**Sample Personal Property Security Interest clauses for inclusion in grape and wine contracts**

1. **Where Grapes or Wine are Sold with Credit Extended (i.e. typical arrangement)**

***Agreement to create the Personal Property Security Interest***

"The (*supplier/distributor etc*) claims a purchase money security interest, as defined in the Personal Property Securities Act 2009 (Commonwealth) in the (*Description of goods, i.e. grapes*) so as to secure payment of the full purchase price of such items as are delivered from time to time".

Acknowledgement by the Customer

1. The Customer grants to the (*supplier/distributor*) a PMSI in the Personal Goods and any proceeds of their sale to secure payment of the purchase price of the Personal Goods delivered from time to time.
2. The Customer agrees not to do or permit anything to be done that may result in the PMSI granted to the (*supplier/distributor*) to rank or to be subjected to priority to any other Personal Property Security Interest in favour of any other party.
3. The Customer agrees to take such further steps which may be required by the (*supplier/distributor*) to take additional or better security under the PPS Act over the Personal Goods and the proceeds of their sale, or to maintain the ability to claim and realise the Security Interest, including its priority, pursuant to the PPS Act or by reason of the financing statement (in order to avoid any doubt, this obligation on the part of the Customer includes obtaining written consents, supplying information, signing forms, executing documents, whether on the part of the customer, any financier to the Customer, a lessor or landlord of the Customer or any third party having a claim or interest over land or a building in respect of which the Personal Goods are located at present or at any time in the future.
4. The Customer agrees to provide to the supplier when requested all details of the location of the Personal Goods.
5. **Where Bulk Wine is placed on Consignment**

"In consideration of the agreement on the part of the Supplier to supply and to continue to supply Personal Goods to the (*dealer/customer/distributor etc*) in accordance with these terms of trade the (*dealer/customer/distributor*) agrees and acknowledges the consignment Personal Goods delivered into its possession and the proceeds of the sale constitute collateral in respect of which the supplier is entitled to a Personal Property Security Interest until such time as the supplier receives payment in full on account of each such supply of collateral or the proceeds of its sale".

NB The descriptor terms of the parties used in the clauses will need to be varied to fit in with the language used in the grape or bulk wine contract

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**Personal Property Security Register Terminology**

"**Grantor**"- A person that you sell goods to which a security interest has been registered (i.e. they grant you permission to register an interest).

"**Personal Goods**" - this now reads for words such as "chattels", "choses in action", "shares", "paper securities", "Personal Goods" and many more.

"**Personal Money Security Interest**"- known by the acronym "PMSI". In relation to PPSR there are four types of PMSI:

1. retention of title clauses which are relevant to grape growers and people or entities dealing in bulk wine;
2. where a financier provides funds to a customer to enable the purchase of plant, equipment or other Personal Goods (i.e. personal property) over which the financier takes security;
3. a leasing arrangement or a commercial bailment where the term exceeds three months in the case of motor vehicles, boats and aircraft, or exceeds one year for other types of personal property;
4. Personal Goods made available on consignment which is relevant to people or entities dealing in bulk wine........ The same situation applies to the vendor of bulk wine consignment arrangements exist.

"**Personal Property Security Interest**" - this means an interest in Personal Goods over which asecurity interest is claimed.

"**Perfection**"- this is the act of registration

"**Financing Statement**" - this in effect means entering a security interest on the register and obtaining confirmation of this. In effect, this is evidence of the registered security.

“**Collateral**"- the personal property that is the subject of a security interest. For farmers this includes crops or livestock.

"**Proceeds**" - means the proceeds of the sale or other dealing in the collateral.