

Brazil

Contract Agreement - Harvest year ____

Private Contract of Production, Purchase and Sale of Tomatoes for Industrial Use

_____ company with its head office located at [address], city of São Paulo, State of São Paulo, with its industrial facility in ____ state of São Paulo, CGC/MF (registry) n., herein referred as INDUSTRY, by its legal representatives, and CIC (registry/ national insurance number) n., residing and domiciled in..... enrolled as a rural producer in the Fiscal Station of under number herein referred as PRODUCER, have agreed as stated hereinafter:

Clause One

The PRODUCER, by force of what is herein set out, commits to plant, to cultivate, to harvest and to sell to the INDUSTRY, the whole of the tomato production of the ____ crop, which shall be produced in the property referred above and located at the latitude and longitude coordinates determined by the geostationary satellite system, which both parts sign and recognize as valid for all effects of this agreement, resulting from the planting of hectares, with the total yield estimated in 60 metric tons per hectare, all according to the planting timetable, cultivar, productivity, cycle and harvest, established as follows:

Planting Parcel	Area (ha)	Planting week	Planting irrigation limit date	Cultivar	Seed Amount (Kg)	Cycle Estimate (days)	Production Estimate (t)	Harvest Period (days)	Daily Harvest (t)
I	4,0	09a15/6	15/06	lpa-5	12,0	122	240,0	15 ^a 04/01	12,0

Paragraph 1

The planting shall be done on the week indicated, and the date of the first irrigation shall be followed exactly as described above. In the event of delays of any nature, the producer shall notify NAME OF THE COMPANY in writing and shall wait for a new planting date.

Paragraph 2

Considering that eventual cycle alterations come to happen due to climatic conditions, affecting crop period, these alterations shall be communicated to NAME OF THE COMPANY, aiming for reception reprogramming.

Paragraph 3

It shall be understood as the harvest period of 21 (twenty-one) days for the harvest of each stage of the produce in the field, with a linear distribution during the period.

Paragraph 4

In the event of adverse factors, alien to the will of the parties, a new timetable shall be drawn, in common agreement, the producer not being allowed to plant without written consent by NAME OF THE COMPANY.

Paragraph 5

The PRODUCER commits to harvest and to deliver to NAME OF THE COMPANY the amount established according to the crop timetable drawn, and the latter commits to receive, also respecting the timetable and the paragraphs of this clause.

Paragraph 6

In the impossibility of harvesting, by the producer, or of reception, by NAME OF THE COMPANY, the harmed party shall notify the other in writing for the effective counting of losses. Counting of losses of any nature shall be performed on the date of the notification by way of the appropriate document to be signed by both parties. Later complaints or counting by any of the parties shall not be accepted.

Clause Two

The price to be paid to the producer per metric ton of tomato “Standard Type” delivered at the factory in the following address: municipal district of State..... , after the drainage of liquids present in the load compartment of the truck, weighted and sorted, according to the reception standards of NAME OF THE COMPANY, shall be of R \$.....

Clause Three

NAME OF THE COMPANY shall receive the produce and classify it in agreement with the Quality Standards approved at Ordinance n. 278, of November 30, 1988, from the Ministry of the Agriculture, using that classification for the calculation of the price to be paid for hand picking.

Paragraph 1

NAME OF THE COMPANY, for the final calculation of the price to be paid, shall additionally use an internal classification, taking into account the produce’s Brix degree that shall be applied to the calculation of the above clause (three), as follows:

Brix Value up to 4,80	0% standard
Brix Value 4,81 to 5,20	5% increment
Brix Value over 5,20	10% increment

Paragraph 2

The State Bureau shall be able to, at its own discretion, inspect and assess the criterion of sorters at any moment or when requested by the signatories of the present agreement.

Paragraph 3

For the delivery limit set forth in the timetable, weighting shall be done immediately after the arrival of the load at the factory, and, immediately before this, the existing residual liquids shall be eliminated from inside the carriage container. Sorting shall be performed immediately after its arrival at the Factory, for the timetable established. In case it should not happen in this way, weighting and sorting shall be performed no later than 6 (six) hours after its arrival at the factory, without the elimination the existing residual liquids present inside the carriage container. Once these two periods finished, NAME OF THE COMPANY shall lose the right of applying discounts for quality to produce price.

Paragraph 4

It is the responsibility of NAME OF THE COMPANY to register the date and time of produce arrival to the factory and to hand in the respective receipt to the producer.

Paragraph 5

NAME OF THE COMPANY shall supply daily the weighting and sorting results of tomatoes received in the previous day so that the producer can assess the quality of the crop.

Clause Four

NAME OF THE COMPANY can, at any time, through its technicians (agronomists/ horticulturists and auxiliaries), inspect the cultivated areas, object of this agreement.

Clause Five

NAME OF THE COMPANY shall make the payment through order cheque or deposit in favor of the producer, in the BANK..... branch n. cheque account n. Deliveries shall take place from Monday to Sunday and the payment shall be made on the second subsequent Monday, in (currency), calculated according to clause two.

Paragraph 1

The PRODUCER, when duly registered as a legal entity in the appropriate form at the competent organs, is solely responsible for the payment of (taxes and social security contributions), and the latter shall be reimbursed by NAME OF THE COMPANY at the moment of the sale of the raw material, expense added to the price set forth in clause two, all according to provisional act 1.523/96.

Paragraph 2

The PRODUCER, when duly registered as a natural person at the competent organs, is the sole responsible for the payment of ___(taxes and social security contributions), and shall be reimbursed by NAME OF THE COMPANY, upon presentation of the payment form properly paid off; the expenses regarding ___ (social security) shall be under the responsibility of the PRODUCER, being the duty of NAME OF THE COMPANY to discount them from the payments it shall make to the PRODUCER and to proceed its collection according to the effective legislation.

Clause Six

The ENTIRETY of the tomato production now contracted shall be transported and delivered by the producer to the factory in the following address:
.....

Single paragraph

The PRODUCER shall be solely responsible for the carriage of the produce, from the farm to the factory of NAME OF THE COMPANY, and for that purpose it appoints and grants powers to NAME OF THE COMPANY so that on their behalf, the PRODUCER, it shall recruit carriers, whose cost shall be established according to the market and informed to the PRODUCER, who shall take charge of it fully, being the value of carriage already included in the price stipulated in clause two, and in case the producer does not agree with the cost obtained by NAME OF THE COMPANY, it shall assume the responsibility of recruiting carriers directly, taking charge of the costs, also, in this case. The costs originating from casualties, proven by legal documents, shall be the sole responsibility of the PRODUCER despite any form of carriers is recruited.

Clause Seven

NAME OF THE COMPANY shall supply to the PRODUCER, in perfect usage conditions, the plastic containers necessary for the harvest and carriage of the produce from the farm to its factory. Containers shall be returned in the maximum period of 7-9 (seven to nine) days after the last delivery, and, after that period, NAME OF THE COMPANY is entitled to demand

immediate payment of their value, hereby fixed, in common agreement, at the price of \$ _____ for each container. In case containers are not returned or not paid, NAME OF THE COMPANY is entitled to compensate its credit through any payment it shall make to the producer, updating it until the effective pay off of the respective credit.

Paragraph 1

Containers shall be returned in perfect usage conditions.

Paragraph 2

The tare to be considered for each plastic container is 2 (two) kilograms.

Paragraph 3

Usage of containers for other purposes herein not foreseen is expressly prohibited to the PRODUCER. The PRODUCER grants powers to NAME OF THE COMPANY to collect the plastic boxes being used for purposes alien to this contract, regardless of communications, places or lawsuits.

Paragraph 4

Costs resulting from the carriage of empty containers, upon delivery, for the start of the harvest shall be borne by NAME OF THE COMPANY and, upon return, after the end of the harvest, shall be borne by the PRODUCER.

Clause Eight

NAME OF THE COMPANY may, at its own discretion, supply seeds and other agricultural inputs for the area described in clause one, whose price shall be registered in the appropriate fiscal documents.

Paragraph 1

The payment for seeds and other agricultural inputs supplied shall be made by the PRODUCER, through delivery of tomatoes, during the crop, based in the total value of inputs supplied, according to Receipts, divided by the tomato price established in clause two, thus calculating the amounts of tomatoes to be given to NAME OF THE COMPANY as payment for the current debts from the supply of inputs, which shall be discounted proportionally to the deliveries of harvested areas. This way, NAME OF THE COMPANY shall not make the payment concerning tomato amounts given in payment for the inputs.

Paragraph 2

The PRODUCER shall follow strictly the usage standards of the inputs described in their packages and recommended by NAME OF THE COMPANY's technicians, nominated in clause four.

Paragraph 3

Agricultural inputs supplied by NAME OF THE COMPANY or bought by the PRODUCER for use in the areas object of this contract, are regulated by appropriate effective legislation, being forbidden, hereafter, the use of agricultural inputs banished or not authorized for the culture of tomatoes. In the event of transgression, besides the penalties foreseen in the corresponding legislation, the penalties stated in clauses eleven and twelve shall be applied to the offending party.

Paragraph 4

For the reception of the agricultural inputs supplied by NAME OF THE COMPANY, the PRODUCER appoints the person(s) qualified below, granting them powers to receive and to

sign supporting documents of delivery of the inputs described in the appropriate fiscal documents, accepting henceforth as a valid and true act for the content of this agreement:

Name:
ID:
Tax registration code:

Name:
ID:
Tax registration code:

Clause Nine

NAME OF THE COMPANY can, at their own discretion, grant an advance payment of 20% of the production (standard tomato value) expected in the first parcel of the planting timetable in clause one. This advance payment shall be made in the beginning of the harvest of the parcel in question.

Single paragraph

The payment of this instrument shall be made, discounting proportionally in tomato volume (standard value) from normal payments, as stipulated in the single paragraph of clause eight.

Clause Ten

The tomato production, object of this agreement, cannot be financed by banks. Thus, it is categorically forbidden to the PRODUCER to deviate or sell any part of the production to third parties under penalty of answering civil and criminally for that action, regardless of other sanctions spelt out in this agreement.

Clause Eleven

Except in the hypothesis mentioned in the next clause for which the penalty there referred shall be applied, as well as fortuitous and *force majeure* cases, exclusively understood as fires, hailstorms, frosts, earthquakes and floods, disregard to any of the terms of this contract shall oblige the offending party to the payment of a fine equivalent to 20% (twenty percent) of the production estimated in clause one, based in the effective price set in clause two, given the innocent party the right to consider the present contract canceled, regardless of any warning or notification.

Clause Twelve

At the harvest closing date considered in clause one, the PRODUCER shall have delivered to NAME OF THE COMPANY THE WHOLE PRODUCTION harvested in the area herein contracted.

Considering, among other factors:

- a) the expenses made by NAME OF THE COMPANY with the production, selection and supply to the seed producer;
- b) the costs of technical support to the PRODUCER by agronomists/horticulturists and agricultural technicians contracted by NAME OF THE COMPANY;
- c) the industrial and commercial plan of NAME OF THE COMPANY concerning this contract,

the retention of the produce by the PRODUCER, beyond the period in the timetable, the inappropriate retention and delivery or alienation for any reason, to third parties, of part of

the production or all of it, shall oblige the PRODUCER, irrevocably and with no withdrawal, to the payment of losses, in favor of NAME OF THE COMPANY, dismissed profits and damages at once fixed in the value in (currency) equivalent TO THE TOTAL PRODUCTION OF tomatoes in metric tons estimated in clause one, at the tomato price of purchase effective in the occasion, as herein stated.

Clause Thirteen

In case of noncompliance by the PRODUCER with the commitment of repaying the advance payment, stated in clause nine, and/or, agricultural inputs, according to clause eight, until the harvest closing date, upon figures based on the tomato price stipulated in clause two, delinquent interest of 1% (one percent) per month and a fine 10% (ten percent) shall be applied, without damage to the other penalties laid out in this contract.

Clause Fourteen

The occurrence of fortuitous cases or *force majeure*, exclusively understood as fires, hailstorms, frosts, earthquakes, floods, strikes or other events that disable the fulfillment of this agreement, the parts shall be exempt of responsibility for losses and damages, dismissed profits, fines and other penalties, but shall not exempt the PRODUCER of their payment obligation to NAME OF THE COMPANY for the advance payments that shall be made to them according to clause eight and nine and their paragraphs.

Clause Fifteen

The venue for legal decisions on eventual issues resulting from this agreement shall be the district of São Paulo, State of São Paulo, elect as sole one competent to settle any doubts emerging from this agreement, with expressed renouncement of any other, even if endowed with greater privilege.

And for thus finding fair and agreed, the parts sign the present document in 3 (three) copies of equal meaning and for one single effect, together with the witness below:

Witnesses

NAME OF THE COMPANY

PRODUCER

1) Annex of the agreement

THE OFFICE OF THE MINISTER

ORDINANCE N° 278 OF NOVEMBER 30, 1988

The State Minister of Agriculture, using their attributions, in sigh of the determination in the Law n° 6.305, of 01.12.95, and in Decree n° . 82.110, of 14.08.75, decides: l - to Approve the enclosed Identity, Presentation and Packing of Standards for Tomatos "In natura", destined to the industry, properly signed by the Secretary of Auxiliary Services of Commercialization and for the National Bureau of Provisioning.

CLASSIFICATION

Tomatoes, according to their quality, shall be classified in 6 (six) types: Special, Standard, Usable I, II, III, IV.

Table 1B - Tomato classification

TYPE	MINIMUM REQUIREMENT OF GOOD FRUITS (%)	MAXIMUM TOLERANCE OF SERIOUS INJURIES (%)	PRIZE OR DISCOUNT ON WEIGHT
SPECIAL	50	0 to 10,0	+10
STANDARD	40	10,1 to 20,0	0
USABLE I	40	20,1 to 25,0	-5
USABLE II	40	25,1 to 30,0	-10
USABLE III	40	30,1 to 35,0	-20
USABLE IV	40	35,1 to 40,0	-30