



## Alternative Service Delivery Service Contracts for Seed Crop Inspection

It takes time to develop trust between any service provider and the recipient of the service. Until such a trust is developed, there are several questions seed growers should be considering. There are only a few key questions when considering a service provider for seed crop inspection under alternative service delivery. There are many additional questions you may want to consider before confirming a service provider or entering into a service contract. This reminder may help you with some of these questions.

The few key questions are:

1. What is the cost of the seed crop inspection service?
2. How is the cost derived? Per acre? Per field? Per visit? Mileage travelled? Time required? Crop kind inspected?
3. How do I know my seed crop(s) will get inspected at the right stage of growth or maturity?
4. Can the service provider offer full service or only inspection for some of my seed crops?

When signing a contract with a seed crop inspection service, here are some other questions to consider.

- 1. A service contract should be a two way agreement** that benefits and protects you as the seed grower as well as the inspection service provider.
  - a. You, as a seed grower, want to know the inspections will get completed in a timely and effective manner.
  - b. The inspection service wants to know they will receive the necessary information from the grower to provide timely service and that they will be paid for their services.
- 2. Be confident you know the pricing and fee structure of the service provider:**
  - a. Pricing for seed crop inspection will vary among service providers and maybe even vary depending upon the crop kind to be inspected, the distance the inspector must travel, the number of fields that can be inspected on your farm on each visit, the size of fields, etc.
  - b. Negotiate fees, especially if your situation has specific advantages. No longer is there one flat basic fee and acreage inspection fee prescribed for all growers throughout Canada like we have known with CFIA inspections.
  - c. If discounts are offered for certain services, volumes, locations, crop kinds, etc., be sure you understand those discounts. Similarly, if incremental fees are applied under certain circumstances, know and understand those specific circumstances and fees.
  - d. Are there fees for each visit to the farm?
  - e. Are there mileage fees for the distance travelled by inspectors?
  - f. Are discounts offered for multiple fields reaching the inspection stage at the same time?
  - g. What is the interest penalty applied on inspection fees after their payment due date?
  - h. Is inspection service denied if fees are not paid by the due date?
- 3. Be clear what each party's responsibilities are under the service contract.**
  - a. Responsibilities should be understood by both parties and likely outlined in a service contract so no surprises arise during the inspection season.
  - b. When is payment of inspection fees due?

- c. How much notification must you give the service provider to ensure that your crops are inspected at the proper stage of maturity? How will the service provider communicate with you to ensure proper inspection timing and ensure inspection ahead of harvest? Do you communicate directly with your inspector or through a regional contact? How and when can they be contacted?
  - d. What penalties, if any, apply for breach of contract by either party?
  - e. When do you have to provide the service provider maps and directions to your fields?
  - f. Is there any warranty or implied guarantee on the part of either party?
- 4. Licensed inspectors are qualified to only inspect crops on the basis of their training and experience with the various crop kinds.**
- a. Be aware of which crop kinds and pedigree classes the service provider's inspectors are qualified to inspect, especially during these first few years of transition to alternative service delivery,
  - b. Designating a single service provider to inspect all your fields and plots is not an option if their licensed inspectors are not qualified to inspect all your crop kinds and plots.
  - c. CFIA will be providing the inspection on higher pedigrees and certain crop kinds in cases where qualified licensed inspectors are not available through a service provider. Be aware whether CFIA or the ASD service provider is responsible for each field. As a result, recognize that higher pedigree fields might not be done in the same time frame as other fields. Always ensure inspection has been completed before harvest.
- 5. Know when the service agreement comes into effect and when it terminates.**
- a. Does either party consider this a multi-year contract?
- 6. Are there other expectations, or unspecified expectations, of the service provider?**
- a. What health and safety requirements is the service provider expecting you to meet? Field spraying, for example, must be scheduled so that inspectors are not exposed to potential risks from pesticide applications.
- 7. Do you need a statement of confidentiality from the service provider?**
- a. Is a field producing a proprietary or experimental variety that has confidentiality requirements?
- 8. What happens if someone is somehow injured during the inspection?**
- a. Is the service provider carrying adequate liability and errors & omissions insurance?
- 9. Who is responsible if the inspections are not performed within a reasonable timeframe?**
- a. It will undoubtedly be the seed grower's responsibility to arrange for alternate service but what responsibility, or liability, does the original service provider carry?
- 10. Are there penalties for changing to another service provider after you signed the contract?**
- a. What are the conditions for cancellation of the contract? Are they only *Force Majeure* events, like many insurance policies contain, such as strikes, lockouts, tornadoes, hurricanes, etc.?
- 11. What are the responsibilities of the seed grower if a field inspection is cancelled by the seed grower?**
- a. As is currently the case, the seed grower must contact the CSGA to cancel a field inspection prior to the inspection. A partial refund of the CSGA acreage fees will be returned to the seed grower if the field inspection is cancelled prior to inspection.
  - b. Seed growers need to ask if there are any penalties imposed by the service provider, or if a full refund of inspection fees paid to the service provider is returned to the seed grower.