

ANNEX 2 WAX AND GREEN BEANS SPECIAL PROVISIONS

1. 2020 MINIMUM SELLING PRICES

1.1 The minimum prices to be paid to producers are as follows:

Bean Categories	Base price Price per net ton		Base price + 10% for irrigation ⁽¹⁾ Price per net ton		Yield st/acre	Revenue threshold (before irrigation) \$/seeded acre
	\$/st	\$/mt	\$/st	\$/mt		
REGULAR green	214.45	236.39	235.90	260.03	4.40	944
REGULAR wax	218.95	241.35	240.85	265.49	4.31	944
MEDIUM- SMALL green	202.65	223.38	222.92	245.72	4.68	948
MEDIUM- SMALL wax	156.00	171.96	171.60	189.15	6.08	948
LARGE green	222.49	245.25	244.74	269.78	4.24	943
EXTRA-SMALL green and wax non-irrigated	244.70	269.73	n/a	n/a	3.90	954
EXTRA-SMALL green and wax irrigated	266.45	293.71	n/a	n/a	4.61	1 228

⁽¹⁾The revenues for irrigation shall be subject to compliance with Articles 2.1, 2.2, 2.3 and 2.4 of the wax and green beans annex of the producer's individual contract.

The prices and special provisions for organic beans are defined in Letter of Understanding "A" of this Annex.

1.2 Premiums and lump sum payments

1.2.1 As a planting premium, the buyer shall pay the producer the following amounts per category, for each seeded area:

PREMIUMS \$/seeded acre		
REGULAR and LARGE beans	MEDIUM-SMALL	EXTRA-SMALL beans (irrigated and non-irrigated)
172.50	180	187.50

However where the parcel planted in beans had previously been planted with peas during the same season, the premium for each area seeded to beans will be 65% of the amount specified in the premiums table.

The production premium may not be paid to growers for the portion of a field affected by pesticide drift, for the use of an herbicide causing crop injury or for a pesticide residue used the previous year. In such a case, the buyer must document and inform the grower and the Federation of the non-payment of the premium.

- 1.2.2 The buyer shall pay the producer a lump sum for early and late planting in \$ per day (cumulative) per acre seeded in wax and green beans, according to the following table:

LUMP SUMS							
\$ / seeded acre							
Wax and green beans (except extra-small)				Extra-small beans			
Before May 15		After July 15		Before June 1		After July 15	
May 10	\$25	July 16	\$5	May 19	\$65	July 16	\$5
May 11	\$20	July 17	\$10	May 20	\$60	July 17	\$10
May 12	\$15	July 18	\$15	May 21	\$55	July 18	\$15
May 13	\$10	July 19	\$20	May 22	\$50	July 19	\$20
May 14	\$5	July 20	\$25	May 23	\$45	July 20	\$25
		July 21	\$30	May 24	\$40	July 21	\$30
		July 22	\$35	May 25	\$35	July 22	\$35
		July 23	\$40	May 26	\$30	July 23	\$40
		July 24	\$45	May 27	\$25	July 24	\$45
		July 25	\$50	May 28	\$20	July 25	\$50
		July 26	\$55	May 29	\$15	July 26	\$55
		July 27	\$60	May 30	\$10	July 27	\$60
		July 28	\$65	May 31	\$5	July 28	\$65

Lump sums of \$5.00/ac/day for seeding prior to the dates in this table apply as required. In addition, lump sums continue at \$5.00/ac/day for seeding after July 28, if applicable.

- 1.2.3 In the event of a complete production failure early in the season and the subsequent reseeded of the same crop on the same producer's land, the planting premium shall apply only once.
- 1.2.4 In the case of reseeded, the lump sum payable based on the planting dates, as specified in 1.2.2, shall apply only once. In both cases, the highest amount shall apply.

1.3 Special compensation

If a producer is unable to fulfil his contract for climatic, or other reasons beyond his control, and the contracted acreage cannot be planted to another insurable processing vegetable crop, the buyer shall notify the Federation in writing and shall pay the producer a revenue compensation of \$200/contracted acre.

2. PAYMENT TERMS

- 2.1 Payments shall be made to producers as follows:

- 2.1.1 After deducting all monies owed by the producer, the buyer shall pay by direct deposit, on or before November 1 in the current year, **and exceptionally 15 days after the end date of the harvest in the case of a late year**, the net amounts due to the producer for all accepted wax and green beans, as well as any other amounts due according to this Agreement.
- 2.1.2 All monies owed for seeds and other services provided by the buyer are payable at the time of payment for the product and bear no interest.
- 2.2 Upon the final payment, the buyer shall provide the producer with an invoice stating the following:
- ⇒ The net payment for all wax and green beans delivered;
 - ⇒ The purchase price paid for wax and green beans;
 - ⇒ The amount of premiums, lump sum payments, adjustments payments, compensation payments and any other sums paid to the producer;
 - ⇒ All deductions withheld from the producer and/or in accordance with the Act.
- 2.3 Should there be any dispute, the producer may submit a grievance notice to the Federation pursuant to Article 5.2 of the General Provisions on or before the 60th calendar day from the date on which the above-mentioned invoice was mailed.

3. SEED

- 3.1 The buyer shall be required to have a sample taken for germination by a laboratory accredited by the Canadian Seed Institute for all carry-overs seeds lots one year old and over. The buyer shall specify the results of this test on a tag attached to each delivery of seed.
- 3.2 The buyer shall also indicate the following information on the tag:
- ⇒ the species
 - ⇒ the category of seed
 - ⇒ the variety
 - ⇒ the lot number
 - ⇒ the number of seeds per bag, per pound or per kilogram
 - ⇒ the number of bags delivered
 - ⇒ the result of the germination test
- 3.3 The price stipulated in the Agreement is price per 1,000 seeds, and the producer shall be invoiced on that basis, according to the agreed seeding density.
- If the recommended sowing rate is different from the agreed sowing rate, this must be specified in writing. If it is higher than agreed in the agreement, it shall be at the expense of the buyer.**
- 3.4 **Responsibility for compliance with the recommended density remains with the producers. This density must not be less than 70 % of the recommended population.**

4. CALCULATION OF AVERAGE YIELD AND ALLOTTED VALUES

- 4.1 The producer's last five-year (5) average yield shall be determined on the basis of planted acreage.

However, in the case of areas abandoned due to excessive heat (Article 6.2), excessive water preventing harvesting (Article 6.3), loss of quality – disease (Article 6.4), loss of quality – early frost (Article 6.5), overabundance or through the fault of the buyer (Article 6.1), the yield of the unharvested areas shall be determined either on the basis of the harvested areas or on an assessment of the yield of unharvested areas.

Also, in the case of by-passed fields or parts of fields and the reseeded of the same product on the same land, the yield shall be calculated solely on the basis of the harvested acreage.

4.2 The yield per category of beans shall be calculated in “\$ per acre”, including lump sums, and shall be indexed at current value.

Where a producer has produced various categories over the years, such producer’s average yield, for a given category, shall be determined as follows:

⇒ the yields of bean categories which have been produced will be multiplied by the conversion factors set out in Table 1 to obtain the equivalent yield for another category of beans.

The conversion factors specified in Table 1 are calculated as follows:

$$\text{Conversion factor} = \frac{\text{Revenue threshold for category of beans to be produced}}{\text{Revenue threshold for category of beans already produced}}$$

TABLE 1

	Category of beans to be produced	Regular green	Regular wax	Medium-small green	Medium-small wax	Large green	Extra-small non-irrigated	Extra-small irrigated
Category of beans already produced		\$944	\$944	\$948	\$948	\$943	\$954	\$1 228
Regular green	\$944	1.000	1.000	1.004	1.004	0.999	1.011	1.301
Regular wax	\$944	1.000	1.000	1.004	1.004	0.999	1.011	1.301
Medium-small green	\$948	0.996	0.996	1.000	1.000	0.995	1.006	1.295
Medium-small wax	\$948	0.996	0.996	1.000	1.000	0.995	1.006	1.295
Large green	\$943	1.001	1.001	1.005	1.005	1.000	1.012	1.302
Extra-small non-irrigated	\$954	0.990	0.990	0.994	0.994	0.988	1.000	1.287
Extra-small irrigated	\$1 228	0.769	0.769	0.772	0.772	0.768	0.777	1.000

4.3 New producer

Should a producer be in his first year with a buyer, such producer’s average yield will be the higher of the following two yields:

- ⇒ either the average yield per acre over the last five (5) years of all the producers who supplied this buyer (called “Plant Yield,” see Article 4.10)
- ⇒ or the revenue threshold set out in Article 4.9 of this Annex for the category concerned

4.4 Producer who didn't produce in all of the last five (5) years

One of the following procedures shall be used:

4.4.1 For the producer who has produced in either one (1) or two (2) crop years in the last five (5) years

His annual yield per acre, weighted if two (2) years, shall be added to the average annual yield per acre of all producers who have contracted with such processor for each year missing.

4.4.2 For the producer who has produced in either three (3) or four (4) crop years in the last five (5) years

His annual yield per acre, weighted by the number of years in which he has produced a crop of beans, shall be added to either one or more indexed yields, for each year missing, where applicable.

Indexed yields shall be determined by multiplying the average annual yield per acre of all the producers who have furnished such processor by the yield performance (%) of such producer.

For determining the producer's yield performance (%), his average annual yield per acre, weighted where applicable, shall be divided by the average annual yield of all the producers who have furnished such processor during the same years.

4.4.3 If there is no purchase by the processor

If the processor has not purchased the said product in all of the last five (5) years, the yield of the producer shall be allotted on the basis of the number of years of production contracted with such processor.

4.5 The average yield per acre for each category the producer may be allotted shall be written in his contract or sent in writing to the producer before the April 20.

4.6 Individual value

The individual value allotted to each producer per category of beans is determined by multiplying his average yield per acre mentioned in his contract by the planted acreage contracted for each category.

4.7 Total value

The total value anticipated by a buyer for each category of beans may be over and above but never less than the total sum of individual values allotted, pursuant to Article 4.6 of this Annex, for all planted acreage contracted for each category.

4.8 Average potential yield

The average potential yield for the current year shall be equal to the total sum of individual values allotted pursuant to Article 4.6, divided (\div) by the total acreage seeded for such category.

4.9 Revenue threshold

For the purposes of implementing Articles of section 7 of this Annex, the average annual yield per acre of all producers shall never be less than:

Category of beans	Conventional \$/seeded acre	Organic \$/seeded acre
Regular green beans	944	1 473
Regular wax beans	944	1 551
Medium-small green beans	948	1 559
Medium-small wax beans	948	1 559
Large green beans	943	1 550
Non irrigated extra-small green and wax beans	954	1 479
Irrigated extra-small green and wax beans	1 228	2 023

This amount includes the lump sums paid on the basis of the planting dates.

- 4.10 Each buyer shall forward to the Federation, prior to harvesting, a report per category of beans stating the total area planted on each producer's land and the total sum of individual values allotted. The buyer shall also indicate his last five-year average yield. This data is his "Plant Yield". The yield is calculated by bean category for all of the buyer's plants.

5. HARVESTING

- 5.1 Upon the producer's request, the buyer shall keep him informed of his field's maturation. The buyer notifies the producer in advance of the date on which he intends to start harvesting.

5.1.1 In the event of disagreement related to the causes of abandonment or any harvesting problem, the producer may ask the buyer and the Federation for an expert evaluation in order to document the problem. The buyer and the Federation may decide, by mutual agreement, to request an external expertise. In this case, the costs of this expertise shall be paid in equal parts by the buyer and the Federation.

- 5.2 Upon leaving the farm, the buyer shall be responsible for transportation unless the producer himself provides for delivery.
- 5.3 Upon leaving the field, the operator hauling the crop shall provide a copy of the weight ticket to the identified person in charge of the harvesting team. **The producer will be able to collect all his tickets from the person in charge of the harvesting team.**

Weighings of the beans from each truck are available on "AgPod" within 24 hours (48 hours on weekends) after the truck leaves the plant.

Bean cuts from each truck can be viewed on "AgPod" within 36 hours (72 hours for weekends and/or multi-plant delivery) after the truck leaves the plant.

- 5.4 The buyer shall on request inform the producer of grading results for all beans delivered to the buyer's factory or receiving station.

However, in the event that the percentage of tare is more than 15%, the buyer shall inform the producer of the foregoing within 24 hours.

- 5.5 **Each Wednesday morning, the buyer must email the grower, or his representative, a receipt for all plot receipts completed on the preceding Sunday (last truck emptied before midnight).**

This ticket indicating :

- ⇒ the name of the producer
- ⇒ the date
- ⇒ the hour of arrival
- ⇒ the number appearing on the weight ticket
- ⇒ the total gross weight
- ⇒ the weight of the truck
- ⇒ the weight of the load delivered
- ⇒ the percentage (%) of tare
- ⇒ the net weight

If the grower does not have an email address, the receipt will be mailed by the buyer on Wednesday morning.

- 5.6 To simplify transactions between the producer and the buyer, the minimum selling prices, per ton, to be paid to producers, set out in Article 1.1, are net of harvesting and transportation-related expenses. These costs correspond to the service charges, per net ton, listed in the Appendix included in this Annex.

The buyer must indicate the total harvesting and transportation expenses on the producer's statement of account.

6. BY-PASSED ACREAGE

When a buyer definitively passes a field, he must immediately notify the producer verbally and in writing, with a copy to the Federation; he must indicate the area left as well as the reason.

6.1 Fault of the buyer

In the event that the buyer is unable through his own fault or should he refuse for no valid reason to take delivery of a crop of beans, in whole or in part, such buyer shall pay the producer according to the potential of his crop for all regulated products left unharvested the higher of the following, up to the potential yield of the crop:

- ⇒ 115% of the producer's last five-year average yield per acre contracted by his processor pursuant to Articles 4.1 to 4.4 of this Annex
- ⇒ 115% of the average potential yield per acre of all the producers who signed a contract with such processor pursuant to Article 4.8 of this Annex

6.2 Excessive heat

When a field or part of a field is unharvested due to excessive heat, the buyer agrees to compensate the producer **individually** for the affected acreage according to the field's potential yield, less 80% of the producer's average yield as specified in his individual contract.

The parties shall leave it to *La Financière agricole du Québec* to determine excessive heat. In the event that the producer has not insured his crop, it shall be up to the buyer to determine whether excessive heat is involved.

The final amount paid to the producer will be determined by the Federation after globalization of all payment mechanisms (cancellation of negative accounts, equalization). It will be adjusted in proportion to the global envelope of amounts paid by the buyer for fields passed for excess heat, excess water preventing harvest, loss of quality - Diseases, loss of quality - Early frost of this vegetable.

When a field is abandoned due to excessive heat, the buyer must establish, at his own expense and within 48 hours, the potential of the field at a quality in accordance with the buyer's specifications (% rotten, stained, damaged less than 3%).

The first method used to assess the potential of the field is mechanical assessment. If it is not possible to use this method, pre-harvest sample results obtained by the buyer will be used.

In the case of disagreement between the producer and the buyer on the results obtained or unavailability of data, the potential of the producer's field will be determined according to the average of the variety used in a week of harvest, weighted according to each producer taking into account his performance by region.

6.3 Excess water preventing harvesting

Where a field or part of a field is abandoned due to excess water preventing harvesting, the buyer agrees to compensate the producer **individually** for the affected acreage according to the field's potential yield, less 80% of the producer's average yield as specified in his individual contract.

The parties shall leave it to *La Financière agricole du Québec* to determine excess water preventing harvesting. In the event that the producer has not insured his crop, it shall be up to the buyer to determine whether or not excess water is involved.

The final amount paid to the producer will be determined by the Federation after globalization of all payment mechanisms (cancellation of negative accounts, equalization). It will be adjusted in proportion to the global envelope of amounts paid by the buyer for fields passed for excess heat, excess water preventing harvest, loss of quality - Diseases, loss of quality - Early frost of this vegetable.

When a field is abandoned due to excess water preventing harvesting, the buyer must establish, at his own expense and within 48 hours, the potential of the field to a quality in accordance with the buyer's specifications (% rotten, stained, damaged less than 3%).

The results of pre-harvest samples obtained by the buyer will be used to determine the potential of the field.

In the case of disagreement between the producer and the buyer on the results obtained or unavailability of data, the potential of the producer's field will be determined according to the average of the variety used in a week of harvest, weighted according to each producer taking into account his performance by region.

6.4 Loss of quality – Diseases

Where a field or part of a field is abandoned due to pod quality unfit for processing as a result of the presence of Sclerotinia (*S. Sclerotiorum*) and/or spots from bacterial diseases:

- ⇒ bacterial blight (*Pseudomonas s. phaseolicola*)
- ⇒ brown pigmentation (*Xanthomas c. phaseoli*)
- ⇒ bacterial brown spot (*Pseudomonas s. syringae*)

The buyer agrees to compensate the producer **individually** for the affected acreage according to the field's potential yield, less 80% of the producer's average yield as specified in his individual contract.

The final amount paid to the producer will be determined by the Federation after globalization of all payment mechanisms (cancellation of negative accounts, equalization). It will be adjusted in proportion to the global envelope of amounts paid by the buyer for fields passed for excess heat, excess water preventing harvest, loss of quality - Diseases, loss of quality - Early frost of this vegetable.

When a field is abandoned due to loss of quality - disease, the buyer must establish, at his own expense and within 48 hours, the potential of the field to a quality in accordance with the buyer's specifications (% rotten, stained, damaged less than 3%).

The results of pre-harvest samples obtained by the buyer will be used to determine the potential of the field.

In the case of disagreement between the producer and the buyer on the results obtained or unavailability of data, the potential of the producer's field will be determined according to the average of the variety used in a week of harvest, weighted according to each producer taking into account his performance by region.

6.5 Loss of quality – Early frost

Where a field or part of a field is left unharvested due to pod quality unfit for processing as a result of early frost occurring on or after the 22th of September, the buyer agrees to compensate the producer **individually** for the affected acreage according to the crop's potential, less 80% of the producer's average yield specified in his individual contract.

The final amount paid to the producer will be determined by the Federation after globalization of all payment mechanisms (cancellation of negative accounts, equalization). It will be adjusted in proportion to the global envelope of amounts paid by the buyer for fields passed for excess heat, excess water preventing harvest, loss of quality - Diseases, loss of quality - Early frost of this vegetable.

When a field is abandoned due to loss of quality - Early frost, the buyer must establish, at his own expense and within 48 hours, the potential of the field to a quality in accordance with the buyer's specifications (% rotten, stained, damaged less than 3%).

The results of pre-harvest samples obtained by the buyer will be used to determine the potential of the field.

In the case of disagreement between the producer and the buyer on the results obtained or unavailability of data, the potential of the producer's field will be determined according to the average of the variety used in a week of harvest, weighted according to each producer taking into account his performance by region.

6.6 All compensation due and owing shall be paid according to the current prices.

7. OVERABUNDANCE

7.1 Temporary overabundance

7.1.1 Temporary overabundance shall mean a temporary period of high yields during which the buyer is unable due to operational constraints to harvest all the crops.

7.1.2 For the purposes of applying the temporary overabundance formula, all bean categories, as well as all the factories of a buyer shall be taken into account.

7.1.3 Should there be a temporary overabundance of beans, the buyer may leave some acres unharvested.

- 7.1.4 The areas unharvested due to temporary overabundance must be measured with precision and preferably by a third party.
- 7.1.5 The producer concerned and the buyer shall rapidly notify the Federation in the event of any recourse to this provision.
- 7.1.6 The areas unharvested due to temporary overabundance shall be eligible for an adjustment payment. The adjustment payment shall be calculated according to the formula specified in section 8.
- 7.1.7 Any producer with areas left unharvested due to temporary overabundance will be assured of receiving a revenue based on the higher of the following, up to the potential yield of the field:
- ⇒ 115% of the producer's last five-year average yield per acre contracted by his processor as set out in Articles 4.1 to 4.4. In the case of a producer in his first year with a processor, such producer will be assigned 115% of the yield calculated pursuant to Article 4.3.
 - ⇒ 100% of the revenue threshold stipulated for the bean category concerned and specified in Article 4.9 of this Annex.
- 7.1.8 The buyer shall pay 10% of the value calculated in Article 8.4.4 into the adjustment fund.
- 7.1.9 The quantity left unharvested shall be determined jointly by the producer and the buyer and if possible mechanically. Should there be any disagreement, all matters in dispute shall be settled according to the grievance procedure defined in Article 5.2 of the General Provisions of the Agreement.
- 7.1.10 All compensation due and owing shall be paid according to the current prices.
- 7.1.11 Under no circumstances shall the producer sell or the buyer purchase at a price below the minimum prices specified in Article 1.1 a crop of wax or green beans has been abandoned in the field for any reason whatsoever. The producer shall dispose of a crop of wax or green beans that has been abandoned only by converting it to silage or green manure.
- 7.1.12 Should the producer derive a revenue from such crop other than by putting it to the afore-mentioned use, he shall forfeit his entitlement to compensation under the adjustment formula.
- 7.1.13 Where, for all producers of a buyer, the yield of all the production of each category of beans exceeds 100% of the total value anticipated by such buyer, pursuant to Article 4.7 of this Annex, the parties shall agree that there is a production surplus.
- 7.1.14 Where, for all producers of a buyer, the yield of all the production of each category of beans exceeds 115% of the total value anticipated by such buyer, pursuant to Article 4.7 of this Annex, the parties shall agree that there is overabundance.

7.2 Overabundance

- 7.2.1 In the event of overabundance, the buyer's responsibility to take delivery of a category of beans from all of his producers shall not exceed 115% of the total value anticipated by such buyer pursuant to Article 4.7. The limit of 115% is determined on the basis of and shall apply to the total crop of all producers and not to each producer's individual crop, which may be harvested or by-passed irrespective of this limit.

- 7.2.2. As soon as a buyer recognizes that a situation of overabundance is developing, he shall promptly notify in writing the Federation.
- 7.2.3 Should the yield of one or more categories of beans develop into a situation of overabundance, the buyer may but shall not be obliged to harvest the remaining areas for which the surplus beans had not been sold. Should the buyer harvest such crop, he may elect to pay each producer in accordance with the payment provisions prescribed in Article 8.5 of this Annex, and should he not harvest such crop the payment provisions pursuant to Article 8.4 of this Annex shall apply.
- 7.2.4 As soon as a buyer knows he will not harvest acreage due to overabundance, he must notify the producer concerned, the Federation accordingly.
- 7.2.5 The potential crop yield of all acreage left unharvested due to overabundance shall be assessed immediately and where possible mechanically by both the buyer and the producer, and by a representative of the Federation. Should there be any disagreement, the matters in dispute shall be settled immediately in the field by an arbitrator designated beforehand by both parties.
- 7.2.6 For the purposes of applying the overabundance formula, all the factories of a buyer, as well as all bean categories shall be taken into account.

8. ADJUSTMENT FUND AND MECHANISM

- 8.1 An Adjustment Fund shall be established to make compensation payments to the producer, as stipulated in this Agreement pursuant to the overabundance clause.
- 8.2 The Adjustment Fund shall be managed globally taking into account all the factories of a buyer and all bean categories.
- 8.3 The Adjustment Fund shall be financed :
 - 8.3.1 By the producers, **including growers compensated for abandoned fields**, according to an equalization scheme that will apply to the value exceeding 115% of the average producer's yield recorded in his individual contract. This value is named overabundance.
 - 8.3.2 By a contribution from the buyer who will pay 10% of the value of the areas left as calculated in Article 8.4.5.
- 8.4 Where required, the buyer shall determine the producer's payments by applying the following adjustment formula:
 - 8.4.1 Determine for each producer the individual value of all acreage left unharvested due to overabundance. The yield calculated according to the method specified in Articles 7.1.9 and 7.2.4 of this Annex shall be used for determining such value:

The buyer must specify to the Federation whether or not the acreage is irrigated.

$$\text{Individual value of areas abandoned for overabundance (A)} = \text{Areas abandoned X Yield X Price}$$

- 8.4.2 Determine for each producer the individual value of the crop (B) produced on all planted acreage, whether it was harvested or by-passed due to overabundance.

Acreage left unharvested for other causes and compensation paid for the reasons stipulated in Division 6 "By-passed Acreage" and the supplement for irrigation are not included in calculations of individual values.

The Individual value shall be equal to:

- ⇒ The value of the crop delivered, if no acreage was abandoned
- ⇒ The value of the crop delivered plus the value determined under paragraph 8.4.1 above if some acreage was abandoned because of overabundance
- ⇒ The value determined under paragraph 8.4.1 above if all the acreage was abandoned because of overabundance

8.4.3 Determine the total value of all acreage abandoned due to overabundance by adding all individual values for all abandoned acreage, per producer, as determined under paragraph 8.4.1:

$$\text{Total value of areas abandoned for overabundance (C)} = \text{Sum of (Individual overabundance value) (A)}$$

8.4.4 Determine for each producer the dollar value of the crop in overabundance (D), exceeding the highest of the following two amounts:

- ⇒ 115% of the producer's average yield specified in his individual contract
- ⇒ 100% of the revenue threshold for the category in question (see Article 4.9)

8.4.5 Calculate the buyer's contribution to the adjustment fund:

$$\text{Buyer's share (E)} = 10\% \times \text{Total value of abandoned areas for overabundance (C)}$$

8.4.6 Establish the total value in overabundance (F):

$$\text{Total monetary value in overabundance (F)} = \text{Monetary value of production in overabundance (D)} - \text{Buyer's share (E)}$$

8.4.7 Determine the percentage of adjustment :

$$\text{Adjustment percentage (G)} = \text{Total value of areas abandoned for overabundance (C)} \div \text{Total dollar value in overabundance (F)}$$

8.4.8 Determine the individual adjustment amount (H) by multiplying the adjustment percentage by the dollar value of each producer's over-abundant crop;

$$\text{Individual adjustment amount (H)} = \text{Equalization Percentage (G)} \times \text{value monetary production in overabundance (D)}$$

8.4.9 Should the producer's crop yield not exceed the highest of the following two amounts:

- ⇒ 115% of the producer's average yield specified in his individual contract
- ⇒ 100% of the revenue threshold for the category in question (see Article 4.9)

the buyer shall pay the value of such crop, in accordance with the prices and provisions of Articles 1 and 2 of this Annex:

$$\text{Payment to producer (I)} = \text{Individual value of the crop (B)} - \text{Deductions specified in the Agreement}$$

8.4.10 Should the producer's crop yield exceed the highest of the following two amounts:

- ⇒ 115% of the producer's average yield specified in his individual contract
- ⇒ 100% of the revenue threshold for the category in question (see Article 4.9)

the buyer shall pay to the producer the value of such crop, less the individual adjustment amount and all other deductions specified in Article 2 of this Annex.

Payment to producer in case of overabundance (J) = (Individual value of the crop (B) - Individual equalization amount (H) - Deductions provided for in the agreement)

The contributions owed to the Federation shall be adjusted based on the amount paid to the producer.

8.4.11 If the total amount collected under the adjustment formula (H) is insufficient to compensate the producers concerned up to 115% of the dollar value of the crop (D), a percentage under 115% shall be applied uniformly.

8.5 Should the buyer elect to take delivery of the total crop yield of all his producers, rather than leave areas in the field unharvested due to overabundance, such buyer may pay his producers in accordance with the following payment provision: the buyer shall pay each producer per area planted, on the dates specified in this Agreement, up to the highest of the following three amounts:

- ⇒ 100% of the producer's average yield specified in his individual contract
- ⇒ 100% of the average potential yield (see Article 4.8)
- ⇒ 100% of the revenue threshold for the category specified (see Article 4.9)

The balance owed for all deliveries of the producers concerned, exceeding the highest of the above amounts shall be paid on the 31st of March in the following year plus all accrued interest since the 1st of November. The interest shall be calculated using an annual rate 1% higher than the prime rate of the National Bank of Canada in effect at the close of business on the last Friday of September.

8.6 When applying the adjustment mechanism, the buyer shall forward to the Federation, for validation purposes, before making payment to producers, a report stating all computations made in accordance with the provisions specified the Articles in section 8 of this Annex.

APPENDIX

SEED PRICES AND SERVICES CHARGES

1. Seed prices for the **2020** crop of wax and green beans are as follows:

CATEGORIES	Recommended seeding density	Seed cost \$/1,000 seeds
REGULAR green	115,000 seeds/acre	2.50
REGULAR wax	115,000 seeds/acre	2.30
MEDIUM-SMALL wax	120,000 seeds/acre	2.50
MEDIUM-SMALL green	120,000 seeds/acre	2.30
LARGE green	115,000 seeds/acre	2.50
EXTRA-SMALL green & wax	125,000 seeds/acre	2.50

2. The service charges for the **2020** crop of wax and green beans are as follows:

CATEGORIES	HARVESTING and TRANSPORTATION COSTS* (per net ton)
	\$ / Short ton
All beans	67.10

*Plus taxes

3. Side-dumping trailers

The buyers agree to use side-dumping trailers to carry out harvesting operations, unless a different agreement is concluded between the producer and the buyer.

4. Phytosanitary treatment

4.1 A conventional producer may decide to apply or choose a contractor to apply a phytosanitary preparation containing spores of *Coniothyrium minitans* (Contans[®] WG). Upon receipt of the producer's purchasing invoice, the buyer shall refund the entire cost of the product, up to a treatment rate of 4 kg/ha. In addition, the application of a preventive fungicide against *Sclerotinia* in season will be assumed 100% by the buyer. However, any other fungicide treatment for *Sclerotinia* that would be required will be at the producer's expense. Treatments will be decided by the buyer according to the health status of the crop.

4.2 The buyer will notify the producer when applying a phytosanitary treatment on its production. The buyer will assume 100% of the costs of insecticide treatments, as well as 100% of the costs of fungicide treatments (except for *Sclerotinia* in the case of clause A4.1) and bactericides; products and applications.

5. Fertilizing substances

5.1 The buyer will make available on "AgPod" his charter of standards concerning the use of fertilizing substances.

LETTER OF UNDERSTANDING « A » FOR 2020

BEANS : ORGANIC PRODUCTION

This Letter of Understanding specifies certain clauses pertaining to the growing of organic beans.

- The contract between the producer and the buyer, as defined in clause 3.1 of the General Provisions must specify that the contracted acreage is to be produced under organic management.
- The producer undertakes to give the buyer a copy of his organic certification. If this certificate is not received, the produce will be considered as grown under conventional management and the clauses related to organic production will not be applicable.
- As a planting premium, the buyer shall pay the producer of organic bean production the following amounts, per category, for each seeded area :

PREMIUMS \$/seeded acre		
REGULAR and LARGE beans	MEDIUM-SMALL	EXTRA-SMALL beans (irrigated and non-irrigated)
172.50	174	183.50

- The buyer shall pay the following prices for each category of beans certified organic :

Bean Categories	Base price Price per net ton		Base price + 5% for irrigation Price per net ton		Yield per acre nst/acre	Revenue threshold \$/acre
	\$/st	\$/mt	\$/st	\$/mt		
Regular green	352.37	388.41	387.61	427.26	4.18	1 473
Regular wax	359.84	396.65	395.82	436.31	4.31	1 551
Medium-small green	333.16	367.24	366.48	403.96	4.68	1 559
Medium-small wax	256.41	282.64	282.05	310.90	6.08	1 559
Large green	365.65	403.05	402.22	443.36	4.24	1 550
Extra-small non-irrigated	402.96	444.18	n/a	n/a	3.67	1 479
Extra-small irrigated	438.84	483.73	n/a	n/a	4.61	2 023

- Before the cropping season begins, the producer may apply himself, or have a contractor of his choice apply, a plant health treatment containing spores *Coniothyrium minitans* spores (Contans ®WG). Upon receipt of the producer's purchasing invoice, the buyer shall refund the entire cost of the product, up to a treatment rate of 4 kg/ha.

IN WITNESS WHEREOF WE HAVE SIGNED ON THIS 12th DAY OF THE MONTH OF MAY 2020.

Association des manufacturiers de produits
alimentaires du Québec (AMPAQ-CTAQ)
(The Association)

Fédération québécoise des producteurs de fruits
et légumes de transformation (FQPFLT)
(The Federation)

Name	Signature	Name	Signature
Name	Signature	Name	Signature
Name	Signature	Name	Signature