MANAGEMENT OF CONTRACT PRODUCTION

Ronald P. Townsend

The production of quality seed begins with the successful management of contract producers. This discussion deals with the selection of contract growers, supervision of the growers, and ways of motivating them to do a better job.

Selection of Contract Growers

Although every seedsman is a farmer, not every farmer is a seedsman. The difference lies in the conscientiousness of the seedsman in following good agricultural practices and proper equipment operations, adjustments, and maintenance so that the purity and germination of the seed can be preserved.

In selecting seed growers, first seek those farmers who exhibit an interest in producing contract seed. But don't stop there! Look into each farmer's past farming record and actions and ask these questions:

1. Has the farmer exhibited good agricultural practices in these areas -- soil conservation, crop rotation, use of fertilizers, appropriate use of chemical and herbicides, timely planting and harvesting?

2. Has he maintained his equipment -- replaced work parts, stored equipment under shelter when not in use, greased and serviced as recommended by operator's manuals, cleaned equipment properly before and after use?

3. Has the farmer been concerned about proper adjustments of equipment -- correct planting rate, proper cultivator settings, calibration of sprayers, combine adjustments, auger speeds?

4. Has he shown honesty in past business transactions? A discreet survey of business associates will soon reveal any past breaches of trust or dishonesty.

5. Does the farmer show a willingness to cooperate with the seed production manager in the selection of fields for the seed crop, keeping appropriate records, allowing inspection of fields and equipment, following recommended planting rates, applying chemicals, fertilizers, and

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1/ Townsend Seed Plant, Anderson, SC.
herbicides? A "know-it-all" or hot-tempered man will make a good working relationship between grower and manager almost impossible.

A perfect grower, just as a perfect seed production manager, will probably not be found. However, a prospective grower should measure up to established minimum standards in the above areas. By examining a grower's past actions, a production manager will be aware of his strengths and weaknesses and thereby better able to assist him.

Neither the manager nor a grower should put all of his eggs into one basket, so to speak. A grower should be given enough acreage to justify the extra practices needed to grow contract seed. Justification needs may range from sufficient estimated yield to fill a storage bin to enough acreage to plant a field. Needs will vary from farmer to farmer. A grower should also plant his own seed to provide himself with a variety of marketing choices. A production manager should attempt to place seed in different localities so that adverse weather conditions will have less chance of spoiling the total crop production.

Supervision of Growers

A successful seed production program begins with the careful selection of growers and placement of seed and continues with close supervision of the crop from planting to harvest.

In a seed grower program a written contractual agreement is a must, stating specifically what is required of the manager and the grower. A contract should state the following:

1. Identity of the Manager and the Grower.
2. Date of agreement
3. Variety of seed and acreage to be planted
4. Planting rate
5. Minimum standard of seed acceptance
6. Method of seed repay or charge for planting seed
7. Chemical use
8. Certification procedures and arrangements
9. Arrangements for seed not meeting certification standards
10. Procedure and schedules used in computation of seed discounts
11. Field standards required (freedom of contaminating materials, isolation of fields to insure purity of variety, moisture at harvest, etc.)

12. Storage and delivery procedures and schedule

13. Liability in case of complete crop failure

14. Seed sales procedure and method of payment

The manager and each grower should analyze the contract together to insure that the terms are understood and agreed upon. All questions should be satisfactorily answered before signatures are made.

Accurate record-keeping is another essential in grower supervision. Standardized worksheets (prepared by the manager) and an organized filing system can lessen the burden of this task. Two types of information need to be maintained -- grower information and crop delivery-storage information. (See Examples).

Grower information should include:

1. Address and phone number
2. Location of seed fields
3. ASCS field maps and farm numbers
4. Variety and acreage being grown
5. Number of bags of planting seed acquired
6. Storage facilities available
7. Dates fields checked by manager and progress of crops
8. Date(s) crop sold, price(s) received, payment record
9. Planting, harvesting, and chemical application dates
10. Total bushels produced and yield per acre
11. Seed premium received
12. Names of equipment drivers
13. Field inspection reports by Certification Agency
14. Laboratory reports of germination and purity on each seed load delivered.
TOWNSEND SEED PLANT
ROUTE 5  -- ANDERSON, S.C. 29621

GROWER WORK SHEET

NAME ___________________________________________ PHONE _____________________________
ADDRESS ______________________________________ ZIP ____________________________

VARIETY GROWN _________________________ CERT. □ REGISTER. □ NO. ACRES __________
NO. BAGS RECEIVED ___________ REPAY RATE ___________________________ BU./BU. PLANTING RATE _______/AC.
NO. BUSHELS REPAY ______________ STORAGE AGREEMENT YES NO NO. BUSHEL STORE ________

PREMIUM RATE ____________________________ /BU. MARKET TO SELL ______________________
DATES OF SALE LIMIT ____________________________ TO ____________________________ LESS FREIGHT ______

FARM NO. CROPS GROWN ON ________________________________________________________

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<tr>
<th>FARM NO</th>
<th>NO. ACRES</th>
<th>VARIETY</th>
<th>DATE PLANTED</th>
<th>DATE CERT.</th>
<th>ACCEP.</th>
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DATE HARVEST COMPLETED ____________________________ NO. BUSHELS PROD. ____________________________
AVERAGE YIELD/ACRE ____________________________ AVE. PRICE RECEIVED ____________________________
DATE OF PAYMENT ____________________________ CHECK NO. ____________________________ AMT. ______
DATE OF PAYMENT ____________________________ CHECK NO. ____________________________ AMT. ______

PRICES RECEIVED DATE

REMARKS: ______________________________________________

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**TOWNSEND SEED PLANT**  
ROUTE 5 • ANDERSON, S C. 29621  
TELEPHONE 1-803-226-3587  

**GROWER DELIVERY WORK SHEET NO. 2**

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<tr>
<th>DATE</th>
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<th>NET WT</th>
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<th>F. M. WT.</th>
<th>SPLITS WT.</th>
<th>MOIST. WT.</th>
<th>ADJ. WT.</th>
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**EXAMPLE 2**

Grower Delivery Worksheet
# Storage and Warehouse Record

**TOWNSEND SEED PLANT**  
ROUTE 5 -- ANDERSON, S.C. 29621  
TELEPHONE 1-803-226-3557

**STORAGE AND WAREHOUSE RECORD**

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<th>BUSHELS</th>
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<th>DATE OUT</th>
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**EXAMPLE 3**

Storage and Warehouse Record
TOWNSEND SEED PLANT
RT. 5 - ANDERSON, S.C. 29621
PHONE (803) 226-3587

GROWER PAYMENT RELEASE

I, ___________________________ of _______________________________.

Name

Address

Agree that in acceptance of this check No. _______ drawn by Townsend Seed Plant in the amount of $ _________ do hereby acknowledge that this is correct in amount and is in (full) (part.) payment for ___________________________ that I grew for Townsend Seed Plant of Rt. 5, Anderson, S.C. 29621 in the crop year _______.

Signed ___________________________ (Grower Signature)

Date ___________________________

For Townsend Seed Plant

Rt. 5, Anderson, S. C.

Thank You—Without your hard work and cooperation another farmer somewhere would not be able to put finest quality planting seed into his planter next year.

EXAMPLE 4

Grower Payment Release
A crop delivery-storage worksheet for each variety grown by each grower should be maintained. Information on this worksheet should include:

1. Load number
2. Date delivered
3. Net weight and bushel volume of each load
4. Foreign matter content of each load
5. Moisture of each load
6. Amount of splits or test weight
7. Storage tank number into which seed were put
8. Identification of truck or wagon on which seed were delivered
9. Adjusted weight of each load
10. Field from which seed were cut

The importance of accurate record-keeping cannot be overstressed. Many problems, if detected early, can be contained and often eliminated totally through precise records. Modifications for the next year's planting can be made based on data gained. For example, poor emergence in certain fields may indicate the presence of a disease in the soil and thus the need for reconsidering that field's use the following planting season. Record-keeping is a time-consuming task but well worth the effort in the production of quality seed.

The seed production manager has the responsibility of inspecting the grower's planter, combine, truck or trailers used in hauling seed, storage bins, and augers. Due care must be taken to avoid mixture by thoroughly cleaning all equipment used. The manager may need to demonstrate to the grower the correct procedures to follow in cleaning equipment. Inspection of the seed fields at regular intervals by the manager should also be made so that progress reports can be kept up-to-date.

An open line of communication between grower and manager is a good beginning to a rewarding working relationship, always remembering that communication is a two-way channel. Care should be taken by the manager to encourage questions and disclosure of problems; and he, in turn, should attempt to provide prompt, honest answers and information that will aid in the solution of problems. The availability of the manager to the grower is a key element in good communication, and the use of mobile communication units aid in manager accessibility.
The manager should supply to growers any research data he receives that will be of interest or aid. This information may range from herbicide effectiveness to new equipment that might improve the quality of seed being produced. Likewise, growers should share with the manager information materials of interest.

Teamwork between manager and growers is the secret to the smooth supervision of contract production. Even with teamwork the program will not be free of problems, but working together will ease tension and make problems seem less insurmountable.

Incentives for Growers

Work well-done needs to be praised just as less than satisfactory work need to be constructively criticized. If the first two stages of the seed production program (selection and supervision of the growers) have progressed successfully, then this part should follow quite naturally. The team of manager and growers will realize that continual strides of improvement must be taken.

One incentive for growers is the use of monetary premiums based on the purity and germination of seed delivered. The premium rate per bushel can be determined by the percentage of broken, split, and cracked seed per load delivered and a minimum acceptable germination. Also, taken into consideration might be any weed seed that are difficult to remove in conditioning of the seed. The premium can be graduated so as to reflect the quality of the seed and can even include a dockage from base price. This "in the pocket" incentive is equitable and easily documented by laboratory reports. The top premium rate, in addition to base price, should be high enough to entice farmers to participate in contract seed production and to challenge them to produce quality seed.

Another incentive idea, known as "Feed the Body and the Mind," allows the manager to sponsor a growers' meal with an after-dinner speaker. Suggestions for speakers include seed laboratory personnel, certification specialists, state agriculture commissioners, extension agents, state and federal congressmen, plant breeders, marketing specialists, and chemical company representatives. Through this program growers are exposed to authoritative information that would otherwise be difficult to obtain and are afforded an opportunity to ask questions and express opinions.

A modification of the "Feed the Body and the Mind" program is a luncheon-workshop. Here the manager can demonstrate to the growers collectively, equipment cleaning procedures and equipment adjustments, grower record-keeping, etc. Idea-sharing by growers will be beneficial to all.

One competitive and fun-filled motivator is an awards presentation program which can be used in conjunction with the "Feed the Body and
Mind" growers' meal. Based on laboratory analyses of each grower's total production, trophy or plaque awards are presented to growers meeting certain qualifications. Three awards which have been successfully used in our seed production program are the Highest Yield Per Acre Award, the Highest Purity Percentage (on delivered loads), and the Half-Ass Award (most weed seed per pound on delivered loads). To save the embarrassment of receiving the Half-Ass Award, growers have attempted to rid their fields of weeds while simultaneously striving to achieve the honors of highest yield and highest purity percentage.

The purpose of incentives is to challenge growers to strive for the sublime ideal of perfection. Although perfection will never be achieved, optimistic attitudes and conscientious efforts toward this goal will preserve and improve the quality of seed produced.

Summary

The achievement of quality seed in a contract seed production program does not just happen. It takes constant planning and supervision by the production manager. Good rapport between manager and growers is established by a mutual understanding of requirements and an open line of communication. The manager must adapt his method of dealing with growers to their varying personalities, always displaying his genuine concern and desire to help them. Teamwork between manager and growers will result in the successful production of quality seed.