

Agreement for participation in an integrated poultry production system Brazil

Under the present agreement instrument for participation in the integrated production of poultry, from one side, as the integrator industry,, established in, State of, registered in, in this act represented by its managers signed below, henceforth designated simply as "INDUSTRY", and, on the other side, as the integrated producer,, CPF (federal taxpayer number), IPR (Rural Property taxpayer roll)....., henceforth designated simply as the "INTEGRATED", have agreed and contracted what is established in the following clauses and conditions, which they mutually accept

1. The "INTEGRATED", in his property and installations, located at

.....
.....

after signing this agreement commits to rear and produce for the "INDUSTRY", with absolute exclusivity, poultry meeting the standards described below;

2. The present agreement is valid for one year after its signature, being rightfully agreed that it will be automatically extended until all the poultry flocks reared under the period of validity reach, by the exclusive "INDUSTRY'S" discretion, their ideal slaughter ages, with which the "INTEGRATED", henceforth agrees and acquiesces to. The agreement shall be renewed automatically for an equal period, in case none of the parties chooses to denounce it expressly and in written terms, with a minimum of 60 (sixty) days in advance of its termination;

3. The "INTEGRATED", within the limits of the installed capacity declared in the Application Form signed by him, is committed to always maintain his poultry rearing facilities in full production, so that they may never be unproductive during the contractual term;

4. The "INDUSTRY", for each poultry flock delivered to be bred, commits to supply the "INTEGRATED" with all rearing inputs, which are: prime quality one-day chicks, feed and medicine, which are necessary and indispensable to treat and rear the poultry flocks object of the present agreement. These inputs must be held in appropriate places, not allowing their loss for any reason. They will be delivered and applied through control slips, in which the stamps of the "INTEGRATED", his representatives, or employees will be imprinted in each verification;

5. The "INTEGRATED" shall supply power, water, material for the beds and all the appropriate rearing facilities, which consist of poultry pens, utensils, accessories and indispensables for rearing and treatment of chicks of one (1) day and poultry during the different phases of the growing cycle, and shall also manage the operation on his own, by his representatives, or by properly certified employees. The INTEGRATED is solely responsible for all liabilities related to labor, including social security and all other obligations inherent to the engagement of employees.

6. At the date established for product delivery, he "INTEGRATED" commits to remove the chicken flocks from the rearing facilities and load the birds into the trucks dispatched by the INDUSTRY. He also commits to immediately disinfect the facilities and prepare them for receiving the new batch of chicks for rearing, within a maximum of 10 (TEN) days after delivery of the previous batch;

7. The "INDUSTRY" shall perform the permanent oversight of the INTEGRATED's facilities, whether directly or by a representative or an employee, controlling for the expected development of the flock(s) and providing, in written terms to the "INTEGRATED", his representatives, or his employees, with technical rules to be rigorously followed, with the goal to achieve high rearing performance. It is accepted, henceforth, the complete subordination of the "INTEGRATED" to the immediate adoption of the technical rules imposed, avoiding risks of facing civil and criminal charges in case of omission in this respect;

8. The payment from the "INDUSTRY" to the "INTEGRATED" shall be made through whatever has been set in the agreement specified in the attached GENERAL PROGRAM OF PERFORMANCE SCORES, which, upon signatures of the parties, becomes an integral part of the agreement;

9. Each performance score unit (point) shall correspond to NCz\$ (Brazilian New Cruzeiros) 0.036 (Three cents and six tenths), which may be adjusted in subsequent rearing cycles according to agreement among the parties;

10. The final weight of the poultry to be considered for payment, as well as the final number of birds, shall be the one that is verified in the slaughterhouse of the "INDUSTRY".

11. The manure shall belong to the "INTEGRATED" as a fixed value owed to the "INDUSTRY".

12. The minimum performance score shall be 80 (EIGHTY) and any performance of the "INTEGRATED" below this limit shall imply in the repayment of the manure value to the "INDUSTRY".

13. The payment shall be made to the "INTEGRATED" within a maximum of 15 (FIFTEEN) days after the date of bird removal from the facilities;

14. The removal and crating of birds during delivery shall be performed by the "INTEGRATED" and/or his representatives, with the care of protecting the birds from injuries and mortality. The birds shall stay without food for 6 hours before the time scheduled for slaughter.

15. VACCINATION AGAINST NEWCASTLE. To vaccinate or not is of exclusive discretion of the "INDUSTRY".

16. The "INTEGRATED" declares himself as FAITHFUL DEPOSITARY of all the birds and inputs that are delivered and trusted to him by the "INDUSTRY" and is subject to the pertinent legal sanctions, thus not being able to remove, from the facilities, birds of any age and for any end, except in cases in which the rearing technique demands this is done, which shall be noted in the proper forms for later awareness of the "INDUSTRY".

17. The "INTEGRATED" shall grant the "INDUSTRY", or its representatives or authorized employees, free access to the area where the facilities and accessories used for the purposes of the present agreement are located, whenever requested and necessary, whether for access to the flock, feed, general medicines and other items related to the activities which are object of the present agreement. On the other hand, the "INTEGRATED" commits to avoid, whether by normal or steel fencing, or isolation, the approximation of animals which are strange to the flock, even birds that do not belong to the same flock, being solely responsible for the consequences brought by omission and negligence.

18. The present agreement shall rescind: a) by will of the parties, within the term and form of clause second (2nd); b) by the non-compliance to any of its clauses and conditions; c) by

technical deficiency in the management and performance of the flock; d) by disobedience to the technical rules and orientations; e) by the non-application of the basic ingredients and feed, in the form prescribed and instituted in clause seventh (7th).

19. The technical rules set in clause seventh and later modifications which may occur in the poultry rearing process and the consequences thereof, are, henceforth, an integral part of the present agreement and shall not be invoked neither as basis for disobedience or innovation of what is agreed in the present agreement;

20. The party which infringes any clause of this agreement shall be subject to the payment of a indemnity corresponding to 100 (ONE-HUNDRED) times the current national reference salary;

21. The signing parties commit on their own, by their heirs or successors, hence electing the Court of the city of _____, excluding any other, as indicated as it may be, to settle any doubts and questions resulting from this agreement.

Being duly accepted by the parties, the present instrument is signed in 3 (THREE) copies of equal content and form and for one sole effect, before the witnesses below.

_____ (Place), _____ (Month, Day), _____ (Year)

"INDUSTRY"

"INTEGRATED"

WITNESSES

1ST _____

2ND _____

CHART 1B – Performance Scoring Table

A – Mortality rate (M) Points

% Mortality	1.00	1.20	1.40	1.60	1.80	2.00	2.20	2.40	2.60	2.80	3.00	3.20	3.40
Number of Points	40	38	36	34	32	30	28	26	24	22	20	18	16

B – Food Conversion (C.A. – F.C.) Points

Conversion	1.90	1.92	1.94	1.96	1.98	2.00	2.02	2.04	2.06	2.08	2.10	2.12	2.14
Number of Points	115	110	100	95	95	90	85	80	75	70	65	60	55

C – Daily Weight Gain (G.P.D. – D.W.G.) Points

DWG(grams)	48.0	47.5	47.0	46.5	46.0	45.5	45.0	44.5	44.0	43.5	43.0	42.5	42.0
Number of Points	165	160	155	150	145	140	135	130	125	120	115	110	105

D – Loading Times

Loading	30min	35min	40min	45min	50min	1:00	1:05	1:10	1:15
Number of Points	15	11	07	03	00	-3	-7	-11	-15

E – Quality of Management

Management	Optimum	Good	Fair	Regular
Number of Points	05	2.5	2.5	-5

F – Injuries during loading

Injury(%)	1.0	1.5	2.0	2.5	3.0	3.5	4.0
Number of Points	10.0	6.5	3.5	0.0	-3.5	-6.5	-10