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Seed contracting and economics

Micaela Colley and Steve Peters, Organic Seed Alliance
Melanie Hernandez, High Mowing Organic Seed
Ira Wallace, Southern Exposure Seed Exchange
Daniel Brisebois, Tourne Sol Seed Cooperative

November 15, 2016



Micaela Colley



Steve Peters



Ira Wallace



Daniel Brisebois



Melanie Hernandez

Seed education and internship program:

<https://apply.mesaprogram.org/osa/>

Organic Seed Resources:

www.organicseedalliance.org

eOrganic seed webinars:

[Organic Seed Growers Conference Webinars](#)

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Beginning Farmer Rancher
Development Program



United States Department of Agriculture
National Institute of Food and Agriculture

Today's webinar

Daniel Brisebois, Tourne Sol Cooperative

- Seed economics – assessing profitability, sample enterprise budget

Ira Wallace, Southern Exposure Seed Exchange

- Seed contracting: how to plan and work with a seed company

Melanie Hernandez, High Mowing Organic Seed

- Seed contracting: working with HMOS, sample contract

- Questions and discussion

Daniel Brisebois



Daniel Brisebois' slides are available at the following link:

<http://articles.extension.org/pages/73816>

Ira Wallace



Southern Exposure Seed Exchange: Twin Oaks Farm - Yields per Acre

crop	block size	area (square feet)	yield	yield per 1000ft2	yield per acre
cucumber					
08 suyu long	65	2145	20.1	9.37	408
09 suyu long	150	4950	45	9.09	396
muskmelon					
08 kansas	25	825	8.2	9.94	433
pike	40	1320	8.4	6.36	277
ice cream	45	1485	5.2	3.5	153
squash					
winter luxury pie	75	2475	16.5	6.67	290
baby butternut	20	660	1.2	1.82	79
acorn tablequeen vining	25	825	7.4	8.97	391
watermelon					
08 Yellow Moon&Stars	35	1155	4.5	3.9	170
amish moon and stars	30	990	7.7	7.78	339
strawberry	75	2475	10.6	4.28	187
peppers					
08 Napoleon Sweet	12	396	1.2	3.03	132
08 bullnose	12	396	0.78	1.97	86
08 sweet chocolate	9	297	2.04	6.87	299
royal black	9	297	1.2	4.04	176
08 Burmese	15	495	22	44.44	1936
cajun jewel	45	1485	91.7	61.75	2690
evertender	15	495	14.5	29.29	1276
star of david	8	264	4.6	17.42	759
tomatoes					
08 sugar cherry	12	396	3.24	8.18	356
08 yellow belle	15	495	1.36	2.75	120
08 cisneros grande	12	396	1.5	3.79	165

Contracts need to be clear on the following points:



Who will provide stock seed for growing the crop? This is usually provided by the seed company or paid for if provided by the grower (e.g. family heirloom).

The price per pound being paid for seed and reasons for adjusting the rate (varieties with low seed yields may merit a higher rate).

Timing of payments (often 30-90 days after delivery of seed).

Quality standards for full payment (germination rate, who is responsible for germination testing and its cost, assurance of GMO-free seed).

What happens in the case of crop failure?

Packing and shipping requirements. Who pays for shipping?

Which crops will cross with the seed crop and require isolation distances? Are there any common weeds or GMO crops that might cross with the seed crop?

What is the policy on roguing? On average, companies will ask that 10% of the crop be rogued.

Are there any special treatments: hand pollination, extra roguing?

Level of cleaning: what happens if additional cleaning is required?

How does the company work with overages?

Melanie Hernandez





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Spring 2017 Contract for Growing Certified Organic Seed Crops for High Mowing Seeds
SAMPLE ONLY

Grower Name:
Farm Name:
Address:
Phone:
Organic Certifier :
Certified Organic Producer Number _____

Date of last certificate/OG Inspection: _____

The grower, _____, agrees to contract with High Mowing Seeds to produce a Certified Organic seed crop of the following varieties during the 2017 season:

Lbs.	Variety Name	Min. Germ. %	Price/Lb.	Required Isolation Distance	Sample Size	Notes and/or Stock Seed Information

Important dates should fit on cover page for growers. Here is an example below:

Please put these dates on your calendar.

Sept 1: Communicate the condition of seed crops with estimated targets

Oct 15: Seed Sample Due (see #7 in contract)

Dec. 31st : Final Seed Lot Due (see #8 in contract)

Stock Seed:

Contract may include information as to the agreed upon source, minimum quality standards and whether or not the seed company is responsible for all of the stock seed costs whether or not the production is successful. Also, should any leftover stock seed be returned to the company? An additional Stock Seed Agreement may be included to cover proprietary material (i.e. hybrid material).

2. Roguing:

Standard roguing of the seed-crop is the responsibility of the seed grower under the guidance of HMOS. What percentage should the grower expect? Basic understanding between the grower and the seed company as to the plant population targets that will be adequate to produce the seed amount requested. What if the percentage is too high? Can the seed company cancel the crop or should they add an extra labor dollars clause to cover added labor costs to the grower?

3. Production:

It is the responsibility of the seed grower to carry out all aspects of production including but not limited to planting, cultivation, irrigation, staking/trellising, spraying for insects or disease, harvesting, threshing, drying and delivery. Does seed company pay for shipping seed to warehouse?

In order to improve understanding of crop performance we prefer the grower to provide monthly updates, with photos when possible, on crop condition throughout the planting, growing and harvest cycle.

4. Field Inspection and disease testing: Permission to inspect the grower's field with prior appointment is standard practice. If problems arise, what is the responsibility of the seed grower with regard to identification and testing?

5. Exclusivity: If you are receiving a visit from a representative of another seed company we require your confidentiality about certain details of our contract, primarily the specific variety being grown. In general, we are very open to working with other seed companies in numerous ways but if you have any questions regarding what is OK to share and what is not, please let us know.

6. Isolation and GMO Policy: The grower warrants that the seed crop being grown is isolated from other varieties of the same species by the agreed upon distance named in the contract, unless prior permission has been given. In addition, HMOS must be contacted if there are any genetically modified crops of the same species as a seed crop that are being grown within 2 miles of the said seed crop. Notification must be made prior to the planting of the seed crop. High Mowing reserves the right to reject any seed crop that it believes to possess the risk of genetic contamination from either genetically modified or non-genetically modified crops. All “high risk” crops will be tested for GMO contamination and only seed lots which test “not detected” in 10,000 seeds will be accepted.

If the crop is Sweet corn or Soybeans, Alfalfa or Summer Squash it is high risk and will be tested.

7. Seed Sample: Sending a sample of the seed is important for initial germination/quality testing.

8. Final Lot: Requirements for shipping the final seed, deadlines etc.

9. Bagging and Labeling: Clean packaging for organic seed is standard procedure. Label all individual bags and send a packing slip with the weight you weighed the seed to be.

10. Seed Purity: Stated standards for contract seed received and what is the company's final purity standards are for the customers. The seed company will not pay for any chaff, immature seed, damaged seed or weed seed taken out during our cleaning process. It is expected that some final cleaning on most seed lots at no charge to the grower and will only pay for the final clean weight of the seed.

The following list of noxious weed species have a **zero tolerance policy**, meaning that we cannot sell any seed lots that contain any number of seeds of these noxious weed species. Please make sure you are completely familiar with these species. If you have these species on your farm, please be aware that failure to eradicate them from your seed crop field will very likely result in rejection of the lot.

- 1. Dodder – *Cuscuta* spp.
- 2. Galinsoga – *Galinsoga parviflora*
- 3. Bindweed – *Convolvulus arvensis*
- 4. Wild Garlic – *Allium vineale*
- 5. Canadian Thistle – *Cirsium arvense*
- 6. Quackgrass - *Elytrigia repens*
- 7. Leafy spurge - *Euphorbia esula*
- 8. Perennial sow thistle – *Sonchus arvensis*
- 9. Johnsongrass – *Sorghum halpens*

- **11. Germination Rate:** Minimum germination standards are set forth in each contract and will vary from crop to crop. In the event of a dispute about germination, both parties agree that a test submitted to an independent laboratory shall be the final arbiter.
- **12. Extra Seed:** Terms for purchase of extra seed. Good communication and specifics with regard to extra seed produced is important and there are many ways to address this circumstance. Only with permission may a seed grower sell seed produced under this contract to another seed company.
- **13. Payment:** Payments terms usually 30 or 45 days if special testing is required by an outside lab it will take the entire 45 day and possibly more.
- **14. Special Conditions: Additional special conditions based on crop being grown should be added here.**
- By signing this contract the seed grower agrees to its contents and to communicate any problems or crop failures to HMOS as soon as they occur.

_____ Signature Lines for each party with date _____

Questions?

Organic Seed Alliance:

www.seedalliance.org

Tourne Sol Cooperative:

www.fermetournesol.qc.ca

Southern Exposure Seed Exchange:

<https://www.southernexposure.com>

High Mowing Organic Seeds:

<http://www.highmowingseeds.com>

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- Thank you for coming!

