

# ANNEX 3 GREEN PEAS SPECIAL PROVISIONS

## 1. 2024 MINIMUM SELLING PRICES

1.1 The minimum prices to be paid to growers shall be as follows:

Price \$ per short gross ton				
	REGULAR (Revenue threshold = <b>\$1,025</b> )		SMALL (Revenue threshold = <b>\$1,021</b> )	
	Base price	Irrigated price	Base price	Irrigated price
Tenderness	\$/sh tn	\$/sh tn	\$/sh tn	\$/sh tn
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
T80 and less	<b>1,104.35</b>	<b>1,214.79</b>	<b>1,184.42</b>	<b>1,302.86</b>
T81	<b>1,053.36</b>	<b>1,158.70</b>	<b>1,112.46</b>	<b>1,223.71</b>
T82	<b>1,007.69</b>	<b>1,108.46</b>	<b>1,086.29</b>	<b>1,194.91</b>
T83	<b>966.65</b>	<b>1,063.32</b>	<b>1,063.39</b>	<b>1,169.73</b>
T84	<b>929.77</b>	<b>1,022.75</b>	<b>1,025.77</b>	<b>1,128.35</b>
T85	<b>896.65</b>	<b>986.32</b>	<b>986.53</b>	<b>1,085.18</b>
T86	<b>866.87</b>	<b>953.55</b>	<b>950.53</b>	<b>1,045.58</b>
T87	<b>840.08</b>	<b>924.09</b>	<b>912.92</b>	<b>1,004.21</b>
T88	<b>815.97</b>	<b>897.57</b>	<b>878.56</b>	<b>966.42</b>
T89	<b>794.18</b>	<b>873.60</b>	<b>862.21</b>	<b>948.43</b>
T90	<b>774.49</b>	<b>851.94</b>	<b>847.49</b>	<b>932.24</b>
T91	<b>756.58</b>	<b>832.24</b>	<b>832.77</b>	<b>916.04</b>
T92	<b>740.25</b>	<b>814.28</b>	<b>818.04</b>	<b>899.85</b>
T93	<b>725.26</b>	<b>797.78</b>	<b>803.32</b>	<b>883.65</b>
T94	<b>711.46</b>	<b>782.60</b>	<b>790.24</b>	<b>869.26</b>
T95	<b>698.63</b>	<b>768.49</b>	<b>775.52</b>	<b>853.07</b>
T96	<b>686.64</b>	<b>755.30</b>	<b>764.08</b>	<b>840.49</b>
T97	<b>675.35</b>	<b>742.89</b>	<b>754.27</b>	<b>829.69</b>
T98	<b>664.63</b>	<b>731.10</b>	<b>739.55</b>	<b>813.50</b>
T99	<b>654.42</b>	<b>719.86</b>	<b>728.09</b>	<b>800.90</b>
T100	<b>644.60</b>	<b>709.05</b>	<b>713.37</b>	<b>784.71</b>
T101	<b>635.09</b>	<b>698.60</b>	<b>697.02</b>	<b>766.72</b>
T102	<b>625.85</b>	<b>688.43</b>	<b>683.93</b>	<b>752.32</b>
T103	<b>616.83</b>	<b>678.51</b>	<b>670.85</b>	<b>737.93</b>
T104	<b>608.00</b>	<b>668.80</b>	<b>656.12</b>	<b>721.74</b>
T105	<b>599.32</b>	<b>659.26</b>	<b>641.40</b>	<b>705.54</b>
T106	<b>590.81</b>	<b>649.89</b>	<b>629.96</b>	<b>692.96</b>
T107	<b>582.42</b>	<b>640.66</b>	<b>613.60</b>	<b>674.96</b>
T108	<b>574.19</b>	<b>631.61</b>	<b>600.52</b>	<b>660.57</b>

Price \$ per short gross ton				
	REGULAR (Revenue threshold = <b>\$1,025</b> )		SMALL (Revenue threshold = <b>\$1,021</b> )	
	Base price	Irrigated price	Base price	Irrigated price
Tenderness	\$/sh tn	\$/sh tn	\$/sh tn	\$/sh tn
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
T109	<b>566.09</b>	<b>622.70</b>	<b>592.34</b>	<b>651.57</b>
T110	<b>558.17</b>	<b>613.99</b>	<b>580.89</b>	<b>638.97</b>
T111	<b>550.43</b>	<b>605.48</b>	<b>572.72</b>	<b>629.99</b>
T112	<b>542.89</b>	<b>597.18</b>	<b>562.89</b>	<b>619.18</b>
T113	<b>535.60</b>	<b>589.16</b>	<b>553.08</b>	<b>608.39</b>
T114	<b>528.55</b>	<b>581.40</b>	<b>544.91</b>	<b>599.40</b>
T115	<b>521.77</b>	<b>573.94</b>	<b>540.00</b>	<b>594.00</b>
T116	<b>515.30</b>	<b>566.83</b>	<b>533.45</b>	<b>586.79</b>
T117	<b>509.17</b>	<b>560.09</b>	<b>526.91</b>	<b>579.60</b>
T118	<b>503.41</b>	<b>553.75</b>	<b>520.37</b>	<b>572.40</b>
T119	<b>498.01</b>	<b>547.81</b>	<b>518.73</b>	<b>570.60</b>
T120	<b>493.00</b>	<b>542.30</b>	<b>515.47</b>	<b>567.01</b>
T121	<b>488.41</b>	<b>537.25</b>	<b>513.83</b>	<b>565.21</b>
T122	<b>484.21</b>	<b>532.63</b>	<b>510.56</b>	<b>561.61</b>
T123	<b>480.42</b>	<b>528.46</b>	<b>508.92</b>	<b>559.81</b>
T124	<b>477.02</b>	<b>524.72</b>	<b>508.92</b>	<b>559.81</b>
T125	<b>473.99</b>	<b>521.38</b>	<b>505.65</b>	<b>556.21</b>
T126	<b>471.30</b>	<b>518.43</b>	<b>497.48</b>	<b>547.22</b>
T127	<b>468.92</b>	<b>515.81</b>	<b>497.48</b>	<b>547.22</b>
T128	<b>466.77</b>	<b>513.45</b>	<b>497.48</b>	<b>547.22</b>
T129	<b>464.81</b>	<b>511.29</b>	<b>497.48</b>	<b>547.22</b>
T130	<b>462.95</b>	<b>509.25</b>	<b>497.48</b>	<b>547.22</b>
T131	<b>461.10</b>	<b>507.21</b>	<b>497.48</b>	<b>547.22</b>
T132	<b>459.15</b>	<b>505.07</b>	<b>497.48</b>	<b>547.22</b>
T133 and more	<b>455.38</b>	<b>500.92</b>	<b>497.48</b>	<b>547.22</b>

Note:

The sizes for each category are based on a tenderometer reading of 100 and correspond to the average sieve size used to screen the majority of peas:

Regular: sizes 2.4 and up, according to the description given in the supplier's catalogue

Small: sizes smaller than 2.3, according to the description given in the supplier's catalogue

The minimum selling prices indicated are net of harvesting and transport costs.

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

The category corresponding to each variety will be specified in the grower's individual contract.

The additional 10% for irrigation will be subject to compliance with Article 2 of Annex Peas attached to the grower's individual contract. In the case where the grower irrigates but only partially covers the needs of the crop, the Buyer reserves the right to reduce the premium to 5%.

1.1.1 Average yield 5 years

Regular pea: **2.08** sh tn/acre T120  
 Small pea: **1.89** sh tn/acre T115

1.2 Premiums and lump sum payments

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

PREMIUMS \$/ seeded acre	
REGULAR	SMALL
200.10	211.88

The production premium may not be paid to grower 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 PLTQ of the non-payment of the premium.

1.2.2 The Buyer shall pay the grower a lump sum for late planting in \$ per day per acre seeded in green peas, according to the following table:

LUMP SUMS \$/seeded acre			
REGULAR		SMALL	
June 1	\$5	June 14	\$70
June 2	\$10	June 15	\$75
June 3	\$15	June 16	\$80
June 4	\$20	June 17	\$85
June 5	\$25	June 18	\$90
June 6	\$30	June 19	\$95
June 7	\$35	June 20	\$100
June 8	\$40	June 21	\$105
June 9	\$45	June 22	\$110
June 10	\$50	June 23	\$115
June 11	\$55	June 24	\$120
June 12	\$60	June 25	\$125
June 13	\$65		
		May 26	\$5
		May 27	\$10
		May 28	\$15
		May 29	\$20
		May 30	\$25
		May 31	\$30
		June 1	\$35
		June 2	\$40
		June 3	\$45
		June 4	\$50
		June 5	\$55
		June 6	\$60
		June 7	\$65
		June 8	\$70
		June 9	\$75
		June 10	\$80
		June 11	\$85
		June 12	\$90
		June 13	\$95
		June 14	\$100
		June 15	\$105
		June 16	\$110
		June 17	\$115
		June 18	\$120
		June 19	\$125
		June 20	\$130
		June 21	\$135
		June 22	\$140
		June 23	\$145
		June 24	\$150
		June 25	\$155

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 grower's land, the planting premium shall apply only once.

In the case of reseeded, the lump sum paid on the basis of the planting dates, as described above, shall apply only once.

In both cases, the highest amount shall apply.

### 1.3 Special compensation

If a grower is unable to fulfill his contract for climatic, or other reasons beyond his control, and the contracted acreage cannot be planted to another insurable crop, the Buyer shall notify the PLTQ in writing and shall pay the grower a revenue compensation of \$300/contracted acre.

### 1.4 Dockage for peas

For each load, no dockage shall be deducted up to a maximum of 12% of products unfit for processing.

Each percentage point above 12% shall be deducted from the volume delivered.

Example:

	Load 1	Load 2	Load 3
Evaluation of quantity unfit for processing	6%	12%	12,1%
Dockage deducted	---	---	0,1%

The quantity unfit for processing is evaluated in accordance with the "Normes de détermination des rebuts et de la tendreté" (criteria for determining rejected produce) specified in the grower's individual contract.

Black nightshade (*Solanum nigrum*) and other contaminating weeds

In the case where black nightshade or other weed is detected in the field, depending on the situation, the Buyer may propose to the grower to harvest the field and realise a screening at the plant to eliminate contaminants. This exceptional operation also eliminates a significant quantity of small peas. The volume thus lost will be incorporated into the volume of matter unfit for processing to determine the dockage.

Example:

Presence of matter unfit for processing	Volume deducted to eliminate nightshade	Total	Dockage threshold	% of dockage applied to the grower's harvest
5%	20%	25%	12%	13%

## 2. PAYMENT TERMS

2.1 Payments shall be made to the grower as follows:

2.1.1 After deducting all monies owed by the grower to the Buyer, the Buyer shall pay by direct deposit, on or before third Thursday of September in the current year, the net amounts due to the grower for all accepted green peas, as well as any other amounts due by virtue of 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. As well as any other amounts owed as determined by the good standing grievance process as described in Article 5 of the General Provisions of this Agreement.

2.2 Upon the final payment, the Buyer shall provide the grower with an invoice stating the following:

- ⇒ the net payment for all green peas delivered
- ⇒ the purchase price paid for green peas
- ⇒ the amount of premiums, lump sum payments, adjustments payments, compensation and any other sums paid to the grower
- ⇒ all deductions withheld from the grower and/or in accordance with the Act

### 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 result of the sampling on a tag attached to each delivery of seed.

The grower acknowledges that the Buyer is the exclusive supplier of the seed and no other seed may be used.

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 specified in the Agreement is a price per 1,000 seeds. The grower shall be invoiced on this 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 growers. This density must not be less than 70% of the recommended population.

### 4. CALCULATION OF AVERAGE YIELD AND ALLOTTED VALUES

4.1 The grower'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), 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 green peas shall be calculated in "\$ per acre" and shall be indexed at current value.



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

⇒ the yields of peas 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 peas.

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

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

**TABLE 1**

CATEGORY OF PEAS TO BE PRODUCED		Regular	Small
		<b>1,025</b>	<b>1,021</b>
CATEGORY OF PEAS ALREADY PRODUCED		Conversion factor	
Regular	<b>1,025</b>	<b>1.000</b>	<b>0.995</b>
Small	<b>1,021</b>	<b>1.005</b>	<b>1.000</b>

4.3 New grower

Should a grower be in his first year with a Buyer, such grower'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 growers who supplied this Buyer (see Article 4.10)
- ⇒ or the revenue threshold set out in Article 4.9 of this Annex for the category concerned

4.4 Grower 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 grower 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 growers who have contracted with such Buyer for each year missing.

4.4.2 For the grower 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 green peas, 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 growers who have furnished such Buyer by the yield performance (%) of such grower.

The grower's performance (%) is calculated according to the method provided for in Article 4.2 of this Annex.

#### 4.4.3 If there is no purchase by the Buyer

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

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

#### 4.6 Individual value

The individual value allotted to each grower per category of green peas 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 green peas 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 (÷) by the total acreage seeded for such category.

#### 4.9 Revenue threshold

For the purposes of implementing Articles of sections 7 and 8 of this Annex, the average annual yield per acre of all growers shall never be less than:

- **\$1,025**/ac for conventional regular peas
- **\$1,021**/ac for conventional small peas
- **\$1.508**/ac for organic peas

4.10 Each Buyer shall forward to the PLTQ, prior to harvesting, a report per category of green peas stating the total area planted on each grower's land and the total sum of individual values allotted. The Buyer shall also indicate his last five-year average yield. Yield is calculated by pea category.

## 5. HARVESTING

5.1 Upon the grower's request, the Buyer shall keep him informed of his field's maturation. The Buyer notifies the grower 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 grower may ask the Buyer and the PLTQ for an expert evaluation in order to document the problem. The Buyer and the PLTQ 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 PLTQ.

- 5.2 Upon leaving the farm, the Buyer shall be responsible for transportation unless the grower 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 grower will be able to collect all his tickets from the head of the harvesting team.
- 5.4 The Buyer shall on request inform the grower of grading results and tenderness of all green peas delivered to the Buyer's factory or receiving station.

However, in the event that the percentage of tare is higher than 12%, the Buyer shall inform the grower of the foregoing within 24 hours.

- 5.5 Each Wednesday, 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 grower
- ⇒ 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
- ⇒ pea tenderness from each of the trucks
- ⇒ 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.

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

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

## 6. ABANDONED FIELDS

When a Buyer definitively **abandon** a field, he must immediately notify the grower verbally and in writing, with a copy to the PLTQ; he must indicate the **abandoned** area 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 green peas, in whole or in part, such Buyer shall pay the grower 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:

- ⇒ 120% of the grower's last five-year average yield per acre contracted by his processor pursuant to Articles 4.1 to 4.4 of this Annex
- ⇒ 120% of the average potential yield per acre of all the growers 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 grower individually for the affected acreage according to the field's potential yield, less 80% of the grower's average yield as specified in his individual contract.

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- ⇒ 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less 80% of the average yield of the grower indicated in his individual contract
- ⇒ 120% of the yield threshold for the green peas category specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated in his individual contract

If applicable, the portion of the harvest potential minus 80% of the average yield of the grower indicated in his contract, exceeding the amount paid by the Buyer, shall be supplemented by the equalization fund provided for in this agreement.

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

When a field is abandoned due to excess heat, the Buyer must establish, at his own expense and within 48 hours, the potential of the field to a quality that meets the Buyer's specifications (small pea T°115 and regular pea T°120).

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

In the case of disagreement between the grower and the Buyer on the results obtained or unavailability of data, the grower's field potential will be determined based on the average of the variety used in one week of harvest, weighted by each grower taking into account their 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 grower individually for the affected acreage according to the field's potential yield, less 80% of the grower's average yield as specified in his individual contract.

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- ⇒ 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less 80% of the average yield of the grower indicated in his individual contract
- ⇒ 120% of the yield threshold for the green peas category specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated 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 grower has not insured his crop, it shall be up to the Buyer to determine whether or not excess water is involved.

When a field is abandoned due to excess water preventing harvesting, the Buyer must establish, at his own expense and within 48 hours, the field's potential for a quality that meets the Buyer's specifications (small pea T°115 and regular pea T°120).

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

In the case of disagreement between the grower and the Buyer on the results obtained or unavailability of data, the grower's field potential will be determined based on the average of the variety used in one week of harvest, weighted by each grower taking into account their performance by region.

6.4 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 yield 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 peas 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 peas, 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 grower concerned and the Buyer shall rapidly notify the PLTQ 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 grower with areas left unharvested due to temporary overabundance will be assured of receiving a revenue based on the higher of the following, without exceeding the potential yield of the field:

⇒ 115% of the grower's last five-year average yield per acre contracted by his processor as set out in Articles 4.1 to 4.4.

⇒ 100% of the revenue threshold stipulated for the peas category concerned and specified in Article 4.9 of this Annex.

7.1.8 The Buyer shall pay 50% of the value calculated in Article 8.4.5 into the adjustment fund.

7.1.9 The quantity left unharvested shall be determined jointly by the grower 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 grower sell or the Buyer purchase at a price below the minimum prices specified in Article 1.1 a crop of green peas, that for any reason, has been abandoned in the field. The grower shall dispose of a crop of green peas that has been abandoned only by converting it to silage or green manure.
- 7.1.12 Should the grower derive a revenue from such crop other than by putting it to the aforementioned use, he shall forfeit his entitlement to compensation under the adjustment formula.
- 7.1.13 Where, for all growers of a Buyer, the yield of all the production of each category of green peas 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 growers of a Buyer, the yield of all the production of each category of green peas 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 green peas from all of his growers 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 growers and not to each grower'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 PLTQ.
- 7.2.3 Should the yield of one or more categories of green peas develop into a situation of overabundance, the Buyer may but shall not be obliged to harvest the remaining areas for which the surplus green peas had not been sold. Should the Buyer harvest such crop, he may elect to pay each grower 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 grower concerned, the PLTQ 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 grower, and by a representative of the PLTQ. 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 peas 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 grower, as stipulated in this Agreement pursuant to the overabundance clause and excessive heat (6.2) **and in accordance with the Regulation Imposing Special Assessments on Processing Vegetable Growers.**

8.2 The Adjustment Fund shall be managed globally **by the parties**, taking into account all the factories of a Buyer and all green peas categories.

8.3 The Adjustment Fund shall be financed:

8.3.1 Through **the special contribution aimed at covering expenses and losses related to surplus management paid by** all growers, including growers compensated for abandoned fields, **as per the Regulation Imposing Special Assessments on Processing Vegetable Growers**.

8.3.2 Through a Buyer **fee**, which will contribute 50% of the value of abandoned surplus acreage, as calculated in Article 8.4.5.

8.4 Where required, the Buyer shall determine the grower's payments by applying the following adjustment formula:

8.4.1 For excess heat causes, establish for all growers who had acreage abandoned for excess heat, the total monetary value to be received in excess of the compensation, if any, paid by the Buyer as provided in Article 6.2.

$$\frac{\text{Total monetary value to be received for excess heat (X)}}{=} \text{Sums of (Crop potential - 80\% of the grower's average yield as stated in their individual contract) - Compensation paid by the Buyer as per Article 6.2.}$$

The total monetary value to be received for excess heat (X) can never be less than zero.

8.4.2 Determine for each grower the individual monetary value of all acreage abandoned due to overabundance. The yield will be estimated according to the method provided in Articles 7.1.9 and 7.2.5.

The Buyer must specify to the PLTQ whether or not the acreage is irrigated.

$$\frac{\text{Individual monetary value of acreage abandoned for overabundance (A)}}{=} \text{Acreage abandoned X Yield X Price}$$

8.4.3 Establish for each grower the individual monetary value (B) of the crop produced for the total area sown, whether harvested or abandoned.

The individual monetary value will be equal to:

- ⇒ the value of the crop delivered and/or
- ⇒ the value determined in 8.4.2, if there were acreage abandoned due to overabundance, without exceeding the potential of the field (7.1.7) and/or
- ⇒ the value determined in 6.1, 6.2 or 6.3

The individual monetary value also includes the lump sums paid, but excludes the production premium and the irrigation premium.

8.4.4 Determine the total monetary value of all acreage abandoned due to overabundance by adding all individual monetary values for all abandoned acreage, per grower, as determined under paragraph 8.4.2:

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

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

<u>Buyer's share (E)</u>	=	50% X Total monetary value of abandoned acreage for overabundance (C)
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8.4.6 Establish the total monetary value (F):

$$\text{Total monetary value (F)} = \text{Sums of (individual monetary value) (B)}$$

8.4.7 Determine the percentage of adjustment:

$$\text{Adjustment Percentage (G)} = \frac{(\text{Total monetary value of acreage abandoned for overabundance (C)} + \text{Total monetary value to be received in excess heat (X)} - \text{Buyer's share (E)}) \div \text{Total monetary value (F)}}{1}$$

8.4.8 Determine the individual adjustment amount to be paid (H) by multiplying the adjustment percentage by the individual monetary value of each grower:

$$\text{Individual adjustment amount to be paid (H)} = \text{Adjustment Percentage (G)} \times \text{individual monetary value (B)}$$

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

$$\text{Payment to grower (I)} = \text{Individual monetary value (B)} - \text{Deductions specified in the Agreement} - \text{Individual adjustment amount (H)}$$

8.4.10 For a grower who had acreage abandoned for excess heat and is entitled to compensation under Article 8.4.1, the Buyer shall pay to the grower the amount calculated under Articles 6.2 and 8.4.1 less any deductions under Article 2 of this Annex.

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

- ⇒ 100% of the grower's average yield specified in his individual contract
- ⇒ 100% of the factory's 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 growers concerned, exceeding the highest of the above amounts shall be paid on March 31 in the following year plus all accrued interest since November 1. 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:

**8.6.1 The PLTQ transmit to the Buyer a file of the equalization calculation performed according to Article 8 of this appendix and the Regulation Imposing Special Assessments on Processing Vegetable Growers;**

**8.6.2 During the application of the equalization mechanism, the Buyer transmits to the PLTQ, for validation purposes and before payment to the growers, the file including all data and calculations performed. The PLTQ validate in advance the amount of payment to be made to each grower, including the amount of the contribution collected and any compensation paid, if applicable, taking into account the application of the Regulation Imposing Special Assessments on Processing Vegetable Growers and this Annex.**

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## APPENDIX

# SEED PRICES AND SERVICE CHARGES

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Seed prices for the **2024** crop of green peas are as follows:

CATEGORIES	Recommended seeding density	Seed prices
		\$/1,000 seeds
REGULAR peas	580,000 seeds/acre	0.55
SMALL peas	750,000 seeds/acre	0.45

The services charges for the **2024** crop of green peas are as follows:

	HARVESTING and TRANSPORTATION COSTS* (per net ton) \$/short ton
ALL CATEGORIES	200

\*Plus taxes

### Crop protection product

When insecticide and fungicide treatments are deemed necessary, the Buyer shall cover 100% of the costs (materials and spraying). The Buyer shall notify the grower upon applying a crop protection product on such grower's crop.

### Fertilizing substances

The Buyer will make available his charter of standards concerning the use of fertilizing substances.

### Side-dumping trailers

The Buyers agree to use side-dumping trailers to carry out harvesting operations, unless a different agreement is concluded between the grower and the Buyer.

**IN WITNESS WHEREOF WE HAVE SIGNED ON THIS 29<sup>TH</sup> DAY OF THE MONTH OF APRIL 2024.**

Conseil de la transformation alimentaire  
du Québec (CTAQ)  
(Association)

Producteurs de légumes de transformation  
du Québec (PLTQ)

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Robert Deschamps  
Aliments Nortera Inc.

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Pascal Forest, Président

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Anthony Vernheres  
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CTAQ

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Marc-André Isabelle, 2<sup>e</sup> Vice-président

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Mélanie Noël, Directrice générale



# LETTER OF UNDERSTANDING « A » FOR 2024

## GREEN PEAS: ORGANIC PRODUCTION

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

- The contract between the grower and the Buyer, as defined in clause 3.1 of the General Provisions must specify that the contracted production is under organic management.
- The grower undertakes to give the Buyer a copy of his organic certification. If this certificate is not received, the produce will be considered as conventional peas and the clauses related to organic production will not be applicable.
- As a planting premium, the Buyer shall pay the grower of organic green peas production \$231.25/acre for each seeded area.
- In the case of regular organic peas planted in the Lanaudière and Mauricie regions, the starting date of the lump sums stipulated in Article 1.2.2 of this Annex will be the 5<sup>th</sup> of June.
- The price paid by the Buyer for each category of organic peas certified are the following:

Price \$ per short gross ton		
	ORGANIC REGULAR AND SMALL (Revenue threshold = \$1,508)	
	Base price	Irrigated price
Tenderness	\$/sh tn	\$/sh tn
	2024	2024
T80 and less	<b>1,778.06</b>	<b>1,955.87</b>
T81	<b>1,695.97</b>	<b>1,865.56</b>
T82	<b>1,622.44</b>	<b>1,784.68</b>
T83	<b>1,556.36</b>	<b>1,712.00</b>
T84	<b>1,496.98</b>	<b>1,646.67</b>
T85	<b>1,443.66</b>	<b>1,588.03</b>
T86	<b>1,395.71,</b>	<b>1,535.28</b>
T87	<b>1,352.58</b>	<b>1,487.84</b>
T88	<b>1,313.75</b>	<b>1,445.13</b>
T89	<b>1,278.68</b>	<b>1,406.54</b>
T90	<b>1,246.97</b>	<b>1,371.66</b>
T91	<b>1,218.13</b>	<b>1,339.95</b>
T92	<b>1,191.85</b>	<b>1,311.03</b>
T93	<b>1,167.70</b>	<b>1,284.47</b>
T94	<b>1,145.48</b>	<b>1,260.03</b>
T95	<b>1,124.84</b>	<b>1,237.32</b>
T96	<b>1,105.52</b>	<b>1,216.08</b>
T97	<b>1,087.35</b>	<b>1,196.09</b>
T98	<b>1,070.10</b>	<b>1,177.11,</b>

Price \$ per short gross ton		
	ORGANIC REGULAR AND SMALL (Revenue threshold = \$1,508)	
	Base price	Irrigated price
Tenderness	\$/sh tn	\$/sh tn
	2024	2024
T99	1,053.65	1,159.02
T100	1,037.83	1,141.62
T101	1,022.52	1,124.78
T102	1,007.64	1,108.40
T103	993.13	1,092.44
T104	978.91	1,076.80
T105	964.94	1,061.44
T106	951.23	1,046.36
T107	937.74	1,031.51,
T108	924.48	1,016.93
T109	911.44	1,002.58
T110	898.69	988.56
T111	886.23	974.85
T112	874.09	961.50
T113	862.34	948.58
T114	850.99	936.09
T115	840.07	924.08
T116	829.66	912.63
T117	819.79	901.77
T118	810.51	891.56
T119	801.82	882.00
T120	793.76	873.14
T121	786.36	865.00
T122	779.61	857.57
T123	773.51	850.86
T124	768.03	844.83
T125	763.14	839.46
T126	758.83	834.71
T127	754.98	830.48
T128	751.53	826.68
T129	748.37	823.21
T130	745.37	819.91
T131	742.40	816.63
T132	739.25	813.18
T133 and more	733.19	806.51

- The organic pea yield for 2024 is **1.90** st/acre.

- The seed price for organic green peas for the year **2024** is as follows:

CATEGORY	Recommended seeding density	Seed prices
		\$ / 1,000 grains
Organic regular	638,000 seeds/acre	0.58
Organic small	797,000 seeds/acre	0.46

- The grower's average pea yield will be calculated as follows:
  - For a grower who has produced organic peas for the past 5 years: see sections 4.1 and 4.2 of the pea Annex to the agreement.
  - For a grower who has produced organic peas for 4, 3, 2, 1, 0 years in the last 5 years, the missing production year(s) will be replaced by:
    - If the grower has produced conventionally for one or more missing years, the missing year(s) will be replaced by the organic yield of the year X the grower's conventional performance factor.  
  
The grower's conventional performance factor = the grower's yield for the missing year / the average yield for the missing year.
    - If the grower did not produce conventional peas for the missing years, the yield used will be the average organic pea yield for the missing year.
- If buffer zones are required by the organic certifier:
  - Buffer zones may not be seeded with the same species as the adjacent recognized organic crop.
  - It is the grower's responsibility to identify the required buffer zones and to plant the appropriate crop (no recognized allergenic species may be used).

**IN WITNESS WHEREOF WE HAVE SIGNED ON THIS 29<sup>TH</sup> DAY OF THE MONTH OF APRIL 2024.**

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Mélanie Noël, Directrice générale

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# LETTER OF UNDERSTANDING « B » FOR 2024

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## AVERAGE IN PEAS - FADQ

This Letter of Understanding specifies some provisions for green peas production.

- For the **2024** season exclusively, for growers who meet the following criteria:
  - Hold an insurance contract with La Financière agricole du Québec (FADQ) with an 80% coverage option and a 100% unit price
  - That the values of La Financière agricole du Québec are transmitted before June 30
- The grower's yield indicated on their individual contract will not be used to calculate the 80%, but rather 80% of the insurable value indicated on their agreement with La Financière agricole du Québec in proportion to the abandoned acreage vs. the insured acreage
- This change will be in the following clauses:
  - 6.2 Excessive heat: When a field or part of a field is unharvested due to excessive heat, the Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less a pro-rata of the abandoned acreage of the insurable value of the green peas indicated in their agreement with La Financière agricole du Québec:

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less a pro-rata of the abandoned acreage of the insurable value of the green peas indicated in their agreement with La Financière agricole du Québec
  - 120% of the yield threshold for the green peas specified in section 4.9 of this Annex,, less a pro-rata of the abandoned acreage of the insurable value of the sweet corn indicated in their agreement with La Financière agricole du Québec
  - If applicable, the portion of the harvest potential, less a pro-rata of the abandoned acreage of the insurable value of the green peas indicated in their agreement with La Financière agricole du Québec;, exceeding the amount paid by the Buyer, shall be supplemented by the equalization fund provided for in this agreement.
- 6.3 Excess water preventing harvesting: When a field or part of a field is unharvested due to Excess water preventing harvesting , the Buyer agrees to compensate the grower individually for the affected acreage according to the field's potential yield, less a pro-rata of the abandoned acreage of the insurable value of the green peas indicated in their agreement with La Financière agricole du Québec::

Under any circumstances the compensation paid by the Buyer exceed the greater of the following two amounts (commodities and lump sums):

- 120% of the average yield per acre for the last five (5) years of the grower concerned with that processor, as established in Articles 4.1 to 4.4, less a pro-rata of the abandoned acreage of the insurable value of the green peas indicated in their agreement with La Financière agricole du Québec

- 120% of the yield threshold for the bean category specified in section 4.9 of this Annex,, less a pro-rata of the abandoned acreage of the insurable value of the green peas indicated in their agreement with La Financière agricole du Québec

8.4.1 For excess heat causes, establish for all growers who had acreage abandoned for excess heat, the total monetary value to be received in excess of the compensation, if any, paid by the Buyer as provided in Article 6.2.

<u>Total monetary value to be received for excess heat (X)</u>	Sums of (Crop potential – a pro-rata of the abandoned acreage of the insurable value of the green peas indicated in their agreement with La Financière agricole du Québec) – Compensation paid by the Buyer as per Article 6.2.
=	

The total monetary value to be received for excess heat (X) can never be less than zero.

**IN WITNESS WHEREOF WE HAVE SIGNED ON THIS 29<sup>TH</sup> DAY OF THE MONTH OF APRIL 2024.**

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Mélanie Noël, Directrice générale

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## LETTER OF UNDERSTANDING « C » FOR 2024

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### ASREC PREMIUM – GREEN PEAS

For the **2024** season only, for growers who meet the following criteria:

- holder of an insurance contract with La Financière agricole du Québec (FADQ) with an 80% coverage level and a unit price of 100%;
- the individual value of the grower and the cost of the contribution to the ASREC program of La Financière agricole du Québec, must be sent to the Buyer, one (1) month before the final payment date.

The Buyer agrees to pay the grower a production incentive premium equal to the cost of the contribution to the ASREC program, less any rebates or discounts, if applicable.

**IN WITNESS WHEREOF WE HAVE SIGNED ON THIS 29<sup>TH</sup> DAY OF THE MONTH OF APRIL 2024.**

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Mélanie Noël, Directrice générale