

This is an example of contract concluded between a parastatal agency and a private company that facilitates contract farming operations

TANZANIA SISAL BOARD

**SISAL CONTRACT OF FARMING UNDER SISO SCHEME BETWEEN
TANZANIA SISAL BOARD AND THE COMPANY**

This contract (herein after referred to as “Contract”) is made this.....day of..... year.....

BETWEEN

Tanzania Sisal Board (herein after referred to as the “BOARD”) having it headquarters located atTanzania of the first part.

AND

THE COMPANY having its headquarters located at ,Tanzania of the second part.

PREAMBLE

WHEREAS according to the Sisal Industry Act. No. 2 of 1997, section 19A of the Crop Laws (Miscellaneous Amendmentments) Act, 2009 and the Share Sale Agreement of 1998 to THE COMPANY.

AND

WHEREAS

The Government through the BOARD which owns Magunga, Magoma, Hale, Mwelya, and Ngombezi Sisal Estates and in its efforts to improve the economic welfare of the sisal smallholder farmers and increase their scope of participation in sisal growing.

AND

WHEREAS the BOARD and THE COMPANY (hereinafter collectively referred to as “the parties”) commit themselves to this contract and to undertake carrying out in full their obligations pertaining to sisal cultivation on the said sisal estates under the SISO scheme as set out in this contract.

NOW THEEFORE the parties mutually hereto agree as follows: -

1.0. INCORPORATION OF THE PREAMBLE

The preamble shall be deemed to constitute as integral part of this Agreement.

2.0. INTERPRETATION

In this contract, unless the context provide otherwise, the following terms wherever used shall have the following meanings: -

“Act” means the Sisal Industry Act. No. 2 of 1997 or Crop Laws (Miscellaneous Amendments) Act, 2009.

“Applicable Law” means the laws and any other instruments having the force of law in the United Republic of Tanzania.

“Board” means the Tanzania Sisal Board established by section 3 of the Sisal Industry Act, No. 2 of 1997 responsible policy and regulatory functions in the Sisal Industry in Tanzania.

“Contract” means the contract between the BOARD and THE COMPANY for sisal farming under the SISO scheme.

“Farmer” a person or group of persons registered as smallholder farmers who are citizens of Tanzania and willing to cultivate sisal as their economic activity. In this agreement the farmer should be a member of the SISO scheme.

“The Company” means a private company engaged in the processing and marketing of sisal and sisal products. In this agreement the company shall be the sole administrator of the SISO scheme.

“Sisal” means the plant *Agave Sisalana* or other species of the genus *Agave*, or of the hybrids of any such species and fibre thereof, and includes brush tow, flume tow twines, ropes, yarns or any other product manufactured which contains predominantly fibre or any of its derivatives.

“SISO” is an acronym for the words is a scheme for sisal growing by smallholders farmers under this contract.

3.0. OBLIGATIONS OF THE BOARD

- 3.1. The BOARD will conduct a survey to all areas of land previously owned by..... Ltd. and handover the title deeds of all the processing industrial areas to THE COMPANY. During the entire period in which procedures to allocate processing industrial areas will have yet to be completed, THE COMPANY will be allocated to use the sisal estates title deeds as collateral to obtain loans so as to perform its operations but under a specific agreement between THE COMPANY and the BOARD as outlined in the agreement between the Government and THE COMPANY moreover the new title deeds will be the basis for the formulation of new companies in each estate.
- 3.2. The BOARD will have to ensure that the FARMER receives all payments due to her from THE COMPANY from her fibre sales.
- 3.3. The BOARD will excise the surveyed farm areas under an agreement with the FARMERS and will after sub-lease titles to the smallholder farmers. The agreement entered into will acknowledge the contract existing between THE COMPANY and the FARMER under the SISO scheme.

4.0. OBLIGATIONS OF THE COMPANY

- 4.1. THE COMPANY will oversee the implementation of the SISO scheme by entering into a contract between her and the FARMER. That contract will adhere acknowledge the rights and obligations of the parties and the agreement between the BOARD and the FARMER will be a part to that agreement.

4.2. Each year THE COMPANY will be obliged to submit to the BOARD its progress report on the implementation of the Business and investment plans for the SISO scheme operations.

5.0. GENERAL PROVISIONS

5.1. This contract shall come into force and effect upon signature by the parties.

5.2. The BOARD and THE COMPANY shall oversee the implementation of the registration of the processing factory in each estate so as to become independent companies and sell up to forty percent (40%) of the formed company shares to legally registered cooperative farmers society in each estate.

5.3. The BOARD and THE COMPANY will review this agreement anytime they deem fit.

5.4. The parties to this agreement shall use their best efforts to settle amicably all disputes arising out of or in connection with this agreement or its interpretation. Any dispute controversy or claim arising out of or in relation to this contract or the breach thereof shall be settled by adjudication/arbitration in accordance with the laws of the United Republic of Tanzania. The decision of the arbitrator shall be final and legally binding.

5.5. This contract shall be governed by and shall be construed and applied in accordance with the applicable laws of the United Republic of Tanzania.

5.6. The BOARD AND THE COMPANY shall sign this contract and shall be witnessed by a Judge, Advocate or Commissioner for oaths.

IN WITNES WHEREOF, the parties have executed this contract.

TANZANIA SISAL BAORD

Name:.....

Qualification:.....

Address:.....

Signature:.....

Date:.....

WITNESSED BY

Name:.....

Qualification:.....

Address:.....

Signature:.....

THE COMPANY

Name:.....

Qualification:.....

Address:.....

Signature:.....

Date:.....

WITNESSED BY

Name:.....

Qualification:.....

Address:.....

Signature:.....

Date:.....

Date:.....