



GRAIN SALE AGREEMENT

THIS GRAIN SALE AGREEMENT, made and effective this ___ day of _____, 20___, by and between Central Farm Service, a Minnesota cooperative, ("CFS"), and _____ ("Customer") located at _____.

WHEREAS, Customer and CFS anticipate engaging in future transactions involving the sale of grain;

WHEREAS, Customer and CFS seek to consummate these sales of grain by means of electronic communications, such as electronic mail;

WHEREAS, Customer and CFS seek to set the terms for any future sales of grain and make any future sales of grain between Customer and CFS subject to the terms of this Agreement;

NOW, THEREFORE, in consideration of the recitals and of the mutual representations, warranties and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby enter into this Agreement and agree, represent, warrant, covenant and intend to be legally bound as follows:

1. **GRAIN SALE TERMS.** For grain sales between CFS and Customer, CFS shall provide the terms of the proposed offer to Customer in writing. The following information shall be included in any offer for the sale of grain:
 - a. Date of contract
 - b. Quantity
 - c. Kind and grade of grain including type, class and quality characteristics (if any)
 - d. Price or pricing method
 - e. Type of inspection
 - f. Type of weights
 - g. Delivery specifications, including delivery location, method and date of delivery
 - h. Payment terms

(hereinafter referred to as "Offer").

2. **ACCEPTANCE.** Customer shall accept the terms of the Offer for the sale of grain by affirmatively accepting said Offer in writing. For the purposes of this Agreement and all sales of grain pursuant to this Agreement, electronic communications, such as electronic mail or email shall be considered to be a writing. When electronic means are used to accept an Offer, the provisions of the Minnesota Uniform Electronic Transactions Act, Chapter 325L.01 et. seq. shall govern the formation of a contract. An email or other electronic communication by Customer which affirmatively accepts an Offer shall be considered an adequate acceptance and an "Electronic signature." Upon acceptance of the Offer, Customer shall be obligated to sell grain to CFS pursuant to the terms set forth in the Offer.

233 W. Ciro St.
P.O. Box 68
Truman, MN 56088
507.776.2831
800.657.3281

900 30th Place NW
Owatonna, MN 55060
507.451.1230
800.270.2339

cfscoop.com

3. **TITLE.** Title to any grain sold pursuant to this Agreement shall pass upon delivery to CFS.
4. **GRADE AND QUALITY.** The quality of grain delivered pursuant to this Agreement shall be determined at the place and time of delivery. The weights and grades determined by CFS at such time shall govern. All deliveries of grain shall be of the grade and quality as specified in the Offer. CFS reserves the right to reject grain that does not comply with the terms of the Offer. In the event CFS refuses to accept delivery of any grain shipment due to noncompliance with grade and/or quality requirements, Customer shall still be obligated to sell grain as set forth in the offer. Rejection of a shipment does not release Customer from its obligations as set forth in the Offer. All grain sold pursuant to this Agreement shall be of merchantable quality, unadulterated, and unrestricted from movement in interstate commerce within the meaning of the Federal Food, Drug, and Cosmetic Act, Environmental Protection Agency, U.S. Grain Standards Act, and any applicable state law.
5. **PAYMENT.** Payments owed by CFS to Customer for sales of grain pursuant to this Agreement will be made upon delivery and acceptance by CFS or payment may be deferred to a later date upon request of Customer. In the event there are any liens on the grain sold by Customer to CFS at the time of delivery, any payment shall be issued jointly to Customer and any lienholders. CFS may deduct amounts owed by Customer to CFS from any payments made for sales of grain. CFS and Customer agree that CFS may, at its sole discretion, terminate or accelerate any contract for the sale of grain upon the occurrence of any of the following events:
- a. Customer has become insolvent, made an assignment for the benefit of creditors or voluntarily initiated or had involuntarily initiated against him, her or it any act, process or proceeding under any insolvency, bankruptcy or similar law providing for relief of debtors;
 - b. Appointment by a court of competent jurisdiction of a receiver, trustee, guardian or assignee for the Customer or Customer's property;
 - c. The voluntary or involuntary dissolution and/or liquidation of the Customer; and
 - d. Any default pursuant to this Agreement or any other agreement or contract between CFS and Customer.
6. **DELIVERY.** Customer shall deliver grain to CFS pursuant to the terms set forth in the Offer no later than the date specified in the Offer. Unless otherwise agreed, Customer shall be responsible for all costs associated with the delivery of grain sold pursuant to this Agreement. The delivery location shall be the location specified in the Offer. However, CFS may designate reasonable alternate delivery locations. In the event CFS specifies a reasonable alternate delivery location, Customer agrees to deliver to the alternate location. The risk of loss shall not pass from Customer to CFS until the grain is physically deposited in CFS's bins.
7. **NGFA® ARBITRATION OF DISPUTES.** The parties to this contract agree that the sole remedy for resolution of any and all disagreements or disputes arising under or related to this contract shall be through arbitration proceedings before the National Grain and Feed Association (NGFA) pursuant to the NGFA® Arbitration Rules. The decision and award determined through such arbitration shall be final and binding upon each party. (Copies of the NGFA® Arbitration Rules are available from the National Grain and Feed Association, 1250 Eye Street, N.W., Suite 1003, Washington, D.C. 20005; Telephone: 202-289-0873; Website: www.ngfa.org).

8. **TERM.** The term of this lease shall be for a period commencing on _____, 20__ (“Commencement Date”), and ending upon the termination of this Agreement pursuant to this Agreement.

9. **CUSTOMER’S REPRESENTATIONS AND WARRANTIES:**

a. **Title.** Customer warrants that Customer is the owner of any grain sold pursuant to this Agreement and the grain is free and clear of any liens, mortgages, or other encumbrances, except as disclosed in writing by Customer to CFS.

b. **Authority.** Customer has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and to perform Customer’s obligations pursuant to this Agreement and any sales of grain made pursuant to this Agreement. The following individuals have authority to accept an Offer for the sale of grain on behalf of Customer:

- i. _____
- ii. _____

c. **Organization.** If Customer is a business entity, Customer is duly organized, validly existing, and in good standing under the Laws of the State of Minnesota.

d. **Origin.** Customer represents and warrants that all grain sold pursuant to this Agreement has been grown in the United States.

e. **Seed.** Customer represents and warrants that all grain sold pursuant to this Agreement has not been grown from, comingled with or otherwise exposed to seed which has not received full and final approval for importation and use from the applicable authorities in the United States, Japan, Mexico, and other export markets. CFS may reject any delivery that does not comply with this paragraph.

10. **FORCE MAJEURE.** The performance of this Agreement by CFS shall be excused to the extent it is prevented or delayed by an act of God, war, civil insurrection, fire, flood, storm, strikes, lockouts, total or partial failure of transportation or facilities, interruption of power, any federal, state, county, or municipal law, regulation, or order.

- 11. INDEMNIFICATION.** Customer will release, indemnify, defend (with counsel acceptable to CFS), protect and hold harmless CFS, its assigns and heirs, from and against any and all claims, debts, obligations, liens, and judgments related to, or arising out of, the sale of grain by Customer to CFS. Customer’s obligations under this section include, without limitation and whether foreseeable or unforeseeable, attorneys’ fees, consultant’s fees, and experts’ fees.
- 12. TERMINATION.** This Agreement shall remain in effect from the date it is executed by CFS and Customer until such time it is terminated pursuant to this paragraph. Either party may terminate this Agreement upon thirty (30) days written notice to the other party. However, the terms of this Agreement shall continue to apply to any contract for the sale of grain entered into by CFS and Customer prior to the termination of this Agreement.
- 13. NOTICE.** Any and all notices, demands, and communications provided for herein or made hereunder shall be given in writing and shall be deemed given to a party at the earlier of (i) when actually delivered to such party, (ii) when facsimile transmitted to such party to the facsimile number indicated for such party below (or to such other facsimile number for a party as such party may have substituted by notice pursuant to this Section), (iii) when mailed to such party by U.S. Mail or sent by overnight courier, confirmed by receipt, and addressed to such party at the address designated below for such party (or to such other address for such party as such party may have substituted by notice pursuant to this Section); or (iv) when transmitted via e-mail to such party to the e-mail indicated for such party below (or to such other e-mail for a party as such party may have substituted by notice pursuant to this Section).

CFS: _____

Fax: _____
Email: _____

Customer: _____

Fax: _____
Email: _____

14. MISCELLANEOUS

- a. **APPLICABILITY.** This Agreement shall apply to all sales of grain between CFS and the Customer for the term identified above. This Agreement and its terms shall be incorporated into all contracts, agreements, invoices, tickets for the sale of grain between the Customer and CFS, and any other documents that memorialize the sale of grain, regardless of whether contracts, agreements, invoices, tickets, or other documents specifically identify this Agreement.

- b. **SEVERABILITY.** If any portion of this Agreement is judicially determined invalid, that invalidity shall not affect the remaining portions of this Agreement.

- c. **WAIVER.** Any parties' failure to insist on compliance or enforcement of any provision of this Agreement shall not affect its validity or enforceability or constitute a waiver of future enforcement of that provision or of any other provision of this Agreement.

- d. **ENTIRE AGREEMENT.** This Agreement and related invoices set forth the entire understanding of the parties with respect to the subject matter covered hereby and supersedes all prior agreements, and may be amended or altered only by a writing signed by all parties to this Agreement.

- e. **GOVERNING LAW.** The Customer consents to the jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement or any matter relating to this Agreement, waives any argument that venue in such forum is not convenient, and agrees that any litigation initiated by the Customer in connection with this Agreement or any transaction or matter relating to this Agreement shall be venued in either the District Court of Martin County, Minnesota, or the United States District Court, District of Minnesota. Minnesota law shall apply to the terms of this Agreement.

- f. **COLLECTION COSTS.** The Customer agrees to pay any and all expenses of collection with regard to this Agreement and any related invoices or tickets, including, but not limited to, attorney's fees and costs, incurred by CFS. Furthermore, for any breach of this Agreement that causes CFS to suffer damages, Customer shall be responsible for payment of compound interest at the rate of 18% per annum, or the maximum rate allowable by law, whichever is less, from the date of any breach of this Agreement until any damages are paid in full.

- g. **NGFA® TRADE RULES TO APPLY.** Except as otherwise provided herein, this contract shall be subject to the Trade Rules of the National Grain and Feed Association (NGFA), which are incorporated herein.

h. **ASSIGNMENT.** Customer may not assign any of its rights and delegate any of its obligations hereunder without the express written consent of CFS.

CENTRAL FARM SERVICE .

CUSTOMER

By: _____

By: _____

Its: _____

Its: _____