

CONTRACT FOR EUCALIPTUS PLANTING AND SALE

BETWEEN
THE FARMER
AND
(PAPER COMPANY)

1. Plantation

1.1 The plantation must be in the area specified by the Company.

1.2 Farmers must have legal rights in the plantation. Particularly, they shall have ownership on the land where the production activity will be carried out or be the tenants of such land.

2. Seedling

2.1 The company will supply the seedlings to the farmer. The number of the supplied seedlings shall not exceed the one agreed by the parties.

2.2 If the received seedlings are not planted or used by the farmer, the company will apply a fine of 2 times of the established sale price

2.3 Received seedlings must be planted within 7 days unless unexpected circumstances occur. If unexpected events occur, the farmer shall notify it to the company and must receive the company's consent to plant the seedlings in a later time.

2.4 The farmer must take care of the received seedlings until the planting.

3. Planting

3.1 The farmer must follow the company's specifications or advices regarding the production process. For row plantingⁱ, the gap between each tree is 2 meters. For plot plantingⁱⁱ, the gap between each tree is 2 x 3 or 3 x 3 meters.

3.2 Within 3 months after receiving the seedlings, the survival rate of the seedlings must exceed 95 percent. If it is lesser than this the farmer shall be responsible for re-plant in the unqualified seedlings with its own cost.

4. Trading timber

4.1 The farmer agrees to sell the timber to the company. The company agrees to buy the grown timber aged of three and a half year old to 6 years old from the planted date.

4.2 The company shall be the only one which specifies the cutting and logistics. The weighting apparatus of the company must be the only means to weight the timber when trading.

4.3 If the farmer wishes to sell the timber at the planting spot, the company will be responsible for the cutting process and transportation to the factory.

The timber must be 2.0-2.5 meters in length for buying back, with diameter as follows;

4.3.1 Timber with more 2.5 meters diameter; price is according to the timber age (seedlings price of ___ baht per seedling has already been deducted.)

More than three and a half year old age timber: Price guarantee ___ Baht per ton

Less than three and a half year old age timber: Price guarantee ___ Baht per ton

4.3.2 Timber which has more than 1 inch of diameter; price are guaranteed at ___ Baht per ton. ___ Baht per seedlings has already been deducted.

In the case the farmer has to cut and deliver the timber to the factory, the company will buy at the member price as in the announcement of the actual trading time. However, the farmer shall pay the seedling cost at _ Baht per seedling to the company.

5. Legal right of timber ownership

If the farmer wishes to sell, buy, transfer or any other action with the eucalyptus grown under contract farming, the farmer needs a written consent with signature from the company in order to benefit from the rights established by the contract.

6. Others

6.1 If the farmer breaks any of the above conditions, the company has the right to withdraw the benefits given by the contract or claiming for recovered damages from the farmer.

6.2 The farmers are well aware that the company has a well-established breeding system and understand that there are chances that disease and insect infections may occur during plantation. In addition, the condition of the area and management account for the quality of the timber.

SIGNED BY:.....(participant of the programme)

(.....)___/___/___

SIGNED BY:.....(contributor of the extension)

(.....)___/___/___

ⁱ Row planting is a general term calling eucalyptus planting along the edge of rice field or inter-cropping with other crops

ⁱⁱ Mono-crop planting