

Afghanistan

Contract for sugar beet

between

NAME OF THE COMPANY Ltd.
hereinafter called BUYER
Registration No. -----

and

Mr. -----son of-----
ID Card NO. -----
Residence -----
hereinafter called the Beet grower

For the commercial beet cultivation in the year ____ the following contract has been agreed upon between the BUYER and the beet grower. BUYER will decide on a possible renewal of this contract in ____ after knowing the harvesting results of ____.

Article 1

The beet grower commits himself to plough and prepare for the sowing of sugar beet seed an area ofJereeb (1 Jereeb = 0,2 ha) of irrigable farm land.

Article 2

The beet grower will be obliged to strictly observe and implement all the instructions of the BUYER farming extension service referring to the different farming operations such as seed bed preparation, weed control, fertilization , irrigation and crop rotation.

If the beet grower fails to observe the instructions of the extension officer thus affecting the beet crop, the BUYER reserves itself the right to reject the purchase of the produced sugar beet.

Article 3

The BUYER provides the following farm inputs and services to the beet grower:

- a) The supply of pelleted seed of genetic monogerm sugar beet varieties treated with insecticide and fungicide plant protection chemicals at a price mentioned in Annex 1

- b) The services of seed bed preparation and sowing of sugar beet seed for which BUYER will provide the required farm machinery, a tractor with driver plus the necessary fuel.
- c) The supply of herbicides for adequate weed control. If the beet grower does not want to use the herbicides offered by the BUYER he will accept the obligation to remove the weeds manually. In this case the beet grower will ensure that there will be a minimum of five sugar beet plants per meter.
- d) In the event that sugar beet pests and diseases are diagnosed in the beet grower's field by the extension officer, the BUYER will make available plant protection chemicals and apply them to the infested field.
- e) If recommended by the extension officer the BUYER will provide fertilizer of the types and quantities required to the beet grower who may not sell this fertilizer or use it for any other crop.
- f) In order to allow for manual beet harvest BUYER will provide specifically designed farm equipment to loosen the beet roots in the soil.
- g) BUYER will assist the beet growers in obtaining satisfactory results from his beet crop by giving qualified technical training through its field extension service department.

The costs of the farm inputs and services mentioned above under a) to g) will be financed by BUYER. These will be recovered from the beet grower's sugar beet sales returns at harvest time. BUYER will charge the beet grower for the farm inputs and services at the rates mentioned in Annex 1.

Article 4

The BUYER will be obliged to buy all the sugar beets grown by the beet grower under this contract. The beet grower will be obliged to deliver all sugar beets grown under this contract to the BUYER.

Article 5

The date of harvesting and delivering the sugar beets to the factory will be determined by the BUYER.

The exact delivery schedule specifying the beginning of the beet purchase campaign as well as the dates and quantities of the individual deliveries will be fixed in advance, in writing, and will be strictly adhered to by both parties to this contract save for cases of force majeure.

Article 6

The BUYER will be responsible and pay for the cost of transporting the sugar beets from the field or the beet depot to the sugar factory.

As far as possible the transportation of the harvested sugar beets will be carried out directly from the beet grower's field. Otherwise a beet depot will be agreed upon between BUYER and the beet grower well in advance of the beginning of the sugar beet harvesting period.

The transport of the sugar beets to the depot as well as the loading of the sugar beets to the truck will be the responsibility of the beet grower. In addition, the beet grower will be responsible for protecting the harvested sugar beets against any losses until they are taken to the sugar factory.

Article 7

The beet grower's sales returns will be composed of the amount of clean sugar beets delivered (i.e. beets free of dirt tare, beet tops and leaves) and the purchase price of the sugar beets agreed upon between the BUYER and the beet grower prior to signing this contract.

The delivered sugar beet quantity rounded to the nearest 10 kgs will be established at the weigh bridge of the BUYER. The dirt tare percentage will be established on the basis of a representative beet sample which will be taken by the responsible person of the BUYER in the presence of the beet grower or his representative.

For every sugar beet delivery the BUYER will issue a receipt to the beet grower specifying the personal data of the beet grower, his customer number, the identity number of the beet sample taken from his delivery, the weight of the delivered sugar beet, the dirt tare as well as the net weight of the clean sugar beet delivered.

Article 8

After weighing of the sugar beet upon arrival at the factory and issuing the receipt to the beet grower, the sugar beet delivered becomes the property of the BUYER.

Article 9

The BUYER commits to pay Afghani [_____] per metric ton of clean sugar beet. The BUYER will pay the beet grower for the delivered clean sugar beet not later than 11 Dalw 1386 (31 January 2007).

The beet purchase price of Afghani [_____] per metric ton of clean sugar beet is fixed for sugar beets with a sugar content of 16 per cent. If the established sugar content deviates from this percentage the BUYER may apply a bonus- malus scheme offering a bonus for higher sugar contents and deducting a malus for sugar beets with sugar content below 16 per cent.

The sugar content will be established in the BUYER beet laboratory using standard beet laboratory equipment and methods. The determination of the sugar content will be based on the representative beet sample mentioned in Article 7. One representative of the beet growers' association will be granted access to the BUYER beet laboratory, so as to verify the testing procedures.

The details of the bonus-malus scheme are outlined in Annex 2.

Article 10

The beet grower's sales returns for the delivered sugar beet is either paid in cash or transferred to the beet grower's bank account.

The BUYER is entitled to deduct from the beet grower's sales returns the costs of the inputs and services mentioned in Article 3 of this contract. The beet pulp will remain the property of the BUYER.

Article 11

If any Party is prevented or restricted, directly or indirectly, from carrying out all or any of its obligations under this Contract as a result of Force Majeure, the affected Party shall be relieved of its obligations under this Contract during the period for which the Force Majeure Event and its consequences continue. The affected Party will be obliged to give written notice to the other Party within 48 (forty-eight) hours of the occurrence of a Force Majeure Event.

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(Name of the Beet Grower)

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Name of the Buyer