

**FORM 'ZA'**

[rule 39 (2)]

**Specimen Agreement for Contract Farming**

THIS AGREEMENT is made and entered into at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_\_ age \_\_\_\_\_ residing at \_\_\_\_\_, herein after called the party of the First part (which expression shall unless repugnant to the context or meaning thereof means and includes his heirs, executors, administrators and assigns) of the first part, and Mr. \_\_\_\_\_ hereinafter called the party of the Second part (which expression shall unless repugnant to the context or meaning thereof means and includes its successors and assigns).

WHEREAS the party of the First part is the owner/ cultivator of the agricultural land bearing the following particulars:

Village	Gut No./Khasra No.	Area in Hectare	Tehsil & Distt.	State.

AND WHEREAS, the party of the Second part is trading in agricultural produce and also providing technical know-how in respect of land preparation, nursery, fertilization, pest management, irrigation, harvesting and alike things;

AND WHEREAS the party of the Second part is interested in the items of the agricultural produce more particularly mentioned in Schedule-I hereto annexed and at the request of the party of the Second part, party of the First part has agreed to cultivate and produce the items of agricultural produce mentioned in the schedule-I hereto annexed; and

AND WHEREAS the parties hereto have agreed to reduce in writing the terms and conditions in the manner hereinafter appearing.

**THIS AGREEMENT WITNESSTH:**

**NOW,**

1. That the party of the first part agrees to cultivate and produce and deliver to the party of the Second part and the party of the Second part agrees to buy from the party of the first part the items of the agricultural produces particulars of the items, quality, quantity and price of the items are more particularly mentioned in the schedule I hereto annexed.
2. That the agricultural produce particulars of which are mentioned in the schedule-I hereto will be supplied by the party of the First part to the party of the Second part within the period of \_\_\_\_\_ months/years from the date hereof.

OR

It is expressly agreed between the parties hereto that this agreement is for agricultural produce particulars of which are described in schedule-I hereto and for a period of \_\_\_\_\_ months/ years and after the expiration of said period, this agreement will automatically come to an end.

3. That the party of the First part agrees to cultivate, produce and supply quantity mentioned in the Schedule hereto annexed to the party of the Second part.
4. That the party of the First part agrees to supply the quantity contracted according to the quality specifications stipulated in Schedule I. If the agricultural produce is not as per the agreed quality standards, the party of the Second part will be entitled to refuse to take the delivery of the agricultural produce only on this count. Then

(a) The party of the First part shall be free to sell the produce to the party of the Second part at a mutually renegotiated price.

OR

(b) In open market (to bulk Buyer viz. exporter/ processor/ manufacturer etc.) and if he gets a price less than the price contracted, he will pay to the party of the Second part, for his investment proportionately less.

OR

(c) In the market yard and if the price obtained by him is less than contracted price, then he will return proportionately less for the party of the Second part investment.

(d) In the event the party of the Second part refuses/ fails to take the delivery of the contracted produce for his own reasons then the party of the First part will be free to sell the produce in the open market and if the price received is lower than the contracted price the difference will be on account of the party of the Second part and the party of the second part shall pay the said difference to the party of the First part within a period of \_\_\_\_\_ days from asserting the said difference.

5. That the party of the First part agrees to adopt instructions/ practices in respect of land preparation, nursery, fertilization, pest management, irrigation, harvesting and any other, as suggested by the party of the Second part from time to time and cultivate and produce the items as per specifications mentioned in the schedule-I hereto.
6. That it is expressly agreed by and between the parties hereto that buying will be as per the following terms and buying slips will be issued immediately after the purchase.

Date	Delivery Point	Cost of Delivery

It is further agreed that it will be the responsibility of the party of the Second part to take into possession of the contracted produce at the delivery point agreed after it is offered for delivery and if he fails to take delivery within \_\_\_\_\_ period then the party of the First part will be free to sell the agriculture produce contracted as under: produce.—

- (a) In the open market (bulk buyer viz. exporter/ processor/ manufacturer etc.), and if he gets a price less than the price contracted, he shall pay to the party of the Second part for his investment proportionately less.
- (b) In the market yard, and if the price obtained is less than the contracted price then he shall return proportionately less to the party of the Second part for his investment.

It is further agreed that the quality maintenance in transit shall be the responsibility of the party of the Second part and the party of the First part shall not be responsible or liable for the same.

- 7. That the party of the Second part shall pay to the party of the First part the price/rate mentioned in Scheduled when his crop has been harvested and delivered to the party of the Second part after deducting all outstanding advances given to the party of the First part by the party of the Second part. The following schedule shall be followed for the payment.

Date	Mode of payment	Place of payment

- 8. That the parties hereto shall insure the contracted produce mentioned in Schedule-I hereto, for the period of \_\_\_\_\_ against the risk of losses due to acts of God, destruction of specified assets, loan default and production and income loss and all other acts or events beyond the control of the parties, such as very low production caused by the serious outbreak of a disease, epidemic or by abnormal weather condition, floods, drought, hailstorm, cyclones, earthquakes, fire or other catastrophes, war, acts of Government, action existing on or after the effective date of this agreement which prevent totally or partially the fulfillment of the obligation of the first party. Upon request, the party of the First part invoking such acts

shall provide to the party of Second Part confirmation of the existence of facts. Such evidence shall consist of a statement or certificate of the appropriate Governmental Department. If such a statement or certificate cannot reasonably be obtained, the party of the First part claiming such acts may as substitute, thereof, make a notarial statement describing in details the facts claimed and the reasons why such a certificate or statement confirming the existence of such facts. Alternatively, subject to the mutual agreement between the two parties. The party of the First part may fill his quota of the produce through other sources and the loss suffered by it thereby due to price difference, shall be shared equally between the parties, after taking into account the amount recovered from the insurance company, The insurance premium shall be shared equally by both the parties.

9. That the party of the Second part hereby agrees to provide following services to the party of the First part during the period of cultivation and post harvest management, particulars of which are as follows:-
  - 1.
  - 2.
  - 3.
  - 4.
10. That the party of the Second part or it's representatives agrees to have regular interactions with the farmers forum set up/ named by the party of the First part during the period of contract.
11. That the party of the Second part or its representatives at its own costs shall have the right to enter the premises/fields of the party of the First part to monitor farming practices adopted and the quality of the produce from time to time.
12. That the party of the Second part confirms that he has registered himself with the Registering Authority i.e. Secretary on \_\_\_\_\_ and shall pay the fees in accordance with the law prevailing in this regard to the Registration Authority which has jurisdiction to regulate the marketing of agriculture produce which is cultivated on the land described hereinbefore.

OR

The party of the Second part has registered himself on \_\_\_\_\_ with the registration Authority namely, Secretary. The fees levied by the respective Registration Authority shall be borne by the party of the Second part exclusively and shall not be deducted in any manner, whatsoever, from the amounts paid to the party of the First part.

13. That the party of the Second part shall have no rights whatsoever as to the Title, Ownership, Possession of the land/property of the party of the First part nor will it in any way alienate the party of the First part from the land/property particularly mortgage, lease, sublease or transfer the land/property of the party of the First part in any way to any other person/institution during the continues of this agreement.
14. That the party of the Second part shall submit true copy of this agreement signed by both the parties and registered with the Secretary within a period of 15 days from the date of execution of this agreement with the Secretary as required under the Act.
15. That dissolution, termination/ cancellation of the Contract shall be with consent of both the parties, and such dissolution or termination/cancellation deed shall be communicated to the Secretary within 15 days of such dissolution, termination/ cancellation.
16. That in the event of any dispute or difference arising between the parties hereto or 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 dispute or difference shall be referred to arbitration authority constituted for the purpose by the State Government in this regard.
17. That in case of change of address of any party to this agreement, the same shall be intimated to the other party as well as to the Secretary.
18. That each party hereto shall act in good faith diligently and honestly with the other in the performance of their responsibilities under this agreement and nothing shall be done to jeopardize the interest of the other.

In witness whereof the parties have signed this agreement on the day month and year first above mentioned.

SIGNED, SEALED AND DELIVERED BY THE )

Withinnamed 'PARTY OF THE FIRST PART' )

in the presence of ..... )

1. .... )

2. .... )

SIGNED, SEALED AND DELIVERED BY THE )

Withinnamed 'PARTY OF THE SECOND PART' )

in the presence of ..... )

1. .... )

2. .... )

**Grade, Specification, Quantity and Price Chart**

Grade	Specification	Quantity	Price/Rate
Grade 1 or A	Size, Colour, Aroma etc.		
Grade 1 or B			