

ANNEX 2 SWEET CORN SPECIAL PROVISIONS

1. 2024 MINIMUM SELLING PRICES

1.1 The minimum prices to be paid to growers are:

Sweet corn

Sweet corn	Base price per gross ton		Yield	Revenue threshold
	\$/sh tn	\$/mt	sh tn/acre	\$/seeded acre
SU and Bicolor	143.50	158.18	7.14	1 025

For yellow and white super sweet corn varieties, a 10% supplement will be added to the price.

Yellow super sweet: Messenger, Mint, Overland, GSS 3951, GSS 1453, Kamet, Bull Moose, Fortitude, Krispy King, Pronghorn, HMX59YS718, Braveheart, GSS 8937, **GSS 3071, SVSK 4540, COLUMN, NOA, LANDCRUISER**

White super sweet: Coronado, Devotion, Glacial, WSS 7620

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

The prices and special provisions for organic cream-style and kernel corn are defined in Letter of Understanding "A" of this Annex.

1.2 Premiums and lump sum payments

1.2.1 Planting premium

The Buyer shall pay the grower the following amount for each seeded area:

PREMIUMS Sweet Corn
\$77.80 / acre

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.

1.2.2.1 The Buyer will pay the grower, for each acre planted to sweet corn, a late planting fee: \$20/acre beginning June 22.

1.2.2.2 The Buyer shall pay the grower, for each acre seeded with sweet corn, a lump sum for late harvests, according to the table below:

LUMP SUMS Sweet Corn \$ / seeded acre			
October 6	\$7.18	October 14	\$64.58
October 7	\$14.35	October 15	\$71.75
October 8	\$21.53	October 16	\$78.93
October 9	\$28.70	October 17	\$86.10
October 10	\$35.88	October 18	\$93.28
October 11	\$43.05	October 19	\$100.45
October 12	\$50.23	October 20	\$107.63
October 13	\$57.40	October 21	\$107.63

Lump sums continue at **\$107.63/ac** for harvest on and after October 20.

- 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 as described above, the lump sum payment based on the seeding dates 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 to grow cream-style and kernel corn for climatic, or other reasons beyond his control, and the contracted area cannot be planted to another insurable crop, the Buyer shall notify the PLTQ in writing and pay the grower a revenue compensation of \$300/contracted acre.

1.4 Dockage for cream-style and kernel sweet corn

For each load, no dockage shall be deducted up to a maximum of 15% of products unfit for processing.

Each percentage point above 15% shall be deducted from the volume delivered.

Example:

	Load 1	Load 2	Load 3
Evaluation of quantity unfit for processing	10%	15%	15,1%
Dockage deducted	---	---	0,1%

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

2. PAYMENT TERMS

- 2.1 Growers payments will be made according to the following terms:

2.1.1 After deducting all monies owed by the grower, the Buyer shall pay by direct deposit, on or before the first Thursday of November of 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 grower for all accepted sweet corn, 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 sweet corn delivered;
- ⇒ the purchase price paid for sweet corn;
- ⇒ 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 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 for all carry-overs seeds lots one year old and over. The Buyer shall specify the results 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 stipulated in the Agreement is a price per 1,000 seeds. The grower shall be invoiced on that basis, according to the densities specified in the Agreement (Appendix).

In the event the germination is under for "*Canada Certified No. 1*" (90%), the price to be invoiced to the grower shall take the germination rate into account and be reduced to compensate for the extra seeds needed to reach the density per acre recommended by the Buyer.

If the recommended seeding rate is different from the agreed seeding 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), loss of quality – early frost (Article 6.3), excessive wind (Article 6.4), excess water preventing harvesting (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 sweet corn shall be calculated in "\$ per acre" and shall be indexed at current value.

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 sweet corn, 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 processor by the yield performance (%) of such grower.

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

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 sweet corn 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 sweet corn 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 area planted.

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:

	Conventional \$/seeded acre	Organic \$/seeded acre
Sweet corn	1,025	1,482

4.10 Each Buyer shall forward to the PLTQ, prior to harvesting, a report per category of sweet corn 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.

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 for all sweet corn 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 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
- ⇒ 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 sweet corn, 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 sweet corn 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 in accordance with the Buyer's specifications (dry matter close to 75%).

The first method used to assess the potential of the field is mechanical assessment. If it is not possible to use this method, the results of pre-harvest samples 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 his performance by region.

6.3 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 October 6, the Buyer agrees to compensate the grower individually for the affected acreage according to the crop's potential, less 80% of the grower's average yield 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 sweet corn specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated in his individual contract

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 (dry matter close to 75%).

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 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 his performance by region.

6.4 Excessive wind

When a field or part of a field is left unharvested due to cause of lodging, due to an excess of wind, the Buyer agrees to compensate the grower individually for this affected acreage according to the crop's potential, less 80% of the grower's average yield 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 sweet corn specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated in his individual contract

When a field is abandoned due to excess wind, 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 (dry matter close to 75%).

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 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 his performance by region.

6.1 Excess water preventing harvesting

Where a field or part of a field is abandoned due to excess water preventing harvesting, the Buyer undertakes to compensate the grower individually for this sowing according to the potential of the harvest, less 80% of the grower's average yield indicated in his individual contract.

Under any circumstances the compensation paid by the purchaser 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 sweet corn specified in section 4.9 of this Annex, less 80% of the grower's yield as indicated in his individual contract

The parties defer to the decision of La Financière agricole du Québec with respect to the determination of the excess water preventing harvesting. In the event that the grower has not insured his crop, the Buyer determines whether or not there is excess water preventing harvesting.

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 (dry matter close to 75%).

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

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

6.2 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 sweet corn, as well as all the factories of a Buyer shall be taken into account.
- 7.1.3 Should there be a temporary overabundance of sweet corn, 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 sweet corn 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 sweet corn, that for any reason, has been abandoned in the field. The grower shall dispose of a crop of sweet corn 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 sweet corn 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 sweet corn 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 sweet corn 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 sweet corn develop into a situation of overabundance, the Buyer may but shall not be obliged to harvest the remaining areas for which the surplus sweet corn 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 sweet corn 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 sweet corn.

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.

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

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.

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

- 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, 6.3, 6.4 or 6.5

The individual monetary value also includes the lump sums paid, but excludes the production 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:

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

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

$$\text{Buyer's share (E)} = 50\% \times \text{Total monetary value of abandoned acreage for overabundance (C)}$$

- 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:

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

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 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 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:

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.

APPENDIX

SEED PRICES AND SERVICE CHARGES

Seed prices for the **2024** crop of sweet corn are as follows:

	Recommended seeding density	Seed prices (\$/1,000 seeds)
Sweet corn	21,000 seeds/acre	5.93

The service charges for the **2024** crop of sweet corn are as follows:

	HARVESTING and TRANSPORTATION COSTS* (per net ton) \$/Short ton
Sweet corn	38

*Plus taxes

Crop protection product

The Buyer shall notify the grower upon applying a crop protection product on such grower's crop.

Treatment costs (materials and application) shall be assumed as follows:

- All insecticide treatments will be at 100% Buyer's expense
- All fungicide treatments due to phytosanitary problems will be at 100% Buyer's expense

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 29TH DAY OF THE MONTH OF APRIL 2024.

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

Producteurs de légumes de transformation
du Québec (PLTQ)

Robert Deschamps
Aliments Nortera Inc.

Pascal Forest, Président

Anthony Vernheres
Aliments Nortera Inc.

Hugues Landry, 1^{er} Vice-président

Dimitri Fraeys
CTAQ

Marc-André Isabelle, 2^e Vice-président

Mélanie Noël, Directrice générale

LETTER OF UNDERSTANDING « A » FOR 2024

SWEET CORN ORGANIC PRODUCTION

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

- 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 to be produced 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 cream-style and kernel corn and the clauses related to organic production will not be applicable.
- As a planting premium, the Buyer shall pay the grower of organic sweet corn production **\$99.19/acre**, for each seeded area.
- The Buyer shall pay the following prices for organic sweet corn certified:

	Base price per gross ton		Yield	Revenue threshold
	\$/sh tn	\$/mt	sh tn/ac	\$/seeded acre
Organic sweet corn	300	330.69	4.94	1,482

The seed price for organic super sweet corn yellow and white for the year 2024 is as follows:

CATEGORY	Recommended Seeding density	Seed prices FOB the farm
		\$/ 1,000 seeds
Organic sweet corn	23,100 seeds/acre	6.87

- Depending on the selected intervention strategy, the Buyer shall refund the grower 100% of the application and product costs for the utilization of trichogram insects. The intervention strategy shall be established jointly by the grower and the Buyer. For labor costs associated with trichogram application, a wage cap of **\$22.50/hour** will be applied.
- The grower's average sweet corn yield will be calculated as follows:
 - For a grower who has produced organic sweet corn for the past 5 years: see sections 4.1 and 4.2 of the agreement.
 - For a grower who has produced organic sweet corn 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 a missing year(s), the missing year(s) will be replaced by the year's organic yield X the grower's conventional performance factor.

The grower's conventional performance factor = grower's yield for the missing year / average yield for the missing year.

- If the grower did not produce conventional sweet corn for the missing years, the yield used will be the average organic sweet corn yield for the missing year.
- In the event that buffer zones are required by the organic certifier:
 - Buffer zones may not be seeded to the same species as the adjacent organically certified 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 29TH DAY OF THE MONTH OF APRIL 2024.

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(Association)

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du Québec (PLTQ)

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Marc-André Isabelle, 2^e Vice-président

Mélanie Noël, Directrice générale

LETTER OF UNDERSTANDING « B » FOR 2024

AVERAGE IN SWEET CORN - FADQ

This Letter of Understanding specifies some provisions for sweet corn 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 total insurable yield 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 sweet corn 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 sweet corn indicated in their agreement with La Financière agricole du Québec
 - 120% of the yield threshold for the sweet corn 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 sweet corn 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 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 October 6, the Buyer agrees to compensate the grower individually for the affected acreage according to the crop's potential, less a pro-rata of the abandoned acreage of the insurable value of the sweet corns 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 this processor, as established in Articles 4.1 to 4.4, less a pro-rata of the abandoned acreage of the insurable value of the sweet corns indicated in their agreement with La Financière agricole du Québec

- 120% of the yield threshold for the sweet corns specified in section 4.9 of this Annex, less a pro-rata of the abandoned acreage of the insurable value of the sweet corns indicated in their agreement with La Financière agricole du Québec
- 6.4 Excessive wind: When a field or part of a field is left unharvested due to cause of lodging, due to an excess of wind, the Buyer agrees to compensate the grower individually for this affected acreage according to the crop's potential, less a pro-rata of the abandoned acreage of the insurable value of the sweet corns 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 sweet corns indicated in their agreement with La Financière agricole du Québec
- 120% of the yield threshold for the sweet corn specified in section 4.9 of this Annex, less a pro-rata of the abandoned acreage of the insurable value of the sweet corns indicated in their agreement with La Financière agricole du Québec
- 6.5 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 sweet corn 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 sweet corn 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 sweet corn 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.

<p><u>Total monetary value to be received for excess heat (X)</u> =</p>	<p>Sums of (Crop potential - 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) – Compensation paid by the Buyer as per Article 6.2.</p>
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The total monetary value to be received for excess heat (X) can never be less than zero.

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LETTER OF UNDERSTANDING « C » FOR 2024

ASREC PREMIUM – SWEET CORN

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.

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LETTER OF UNDERSTANDING « D » FOR 2024

PROPOSAL FOR CONTRACTED ACREAGE - SWEET CORN

For the **2024** season only, the buyer has requested to increase the proposed acreage by 500 acres versus actual needs, for a total of 6,950 contract acres of sweet corn in Quebec.

In the event that the buyer does not make 6,950 contract acres available to growers, the selling price of sweet corn will be increased to the following price:

Sweet corn	Base price per gross ton	
	\$/sh tn	\$/mt
SU and Bicolor	145	159.84

Yield	Revenue threshold
sh tn/acre	\$/seeded acre
7.14	1 035

All this will be validated with the contracts issued before the 2024 campaign.

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