



**CWB WHEAT STORAGE PROGRAM (WSP)
TERMS AND CONDITIONS FOR OFFER AND CONTRACT**

I. THE CANADIAN WHEAT BOARD (the “CWB”) DELIVERY CONTRACT

1. DEFINITIONS

- a. **“Actual Grade”** is the straight grade of either No. 1 CWRS 14.5-14.9 or No. 1 CWRS 15.0 and higher actually delivered by the producer as reported on the producer’s certificate. Tough and damp grain is excluded from the WSP.
- b. **“Approved Methods of Making an Offer”** are as set out in paragraph 2.e. below.
- c. **“Contract Expiry Date”** means the date on or before July 31, 2007 on which the producer must offer tonnes for delivery pursuant to this delivery contract. The CWB can withdraw the WSP and decline to accept additional grain at any time.
- d. **“CWB Act”** means The Canadian Wheat Board Act, as amended from time to time.
- e. **“Delivery Call”** means producers will receive written notification to deliver their grain and will have within 30 days from the date of notification to deliver.
- f. **“Delivery Termination Date”** means 30 days after producers have been notified to deliver.
- g. **“Designated Delivery Point”** means CWB designated companies and locations/stations where WSP contracts can be delivered.
- h. **“Premium”** means the amount per tonne that the producer will receive as indicated on the CWB’s Web site on the contract sign up date.
- i. **“Total Contracted Net Tonnes”** means the total amount of net tonnes offered by the producer and accepted by the CWB under the Wheat Storage Contract. Sign-up is a minimum of 80 tonnes.
- j. **“Wheat”** means either No. 1 CWRS 14.5 – 14.9 or No. 1 CWRS 15.0 and higher as indicated on the sign-up application that is the subject of this Offer and the ensuing delivery contract.

2. OFFER AND ACCEPTANCE

- a. In accordance with these Terms and Conditions, the producer will offer tonnes of either No. 1 CWRS 14.5 – 14.9 or No.1 CWRS 15.0 and higher to the CWB, from the 2006-07 crop year or prior by completing a sign-up application (the “Offer”). The producer shall indicate on the sign-up application whether the producer is offering No. 1 CWRS with 14.5 – 14.9 or No. 1 CWRS with 15 and higher.
- b. The Offer is open for the producer from May 1, 2007, until the earlier of 11:59 p.m. (Winnipeg Time) on July 31, 2007 or such time as the Offer is withdrawn by the CWB in its sole discretion. The CWB reserves the right to withdraw the Offer at any time and without prior notice.
- c. Producers must submit a representative sample to the CWB within seven (7) days of the date of sign-up completion.
- d. The CWB will accept the grain offered once the CWB receives confirmation that the sample meets the *Actual Grade* as required for this program. *Premium* and storage will be paid after contract acceptance. Note that the *Premium* paid to the producer will be the *Premium* posted on the CWB’s Web site on the sign-up date.
- e. The *Approved Methods of Making an Offer* are:
 - i. telephoning the CWB at 1-800-275-4292 and following the instructions of the CWB operator when asked to provide the producer’s 10-digit CWB producer identification number and confidential Personal Identification Number (PIN) and indicating the number of net tonnes. The CWB’s records of such telephone call, including any written confirmation, is conclusive and binding on the producer.
 - ii. faxing a sign-up form to the CWB at 1-204-983-8031. The sign-up form must be completed fully and accurately and the producer must sign it. In the event of any uncertainty as to the information provided by the producer in the sign-up, the CWB may, in its sole discretion, reject the acceptance of the sign-up and lock-in as invalid. The sign-up will be deemed to have been received at the time printed on the fax by the CWB’s fax machine.

3. CWB’S OBLIGATIONS

The CWB agrees as follows:

- a. To guarantee that it will accept delivery of *Total Contracted Net Tonnes* pursuant to this agreement.
- b. To compensate for lack of bin space for new crop production, producers will receive an offsetting delivery opportunity during the 2007-08 crop year. Under an advance call, producers may deliver other classes and grades of wheat and durum, including CWRS not contracted to the WSP, up to the total tonnes contracted under the Wheat Storage Contract. Malt barley, feed barley, Pre-delivery Top Up and Identity Preserved Contract Programs are excluded from the delivery offset provision of the WSP.
- c. To pay the producer a per tonne *Premium* for each Net Tonne of either No. 1 CWRS 14.5-14.9 or No. 1 CWRS 15.0 *Wheat* delivered to the CWB.



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- d. Subject to the *CWB Act*, to pay to the producer storage payments at the rate of \$1.00 per tonne per month. Storage is calculated from the date the contract is signed by the producer up until the date of delivery or *Delivery Termination Date*.
- e. Storage payments and *Premium* will be paid to a maximum of the *Total Contracted Net Tonnes*.
- f. To pay the producer:
 - i. the initial payment for the class and quality of *Wheat* delivered that is in effect for the pool period in which settlement is made, less any amounts owing to the CWB and all authorized deductions including those under the Prairie Grain Advance Payments Act, the Agricultural Marketing Programs Act, the Spring Credit Advance Program and the Enhanced Spring Credit Program; or
 - ii. in the event that the *Wheat* has been priced under a CWB payment options contract, to pay the producer in accordance with that contract.

4. PRODUCER'S OBLIGATIONS

The producer agrees as follows:

- a. To sell the *Wheat* to the CWB.
- b. To deliver the *Wheat*, and any portion thereof called for by the CWB, to the CWB on or before the termination date specified in any *Delivery Call*.
- c. That the producer is the age of majority in the Province of Manitoba or where the producer is a corporation, partnership, cooperative or other business entity, the producer and the person signing on behalf of the producer is of the age of majority in the Province of Manitoba, and is duly authorized to sign on behalf of the corporation, partnership, cooperative or such other business entity.
- d. To store and maintain the *Wheat* until August 30, 2008 or the time of the *Delivery Call*, whichever is earlier.
- e. To have the WSP grain available to deliver within 30 days of the *Delivery Call* to *Designated Delivery Points*.
- f. That the producer will send in a representative sample of the grain to the CWB in Winnipeg within seven days after completing the Offer.
- g. To choose by July 31, 2007 whether you would like to receive payments based on the 2006-07 or 2007-08 pool return. If no choice is made by July 31, 2007, the producer will receive payments based on the 2007-08 pool return.
- h. To share contract sign-up information to CWB handling agents participating in the WSP.

4.1 Designating the Total Contracted Net Tonnes

The producer undertakes to designate at the time of delivery the *Total Contracted Net Tonnes* to be priced under the WSP. Such designation must be made on or before the settlement date and shall be made by providing the contract number of the WSP to the CWB's agent at the location where the *Wheat* is delivered.

5. DEFAULT

- a. The producer shall be in Default under the WSP ("in Default") if:
 - i. the producer fails, or the CWB receives information that the producer is or will be unable, to deliver 100 per cent of the *Wheat* called for by the CWB within 30 days; or
 - ii. any portion of the *Wheat* delivered by the producer to the CWB contains a non-registered variety which is represented by the producer as being a registered variety of that class of *Wheat*; or
 - iii. all or any portion of the *Wheat* delivered or to be delivered by the producer is determined by the CWB to be ineligible for delivery under this contract; or
 - iv. the delivered grain does not meet the *Actual Grade* specifications indicated on the sign up application. If the producer indicates he/she will deliver No. 1 CWRS 15.0 or higher but actually delivers No. 1 CWRS 14.5-14.9, the CWB shall collect back from the producer, the difference in the *Premium* paid to the producer and the *Premium* that should have been paid on account of the *Actual Grade*; or
 - v. the producer delivers tough and damp grain against the WSP contract; or
 - vi. the producer does not deliver to a CWB *Designated Delivery Point*; or
 - vii. the producer files for bankruptcy or a receiving order is made against the producer.
- b. In the event that the producer is in Default, the CWB may void the contract for the *Wheat* and any other contract between the CWB and the producer and/or the CWB may restrict the producer's delivery opportunities under such contracts.
- c. Further the producer shall pay liquidated damages to the CWB to compensate the CWB for its actual losses incurred as a result of the producer's Default under the delivery contract. Damages will reflect the CWB's costs of administration, demurrage charges/delivery penalties, and lost opportunity as a result of the Default and shall be calculated on a per tonne basis. The minimum damages assessed by the CWB will be \$6.00 a tonne and the maximum damages will be \$15.00. Collection of costs, including legal fees on a solicitor and client basis may also be



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charged. As well, upon delivery, if the grain does not meet WSP, the CWB will buy the grain at current grade, and all past storage and *Premium* payments will be collected back from the producer.

- d. The liquidated damages assessed hereunder will be paid in addition to any liquidated damages which may be assessed pursuant to any other contract entered into by the producer and the CWB.
- e. The producer and the CWB agree that liquidated damages determined in this manner are reasonable and are a genuine pre-estimate of the actual damages the CWB will incur as a result of the Default by the producer and that such damages are not a penalty.
- f. Liquidated damages may be set-off by the CWB against any and all amounts that may become payable by the CWB to the producer, pursuant to the *CWB Act* and/or against the proceeds of any and all deliveries made by the producer under the producer's delivery permit, or under any and all delivery permits in which the producer has an interest. Any such delivery permit book may be so endorsed.

6. DELIVERY

- a. The producer shall deliver the *Total Contracted Net Tonnes* or any portion thereof, to the CWB within 30 days of same being called for delivery by the CWB.
- b. The CWB will exclude tough and damp grain from any *Delivery Call* issued with respect to the contract for the *Total Contracted Net Tonnes*.

7. PASSAGE OF TITLE

All right, title, and interest to the *Wheat* shall remain with the producer until the *Wheat* has been delivered to the CWB and the grade has been established and a cash ticket has been issued.

8. GENERAL

- a. The delivery contract for the *Wheat* constitutes the entire agreement between the CWB and the producer with respect to the delivery of the *Wheat*. There are no representations, warranties, terms or conditions, whether express or implied, beyond those contained herein. There shall be no changes or modifications to the delivery contract unless they are made in writing, and signed by both the producer and the CWB.
- b. If any provision, or part thereof, of the delivery contract is determined to be void, invalid, or unenforceable, it will be severed and will not void, invalidate, or make unenforceable any other provision of the delivery contract.
- c. The delivery contract shall be governed and construed in accordance with the laws of the Province of Manitoba and the courts of the Province of Manitoba shall have exclusive jurisdiction in the case of any dispute.
- d. The contract shall be binding upon, and enure to the benefit of, the heirs, administrators, executors, legal representatives, successors and permitted assigns of the producer and the CWB. However, no assignment by the producer of the delivery contract will bind the CWB without its prior written consent, which consent may be withheld.
- e. If the producer is a corporation, partnership, cooperative or other business entity, the delivery contract must be signed in the entity's name and the authorized officer, agent or partner(s) who sign(s) on behalf of the entity must state their position and authority.
- f. The producer shall fully indemnify the CWB for any and all legal expenses associated with the enforcement of the delivery contract.
- g. Time shall be of the essence of the delivery contract.
- h. The exercise by the CWB of any right or remedy provided herein shall not affect any other right or remedy that the CWB may have under this Agreement. Nor shall the forbearance of the CWB to exercise any right or remedy be considered a waiver of any right or remedy it may have.