

TOBACCO BUYING AGREEMENT

BETWEEN

.....**PRIMARY COOPERATIVE SOCIETY OF P.O.BOX** **(SELLER)**

AND

.....**COOPERATIVE UNION LIMITED OF P.O.BOX**.....

AND

M/S..... **OF P.O.BOX** **(BUYER)**

This Agreement is made this _____ day of _____ 2010

BETWEEN

.....Primary Cooperative Society of P.O.Box
..... acting for and on behalf of its members who are engaged
in the tobacco production (herein after referred to as “the Seller”) (which expression shall
unless repugnant to the context or meaning thereof mean and include its successors and
assigns) of the first part.

AND

..... Cooperative Union Ltd of P.O.Box (herein after
referred to as “the Union”) (which expression shall unless repugnant to the context or
meaning thereof mean and include its successors and assigns) of the second part.

AND

M/s----- of P.O.Box (herein after referred to as “the
Buyer”) (which expression shall unless repugnant to the context or meaning thereof mean
and include its successors and assigns) of the third part.

(Collectively referred to as “the Parties”)

WHEREAS the Buyer is engaged in the business of buying, processing and exporting of
Tobacco products, and is desirous of buying tobacco from the Seller in the quantities
and varieties specified each in growing season in **Annex – I** to this Contract titled
Production Schedule”.

AND WHEREAS the Seller being a registered Tobacco grower is desirous to produce
and sell its entire Tobacco crop for the crop season 2009/2010 to the Buyer.

AND WHEREAS in consideration of the Buyer’s commitment to purchase Tobacco from
the Seller for the crop season 2009/2010, the Seller shall obtain funding for its tobacco
production from Limited, (hereinafter referred to as the “Financier”),
through its Union under terms and conditions stipulated in the loan agreement between
the Financier, the Seller and the Union.

AND WHEREAS the Union, being a Secondary Cooperative Society formed by the
Seller and other Primary Cooperative Societies is committed to support the Seller to
realize its objectives.

NOW THEREFORE Parties hereto have agreed to reduce in writing the terms and
conditions in the manner hereinafter appearing.

Clause – 1.

INTERPRETATION.

In this Agreement, unless the context states otherwise, the following phrases mean:-

- 1.1 “The Production Schedule” means a Schedule signed for each growing season by the Seller and the Buyer. The Production Schedule shall form part of this agreement and shall include the following:
 - 1.1.1 Minimum Tobacco quantities on run of crop basis, and varieties to be supplied by the Seller pursuant to Regulation 15 of Tobacco industry regulations of 2005.
 - 1.1.2 Inputs to be procured and distributed amongst the Seller’s member growers.
 - 1.1.3 Any outstanding debt or barn/infrastructural loan owed by the Seller to any institution
 - 1.1.4 Provision of Extension services as agreed by tobacco stakeholders.
- 1.2 “Council” means the Tanzania Tobacco Council as established under Section 42 of the Tobacco Industry Act 2001.
- 1.3 “Inputs” mean all farming inputs required for the cultivation, curing, storage and marketing of Tobacco as agreed and listed in the Production Schedule.
- 1.4 “Market Centers” means, the places earmarked and registered by the Tobacco Board for purposes of conducting the buying and selling of green leaf tobacco.
- 1.5 “PCN” means a Purchase Contract Note signed by the Seller and the Buyer indicating an agreement by both parties as to the grade and weight of the tobacco sold.
- 1.6 “Tobacco” means Tobacco that complies with the quality standards laid down in the Tobacco Regulations.
- 1.7 “Board” means the Tanzania Tobacco Board as established under section 3 of the Tobacco Industry Act 2001.
- 1.8 “Good Agricultural Practice” means all practices implicitly and explicitly agreed in the tobacco industry governing the growing, cultivating, packing and delivery of green tobacco of good merchantable quality. “Good Agricultural Practice” shall include but not be limited to not participating in unacceptable social practices involved in the growing, cultivation, reaping and packing of green tobacco.
- 1.9 “Into Store Costs” has the meaning ascribed to it in Regulation section 3 of the Tobacco Industry Regulations of 2005.
- 1.10 “Statutory deductions” includes district cess and any other farmer tax that government may introduce.
- 1.11 Crop season has the meaning as ascribed to it under Regulation 25 of the Tobacco Industry Regulations 2005.

Clause -2.

DURATION AND SCOPE.

- 2.1 This Agreement shall be for the crop season 2009/2010 and shall be deemed to have automatically expired after the end of such period.
- 2.2 It is expressly agreed between the Parties hereto that this Agreement is for the Tobacco production and purchase.

Clause -3.

COVENANTS TO PRODUCE AND PURCHASE TOBACCO.

- 3.1 In consideration of the Seller's commitment to cultivate, produce and sell Tobacco to the Buyer in the quantity and quality described in this Agreement, the Buyer hereby agrees to provide extension services either direct or through third party, in collaboration with the Union and purchase from the Seller tobacco crop for the crop season 2009/2010 in accordance with the terms and conditions as provided for in this Agreement.
- 3.2 The Tobacco crop described in this Agreement shall be produced by the Seller and supplied to the Buyer within the agreed period under and pursuant to Clause 2 herein.
- 3.3 The Buyer shall buy all the Tobacco grown by the Seller and classified by the tobacco classifier, at agreed minimum indicative prices negotiated in Council and registered by the Board. Provided however the Seller complies with Regulation 18 of the Tobacco Industry Regulations 2005, on procurement and use of approved inputs.
- 3.4 Pursuant to Regulation 25 of the Tobacco Industry Regulations of 2005, the Seller shall not enter into any other tobacco buying agreement until termination or expiry of this Agreement.
- 3.5 Without prejudice to the generality of clause 3.4 above, parties privy to this agreement may, with the prior written consent, (such consent not to be unreasonably withheld or delayed) enter into a new farming agreement with another Buyer while this Agreement is in force, provided that the said subsequent buyer agrees to assume the whole debt of the Buyer contracted herein with the Seller in conformity with Regulation 25(7) of Tobacco Industry Regulations of 2005 and any subsequent amendments.

Clause – 4.

OBLIGATIONS OF THE SELLER.

4.1 The Seller agrees to cultivate, produce and sell quantity of estimated produce to the Buyer as per the Production Schedule and to repay the loan to the Financier.

4.2 The Seller shall in particular :

- (a) Pursuant to the production Schedule, prepare a list of inputs requirements recording each members' requirement for submission to the Financier to support the loan application and ensure funds are timely available for the said inputs.
- (b) Ensure that inputs requirements are verified by the Union as part of the loan application
- (c) Receive inputs and distribute them to its members in accordance with the tobacco farming calendar.
- (d) Ensure that accounts and records of the received and distributed inputs are properly kept and submitted to the Union for forwarding to the Financier.
- (e) Ensure that members use received inputs in accordance with this agreement.
- (f) Ensure that there is an agreement with its individual members to produce and sell tobacco to the Buyer through the Seller.
- (g) Pursuant to the Deed of Undertaking signed between the Financier/s, the Seller and the Buyer, allow the Financier, the Buyer or the authorized agent of either to inspect and / or examine all books and records for proper administration of the loan agreement.
- (h) Ensure that its books of account are audited each financial year pursuant to the Cooperative Societies Legislation of 2003 and its subsequent amendments.
- (i) Report any non-compliance with the requirements of this agreement to other parties and to the relevant Authorities.
- (j) Authorize the Buyer in writing to remit sales proceeds to its bank account maintained with the Financier.
- (k) Pay to its individual members any amounts remaining after the Financier, shall have deducted loan repayments from sales proceeds.

- (l) Repay to the Buyer any debts owed to the Buyer by way of deduction from the purchase price of any tobacco sold to the Buyer in accordance with the production schedule under and pursuant to this Agreement.
- (m) On a monthly basis, submit a report to the Union on all activities related to the implementation of this Agreement.
- (n) Act in compliance with the advice given by Buyer on Good Agricultural Practices from time to time.
- (o) Ensure that each of its members grows or causes to be grown a minimum of trees for each bag of NPK fertilizer supplied to him, which shall represent the equivalent of trees per hectare of Tobacco to be produced. The Seller will ensure that each of its members takes all reasonable steps within his power to protect the said trees so that they reach maturity. Into store costs shall only be paid to the Seller upon compliance with this tree planting requirement and that the Buyer shall not be required to pay into store cost to the Seller if, after receiving tree seeds or seedlings from the Buyer, the Seller fails to grow or properly care for the current or any previous seasons' tree plantings.
- (p) Ensure its members produce tobacco as per quantity and quality agreed upon under this Agreement.
- (q) Ensure that its members deliver to the market tobacco produced under this Agreement.
- (r) Ensure that all its members comply with the Tobacco industry legislation and any subsequent amendments thereto
- (s) Ensure that its members do not engage or involve children in any tobacco related business, in compliance with applicable laws to the extent that it might compromise the health, education or wellbeing of the child.
- (t) Ensure the availability of sufficient barns, compliant with Good Agricultural Practices to meet the agreed acreage and quantity agreed to in this Agreement in accordance with Tobacco Regulations of 2005 and any subsequent amendments.
- (u) Ensure that its member only use agrochemicals recommended by the tobacco industry as approved by the Tobacco Board.
- (v) Ensure that its members' tobacco deliveries shall be well presented, subject to the established grades under the Regulations, free of any Non Tobacco Related Material, shall not be mixed, mouldy or nested and shall comply with the Tobacco Regulations of 2005 and any subsequent amendments.
- (w) The Seller warrants and represents that at the time of signing this Agreement and at all times during the term of the Agreement it does not have and shall

not incur or conclude any commitment or arrangement for the sale to any other person of the Tobacco volume produced by its members.

Clause – 5.

OBLIGATIONS OF THE UNION.

- 5 If the Seller is a member of any Union organization, the Union shall be a party to this Agreement and shall be facilitator having a specific responsibility of ensuring this Agreement is effectively implemented by the Seller and in particular shall:-
- (a) Receive from the Seller inputs requirements estimates.
 - (b) Review and certify such estimates.
 - (c) Process maximum liability certificates issued by the Registrar of the Cooperatives Societies.
 - (d) Process loan facility application/s on behalf of the Seller to meet members requirements under and pursuant to the production schedule.
 - (e) Ensure extension services are provided either direct by the Union or through third party to its members,
 - (f) Ensure transparency and efficiency in determining input prices in an appropriate forum.
 - (g) Represent seller in the Tobacco Council during tobacco grade price negotiation
 - (h) Ensure that procured inputs are distributed to the seller members in accordance with their estimates and crop calendar.
 - (i) Maintain an information link between the Seller, Buyer and the Financier on inputs distributed to the Seller and projected amount of tobacco to be produced.
 - (j) Ensure that the loan facility with the Financier is paid in accordance with the production schedule, the loan facility and the Deed of Undertaking.
 - (k) Ensure that the Seller keeps proper books of accounts and records of inputs received and distributed to its members.
 - (l) Ensure that the accounts of the Seller are audited each year by recognized competent audit firm pursuant to the Cooperative Societies Act 2003 and any subsequent amendments.
 - (m) Visit the Seller from time to time for purposes of inspecting and supervising inputs distribution and inputs stocks position.

- (n) Provide support to the Seller in preparation of markets, mechanization and farmers' awareness of any developments affecting the industry, as agreed in Council.
- (o) Ensure that all of the Seller's members are fully paid with net proceeds from tobacco sales.
- (p) Ensure that the Seller's leaders who abuse their responsibilities with regard to this arrangement are reported to the appropriate authorities and disciplinary actions are taken against them immediately.
- (q) Ensure that the agreed social responsibility programmes, which include but are not limited to elimination of child labour, environmental conservation measures, are implemented by the Seller's members.
- (r) Facilitate preparation and verification of out-standing debts, and ensure they are paid by the Seller's members.
- (s) Ensure that the long term financing requirements including but not limited to adequate funding to construct curing barns are met.
- (s).In the event government pays all long outstanding input debts on behalf of the seller, the union shall certify the sellers' input debt in line with the production schedule with the buyer before commencement of the marketing season.

CLAUSE – 6.

OBLIGATIONS OF THE APEX/ ASSOCIATION.

- 6.1 The Tanzania Tobacco Cooperatives Apex (herein after referred to as Apex) shall represent the Union and the Seller in the Council for setting/approving tobacco indicative prices and all matters pertaining to the development of the tobacco industry in the country.
- 6.2 The Apex shall in particular:-
- (a) Represent the Union and the Seller during tobacco marketing through experienced tobacco leaf technician.
 - (b) Facilitate, coordinate and supervise ordering, distribution of inputs, general production activities, recovery of debt and payment to the member by seller.
 - (c) Collaborate with the Buyer, Union and the Seller from time to time to review the tobacco trade.
 - (d) Collaborate with leaf technicians to supervise tobacco grading and baling to ensure quality compliance in the tobacco marketing.

- (e) Collaborate with the Union and the Buyer in preparation of the markets and timetables for payment.
- (f) Ensure the relevant Union certifies the tobacco buying records prepared by the Buyer.

Clause – 7.

OBLIGATIONS OF THE BUYER.

- 7.1 The Buyer shall pay the Seller the net proceeds due for all Tobacco sold to the Buyer and physically received, pursuant to this Agreement through an account nominated by the seller as provided for in the Deed/s of Undertaking signed -----2010.
- (a) In accordance with the production schedule shall purchase all officially classified Tobacco from the Seller and credit net sales proceeds into account to be nominated by the seller.
 - (b) In accordance with the production schedule may provide extension services and any other technical support in collaboration with Unions to the Seller or through such agents and service providers as the Buyer may nominate.
 - (c) Pursuant to the Deed of Undertaking signed between the Bank, the Seller and the Buyer, the buyer shall avail to the Financier records of outstanding loans owed to it by the Seller if any, detailing all deductions made from the sale proceeds strictly in accordance with the production schedule.
 - (d) Shall jointly with the Seller, the Union and Apex undertake a social responsibility Programme which includes but is not limited to elimination of child labour and environment conservation measures.
 - (e) Ensure its business is carried out in compliance with the tobacco industry legislation.

Clause – 8.

EXCLUSIVITY.

- 8 THE Seller agrees that (subject to clause 2 of hereinabove) it will not sell or acquire for sale any Tobacco of the description set out in the Production Schedule hereto other than for sale to the Buyer on terms and conditions of this Agreement..

Clause-9.

TOBACCO MARKETING.

- 9.1 Unless otherwise provided for, it is hereby agreed between the parties hereto that the stipulation herein contained as to Tobacco Marketing is a condition of the

Agreement breach of which shall give the Buyer the right to reject the goods and treat the Agreement as repudiated.

- 9.2 The Seller shall ensure that all Tobacco is baled in a baling shed / centre under its supervision. After such baling, the baling centre supervisor shall issue baling tickets, signed by him and tied to each bale. Each signed ticket will confirm that the bale is presented according to prescribed standards and free from non-tobacco related material (“NTRM”).
- 9.3 The Seller shall not deliver to the market any tobacco bales below 20 kilograms in weight and the Buyer shall not be obliged to buy any bales under 20 kilograms in weight.
- 9.4 The Buyer and the Seller shall ensure that all Tobacco, the subject matter of this agreement, is marketed at the Market Centers registered by the Board.
- 9.5 The Buyer shall pay to the Seller not less than the minimum indicative price as agreed in the Council.
- 9.6 The Seller undertakes to sell clean, unadulterated Tobacco which does not contain any non tobacco related material NTRM.
- 9.7 Without prejudice to any legal measures which may be imposed against the Seller under the Tobacco Industry legislation, the Buyer shall have a right to refuse any tobacco that does not conform to this agreement, including adulterated Tobacco with NTRM.
- 9.8 The Seller shall ensure that all Tobacco is weighed before classification. The Buyer reserves the right to reweigh all the Tobacco in the sale before the signing of the PCN.
- 9.9 Notwithstanding the provision of Clause 8, the Buyer reserves the right to reweigh all the Tobacco at the time of removing the Tobacco from the market centre if this is done within a period of three days after signing the PCN. Any loss in weight against that recorded on the PCN as when is being loaded at the point of sale shall be calculated and the value of such shall be deducted from the into store payment.
- 9.10 Immediately after completion of the classification of Tobacco for each market centre, the Buyer and the Seller shall sign a PCN to confirm delivery and receipt of the tobacco at the Market centre. The PCN shall contain the following particulars:-
- (a) The market day.
 - (b) The Market Number.
 - (c) Bale Ticket Number
 - (d) The total Number of the tobacco bales.
 - (e) The national grade
 - (f) The weight and grade of tobacco in the bale.
 - (g) The Name and Signature of the Buyer representative.
 - (h) The name and Signature of the Seller representative.
- 9.10.1 The Buyer shall be responsible for removing the purchased Tobacco from the Market centre within seven days from the date of signing of the PCN failure of

which, he shall be responsible for the demurrage charges to the Seller at the rate as agreed in Council.

- 9.10.2 The Buyer shall, in co-operation with the Union and the Board, prepare a schedule of markets so as to facilitate the orderly liquidation of input debt and payments to Sellers for Tobacco purchases.

Clause – 10.

PAYMENT .

- 10.1.1 The Buyer shall in collaboration with the Seller and its organizations if any, ensure that the reconciliation of the sales accounts is completed in time to effect payment within fourteen (14) days from the market day.
- 10.1.2 In accordance with the production schedule the Buyer shall pay to the Seller to an account nominated by the Seller, for every kilogram of Tobacco bought and physically delivered.
- 10.1.3 The Buyer shall pay the Into Store Costs (if any) at the rates and payment schedule as approved by the Council and provided herein.
- 10.1.4 In accordance with clause 7.1 within fourteen (14) days after signing of the PCN, the buyer shall remit net sales proceeds for all Tobacco sold to the Buyer and physically received, pursuant to this Agreement through an account nominated by the Seller as provided for in the Deed of Undertaking signed ____2010.

Clause – 11.

REGISTRATION OF THE BUYER AND SELLER.

- 11 By signing this Agreement, both the Seller and the Buyer confirm that they have been registered with the Board as Tobacco dealers pursuant to the prevailing Tobacco Industry Legislation and shall comply with all the laws of the country governing the tobacco industry.

Clause – 12.

ASSIGNMENT AND MODIFICATION OF AGREEMENT .

- 12.1 No Party shall assign, in whole or in part, its obligations to perform under this Agreement, except with the prior written consent from the other Parties and that consent shall not be unreasonably withheld or delayed.
- 12.2 No variation in or modification of the terms of the Agreement shall be accepted except by written amendment signed by the parties.

Clause – 13.

STATUTORY REQUIREMENTS.

13. The Seller warrants that the quality of the Tobacco to be supplied under this Agreement complies in all respects with all relevant requirements of any statute, statutory rule or order or other instrument having the force of law which may be in force at the time when the same are sold.

Clause-14.

BANKRUPTCY OR LIQUIDATION.

- 14.1 If the Seller being an individual shall at any time become bankrupt or shall have a receiving order or administration order made against him or shall make any composition or arrangement with, or for the benefit of his creditors, or shall make any conveyance or assignment for the benefit of his creditors or shall purport to do so, or if the Seller, being a company shall be wound up (not being a member's winding up for the purpose of reconstruction or amalgamation) or if a receiver, or manager on behalf of a creditor, shall be appointed, or if circumstances shall arise which entitle the court or a creditor to appoint a receiver or manager, or which entitle the court to make a winding up order, then the buyer shall be at liberty:
- (a) To terminate the Agreement by notice in writing without compensation to the Seller: or
 - (b) To give any such receiver or liquidator or other person the option of carrying out the Agreement.
- 14.2 The exercise of any of the rights granted to the Buyer under sub-clause 14.1 hereof shall not prejudice or affect any right of action or remedy which shall have accrued or shall accrue thereafter to the Buyer.

Clause 15.

INDEMNITY.

- 15 The Seller shall indemnify the Buyer in respect of all damage or injury occurring before the expiry of this Agreement to any person or to any property and against all actions, suits, claims, demands, costs, charges or expenses arising in connection therewith to the extent that the same shall have been occasioned by the negligence of the Seller, his servants or agents for any purpose connected with this Agreement.

Clause-16.

CONTINUATION OF THIS DEED AFTER COMPLETION.

- 16 Completion does not discharge liability to perform any outstanding obligation under this Agreement.

Clause-17.

TERMINATION/CANCELLATION OF THE AGREEMENT.

- 17 If either party breaches any of the terms of this Agreement or any agreements arising out of or in connection with this Agreement, the other parties shall have the right to terminate this Agreement unless the party committing such breach shall have cured such breach within thirty (30) days after written notification of such breach.

Clause-18.

FORCE MAJEURE.

- 18 None of the Parties may be liable for termination for default if and to the extent that failure to perform its obligations under the Agreement is the result of an event of Force Majeure. For purposes of this clause, "Force Majeure" means an event beyond the control of the Parties and not involving a Party's fault or negligence and not foreseeable. Such events may include, but are not restricted to, acts of the Government in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes. If a Force *Majeure* situation arises, the affected party shall promptly notify the other Parties in writing of such condition and the cause thereof. Provided however, acts from parties privy to this Agreement DO not constitute acts of government.

Clause-19.

EVENTS OF DEFAULT.

- 19 The following events shall constitute an event of default under this Agreement which may warrant termination or claim for damages as the case may be:
- (a) The Seller fails to produce Tobacco as agreed herein or decides to sell any Tobacco to a party other than the Buyer
 - (b) The Buyer fails to remit sale proceeds in the manner provided in this Agreement.
 - (c) The Buyer refuses to buy any classified Tobacco produced by the Seller as agreed under this Agreement, for reasons not provided for in this Agreement.
 - (d) The Seller fails to procure and apply inputs as provided for in the production schedule.
 - (e) The Sellers contravenes Regulation 18 of the Tobacco Industry Regulations of 2005, any subsequent amendments as to the use of approved agrochemicals, minimum quantities of inputs as recommended, and the timing of applying such inputs.

Clause – 20.

DISPUTES RESOLUTION.

- 20.1 In the event of any dispute or difference arising between the Parties whether as to the rights and obligations under this Agreement or as to any claim, monetary or otherwise of one party against the other or as to the interpretation and effect of any terms and conditions of this Agreement, the Parties shall make every effort to resolve such dispute amicably by direct formal negotiation.
- 20.2 If, after thirty (30) days from the commencement of such formal negotiations, the Parties have been unable to resolve amicably any dispute or difference, any party may by notice copied to the other Parties and the Council, refer such dispute to the Board for a formal arbitration. Subject to applicable laws, Parties reserve the right to appoint an independent arbitrator.
- 20.3 The Board or appointed arbitrator by the Parties shall determine the dispute by the Parties and deliver the award on the matter within twenty eight (28) days from the date of the completion of submission of both Parties
- 20.4 The delivered award on the dispute by the Parties shall be final and binding.
- 20.5 In determining the dispute under this Agreement, the Board or appointed arbitrator shall have all powers vested to the Arbitrator under the Arbitration Act, CAP. 15 R.E. 2002 of the Laws of Tanzania or any statutory modification or re-enactment thereof for the time being in force.

Clause – 21.

APPLICABLE LAW.

- 21 This Agreement shall be interpreted in accordance with the Laws of the United Republic of Tanzania.

Clause – 22.

NOTICES.

- 22 Any notice given by one Party to any of the others pursuant to this Agreement shall be sent to such other Party in writing by hand delivery to such Party's address or by cable, telex, or facsimile and confirmed by hand delivered copy. A notice shall be effective when delivered or on the notice's effective date, whichever is later.

Clause – 23.

GOOD FAITH.

- 23 Each Party hereto will act in good faith diligently and honestly with the other in the performance of their responsibilities under this Agreement and nothing will be done to jeopardize the interest of the other.

Clause -24

CONDITION OF SALE.

- 24 Unless otherwise agreed in writing by the parties herein, these conditions which supersede any earlier sets of conditions between the parties and shall override any previous terms or conditions stipulated, incorporated or referred to by the parties whether in any negotiations or otherwise.

Clause-25.

INCORPORATION OF THE DEED OF UNDERTAKING.

- 25 The provisions of the Deed of Undertaking executed on 2010 between the Seller (as the Borrower), the Financer (as the Lender) and the Buyer are to apply in connection with this Agreement to forming an integral part hereunto.

Clause -26.

THE ENTIRE AGREEMENT.

- 26 This Agreement, the Deed of Undertaking as afore referred, the minutes to the respective Seller's extra ordinary meetings held at the time of selecting a Tobacco Buyer, set out the entire Agreement and understanding between parties in respect of tobacco buying for the crop season 2009/10.

IN WITNESS WHEREOF, each party acting through its dully authorized representative, has signed this Agreement in the day and year first above written.

SIGNED, SEALED AND DELIVERED for and on behalf of:

1. M/s.....(BUYER): Official stamp/seal

Name:

Title:

Signature:

In the presence of:

Name:.....

Address:.....

Title:.....

Signature:.....

2. (SELLER)

Name:

Title:

Signature:

In the presence of:

Name:.....

Address:.....

Title:.....

Signature:.....

3.COOPERATIVE UNION LTD.

Name:

Title:

Signature:Stamp

In the presence of:

Name:.....

Address:.....

Title:.....

Signature:.....

ENDORSED BY TANZANIA TOBACCO APEX

Name:

Title:

Signature:(Official Stamp)

This Agreement has been witnessed by the Registrar/Assistant Registrar of Co-operative Societies:

Name:

Address:.....

Title:

Signature:(Official Stamp)

PRODUCTION SCHEDULE

This Production Schedule (PS) forms an integral part of the Tobacco Buying Agreement datedentered into between Ms..... (herein after referred to as “the Buyer”) on one part and (here in after referred to as Seller), its UNION and APEX on the other part.

This Production Schedule relates specifically to tobacco growing, provision of extension services as the case may be and buying activities for the 2009/2010 and is an integral of the Tobacco Buying Agreement.

WHEREBY it is agreed between the parties that, for the season specified herein:-

1. The Seller intends to grow an estimated crop of kilograms of Tobacco for sale to the Buyer under the terms of the **TOBACCO BUYING AGREEMENT BETWEEN** the parties as specified above.
2. The Union shall ensure the following inputs are supplied to the Seller under the terms of the Tobacco Input Financing and Buying agreement between the parties:-

Description of input	Quantity	Units	Price	Value	Purpose

3. The parties mutually agree that the debt owed by the Seller to the Buyer at the date of signing this is as follows:-

In respect of previous seasons’ input debt: Tshs/-

In respect of advances under separate Agreements entered into for other purposes
Tshs

4. The Seller shall distribute the inputs to its member growers as specified in the inputs estimated as submitted to the Union.

5. The Buyer shall supply the following services to the Seller:

- (a) _____
- (b) _____
- (c) _____

6. The Buyer shall buy kilograms of tobacco from the Seller.

7. In the unlikely event of a dispute as to the substance of the production schedule, the dispute resolution clause as provided for in the main agreement will come into play.

SIGNED, SEALED AND DELIVERED for and on behalf of:

1. M/s.....(BUYER):M/s.....(WITNESS)

Name:Name.....

Title:Title.....

Signature:.....Signature.....

2. M/s.....(SELLER):M/s..... (WITNESS).

Name: Name.....

Title:.....Title.....

Signature:.....Signature.....

3. M/s.....(UNION):M/s.....(WITNESS)

Name:Name.....

Title: (Official Stamp).Title.....

Signature:Signature.....

WITNESEED BY ASSISTANT REGISTRAR OF CO-OP SOCIETIES.

Name:Name.....

Title:Title.....

Signature:Signature.....(Official

Stamp)