

9.3 Terms of trade

Important: The following template terms of trade document contains the **minimum** information which a trader must include in their terms of trade in order to comply with the Horticulture Code of Conduct. The template does not include the additional matters that must be included in a horticulture produce agreement.

Please note: a trader's terms of trade may include any other matters that are not inconsistent with the Code. In addition to the minimum requirements outlined below, you may want to include additional clauses, such as clauses dealing with warranties, risk, etc.

This template is a guide only and should be adapted to suit your particular circumstances. You should seek legal advice if you have any questions in relation to the preparation of your terms of trade.

Terms of trade

Patane Produce Pty Ltd. ABN: 42 088 191 593

[05/07/23]

Our terms of trade are set out below. They govern our business relationship with a Grower and should be read carefully.

1. Application of terms of trade

1.1 These terms apply to all trade in horticulture produce between Patane Markets (the Trader) and a Grower. These terms are effective from the above date until these Terms of trade are replaced by another document.

1.2 Definitions

In these terms of trade –

Agent means a person who sells horticulture produce on behalf of a grower to a person for a commission or fee.

Bad debt has the following meaning:

If an agent arranges for a person to buy the horticulture produce of a grower and the person does not pay the agent for any or all of the produce within the required time, the amount owed by the other person is a bad debt of the grower.

Grower means a person who grows their own horticulture produce for sale.

Merchant means a person who purchases horticulture produce from a grower for the purpose of reselling that horticulture produce, but does not include a person who purchases the produce for the purpose of export or retail sale.

Horticulture produce means unprocessed fruits, vegetables (including mushrooms and edible fungi), nuts, herbs and other edible plants, but not nursery products.

Trader means an agent or a merchant.

2. Basis on which Trader is prepared to trade

- 2.1 The Trader is prepared to trade in horticulture produce as a merchant or an agent under these terms.

3. Payment

- 3.1 Payment will be electronic bank transfer unless otherwise agreed upon by the trader and the grower.
- 3.2 The Trader will pay to a Grower the proceeds of a sale of a Grower's produce within 28 days following product delivery.
- 3.3 The Trader will pay a Grower for the purchase of a Grower's produce within 28 days following product delivery.

4. Delivery of produce

- 4.1 A Grower will bear the costs of delivery of the horticulture produce to the Trader, unless agreed otherwise.
- 4.2 A Grower can deliver horticulture produce to the Trader in the following circumstances:
- (a) Upon request of the trader
 - (b) Or with the approval of the trader provided 24 hrs notice was given.
- 4.3 A Grower must comply with the following requirements when delivering produce to the Trader:
- (a) Obey all traffic/hazard signage on the premises.
 - (b) Growers are to deliver produce at the time agreed upon by the trader. The inability to deliver produce by this time should be communicated to the trader.
- 4.4 The Trader will provide secure and suitable off-loading facilities at the premises so as to facilitate the safe and timely off-loading of the horticulture produce.

5. Quality of produce

- 5.1 Horticulture produce delivered by a Grower must meet the following quality requirements:
- (a) Markets Australia's FreshSpecs Produce Specifications

6. Rejection of produce

- 6.1 The Trader may reject a delivery of horticulture produce from a Grower in the following circumstances:

- (a) If the horticulture produce delivered does not satisfy the quality requirements outlined in clause 5 above.
 - (b) If the purchase of produce has not been agreed upon by the trader.
- 6.2 The Trader will notify the Grower in writing of the rejection, and the consequences of the rejection, within 2 working days of taking delivery of the produce.

7. Insurance

[**Note:** if you have insurance, you must include a clause in your terms of trade along the following lines:]

- 7.2 The Trader has insurance for horticulture produce under the Trader's control.
- 7.3 The details of the insurance policy are as follows:
- (a) The insurance policy is with WFI
 - (b) The maximum value of claims covered by the policy is \$100 000.
 - (c) The policy covers fire, theft, and accidental damage (other than deterioration of quality or any other inherent losses). The policy does not cover flooding.

8. Commission and fees

- 8.1 Commissions and agent's fees a percentage basis.
- 8.2 The payment of any commissions/fees/extra costs (include whichever are relevant) is/are contingent on the sale of the grower's produce.

9. Bad debts

- 9.1 The Trader is not prepared to pursue payment for bad debts of a Grower.