Final

2021-22 VIRUS YELLOW COMPENSATION AGREEMENT

1. THE SCHEME

British Sugar agrees to provide a scheme for the benefit of continuing sugar beet GROWERS who suffer loss of yield due to VIRUS YELLOW disease for the crops for the campaign periods 2021/22, 2022/23 and 2023/24. If the presence of VIRUS YELLOW is evident in the crop and the terms of this agreement are met, then part compensation for the loss of yield suffered will be credited to the account of GROWERS contracted to grow the crop the following year as further detailed below.

2. THE COMPENSATION

The Scheme is for LOSS OF YIELD of sugar beet arising as a result of, or mainly caused by VIRUS YELLOW.

The scheme is not intended to cover losses caused by other events such as germination failure, failure to establish or crop damage caused by incorrect spray application, wind blow, capping, flooding, hail or frost damage as further detailed in 5(1) below.

Any crop loss from any of the above or which is covered by separate Frost Insurance will be excluded from the LOSS OF YIELD calculation.

3. QUALIFICATION

Providing a GROWER has:

1) delivered all the beet contracted and grown on the fields declared to British Sugar plc to British Sugar; and
2) contracted to grow beet for the following year, and is not in breach of their contracted obligations, then

the GROWER will be eligible for potential compensation in the event their crop contracts VIRUS YELLOW.

4. LOSS OF YIELD

The LOSS OF YIELD will be calculated by British Sugar based on the total deliveries against each GROWER'S CONTRACT. Where there are multiple CONTRACTS held by the same GROWER then those CONTRACTS will be amalgamated for the purposes of this scheme. Where the adjusted tonnes of beet (as defined by the IPA) delivered drops below the COVERED CTE, then the difference will be divided by the COVERED CTE. Where this loss exceeds 10% of COVERED CTE, any loss greater than 10% will be compensated for at a rate of 45%. The maximum level of compensation to an individual GROWER in a single year is limited to the value paid out at a loss of 35% of COVERED CTE.

e.g. A GROWER with CTE of 1,000 tonnes delivers 650 tonnes of paid beet.

Loss of yield = 350t, which equals 35% of their CTE.

After deducting excess of 10% the loss to be compensated is 25%, which will be compensated at a rate of 45% = 11.25% of CTE or 113 tonnes.

This is the maximum compensation available to that GROWER in a year.

5. GROWER'S RESPONSIBILITY

1) Crop damage that results in a plant population falling below 80,000/Ha will be required to be notified by the GROWER in their Crop area declaration at the end of May (or later deadline set by British Sugar) and the area planted will be adjusted pro-rata to 80,000 plants/Ha to reflect the lost yield in these fields;
2) GROWERS will be responsible for registering the presence of VIRUS YELLOW in their crop by 31st August in the year it is planted to enable British Sugar to make any inspection considered necessary to establish EVIDENCE OF VIRUS YELLOW. The notification process will be announced by British Sugar before planting of the 2021 crop;

3) GROWERS will be responsible for supplying details of the aphicide sprays applied to the crop, and that they were applied in accordance with BBRO recommended practice if requested by British Sugar, including evidence in the form of a scan or copy of the chemical invoices; and
4) GROWERS will provide any information or other cooperation reasonably requested by British Sugar in order to substantiate any claims or amounts claimed.

6. SETTLING CLAIMS

1) Where LOSS OF YIELD is between 10% and 100% of the COVERED CTE, after deduction of the first 10% LOSS OF YIELD British Sugar will pay 45% of the remaining LOSS OF YIELD at the GROWER'S AGREED PRICE, up to a limit of the value paid out at a loss of 35% of COVERED CTE. Payment will be made after the end of each respective campaign when all beet payments have been finalised.
2) British Sugar will provide a fund to a value of up to £12m to cover the three year period commencing in 2021. The most that will be paid in total compensation in either year 1 or year 2 is 75% of the remaining fund balance. If the total value of valid claims from all GROWERS exceeds these limits then the compensation to each GROWER will be proportionately reduced.
3) A GROWER's payment under the VIRUS YELLOW compensation scheme will be reduced by the sum of any compensation or payment received by the GROWER in respect of the loss they have suffered as a result of the VIRUS YELLOW disease from any other source (including, without limitation, under the frost insurance policy).
4) British Sugar agree to set up a joint appeal process with NFU Sugar, which will consider, without limitation, any appeal from a GROWER who believes they have received an incorrect sum, been covered for an incorrect tonnage or been deemed ineligible. This claim will be considered by a panel made up of an equal number of representatives from NFU Sugar and British Sugar, which may decide to alter the original settlement paid or due to be paid to that GROWER.

7. FRAUD

If a GROWER or anyone acting for the GROWER:

1) makes a claim which is fraudulent and/or intentionally exaggerated and/or supported by a fraudulent declaration, statement or other device;
2) assists another GROWER to make a fraudulent claim; and/or
3) intentionally misrepresents, misdescribes or withholds any material relevant to this scheme;

British Sugar will not pay any part of the GROWER's claim or any other claim which they have made or which they may make under the scheme. British Sugar will have the right (amongst other things) to:

1) cancel the GROWER's participation in the scheme for future years;
2) recover from the GROWER any amounts that have paid in respect of any claim, whether such claim was made before or after the fraudulent claim, plus any other losses or costs suffered by British Sugar;
3) refuse any other benefit under the scheme; and
4) cancel the GROWER's contract entitlement for future years.

DEFINITIONS

5 YEAR AVERAGE YIELD	The GROWER'S average yield of beet delivered to British Sugar for the 5 year period ended April 2020. In the event a GROWER has less than 2 years actual deliveries, then the 5 Year Average yield for the Contract Factory will be used, adjusted according to that GROWERS' yield relative to the factory average.
AGREED PRICE	The weighted average contract beet price agreed for the contracts signed by the GROWER in respect of the contract year the beet was to be delivered in.
GROWER	A supplier of sugar beet who holds a valid CONTRACT.
CONTRACT	A contract signed with British Sugar to grow sugar beet under the IPA.
IPA	The Inter-Professional Agreement between British Sugar plc and the National Farmers' Union ("the NFU").
VIRUS YELLOW	Any of the beet yellowing viruses including Beet Yellow, Beet Mosaic, Beet Mild and Beet Chlorosis.
EVIDENCE OF VIRUS YELLOW	Independent analysis, by BBRO or another agreed body, of beet samples taken from the GROWER'S crop shown to be infected by any of the beet yellowing viruses listed above will be taken as evidence of the presence of VIRUS YELLOW in the GROWER'S crop. In the absence of this, satellite imaging data and/or photographic images that highlight yellow patches in the GROWER'S crop consistent with the presence of virus will instead be taken as evidence. If a GROWER registers the presence of VIRUS YELLOW in their crop and British Sugar has not made any independent check by the end of the campaign, then the GROWER will still be deemed eligible for compensation.
LOSS OF YIELD	The difference between the GROWER'S tonnage covered by the compensation scheme and the tonnage delivered in a year as calculated under point 4
COVERED CTE	A GROWER'S Contract Tonnage Entitlement (CTE) where the GROWER has planted enough area (net of any adjustment for plant population) to fill the GROWER's total CTE when multiplied by the 5 YEAR AVERAGE YIELD. Where a GROWER has planted an area that is not sufficient to fill the total CTE, the COVERED CTE will be equal to the area planted multiplied by the 5 YEAR AVERAGE YIELD.