

## Zambia

### Seed cotton production contract

This agreement is made ... (date) between .... (distributor's name) (hereinafter called the distributor) of the one part and ..... (producer's name) in ..... village .... in the district of .... Province of the Republic of Zambia (hereinafter called the producer) whose next of kin is .... (name of next of kin).

#### Here as:

The Distributor has various farming inputs supplied solely by (name of the company) relevant to the growing of Seed Cotton.

The Producer has land suitable for the cultivation and growing of Seed Cotton but requires inputs to cultivate and grow the said Seed Cotton.

The Distributor is willing to supply the Producer with all of the necessary direct inputs and in addition the provision of Harvesting Materials, the delivery of Seed Cotton from point of sale to the ginnery and market access for the crop (including payment in cases within two (2) weeks of the week of purchase of the Seed Cotton).

The Producer is willing to plant, care for and harvest Seed Cotton under this Production Agreement on behalf of the Distributor the terms and conditions set out hereunder at the Producer's own risk.

The definition of Producer and Distributor shall in both cases include their successors in Title.

#### The parties agree as follows:

##### 1. Definitions

In this Agreement unless the context requires otherwise the following words shall mean:

“Seed Cotton”	harvested white bolls produced by the cotton plant, which bolls are ginned to produce cotton lint and cotton seed.
“Inputs”	include but are not limited to planting seed, pesticides, foliar, fertilizers, buffers and sprayers.
“Harvesting Materials”	include but not limited to picking bags, woolpacks, (on a refundable deposit and which woolpacks remain in sole property of (name of the company) and sewing twine.

##### 2. Production of Seed Cotton

2.1 The Distributor hereby agrees to supply the Producer with the indicated inputs referred in to the schedule below (subject to reasonability) at an agreed value and the Producer in exchange agreed to accept the Inputs referred to in the said schedule and to plant, manage and harvest all of the said Seed Cotton produced from the Inputs on behalf of the Distributor at his own.

Description	code	quantity	unit price	total value
planting seed				
chemicals				
sprayers				
....				

2.2 The Distributor agrees that the Inputs to be provided to the Producer will be sufficient to ensure that the producer is able to produce and harvest the projected quantities of Seed Cotton.

### 3. Exclusivity

3.1 The Producer agrees and undertakes that once he/she executes this Agreement he/she shall not under any circumstances execute any parallel or the other similar agreement with, nor take Seed Cotton production Inputs on credit from any other distributor, inputs supplier or buyer of Seed Cotton or any other person whatsoever relating to the production of Seed Cotton.

3.2 After execution of this Agreement the Producer further agrees and undertakes not to carry out any production of Seed Cotton on behalf of any other person or entity on whatever terms or to sell, deliver or in anyway use to repay credit any Seed Cotton produced from the Inputs supplied under this Agreement to any person or entity except the Distributor.

### 4. Duties and Responsibilities of the Producer

The Producer agrees and accepts that the following shall form part of his/her duties:

- 4.1 To plant the agreed number of Limas/Hectures and to thin, gap fill, weed, cultivate, spray, pick, grade and to do all things and take all steps as are deemed necessary to produce, safeguard and harvest all of the said Seed Cotton.
- 4.2 To allow the Distributor or his/her duly appointed agent or nominee, reasonable access to inspect the said Seed Cotton whenever the Distributor requires to do so.
- 4.3 To prevent any other person, whether or not they may have an interest in the land on which the Seed Cotton is planted, from interfering with the production process.
- 4.4 To ensure that as soon as practicable after harvest the said Seed Cotton is promptly packaged into wool packs bearing XXX Limited mark or any other distinguishing mark prescribed by the Distributor and thereby clearly identifiable from harvest belonging to any other entity or person and to deliver the same total production quantity to the Distributor.

### 5. Duties and Responsibilities of the Distributor

- 5.1 The Distributor agrees to organize the supply of Harvesting Materials
- 5.2 The Distributor agrees to arrange the purchasing of the Seed Cotton crop either by himself/herself or by any other buyer so appointed by the Distributor, under the terms of the Distributor's Agreement with (name of the company).
- 5.3 The Distributor agrees to arrange the payment of the Producer in cash within two (2) weeks of the week of purchase of the Seed Cotton at a price not less than the

pre-planting price (or the announced pre-harvest price, if higher) for the entire Seed Cotton crop less the agreed value of the inputs supplied, which shall be deducted from the first deliveries of the Seed Cotton to the Distributor.

## 6. Security

The parties agree that the Distributor at all times retains full rights to the Seed Cotton produced by the Producer at all times during the subsistence of this Agreement and that the same shall form part of the Distributor's security to cover the Inputs supplied to the Producer.

## 7. Termination

The parties agree that either party may terminate the Agreement by giving one month written notice to the other party of its intention to terminate. Provided that if the producer terminates after he/she received Inputs he/she shall be bound to deliver Seed Cotton to the Distributor in terms of clause 4.1 above.

## 8. Assignment of rights and obligations under this Agreement.

The parties hereto agree that the Distributor may at any time assign his/her rights and obligations under this Agreement to (name of the company), which reserves the right to enforce this Agreement as if it were the Distributor.

## 9. Variations

The parties agree that this Agreement may be amended and varied at any time by agreement of the parties provided that such variation is in writing.

## 10. Producer's Warranties

10.1 The producer warrants as follows:

10.1.1 That he/she has authority and control over the land intended to be used to plant and care for the Cotton Seed and other inputs supplied by the Distributor.

10.1.2 That he/she possesses the necessary skills to farm the supplied Cotton Seed and Inputs.

10.1.3 That he/she will deliver the entire crop harvested to the Distributor.

10.1.4 That in the event that the entire crop produced not being sufficient to discharge the liability of the value of Inputs supplied, the Producer shall repay the Distributor any shortfalls.

## 11. Force Majeure

The parties have agreed that no party shall be liable for any failure to perform its obligations under this Agreement where such failure is as a result of Acts of God (including fire, flood, earthquake and other natural disaster).

As WITNESS the hands of the parties hereto or their duly authorized agents the day and year first before written.

Signed by ..... (Distributor)  
In the presence of  
Witness .....

Address:

Signed by ..... (Producer)  
In the presence of  
Witness ....

Address: