

Intermediation Agreement of Harvest Year of

Fruits: peach, plum, apple and banana

Brazil

**DIVISION OF PERISHABLES - SALES CENTER
COMPROMISE FOR PRODUCT INTERMEDIATION**

A) Producer..... c/c nº (checking account number)

B) Client code number

C) Intermediary: responsible for DIPER's (Division of Perishables) commercialization, represented by Mr.

D) HOLAMBRA AGRO-INDUSTRIAL COOPERATIVE, represented by the manager of the Division of Perishables

1) The producer is committed to provide the PURCHASER, through the Sales Center, in the period and under the conditions described below in this agreement, with:

Product	Variety	Size	Quantity	Price / R\$

Delivery period: from/...../..... to/...../.....

Payment:

Observations:

2) The client is committed to purchase the product under the conditions previously described in this agreement.

3) The Sales Center is committed to receive the products and deliver them to the client in the conditions in which they were received from the producer and shall perform quality control during each delivery.

4) A rescission of the agreement shall only be accepted from the client part, without the need of a judicial decision, if the PURCHASER declares bankruptcy or requests concordat, or in case item 11 is observed.

5) In case the producer does not meet the quality specifications described in item 1, the Sales Center is charged with substituting the product for the referred purchases, the producer cited in this agreement having to assume the responsibility for eventual differences, the largest relative to the price settled in the agreement.

6) The producer and the PURCHASER declare their awareness of the internal rules of the Sales Center, and agree with them.

7) All of the intermediation CLAUSES contained in the “PROCEDURES AND RULES OF COMMERCIALIZATION OF THE DIVISION OF PERISHABLES” are an integral part of this agreement.

8) The price settled herein shall be monetarily updated for the north-American currency variation, every time that this variation reaches 10% (ten per cent) above the equivalent in the national currency.

9) In case of quality problems with the intermediated products, the PURCHASER shall look for, exclusively, one of the technicians from the quality sector of the Sales Center for the solution of the problem. The rules for change of intermediated products are the same as the ones for products sold in auctions.

10) The producer is committed to deliver the product to the Sales Center until 5 p.m. of the day settled for delivery.

11) The rupture of this agreement by any party shall result in an agreed fine costing the total value of the agreement if for a single date or of value corresponding to days of supply.

And have agreed on, the present agreement is signed in 2 (two) copies of equal value.

PRODUCER

INTERMEDIARY

CLIENT

HOLAMBRA AGRO-INDUSTRIAL COOPERATIVE

1) Annex of agreement

PROCEDURES AND RULES OF COMMERCIALIZATION DIVISION OF PERISHABLES - SALES CENTER

1. Introduction
2. Hours
3. Modes of Sale
4. Registration and Payments
5. Loading
6. Product Warranty

1. INTRODUCTION

The commercialization of all perishable products of the Division of Perishables - DIPER, shall be made through its Sales Center.

The Sales Center/DIPER is directed to the commercialization of the perishable products deliver thereto for the clients previously registered by the Holambra Agro-Industrial Cooperative.

The basic principles are: equal opportunities, product individualization and price formation by the market.

2. HOURS

The Sales Center shall be open in two basic times: in the **morning period for flowers**, and in the **afternoon period for fruits and vegetables**.

The sales shall commence in the hours previously disclosed by the Center. There shall not be sales before the pre-established time, this period being available for parcel's visit.

Changes in the working hours shall be communicated at least one day in advance.

3. MODES OF SALES

The Sales Center shall work with two basic modes of sale: auction of type "Veiling" and intermediation.

3.1 - Auction of type "Veiling"

It is characterized by the price formation made by the market from a value initially set by the seller. The initial price shall decrease until one of the purchasers acquires the parcel or reach a minimum level where the parcel is withdrawn from commercialization.

The parcel's sale shall end when the purchaser interrupts the seller signaling the purchase. After this moment, the transfer of parcel to another purchaser or the product return shall not be permitted, save the reasons secured in item 6. There shall not be permitted two more bid retractions per day for each purchaser.

The final decision over the purchase, in case of doubt regarding the purchaser or the settled price, is made by the seller.

3.2 - Intermediation

It is characterized by the agreement made between the producer and the client, always mediated by the Sales Center, where the supply and price conditions of a certain product for a certain period are previously settled.

The intermediation begins when the producer makes available a volume of product which is desired to be sold outside the auction or from the necessity of a client in having a supply for a certain period of time with known price. The role of the Sales Center is to try to promote the meeting between the two parties and set a price for a product, which serves both parties.

Every sale made by intermediation shall be performed through the Compromise for Product Intermediation, in which the details shall be agreed. The volume of products available for sale by intermediation shall be disclosed, as well as the starting and ending deadlines for the closing of the agreement. In case the volume directed for intermediation ends before the deadline, previously settled agreements shall be valid, establishing in this way the chronological order as priority. After the deadline, even if the volume has not been sold, no more agreements shall be accepted.

4. REGISTRATION AND PAYMENTS

Every sale shall only be permitted for clients registered in the Cooperative's system.

The registration shall be made by the Financial Division through the Division of Perishables, where the client, after an interview with the Commercial Team, shall fill out the Registration Form, attaching the necessary documents.

Every registration shall only be made in the commercial period of the Cooperative (Monday through Friday, from 7 a.m. to 5 p.m.)

Until final registration approval, the client can only perform the purchase by paying in full, with the release of checks given by the commercial manager. The registration approval shall be subject to the discretion of the Financial Division and DIPER's commercial manager. Once the registration is approved, the client shall perform the purchases' payment through the "Bank Slip", payable in any bank and issued with Tax Invoice.

Every registration shall be updated at least once a year and only the client shall complete his registration data.

The registration can be suspended without an advance notice every time the system of credit protection, to which the Cooperative is related, accuses the client of illicit act, even outside the Cooperative, or in the case of non-payment of any slip owed to the Cooperative in the due date. Once suspended, the registration shall only be reactivated by order of DIPER's commercial manager.

Bank Slips shall only be issued for purchases greater than R\$ 50.00 (fifty Brazilian reals). For purchases not reaching this value, the purchaser shall write a pre-dated check for the payment date, at the time of issue of Tax Invoice.

5. LOADING

The merchandise's loading will be performed by the client, with the logistic support from DIPER, which will leave equipment available in order to aid it (jacks, lift-trucks, etc.). The use of automotive equipment outside DIPER's service hours will be subject to fees. In case the client does not want to load the merchandise right after the sales closing, he can make it during the time pre-set for this end, considering first, the possibility of using DIPER's equipments.

Merchandise shall only be released with the referred Tax invoices.

6. PRODUCT WARRANTY

Every product sold by DIPER will be standardized and classified by the producer and checked by DIPER's Quality Control.

The products of quality "EXTRA", for fruits and vegetables, or "A1 and A2", for flowers and plants, have quality and presentation warranties. The quality warranty of these products will be valid for 24 hours, from the time of purchase, as long as they are transported and handled in adequate conditions.

The verification of problems with the products shall be made in the act of loading by the purchaser authorized by the client. In case the product arrives at its destiny after the 24 hours deadline, the return of merchandise shall not be accepted.

Product return shall only be accepted after its presentation in its totality to the Sales Center, and after the judgment made by the person responsible for DIPER's Quality Control.

The return shall be made through the discount from the duplicate of the value corresponding to the product that is included in the sale's slip relative to the product with problem, which shall be accompanied by the returned product. The discount shall only be made after the emission, by the client, of the Return Tax invoice.

DIPER - SALES CENTER

2) Annex of agreement

RULES OF THE SALES SYSTEM DIVISION OF PERISHABLES = SALES CENTER

I - GENERAL DISPOSITIONS

I.1 - OBJECTIVE

To commercialize 100% of the production of the associates and/or participating third parties in the Sales Center, with clients registered in the Cooperative.

I.2 - BASIC PRINCIPLES

The basic principles are: equal opportunities, product individualization, fidelity to the system and the price formation by the market.

§ 1st

The commercialization of all the perishables products from the Division of Perishables - DIPER, shall be made through its Sales Center.

§ 2nd

The Sales Center/DIPER is aimed at the commercialization of perishable products delivered thereto by the Cooperative associates, which are registered in the segment or third parties, as long as officially registered and recorded, to the clients previously registered by the Holambra Agro-Industrial Cooperative.

§ 3rd

The adhering to the Sales Center shall be 100% of the harvest production, being defined in the plantation plan or in the adhering to the system, after the discretion of the Technical Team, Commercial Team, Manager Division, and of the Communication to the Commission of Producers of the segment. In case of deviation of products from the Sales Center, the Commission of Producers shall be responsible for taking the measures to exclude the producer from the center.

I.3 - PRODUCTION FORECAST

The DAT/DIPER shall perform, during the appropriate time, the production estimates so that the Center may have a macro-estimate of the production to be sold, and therefore be able to adequately structure itself for the commercialization.

§ SOLE

Issues particular to each group shall be approached in the specific items.

I.4 - PRODUCTION ENTRANCE

The entrance of the product shall only be considered by the Center after the digitalization of the delivery form, properly filled out by the producer and with the receipt's stamp from the Center's employee.

§ SOLE

Save the cases defined in the specific items, every product shall be delivered in the Sales Center building

I.4.1 - Harvesting

The harvest is of the producer's responsibility and shall follow the technical rules established by DAT/DIPER, specific for each product. The storage conditions, the phytosanitary state, the post-harvest treatment, and the transport to the Center define the state of quality and the final standardization of the product to be sold, as well as the consequent prestige of the producer in the market.

I.4.2 - CLASSIFICATION AND STANDARDIZATION

The classification and standardization of the products are of the producer's responsibility, which shall follow the established rules for each product, described in the specified items.

I.5 - QUALITY CONTROL

The quality control of the products shall be performed by the Sales Center through the sampling method.

§ 1st

The responsibility for the quality control shall follow the rules specific for each product, having autonomy to modify the classification and/or standardization performed by the producer.

§ 2nd

The quality control shall be performed in the moment the product is directed for commercialization, regardless if this product has already been stocked, that is, if it has already passed through the control before.

§ 3rd

Issues particular to each group shall be approached in the specific items.

I.6 - COMMERCIALIZATION

I.6.1 - MODES OF SALES

The Sales Center shall work with two basic modes of sale: A) Auction of type **“Veiling”**; and B) **Intermediation**.

A - Auction of Type “Veiling”

It is characterized by the price formation made by the market from a value initially set by the seller. The initial price shall decrease until one of the purchasers acquires the parcel or reach a minimum level where the parcel is withdrawn from commercialization.

The parcel's sale shall end when the purchaser interrupts the seller signaling the purchase. After this moment, the transfer of parcel to another purchaser or the product return shall not be permitted, save the reasons secured in item I.6.3. There shall not be permitted two more “enganos” (misunderstanding) per day for each purchaser. The final decision over the purchase, in case of doubt regarding the purchaser or the settled price, is made by the seller.

B - Intermediation

It is characterized by the agreement made between the producer and the client, always mediated by the Sales Center, where the supply and price conditions of a certain product for a certain period are previously settled.

The intermediation begins when the producer makes it available a volume of product which is desired to be sold outside the auction or from the necessity of a client in having a supply for a certain period of time with known price. The role of the Sales Center is to try

to promote the meeting between the two parties and set a price for a product, which serves both parties.

Every sale made by intermediation shall be performed through the Compromise for Product Intermediation, in which the details shall be agreed. The volume of products available for sale by intermediation shall be disclosed, as well as the starting and ending deadlines for the closing of the agreement. In case the volume directed for intermediation ends before the deadline, previously settled agreements shall be valid, establishing in this way the chronological order as priority. After the deadline, even if the volume has not been sold, no more agreements shall be accepted.

1.6.2 - RECORDS

Every sale made with tax invoice from the Cooperative shall only be permitted for clients registered in the Cooperative's system. The recording shall be performed by the Financial Division through the Division of Perishables, where the client shall, after interview with the Commercial Team, fill out the Record Form, attaching the necessary documents. Every recording shall be performed during the commercial period of the Cooperative (Monday thru Friday, 7 a.m. to 5 p.m.)

§ 1st

Until final recording approval, the client shall only purchase by paying in full.

§ 2nd

The record approval is subject to the Financial Division's discretion and to judgment of DIPER commercial manager. Once the recording is approved, the client shall pay the purchases through the "Bank Slip", payable in any bank and issued with the Tax invoice.

§ 3rd

Every record shall be updated at least once per year, the occasion in which the client shall only complete his record's data.

§ 4th

The recording shall be suspended without previous notice every time the credit protection system, to which the Cooperative is connected, accuse an illicit act, even outside the Cooperative, or also in the case of non-payment of any "slip" owed to the Cooperative in the scheduled date. Once suspended, the recording shall only be re-activated by order of DIPER's commercial manager.

§ 5th

"Bank Slips" shall only be issued for purchases of value greater than R\$ 50.00 (fifty reals). For purchases that do not reach this value, the PURCHASER shall pay in full, when the Tax invoice is issued.

1.6.3 - RETURN

The practice of return is commonplace in the market of perishables, in order to overcome later quality problems (of phyto-sanitary not identified in the purchase act). The client may complain about quality until a day after the product's sale; it shall return the product and its identification for technical and quantitative evaluation. The negotiated discount value shall be debited to the producer.

1.6.4 - TAX INVOICES AND COLLECTION

The Center's sales shall be formalized by issuance of tax invoices from the Cooperative or by issuance of tax invoices from the producer.

§ 1st

The sales performed with tax invoices from the Cooperative shall be collected by the Financial Division, through the bank slips that shall accompany the receipts and shall be credited to the producer in the same day that they are released by the bank to the Cooperative.

§ 2nd

The sale performed with tax invoices from the producer shall be collected through the receipt of pre-dated checks, passed directly to the producer. Every sale directly performed with receipt from the producer shall not have the receipt warranty from the Cooperative, the producer being responsible for the collection procedures.

1.6.5 - COMMERCIALIZATION FEE

It shall be discounted from the invoiced gross value, being from the Center's commercialization fee and from the fee aimed to cover eventual financial costs.

§ 1st

In case of sales from suppliers not associated with the Cooperative, the fee shall be of 12%, aimed at the commercialization.

§ 2nd

In case of sales with tax invoice from the producer, the Center shall only charge the commercialization fee (6%), through the issue of a checking account order if from the cooperative, and a tax invoice if from third parties.

II - STONE FRUITS AND APPLE

II.1 - CLASSIFICATION AND STANDARDIZATION OF FRUITS

Each variety of fruit shall be classified according to its size and standardized by its visual qualities. The first item shall determine the main classification, which shall be composed of three categories: 3A, 2A, and 1A. The standardization shall subdivide the categories above in EXTRA and STANDARD.

§ 1st

The classification categories shall be defined according to the fruit or fruit group, due to the large difference in size of the different existent fruits; in this way, the limits of each classification category can be observed in Chart I.

§ 2nd

Each category of fruit "A" shall be standardized, regardless of its size, by its aspect or visual quality, adopting a criterion of "defects" which may be visualized in the commercialization. These defects were divided into "light", "intermediary", and "serious" and are related in Chart II. In this way, the adopted standardization shall be the following:

EXTRA: Besides the diameter of its category (3 A, 2 A, or 1 A), this standardization shall be used for fruits of good quality that present one or a maximum of two intermediary or light defects, which shall not, in any matter, result in the compromise of its global quality.

STANDARD: This fruit, despite its size, shall present more than two intermediary or serious (depending on the Center's evaluation) defects, which despite not being qualifying as an optimal fruit, is not qualified as "special"

§ 3rd

The fruits of any size, with compromised visual quality, to the extent that is not possible to fit it into the other categories or with size smaller than 1 A's lower limit, shall be called SPECIAL. This fruit, despite being "SPECIAL", shall present minimum qualities for human consumption.

* IMPORTANT

1. The EXTRA/STANDARD standardization is independent of fruit size (3A/2A/1A).
2. Every fruit standardized as EXTRA shall receive the HOLAMBRA COMPROMISE OF QUALITY which results in the warranty of quality for the purchaser.
3. The fruits packaged in open disposable containers, standardized with the following internal measurements: 480 mm of length; 380 mm of width; and 160 mm of height, with capacity of 10 kg of fruits, meet the international standard of palletization and possibly placement in trays.
 - 3.1 - For plums, the open disposable box shall meet the following measurements: 480 mm of length; 290 mm of width; and 150 mm of height. The fruits shall also be packaged in 4 (four) plastic containers with 2 kg of fruits each; in this way, the box shall present a total of 8 kg of fruits.
 - 3.2 - For apples, the containers follow the standardization of the closed box 24 of ordinance 127 (WOOD-APPLE), with internal dimensions of 480 mm of length, 380 mm of width, and 230 mm of height, with 18 kg of fruits.
 - 3.3 - The fruits STANDARD, SPECIAL, by the Center's discretion, may be delivered in plastic boxes of 20 kg.
4. The fruits shall be wrapped in paper with colors according to their sizes, as follow:
 - 3A Fruits - Blue Color
 - 2A Fruits - Green Color
 - 1A Fruits - White Color
 - Special Fruits - No Paper
5. Every disposable box shall receive, besides the paper, a stamp in its "face", where the name Holambra, the producer number, and the variety of fruit contained on it will be stamped.
6. The reuse of disposable boxes shall only be permitted for special and standard (by the Center's discretion) fruits, however, there shall not be neither paper nor new stamp, the previous stamp being rendered useless through its painting.

Chart 1L - Classification by size/type of fruit

FOR PEACHES AND NECTARINES	
3A =	Fruits with horizontal diameter (equatorial region) above 55 mm.
2A =	Fruits with horizontal diameter (equatorial region) between 45mm and 55 mm.
1A =	Fruits with horizontal diameter (equatorial region) between 35 and 45 mm.
FOR PLUMS	

3A = Fruits with horizontal diameter (equatorial region) above 45 mm.
2A = Fruits with horizontal diameter (equatorial region) between 35mm and 45 mm.
1A = Fruits with horizontal diameter (equatorial region) between 35 and 45 mm.

FOR APPLES

3A = Fruits with classification between 80 and 138 of A.B.P.M..
2A = Fruits with classification between 150 and 163 of A.B.P.M..
3A = Fruits with classification between 175 and 200 of A.B.P.M..
“LOLLIPOPS” = Fruits with classification 250 of A.B.P.M..

SEPARATION BY VISUAL DEFECT FOR STANDARDIZATION

1. “SERIOUS” DEFECTS

- Exposed pulp without healing;
- Rotteness symptoms (ex. Rizophus, Monilia, etc.);
- Mechanical deepening of the pulp (mechanical depression);
- Damaged caused by fruit flies and Grapholita (Oriental Fruit Moth);
- Almond inactivity;
- Fruits with land dirt.

2. “INTERMEDIARY” DEFECTS

- Film tear with healing;
- Non-progressive diseases symptoms (ex. peach scab);
- Damaged cause by Cochineal Insect, thrips, and leaf beetles;
- Advanced or premature stage of maturation, that is, fruits which are very unripe or very ripe;

3. “LIGHT” DEFECTS

- Non-progressive diseases symptoms (ex. “Aldicarb (Nematicide/Inseticide TEMIK 150®)”);

4. “PROHIBITIVE” DEFECTS

- Deteriorated fruit;
- Fruits beginning to rot, visually detected

II.2 - QUALITY CONTROL

The responsibility for the classification and standardization of fruits delivered in the Center shall be exclusively of the producer.

§ 1st

In case there is any problem inherent to the fruit of quality EXTRA, regardless of its size, the purchaser shall have the right to be compensated with the replacement by the producer, or with a credit in the amount paid, which will be debited to the producer. The deadline for this “warranty” is 24 hours after the date of purchase.

§ 2nd

The agreement between the variety and number of boxes/palettes shall be given by the Center's stamp in the "Product Delivery Guide". Weight, classification, and standardization checking shall be performed after the entrance in the sale's site. In case of changes in the standardization (Extra, Standard, or Special), the merchandise shall be commercialized according to the classification given by the quality control (the slip will be altered, and the producer notified through the sales report).

§ 3rd

In case of difference in the net weight of the fruits contained in the box or, also, in the classification (1A, 2A, OR 3A), this last one presenting a percentage larger than 10% of the fruits of inferior size which were classified as of superior size, the parcel shall be interdicted for sale, the producer having to correct the mistakes observed in the Center's building.

§ 4th

Every fruit forwarded for cold storage shall have its standardization valid for the schedule date of commercialization and not for the delivery date. This fruit will be checked only in the commercialization day by the Center, being susceptible to changes in standardization.

II.2.1 - SAMPLING

The parcel sampling will meet the following criteria:

- ✓ One box per parcel of up to 20 boxes;
- ✓ Two boxes per parcel with more than 20 boxes;

§ Sole

If any problem is detected, the parcel shall be considered suspended and separated for new examination, in which will have the following criteria:

- ✓ Three boxes per parcel of up to 20 boxes;
- ✓ Five boxes per parcel with more than 20 boxes;

10 fruits will be withdrawn from each box; where 20 will be evaluated, following the criteria of the evaluation form. These 20 fruits shall be stored for a period of 36 hours, for purpose of clarification. Every producer shall receive a notification when they present a suspicious parcel.

CHART EXPLANATION

The letter P indicates prohibitive defect

The letter G indicates serious defect

The letter I indicates intermediary defect

The number in columns extra, standard, and special means:

- 1- 5%
- 2- 10%
- 3- 15%
- 4- 20%
- 5- 25%
- 6- 30%

The combination column will be used for the sum of intermediary defects; if greater than 2, it shall fall one category.

* The number 2 represents the allowed 10% of fruits with one less classification degree.

II.3 - ENTRANCE INTO THE CENTER

The fruit delivered shall be grouped in parcels formed by the same variety, classification, and standardization, and packaged in standardized boxes. The fruits can be delivered during the 24 hours of the business days but on Saturdays, Sundays, and Holidays, with an advanced notice only. During the period between 10 p.m. and 7 a.m. there will be no fork-lift truck for discharging. Every delivery shall be made in palettes. In case the producer does not transport the palletized boxes, he shall place them in palettes in the own Center. The center's team shall only accept the merchandise if placed in palettes.

§ 1st

The parcels shall be delivered in the Center accompanied by the “Product Delivery Guide”, properly filled out by the producer.

§ 2nd

The Center can, by commercial convenience, forward the parcel for cold storage, in conformance with the functioning of the wholesale market, that is, deliveries that precedes holidays and weekends.

§ 3rd

The fruits that do not enter for commercialization shall only be forwarded for cold storage in special cases or by request; the rule will be to conserve them in the own exposition place (WAREHOUSE).

II.4 - STORAGE

Producers and clients can make use of the cold storage system. It shall be considered for the Center two types of cold storage: involuntary and voluntary.

§ 1st

“Involuntary” cold storage: The parcels which are offered and not sold will automatically go to cold storage. The value of the involuntary cold storage shall be paid by sharing the cost of the cold chambers by the quantity of fruit delivered in the month by each producer, from the 1st of October thru 31st of January.

§ 2nd

“Voluntary” cold storage: The producers and/or clients can make use of the cold chambers, after request to the Center. The value to be charged is referred to the lease of the chamber space, having one pallet as the minimum limit, with a maximum of 50 boxes of 10kg or 24 boxes of 20kg. The period will be weekly starting from its entrance. The cooperated producer and Center's participant shall have one discount of 30% in the lease's value.

§ 3rd

The fruit of any size, with “grade” inferior to 6 or presenting size smaller than 1A's lower limit, shall be named SPECIAL. This fruit, despite being “special”, shall present the minimum qualities for human consumption.

* IMPORTANT:

1. The standardizations EXTRA/STANDARD are independent of fruit size (3A/2A/1A) 2. Every fruit standardized as EXTRA shall receive the HOLAMBRA COMPROMISE OF QUALITY which results in the guarantee of complete quality for the purchaser.

II.5 - COMMERCIALIZATION

II.5.1 - FORMATION OF PARCELS FOR SALE

Boxes with the same variety, classification, standardization, and from the same producer are called a parcel. The parcels shall be contained in pallets and shall not be divided for sale.

§ 1st

Maximum and minimum parcel shall be established for the harvest period. For example: in the beginning of the harvest the maximum parcel shall be of 100 kg. The varieties which do not reach the minimum parcel shall be grouped with ones with same type from other producers, thus forming a mixed parcel of producers.

§ 2nd

The parcels shall be organized in the warehouse, where the quality control shall be performed and the purchaser can visualize the fruit that will be commercialized. In this time frame, the Center shall already have in hands, all the data for commercialization and shall begin working on the price formation and on the sale strategy.

II.5.2 - SALES AND EXPEDITION

The sale shall begin at 17h and shall be performed, preferably, through “Veiling”. The choice of parcel shall be random. After the sale, the pallet shall be taken to a place determined by the purchaser (truck’s rear end or for “make-up” in the expedition building). The placement of merchandise in the cold chambers shall be performed after the end of the delivery service of sold merchandises, if there is no need to use the fork-lift truck in the discharge.

III- BANANA

III.1 - PRODUCTION FORECAST

The DAT/DIPER shall perform the production estimates through the production plans, of the date of bagging (if existent), of the date of the heart’s withdrawal, and of the periodic orchards’ evaluation, presenting a theoretical and permanent estimate for a sale’s programming.

III.2 - PRODUCTION ENTRANCE

A) HARVEST

Every banana commercialized by the Center shall follow the technical rules established by the DAT/DIPER for its harvest, in order to guarantee a minimum standard of quality.

§ 1st

The harvest’s point shall follow the minimum and maximum thickness criteria of 35mm and 39mm of diameter, measured in the second bunch.

B) FRUIT CLASSIFICATION AND STANDARDIZATION

The banana shall be classified according to its size and standardized according to its visual aspect. The first item shall determine the main classification, composed of three categories: 3A, 2A, and 1A. The standardization shall subdivide the categories above in EXTRA and STANDARD. The standardization shall be based in the “grade” criterion, which shall be imposed to the fruit, depending on the percentage of damage present in its skin.

§ 1st

The classification and standardization shall meet the following criteria:

3A = FINGERS LARGER THAN 19 CM.

2A = FINGERS BETWEEN 17,5 AND 19 CM.
1A = FINGERS SMALLER THAN 17,5 CM.

*PS: The measurements shall be made in the external part of the bunch, considering the average of at least 8 fingers.

EXTRA - FRUIT WITH "GRADE" BETWEEN 8 AND 10
STANDARD - FRUIT WITH "GRADE" BETWEEN 6 AND 7

*PS:

1. The "grades" vary between 5 and 10, associated with the percentage of damage present in the fruit. This percentage is obtained with the sum of old and recent damages over an area determined by the length multiplied by the fruit diameter.

2. It is understood by damage, every spot that compromise the visual aspect of the fruit, caused by: mechanical action, insects, diseases, serious weather, chemical products, stain residue ("cica").

3. The minimum sampling for "grade" determination is eight fingers, of which damage and area are summed.

4. PERCENTAGE OF DAMAGE AND RESPECTIVE GRADES:

PERCENTAGE OF DAMAGE	GRADE
< 0,4	10
0,4 to 0,8	09
0,8 to 1,2	08
1,2 to 1,8	07
1,8 to 2,5	06
> 2,5	05

§ 2nd

In the box of fruit 3A it shall only be permitted to have a mixture of up to 35% of fruit (-TYPE NOT INCLUDED IN ORIGINAL DOCUMENT-) and up to 5% of fruit 1A. In the box of fruit 2A it shall only be permitted to have a mixture of up to 10% of fruit 1A.

C) QUALITY CONTROL

The quality control shall be performed by random sampling of at least 2% of the parcel (10 bunches out of 500), during and/or after the packing of banana inside the producer's property, with the classifying board.

§ 1st

The quality control shall also make incursions before the packing and even before or during the banana's cut, in order to guide the Commercial Team over the probable quality of the fruit that is or will be harvested.

§ 2nd

The classification and standardization considered for commercialization shall be those certified by the quality control.

III.3 - PACKING/LOADING

Packing and loading shall be of the producer's responsibility, which shall follow, in case of packing, the orientation of the Center regarding the system to be used. Loading shall be performed in the property i.e. the "packing-house", the producer has to communicate to the Center, the volume loaded for the issue of the tax invoice.

§ 1st

In case the volume of boxes available in the property is inferior to half of a truck's load, the wholesaler shall be exempted of going to the property, the producer being charged with sending the boxes to the Center.

§ 2nd

In case of packing in disposable boxes, these shall follow the box's standard defined by the Center, with the following internal dimensions: 435 mm of length, 360mm of width, and 235 mm of height, with angle irons 50 mm tall. The weight defined for the disposable box is of 20 kg of green bananas, resulting in 18 kg of acclimatized banana.

III.4 - COMMERCIALIZATION

A) TYPES OF SALES AND EXPEDITION

In general, the banana shall be commercialized green, or in packages supplied by the wholesalers. If there is the possibility of sale of banana already acclimatized, besides the commercialization fee, it shall be debited from the producer the costs for this acclimatization.

The volumes that will be commercialized by the Center are those confirmed until Thursday and shall only be commercialized after the ones already confirmed. In case the producer fulfill the delivered programming and it is not possible to cancel the sale with the client, this shall take responsibility with possible prejudice resulted to the client (freight, daily costs, etc.)

The Center shall inform the producer that, until Tuesday, the programming has not been sold.

The sale shall be performed by intermediation with price settled according to the market. In case the producer wants to make any specification regarding the sale of his product (minimum price, maximum quantity in the box, etc.) he shall make it with the programming on Thursday.

B) TAX INVOICES AND COLLECTION

The sale performed through the issue of the Cooperative's tax invoice, shall have bank slip and the payment guarantee one business day after its due date. In case of sales with the producer's tax invoices, this shall be responsible for receiving.

C) COMMERCIALIZATION FEE

It shall be discounted 7% of the invoiced gross valued, 6% being of the Center's commercialization fee and 1% of the fee aimed to cover eventual financial costs.

In case of sale with producer's receipt, the Center shall only collect the commercialization fee (6%), through the issue of a checking account order.

DIPER - Sales Center