

XXX WINERY STANDARD CONTRACT

Dear \_\_\_\_\_

The purpose of this letter is to confirm our sale to you of grapes from our vineyards for this year’s crush. The terms are as follows:

Section I: **Variety, Quantity, and Price**

- AA) Grape Variety – \_\_\_\_\_
- BB) Price - \_\_\_\_\_ per ton equal to \$.\_\_\_\_\_ per pound
- CC) Quantity – not less than \_\_\_\_\_ or more than \_\_\_\_\_ tons. Within this range by mutual agreement.

Section II: **General Terms**

- AA) Harvesting and delivery – We will harvest and deliver to your crusher. *(Alternate: we will harvest and deliver to your vehicle at our vineyard.)* Harvest timing will be by mutual agreement, taking into consideration crop ripeness, labor availability, weather, and other factors normal to such timing.
- BB) Containers – Delivery will be in 30 pound picking lugs, you will supply the empty lugs, or return our lugs immediately, or supply loaner replacements of similar quality to be exchanged later. *(Alternate: You will supply bins and we will fill your bins with grapes)*
- CC) Weights - will be by state truck scales, or representative sample of not less than \_\_\_% of the containers weighed by \_\_\_\_\_ at - \_\_\_\_\_
- DD) Quality – Grapes will be of winemaking quality, free of excessive rot. Spray programs will be in accordance with label requirements. After August 1<sup>st</sup>, sprays will be by mutual consent and will be discussed prior to application.
- EE) Title and risk of loss will pass at your crusher unless you elect to take title at our vineyard and transport the grapes yourself, in which case title will pass at our vineyard.
- FF) Payment - will be made within \_\_\_\_ days of delivery.
- GG) Force Majure - Neither party will be required to perform on this contract in the event such performance is precluded by events beyond the control of such party, including but not limited to crop damage from storms or diseases or government interference.

Please sign and return a copy of this letter for our files, indicating your agreement. We look forward to doing business with you.

Sincerely yours,

\_\_\_\_\_

Agreed:

\_\_\_\_\_

Date:

Discussion memorandum:

This contract form has been used successfully for many years by XXX Winery. We buy and sell using the same contract form. Any lawyer worth his salt will say it is inadequate and add about four more pages. But our view is that few people really focus on more than the basic ideas, and they can be contained on a single page. There are usually enough unknowns at harvest that having more pages just clutters up the working relationship.

We have used some alternatives over the years.

AA) when it is not known who will deliver at harvest, we have used a standard FOB delivered to crusher price with a flat dollar reduction in the event that the buyer ends up transporting the grapes.

BB) In early years, we have had some contracts that had target harvest parameters for acid, pH, and Brix, and an occasional brix/price adjustment clause. If you adjust price for Brix, it is important to define the method of sampling and determining the brix, and the retention of a representative “umpire” sample in case of disagreement.

No matter what, the most important thing is to know the people you are dealing with.

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