



MINISTRY OF AGRO INDUSTRY AND FOOD SECURITY

IMPLEMENTATION AGENCY: AGRICULTURAL MARKETING BOARD

## **Contract for the purchase of potato seeds**

**Between**

**The Agricultural Marketing Board**

**And**

**Planter:.....**

**Under**

**The Seed Potato Purchase Scheme 2014**

This contract between the Agricultural Marketing Board (AMB) and the above-mentioned planter establishes the terms and conditions to enlist and benefit from the Seed Potato Purchase Scheme 2014.

### **1. Objective of the Scheme**

The Seed Potato Purchase Scheme targets individual small planters. It aims at alleviating the significant financial cost involved in the purchase of seed potatoes by providing a source of funding for the purchase of the seed via a revolving fund financed by the Food Security Fund with the AMB as the Executive Agency.

### **2. General Conditions**

- i. Planters must be registered with either the Small Farmers Welfare Fund (SFWF) or the Sugar Insurance Fund Board (SIFB).
- ii. Planters must follow the procedures laid down by the AMB for seed procurement.

- iii. Planters must show proof of evidence of land availability for the volume they would wish to plant under the Scheme as well as the approximate date/s of plantation.
- iv. Planters must agree to follow scrupulously the official technical recommendations of the Food and Agricultural Research and Extension Institute (FAREI) pertaining to potato cultivation.
- v. Planters will have to make a minimum part payment of 10% of the cost of seed purchased at the AMB. The remaining amount due (representing up to a maximum of 90% of the cost of the seed) shall constitute a debt owed by the planter to the AMB and shall be paid to the AMB without interest following the harvest of his crop. No interest will be claimed on the debt of the planter except in case of default as specified in this contract by the planter.
- vi. For those planters wishing to enlist above 5 Arpents under the Seed Potato Purchase Schemes, a bank guarantee representing at least 50% of the cost of the seed potatoes will be required. The bank guarantee shall be valid for a period of at least 12 months as from the date of lifting of the seeds at AMB. The AMB may, in case of non-payment by the planter request the bank to forfeit the required amount with interest from the guarantee
- vii. In case of death of a beneficiary, his/her heirs shall be liable to pay the amount due under the scheme.
- viii. Under no circumstances will the AMB, which manages and administers the Seed Potato Purchase Scheme, be liable for any claims for compensation whatsoever emanating from a planter:
  - a) whose cultivation, planted with seed purchased under the Scheme, has been affected, by factors such as poor seed quality, pest and diseases, unfavourable climatic conditions, poor yield, amongst other, or,
  - b) who has not obtained the totality of the volume of seed applied for.

### **3. Field Visits**

- i. Planters must authorize access to their land to officers of AMB / FAREI/ SFWF for field visits and must submit production figures and any other relevant figures or information as and when required.

#### **4. Plantation Period**

- i. Planters who put to earth their seed potato before 15 April and after 31 August 2014, will not be eligible for the Seed Potato Purchase Scheme. In such circumstances, the AMB may request, by way of a registered letter, that the planters concerned refund the advances granted to them under the scheme.
- ii. Any planter concerned by 4(i) above will be given a delay of one month, as from the date of issue of the letter, to pay back the said advance. Failure to comply with this condition shall entail legal proceedings being initiated against the planters concerned as well as a ban on the purchase of seed potato or any similar scheme in place at the AMB for as long as the amount due has not been refunded.

#### **5. Regions not covered by the scheme**

- i. Planters who cultivate potato in regions so-called “sensitive” (as declared by FAREI) will not be eligible for the Seed Potato Purchase Scheme.
- ii. The term “sensitive” applies to regions:
  - a) where the risks that potato plantations might be subjected to disease and pest incidence, in particular where risk of “late blight” are high;
  - b) showing deficit in rainfall and devoid of water for irrigation and / or irrigation facilities.
  - c) the soil is not suitable for potato plantation.

#### **6. Refund of Advance**

- i. Planters taking advantage of the scheme will have to sell to AMB a minimum of 3 tonnes of table potato per tonne of seed purchased, at the official

recommended floor price in force for the 2014 campaign. Refund of the advance on the purchase of seed will be automatically deducted at source upon sales of the volume sold to AMB. Any amount left after refund of the said advance will be paid to the planter.

- ii. All outstanding amount shall be paid to the AMB within one month following the last date of harvest. Failure to comply with this clause shall entail not only legal proceedings against the planter concerned, but also a ban on the purchase of seed potato through AMB as long as the amount due has not been paid back.
- iii. Beneficiaries under the Scheme shall be required to pay back with interest at the prevailing bank rate, any amount left unpaid as from one month of the last date of harvest as well as any costs arising from legal proceedings initiated to recoup the amount due.

I .....subscribe to the above conditions pertaining to Seed Potato Purchase Scheme for the 2014 Campaign.

ID NO.: .....

.....  
Date

.....  
Signature (Planter)

.....  
Date

.....  
Signature (AMB)