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## MODEL FARMING AGREEMENT - BANANA

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This Farming Agreement (the "Agreement") is entered by and between .....  
having its office at ..... (Hereinafter referred to as "**Company**")

**AND**

**Farmer's Name**

**Address**

(Hereinafter referred to as "**The Farmer**")

(Each Farmer and Company hereinafter individually referred to as a "**Party**", and collectively as the "**Parties**")

### Preamble

**Whereas**, the Company is focused on working with farmers to introduce advance technology and production techniques to produce world class fruits in / from India.

**Whereas** the farmer Shri / Smt/Ms. \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_ resident of Village \_\_\_\_\_ Taluka \_\_\_\_\_ District \_\_\_\_\_ State \_\_\_\_\_ (India) is holding agricultural land bearing Revenue Survey No(s). \_\_\_\_\_, within the village of \_\_\_\_\_ Taluka \_\_\_\_\_ District \_\_\_\_\_ State \_\_\_\_\_ (India), having land area and measuring \_\_\_\_\_ Acres, is keen to cultivate Banana in the above land and wish the Company to guide him/her in producing quality Banana fruits and support in marketing his/her produce.

**Now, therefore, the Parties hereto agree as follows:**

**1. Definitions**

**1.1 Agreement** shall mean the Agreement for Banana production and purchase only.

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- 1.2** **“Banana”** shall mean Cavendish Variety of Banana, Grand Naine (G9) or any other variety that the Company deems fit for farming and so informs the Farmer in writing from time to time during the term hereof.
- 1.3** **Parties** shall mean the Farmer and the Company and **Party** shall mean either the Farmer or the Company.
- 1.4** **Produce** shall mean Banana fruits that are ready to harvest or harvested from the land specified in this agreement
- 1.5** **“Point of delivery”** shall refer to the land, as the place where the Bananas are harvested by the Farmer.
- 1.6** **Project** shall mean and include the farming carried by the farmers under the present agreement and the undertaking of the Company to purchase the production as per terms of present agreement.
- 1.7** **“Maximum Residue Limit”** shall mean the chemical residue level as prescribed by Food Safety and Standards Act or any other statutory standard of India as found during testing of the Bananas or in case of export shall not exceed the maximum standard set by the market of the region, where the Bananas are meant to be distributed via sale.
- 1.8** **“Cutting Order”** shall mean Company’s written instructions specifying:
- a. The date and time of harvesting/ cutting of the Bananas;
  - b. The grade and age of the Bananas.
- 1.9** **Rejects** shall refer to Bananas, which fail to meet the quality standards specified in **Annex D** hereof, as determined by Company.
- 1.10** **“Stoppage Order”** shall mean Company’s written instructions issued to Farmer at any time to forthwith cease harvest of Bananas as are meant for delivery to the Company or (subsequent to a previously issued Cutting order) which may be issued by the Company at any point of time up to harvesting on finding a non-compliance by the Farmer of the prescribed know how/ instructions of Company and following the issuance of a Red rating as set out in Annex ‘C’ hereof.
- 1.11** **“Winding-up”, “dissolution”, “insolvency”, or “reorganization”** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of

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the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganization, dissolution, arrangement, protection or relief of debtors.

## **2. Duration of Agreement**

**2.1** This Agreement shall be effective from the date \_\_\_\_\_.

**2.2** The Parties agree that they shall work together for the duration of one crop season including period for processing, sale in domestic market or export internationally. The Farmer shall ensure that he/she shall dedicate the Land for cultivation and production of Banana fruits and keep working with the Company on continuous basis during such duration of the Agreement.

**2.3** The parties also agree that they shall work together for first harvest from date of execution of the Agreement. Based on this experience both the parties shall mutually decide to continue or discontinue the Agreement for next year.

**2.4** The Agreement may be mutually extended for another crop season by the Parties.

## **3. Description of farm produce**

**3.1** This Agreement shall be only limited to Banana fruit Cavendish banana Variety Grand Naine (G 9) or any other variety that the Company deems fit, at its own discretion, for farming.

## **4. Quality specification**

**4.1** Banana fruits which meet the quality specifications only mentioned in Annex 'D' shall be accepted. The cracked, damaged, over mature and inappropriate skin colour fruits shall not be accepted.

**4.2** Sunburn affected banana fruits shall not be acceptable.

**4.3** All the produce which is not meeting criteria mentioned in Annex 'D' shall not be accepted.

## **5. Roles and Responsibilities**

**5.1** Farmer agrees to grow and harvest Banana on the land mentioned in the Preamble in accordance with the Company's quality specifications mentioned in Annex 'D'. The Banana tissue culture

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plants for sowing the banana plant shall be purchased at the sole discretion of farmer, without any interference of the company

- 5.2** The Farmer shall follow and adhere to the technology and production system prescribed by the Company or its technical service provider, including adherence to the use of material and chemicals recommended by the Company or its technical service provider and the use of safety devices as required by law. The Company shall specify such specifications and operations to the Farmer in writing. Such specifications may change over the course of the Project.
- 5.3** The Farmer is required to carry out, at his/her own cost and risk, all project development, pre-harvesting and harvesting activities including, but not limited to, the activities e.g. Land Development, Infrastructure Development, Arrangement of quality planting material and plantation, Plant care activities, fruit care activities, Arrangement of Fertilizer and Nutrition, Drip Irrigation Installation and Management, Arrangement of water for irrigation, Weed control and management, Sanitation, Disease and Pest management, Harvesting and Any other operation as and when required for quality production.
- 5.4** Farmer shall arrange the worker and required tools at his/ her cost for carrying out the sucker selection under the supervision of Company's representative.
- 5.5** However, Company shall facilitate, at its cost, to arrange the workers for implementing the fruit care activities e.g. Bud Injection, Bunch Spray, Deflowering, Fruit Obstacle Removal, False hand removal, Ribbon tagging and Bunch bagging in the banana fields through workers engaged directly or through some agency for implementing the fruit care activities (including Labour charges and cost of fruit care material e.g. Chemicals required for bud injection, bunch sprays, Bunch skirting bag, ribbon and spray pumps etc.) but the Farmer shall also be responsible to arrange the required number of labourers in time and implementing the fruit care activities timely. All the labour charges and cost of material required for fruit care activities may be provided by the company or financial assistance therefor may be provided by the Government or may be provided as an advance by the company or borne by the farmer as per agreed terms.
- 5.6** Newspapers covering to all bunch exposed to direct sunlight by the Farmer at his/ her own cost.
- 5.7** Farmer shall ensure timely proper propping and guying at his/her own cost to support the bunch for avoiding the chance of tip over.

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- 5.8** Farmer may take crop insurance at his/her own cost.
- 5.9** Farmer shall get soil, leaf and water analysis done at his/her own cost.
- 5.10** Farmer shall complete all the activities required for Global G.A.P. certification (if any)
- 5.11** Farmer shall take all the required precautions for residue within permissible limit in Banana fruit under the supervision of Company's representative (if required).
- 5.12** After production, the Company may inspect the Banana produce to comply with the quality standards, at its own cost.
- 5.13** The Company is required to carry out, at their own cost and risk, all post-harvesting activities unless otherwise agreed, including but not limited to the following activities:
- 5.13.1 Sorting/ grading/packing at farm level
  - 5.13.2 Transport of the produce to central distribution center
  - 5.13.3 Pre-cooling and Cold storage operations
  - 5.13.4 Pack house operations
  - 5.13.5 Export and domestic sales
- 5.14** The Company shall arrange technical person having experience in Banana production for guiding the Farmers for quality produce.
- 5.15** The Company shall coordinate with Department of Horticulture of the concerned Government to facilitate the Farmer for providing financial assistance on different activities to the concerned associated eligible farmers in the project as per govt. provision/ norms from time to time in the project. The Farmers shall also provide the required proper documents in time for getting financial assistance.
- 5.16** In coordination with State/Central Government or at company's cost the trainings, exposure visit and demonstrations may be organized by the Company.
- 5.17** Notwithstanding anything else mentioned anywhere else in this Agreement, the Farmer shall not take any responsibility for any loss or damage post-acceptance by the Company and the Company shall be solely responsible for all costs and risks of post-harvesting activities, sales and logistics.

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**5.18** The Company shall ordinarily be responsible for any loss or damage to the Banana produce, production site, assets, and any legal consequence of inputs supplied by it.

**6. Crop Delivery**

**6.1** The harvesting would always be carried out as per the program mutually agreed between the Farmer and the Company. The harvesting shall be carried out in the presence of Company's authorized representative. The Farmer shall not at any time during the Term hereof, on his/her own or through any other party, seek to sell any part of the produce meant to be delivered to Company hereunder, to any third party along with any other produce / fruit and the like. Any harvesting carried out by the Farmer without the Company's Consent and presence shall be a Breach of Agreement by the Farmer and the Company shall take appropriate steps against Breach of Agreement.

**6.2** Farmer shall arrange the worker at his/ her cost for Banana harvesting/ Cutting from his/her field.

**6.3** Company shall arrange the workers for hauling the Banana fruits/ bunches from Banana field to outside at a prevailing fixed amount of Rs..... per kg (volume of category A+B+C) . Prevailing banana hauling charges may be paid by the company or borne by the farmer as per terms of the agreement.

**6.4** In case the transport vehicle does not reach to the field, the Farmer has to arrange to carry out the banana fruits up to banana packing/ processing point , the cost of which shall be borne by the company.

**6.5** Farmer shall arrange the sufficient water in time for banana processing at his/ her field. The cost shall be borne by the company.

**6.6** The produce harvested shall be categorized by the Company into A, B and C categories on farm as per the specifications outlined in Annex 'D'. The expenses of labor for the purpose of grading and sorting only shall be solely borne by the Company.

**6.7** The decision of Company regarding Quality and Packaging may be subject to third party inspection as per terms of the agreement.

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**6.8** During the Project, the Company is bound to purchase the Banana fruits which meet the minimum quality parameters specified in Annex 'D' from the Farmer under this Farming Agreement.

**6.9** Company shall prepare and deliver a weekly cutting schedule and inform the Farmer in accordance with which farmer has to allow to cut and carry the harvested Bananas from the field to Company's transport vehicle.

**7. Price determination:**

**7.1 Option 1:** The Banana fruit, which meets the specifications mentioned in Annex 'D', shall be procured by the Company at the minimum guaranteed price of Rs. \_\_\_\_\_.

**Option 2:** The Banana fruit, which meets the specifications mentioned in Annex 'D', shall be procured by the Company at a mutually agreed price, which shall not, however, be lower than the Minimum Guaranteed Price.

**Option 3:** The Banana fruit, which meets the specifications mentioned in Annex 'D', shall be procured by the Company on agreed upon prevailing market price at the time of harvesting in the area, which shall, however, not be lower than the Minimum Guaranteed Price.

**Option 4:** Procurement price of Bananas fruit, which meets the specifications mentioned in Annex 'D', shall be calculated considering the mutually agreed price and fluctuation in market rate higher side than the mutually agreed price. No change shall be made in mutually agreed Guaranteed price up to a certain limit of market rate fluctuation (higher) but if the prevailing market rate observed above the agreed limit of fluctuation (higher) then a fixed percentage of difference in price (prevailing market rate and mutually agreed price) shall be added to the mutually agreed price.

**8. Payment Terms**

**8.1** The Company shall make the payment immediately on acceptance of delivery. A Vendor registration shall be completed for generating unique vendor code for the farmer. The farmer shall provide the AADHAR Number, Bank Account details (no cash shall be paid), cancelled cheque for IFSC code with the required RTGS details in which payment is to be made.

**9. Confidentiality and Non-Competition:**

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**9.1** The farmer hereby acknowledges and agrees that Company shall be investing a considerable amount of money in order to acquire the necessary know-how and information for implementing and executing the Project. Therefore, it is essential that the Farmer shall keep confidential any and all information relating to the Project, including but not limited to all know-how and technical information in connection with or relating to the development of the Banana, pre-and post-harvesting technologies as well as processing technologies and the commercials agreed between the Parties. Farmer shall not disclose or use any such afore stated information other than for the sole purpose of performing the Project in accordance with this Agreement as per conditions agreed with the Company.

**9.2** During the Term of this Agreement, the Farmer shall not, directly or indirectly, compete with Company in any part of the world and nor shall the Farmer cooperate with any third party in the development, processing and sale of Banana in India and/or abroad. Also, the Farmer shall not any time after the Term of this Agreement, on its own or through any other party seek to utilise the proprietary know-how of Company as have been disclosed to it under this Agreement for the development and/or sale of Bananas anywhere in the world.

**9.3** During the Term of this Agreement, Farmer shall not, directly or indirectly, sell any Banana to any party other than Company, unless it gets Company's prior written consent as per conditions expressly agreed for such purpose. The written consent shall not be required for the quantum of produce of banana not taken by the company.

**10. Protection of Farmer's Rights.**

**10.1** This agreement shall in no way impact the ownership right and possession of farmer on his land.

**10.2** Company shall remove all structures, if any, built on farmer's land on completion of agreement period at its own cost.

**10.3** Farmer shall be not liable for any delivery of produce or loss to the company in case of non-delivery due to loss of crop as a result of force majeure.

**11. Dispute Resolution Mechanism**

**11.1** Any dispute, controversy or difference arise out of or in connection with this Agreement, the Parties shall first endeavour to settle such disputes, controversy or difference amicably by conciliation.



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**11.2** On failure to resolve the dispute by mutual consent / conciliation within a period of thirty days, then the dispute, controversy or deadlock shall be finally settled by the competent authority designated and defined as per the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020 (Ord. 11 of 2020) and the Farmers' Agreement on Price Assurance and Farm Services (Dispute Resolution) Rules, 2020 made thereunder.

**12. Miscellaneous:**

**12.1** The farmer is and shall remain an independent party and this Agreement shall not be construed to create an association, partnership or joint venture, relation of principal and agent or of employer and employee between the Company and the Farmer.

**12.2** This Agreement shall not be modified, amended or changed except in writing signed by both Parties.

**12.3** This Agreement, including its Annexures, sets forth the entire Agreement between the parties and supersedes all prior Agreements, arrangements and understandings, oral or written, between the parties on the subject matter hereof. .

**12.4** Neither Party shall assign or encumber all or any part of its obligations or rights hereunder without the prior written consent of the other Party.

**12.5** This Agreement shall be executed in two counterparts, each of which shall be an original, but all of which shall constitute one instrument.

**12.6** The headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

**12.7** No terms of this Agreement shall apply to, be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. Neither Party may assign this Agreement without the prior written consent of the other Party, except that a Party may (without being released from its obligations hereunder) assign this Agreement to any third party who succeeds to substantially all of its business or assets.

**12.8** In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly

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as practicable the intent of the Parties, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**12.9** No amendment of any provision of this Agreement shall be valid unless the amendment is in writing and signed by both Parties. No waiver of any provision of this Agreement shall be valid unless the waiver is in writing and signed by the waiving Party. No waiver by either Party of any breach of this Agreement shall be deemed to extend to any other breach hereunder or affect in any way any rights arising by virtue of any other such occurrence.

**12.10** The notice required to be served on the parties hereto shall be in writing and shall be sufficiently served if sent by registered post acknowledgement due or personally delivered at the following address (unless otherwise intimated in writing to the other party):

***The Company;-***

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***The Farmer:-***

**Farmers Name**.....

**Address** .....

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**12.11** Notwithstanding anything contained and stated in this agreement, if any or all of the provisions of this agreement are in contravention of the provisions of the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020 (Ord. 11 of 2020), the agreement shall become invalid and any financial burden incurred out of the dissolution of this agreement thereupon shall be borne by the Company.

**IN WITNESS WHEREOF** the parties hereto hereunto set and subscribe their respective hands to this Agreement and to one counterpart hereof, the day and year first hereinabove written.

**SIGNED AND DELIVERED** by the

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Within named "**FARMER**" )

in the presence of )

)

**SIGNED AND DELIVERED** by the

Within named "**COMPANY**" )

**for**

.....

Authorised Signatory

in the presence of)

### List of Annexures:

- Annex A: Bunch Selection and Grading Guidelines at Harvest  
Annex B: Weighment and Payment Guidelines  
Annex C: Working Model for Banana Field Evaluation  
Annex D: Banana Fruit Quality Parameters

#### **ANNEX A: Bunch Selection and Grading Guidelines at Harvest**

**1. ACCEPTABLE BUNCHES:**

- Mutually agreed parameters shall be defined

**2. PARTIALLY ACCEPTED BUNCHES:**

- Mutually agreed parameters shall be defined

**3. REJECTED BUNCHES:**

- Mutually agreed parameters shall be defined

#### **ANNEX B: Weighment and Payment Guidelines:**

**A. Weighment:**

- The acceptable bunches shall be harvested and bottom de-handing shall be done. **Only selected hands shall be put in boxes/ crates and weighed.**
- The Harvesting Supervisor with the Farmers or his/ her representative shall record the corresponding **Net Weight.**
- The loaded vehicle with boxes / crates may be weighed at the Farmer's own cost at weighing balance and the net weight of banana shall be calculated after deduction of weight of packing material i.e. Boxes/ Crates.

**B. Basis for Payment:**

Invoice Item	Amount Calculated
Banana received as part of (Good quality)	Base Value (B1): Net weight Kg ( A+B+C) * Mutually Agreed Market Rate (Rs./ Kg) Market Rate shall be determined after deduction the mutually agreed harvesting cost i.e. Re. ....per Kg on total harvested banana volume (A+B+C)

**Annex C: Working Model for Banana Field Evaluation:**

**A. Monthly Evaluation and Reports**

- Mutually evaluation system shall be defined

**B. Rating System**

- Mutually evaluation system shall be defined

**Annex D: Banana Quality Norms and Specifications**

**i. Defects Tolerance for Class- A**

- Mutually details of defects and their tolerance limit shall be defined

**ii. Defects Tolerance for Class- B**

- Mutually details of defects and their tolerance limit shall be defined

**iii. Zero Tolerance Defects**

- Mutually details of defects and their tolerance limit shall be defined

**iv. Fruit Age, Diameter, Length, Number of Fruits in hands and number of Functional Leaves at Harvesting Stage**

Fruit Age Week	Depending on seasonal condition and as per cutting instruction from QA Dept. (Varies from 8 -16 weeks)
Leaves at harvest	Minimum of 5 functional leaves
Calibration	44- 46 caliper ( 2nd hand middle finger )
Finger Length (Inches)	Pulp length minimum 7 inch
No. of Fingers /Hand	Minimum 12