

# Working with Fengrain

## Terms & Conditions for Growers

Fengrain is an independent Farmer Owned Co-operative working on behalf of our members. This document outlines many of the terms and conditions of Marketing and Storing your grain with Fengrain. Our terms are transparent with no hidden costs.

## Why Fengrain - Strategic Importance

### Regional Grain Marketing and Storage Experts

- Always competitive
- Independent and Farmer Owned
- Financially Secure
- Focussed on Service

### Ring Fencing your Money

- All Grain Sales are Insured
- Asset base / Freehold site
- Strong External Governance
- Cash & Reserves protected

### Your entitlements

**Comprehensive Grain Marketing Options**  
**Assured & Prompt Payment**  
**Credit Insurance**  
**Technical Services & Free Grain analysis**  
**On line Access to personal contracts**  
**Annual Dividend / Fixed Commission**  
**Constitutional Representation and Protection**  
**Central Storage and Flexible Space Options**  
**Special Storage Rates**  
**Deferred Storage Charges**  
**Unique Storage Pool Options**

	ALL GROWERS	FENGRAIN MEMBERS	FENGRAIN STORAGE OWNERS
Comprehensive Grain Marketing Options	Yes	Yes	Yes
Assured & Prompt Payment	Yes	Yes	Yes
Credit Insurance	Yes	Yes	Yes
Technical Services & Free Grain analysis	Yes	Yes	Yes
On line Access to personal contracts	Yes	Yes	Yes
Annual Dividend / Fixed Commission		Yes	Yes
Constitutional Representation and Protection		Yes	Yes
Central Storage and Flexible Space Options		Yes	Yes
Special Storage Rates			Yes
Deferred Storage Charges			Yes
Unique Storage Pool Options			Yes

### Membership Costs

- £10 - A "once and for all" £9 membership fee plus a £1 share
- Fixed marketing commission per tonne - all prices quoted are net of commission
- Storage for non owners is subject to availability at a surcharge above owners' handling charges. Non owners' processing rates apply

### Benefits

- Dividend subject to financial performance - based on tonnage throughput
- Access to all pools and marketing activity
- Opportunity to acquire storage rights
- A stake in your own business
- Low cost marketing commission
- One to one personal service
- Guaranteed payment
- Liability limited to shareholding

# Trading Grain with

# Fengrain

**You don't have to be a member to work with Fengrain, we offer all farm assured growers excellent marketing and storage options.**

## Contractual

- Grain or oilseed bought by Fengrain is under AIC or FOSFA Terms and Conditions of Purchase unless they are superseded by Specific Fengrain Terms.
- Fengrain retain the right of set off for any overdue amounts.

## General

- **Members and non members can trade grain with Fengrain and utilise our marketing options.** Some Exclusive pools are only available to members
- ALL grain traded is contractual and covered by either AIC or FOSFA Grain contracts in addition to the Fengrain amendments documented.
- All prices quoted are net of commission and haulage but not industry levies and subject to terms as agreed with your buyer.
- We market grain strategically to maximise returns and minimise costs. Fengrain keep harvest sample records for this purpose. To avoid unnecessary cost you must notify us of any known changes in specification.

## Renewable Energy Directive (RED)

- This came into effect on January 1st 2011
- RED is initially to ensure the sustainability of rape seed in the Bio fuels supply chain. We believe this will extend to wheat and other crops.
- The bulk of RED requirements are satisfied by a self declaration form which can be found on our website [www.fengrain.co.uk](http://www.fengrain.co.uk). If you supply rape, can you please ensure you return a completed form to us prior to delivery.
- To be considered suitable, crop land used must not have been classed as any of the following since 1st January:
  - Wetland / Continuously forested land / Land designated for nature protection/ Peatland / Forestland

## Priced & Unpriced Contracts

- You and your grain buyer agree terms of sale and prices. Our team always work in your best interests.
- Fengrain will send you a formal contract as soon as is practical, but normally within 2 working days. We intend to convert totally to email only in due course.
- It is your responsibility to check the contract, as these are the terms and specifications entered into our system and you will be paid on these terms. This includes details of any premiums agreed.
- For unpriced contracts, or Fenpro deals where prices are not fixed at the time, it is your responsibility to fix the price by the deadline (normally 15th month before movement). If you do not notify us, the price will automatically be set to the market price on the deadline day.
- The above also applies to grain stored at Fengrain – the final day being 30th June.

## Pools

- Types of pool and marketing periods are published annually. They are an excellent way to mitigate risk, and generally perform above the market average over the traded period.
- Your pool grain return is also contractual. You need to sign and return both your letter of pledge on the reverse and your committed tonnage and preferred method payment on the front.
- Once we have logged your return we will send you back a copy for reference.
- Should you wish to amend a grain return, this can be done prior to the pool marketing period commencing, or at the company's discretion if no grain in the pool has been sold.
  - The price paid will be based on your grain's specification.
  - Deductions will be made if grain is out of specification.
- **Should you be unable to meet your pool contracted commitment, please contact us as early as possible to avoid any unnecessary costs.**
  - In the event of an actual shortfall there may be contract settlement costs.
  - To cover the deficit, the grower can choose to settle this at any time up to the end date of the contractual delivery month, or by the set date, which is the first day of business after the contract month has passed.
    - For the Pools - Harvest Pool 1st October
    - Short Pool 1st January
    - Mid Pool 1st April
    - Rape Pool 1st June
    - Long Pool 1st July
  - Fengrain will notify growers of a settlement figure which will be based against the current value of the pool at the time of notification.
  - Once agreed, Fengrain will raise an invoice and deduct payment from the pool payment itself.
  - At the Company's discretion, it may at times be possible to fulfil your pool commitment with other commodities or against the value of future commitments.
- **Fengrain will always work with growers to mitigate costs, but it has to be recognised that we have an obligation to other pool participants.**

## Delivery Destinations

- Fengrain will assess your grain's suitability for a delivery destination based on the quality assessment of it from harvest or later sampling.
- We will always try to maximise the overall value of your grain by sending it to the correct destination.
- The market destination of your grain is at Fengrain's discretion, whatever the specification, or distance from end user, unless locations have been agreed on the original contract.



## Transport

- Grain should always be ready for collection within the period agreed on the contract.
- Please notify us as early as possible if you have a problem or special collection requests.
- Fengrain will call you to arrange all ex farm deliveries to customer destinations. We may then pass the responsibility to a haulier who will call you to confirm collection day and time.
- It is essential that correct grain, to the correct specification and tonnage is loaded, and the relevant paperwork completed:
  - A grain passport with a Don result for each load.
  - A signed collection note

# GRAIN MARKETING & STORAGE SPECIALISTS

## Payments

- Where farmers make direct deliveries, Fengrain need to have weights justified before processing payment. Therefore weighbridge tickets should be returned to us promptly.
- Payment Terms
  - Ex Farm Deliveries-grain will be paid for
    - Paid by load/loads – 28 days from delivery.
  - (Final) Pool Payments – as per the Grain return for each pool.
  - (Final) Direct Ex -Store – in full, 21st of the month following the agreed movement month.
- Fengrain can offer pre payments for the following grain. These payments are at highly competitive commercial rates.
  - All grain committed to Fengrain pools
  - By special arrangement
    - Grain delivered to Fengrain store,
    - Grain committed to Fengrain on specific contracts
  - All grain committed on this basis is subject to a Warrant of Entitlement.
- Our preferred method of payment is BACS.

## Defaults, Claims and Rejections

It is important that you understand the terms your grain is sold under at the time of negotiating your contract including the quality “fallbacks” and / or any premiums.

### Claims

- Individual processors operate different claims procedures and rates for failure to meet the agreed specifications (on moisture, screenings, protein etc). These vary from season to season and throughout the year.
- It is Fengrain's policy to pass on claims from customers on an “as is” basis, however, customers terms can differ. Claims for grain delivered to the Fengrain store are published and claims for grain delivered to port stores and other locations will be reviewed on a commercial basis annually. Your grain buyer can advise of these terms prior to agreeing a contract.
- Wherever possible we will notify you of any claim over £5.00 (as soon as possible). If we cannot contact you at the time, we will accept the claim or redirect transport to what we consider is the most suitable location – all costs including transportation, further processing and the potential downgrade will be borne by the grower.
- All claims are passed directly to the grower on the basis of the contract and written notification will be mailed (normally) within 2 working days. (email in future). Deductions for claims will be made from the contract price.
- If you are unhappy with a claim based on specification – an independent sample result can be obtained for a cost. The results of the independent test will automatically override the original test and the claim be adjusted accordingly (both positive and negative). The cost of the retest will be waived if the retest result is in the grower's favour.
- All claims under £5 will be accepted at the companies discretion.

## Rejections

- In the event of a rejection, for whatever reason, we will try to contact you in the first instance.
  - Options will be
    - Deliver to an alternative destination
    - Return the grain to farm
    - Take the grain for further processing
- In all cases the additional cost of transport and further processing will be charged to the grower. Costs for further processing may not be known at the time.
- There is no arrangement fee from Fengrain, but should the grain be taken to an alternative customer destination, the price paid will reflect any downgrades.
- If you are not contactable at the time, Fengrain will make decisions based on what we believe is the best overall option on your behalf and in your best interests.
- If it is not possible to arrange alternatives, grain will automatically be returned to the farm.

## Defaults

- If a grower cannot meet their committed contracts, Fengrain refer to the AIC / FOSFA contracts. Where a settlement is required, the Company will always try to be fair and reasonable with the individual grower, whilst at the same time protecting all members' interests.
- In the event of an original contract being split to reflect quality supplied, the original contract tonnage is deemed to be the mean tonnage to be supplied.

## Your responsibilities

- Grain is grown and stored in the correct way to ACCS standards.
- When grain is sampled, our sampler must be accompanied.
- The sample is a representative guide for you, and for us, to allocate your grain to a destination. It is not an underwritten guarantee of the specification or quality.
- You must check contracts and grain returns, and notify us, a/ if you have not received a contract within 7 days of reaching an agreement or b/of any errors, within 7 days of the contract date.
- Your grain should be ready for collection – within the agreed specifications, within the contract period. **Grain is purchased at buyer's call** and (unless stated otherwise on the contract), must be ready for collection at any time within the contract period.
- Growers should notify Fengrain when the grain is suitable for collection. If you have a problem please notify us in time as we may be able to make alternative arrangements. If no notification is made and unforeseen costs are incurred they may be passed on.
- The correct grain and weight is loaded, on collection.
- Grain Passports must be completed in full for every delivery. This must include a DON risk assessment.

Visit Fenactive for your 'online info'.

**Fenactive**  
[www.fengrain.co.uk](http://www.fengrain.co.uk)

## Standard Terms - ex farm to processor deliveries

- Individual processors have their own terms and specifications which may vary from season to season or within a season – and all grain delivered is subject to the destination terms unless specific contract terms were agreed and documented at the time of purchase.
- Fengrain Standard Charges (outside of normal terms)
  - WEIGHBRIDGE CHARGE
    - 30p per tonne of the gross load weight of the grain is deducted from all grain movements  
Reviewed annually
  - MOISTURE
    - Claims will normally be applied if moisture for Wheat is over 15%, Rape is over 9% and Pulses over 14% moisture.  
Dependant on the terms agreed on the contract.
  - OILSEED
    - All allowances and bonuses are as per the FOSFA contract at the time of collection.

## Additional Costs

- Industry levies are applied to all grain delivered.
- Fengrain reserve the right to recover costs incurred deemed to be due to negligence on the part of the grower.

# Storing Grain with Fengrain

## and Conditions of storage

You do not have to be a storage owner for Fengrain to process, dry and store your grain

## Why Central Storage?

- Storing grain centrally has many benefits.
  - Full grain management service No worries - processing / drying / storing
  - Flexible storage space – to help with yield variations
  - No secondary loading or “claims”
  - Added value marketing
  - Cost effective management of grain
  - Better utilisation of existing facilities and cash flow
  - Low cost long term asset
- End users are demanding more vigorous testing regimes; a high proportion of grain will be VENDOR ASSURED from a central store.
- Fengrain offer comprehensive grain management services, storing both at our 100,000t facility at Wimblington and off site stores.
- Specific benefits are detailed but there are many other benefits to support growers.
- Our charges are transparent with all known associated costs of central storage detailed below.
- Storage owners are represented through an advisory committee.
- It is company policy that it should be more cost effective to own space rather than rent at Fengrain.

# Rules & Regulations

## and Conditions of storage

### INBOUND LOGISTICS

Storing Owners' grain is our priority. The store will maintain an “open door” policy if members have informed us by prior notification of what they intend to deliver.

### Harvest Desk

- A harvest desk will be open throughout the busy intake period. Telephone numbers and contact details will be published beforehand.
- Please refer ALL store intake queries through this desk – the number is published annually

### Reserving your space and booking in deliveries

- A computer system is used for capacity planning and will not allow deliveries without a booking.

### Pre Harvest

- A non contractual commitment form will be sent to you for completion before harvest
- Please complete and return this by 15th June.
- Changes to the form can be made throughout harvest by calling the harvest desk.
- We will confirm acceptance of your “booking” and you can deliver this quantity when you wish during harvest.
- If you go outside your commitment without notifying us, the system will block deliveries.

### During Harvest

- Whilst it is not mandatory; please keep us informed what you intend to deliver, before you do. It helps us plan, and allows us to re-route some goods to more suitable off-site stores.
- Due to limited intake capacity every single load of Malting Barley must be booked in.
- A call to the harvest desk prior to delivery can also advise you of potential hold ups.

### Store Opening Times

- **At Harvest**
  - Normally: Monday – Friday 7am to 6pm / Weekends as required.

*Changes in Harvest Opening Times will be posted regularly on the Website*

- **Other Times**
  - Delivery Days post the Harvest Peak will be limited to Mondays and Tuesdays unless by prior arrangement – you will need to book in and be given a date.
  - A deadline day for deliveries into the store will be set annually, to ensure the store can be maintained, and grain delivered out efficiently.
  - Opening times will be published on the website

*All Grain delivered to the store at any time MUST be pre-booked.*

### Essential Documentation & Grain Passport On Delivery

- All grain delivered to the store must be accompanied by a fully completed grain passport.
- Grain passport fields are updated by the AIC every year. Please pay particular attention to any new requirements.
- Please make sure you apply a current sticker.
- All details are mandatory especially:
  - The individual account code the grain is to be allocated to.
  - The reason for delivery:
    - To place in your own storage
    - To be sold to Fengrain over the weighbridge.
  - Mycotoxin / Don - Risk assessment
- Filling in the above fields accurately enables us to administer the grain correctly to your account.

## Notes

- Should we not be able to obtain a customer code from your passport, or you have not completed the risk assessments, we will be unable to process the load, and we will (respectfully) request that it is obtained before the load can be tipped.
- If we do not have the reason for delivery: Members' grain will be defaulted to storage and Non members' grain defaulted to sale over the weighbridge. Changes to this are not possible after the event.
- The above information is critical for us to improve operational efficiency and minimise administration. Please be vigilant with all paperwork.

## When your grain has been harvested and is ready for collection to be delivered to store:

- Please contact the harvest desk with the following information
  - The exact location from which the grain is to be collected:
    - Farm • County • Postcode
  - Its properties – the commodity, variety, moisture
  - How much there is to collect
  - Your contact telephone numbers
  - Your preferred time and date
- In addition we will need to know
  - What you are assigning the grain to, ie Harvest Pools / Storage / Ex Farm contracts
- Logistics will make arrangements and we will call you back to confirm the assigned haulier.
  - The haulier will then call you to inform you of collection date and times.

## Delivering to Site and Whilst on Site

- Health and Safety is our number one priority at all times. Visitors must comply with site rules.
- Smoking and animals are not allowed on site, even in vehicles.
- All vehicles entering or leaving the site must be sheeted.
- High visibility vests must be worn at all times.
- Toilets and washing facilities are available during opening hours.
- Delivery Process at Harvest
  - All grain must be booked in. The system will not allow unplanned volumes.
  - We would prefer people to call us with information prior to delivery.
  - All vehicles check in at the "sample shed" with correct load information to be sampled.
  - Vehicles then move for first weights to be taken and grading results.
  - Once sampled and weighed a ticket will be issued to accompany the load to the tipping point. The pit operator will require this before the load is tipped.
  - Once tipped a signature is required and the ticket returned to the weighbridge for weighing out.
- Sampling on Delivery
  - Every load of grain entering the site has to be tested.
  - New varietal tests will be taken this year
  - Delivery specification results from every load can be e mailed or sent by text. There is no charge for this, just enter your requirements on the grain intake return.
  - Delivery results will be posted on Fenactive – normally within 48 hours.
  - Other than for Malting Barley, this is the only other grading information available at harvest time.
  - A minimum of 20 minutes must be allowed for the sampling of Malting Barley.
  - In the case of a high DON year special testing arrangements will apply.

- Vendor Assurance
  - Working as a Vendor Assured site, Fengrain reserve the right to reject deliveries or alter the grade of any grain delivered, especially the following:
    - Incomplete, incorrect or inaccurate grain passport.
    - Any grain that contains any infestation.
    - Any "old crop."
    - Grain outside specifications.
    - A different variety to the one specified.
    - Grain containing ergot.
    - Grain that has been previously dried or processed.
- Maximum moistures allowed (without prior authorisation)
  - Wheat 20% / Pulses 18% / Oilseeds 12% / Malting Barley 17%
  - Should grain be above these levels or grain is rejected, Fengrain will arrange to process it either post harvest or have it processed off site at the grower's cost.

## Free Farm Sampling and Advice

- Fengrain sample your grain free of charge. Our modern and efficient lab is equipped with the latest testing machinery and linked to the NIR grain network.
- Please contact your Grain Buyer when your grain is ready to be sampled. They will co-ordinate a sampler to visit and collect grain.
- Health and safety rules state that it is your responsibility to ensure that the sampler is accompanied at all times, by yourself or your representative.
- Grain will be tested for relevant specifications. Should wheat be deemed suitable for human consumption a DON test result is required and will be carried out by default. Each test will be charged to the grower. The price is set annually. Growers must notify us if they specifically do not require a don test.
- Should we have to re sample for a Don test post harvest, then the charge will be £50 per heap or silo.
- Sample results will be issued to your grain buyer, who will call you to discuss them and, where possible, allocate to contracts. They will also be posted on Fenactive, normally within 48 hours of collection.
- Grain samples can be delivered to site by growers and left with us. Samples will be processed as soon as possible but they will not take priority unless pre-booked.
- Fengrain allocate samples to contracts once the specification is known.
- All growers are welcome to visit the site at any time, and there is a small meeting room available for consultation. We respectfully request however, that visits should be by appointment, and that growers do not enter the lab or trading room.
- It is expressly forbidden for non staff members to enter the laboratory, plant or control rooms on site, for both health and safety, and insurance reasons. The company reserve the right to take legal action should this be the case.

# Fengrain



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*The Company reserves the right to alter and amend any of the above terms and conditions including costs at any time and without prior notice.*