

# BROILER PRODUCTION CONTRACT

FLOCK NO:.....

**THIS AGREEMENT** is made the ..... day of ..... in the year.....  
between (**NAME of PROCESSOR**) having its place of business at **Address of Processor**  
(hereinafter called “the Company”) of the One Part and  
.....of.....  
..... (hereinafter called “the Farmer”) of the Other Part; and

**WHEREBY IT IS AGREED** that:-

“**The Company**” in this Agreement means **NAME OF PROCESSOR** its servants, agents or licensees providing the chicks to be reared on the farm; and other materials

“**The Farmer**” means the person, his/her servants, agents or licensees providing broiler houses, land, feeders, waterers, and equipment suited to local conditions for the raising of broilers.

In this Agreement the word “**Broiler**” means the chicks delivered alive and of good quality to the Farmer to be raised up as broilers by the Farmer and acknowledged as having been received by the Farmer in the space herein provided for signing on the last page of this agreement for every batch of broilers received.

The Company is in the integrated chain of business in the poultry industry and is prepared to enter into a contract with the Farmer for the rearing of broilers.

The Farmer is a person desirous of growing broilers at his/her premises for the Company.

The Company will deliver the broilers to the Farmer who shall manage and properly care for the broilers for the period and upon the terms and conditions hereinafter appearing.

**NOW THIS AGREEMENT WITNESSETH as follows:-**

1. The Company shall notify the Farmer beforehand of the date on which an appropriate number of chicks shall be delivered to his/her broiler pens. Such notice shall not be less than seven (7) days of delivery and delivery will be made to the broiler pens indicated hereunder.
2. The Company shall provide the Farmer with feed of consistently good quality, sanitizers, vaccines, medication and supported by technical assistance as shall be

in the Company's sole discretion required to raise the broilers to a marketable age in accordance with the current Broiler Production Program.

3. The Company will provide the Farmer with 25% of litter required to a maximum of sixty (60) bags per 1,000 square feet per contract. However, should the Farmer be required to utilize litter in excess of this amount, it would be supplied at the Farmer's cost.

4. Save as otherwise agreed the feed shall be supplied in bulk, provided that in the event that the Company is unable to supply feed in bulk and the Farmer has provided bulk storage facilities, the Farmer shall not be liable for the cost of feed bags.

5. The Company shall notify the Farmer a minimum of twelve (12) hours in advance of the time at which the Company shall pick up the broilers. Failure to notify the Farmer of any changes in pick-up within twenty-four (24) hours will result in the Farmer not being liable for "feed in crop".

6. To Company shall pay the Farmer the full sum, calculated in accordance with the Payment Schedule annexed to this agreement, no later than four (4) weeks of collection of the broilers.

7. For the calculation of the payment schedule the expression "average weight" shall mean the total live weight in pounds (lbs) collected from the farm divided by the number of broilers collected and the expression "feed conversion efficiency" shall mean the total number of pounds (lbs) of feed divided by the total live weight of broilers collected.

8. The Company reserves the right to withhold all payment to the Farmer should the feed conversion ratio be in excess of 2.50.

9. The Company shall pay to the Farmer an additional \$0.10 per head for feed used as bulk allowance for the provision of bulk tanks on the farm.

10. The Company shall instruct owner(s) of all vehicles to have such vehicles and crates properly cleansed/sanitized after each pick-up especially during live sales.

11. The Company shall provide seals on all bulk feed trucks where applicable.

12. The Company shall provide seals on all chick delivery trucks. In case of multiple deliveries, the first recipient is to ensure the resealing of the truck.

13. The Farmer shall ensure that the said broiler pens are fully ready to receive the broilers on the delivery date and to have a proper temperature established at the time of delivery of the broilers and maintained thereafter for the adequate comfort and growth, suitable for local conditions, of the broilers in accordance with the Company's instructions during the period of the rearing of the broilers, and to ensure that the said broiler houses are equipped with adequate feeders, waterers, brooding equipment and all other items necessary and/or considered standard practice for rearing broilers. The supply of rat bait, weedicide and other necessities is to be provided by the Farmer when required to ensure proper growth.

14. The farmer shall ensure that all feed, day old chicks, medication, vaccines etc. are received in proper order at time of receipt and to advise the Company immediately should there be any deviation from acceptable standards.

15. The Farmer shall count and check at least 10% of the chicks as a representative sample of the chicks received to satisfy himself that the correct number of chicks have been delivered to the farm. Shortages, dead on arrival and culls are not to be

included in the actual delivery count but noted on shipping invoice for any accounting adjustment that may be necessary.

16. The exact quantity of chicks applicable to this agreement shall be determined from the delivery note of the Hatchery.

17. The Farmer shall ensure that the broiler pens to which the chicks are delivered are clearly marked, identified and kept separate and distinct from any other livestock buildings owned and/or controlled by the Farmer.

18. The Farmer shall provide adequate security for broilers, feed and other inputs supplied by the Company.

19. The Farmer shall provide proper road access and turning facilities to the broiler pens for use by the Company its servants, agents or licensees until the broilers have been picked up.

20. The Farmer shall at all times keep the said broiler pens and their surroundings and all equipment used therein in a clean and sanitary condition to the satisfaction of the Company.

21. The Farmer shall provide water, fuel and electricity in sufficient quantities for the broilers until they are picked up by the Company. Water storage to be at least three (3) days supply for six weeks old broilers.

22. The Farmer at no time whatsoever must raise or keep other poultry or livestock while growing the broiler for the Company except authorized by the Company in writing.

23. The Farmer shall preserve for the return to the Company upon demand all unused feed, medicines and other supplies furnished by the Company to the Farmer in connection with the broilers and to use all feed and supplies provided by the Company for the purpose only of raising the broilers.

24. The Farmer shall return fifty (50%) percent of the used feed bags to the Company, otherwise a bag charge of one dollar (\$1.00) per bag will be applied for all bags not returned in excess of the fifty (50%) percent allowance of bags to return.

25. The Farmer must follow the feeding program as set down by the Company and to pay the Company for any feed used in excess of that amount; and to ensure that each delivery of feed invoiced coincides with the feed delivered.

26. At the discretion of the Company, the Farmer may be held liable for all feed conversions in excess of the monthly average feed conversion for that month.

27. The Farmer must use medication recommended by the Company and not to use medication or accept technical advice offered by third parties.

28. The Farmer must maintain at all times for each of the broiler pens a form prescribed by the Company which shall be affixed to each broiler pen of the daily mortality of the broilers together with feed consumed and vaccination and medication utilized by the broilers.

29. The Farmer shall restrict visitors in the vicinity of the broiler pens to only persons authorized by the Company.

30. The Farmer must pay all rates and taxes with respect to the broiler pens whilst this agreement is in force.

31. The Farmer must maintain litter condition to a standard which shall prevent burnt feet and burnt breasts.

32. The Company by its accredited representatives must be granted the right at any reasonable time to enter upon the said broiler pens for the purpose of removing or inspecting the broilers.

33. If the daily mortality rate of the broilers for any one day exceeds the daily mortality rate hereinafter set forth, the Farmer shall immediately summon the Company at 642-5444/4237. and present the carcasses for the Company's inspection within 24 hours of notification.

34. Failure by the Company to verify mortality during the prescribed time shall entitle the Farmer to dispose of carcasses without being charged.

Period	D.O.A	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9
Broilers on Farm	25	40	20	15	15	15	20	30	30	40

**MORTALITY RATE IDENTIFIED**

**\*Dead on Arrival (D.O.A.)**  
**\* Week represents period within seven (7) days**

35. Total bird mortality is not expected to exceed seven percent (7%) of total flock placed to the end of the growout. As a result, the following incentive/penalty schedule shall apply:

**MORTALITY INCENTIVE**

3% & Under	\$0.12 per head of total sales
3.01% - 4%	\$0.09 per head of total sales
4.01% - 5%	\$0.06 per head of total sales
5.01% - 6%	\$0.03 per head of total sales
6.01% - 6.99%	\$0.01 per head of total sales
7% - 9%	No Incentive/ No Penalty
9% & Over	Penalty \$0.02 per head for every additional One percent (1%) mortality

36. All culling of chicks shall be done by the serviceman in conjunction with the Farmer.

37. The Farmer shall be liable to the Company for the grow cost per kg or market price per kg whichever is greater for each broiler in excess of five (5) heads per thousand which on pick-up of the broilers for processing and/or marketing is not accounted for by delivery or death.

38. The broilers shall be taken off feed but not water for a period of not less than ten

(10) hours for a day pick-up and ten (10) hours for a night pick-up. Failure by the Farmer to do so will result in an adjustment at the Company's discretion of up to five percent (5%) of the total weight delivered on that pick-up. The Farmer shall be present at the time of the pick-up and shall be available to receive the broilers at the time of pick-up. Such bruised and damaged broilers shall be made available to the Farmer on request within two working days; damaged or bruised broilers must be identified at the point of pick-up. The cost of such broilers shall be borne by the Farmer hereunder.

40. Normally the broilers will be picked up not earlier than:

		(35)	run	t
	Males	days	Thirty	(38)
	Thirty	Strai	ty	days
	y Five	ght	Eigh	

**Females Forty Two (42) days  
And not later than sixty three (63) days from the date of delivery.**

41. In the event of pick-up within thirty five (35) to forty two (42) days of delivery as detailed above caused otherwise than by an act of God, riot, strike, civil commotion or other circumstances beyond the Control of the Company, the Farmer will be compensated by the Company on the following basis:-

**{a} before and including Males – Thirty Four (34) days**  
**{b} straight run - Thirty Seven (37) days An additional \$0.02 per head**  
**{c} Females - Forty one (41) days**  
**{d} after sixty (63) days an additional \$0.02 per head.**

42. In the event that the broilers are sold on the live market the sale shall be supervised by the Company in the presence of the Farmer.

43. The Farmer has the prerogative to weigh up to a maximum of 10% of each load of broilers leaving his farm.

44. In the event of any disaster caused by an act of God, or riot or civil commotion the Company agrees to pay the Farmer ten percent (10%) of any monies received by way of insurance coverage with respect to the broilers housed at the Farmer's broiler pens.

45. The Farmer shall remain an independent person and shall not be an agent, servant or employee of the Company except with written permission and shall not have the authority to incur debts or liabilities in the name of the Company.

46. All broilers and supplies furnished under this agreement shall remain the property of the Company and no liens, distress, proceedings or charges whatsoever of the Farmer's creditors shall attach to the broilers and they shall not be sold or disposed of without approval from the Company.

47. If the Farmer should for any reason abandon or neglect to provide care, feeding or treatment under the terms of this agreement the Company shall have the right to enter over and into the broiler pens to provide the necessary care for and handling of the broilers and shall be entitled to recover the expense thereby incurred from the Farmer or reserve the right to remove the birds at an earlier age as stated in item (41) above..

**The following standards will apply to all farmers:-**

## **6. Farm Standards for Placement (Open sided House)**

### **{1} PHYSICAL STRUCTURE**

#### **{a} Roadway:**

Roadway should be such that company's vehicles (including 10 Ton Trucks used for live haul) would be able to comfortably deliver feed, pick up broilers etc.. The vehicle must also be able to turn at a reasonable distance from farm.

#### **{b} Pens:**

Galvanize must have no leaks, eaves should be such that normal rainfall should not be blown in pens. Wire should be installed so that corbeaux, hawks and other large birds should not enter. A finer mesh must be used at the bottom 4 ft of the entire circumference of pens to avoid rats, mongoose etc.. from entering. Preference would be given to pens that are completely bird proof i.e. where maximum 1 ¼" mesh wire is used. All pens must have individual feed room to accommodate at least three (3) days feed at peak feeding. Feed room must be built with wire to facilitate ventilation.

#### **{c} Surroundings:**

Spraying with chemicals – insecticides, weedicides, etc.. must not be done around pens when birds are present – as such, short crops must not be cultivated around pens. Surroundings must be kept clean and grass cut low to facilitate maximum ventilation. Drains should be lower than the inside of pens and pens should not be located in a flood prone area.

#### **{d} Security of Broilers:**

Preference will be given to farms where the farmer resides. Farms without live-in farmers would firstly undergo a security inspection before placement is authorized.

### **{2} PLACEMENT PERCENTAGES**

#### **{a} Cool Season – Placement from November to March**

Farms with adequate fans: 80% - 90%

Farms with no or inadequate fans: 70% - 80%

#### **{b} Hot Season – Placement from April to October**

Farms with adequate fans: 70% - 85%

Farms with no or inadequate fans: 60% - 75%

**Note: Adequate fans are one (1) fans to 3,000 sq.ft.**

Consideration will also be given to the following when determining the placement percentage:

1. Direction of pen – pens built North/South with short eaves would have migration on evenings due to the setting sun. This effectively will reduce the capacity of the pen.
2. Pens with a history of high mortality.
3. Farms in forested areas where high trees are present in the path of airflow.

4. Pens with low roof at peak (less than 12 ft) should be placed at no more than 60%.
5. Pens that are closer than 40 ft from another pen.
6. Large farms where pens are built close.
7. Farms without Electricity.
8. Farms with predator problem (cats, rats, mongoose, owls etc..)

### **{3} WORKERS REQUIREMENTS**

Farms with Full Automation: 100% Automatic Feeders and Nipple Drinkers –  
1 worker to 20,000 – 25,000 birds.

Farms with Semi Automation:  
1 worker to 15,000 – 20,000 birds

Farms with 100% Manual Equipment  
1 Worker to not more than 15,000 birds

### **{4} EQUIPMENT REQUIREMENTS**

Baby Drinkers - 1 per 100 birds  
Baby Feeders - 1 per 100 birds  
Adult Drinkers - 1 per 100 birds  
Adult Feeders - 1 per 100 birds  
Nipple Drinkers - 1 per 13 birds  
Automatic Feeders - 1 per 60 birds

### **{5} WATER STORAGE**

A reserve water storage supply of no less than three (3) days must be available on the farms at all time at peak consumption.

### **{6} QUALITY CONTROL**

Conditions on farms must be consistent with Supermix's effort at achieving Total Quality Management especially in the areas that impact on HACCP and Food Safety issues.

### **{7} HISTORY OF FARMS**

The farm performance history would be taken into consideration before a final decision is made. The company at its discretion would make the final decision on placement.

Received from **NAME OF PROCESSOR** ..... Chicks on the ...  
..... day of ..... in the year ..... at the business place located  
at  
.....  
.....  
.....

**IN WITNESS THEREOF** this Agreement was executed by both parties the day and year herein  
written.

.....  
Signed by

.....  
Name in Block Letters In the Presence of  
for and on behalf of the **COMPANY WITNESS**  
**NAME OF PROCESSOR**

.....  
Signed by the **FARMER** In the Presence of  
**WITNESS**

.....  
Name in (**BLOCK LETTERS**)

I.D. # or D.P.#.....