

## Trader's terms of trade

Traders are required to prepare a 'Terms of Trade' document that sets out basic information on how they intend to do business with growers. They are required to make this document publicly available. They are also required to provide their terms of trade to any grower who requests them.

The below (attached) 'Terms of Trade' template designed by Minter Ellison Lawyers outlines the minimum legal contract requirements under the Code. The trader 'Terms of Trade' do not have to be the same for all transactions and individual terms may be negotiated between the grower and trader.

[To be put on Trader's letterhead]

### Terms of Trade

#### When terms of trade apply

1. These terms of trade set out the terms and conditions on which [name and ABN of Trader] Trader is prepared to trade in horticultural products with growers as required by the Horticultural Code of Conduct (**Code**).
2. The Code requires that a trader and grower may only trade in horticultural produce with each other if they have entered into a horticultural produce agreement that complies with the Code.
3. If the Trader and grower agree, these terms of trade may be included in a horticultural produce agreement between the Trader and a grower and form part of the terms and conditions of that agreement.

#### Trader's role

4. The Trader is prepared to trade in horticulture produce with a grower as [an agent] / [a merchant] / [either an agent or a merchant].

#### Delivery requirements

5. Horticulture produce must be delivered by a grower in the following manner: [insert requirements for delivery].

#### Quality of produce

6. Horticulture produce provided by a grower must comply with the following requirements in relation to quality of produce: [insert requirements in relation to quality of produce].

#### Rejection of produce

7. Horticulture produce supplied by a grower may be rejected if the horticulture produce does not meet the agreed quality requirements described above or [insert any other circumstances in which produce may be rejected].
8. The Trader will immediately notify the grower by telephone, fax, email or other electronic means if it rejects any horticulture produce and will subsequently advise the grower in writing of the rejection and the reasons for the rejection within [insert number] days following delivery of the horticulture produce to the Trader.
9. The consequences of the Trader rejecting the horticulture produce are as follows: [insert description of consequences of Trader rejecting horticultural produce].

#### Payment

10. If the Trader is trading as an agent, the Trader will pay the grower the proceeds of a sale of the grower's produce by the agent within [insert period].
11. If the Trader is trading as a merchant, the Trader will pay the grower for the horticulture produce within [insert period].

#### Insurance

12. The Trader [has] / [has no] insurance in respect of the horticulture produce once the produce is under the Trader's control.
13. [The Trader's insurer is [insert name]]. The maximum amount of claims covered by the Trader's insurance policy is [insert value].
14. [The insurance held by the Trader [covers] / [does not cover] fire, theft and accidental damage (other than deterioration of quality of any other inherent losses)].

#### Agent's fees

15. If the Trader is trading as an agent, the agent's fee or commission payable by the grower to the Trader will be [insert amount] [calculated by [insert method of calculation (e.g. percentage of price received for goods)]].
16. If the grower's horticulture produce is not sold [the agent's fees remains payable] / [the agent's fees are not payable].

#### Bad debts

17. If the Trader is trading as an agent, the Trader [will] / [will not] pursue the bad debts of the grower arising from a failure of a person, who has agreed to buy the horticulture produce of the grower through the Trader, to pay the Trader for some or all of the grower's horticulture produce by the time that payment is required.

#### Disclaimer

The information is for general information only. It is not intended as legal or professional advice. NFF and HAC recommend that people seek their own legal and professional advice. NFF and HAC expressly disclaim all liability for any loss or damage arising from reliance upon the information contained in this article.

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18. [The terms on which the Trader will pursue bad debts of the grower are *[insert details]*].

**Other**

*[Further terms of trade may be included provided such terms are not inconsistent with the Code]*

**Disclaimer**

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