

Farm Purchase Terms for Grain, Pulses & Oilseeds for 2017/18



Frontier Agriculture Ltd.

Andover

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GH Grain

Old Colliery. Staple Road. Wingham, CANTERBURY Kent CT3 1LS Tel 01227 723822

Berwick

Windmill Way West, Ramparts Business Park, CRANSWICK BERWICK UPON TWEED, Northumberland, **TD15 1TB** Tel 01289 330303

Newmachar

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Cranswick

Beverley Road Driffield East Yorkshire YO25 9PF Tel 01377 270441

Sandy

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Terms and Conditions between Frontier Agriculture Ltd (hereinafter called the Company) and the Seller. Changes from previous terms are shown in italics to make them easily visible.

Each purchase contract, whether concluded face to face, by telephone, the internet, or otherwise, will be confirmed by the issue of a Contract Confirmation by the Company. Each purchase contract is subject to the terms of the Contract Confirmation and to the Frontier Farm Purchase Terms for Grain, Pulses and Oilseeds valid at the time of movement. The following terms, including the arbitration clauses therein also apply: -

Grain & Pulses: AIC Grain/Pulses No.1/16 - copy enclosed.

Oilseed Rape: FOSFA 26A (revised and effective from 1st January 2016) - copies available

on request.

Linseed: FOSFA 9A (revised and effective from 1st January 2015) - copies available

on request.

In the event of contradictions the terms of the Contract Confirmation prevail over the Frontier Farm Purchase Terms for Grain Pulses and Oilseeds, which in turn prevail over the AIC/FOSFA contract terms.

Contract confirmations

Contract confirmations issued by the Company should be checked promptly and any queries raised without delay. Failure to advise alleged errors will render the Seller liable to the confirmed details.

Contracts concluded on-line through the Frontier website 'MyCropMarketing'

All contracts entered into through the Frontier website application

'MyCropMarketing' shall be with Frontier Agriculture Ltd (the Company) as the buyer. The Company shall use reasonable endeavours to ensure that all prices displayed on the website 'MyCropMarketing' are accurate. However, the price of the offer shall not be binding until validated by the Company prior to confirming the Contract

In the event of a discrepancy due to technical problems or clerical error, the Company shall contact the Seller to state the correct price. When informed of a discrepancy, the Seller shall either (a) confirm acceptance of the correct price, (b) request an amendment to the correct price (which may or may not be accepted by the Company in its absolute discretion) or (c) reject the correct price and cancel the Contract with no liability to either Party. A failure to notify the Company of either

Contract statements:

The Company will periodically issue Contract statements to each farm account, summarising outstanding contracts for Grain, Pulses & Oilseeds. The Company advise Sellers to check each statement and ensure that it includes all outstanding contracts and that they have a copy of each contract confirmation.

(a), (b) or (c) above shall be deemed an acceptance of the correct price.

Payment:

This is by cheque raised 28 days from the date of delivery by self bill, posted 1st class, unless agreed otherwise.

Claims notification:

The Company will endeavour to make contact by telephone but reserves the right to use their best judgement should such communication be impossible.

In the following situations, claims will only be notified after tipping by fax, email or letter – when the claim is for £6.00/t or less; fallback claims; claims on loads delivered to destinations during extended opening hours (some destinations operate 24/7 during busy periods); claims on loads delivered to destinations operating automatic claims (including but not limited to: AB Agri Mills; Cargill at Trafford; Vivergo Biofuels at Hull; Soufflet Maltings at Burton on Trent; export facilities at Southampton and Tilbury). Automatic claims may exceed £6.00/t – the claim scale applicable at the time of delivery will apply and copies of these claim scales will be available on request.

Drying, conditioning and other charges on contracts booked as undried/unconditioned or on the Grain Harvesters Storage Scheme will be notified on the self billing invoice.

Contract Specifications:

The Company reserves the right to change the contracted maximum moisture and other specifications if industry/EU regulations change between the date of contract and delivery of the goods.

Quality allowances for deliveries into Frontier Agriculture Ltd Stores:

The Company reserves the right to charge allowances and/or drying charges and/or cleaning charges for any load exceeding the following standards:

Malting Barley - over 14.5% moisture or 1% admixture
Other Cereals - over 15% moisture or 2% admixture

Pulses - over 15% moisture or 1% admixture Oilseeds - over 9% moisture or 3% admixture

Conditioning charges may also apply for 'undried/unconditioned' contracts that do not require drying and for other contracts particularly if the temperature exceeds 25°C in July/Aug, 22°C in Sept and 20°C thereafter. Details of drying and cleaning charges are available on request.

Weighbridge charges:

The Company's standard weighbridge charge is £8.00 per load, payable by the Seller.

Quantity/Tolerance:

The quantity tolerance shall be as specified in the relevant AIC or FOSFA contract, but shall be at the **Company's option**. Where the quantity delivered on a contract is in excess of the maximum quantity permitted by the tolerance, the Company reserves the right to pay the spot market price for tonnage above the mean contract quantity.

Contract tonnages and capacity load charges:

The Company's standard vehicle size is 29T and the Company would prefer to have ex farm contracts made up in multiples of this quantity. The Company will however purchase other quantities, but reserves the right to make a price adjustment to reflect any higher haulage charges. The Company reserves the right to deduct a capacity load charge on any part loads, or any additional haulage costs for smaller vehicles or for split loading when a part load is loaded with another parcel to reduce capacity load charges. For split loads the Company reserve the option to base the payable quantity on the vehicle weighloader reading at each collection point. Where a difference exists between the sum of the weighloader readings and the final delivered weight, the difference, positive or negative, will be applied to each part of the split load pro rata.

Contra-payments:

The Company reserves the right to offset any payables against any receivables under any contracts between the Company and the Seller.

Buyers Call / As Available:

Buyers Call - All collections/deliveries shall be made in bulk at "Buyer's call" unless otherwise agreed. While the Company will do their utmost to be flexible in the collection/delivery of goods, they may be restricted by limitations imposed by Consumers or shipping programmes. Therefore, if goods are not available when called for, it may not always be possible to move them in the contract period and the Company reserves the right to claim an extension in such cases.

As Available - Where "As Available" has been agreed the Seller should notify the Company of availability of the contracted goods promptly once they are harvested and ready for movement. The Company will then move the goods as soon as possible within the contract period (subject to assessment of quality and the availability of fixings and haulage). If notification of availability is less than 10 full working days prior to the end of the contract period, the Company may at their option extend the Contract Movement period. If more urgent movement is required then this should be agreed on a contract-by-contract basis when the contract is agreed.

Delivered Purchases:

The Company reserve the option to convert delivered purchases to ex farm at an appropriate haulage discount if bookings to the contract destination are not available. All delivery vehicles must be sheeted to minimise the risk of contamination. Climbing onto vehicles is strictly forbidden. All trailers must be fitted with dust chutes and an easi-sheeting system, unless it is possible to sheet and unsheet from ground level. The Combinable Crops Passport must be completed with details of the trailer cleansing and the 3 previous loads carried on the trailer. All trailers must be uniquely numbered. Vehicles must not have carried any material listed on the 'AIC Haulage Exclusion list'. Additionally for purchases destined for human consumption, goods on the 'AIC Haulage Contaminant Sensitive list of Materials causing allergic reactions' must not have been carried. The Company reserves the right to refuse deliveries on any vehicles that they consider are inappropriate to carry combinable crops that are destined for the food or feed industries, e.g. Dirty or leaking vehicles. If the Seller is employing a haulier, that haulier must be TASCC/ GTAS approved and the Company must be notified prior to delivery of the hauliers name, or where the Seller is delivering his own produce his vehicle(s) must as a minimum be covered by a valid crop assurance scheme and comply with current legal operational requirements. For deliveries direct to other destinations the Seller will need to conform to the end receiver's terms, this may include the requirement that the goods are carried on vehicles that comply with the TASCC/GTAS Codes of Practice for Road Haulage. Some destinations (including Vivergo) require that drivers have been inducted for site rules before they can deliver - should a driver breach these rules they may be banned from site indefinitely. At all destinations, site Health and Safety rules must be fully complied with, any breach may result in rejection of a delivery and/or banning of the delivery vehicle and driver.

Audio, Video, Image recording - Any manual recording equipment for audio, video or still images must not be used on sites of the Company or Customers of the Company without prior permission of the site owner.

For vehicles fitted with continually recording on-board safety cameras images must not be shared in social media or otherwise without the permission of the Company or Customers of the Company.

Copies of site rules for delivery addresses are available on request. Copies of the Haulage Exclusion and Contaminant Sensitive lists are available from the QA Dept at Sandy.

Overweight lorries:

All hauliers are legally obliged to comply with their legal payload limits and our hauliers are instructed not to overload their vehicles, this applies equally to vehicles used for delivered purchases. Most vehicles have an on board weigh loader which will give a guide to loading where a weighbridge is not readily available. Please be aware that knowingly allowing overloaded vehicles to leave your premises could be considered to be aiding and abetting the illegal operation of a vehicle and should be avoided. Overloaded vehicles may incur delay and/or additional charges or rejection at the end destination.

Cereals for malting or distilling:

Only agrochemicals endorsed by the British Beer and Pub Association may be used on either the growing crop or the resultant grain. This requirement also applies to **wheat for distilling**.

Malting Barley:

Moisture - maximum 14.5% is the standard specification for malting barley unless agreed otherwise. For any load delivered above the contractual moisture, the Company shall have the option to reject the load, but will whenever possible accept the load and claim an allowance to be agreed. The Maltsters Association of Great Britain scale of moisture allowances may not apply.

If the Seller is delivering **malting barley after 31st October** which may be above 14.5% moisture, they should notify the Company of this at least 2 weeks prior to the delivery month so the Company can advise them further. Any additional costs resulting from failure to notify the Company that deliveries may be above 14.5% moisture will be deducted from the Seller

Germination - The domestic market requires a minimum germinative capacity of 98%, although there may be some export opportunities down to minimum 95%. Malting Barley should be stored in a way to maintain germination.

Oats:

Sellers of oats are again especially reminded of the need to manage the use of growth regulators to avoid breaching the maximum residue level for Chlormequat.

Milling Wheat:

Where wheat is sold for flour milling or other human consumption uses, admixture includes small grains passing through a 2.0mm slotted aperture sieve, non wheat material remaining over a 3.5mm slotted aperture sieve and any other miscellaneous impurities, including other cereals and broken, mouldy, diseased, discoloured or insect damaged grains.

Biostimulants manufactured from animal tissue or blood:

Some bio stimulants include hydrolysed proteins that have been derived from animal tissue or blood, which may include pork material. The use of these bio stimulants is NOT acceptable on any cereal crop destined for the Food supply chain (as this could impact public perception and therefore consumer acceptability). The Seller must advise the Company in writing if any cereal crop where the goods are sold to the Company has been treated with any bio stimulant derived from animal tissue or blood. The Company reserves the right to renegotiate any contract if such treatment is declared or proven and to claim any consequential costs and damages.

Oilseed Rape:

Loads delivered direct to Crush will usually be rejected if they exceed 10% moisture and/or 4% admix. If such a load is accepted, the Company reserves the right to pass on any resulting moisture and/or admixture charge retrospectively.

Oil analysis: This will continue to be reported basis 9% moisture for loads delivered to store, tested to British Standard BS EN ISO 10565.

Glucosinolate: the default specification for glucosinolate in Double Zero Oilseed Rape is maximum 18µmol, unless agreed otherwise.

Free Fatty Acid: The Company reserves the right to make retrospective claims for up to 90 days following delivery on any loads found to be testing above the contract specification for FFA (which is max 2% of oil in seed - unless otherwise agreed), or to withhold partial payment pending FFA results.

Erucic Acid: The Company reserves the right to make retrospective claims on any double zero OSR loads found to be testing above the contract specification for Erucic Acid (which is max 2% of oil in seed - unless otherwise agreed), or to withhold partial payment pending Erucic Acid results.

BAP (Benzo a pyrene) - Direct Flame Diesel Driers and Space Heaters: All Oilseed Rape deliveries must comply with current EU regulation with regard to the maximum permitted level of BAP (Benzo a pyrene). The Company reserves the right to make retrospective claims for up to 90 days following delivery on any loads found to be testing above the legal limit for BAP. If diesel vapours or fumes are blown into oilseed rape the subsequent residue of BAP, a hydro fluorocarbon cannot be removed during the refining process. The oil is then not suitable for use in the food industry. The Company strongly advise Sellers to either avoid using a direct flame diesel drying system for drying crops or to ensure the drier is maintained to eliminate any potential problem. This requirement also applies to diesel-powered space heaters when used as a heat source with ambient temperature fan driers.

Ownership & Risk: Ownership and risk shall remain with the Seller until the goods are delivered to the Company.

Linseed:

FOSFA 9A clause 4 (Allowances, premiums and rejections) is excluded. Linseed is purchased on maximum 9% moisture, maximum 2% admixture and minimum 38% oil unless otherwise agreed.

Mycotoxins:

EU legislation for Mycotoxins must be complied with. The Company requires that the Seller is aware of and complies with, the legislation setting maximum levels of fusarium and storage mycotoxins and that the Seller has undertaken such risk analysis and testing as is required at the time of delivery (this may vary depending on the goods, the region in which the goods have been grown and the season, furthermore the requirements may alter during the season). The Seller is advised to make themselves aware of the latest requirements in advance of any outloading so there is sufficient time to comply with any necessary testing. The Company reserves the right to see any such risk analysis and test results.

Cereals - The Company requires that ALL cereals **including feed grain** are below the EU limits for mycotoxins set for unprocessed cereals, unless it is agreed by the Company that for a specific contract these limits do not apply. For certain end uses lower limits apply and these will be specified if applicable.

Manchester Gold Wheat Club - all wheat deliveries must comply with the EU limits for mycotoxins set for unprocessed cereals.

Grain & Oilseeds Pools - The Company aim to add maximum value to all tonnage committed to their Marketing Pools, this requires that all end destinations are considered including Food and Bio fuel destinations.

All loads destined for Food destinations must comply with the EU mycotoxin legislation. The Company requires that the Seller notify them in writing if they **do not** want the Company to attempt to add value to their pool tonnage by delivering it to Food destinations or if the Seller has parcels that are known to be above the EU limits for unprocessed cereals and therefore only suitable for delivery to Feed destinations.

Storage Mycotoxins - deliveries after 31st October:

For deliveries after 31st October of each year -

- i. Some destinations (in particular some Maltings) will reject deliveries above 14.5% moisture,
- ii. Some destinations will accept loads at higher moisture but will require a test certificate to confirm the parcel is below the maximum limit for Ochratoxin A,
- iii. Others will accept loads above 14.5% moisture but will assume that the Seller by presenting the load at that moisture is warranting the load as being within the EU limits. The destination may test the load either prior to tipping or retrospectively and any resulting claims will be passed back to the Seller.

Renewable Energy Directive (RED) / Sustainability:

Any Goods purchased as Sustainable or for delivery to a bio fuel destination, must be compliant with the Renewable Energy Directive *in all respects*.

The Seller of the Goods must be certified as RED fully or partially compliant under an EU approved voluntary scheme (such as assurance schemes Red Tractor or SQC).

If the Seller is recorded as RED fully compliant by their assurance scheme, the Company will assume all purchases of Grain, Oilseeds and Pulses are Sustainable - the Seller must notify the Company in writing if any purchases are not fully compliant under the terms of the RED, this will include if the goods are being supplied from a central store that does not have certification for RED.

If the Seller is recorded as RED partially compliant, the Seller must confirm for each contract if the Goods to be supplied are Sustainable.

All double zero oilseed rape, must be compliant with the sustainability criteria of the RED, unless otherwise agreed.

Combinable Crops Passports (version 01/11):

Each load must be accompanied by an appropriately completed and signed Combinable Crops Passport (CCP), with the appropriate Crop Assurance identification sticker. The CCP must include all relevant requirements at the time of collection/delivery. The collection address and postcode is required as part of the chain of custody requirement.

CCP require **all post-harvest treatments** (not just those of pesticides) to be declared, this reflects the demands from end users that post harvest treatments with Diatomaceous Earth (DE's) are included.

Fusarium mycotoxin risk assessment and test results must comply with the requirements of the industry at the time of collection/delivery.

Information on variety(s), year of harvest and store or bin number should be completed on all parcels for food sector end uses, e.g. flour millers, maltsters, breakfast cereal manufacturers.

GM Statement - Only CCPs which include the GM statement are acceptable for oilseed rape deliveries.

Renewable Energy Directive - Section 8 of the CCP should be completed (both signature and printed name) in all instances where the goods are sustainable. The Company require that this section is completed for ALL loads where the Seller is recorded as RED Fully Compliant by their assurance scheme (Red Tractor, SQC). Where the Seller is recorded as RED Partially compliant by their assurance scheme, it should only be signed for loads against contracts confirmed as sustainable. Loads arriving at end destinations may be rejected or delayed if this section is not completed and the Company reserve the right to pass any additional costs back to the Seller if this section of the CCP has not been completed correctly.

Sewage Sludge:

The Company are not aware of any relaxation in the restrictions for the uses of grain grown on land previously treated with any form of sewage sludge (biosolids). Treated land must not be used for the production of cereals for malting or distilling, or oats for milling. Where grain for these end uses is found, subsequent to delivery, to have come from land treated with biosolids, the risk and all consequences - direct and indirect - will remain with the Seller. The Company requires that the Seller declare prior to sale and confirm in writing if the contracted grain has been grown on land treated with sewage sludge.

Genetically Modified Organisms:

The Seller must advise the Company in writing if they grow **any** Genetically Modified (GM) Crops. The Seller should take adequate precautions to avoid any contact with or contamination by Genetically Modified Organisms. The Seller must advise the Company in writing if any goods sold to the Company may have been contaminated or have been grown on land previously used for GM cropping. The Company reserves the right to renegotiate any contract if GM contamination is declared or proven and to claim any consequential costs and damages.

Post Harvest Pesticide & Agronomic Restrictions:

Our updated sheet listing acceptable Insecticides, Biocides and Pesticides Approved for treating Stores and Stored Commodities is enclosed. Some Consumers do not accept deliveries of combinable crops that have been treated with Diatomaceous Earth (e.g. Silico-Sec). The Company requires that the Seller declare all grain treated with any Diatomaceous Earth prior to sale. The Company reserves the right to adjust the contract price if additional costs or reduced value is the consequence of such treatment, and the Company was not notified prior to sale.

A number of Consumers will only accept goods after an infestation problem if the goods have subsequently been treated professionally with a gaseous fumigant and have then been dressed to remove insect debris. Any grain treated by a fumigation contractor must have a certificate to show that the grain has been subsequently ventilated to remove any gaseous residue, in addition to the treatment being declared on the CCP.

Assurance:

The Seller should advise the Company if their assurance status changes. The Seller is responsible for ensuring that all possible collection locations are included as 'additional holdings' on their assurance membership and that the assurance details confirmed on the Combinable Crops passport are valid for the loaded goods and movement date. Failure to do this could result in delays or rejections, with additional costs, which will be deducted from the Seller.

Allergens:

Any possible contamination of the contracted material by allergens not normally associated with the goods under contract (such as Soya, Nuts, Lupins and Mustard) must be declared prior to delivery. A decision regarding acceptability will then be made by the Company. Inspection of all vehicles prior to loading is important to avoid any subsequent contamination.

High Erucic Acid Oilseed Rape (HEAR):

The Company strongly advise Sellers to take steps to avoid any cross contamination between HEAR and Double-Low Oilseed Rape. The end markets for these crops are different and neither is able to tolerate any cross contamination. Testing for cross contamination takes place after delivery and processing, so if a problem is identified it is likely that a considerable tonnage may have been affected, with significant costs to be passed back to the Seller of the contaminated Oilseed Rape.

Store Management / Infestation:

The Company strongly advise Sellers to regularly check goods in store, particularly for moisture, temperature, infestation and rodent or bird intrusion. Prompt cooling and drying of grain after harvest will help maintain grain condition and minimise the risk of storage Mycotoxins developing in the grain. Good store hygiene to avoid infestation is also much cheaper than fumigation following a problem. Infested loads are extremely expensive to deal with and will include the added cost of steam cleaning the vehicle to comply with TASCC/GTAS assurance requirements. Consider using the HGCA Safe Storage Time Calculator for Cereals.

Bituminous Fillers:

Bituminous floors and bituminous fillers between concrete floor slabs should not be used for the storage of oilseeds; a food grade sealant should be used instead.

Chlorpropham:

Chlorpropham is not permitted for use on cereals, oilseeds or pulses. Do not store these crops in stores that may have previously stored goods treated with Chlorpropham as there can be a cross contamination even several years later as the chemical permeates into the fabric of the store. Chlorpropham is a sprout suppressant used on stored potatoes. If in any doubt, Sellers should complete a CIPC risk assessment and act upon the results.

Product Liability:

The Company strongly advise Sellers to have adequate product liability insurance insurance and advise minimum cover for £5 million.

Farm Sampling:

The Farmer Sampling Instruction sheet is available on our website. The Company encourage Sellers to take their own samples at harvest because they are usually in the best position to obtain the most representative samples (although the Company will still be supplying a sampling service to those who need it). Remember, the Company are not able to sample enclosed silos or bins; Sellers with this type of storage must therefore keep samples for collection. If you would like a supply of sample bags before harvest please contact your Farm Trader.

Farm Safety:

Please remember farm safety is a shared responsibility to which all must contribute and the Company will do their best to ensure their samplers and hauliers are properly briefed in safety matters.

Slavery Act:

The Seller shall in all respects comply with the Modern Slavery Act 2015 in their supply of goods to the Company

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