



**AIC CONTRACT NOTE FOR THE STORAGE OF
GRAIN, OILSEEDS, PULSES OR ANIMAL FEED MATERIALS
Issued by a Member of the Agricultural Industries Confederation Limited**

Date:

Storekeeper's Ref:.....Customer's Ref:

Definitions:

- **“The Customer”** means the owner of the goods
- **“The Storekeeper”** means the owner and operator of the storage facility
- **“The Store”** means the physical storage location where the goods are stored
- **“Relevant Industry Code of Practice”** means TASCC – Trade Assurance Scheme for Combinable Crops (or equivalent)

The Storekeeper (including Company Number and Registered Office address:

.....
.....

Address of Store:

.....
.....

The Customer:

.....
.....

have this day entered into a contract on the following terms and conditions:

1. **Services:** The Storekeeper hereby agrees to provide, and the Customer hereby agrees to pay for, the storage facilities and services herein defined.
2. **Period of Contract:** This storage contract commences on and expires on but without prejudice to the right of earlier termination under any provision contained in this contract.
3. **Commodity:**
4. **Value of Commodity:** It is agreed by both parties that the value of the commodity is not greater than £..... per tonne. The Customer’s attention is drawn to Clause 18, Liability.
5. **Storage:** The Storekeeper will provide storage space for tonnes equivalent at kg/hl in flat store / silos*.
The Storekeeper shall be paid £ per tonne / per space / per tonne per month / per tonne per week *
Other:
6. **Handling:** The store will be open between the hours of am and pm days per week. Intake and discharge outside of these hours will be only by the prior written agreement of the parties.
Intake Period: The goods will be delivered and received to store between / / and / /
Discharge Period: The goods will be discharged and collected from store between / / and / /
Handling Charge: The Storekeeper shall be paid £..... per tonne of goods taken into store and £..... per tonne of goods discharged from store.
Intake Rate: The Storekeeper agrees to intake the goods to store at a minimum rate of tonnes per hour / day / week*, subject to any restrictions imposed by intake analysis.

Discharge rate: The Storekeeper agrees to discharge the goods from store at a minimum rate of tonnes per hour / day / week*, subject to any restrictions imposed by discharge analysis.

Other:

7. **Weighbridge:** The weighbridge shall be on site and must be of sufficient length and capacity to weigh any vehicle without the necessity to drop the trailer. The weighbridge must have a current Certificate of Calibration issued by the appropriate authority under the Weights and Measures Act 1985, or any amendment thereof. The Storekeeper reserves the right to refuse to tip any vehicle weighing in excess of its legal limit.

Charge for weighing: The Customer will be charged £..... per tonne / load* for weighing the goods into store and £..... per tonne / load* for weighing the goods out of store.

Other:

8. **Records:** All records must be kept for a minimum of 3 years unless additional requirements apply.

9. **Drying**

Malting Barley: The Customer will pay to the Storekeeper £..... per tonne to dry the intake material from a maximum of% intake moisture content to a maximum of% moisture content. Additional drying charges for moisture in excess of the maximum declared intake moisture will be paid at a rate not greater than the scale published by the Maltsters Association of Great Britain unless otherwise agreed.

For each 1% or part thereof of moisture removed, the Customer's stock entitlement will be reduced by 1.2% of the intake weight. His entitlement will then be further reduced by 1% of the intake weight (after the above deduction) in consideration of dust and other losses during drying unless otherwise agreed in writing.

Other:

10. **Permissible Stock Loss**

Oilseeds: The Storekeeper will not be responsible for any loss in weight of the goods while in store if such loss is less than% of the Intake Weight after adjustment for moisture differentials at intake and discharge, and any provision for drying loss contained herein. All stocks remain the property of the Customer.

Other Commodities: The Storekeeper will not be responsible for any loss in weight of the goods while in store if such loss is less than% of the Intake Weight and any provision for drying loss contained herein. All stocks remain the property of the Customer.

For the Storekeeper's liability for losses other than permissible stock loss see clause 19.

11. **Storage and Handling:** All material stored on behalf of the Customer will be clearly identified and/or labelled as being the property of the Customer. The Customer or an authorised representative will be allowed free access to the store at any time during normal business hours by prior appointment with the storekeeper.

The Storekeeper undertakes to provide the Customer with a Store approved under the Trade Assurance Scheme for Combinable Crops (TASCC) and the Storekeeper will be bound in all respects by that Code of Practice.

The Storekeeper's premises must be registered in accordance with the requirements of the Food Hygiene Regulations 2004 and any subsequent amendments or regulations when storing goods destined for human consumption.

The Storekeeper's premises must be registered in accordance with the requirements of the Feed Hygiene Regulations 2005 and any subsequent amendments or regulations when storing goods destined for food producing animals.

The Storekeeper will be bound in all respects by the Defra published Code of Practice for the control of Salmonella during the Production, Storage and Transport of Compound Feeds, Premixtures, Feed Materials and Feed Additives, or any amendment thereof.

12. **Transport:** The Customer will observe the TASCC Haulage Code of Practice during the delivery and/or collection of goods. The Storekeeper reserves the right to refuse to discharge or load vehicles which do not

comply. All vehicles delivering to, or collecting from, the store must be fitted with a mechanism which facilitates removal and fitting of the load sheet from ground level.

13. Delivery and Weights: All deliveries / collections shall be made in bulk. The Storekeeper's weights are final unless other satisfactory evidence is produced. A receipt for the weight at the time of delivery shall be given to the driver of the vehicle.

On discharge from store the Storekeeper shall load the goods on vehicles on an accessible hard standing. The Customer undertakes to advise the Storekeeper of intended times of collection as far as possible and to provide vehicles suitable in all respects for the carriage of bulk goods. The goods will be weighed on discharge from store and a weight ticket will be given to the driver of the vehicle.

14. Sampling

Grain/Peas/Beans: Deliveries shall be sampled by the Storekeeper in accordance with the procedure laid down in ISO 24333 (2009) or any amendment thereof, or as agreed with the customer in writing.

Oilseeds: Deliveries shall be sampled by the Storekeeper in accordance with the procedure laid down in ISO 542 (1990), or any amendment thereof, or as agreed with the customer in writing.

THIS CONTRACT IS SUBJECT TO THE CONDITIONS ON THE FOLLOWING PAGES SO FAR AS THEY ARE CONSISTENT WITH THE TERMS SET OUT ABOVE.

*Delete words which do not apply

Signed on behalf of the Storekeeper

Print Name:

Signed on behalf of the Customer

Print Name:

- 15. Retention of Samples:** Samples should be retained by the Storekeeper as instructed in writing by the Customer. Duplicate samples for all commodities shall be retained by the Storekeeper for a minimum of two months from the date of delivery unless otherwise agreed by the Customer
- 16. Analysis:** Any instructions from the Customer to the Storekeeper relating to the quality, condition and/or specification acceptable for intake to store shall be notified in writing at least three business days prior to the commencement of the agreed intake period and any subsequent amendments shall also be provided in writing. Where the Customer advises the Storekeeper that a consignment presented to the store is subject to specifications requiring analysis and the goods are found not to meet the specification notified, the Customer shall be given an opportunity to claim an allowance from his supplier or reject the said goods and not put them in store.
Notwithstanding the above, the Storekeeper has the right to refuse any consignment of goods which in his sole opinion are not of a quality or condition suitable for storage and/or might put at risk other materials in store and accepts no responsibility for any charges incurred in such rejection. The Storekeeper reserves the right to make a charge to the Customer for any analysis costs incurred by the Storekeeper associated with such rejection.
- 17. Demurrage:** In cases of unreasonable delay in the arrival, loading or discharge of vehicles collecting or delivering goods howsoever caused (including delays resulting from the non-provision of essential documentation) the Storekeeper or the Customer, whoever is responsible, shall be liable for the additional haulage costs that result from the delay of that particular load only.
- 18. Security:** No goods will be received to the store or discharged from the store on the Customer's account unless the driver of the vehicle presents a Reference Number which has been previously advised in writing to the Storekeeper by the Customer.
- 19. Liability:**
- a. The Storekeeper only accepts liability for stock loss (other than permissible stock loss) and/or damage to the goods and/or non-delivery/mis-delivery or delay in delivery of the goods or for any non-compliance or mis-compliance with instructions if the same has arisen due to the act, neglect, malicious activity or the default of the Storekeeper, its employees or agents.
Under no circumstances whatsoever (unless otherwise agreed in writing) will the Storekeeper's total liability exceed the sum declared in Clause 4, Value of Commodity, per tonne weight of that part of the goods in respect of which the claim arises. The Storekeeper will accept no liability whatsoever even to the limit agreed above for any indirect and/or consequential loss, this to include, notwithstanding the generality hereof, a complete disclaimer of liability for any loss of profit and/or any loss outside of those listed above even if communicated to him by the Customer before storage and/or of which he may at any time become aware. If the Customer requires greater cover he must comply with clause 18.c below.
 - b. Except as provided in Clause (c) below, the Storekeeper shall not be responsible for insuring the Goods and the Customer should make arrangements to cover the Goods against all risks to the full insurable value thereof.
 - c. The limit of liability in Clause (a) above may be increased by written notice, in which event:-
 - i. The Customer shall give written notice to be received by the Storekeeper at least seven days before the date on which the increased liability is required to be operative and shall specify the nature and the maximum value of the Goods to be at risk inclusive of duty and taxes paid or payable thereon. Under no circumstances will the Storekeeper's liability to the Customer exceed the value given under this notice.
 - ii. The Customer shall accept an increase in the Storekeeper's charges to cover all costs incurred in insuring against the Storekeeper's additional liability hereunder.
 - d. The Storekeeper shall not be liable for any claim unless it has been notified in writing to the Storekeeper by the Customer within 21 days of the cause of the claim coming to the Customer's knowledge or of the Goods being delivered by the Storekeeper to or to the use of the Customer, whichever is the later.
 - e. The Storekeeper shall not be liable hereunder for any loss or damage to the extent that the same is caused or contributed to by a breach of any of the Customer's obligations under the provisions of this contract.

f. The benefit of these Clauses shall extend to all employees from time to time of the Storekeeper, each of whom shall be entitled to every right, defence, and exemption or limitation of liability to which the Storekeeper is entitled hereunder.

20. Store Management: The Storekeeper shall at all times exercise due diligence in the care of the goods and be conversant with and observe all relevant legislation and Codes of Practice (eg. the "store monitoring for animal feed materials and combinable crops" in the TASC storage code).

Insect infestation and/or contamination/ loss of specification shall be reported to the owner of the goods immediately on discovery. Any disinfestations/ cleaning procedures to be used shall be advised to and approved each time before they are carried out. In the event of failure by the Customer to respond within 48 hours, the Storekeeper shall take such action as he deems necessary. The Storekeeper will be responsible for any necessary disinfestations/ cleaning costs unless otherwise agreed in writing.

21. Pesticide Residues: The Customer warrants that the goods on delivery will comply with the provisions of the Food and Environment Protection Act 1985, or any amendment thereof, the Plant Protection Products Regulations 2001, or any amendment thereof, and the Pesticides (Maximum Residue Levels) (England and Wales) Regulations 2008 or any amendment thereof or the Pesticides (Maximum Residue Levels in Crops, Food and Feedingstuffs) (Scotland) Regulations 2008 or any amendment thereof or the Pesticide (Maximum Residue Levels) Regulations (Northern Ireland) 2008 or any amendment thereof,

22. Combinable Crops Passport (CCP):

- a) The Customer shall ensure that an appropriately completed and signed CCP accompanies each load that is collected/delivered as per the intake and out loading sections of the TASC storage code of practice.
- b) The Customer shall ensure that the Storekeeper is notified on a CCP whether or not any post harvest treatment has been applied to the goods by or on behalf of the Customer or a previous owner.

The Storekeeper reserves the right to reject any load which is not accompanied by an appropriately completed CCP. All parties involved in the transmission of information required by this clause must take all reasonable steps to avoid delays.

On discharge, whether or not any post harvest chemical treatment has been applied to the Goods by or on behalf of the Storekeeper while in his care, the Storekeeper shall supply written details of that or any previous treatment on a CCP and ensure that a completed form accompanies each load collected. . The Storekeeper shall be liable for any costs resulting from the subsequent rejection of any load which is not accompanied by an appropriately completed CCP.

TASC assurance stickers must only be applied to grain passports for combinable crops which can be shown to have been grown in the UK under a recognised source assured scheme

23. Charges, Payments and Lien: The Storekeeper's charges shall be payable at such periodic intervals or on the expiry of such period of credit as may have been agreed between the parties or, in any event, before removal of the Goods from the Storekeeper's custody or control. Further, the Storekeeper shall have a general as well as a particular lien on the Goods for payment of all amounts due from the Customer on any account.

The Storekeeper reserves the right to withhold deliveries under this Contract until all and any outstanding payments under this or any other contract with him by the Customer have been received and reserves a lien upon - and the right to sell or otherwise dispose of - all or any of the goods the subject of this Contract whether appropriated to it or not in respect of any such payments.

The Storekeeper's rights in this regard will be limited to Goods to the value of any outstanding amounts due to the Storekeeper by the Customer as provided herein, and the Storekeeper shall not otherwise use or deal with the goods except in the course of and for the performance of his duties.

The Customer may give written authority for the Goods or any part thereof to be transferred by the Storekeeper to the account of another party but subject to the Customer ensuring before the effective date of the transfer that such other party notifies the Storekeeper in writing that it is to become the Customer and is to be bound by these Clauses and by any notice given under Clause 19c(i).

24. Termination:

- a. The Goods shall be removed by the Customer from the custody or control of the Storekeeper by such date as may have been agreed between the parties. In absence of such agreement, and otherwise where reasonably necessary, the Storekeeper may at anytime by notice in writing to the Customer require the removal of the Goods within 28 days from the date of such notice or, in the case of perishable goods within three days.

- b. In the event of failure by the Customer to pay any amount due to the Storekeeper or to remove any of the Goods from the custody or control of the Storekeeper (notice in accordance with the Termination Clause having been given) at the due time, the Storekeeper may, without prejudice to his other rights and remedies against the Customer give notice in writing to the Customer of the Storekeeper's intention to sell or otherwise dispose of the Goods at the Customer's entire risk and expense if such amount is not paid and/or such Goods are not removed within 28 days, or in the case of perishable goods within seven days from the date of such notice. On the expiry of such period, if such payment has not been made and/or the Goods have not been removed the Storekeeper shall be entitled to sell or otherwise dispose of all or any part of the Goods at the Customer's entire risk and expense by the best method reasonably available, and the proceeds of any sale or disposal shall be remitted to the Customer after deduction of all expenses and amounts due to the Storekeeper from the Customer on any account.
- c. In the case of perishable goods, notice under Clause 23(b) may be combined with notice, if any, under Clause 23(a).

25. Arbitration: Any dispute (other than a claim for an unpaid debt and as provided under (c) below arising out of this Contract shall be referred to arbitration as follows:

- a. Unless otherwise agreed the dispute shall be referred to arbitration in accordance with the arbitration rules of the Agricultural Industries Confederation Limited, (obtainable from the registered office of the Association and/or <https://www.agindustries.org.uk/legal/arbitration/>), and all parties shall by making this contract be deemed to have knowledge of such rules and to have elected to be bound thereby. In the event of any dispute in a string of which this contract forms part, the parties to this contract must provide such information as may be required by the Arbitrators.
- b. Where a dispute as to quality arises regarding goods which are the subject of two or more contracts identical in terms except as to date and price, then any arbitration may, with the consent of all parties concerned, be held as between the first and last parties in the series of transactions as if they were the only contracting parties and any award then made shall, subject to the rights of appeal as provided in the relevant rules, be binding on all intermediate parties in the series of transactions and may be enforced by any such intermediate party against his intermediate contracting party as if a separate award had been made under each separate contract. All such intermediate contracts shall be made available to the Arbitrators.
- c. If a dispute involves legal or technical problems of great complexity which are beyond the knowledge and competence of Arbitrators to resolve, or if a dispute of necessity involves a third party who is not subject to arbitration, either party may, in writing, before the time for commencing arbitration proceedings has lapsed, request the other to consent to the arbitration proceedings being waived and for the dispute to be referred to ordinary litigation in the Courts. Should such consent be unreasonably withheld or no answer received within 28 consecutive days the party making the request shall be at liberty to commence Court proceedings leaving it to the other party if the other party so wishes to apply for a stay of proceedings invoking the Arbitration clause. The Court will then decide whether the arbitration or the Court proceedings should continue. Time for commencing arbitration proceedings shall not run (or if started not continue to run) from the date of such request until the Court has given a final ruling (this including any appeals) as to the proper venue for the dispute to be heard, providing Court proceedings are commenced within 28 consecutive days of the receipt of any refusal or 56 consecutive days from the date of the request if no answer to it is received.

26. Time Limits for Claiming Arbitration: Arbitration shall be claimed within the following time limits: (i) in relation to any aspect of the consignment quantity, quality or condition of the goods that is discoverable by the exercise of reasonable diligence upon delivery of the goods, arbitration shall be claimed within 28 consecutive days after the date of the arrival of the goods at their ultimate destination in the United Kingdom and (ii) in relation to all other claims including without limitation claims for quantity, quality or condition not discoverable by the exercise of reasonable diligence upon delivery of the goods, arbitration shall be claimed within 90 consecutive days after the last day of the contract period. Where the contract giving rise to the arbitration is one of a series of contracts a reasonable extension of time to commence arbitration proceedings will be allowed to those in the 'string'. In the case of disagreement as to what constitutes 'a reasonable extension' this will be referred to the Arbitrators as a preliminary issue. Subject to paragraph 25(c): (i) the making of an award shall be a condition precedent to any Court action, excepting that which is expressly referred to in Clause 44(3) of the Arbitration Act 1996 (or any amendment thereof) by either party or any person claiming under either of them and (ii) in the event that arbitration is not claimed within the time limits prescribed above, all causes of action relating to the claim whether by way of arbitration or in any Courts of Law shall be deemed waived and shall be barred absolutely unless the Arbitration Tribunal shall in its absolute discretion determine otherwise.

27. Insolvency:

- a. If either party to this Contract ("the affected party")
- i. has a Receiver, Administrative Receiver or Administrator appointed in respect of any of its property or business undertaking; or
 - ii. announces that it has ceased, or will or intends to cease, to trade (except where such announcement is due to a forthcoming retirement whilst honouring all existing Contracts); or
 - iii. suspends payment of its debts or fails to pay, is unable to pay or admits or states its inability to pay its debts as they fall due; or
 - iv. disposes or threatens to dispose of all or a material part of its assets whether by one or a series of transactions (other than for the sole purpose of and followed by reconstruction or amalgamation made known to and approved by the other party); or
 - v. convenes, calls or holds a meeting of its creditors or makes any arrangement, voluntary arrangement or composition with its creditors; or
- b. or:
- i. the directors of either party make or state an intention to make or give notice of a proposal for a voluntary arrangement under Part 1 of the Insolvency Act 1986; or
 - ii. a Petition is presented for winding-up or administration of either party; or
 - iii. a resolution (other than for the sole purpose of and followed by reconstruction or amalgamation of one party of which notice has been given to the other party who has approved it) is passed for the voluntary winding up of either party; or
 - iv. either party is dissolved; or
 - v. a Statutory Demand in bankruptcy is served on either party; or
 - vi. an Interim Order under Part VIII of the Insolvency Act 1986 is applied for or made in respect of either party; or
 - vii. a Bankruptcy Petition is presented against either party; or
 - viii. either party suffers the levy or enforcement of any execution, distress, sequestration, detention or other process on any of its property or premises; or
 - ix. a party being a partnership, any of the above events occurs with respect to the partnership or to any partner therein;

Then notwithstanding any previous arrangement with the other party for deferred payments the full or full remaining price for any goods delivered by the other party ("the innocent party") shall become immediately due and payable to the innocent party. Either party shall have the right, upon giving written notice to the other party without prejudice to any other rights and remedies available to either party forthwith to cancel and/or suspend or to refuse to make or accept any further deliveries by closing out and settling the Contract as detailed below.

Where either party relies upon any of the circumstances/events listed above ("an act of Insolvency") that party shall forthwith serve a notice of such act of Insolvency in accordance with the Notices clause of this Contract to the other party. Where proof is available that such notice was served within two business days of the occurrence of the act of Insolvency, the Contract shall be closed out at the market price ruling on the first business day following the occurrence of the act of Insolvency. In all other circumstances the innocent party, upon learning of the occurrence of the act of Insolvency shall have the option of closing out and settling the Contract at either the market price ruling on the first business day following it becoming aware of the act of Insolvency or at the market price ruling on the first business day following the occurrence of the act of Insolvency.

- 28. Force Majeure:** Neither the Storekeeper nor the Customer shall be responsible for delay in presenting the consignment to the store and or delivery of the goods stored or any part thereof (whichever is applicable) occasioned by any Act of God, action by any government, civil war, terrorism, strike (including dock and/or shipping strikes within the United Kingdom), lock-out, combination of workmen, break-down of machinery, power failure or fire, provided that the party invoking this clause despatches written notice to the other party within five business days of the occurrence, or not later than five business days after the beginning of the contract period, whichever is the later. Unless otherwise agreed in writing, the party invoking Force Majeure is entitled to an extension (the first extension) of not more than 30 consecutive days from the end of the contract period.

- 29. Business Day / Non-Business Days:** A business day is the period between 0900 hours and 1600 hours inclusive on any day other than a non-business day. Saturdays, Sundays and officially recognised national holidays applicable throughout the United Kingdom and any days which the Agricultural Industries Confederation Limited may declare as non-business days for specific purposes shall be deemed non-business days for the purpose of passing notices and claims.

The Customer should be given reasonable notice in writing of any officially recognised local holidays applicable to the Store.

30. **Contracts (Rights of Third Parties) Act 1999:** Pursuant to S.1(1)(a) of the Contracts (Rights of Third Parties) Act 1999, the parties intend that no term of the contract may be enforced by a third party.
31. **Domicile:** This contract shall be deemed to have been made in England, and the construction, validity and performance thereof shall be governed in all respects by English law.

Copyright © 2017 AIC