



MAINE POTATO GROWERS, INC.

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Presque Isle, ME 04769

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OAT PURCHASE AGREEMENT

This agreement made and entered into this _____ day of _____, by and between _____ (hereinafter called grower), of _____ in the county of Aroostook, State of Maine, and Maine Potato Growers, Inc., a Maine corporation located at Presque Isle, Maine (hereinafter called MPG).

For and in consideration of \$1.00 and other valuable considerations, the sufficiency of which being hereby acknowledged, grower and MPG covenant and agree as follows:

MPG agrees to purchase and grower agrees to sell and deliver _____ bushels of Aroostook County, Maine grown oats to be delivered to MPG facilities as designated hereunder:

- Fort Road Elevator, Presque Isle
- Other Central Aroostook Facility

Price _____ /Bushel _____

Time of Delivery _____ At Harvest (August/September) _____

Quality Specifications _____

Grade: _____ U.S. #1, Bright Oats _____

Test Weight _____ 36.0 LB/Bu. minimum (Winchester) _____

Moisture _____ 14.0% or less _____

Oats not meeting the above specifications will be granted a bonus or discounted, according to the listed "Bonus Schedule" and "Schedule of Discounts."

Terms and Conditions

1. The rules of the National Grain and Feed Association (hereinafter called NGFA) apply to all trades.
2. In the event that the grower has more than one contract with MPG, the lower price contract will be filled first.
3. Grower guarantees oats delivered against this contract agreement to arrive at destination in cool, sweet, and sound usable condition.
4. Growers must notify MPG by requested date of delivery if unable to comply with requested delivery date. Failure to notify MPG of delays shall result in MPG exercising its options under terms of the NGFA rules.
5. The grower shall warrant, guarantee, and certify to MPG that the oats in each delivery will be in compliance with (a) all applicable federal, state, and local laws, rules and regulations;

(b) are good and merchantable and fit for the purpose for which the goods are purchased;
(c) are free and clear of liens, encumbrances, security interests and claims.

6. The grower agrees to indemnify and defend and hold harmless MPG, including MPG's reasonable attorneys' fees and costs, from any and all losses, damages, liabilities, or expenses arising out of the breach of any aforesaid warranty, guarantee, or certification.
7. The grower shall be responsible for all hedge trading losses, costs, fees, expenses, and reasonable attorneys fees and costs, incurred by MPG, in the event that grower is unwilling or unable to deliver, or for any other reason, whatsoever, fails to deliver, the contracted bushel quantity meeting the above said quality specifications. Hedge trading losses shall be calculated as the difference between the CBOT _____ futures price per bushel at the date of notification, and the CBOT _____ futures price per bushel at the date of this contract. The grower shall be liable for any positive difference per bushel multiplied by undelivered bushels, at time of notification.

(Bonus Schedule)

Test Weight Minimum Limits

36 Lbs. – 36.9 Lbs. --- 0.03 Per Bushel
37 Lbs. – 37.9 Lbs. -- 0.06 Per Bushel
38 Lbs. and Over --- 0.08 Per Bushel

(Schedule of Discounts)

<u>Color</u>	<u>Discounts</u>	<u>Test Weight Minimum Limits</u>
Slightly weathered	0.12/Bu.	35-35.9 Lbs. --- .00 Per Bushel
Weathered	Subject to Rejection	34-34.9 Lbs. --- .03 Per Bushel
Very weathered	Reject	33-33.9 Lbs. --- .06 Per Bushel
Dark	Reject	32-32.9 Lbs. --- .12 Per Bushel
		31-31.9 Lbs. --- .18 Per Bushel
		30# & Under --- Rejected

Moisture

To --- 14.00 --- 0.00/Bu.	17.01 --- 17.50 --- 0.42/Bu.
14.01 --- 14.50 --- 0.06/Bu.	17.51 --- 18.00 --- 0.48/Bu.
14.51 --- 15.00 --- 0.12/Bu.	18.01 --- 18.50 --- 0.54/Bu.
15.01 --- 15.50 --- 0.18/Bu.	18.51 --- 19.00 --- 0.60/Bu.
15.51 --- 16.00 --- 0.24/Bu.	19.01 --- 19.50 --- 0.66/Bu.
16.01 --- 16.50 --- 0.30/Bu.	19.51 --- 20.00 --- 0.72/Bu.
16.51 --- 17.00 --- 0.36/Bu.	>20.00 Reject

(Other deductions)

All oats bulk, dumped without cleaning or scalping will be subject to a 1% gross weight deduction.

___ Yes ___ No Grower elects \$0.05/bu. incentive for deferred proceeds to be paid by _____.

Grower

Maine Potato Growers, Inc.

Date _____

Date _____