

MORNING FOODS LTD (& SUBSIDIARY COMPANIES)

STANDARD OAT SUPPLY CONTRACT TERMS

1) TERMS AND SPECIFICATIONS

VARIETY: Any white winter oat on the AHDB Recommended List is acceptable. White Spring oats on the AHDB Recommended List are accepted where stipulated.

2) Each and every load delivered as part of this Contract must meet with the following standards and specifications:

- a) Plump well-filled oats, SWEET SMELLING AND OF GOOD COLOUR.
- b) Free from heated, weathered and/or sprouted grains.
- c) Free from awns/stems.
- d) Maximum 15 black seeds (which includes blackgrass) per 100g sample.
- e) Minimum weight 50kgs per hectolitre.
- f) Maximum moisture 15% w/w.
- g) Not more than 2% admixture of weed seeds and other grains.
- h) Free from contamination with rodent excreta, stones and mud balls.
- i) Free from any infestation.
- j) Maximum screenings 6% through 2mm x 20mm sieves.
- k) All grain must comply with current UK & EU legislation regarding fertilizers, plant protection products (Including pesticide etc residues), mycotoxins and other contaminants.
- l) Oats must not be stored in stores previously used for the storage of potatoes
- m) No visible ergot sclerotia.
- n) Each load must be accompanied by an AIC (Agricultural Industries Confederation) Pesticide Residue Passport Certificate or similar.
- o) Free from Genetically Modified Grain.
- p) A relevant Farm Assurance Certificate must be provided with the delivery.
- q) Human waste, in any form, must not be applied to any crops grown against this Contract.
- r) Biostimulants derived from animal materials, in any form, must not be applied to any crops grown against this Contract.
- s) Variety to be declared on the grain passport.

Where oats are contractually supplied direct from farm, the following additional requirements relating to agronomy are mandatory:

- i) farms must follow Good Agricultural Practices on fertilisation, in particular with regard to maintaining balanced sulphur levels in the soil and to ensure a correct nitrogen application;
- ii) farms must follow Good Phytosanitary Practices in order to ensure the application of good practices on crop protection measures to prevent fungal infection.

The use of chlormequat has been called into question by manufacturers using oats in their products and, therefore we would request that, wherever possible, chlormequat is not used, or if it is used, at the lowest possible strength. It could be replaced by alternatives and we suggest that you contact your Agronomist or crop advisor. We reserve the right to reject any load with excessive levels.

The above specifications must be satisfied with each delivery being passed on arrival. Weight & quality final at point of delivery. The grain will not be accepted if it is not suitable for the purpose intended. The purpose intended is food for human consumption.

3) **CONTRACTS FOR ORGANIC OATS**

Where the Contract is for supply of Organic Oats the following additional requirements must be met:

- a) Organic Oats must comply in full with all relevant UK legislation, in particular Council Regulation (EC) 834/2007 and Commission Regulation (EC) 889/2007 both as retained in GB legislation following UK EU-Exit, and held at the EU Exit Web Archive (<https://webarchive.nationalarchives.gov.uk/eu-exit/>)
- b) Certification to the above Organic Standards must be maintained and be in place throughout the growing, harvesting and supply periods – this includes all involved in the supply chain (i.e., including farms, stores, merchants etc). A copy of all Organic Certificates and associated Schedules must be supplied prior to any delivery.
- c) The Organic status of the oats must be recorded on all accompanying documentation.

4) **DEDUCTION FOR OATS BELOW 50kg/hectolitre**

Oats below contract specification may be accepted subject to an agreed deduction at the time.

49kg/hectolitre deduction of £2/tonne

48kg/hectolitre deduction of £4/tonne

47kg/hectolitre deduction of £6/tonne

Absolute minimum of 47kg/hectolitre unless otherwise agreed in writing.

5) **MOISTURE & SCREENINGS**

Maximum moisture content 15%. For grain delivered over 15% moisture, the drying charge will be as follows:

	Percent Moisture	Drying Charge per Tonne
Maximum 15%	15.1 – 16%	£10.00
	16.1 – 17%	£12.00
	17.1 – 18%	£14.00

Any outside stores will charge at their prevailing rate.

Maximum screenings 6% through 2mm x 20mm sieves. For grain delivered over 6% screenings the following deductions will be applied:

7% Screenings deduction of £2/tonne

8% Screenings deduction of £4/tonne

Absolute maximum of 8% screenings unless otherwise agreed in writing.

- 6) The price is based on full 28 tonne vehicle loads. There will be an agreed deduction for the extra haulage costs involved for picking up balances.

- 7) PLEASE NOTE – This is a firm contract for a guaranteed tonnage. The best way is to under-estimate what you are going to produce. The reason for this is that we can only mill tonnages and not acres.

The one exception will be in the event of a crop failure due to natural causes such as drought, in which case we must be notified of this by the end of August in the year of harvest. In the absence of any information to the contrary by the 16th September of the year in question, it is agreed that the tonnage shown on the attached sheet will be met in full.

8) **DELIVERY AND CHARGES**

Whilst every effort will be made to accommodate the Grower's preference to the date of movement as indicated on the attached schedule, the final date must be at the Buyer's option. All hauliers for delivered Contracts must comply with, and hold current certification to, a relevant combinable crops road haulage scheme (e.g. TASCC). Trailer cleaning must comply with the requirements of the International Committee for Road Transport (ICRT) International Database for Transport of Food and Feed (IDTF).

A weighing in charge of £10.00 (+ VAT) will be charged on each load at intake.

- 9) All other conditions are as to the current AIC No 2 Contract insofar as they are not inconsistent with the above.

10) **WHEAT FUTURES AND AVERAGE PRICE CONTRACTS**

In order for the above contract types to be binding, the Contract must be accompanied by an official Morning Foods' Purchase Note and **must** be complete with full details of participating farmers and their addresses and preferred month of movement. Whilst every effort will be made to accommodate the month of movement, this cannot be guaranteed, see clause 8. The tonnages on these contracts are not transferable and are only valid for the farms declared.

11) **DEFINITION OF CONTRACT CLAUSES**

Delivery – Delivery should be made free on road vehicles on a hard road unless otherwise stated.

Time of delivery – Delivery shall be made by the seller and accepted by the buyer within one calendar month from date of sale unless otherwise stated.

Warranty – Goods are warranted to have been grown in the United Kingdom unless otherwise stated.

Claims – Goods will be examined immediately on arrival. Any defect will be communicated to the seller and confirmed in writing within three days from arrival of the goods at their ultimate destination.

Consignments – Each delivery or consignment shall stand as a separate contract.

Weights – Oats will be weighed and Accounts paid accordingly to intake Automatic Weigher and/or Public Weighbridge. Senders are advised to weigh over Public Weighbridge to avoid weigh disputes and facilitate claims for loss in transit.

Default – In the event of default in shipment or delivery, any damage shall be computed upon the contract quantity, irrespective of the latitude allowed in the above “Quantity” clause.

Arbitration – Any dispute arising out of this contract shall be referred to arbitration in accordance with the Arbitration Rules of the Agricultural Industries Confederation Limited, Peterborough, PE2 6FT and all parties, whether members of such Association or not, shall be signing or accepting this contract be deemed to have knowledge of such rules and to have elected to be bound thereby.

1st May 2024