

## POTATO MULTIPLICATION AGREEMENT

This Agreement is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2010 between **COMPANY** a company incorporated under the Companies Act, 1956 with its registered office at **ADDRESS** (‘OOMPANY’ which term shall unless repugnant to the context shall include its successors in interest, nominees and assigns), of the First Part;

AND

Shri, \_\_\_\_\_,  
S/o \_\_\_\_\_ r/o \_\_\_\_\_  
(‘GROWER’ which term shall unless repugnant to the context shall include his successors in interest, nominees and assigns), of the Second Part;

### Whereas

- 1 GROWER is the owner/lessee of \_\_\_\_\_ acres of land at \_\_\_\_\_  
(hereinafter called “the said land”) and is desirous of undertaking the multiplication of Potato planting materials for chip on the said land.
- 2 COMPANY is engaged in the manufacture and sale of \_\_\_\_\_.
- 3 GROWER is engaged in multiplication of Potato planting material for chip and has expressed its willingness and expertise in undertaking such operation for PIH; and
- 4 GROWER is desirous of providing chip grade potato planting material (**Planting Material**) for the purpose of multiplication by XXX in mutually identified areas on the terms and conditions contained hereunder.

### NOW THIS AGREEMENT WITNESSETH AS UNDER:

1. SUPPLY OF XXX VARIETY POTATO PLANTING MATERIALS

- 1.1. COMPANY agrees to supply -----MT of -----variety potato planting material to the GROWER for multiplication into chip grade potatoes by planting in the said land. COMPANY will deliver planting materials to the Grower at a designated common place in xxx districts.
- 1.2. GROWER shall pay to COMPANY in advance 100 % of planting material value as per invoice before delivery of Planting Material.

## 2 MULTIPLICATION OF XXX VARIETY POTATO PLANTING MATERIALS

- 2.1 Grower shall be responsible for all farming activities including land preparation, irrigation, planting, plant protection measures and harvesting to maximize yield per acre and to produce quality chip grade potato as prescribed in **Annexure A**.
- 2.2 Grower shall be responsible for providing all the required inputs including water, chemicals, fertilizers, fungicides, insecticides and labour.
- 2.3 Grower shall strictly follow Package of Practices as prescribed by COMPANY. GROWER shall conduct the planting and harvesting operations and the packing of the multiplied chip grade potatoes in the presence of COMPANY representative or after receiving instructions from COMPANY to start such operations.
- 2.4 COMPANY reserves the right to supervise at its sole discretion at all times the activities of multiplication being carried out by the GROWER and shall advise, training and consultancy including advice on use of insecticides/ pesticides to the GROWER necessary for the multiplication.
- 2.5 GROWER shall offer the entire produce of chip grade potatoes to COMPANY for sale and the same would be 100% F.O.R/ EX deliveries at designated places of COMPANY. COMPANY on the basis of the quality test results & the parameters set out in Annexure A purchase the produce or reject and return the produce entirely or partly. All rejections would be on the account of the GROWER.
- 2.6 GROWER shall keep the XXX variety potato Planting Materials and the multiplied chip grade potatoes in hygienic and safe condition and ensure its safekeeping.
- 2.7 GROWER shall ensure to arrange suitable sources of all required inputs including water, chemicals, fertilizers, fungicides, insecticides, etc. COMPANY shall not provide any other input except COMPANY variety potato planting material.

## 3 DELIVERY OF MULTIPLIED CHIP GRADE POTATOES

- 3.1 GROWER shall deliver the chip grade multiplied potatoes to COMPANY or its Designated Party at collection center as per the time schedule agreed upon between the parties and at a date not later than the date specified in **Annexure B**.

- 3.2 “The Repurchase Price” shall include the cost of planting, rouging, haulm-cutting, harvesting, sorting, grading, packing of the multiplied chip grade potatoes, cost of transporting the multiplied chip grade potatoes at COMPANY collection center and inputs used in the multiplication operations, including, water, chemicals, fertilizers, fungicides, insecticides. The said Repurchase Price shall be payable after fifteen (15) days of the receipt of the entire yield \_\_\_\_\_ at branch and \_\_\_\_\_ a/c number. Subject to clause 3.4 of this agreement, COMPANY shall pay The Repurchase Price to the grower mentioned in Annexure B.
- 3.3 At a fixed price as per Annexure B of multiplied chip grade potatoes delivered by the GROWER to COMPANY plus an incentive as per Annexure ‘B’.
- 3.4 COMPANY shall conduct a quality check immediately on delivery of the multiplied chip grade potatoes. COMPANY shall neither be liable to take delivery of the multiplied chip grade potatoes from the GROWER nor shall be liable to pay any consideration for the multiplied chip grade potatoes to the GROWER if the multiplied chip grade potatoes are not of the quality as is specified in Annexure ‘A’.

#### 4 GENERAL

- 4.1. GROWER shall be responsible for all taxes, levies etc. in respect of the said land and the GROWER.
- 4.2. GROWER agrees to indemnify and keep indemnified COMPANY against any loss, costs, charges and expenses that COMPANY may suffer or incur on account of any claim being made by any person or persons against the GROWER or COMPANY in respect of anything done in pursuance of this agreement or arising out of any defect in the title of the said land or in any other manner whatsoever.
- 4.3. GROWER represents and warrants that it shall not, during the subsistence of this agreement:
- i) Sell or dispose of the XXX variety potato planting materials or multiplied chip grade potatoes to any person or company other than to COMPANY or any party designated, in writing, by COMPANY; or
  - ii) Use the XXX variety potato planting materials, for any purpose, other than multiplication under the terms of this Agreement.
- 4.4. GROWER shall be responsible for all taxes, levies etc. in respect of the said land and COMPANY will not be held liable or responsible for any failure in the crop or for any shortfall in the yield of the XXX variety potato planting materials.
- 4.5. Grower shall take COMPANY’s prior consent before signing a contract farming agreement with any third party which consent shall not be unreasonably withheld. It is agreed between the parties that COMPANY’s decision in this regard shall be final and binding. In case Grower signs a contract farming agreement with any third party without COMPANY’s consent or even after COMPANY has declined,

COMPANY shall be at liberty to initiate legal action against the Grower for material breach of contract and shall also be entitled to claim liquidated damages .

- 4.6. GROWER agrees to indemnify and keep indemnified COMPANY against any loss, costs, charges and expenses that COMPANY may suffer or incur on account of any claim being made by any person or persons against the GROWER or COMPANY in respect of anything done in pursuance of this agreement or arising out of any defect in the title of the said land or in any other manner whatsoever. The relationship between COMPANY and the GROWER shall be on principal to principal basis and this agreement shall always be construed accordingly.
- 4.7. GROWER represent and warrant that they shall not, during the subsistence of this agreement:
  - (i) sell or dispose of the COMPANY variety potato planting materials or multiplied chip grade potatoes to any person or company other than to COMPANY or any party designated, in writing, by COMPANY; or
  - (ii) use the COMPANY variety potato planting materials, for any purpose, other than multiplication under the terms of this Agreement.
- 4.8. GROWER shall be responsible for procurement, direction and supervision of all labour utilized in carrying out of the multiplication operations. The said labour shall at no time be deemed/ represented to be employees of COMPANY. GROWER shall be fully responsible for all actions of its workforce and deal with any suits/ legal actions, which may arise in connection with them and keep COMPANY indemnified in this regard.
- 4.9. COMPANY has the right to assign the right to purchase the multiplied chip grade potatoes from the GROWER to any Designated Party.
- 4.10. This Agreement shall become effective from the time of handing over the XXX variety potato planting materials to the GROWER by COMPANY and would terminate upon the GROWER handing over the entire yield of multiplied chip grade potatoes to COMPANY, which shall not be later than 30/11/2009.
- 4.11. COMPANY may terminate this agreement at any time without giving any notice in the following circumstances :
  - i. If the GROWER sells the XXX variety planting material to any third party without seeking COMPANY consent
  - ii. If GROWER fails to perform any of his obligations and / or commits breach of any of the terms and conditions of this agreement.

- 4.12. Upon termination of this Agreement due to the reasons stipulated in clause 4.11 above, GROWER agrees to pay Rs. \_\_\_\_\_ as “liquidated damages” to COMPANY as within 15 days of such demand being raised in writing on Grower.
- 4.11. Courts in XXX will have exclusive jurisdiction in the event of any legal/ jurisdictional proceedings.
- 4.12. This agreement has been read out to the GROWER in vernacular in the presence of the witnesses hereunder and the GROWER represents that he fully understands the terms and conditions of this agreement.
- 4.13. The payments for the material supplied by the GROWER would be paid in the following account
- Name of Bank
  - Account Number
  - Bank Location
  - Branch Code

IN WITNESS WHEREOF these presents have been executed on behalf of the parties hereto as of the day and year first above written.

For COMPANY  
(GROWER)

Witnesses:

- 1.
- 2.

### Annexure 'A'

#### 1. Under size and over size potatoes will not be accepted.

ATTRIBUTE	TEST RESULTS	ACTION
UNDER SIZE < XX MM	Less than XX %	Accepted the load
OVER SIZE > XX MM	Less than XX %	Accepted the load

a). Under size potato: If potatoes are passing easily through the hole of XX mm diameter then it is called as Under size potato.

b). Over size potato: If potatoes are not passing through the hole of XX mm diameter at any case then it is called as Over size potato.

Note: In any case if the potato being lengthy not passing through the hole of XX mm diameter in one angle and passing through another angle is not Over size potato.

#### 2. Maximum chip cook test:

a.	Undesirable color (UC)	X%
b.	Total potato defects (TPOD)	XX%

**3. Potato Defects:**

- a. External Defects:
  - 1) Mechanical damage
  - 2) Scab
  - 3) Greening
  - 4) Bruising
  - 5) Wet Rot
  - 6) Dry Rot
  - 7) Infestation (PTM)
  - 8) Second Growth
  - 9) Other External Defects

Total external defects should be less than XX%

- b. Internal Defects
  - 1) Hollow Heart
  - 2) Brown fleck
  - 3) Black Heart
  - 4) Black spot
  - 5) Other internal Defects

Total Internal Defects should be less than XX%

**Annexure ‘B’**

**Fixed Price:**

A. Fixed price to the farmers for the supply of chip grade potato in the below mentioned months

Variety XXX

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Month	Planting material Quantity (Ton)	Expected yield (Ton)	Price (Rs/Kg)	Farmers Sign
September			Rs.8.30/-	
October			Rs.8.30/-	
November			Rs.8.30/-	

B. Quality incentives:

1. **VERIETY XXX:** In addition to base rate farmer will get below incentive for XXX variety

Solid %	Farmer Incentive (Rs./Kg)
<17	0.00
>=17	0.20

TPoD	Farmer Incentive (Rs./Kg)
<10	0.30
>=10	0.00

**Chemical incentive (Rs/Kg) 0.50/kg** Chemical incentive to be paid if farmer has bought kits from Dupont

**Drip Irrigation incentive:** Rs. 1 / kg of chipgrade buyback qty or Rs. 4500 per acre whichever is lower.

(Original Document of purchase to be submitted / Certified by field team)

Incase if the farmer changes the time for giving back the chip grade potato then the farmer will be getting the fixed price of of that particular month or the price of the changed month depending on where the lower price is prevailing. Incase if the farmer agrees to make changes in the month for giving back the chip grade potato as per the interest of the company then the farmer will be getting the price of the week where higher price is prevailing.