



## PRODUCER'S CONTRACT

This agreement, hereinafter called the "Contract", made between UPSTATE NIAGARA COOPERATIVE, INC., a cooperative corporation organized under the Laws of the State of New York, hereinafter called "Upstate Niagara", and #1111-1 FARMER SMITH residing at 123 ROAD, HOMETOWN NY 22222 a producer of milk, hereinafter called the "Producer":

WITNESSETH:

The purpose of this contract is to promote the interest of the Producer, to provide an accepted and efficient medium for the orderly marketing of the Producer's milk and the products thereof, and generally to assist in the stabilization of the dairy industry. The word "milk" as used herein includes milk and/or the components and/or products thereof.

1. The Producer agrees to market all of the milk produced by him during the life of this Contract exclusively to or through Upstate Niagara in such markets as Upstate Niagara in its sole discretion desires or deems advisable, and grants to Upstate Niagara full power and authority to carry out the purposes of this Contract accordingly. The Producer also agrees to be bound by the provisions of the By-Laws of Upstate Niagara, as amended from time to time, the Member Investment Program, as amended from time to time, rules, policies and programs regarding matters such as quality, premiums, advances, assignments, and offsets, as established by Upstate Niagara from time to time, and any rules, policies, procedures established by commercial customers or vendors of Upstate Niagara to which the Producer has subscribed or otherwise may be bound. The Producer shall comply with the foregoing and all federal, state and local laws, rules and regulations applicable to its performance hereunder.

2. Upstate Niagara may sell or resell such milk with or without taking title thereto, or may process or manufacture the same and sell the products thereof as Upstate Niagara may from time to time elect. Upstate Niagara shall be responsible for the assembly, quality control, transportation, processing, distribution and disposition of milk marketed through it by the Producer. The Producer hereby authorizes Upstate Niagara through its authorized representatives appointed for such purpose to vote for him in any producer bargaining agency meeting or otherwise, in which his vote is authorized by law. Upstate Niagara is authorized to exercise any powers conferred on it hereunder through any central agency of which this and other similar cooperatives are or may become members.

3. Subject to the provisions of paragraphs 1 and 2, the milk so sold shall be turned over by the Producer to Upstate Niagara, or directly to the purchaser of the milk, or to such other party as Upstate Niagara may direct. Such milk shall be of such test and quality as may be required by rules and regulations of Upstate Niagara or applicable federal, state or local rules and regulations.

4. The Producer reserves the right to retain such milk as he may desire for feeding and household purposes on his farm.

5. This agreement is one of a series of agreements of similar purport between Producers and Upstate Niagara. This series constitutes one single contract between Upstate Niagara and the said Producers, and Upstate Niagara shall be deemed to be acting for all such Producers in any legal proceedings arising out of this contract.

6. Upstate Niagara agrees to use its best efforts to market the milk of the Producer so as to promote the best interest of the Producers. Such sales and the proceeds thereof shall be made and received in the name of Upstate Niagara.

7. Payment shall be made by Upstate Niagara pursuant to sound accounting principles to the Producer as follows: (a) on or about the 20th day of each month (or such earlier date as may be required by applicable laws or regulations or may be set by the Board of Directors), Upstate Niagara shall pay the Producer the approximate pro rata amount due him, as provided herein, from milk sold during the preceding month, after deducting expenses direct or indirect, of operating Upstate Niagara, and such hauling expenses applicable under the Market Order or as otherwise required by Upstate Niagara; (b) subject to the annual review of operating results, amounts retained for equity will be contributed to Upstate Niagara pursuant to the terms of the Member Investment Program; (c) it is understood that the price per hundred weight for milk shall be uniform as to each Producer, subject to Market Order or other regulatory differentials and such equitable differences as Upstate Niagara may from

time to time determine; and (d) within a reasonable time after the close of the fiscal year, Upstate Niagara shall make a settlement to the Producers based on Upstate Niagara's operating results.

8. Since the remedy at law would be inadequate, in that it would be impractical and extremely difficult to determine the actual damages resulting to Upstate Niagara if the Producer fails to deliver the products covered hereby, and regardless of the actual cost of such failure, the Producer agrees in accordance with applicable By-Laws and Section 70 of the Cooperative Corporation Law of New York to pay to Upstate Niagara for all products delivered or disposed of, by or for him, other than in accordance with the terms hereof, the sum of \$.50 per cwt. of all such products as liquidated damages for the breach of this Contract.

9. This Contract shall run from XX/XX/XX to XX/XX/XX and thereafter shall run from year to year until cancelled in the following manner, to wit; either party may cancel this Contract by giving to the other written notice at least thirty (30) days and not more than sixty (60) days prior to the end of the current period for which the Contract is in force. If such notice is given, this Contract shall terminate at the end of the current period for which the Contract is force, except as to settlement for transactions conducted prior thereto and as provided by the By-Laws and Member Investment Program. However, if the Producer continues shipping to Upstate Niagara after the end of the period for which the Contract was in force, then the notice of withdrawal shall have no force or effect and this Contract shall continue to run from year to year.

10. This Contract is intended to constitute a marketing contract as provided by Section 70 of the Cooperative Corporations Law of the State of New York. The Producer, by the execution of this Contract, confirms membership in Upstate Niagara and authorizes Upstate Niagara to perform any and all services or operations on his behalf authorized or permitted by statute including, but not limited to, direct shipments of milk to Upstate Niagara and payments thereof directly by Upstate Niagara after any appropriate deductions, assignments, offsets, or retainages. Further, the undersigned represents and warrants that he or she has a substantial financial and managerial interest in the Producer and the requisite authority to execute this Contract on its behalf and to take such further action or execute such instruments in connection herewith. From time to time, consistent with the renewal period set forth above, Upstate Niagara may present the Producer with an updated version of this Contract for purposes of maintaining consistency in its records, amongst its membership and/or otherwise to incorporate new terms and conditions as Upstate Niagara may deem required.

11. The parties agree that there are no oral or other conditions at variance with any of the terms hereof; that this Contract shall be construed under the Laws of the State of New York, and that this Contract represents the voluntary and clear understanding of both parties fully and completely and may not be changed orally. This Contract may be executed in electronic counterparts, all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto subscribe their names and affix their seals, this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

UPSTATE NIAGARA COOPERATIVE, INC.

\_\_\_\_\_ Officer

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_