soil and will harvest the crop in good condition and in accordance with good harvesting practices. All machinery and equipment used at the time of planting and harvesting should be clean and free of contaminants, other grain and noxious seeds. The Grower shall exercise due care to ensure risks in mixing seed in planters is avoided and growing and harvesting practices are managed to avoid any cross-contamination of the Crop. Corson shall have the right to reject the whole or any part of the Crop that tests positive for genetic modification arising from cross contamination.
5. It is the Growers responsibility to ensure grain supplied conforms to the Food Act 1981, Food Regulations 1984 and the ANZFA joint code of compliance. Of particular importance is the presence of mycotoxins and residual levels of agricultural chemicals/pesticides. Corson is required to analyse raw material to ensure deliveries meet Food Regulation requirements. Corson shall have the right to reject the whole or any part of the Crop, or downgrade that Crop from food grade to feed maize, that does not meet the regulations.
6. The Grower acknowledges that any products, including but not limited to seed, chemicals and fertilizer, supplied by Corson for the purposes of growing the Crop are supplied under Corson's standard terms of trade. Payment must be made no later than the 20th day of month following the month of delivery unless other arrangements have been made and agreed in writing with Corson. Where Corson is providing crop finance, this will be separately recorded in a finance agreement between Corson and the Grower.
7. Corson will not be responsible to the Grower for any advice given by Corson or its representative(s) whether negligent or not, nor for any loss or failure of the Crop. Corson's obligations to the Grower shall be strictly limited to its obligation to pay the contract price in accordance with this Agreement.
8. Only approved, registered chemicals may be used on contracted crops and must be applied by a registered "Approved Handler". Growers and chemical applicators must comply with relevant legislation when storing, transporting and applying chemicals.
9. The Grower will maintain a comprehensive and accurate Spray Diary, in a form acceptable to Corson, of the sowing, cultivation and spray management history of the Crop. This record will be made available to Corson prior to the commencement of the Crop harvest.
10. The Grower shall pay for all cost associated with the production and delivery of the crop including, but not limited to, seed, sowing, insurance, fertiliser, weed control, harvesting, drying and cartage.
11. The Grower shall deliver the whole crop and shall not retain any part for his own use whether for seed or otherwise, or will not part with possession or dispose of in any way part of the Crop to any other party or body than Corson. Furthermore the Grower will not sell, lease, licence or otherwise part with possession of the land on which the Crop is sown without the consent of Corson, who may impose such conditions, at the cost of the Grower, as it may reasonably require in protecting its interest in the Crop.
12. The Grower warrants that the Grower has not entered into, and will not enter into, any mortgage, lien, charge or undertaking in respect of the Crop in favour of any other party (either specifically or by inclusion in any general security). The Grower will immediately notify Corson of any current mortgage or debenture securities whether given by the Grower in respect of the land on which the Crop seed is sown, or given by the actual owner of that land, and will obtain a written acknowledgement from the holders of the securities that the Crop will not form part of their security interest in the land.
13. Corson shall notify the Grower of the intended harvest date. The Grower shall, on the notified date, deliver the Crop to the delivery point stated in this agreement. The crop must be whole, sound, sweet grain, free of objectionable colour, disease, fungal attack, decay, insect infestation, vermin excrement, foreign matter or any other blemish or odour rendering it unsuitable. If the Grower is unable to harvest the Crop on the date as advised by Corson, then Corson may forthwith employ a contractor of its choice, to harvest the Crop on a day determined by Corson. All harvesting and cartage costs incurred will be paid by the Grower.
14. Corson shall have the right to inspect the Crop at regular intervals during the growing and harvesting period. Delivery of the Crop and acceptance by Corson shall be deemed not to have taken place until Corson has ascertained that the Crop meets the specifications provided for by this Agreement. Corson shall accept or reject all or part of the Crop at the point of delivery. This shall not in anyway affect Corson's right to reject all or any part of the Crop in accordance with any other provision of this agreement. If any part of the Crop falls outside the maximum allowances for any one of the specifications provided for in this Agreement, Corson may at its option, but acting reasonably either:
  - a. Reject the whole or any portion of the Crop not so complying; or
  - b. Accept the whole or any portion of the Crop not so complying at a discounted price determined by Corson.
15. Corson shall provide the Grower with a certificate as to the weight of the Crop and its compliance with the Grade Specifications. The certificate provided by Corson shall be final and conclusive as to the weight, moisture content and grade of the Crop.
16. The Grower acknowledges that in the normal course of business that Corson may enter into contracts before the harvest for the future sale of the crop. Should the Grower refuse or fail to deliver the whole of the crop Corson may purchase a similar quantity of similar commodity at prices current at the expected time of delivery and recover any resulted loss from the Grower (including all incidental costs of purchase and sale).
17. The Grower shall not be deemed to be an agent, servant or employee of Corson for any purposes under this Contract.
18. Payment of the Crop will be made on the 20th of the month following delivery but subject to the Grower complying with its obligations under this Agreement including, but without limitation, ensuring that the Crop complies with the Specifications and complying with its obligations under clause 9 (to ensure Corson has received a copy of the Spray Diary) and clause 12 of this Agreement (to ensure that the Crop is unencumbered and not subject to any security interest or charge of any nature). Corson reserves the right to withhold payment at its discretion, until such time that Corson is satisfied that the Grower has complied with its obligations under this Agreement.
19. Corson shall be entitled to set off any moneys owing to Corson by the Grower (for seed, fertiliser; sprays, drying charges or any other goods and services supplied) against payment of the purchase price of the Crop.
20. Where the Crop variety is the subject of a grant of plant variety rights under the Plant Variety Rights Act 1987 and/or is subject to restrictions laid down by the holder of that grant, the Grower hereby confirms that it is familiar with the provisions of that Act.
21. Except where otherwise specified, all prices stated in this Agreement are GST exclusive and the appropriate amount of GST will be paid in addition to the stated prices.
22. Any dispute between Corson and the Grower shall be settled by arbitration of a single arbitrator (if agreed) or failing agreement by the arbitration of Arbitrators in accordance with the Arbitration Act 1996 and amendments there to.