

No: 119

Copyright
THE GRAIN AND FEED TRADE ASSOCIATION

GENERAL CONTRACT FOR FEEDINGSTUFFS IN BAGS OR BULK FOB TERMS

Date

1 **SELLERS**

2
3 **INTERVENING AS BROKERS**

4
5 **BUYERS**

6 have this day entered into a contract on the following terms and conditions.

7
8 **1. GOODS-**

9 If in bags, in new and/or secondhand bags of suitable strength to stand ordinary wear and tear to port of destination. Bags of
10 each mark shall be of uniform weight and shall be properly marked. If in bulk, Buyers may call for up to 10% in stowage bags,
11 such bags to be taken and paid for as goods and any cutting to be paid for by Buyers. Buyers have the option of calling for an
12 additional quantity to be shipped in bags, in which case they will be responsible for providing the extra bags and any additional
13 costs incurred, but shall not be required to pay for the extra bags as goods.

14 **2. QUANTITY-** 5% more or less at Buyers' option.

15 In the event of the quantity contracted being a full and complete cargo and/or cargoes the margin of contract quantity shall be
16 10% more or less, any excess or deficiency over 5% shall be settled at the F.O.B. price on date of last bill of lading; value shall
17 be fixed by arbitration unless mutually agreed. In the event of more than one delivery being made each delivery shall be
18 considered a separate contract, but the margin on the mean quantity sold shall not be affected thereby. Each mark/parcel shall
19 stand as a separate delivery.

20
21 **3. PRICE-** at

22 * per tonne of 1000 kilograms)
23) delivered free on board Buyers' vessel(s)
24 * per ton of 1016 kilograms or 2240 lbs.)

25
26 **4. BROKERAGE** per tonne,

27 to be paid by Sellers on the mean contract quantity, contract fulfilled or not fulfilled unless such non-fulfilment is due to the
28 successful application of the Prohibition Clause or the Force Majeure Clause. Brokerage shall be due on the day shipping
29 documents are exchanged or, if the goods are not delivered then the brokerage shall be due on the 30th consecutive day after the
30 last day for delivery.

31
32 **5. QUALITY-**

33 * At time of loading to be fair average of the season's shipments.
34 * At time and place of shipment to be about as per sealed sample marked

35
36 in the possession of

37 Delivery to be made in good condition.

38 Warranted to contain not less than % of oil and protein combined and not more than
39 2.50% of sand and/or silica. Should the whole, or any portion, not turn out equal to warranty, the goods must be taken at an
40 allowance to be agreed or settled by arbitration as provided for below, except that for any deficiency of oil and protein there
41 shall be allowances to Buyers at the following rates, viz: 1% of the contract price for each of the first 3 units of deficiency
42 under the warranted percentage; 2% of the contract price for the 4th and 5th units and 3% of the contract price for each unit in
43 excess of 5 and proportionately for any fraction thereof. When the combined content of oil and protein is warranted within a
44 margin (as for example 40%/42%) no allowance shall be made if the analysis ascertained as herein provided be not below the
45 minimum, but if the analysis results below the minimum warranted the allowance for deficiency shall be computed from the
46 mean of the warranted content. For any excess of sand and/or silica there shall be an allowance of 1% of the contract price for
47 each unit of excess and proportionately for any fraction thereof. Should the goods contain over 5% of sand and/or silica the
48 Buyers shall be entitled to reject the goods, in which case the contract shall be null and void for such quantity rejected.

49 The goods are warranted free from castor seed and/or castor seed husk, but should the analysis show a percentage of castor seed
50 husk not exceeding 0.005%, Buyers shall not be entitled to reject the goods, but shall accept them with the following allowances:

* delete/specify as applicable

51 0.75% of contract price if not exceeding 0.001%, 1% of contract price if no exceeding 0.002%, and 1.50% of contract price if
52 not exceeding 0.005%.

53 Should the first analysis show the goods free from castor seed and/or castor seed husk such analysis shall be final but in the
54 event of the first analysis showing castor seed husk to be present a second sample may be analyzed at the request of either party
55 and the mean of the two analyses shall be taken as final. Should the parcel contain castor seed husk in excess of 0.005% Buyers
56 shall be entitled to reject the parcel, in which case the contract shall be null and void for such quantity rejected. Nevertheless,
57 should Buyers elect to retain the parcel they shall be entitled to a further allowance for any excess over 0.005% of castor seed
58 husk, to be settled by agreement or arbitration. For the purpose of sampling and analysis each mark/parcel shall stand as a
59 separate shipment. The right of rejection provided by this Clause shall be limited to the mark/parcel or marks/parcels found to
60 be defective.

61

62 **6. DELIVERY-** Buyers shall tender vessel(s) in readiness to load between
63 both dates inclusive.
64

65

66 Sellers shall be entitled to receive at least consecutive days notice of
67 probable readiness of vessel and of the estimated tonnage required. Vessel(s) to load in accordance with the custom at the port
68 of loading unless otherwise stipulated. Bill of lading shall be considered proof of delivery in the absence of evidence to the
69 contrary. Buyers have the right to substitute the nominated vessel, but in any event the original delivery period and any extension
70 shall not be affected thereby.

71 **7. EXTENSION OF DELIVERY-** The contract period for delivery, shall, if desired by Buyers, be extended by an additional
72 period of 30 consecutive days, provided that Buyers give notice in accordance with the Notices Clause not later than the next
73 business day following the last day of the delivery period. In this event Sellers shall carry the goods for Buyers' account and all
74 charges for storage, interest, insurance and other such normal carrying expenses shall be for Buyers' account. Any difference in
75 export duties, taxes, levies, etc, between those applying during original delivery period and those applying during the period of
76 extension shall be for the account of Buyers and Sellers shall produce evidence on the amounts paid for if required by Buyers
77 and in such cases the Duties, Taxes, Levies, Etc. Clause shall not apply. Should Buyers fail to present a vessel in readiness to
78 load under the extension period, Sellers shall have the option of declaring the Buyers to be in default or shall be entitled to
79 demand payment at contract price, plus such charges as stated above, less current F.O.B. charges, against warehouse warrants
80 and the tender of such warehouse warrants shall be considered complete delivery of the contract on the part of the Sellers.

81

82 **8. ICE -**

83

84 **9. SHIPMENT AND CLASSIFICATION-** Shipment from.....
85 Shipment to be made in good condition, direct or indirect, with or without transshipment by first class mechanically self-
86 propelled vessel(s) suitable for the carriage of the contract goods, classed Lloyds 100A1, or equivalent class, or in
87 accordance with the Institute Classification Clause of the Institute of London Underwriters, excluding tankers and vessels
88 which are either classified in Lloyd's Register or described in Lloyd's Shipping Index as "Ore/Oil" vessels.

89

90 **10. PAYMENT-** By cash in
91 No clerical error in the documents shall entitle the Buyers to reject them or delay payment, but Sellers shall be responsible for
92 all loss or expense caused to Buyers by reason of such error and Sellers shall on request of Buyers furnish an approved guarantee
93 in respect thereto.
94 **Final invoices** for monies due may be prepared by either party and shall be settled without delay. If not settled, either party may
95 declare that a dispute has arisen which may be referred to Arbitration as herein provided.

96 **11. INTEREST-** If there has been unreasonable delay in any payment interest appropriate to the currency involved shall be charged.
97 If such charge is not mutually agreed, a dispute shall be deemed to exist which shall be settled by arbitration. Otherwise interest
98 shall be payable only where specifically provided in the terms of the contract or by an award of arbitration. The terms of this
99 clause do not override the parties obligation under the Payment Clause.

100

101 **12. CERTIFICATES OF ORIGIN-**

102 **13. DUTIES, TAXES, LEVIES, ETC.-** All export duties, taxes, levies, etc., present or future, in country of origin, or of the
103 territory where the port or ports of shipment named herein is/are situate, shall be for Sellers' account.

104

105 **14. WEIGHING-**
106 Sellers and Buyers and/or their representatives shall have the right of supervision.

107 **15. SAMPLING AND ANALYSIS-** Samples required for the purposes of the contract shall be taken at the time and place of
108 shipment, in accordance with the GAFTA Sampling Rules Form No: 124 and analysis tests shall be carried out in accordance
109 with the GAFTA Methods of Analysis in Form No: 130. The parties shall appoint superintendents for the purposes of
110 supervision and sampling of the goods from the GAFTA Approved Register or Superintendents.

111 **16. INSURANCE-** Marine and war risk insurance including strikes, riots, civil commotions and mine risks to be effected by Buyers
112 with first class underwriters and/or approved companies. Buyers shall supply Sellers with confirmation thereof at least 5
113 consecutive days prior to expected readiness of vessel(s). If Buyers fail to provide such confirmation, Sellers shall have the right
114 to place such insurance at Buyers' risk and expense.

115 **17. PROHIBITION-** In case of prohibition of export, blockade or hostilities or in case of any executive or legislative act done by or
116 on behalf of the government of the country of origin or of the territory where the port or ports of shipment named herein is/are
117 situate, restricting export, whether partially or otherwise, any such restriction shall be deemed by both parties to apply to this

118 contract and to the extent of such total or partial restriction to prevent fulfilment whether by shipment or by any other means
119 whatsoever and to that extent this contract or any unfulfilled portion thereof shall be cancelled. Sellers shall advise Buyers
120 without delay with the reasons therefor and, if required, Sellers must produce proof to justify the cancellation.

121 **18. STRIKES-**

122 1. Should delivery of the goods or any part thereof be prevented at any time during the last 28 days of guaranteed time of
123 delivery or at any time during guaranteed contract period if such be less than 28 days, by reason of riots, strikes or lock-outs at
124 port(s) of loading or elsewhere preventing the forwarding of the goods to such port(s), then Sellers shall be entitled at the
125 resumption of work after termination of such riots, strikes or lock-outs to as much time, not exceeding 28 days, for delivery
126 from such port(s) as was left for delivery under the contract prior to the outbreak of the riots, strikes or lock-outs, and in the
127 event of the time left for delivery under the contract being 14 days or less, a minimum extension of 14 days shall be allowed. In
128 the event of further riots, strikes or lock-outs occurring during the time by which the guaranteed time of delivery has been
129 extended by reason of the operation of the provisions of the foregoing, the additional extension shall be limited to the actual
130 duration of such further riots, strikes or lock-outs. In case of non-delivery under the above circumstances the date of default
131 shall be similarly deferred.

132 2. If delay in delivery is likely to occur for any of the above reasons, Sellers shall give notice to their Buyers by telegram or
133 telex or by similar advice within 7 consecutive days of the occurrence, or not less than 21 consecutive days before the
134 commencement of the contract period, whichever is later.

135 3. If required by Buyers, Sellers must provide documentary evidence to establish any claim for extension under this clause.
136

137 **19. FORCE MAJEURE -**

138 **20. NOTICES-**All Notices required to be served on the parties pursuant to this contract shall be communicated rapidly in legible
139 form. Methods of rapid communication for the purposes of this clause are defined and mutually recognised as:- either telex,
140 or letter if delivered by hand on the date of writing, or telefax, or E-mail, or other electronic means, always subject to the
141 proviso that if receipt of any notice is contested by the addressee, the burden of proof of transmission shall be on the sender
142 who shall, in the case of a dispute, establish, to the satisfaction of the arbitrator(s) or board of appeal appointed pursuant to
143 the Arbitration Clause, that the notice was actually transmitted. Any notice received after 1600 hours on a business day shall
144 be deemed to have been received on the business day following. In case of resales all notices shall be passed on without
145 delay by Buyers to their respective Sellers or vice versa. A notice to the Brokers or Agent shall be deemed a notice under
146 this contract.

147 **21. NON-BUSINESS DAYS-** Saturdays, Sundays and the officially recognised and/or legal holidays of the respective countries and
148 any days which The Grain and Feed Trade Association may declare as non-business days for specific purposes, shall be
149 non-business days. Should the time limit for doing any act or giving any notice expire on a non-business day, the time so limited
150 shall be extended until the first business day thereafter. The period of delivery shall not be affected by this clause.

151 **22. DEFAULT-** In default of fulfilment of contract by either party, the following provisions shall apply:-

152 (a) The party other than the defaulter shall, at their discretion have the right, after giving notice by letter, telegram or telex to the
153 defaulter to sell or purchase, as the case may be, against the defaulter, and such sale or purchase shall establish the default price.

154 (b) If either party be dissatisfied with such default price or if the right at (a) above is not exercised and damages cannot be
155 mutually agreed, then the assessment of damages shall be settled by arbitration.

156 (c) The damages payable shall be based on, but not limited to, the difference between the contract price and either the default
157 price established under (a) above or upon the actual or estimated value of the goods, on the date of default, established under (b)
158 above.

159 (d) In all cases the damages shall, in addition, include any proven additional expenses which would directly and naturally result
160 in the ordinary course of events from the defaulter's breach of contract, but shall in no case include loss of profit on any
161 sub-contracts made by the party defaulted against or others unless the Arbitrator(s) or Board of Appeal, having regard to special
162 circumstances, shall in his/their sole and absolute discretion think fit.

163 (e) Damages, if any, shall be computed on the quantity called for if any but, if no such quantity has been declared then on the
164 mean contract quantity, and any option available to either party shall be deemed to have been exercised accordingly in favour of
165 the mean contract quantity.

166 **23. CIRCLE-** Where Sellers re-purchase from their Buyers or from any subsequent Buyer the same goods or part thereof, a circle
167 shall be considered to exist as regards the particular goods so re-purchased, and the provisions of the Default Clause shall not
168 apply. (For the purpose of this clause the same goods shall mean goods of the same description, from the same country of origin,
169 of the same quality, and, where applicable, of the same analysis warranty, for delivery to the same port(s) of destination during
170 the same period of delivery). Different currencies shall not invalidate the circle. Subject to the terms of the Prohibition Clause
171 in the contract, if the circle is established before the goods are delivered, or if the goods are not delivered invoices based on the
172 mean contract quantity, or if the goods have been delivered invoices based on the delivered quantity, shall be settled by all
173 Buyers and their Sellers in the circle by payment by all Buyers to their Sellers of the excess of the Sellers' invoice amount over
174 the lowest invoice amount in the circle. Payment shall be due not later than 15 consecutive days after the last day for delivery,
175 or, should the circle not be ascertained before the expiry of this time, then payment shall be due not later than 15 consecutive
176 days after the circle is ascertained. Where the circle includes contract(s) expressed in different currencies the lowest invoice
177 amount shall be replaced by the market price on the first day for contractual delivery and invoices shall be settled between each
178 Buyer and his Seller in the circle by payment of the differences between the market price and the relative contract price in the
179 currency of the contract. All Sellers and Buyers shall give every assistance to ascertain the circle and when a circle shall have
180 been ascertained in accordance with this clause same shall be binding on all parties to the circle. As between Buyers and Sellers
181 in the circle, the non-presentation of documents by Sellers to their Buyers shall not be considered a breach of contract.

182 Should any party in the circle prior to the due date of payment commit any act comprehended in the Insolvency Clause of this
183 contract, settlement by all parties in the circle shall be calculated at the closing out price as provided for in the Insolvency
184 Clause, which shall be taken as a basis for settlement, instead of the lowest invoice amount in the circle. In this event respective

185 Buyers shall make payment to their Sellers or respective Sellers shall make payment to their Buyers of the difference between
186 the closing out price and the contract price.

187 **24. INSOLVENCY-** If before the fulfilment of this contract, either party shall suspend payments, notify any of the creditors that he
188 is unable to meet debts or that he has suspended or that he is about to suspend payments of his debts, convene, call or hold a
189 meeting of creditors, propose a voluntary arrangement, have an administration order made, have a winding up order made, have
190 a receiver or manager appointed, convene, call or hold a meeting to go into liquidation (other than for re-construction or
191 amalgamation) become subject to an Interim Order under Section 252 of the Insolvency Act 1986, or have a Bankruptcy Petition
192 presented against him (any of which acts being hereinafter called an "Act of Insolvency") then the party committing such Act of
193 Insolvency shall forthwith transmit by telex or telegram or by other method of rapid written communication a notice of the
194 occurrence of such Act of Insolvency to the other party to the contract and upon proof (by either the other party to the contract
195 or the Receiver, Administrator, Liquidator or other person representing the party committing the Act of Insolvency) that such
196 notice was thus given within 2 business days of the occurrence of the Act of Insolvency, the contract shall be closed out at the
197 market price ruling on the business day following the giving of the notice. If such notice be not given as aforesaid, then the other
198 party, on learning of the occurrence of the Act of Insolvency, shall have the option of declaring the contract closed out at either
199 the market price on the first business day after the date when such party first learnt of the occurrence of the Act of Insolvency or
200 at the market price ruling on the first business day after the date when the Act of Insolvency occurred. In all cases the other
201 party to the contract shall have the option of ascertaining the settlement price on the closing out of the contract by re-purchase or
202 re-sale, and the difference between the contract price and the re-purchase or re-sale price shall be the amount payable or
203 receivable under this contract.

204 **25. DOMICILE-**This contract shall be deemed to have been made in England and to be performed in England, notwithstanding
205 any contrary provision, and this contract shall be construed and take effect in accordance with the laws of England. Except
206 for the purpose of enforcing any award made in pursuance of the Arbitration clause of this contract, the Courts of England
207 shall have exclusive jurisdiction to determine any application for ancillary relief, the exercise of the powers of the Court in
208 relation to the arbitration proceedings and any dispute other than a dispute which shall fall within the jurisdiction of
209 arbitrators or board of appeal of the Association pursuant to the Arbitration Clause of this contract. For the purpose of any
210 legal proceedings each party shall be deemed to be ordinarily resident or carrying on business at the offices of The Grain
211 and Feed Trade Association, (GAFTA), England, and any party residing or carrying on business in Scotland shall be held to
212 have prorogated jurisdiction against himself to the English Courts or if in Northern Ireland to have submitted to the
213 jurisdiction and to be bound by the decision of the English Courts. The service of proceedings upon any such party by
214 leaving the same at the offices of The Grain and Feed Trade Association, together with the posting of a copy of such
215 proceedings to his address outside England, shall be deemed good service, any rule of law or equity to the contrary
216 notwithstanding.

217 **26. ARBITRATION-**
218 (a) Any dispute arising out of or under this contract shall be settled by arbitration in accordance with the Arbitration Rules, No.
219 125, of The Grain and Feed Trade Association, in the edition current at the date of this contract, such Rules forming part of this
220 contract and of which both parties hereto shall be deemed to be cognisant.
221 (b) Neither party hereto, nor any persons claiming under either of them shall bring any action or other legal proceedings against
222 the other of them in respect of any such dispute until such dispute shall first have been heard and determined by the Arbitrator(s)
223 or a Board of Appeal, as the case may be, in accordance with the Arbitration Rules and it is expressly agreed and declared that
224 the obtaining of an award from the Arbitrator(s) or a Board of Appeal, as the case may be, shall be a condition precedent to the
225 right of either party hereto or of any persons claiming under either of them to bring any action or other legal proceedings against
226 the other of them in respect of any such dispute.

227 **27. INTERNATIONAL CONVENTIONS-**
228 The following shall not apply to this contract:-
229 (a) the Uniform Law on Sales and the Uniform Law on Formation to which effect is given by the Uniform Laws on International
230 Sales Act 1967;
231 (b) the United Nations Convention on Contracts for the International Sale of Goods of 1980; and
232 (c) the United Nations Convention on Prescription (Limitation) in the International Sale of Goods of 1974 and the amending
233 Protocol of 1980.
234 (d) Incoterms

Sellers..... Buyers.....

Printed in England and issued by
GAFTA
(THE GRAIN AND FEED TRADE ASSOCIATION)
GAFTA HOUSE, 6 CHAPEL PLACE, RIVINGTON ST, LONDON EC2A 3SH