

THIS AGREEMENT (hereinafter referred to as “Contract”) is made in triplicate this
..... Day of 200.... between:

- 1) **THE COMPANY** a body corporate established by the Marketing Board Act CAP. 183 of the 1990 Revised Laws of Grenada having its principal office situate at..... in the state of Grenada, Carriacou and Petit .Martinique (hereafter referred to as “**THE COMPANY**” of the First Part; and ofin the Parish of In the state of Grenada, Carriacou and Petit Martinique (hereafter referred as “**the Producer**”) of the Second Part.

WHEREAS

- 2) The Government of Grenada through the Ministry of Agriculture (“the Ministry”) has decided to implement the Commercial Agriculture Development Project (“the Project”) which comprises the following three major components: (i) Price and Market Guarantee Scheme (ii) Crop Development Credit Scheme, (iii) Agri-Business Information Service;
- 3) The Ministry, the COMPANY and the Grenada Bureau of Standards (“the Bureau”) has entered into a Memorandum of Understanding to provide support for the project wherein the COMPANY will inter alia manage the price and market guarantee scheme and administer supply contracts with farmers; and the Ministry and the Bureau will provide inter alia technical support and training to contracted producers in production, post harvest handling and quality assurance;
- 4) The COMPANY has been designated as the executing agency for the Project, together with the Ministry and the Bureau as implementing agencies.
- 5) The COMPANY , by virtue of its mandate as enshrined in the COMPANY Act shall “market produce of Grenada not marketed under other statutory authority, and for matters connected therewith” and incidental thereto including the buying and selling of produce and establishing of supply contracts with producers.

- 6) The Ministry, by virtue of its mandate from the Government of Grenada to contribute to the economic growth of Grenada through the sustainable development of agriculture in Grenada, is seeking to re-build and revitalize the agriculture sector in Grenada.
- 7) The Bureau, by virtue of its mandate as enshrined in the Standards Act shall promote and encourage the maintenance of standards in relation to goods, services, processes and practices.
- 8) The Commercial Agriculture Development Project is a key component of government's poverty reduction program, food and livelihood security strategies for rural communities in particular, nutrition enhancement program, and its response to the global food and energy crisis.
- 9) The Project is expected to generate positive economic and social benefits with minimal adverse environmental impact.
- 10) The Project seeks to use price and market guarantees as a developmental tool to encourage commercial production of crops for which there is strong market demand together with production, information and communication technology to support the production and marketing process.
- 11) Through the Project farmers will benefit from guaranteed prices and markets, production credit, and reliable production and market information;
- 12) The Grenada Co-operative Bank Ltd ("the Bank") has agreed to provide the Crop Development Credit on terms agreed on between the contracted farmer and the Bank;
- 13) The Producer has voluntarily applied to participate in the Project and to enter into this contract with the COMPANY to grow and sell the produce listed in Schedule 1 to the COMPANY and the COMPANY has agreed to buy their produce and market it locally and/or overseas and to enter into this contract (inclusive of Schedules 1, 2 and 3) with the Producer, which specifies the terms and conditions under which the Producer will grow the contracted produce and the COMPANY will purchase and market them;

- 14) The Producer is a registered COMPANY Producer/has agreed to become a COMPANY Registered Producer and has provided the appropriate legal instrument(s) evidencing proof of the Producer's rightful possession of the portion(s) of land to be used for production.

NOW THEREFORE the parties hereto hereby agree as follows:

The COMPANY Agrees:

- 15) To establish the minimum guaranteed price to be paid for each produce item, the schedule of delivery, and the required quality standards before the signing of this contract and to append these as Schedule 1 (Guaranteed minimum price), Schedule 2 (Delivery Schedule) and Schedule 3 (Grades and Quality Standards) to this contract;
- 16) To purchase all contracted produce meeting the agreed quality standards in accordance with the terms outlined in Schedules 1, 2 and 3;
- 17) To pay the Producer the current market price for the produce or the minimum guaranteed price, whichever is greater;
- 18) The current market price will be determined as the price paid to other Producers selling to the COMPANY on the date of Delivery by the Contracted Producer for produce of similar quality;
- 19) To recommend the Producer to the Bank for participation in the Crop Development Credit Scheme if the Producer requests same and in the opinion of the COMPANY meets the basic requirement for consideration for financing. The COMPANY gives no undertaking that the Bank will grant the requested credit to the recommended Producer;

- 20) To assist the producer in preparing the business plan to be submitted to the Bank in accordance with the approved Project Application/Appraisal Form, and to provide a copy of the approved contract to the Bank;
- 21) To make payments directly to the Bank on behalf of Producers who have been granted Credit by the Bank under the Project and have given the Bank a letter of assignment to that effect;
- 22) To provide Producers with information on market performance, outlook and requirements on an ongoing basis and to organize training for Producers on various aspects of producing to meet market requirements;
- 23) To coordinate the delivery of technical support, services and training for Producers from the Ministry and the Bureau.
- 24) To immediately notify the Bank of any decision to terminate this agreement.

The Producer Agrees:

- 25) To provide a Letter of Certification to the COMPANY from the Ministry of Agriculture that the Producer is a registered Producer and has the capacity and capability to produce the crops for which the contract was requested;
- 26) To accept the prevailing market price or the guaranteed minimum price whichever is greater at the time of delivery of the produce to the COMPANY;
- 27) To grow the contracted produce on his land on the dates and following the procedures and

guidelines provided by 'the Project';

- 28) To sell all contracted produce meeting the agreed quality standards to the COMPANY in the amounts and on the dates set out in Schedule 1, or otherwise agreed on in writing signed by both parties, and to deliver the produce at the COMPANY Packhouse situated at unless otherwise agreed on in writing and signed by both parties;
- 29) Not to sell any contracted produce of the agreed quality to other Vendors or retain for own use unless the contracted quota to the COMPANY is fully met;
- 30) To follow all technical recommendations made by the Project with regards to planting, irrigation, weed control, fertilizing, controlling pest and diseases, harvesting, grading, sorting, packaging and transporting produce;
- 31) To participate in all training programs organized by the project;
- 32) To keep record of all inputs used in the production of the Contracted Produce, the dates and times of application of all pesticides, fertilizers and other chemicals, and the use of labour on the farm in producing the contracted Produce;
- 33) To allow authorized officers of the Project to visit the Farm at all reasonable times and to view the records of the Producer related to the Contracted Produce;
- 34) To abstain from using any chemical or pesticide that has been banned from use in the particular crop or in the country or which the COMPANY specifically advises should not be used on the contracted produce, and to follow acceptable environmentally friendly practices;
- 35) To notify the COMPANY promptly in writing of any event or circumstances that may adversely affect performance of the contract;

- 36) To sign a letter of Assignment to the Bank authorizing the COMPANY to deduct payments for contracted produce sold to COMPANY and pay the same directly to the Bank for and on behalf of the Producer;
- 37) To repay the Bank for all credit received within the crop cycle for the targeted produce or as agreed on with the Bank;
- 38) To indemnify the COMPANY and the Project for any failure to meet their commitment to the Bank;

Penalties and Bonuses

- 39) If the Producer delivers produce which does not meet the agreed quality standards, the COMPANY will reject the produce delivered. The Producer may resubmit the produce after sorting, but the COMPANY is under no obligation to accept produce which do not meet the agreed quality standards;
- 40) If the Producer fails to follow the procedures detailed in this agreement, a verbal warning will be given followed by three written warnings. If the Producer fails to remedy the situation after receiving three written warnings the COMPANY has the right to terminate the agreement;
- 41) Producers whose agreement has been terminated by the COMPANY will be debarred from future contracts for a minimum period of one year. The COMPANY will be under no obligation to enter into future contracts with the Producer.
- 42) If the COMPANY fails to fulfill its commitments as detailed in this agreement, the Producer has the right to claim compensation to the value of the of the sales lost calculated at the Guaranteed Minimum Price;
- 43) If the Producer delivers produce which exceeds the agreed minimum quality standards, the Producer

will be eligible to a bonus payment the terms of which are to be agreed on in writing between the Producer and the COMPANY.

Duration of the Agreement

- 44) This agreement will last for one growing season (growing season means the date from the planting of the crop to the final harvest) from the date of signing to the end of the harvesting and delivery of the contracted produce in line with the approved schedule;
- 45) If both parties are satisfied with the performance of the agreement it may be renewed for another enterprise cropping cycle (enterprise cropping cycle means the time from the planting of the first crop agreed on in the contract to the final harvest of the last crop), but there is no obligation on either party to renew the agreement.
- 46) The Producer will give notice in writing to the COMPANY a minimum of 60 days before the expiration of the contract of interest in renewing the contract and the COMPANY will inform the Producer within 30 days of receipt of the renewal request of its willingness to renew or renegotiate the contract and the terms and conditions thereof.

General

- 47) Each party shall subject to paragraphs 40, 41 and 51 hereof and also at all times up to the date of the termination as herein provided:
 - a. Show the utmost good faith to the other party in all matters relating to the agreement;
 - b. Duly and punctually pay and discharge its separate debts and liabilities and keep the other party indemnified against the same and against all actions, proceedings, costs, claims, and demands in respect thereof.
- 48) The parties may by subsequent written agreement vary any term of this agreement.

49) The parties may by notice in writing terminate this agreement, such notice not to be effective within less than 6 months from the date of service and such service to be effected by any effective mode of service or sent by registered post to the respective addresses of the parties as set out hereinabove. Any such termination shall not be prejudicial to the obligations of the parties herein.

50) Any dispute arising between the parties hereto and pertaining to this Agreement shall be resolved in accordance with the Arbitration Act CAP 19 of the 1990 Revised Laws of Grenada.

51) The producer will have his contract terminated with proven dishonesty, failure to deliver at least 75% of contracted quantity, and wanton disregard for health and safety.

IN WITNESS WHEREOF the parties have hereunto set their respective signatures the day and year before written.

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THE COMPANY

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THE PRODUCER

SCHEDULE 1 PRODUCE CONTRACTED AND GUARANTEED MINIMUM PRICES

PRODUCE	VARIETY	GUARANTEED MINIMUM PRICE (EC\$/LB)
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GENERAL MANAGER PRODUCER

WITNESS WITNESS

DATE DATE SCHEDULE 2 DELIVERY SCHEDULE

DATE:.....

GENERAL MANAGER

WITNESS

DATE

PRODUCER

WITNESS

DATE