

Option 1 - CONSIGNMENT HANDLING

<u>SALES</u>					
	Quantity	Price/Unit	Total	Date of Sale	Invoice #
	250	\$5.00	\$1,250.00	January 1, 2006	A - 1234
	90	\$4.75	\$427.50	January 2, 2006	A - 3456
	80	\$4.50	\$360.00	January 3, 2006	A - 2345
	500	\$4.25	\$2,125.00	January 3, 2006	A - 4567
	50	\$4.00	\$200.00	January 4, 2006	A - 5678
	20	\$2.00	\$40.00	January 5, 2006	A - 6789
	<u>10</u>	<u>\$0.00</u>	<u>\$00.00</u>	Shortage	
Total	1,000		\$4,402.50		
<u>EXPENSES</u>					
	Freight		\$1,800.00		
	Ice		\$25.00		
	Inspection		\$60.00		
	Commission @ 15%		<u>\$660.38</u>		
		Total	\$2,545.38		
<u>DUE SHIPPER:</u>			\$1,857.12		
(Gross proceeds less total expenses)					

Option 2 - DAMAGES (For breach of contract when parties cannot agree on terms of handling.)

EXAMPLE 1: Market News Reports are not available.					
Invoice price (1,000 sacks @ \$6.20)		\$6,200.00			
Freight		<u>1,800.00</u>			
Value of produce delivered		\$8,000.00			
Less gross proceeds realized:					
SALES					
	<u>Quantity</u>	<u>Price/Unit</u>	<u>Total</u>	<u>Date of Sale</u>	<u>Invoice #</u>
	250	\$5.00	\$1,250.00	January 1, 2006	A - 1234
	90	\$4.75	\$427.50	January 2, 2006	A - 3456
	80	\$4.50	\$360.00	January 3, 2006	A - 2345
	500	\$4.25	\$2,125.00	January 3, 2006	A - 4567
	50	\$4.00	\$200.00	January 4, 2006	A - 5678
	20	\$2.00	\$40.00	January 5, 2006	A - 6789
	<u>10</u>	<u>\$0.00</u>	<u>\$00.00</u>	Shortage	
Total	1,000		\$4,402.50		
Damages:	\$8,000.00 - \$4,402.50 = \$3,597.50 (Laid-in cost less gross proceeds.)				
DUE SHIPPER:		\$6,200.00 - \$3,597.50 = <u>\$2,602.50</u> (Invoice price less damages.)			

EXAMPLE 2: Market News Reports are available.					
Invoice price (1,000 sacks @ \$6.20)					\$6,200.00
Market News reports this type of potato, mostly \$8.50/sac					
Value of potatoes if received as represented by shipper: (\$8.50/sac * 1,000 sac)					\$8,500.00
Gross proceeds of sale:					
SALES					
	<u>Quantity</u>	<u>Price/Unit</u>	<u>Total</u>	<u>Date of Sale</u>	<u>Invoice #</u>
	250	\$5.00	\$1,250.00	January 1, 2006	A - 1234
	90	\$4.75	\$427.50	January 2, 2006	A - 3456
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	500	\$4.25	\$2,125.00	January 3, 2006	A - 4567
	50	\$4.00	\$200.00	January 4, 2006	A - 5678
	20	\$2.00	\$40.00	January 5, 2006	A - 6789
	<u>10</u>	<u>\$0.00</u>	<u>\$00.00</u>	Shortage	
Total	1,000		\$4,402.50		
<u>Damages:</u>	\$8,500.00 - \$4,402.50 = \$4,097.50 (Market News less gross proceeds.)				
<u>DUE SHIPPER:</u>	\$6,200.00 - \$4,097.50 = <u>\$2,102.50</u> (Invoice price less damages.)				

Option 3 - LABOR AND SHRINK (Parties must agree.)			
Invoice price (1,000 sacks @ \$6.20)		\$6,200.00	
Freight		\$1,800.00	
Value of produce delivered		\$8,000.00	
Repacked as follows:			
	Repacked	Lost	Net
Day 1	500	100	400
Day 2	400	80	320
<u>Day 3</u>	<u>100</u>	<u>20</u>	<u>80</u>
	1,000	200	800
<u>Damages:</u>			
Shrink (200 sacks @ \$6.20)		\$1,240.00	
Freight		\$360.00	
\$1,800.00 ÷ 1,000 sacks = \$1.80 per sack			
200 lost sacks x \$1.80 per sack			
Labor (1,000 sacks x \$1.00)		\$1,000.00	
Sacks (1,000 sacks @ \$0.25)		\$250.00	
Inspection		\$60.00	
<u>Handling (1,000 sacks @ \$0.50)</u>		<u>\$500.00</u>	
	TOTAL DAMAGES =	\$3,410.00	
<u>DUE SHIPPER:</u> \$6,200.00 - \$3,410.00 = <u>\$2,790.00</u>		(Invoice price less damages.)	