



MINISTRY OF AGRO INDUSTRY AND FOOD SECURITY

IMPLEMENTATION AGENCY: AGRICULTURAL MARKETING BOARD

**Contract for the purchase of onion seeds between
The Agricultural Marketing Board**

And

Planter:.....

Under

The Onion Seed Purchase Scheme 2014

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

1) OBJECTIVE OF THE SCHEME

The Onion Seed Purchase Scheme targets individual small planters. It aims at alleviating the significant financial cost involved in the purchase of onion seed by providing a source of funding the purchase of the seed via a revolving fund financed by the Food Security Fund (FSF) 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 onion cultivation.

- v. Planters will have to make a minimum part payment of 10% of the cost of seed purchased at the AMB. Planters will also benefit from a grant of 10% on the total cost of the seeds purchased at AMB. The remaining amount due shall constitute a debt owed by the planter to the AMB and shall be paid without interest by the planter after the harvest of his crop. No interest will be claimed on the debt to the planter except in case of default, by the planter as specified in this contract.
- vi. For those planters wishing to enlist above 5 Arpents under the Onion Seed Purchase Scheme, a bank guarantee representing at least 50% of the cost of the onion seed 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 seed at AMB. In case of non-payment by the planters the AMB may 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 Onion Seeds Purchase Scheme will 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**

Planters must authorize access to their land to officers of **AMB / FAREI / SMALL FARMERS WELFARE FUND (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 would have put to earth their planting material after July 2014 will not be eligible for the Onion Seed Purchase Scheme. In such circumstances, AMB will request, by way of a registered letter that the planters concerned refund the advances granted to them under the scheme.

- (ii) The planters concerned by 4(i) above will be given a delay of one (1) 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 planter concerned as well as a ban on the purchase of onion seed or any similar scheme in place at AMB for as long as the amount due has not been refunded.

5) REGIONS NOT COVERED BY THE SCHEME

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

6) REFUND OF ADVANCE

- (i) Planters taking advantage of the scheme will have to sell to AMB a minimum of 3 tonnes of onion bulbs per kilo of seeds purchased, at the official recommended floor price in force for the 2014 campaign. Refund of the advance on the purchase of the planting material at AMB will be automatically deducted at source upon the sale of part the volume sold to the AMB. Any amount left after refund will be paid to the planter.
- (ii) All outstanding amounts 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/s concerned, but also a ban on the purchase of onion seed 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.

Isubscribe to the above conditions pertaining to Onion Seed Purchase Scheme for the 2014 Campaign.

ID NO.:

.....
Date

.....
Signature (Planter)

.....
Date

.....
Signature (AMB)