

Statutory Minimum Proprietary Seed Production Contract

(HB 2159 "Default" Contract)

The payment date, seed storage, and length of contract provisions outlined below are in force between a seed dealer and a seed grower if a seed production contract is not agreed to and signed before the seed in question is planted. **These minimum contract provisions are legally binding and are not optional.** A grower may not agree to contract terms less favorable for him than those outlined below however, a grower may agree to contract terms that are more favorable for him than those outlined below.

1. Payment Date Options:

30 days after seed is delivered to the seed dealer upon the dealer's request, or May 1 of the year following harvest **whichever occurs earliest** regardless of whether or not seed has been delivered to the seed dealer or his customer.

Or,

Date(s) earlier than May 1 of the year following harvest agreed to in writing between the seed dealer and grower.
Earlier Payment Date(s):

2. Seed Storage And Risk of Loss:

Responsibility for storage and risk of loss transfers to the seed dealer when the grower presents the dealer with a test showing that the seed produced meets the quality specifications agreed to **or** when the dealer takes possession of the seed **whichever occurs earliest**. The grower is not obligated to abide by a seed dealer's cleaning schedule. Cost for seed storage may be determined by the grower or may be negotiated between the dealer and the grower.

Grower will provide seed storage at a rate of \$.35 per cwt. per month.

Other agreement on seed storage: _____

3. Contract Term:

The **statutory minimum contract terms is 2 years**, however the parties may agree to a longer contract term.

3 year contract term.

4 year contract term.

Agreements on contract term extension due to mutual crop management decisions such as spring clipping of a newly seeded field:

4. Disposal of Seed Produced by Grower that does not meet Quality Specifications agreed to:

HB 2159 statutory process for disposal of seed that does not meet contract quality specifications: If routine test results show that the seed produced does not meet the quality standards agreed to, the grower may at any time send the test results to the seed dealer and inquire as to whether or not the dealer intends to purchase the seed. If the dealer responds within 30 days that he does intend to purchase the seed, it shall be sold to the dealer under terms agreed to in a *seed purchase contract*. The price may be anything the grower and dealer agree to except that it may not be more than the price would have been for seed meeting contract quality standards.

A growers' initial communication with the seed dealer presenting him with the test results and inquiring as to his intentions to purchase the seed and the dealers reply to the grower must be in a form that can be used to document that it was actually received by the other party.

If a grower sends an inquiry to a seed dealer asking if he intends to purchase seed the grower has produced for him that does not meet quality standards and the dealer does not reply within 30 days his lack of response may be acknowledged as a refusal to purchase the seed and an authorization for the grower to sell the seed in any reasonable manner as Variety Not Stated Seed (VNS).

Other agreement on handling of seed produced by the grower that does not meet the agreed quality standards:

Additional seed production contract issues that are not provided for in HB 2159 and should be negotiated between the seed grower and seed dealer:

5. Price determination:

- OGSBA negotiated price.
- Price Call Dates that will be averaged to determine the price
:_____

6. Provision of Seed stock:

- Dealer will provide seed stock at his actual cost (the per pound price paid to the grower who produced it).
- Upon delivery of seed stock dealer will provide a seed test to validate its purity.
- Other seed stock price
agreement:_____

7. Seed Bags and/or Packaging:

- Dealer will deliver bags upon the grower's request. Cost for bags will be the actual cost of plain bags; the dealer will pay any additional cost for branded bags.
- Grower may provide standard plain bags from a source other than the dealer.
- Other packaging
agreement:_____

8. Seed Quality Requirements and Specifications:

Purity: _____ % Min. Germination: _____ % Min. Certified Sod Certified
Crop: _____ % Min. Uncertified OECD Blue Tag
Inert: _____ % Max.
Weed: _____ % Max. Other: _____
Seed testing will be paid for by grower using a seed testing vendor licensed in Oregon.

9. Further Agreements:

Grower agrees to faithfully perform his obligations under this contract and to furnish all the land, equipment and care necessary to properly grow, harvest, condition and package the crop in a timely manner.

Dealer agrees to faithfully perform his obligations under this contract. Dealer further agrees that the grower has rights to payment for the seed produced under this contract that are guaranteed by this contract and the Plant Variety Protection Act (PVPA) and that the grower may use processes provided by the PVPA to sell the seed produced under this contract to another purchaser by variety name if the dealer fails to perform under this contract.

Print Names:
Grower: _____ Dealer: _____

Signatures:
Grower: _____ Dealer: _____

Date Signed:
Grower: _____ Dealer: _____