

Appendix K: Two Sample Forward Contracts

Example 1: Producers and Distributors

This example is a template of what a distributor and producer may agree to in advance of harvest for the producer to guarantee a market for its products and for the distributor to guarantee supply to the school districts. The distributor has been competitively procured, so the school district is not involved in this second agreement between the producer and the distributor. The distributor or a farm to school coordinator may help facilitate this agreement. This example was adapted from a template created by Willamette Farm and Food Coalition.

It is the intention of _____ (*name of distributor*) to purchase _____

_____ (*list of products*) from _____ (*list of producer(s)*)

It is the intention of _____ (*producer or processor*) to grow and sell
the following product(s) to _____ (*name of school district*) through _____
(*name of distributor*)

Product name: _____

The total estimated quantity to be delivered: _____

The timeframe the product will be ripe for harvest: _____ to _____

When it will be delivered to distributor: _____

Packing requirements: _____ Unit pack: _____
(*standard box, U.S. grade, loose pack, bulk, etc.*)

Post-harvest handling practices: _____

Cost per unit paid to producer: \$ _____
(*this may be a range acceptable to both parties*)

Cost per unit paid by school district: \$ _____
(*this may be a range acceptable to both parties*)

Payment terms and payment process: _____

Other notes: _____

Agreed by: _____

Producer representative: _____
(printed name, signature, and date)

School district representative: _____
(printed name, signature, and date)

Distributor representative: _____
(printed name, signature, and date)

Example 2: State Agencies on Behalf of School

This example is a template of a solicitation a school or State agency might issue to establish a forward contract. This template was adapted from the North Carolina Department of Agriculture and Consumer Services.

Solicitation Number: _____

Issue Date: _____

Bids Due: _____

Contact Information: _____

Award Criteria: Award will be based on the lowest and most advantageous bid(s) as determined by:

- Price
- Quality of produce offered
- Good Agricultural Practices (GAP) certified
- Geographic preference
- Suitability of produce for intended use
- Conformity with intent of specifications herein
- Guaranteed delivery schedule

Award of Contract: It is the general intent to award this contract to a single overall bidder on all items. The right is reserved, however, to make awards based on individual items or groups of items, if such shall be considered by the State to be most advantageous or to constitute its best interest. Bidders should show unit prices, but are also requested to offer a lump sum price.

General Specifications: Product must be identified by label indicating the produce from which it originated. If the cases of the product do not have the name of the producer on it, the product will be refused and rejected. Product must be held at the proper temperature as noted in product specifications to begin the cold chain and the cold chain shall not be broken while in custody.

All produce is to be the current season's harvest.

Item	Description	Qty.	Unit	Unit Price	Total Price
1	<p>Blueberries</p> <p>Packed: 12 1-pint clam shells per flat</p> <p>Quality: U.S. Grade No.1; well-colored; not overripe; clean; not crushed, split, leaking, or wet; free from stems, mold, or decay. Blueberries should be delivered no more than 48 hours from harvest to pick up. Acceptable sizes range from medium (189/cup) to large (129/cup). Store at 40 degrees or below if held over 24-hour period before pick up.</p> <p>Delivery: 3,000 flats to be picked up from producer farm on May 19 and May 21</p>	6,000	Flats	\$	\$
2	<p>Romaine Lettuce</p> <p>Packed: 24 heads in a box, 40-pound box</p> <p>Quality: U.S. Grade No. 1; stored at 40 degrees or below immediately after harvest and packing; free from decayed, bruised, or discolored leaves. Romaine should be delivered no more than 8 hours from harvest to pick up.</p> <p>Delivery: 400 boxes to be picked up from producer on April 28, April 30, May 5, and May 7, 2013</p>	1,200	Boxes	\$	\$
3	<p>Strawberries</p> <p>Packed: Eight 1-pound clam shells per flat</p> <p>Quality: U.S. Grade No. 1; cap (calyx) attached; picked ripe; firm; store at 40 degrees or below if held over 24-hour period prior to pick up. Strawberries should be delivered no more than 48 hours from harvest to pick up. Acceptable size: Large—Greater than 1 inch in diameter</p> <p>Delivery: 5,600 flats to be picked up from producer on April 28, April 30, May 5, May 7, May 11, and May 14.</p>	4,000	Flats	\$	\$