



2011-12 CWB ORGANIC FIXED SPREAD CONTRACT PROGRAM TERMS AND CONDITIONS

1. DEFINITIONS

- a. “**CWB Act**” means *The Canadian Wheat Board Act*, as amended from time to time.
- b. “**Fixed Spread**” means the amount per tonne as determined by the CWB relative to the destination to which the organic grain is being shipped that is payable by the producer to the CWB. The *Fixed Spread* represents the pecuniary benefit enuring to the producer on account of the single desk and shall be used to compensate the pools for the loss of marketing revenues on account of the organic sale. The *Fixed Spread* amounts relative to destination are available on the CWB’s Web site at www.cwb.ca or by contacting the CWB at 1-800-275-4292.
- c. “**Grain**” means all organic wheat, durum and barley offered by the producer pursuant to this contract.
- d. “**Organic**” means certified organic by a certification body accredited by the Standards Council of Canada, the U.S. National Organic Program, and/or a European accrediting body.
- e. “**Total Contracted Net Tonnes**” is the number of net tonnes contemplated in this Organic Fixed Spread Contract (OFSC).

2. OFSC

- a. In order to market organic grain independently of the CWB, a producer must enter into an OFSC and pay to the CWB the applicable *Fixed Spread* on the *Total Contracted Net Tonnes*. The producer shall enter into an OFSC in respect of the type, quantity and quality of *Grain*.
- b. The producer shall provide the CWB at its head office in Winnipeg, Manitoba, with the following:
 - i. the tonnes, grade, quality and destination of the *Grain*; and
 - ii. a copy of 2011 organic certificate certifying that the *Grain* is *Organic*. If a 2011 certificate is not available at the time the OFSC is entered into, the CWB may, at its discretion, accept a certification from the previous year followed by the current certificate when available.
- c. The CWB reserves the right to refuse to enter into an OFSC with the producer, in its sole discretion, for any reason including where the producer has outstanding liquidated damages or Producer Direct Sales fees outstanding on a previous contract. The CWB may declare a producer ineligible to participate in this program and may refuse to enter into an OFSC with such producer.

3. CWB’S OBLIGATIONS

The CWB agrees to issue an export license, upon request by the producer, after such time as the applicable *Fixed Spread* amount has been paid.

4. PRODUCER’S OBLIGATIONS

The producer agrees:

- a. that the *Grain* shall be exported to the destination specified in the OFSC.
- b. that the *Grain* will be exported on or before July 31, 2012.

5. DEFAULT

The producer shall be in default (“Default”) under the OFSC if:

- a. the producer exports or allows his *Grain* to be exported to a destination other than that which was specified; or
- b. the producer exports more *Grain* than that which was specified.

In the event that the producer is in *Default* under this contract, the CWB may void this OFSC and any other contract between the CWB and the producer and the producer shall be liable for the amount of the *Fixed Spread* calculated in accordance herewith plus any damages incurred by the CWB plus a twenty-five (\$25) dollar administration fee.



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6. AMENDMENTS

- a. If the producer enters into an OFSC and pays the requisite *Fixed Spread* to the CWB pursuant to this Agreement, however the producer decides not to export the *Grain* on or before July 31, 2012, for whatever reason, the producer may cancel the Contract and the CWB shall reimburse the producer for the *Fixed Spread* less a twenty-five (\$25) dollar administration fee.
- b. If the producer enters into an OFSC and pays the requisite *Fixed Spread* to the CWB pursuant to this Agreement, however the producer exports less *Grain* than was indicated, the producer must provide a weigh ticket or bill of lading from a third party indicating same and the CWB will reimburse the producer the *Fixed Spread* on account of the *Grain* that was not shipped less a twenty-five (\$25) dollar administration fee.
- c. If a producer enters into an OFSC and pays the requisite *Fixed Spread* to the CWB however the destination to which the *Grain* is to be exported changes, the producer shall immediately report same to the CWB and the producer shall be billed or refunded the difference between the *Fixed Spreads* as applicable. A twenty-five (\$25) dollar administration fee will apply.

7. GENERAL

- a. The OFSC for the *Grain* constitutes the entire agreement between the CWB and the producer with respect to the *Grain*. There are no representations, warranties, terms or conditions, whether expressed or implied, beyond those contained herein.
- b. The OFSC shall be governed and construed in accordance with the laws of the Province of Manitoba and the courts of the Province of Manitoba shall have exclusive jurisdiction in the case of any dispute.
- c. The producer is of the age of majority.
- d. If the producer is a corporation, partnership, cooperative or other business entity, the OFSC must be signed in the entity's name and the authorized officer, agent or partner(s) who sign(s) on behalf of the entity must state their position and authority.
- e. The producer shall fully indemnify the CWB for any and all legal expenses associated with the enforcement of the OFSC.