

# Statutory Minimum Proprietary Seed Production Contract

## (HB 2159 "Default" Contract)

The payment date, seed storage, and length of contract provisions outlined below are in force between a seed dealer and a seed grower if a seed production contract is not agreed to and signed before the seed in question is planted. **These minimum contract provisions are legally binding and are not optional.** A grower may not agree to contract terms less favorable for him than those outlined below however, a grower may agree to contract terms that are more favorable for him than those outlined below.

### 1. Payment Date Options:

30 days after seed is delivered to the seed dealer upon the dealer's request, or May 1 of the year following harvest **whichever occurs earliest** regardless of whether or not seed has been delivered to the seed dealer or his customer.

Or,

Date(s) earlier than May 1 of the year following harvest agreed to in writing between the seed dealer and grower.  
Earlier Payment Date(s):

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### 2. Seed Storage And Risk of Loss:

Responsibility for storage and risk of loss transfers to the seed dealer when the grower presents the dealer with a test showing that the seed produced meets the quality specifications agreed to **or** when the dealer takes possession of the seed **whichever occurs earliest**. The grower is not obligated to abide by a seed dealer's cleaning schedule. Cost for seed storage may be determined by the grower or may be negotiated between the dealer and the grower.

Grower will provide seed storage at a rate of \$.35 per cwt. per month.

Other agreement on seed storage: \_\_\_\_\_

### 3. Contract Term:

The **statutory minimum contract terms is 2 years**, however the parties may agree to a longer contract term.

3 year contract term.

4 year contract term.

Agreements on contract term extension due to mutual crop management decisions such as spring clipping of a newly seeded field:

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### 4. Disposal of Seed Produced by Grower that does not meet Quality Specifications agreed to:

HB 2159 statutory process for disposal of seed that does not meet contract quality specifications: If routine test results show that the seed produced does not meet the quality standards agreed to, the grower may at any time send the test results to the seed dealer and inquire as to whether or not the dealer intends to purchase the seed. If the dealer responds within 30 days that he does intend to purchase the seed, it shall be sold to the dealer under terms agreed to in a *seed purchase contract*. The price may be anything the grower and dealer agree to except that it may not be more than the price would have been for seed meeting contract quality standards.

A growers' initial communication with the seed dealer presenting him with the test results and inquiring as to his intentions to purchase the seed and the dealers reply to the grower must be in a form that can be used to document that it was actually received by the other party.

If a grower sends an inquiry to a seed dealer asking if he intends to purchase seed the grower has produced for him that does not meet quality standards and the dealer does not reply within 30 days his lack of response may be acknowledged as a refusal to purchase the seed and an authorization for the grower to sell the seed in any reasonable manner as Variety Not Stated Seed (VNS).

