

THE COTTON INDUSTRY ACT
(CAP. 201)

COTTON INDUSTRY REGULATIONS

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THE COTTON INDUSTRY ACT
(CAP.201)

REGULATIONS

(Made under section 52(1))

THE COTTON INDUSTRY REGULATIONS, 2011

PART I
PRELIMINARY PROVISIONS

- Citation **1.** These Regulations may be cited as the Cotton Industry Regulations, 2011.
- Application **2.** These Regulations shall apply to any type or grade of cotton grown, cotton produced, imported into or exported out of Mainland Tanzania.
- Interpretation
Cap. 201 **3.** In these Regulations, unless the context otherwise requires-
“Act” means Cotton Industry Act;
“authorized officer” means an officer appointed by the Board or its agents to fulfil specific purposes on its behalf;
“contracted grower” means a grower who is party to a seed cotton contract;
“contract farming” means farming under an agreement between cotton growers, farmers or producers on the one part and financiers including cotton buyers, ginneries investors or bankers on the other part;
“cotton exporter” means a person whether the owner, seller or ginner under any cotton lint sale contract who sends or transports cotton lint for sale or trade abroad;
“cotton” means the fruits of *Gossypium hirsutum*;
“cotton cake” means the solid matter remaining after oil has been extracted from the cotton seeds;
“cotton grade A” means mature seed cotton which is white and free from stain, extraneous matter or damage from any cause;
“cotton grade B” means any seed cotton of merchantable quality inferior to grade A cotton;
“cotton oil” means the yellow, viscous fixed oil, containing principally

linoleic acid, pressed from the seeds of various *Gossypium* species; the refined oil also known as cottonseed oil (*oleum gossypii seminis*) is colourless and used in foods and some pharmaceutical preparations;

“cotton pack” means non- polypropylene pack, bag or sack in which seed cotton is packed for delivery to any buyer, financier or ginner;

“Director” means the Director responsible for crop development in the Ministry;

“dispute settlement authority” means the authority responsible for settlement of disputes arising out of contract farming;

“farming season” means the time of the year when farming operations take place;

“ginned cotton seed” means cotton seed, with or without linters, which has been separated from the fibre and has not been subjected to any processing of manufacturing;

“ginning” means primary processing of seed cotton, which involves the separation of cotton seed from seed cotton into cotton lint and ginned cotton seed;

“grower” means any person who grows cotton plants;

“grower groups” means groups of cotton growers formed for the purpose of entering into contract of farming with financiers;

“indicative price” means minimum cotton price announced by the Board after consultation with stakeholders;

“inputs” means planting materials, agrochemicals, fertilizers, farm implements and packaging materials;

“premises” includes land, building, factory, erection, vehicle, or receptacle whatsoever for the purpose of growing, sorting, processing, or transporting of cotton;

“premium cotton” means a Tanzanian high quality cotton of tang and gany +½ grade

“ratooned cotton” means a seed cotton crop from re-growth of seed cotton from the previous season

“seed cotton by- products” means by-products of seed cotton, cotton seed and cotton lint;

“seed cotton contract” means seed cotton which is subject to a seed cotton contract;

“side-buying” means the practice by which a ginner purchases seed cotton from a grower who has a contract with another ginner ; and

“side-selling” means a practice in which a grower sells seed cotton to ginner other than with the one he has entered into a contract of farming.

PART II REGISTRATION MATTERS

Registration of
growers,
traders,
Processing,
exporters,

4.-(1) The Board shall keep and maintain a register of cotton growers, traders, processors, exporters, importers and ginner for the purposes of-

(a) monitoring contract of farming;

importers and ginnerers

- (b) regulating cotton quality;
- (c) establishing a basis for planning and making appropriate estimates of inputs;
- (d) controlling import and export of cotton; and
- (e) dealing with any other relevant matters in the cotton industry.

(2) The Board shall, upon registration, issue a registration number and Certificate prescribed in the First Schedule.

(3) The Board shall not charge registration fee under this regulation.

Procedures for registration

5.-(1) A grower who intends to engage in cotton business shall be registered by the Board upon submission of the respective application form prescribed in the First Schedule.

(2) A financier who intends to engage in cotton business under a contract Board upon submission of the respective form as prescribed under the First Schedule.

Particulars for registration of growers

6.-(1) The Board shall enter particulars of growers in the register, indicating where applicable-

- (a) full name and address of the grower and in case of an association, name and addresses of individual members of such association;
- (b) where the person who owns the land is not the actual cotton grower, name and address of the land owner;
- (c) the estimated area in hectares of the whole farm, and the area planted with cotton on the date of its registration;
- (d) description of the location of the farm or field in sufficient details to identify the farm, and where applicable, location of the farm or field in a general map of the area;
- (e) where the person being registered has not yet planted cotton, the area that is proposed to be planted with cotton; and
- (f) any other information, which may be deemed necessary for the purpose of registration.

(2) The Board shall update the register of growers before the commencement of each farming season.

Appointment of registration Agent

7.-(1) Subject to Section 42 of the Act, the Board may on such terms and conditions appoint an agent for the registration of growers.

(2) An agent appointed under sub regulation (1) shall perform registration activities specified by the Board in conformity with the provisions of these Regulations.

Requirements for Registration of growers

8. A grower shall only be registered by the Board if he meets the following requirements-

- (a) that the grower to be registered is already growing cotton at the

time of registration or has definite intention to commence growing cotton within a period of six months from the date of application for registration; and

(b) that the land where the cotton is grown or is to be grown has been specified by the Director pursuant to Section 7 of the Act.

Refusal of registration

9.-(1) The Board may refuse to register any grower who fails to meet the requirements for registration under these Regulations.

(2) The Board shall issue a written notice to a grower whose registration has been refused.

(3) A grower aggrieved by the decision of the Board pursuant to sub regulation (1) may, within sixty days from the date of receipt of written notice, appeal to the Minister.

De-registration

10.-(1) The Board shall, after being satisfied that the registered grower has failed to comply with the terms and conditions of registration, de-register the grower.

(2) The Board shall, before de-registration, issue notice of its intention to deregister the grower and require him to give reasons as to why he should not be de-registered.

(3) The grower who has been de-registered under Sub regulation (1) shall cease to operate as a grower.

(4) A grower aggrieved by the decision of the Board may, within sixty days from the date of receipt of written notice, appeal to the Minister.

Re-registration

11. A grower de-registered under regulation 10 may be re-registered upon such additional terms and conditions as the Board may specify.

PART III COTTON CULTIVATION AND HUSBANDRY

Good crop husbandry

12. A grower shall observe recommended practices of good crop husbandry as prescribed under the Seventh Schedule.

Restriction on intercropping

13.-(1) A grower shall not intercrop cotton with other crops within the same field.

(2) Any person who contravenes or fails to comply with sub-regulation (1), commits an offence and shall, on conviction, be liable to pay a fine of not less than one hundred thousand shillings or to imprisonments for a period of three months or to both.

Prevention of growing and marketing ratooned cotton

14.-(1) A person shall not grow or market rationed cotton.

(2) Where a person fails to comply with the provision of sub regulation (1), the Board shall order the destruction of such cotton at the expense of that person.

(3) The Board shall issue guidelines for uprooting, disposal or burning of whole cotton plants after harvesting.

(4) A grower who fails to comply with this Regulation commits an offence and shall, upon conviction, be liable to a fine of not less than one hundred thousand shillings or imprisonment for a period of not less than three months or to both such fine and imprisonment.

Obligation to protect the environment

15.- (1) For the purpose of conserving the environment, a grower shall-

- (a) use agrochemicals in an appropriate manner so as not to pose danger to the environment;
- (b) not burn farms or field for the purpose of weeding;
- (c) grow cotton using good agricultural practices; and
- (d) take any other appropriate measures to ensure environmental protection.

(2) The Board may issue environmental guidelines for adherence by growers.

Safety and hygiene of premises

16. A premises used for processing, storage and transportation of cotton shall be kept in a clean and hygienic condition prescribed by the Board or any relevant authority.

Guidelines for cotton collection bags

17. The Board shall provide guidelines in respect of cotton collection bags for harvesting before the beginning of harvesting season.

PART IV LICENSING MATTERS

Issuance of license

18.-(1) The Board shall issue a license to a buyer, processor, and exporter of seed cotton, cotton lint and cotton by-products upon such terms and conditions as provided for in these Regulations.

(2) The Board shall issue a license or permit after being satisfied that the applicant has met all the requirements for the issuance of such license or permit.

(3) A cotton lint or linter export licence shall only be issued to the owner of cotton lint, ginner or a seller under a contract of cotton lint sale.

(4) Any person who trades in cotton without a valid licence or permit commits an offence.

Mode of application for a license and permit

19.-(1) Application for license and permit shall be in the prescribed form as provided in the Second Schedule.

(2) The Board shall, within fourteen days upon receipt of the application, process every application for a license to be issued under these Regulations.

(3) A license shall be valid for a period of one year and may be renewed for another period of one year

Types of licenses

20.-(1) Subject to section 5(3) of the Act the Board shall issue to any successful applicant, a license or permit of the following categories-

- (a) seed cotton buying license;
- (b) ginning license;
- (c) cotton lint or linters export license;
- (d) cotton seed or cake export permit; and
- (e) cotton lint export permit.

(2) A licence or permit issued under this part shall be as provided in the Second Schedule.

Refusal to issue license

21. The Board shall not issue a license to an applicant who-

- (a) fails to show evidence of capacity to carry out a business relating to the applied license;
- (b) fails to comply with the provisions of the Act and these Regulations;
- (c) fails to observe the terms and conditions related to a license issued to him in previous seasons;
- (d) is indebted to the Board, growers, processors or Local government authority;
- (e) fails to comply with financing requirement of shared functions.

Revocation and suspension of license

22.-(1)Notwithstanding the provisions of regulation 18, the Board shall after giving the license holder an opportunity to be heard, revoke or suspend any license issued under these Regulations, where it is satisfied that the holder of the license-

- (a) despite warning from the Board, wilfully neglects to observe conditions related to the license;
- (b) has ceased to carry on the business in respect of which the license was issued;
- (c) in the case of a ginning licence holder, has failed to comply with the requirements of regulation 25.

(2) A person whose license has been suspended or revoked shall not transact any business to which the license relates during the period of such suspension or revocation.

(3) The Board shall, as soon as the license holder rectifies the situation that necessitated the suspension of any license, lift the suspension.

(4) A person who contravenes the provisions of sub regulation (2) commits an offence and shall, upon conviction, be liable to a fine of not less than two million shillings.

Re-application

23. A person whose license has been suspended by the Board may

for registration and licensing re-apply to the Board for a new license upon additional terms and conditions as the Board may deem necessary.

Transfer and assignment of licenses **24.** Save as otherwise provided in the Act, a person to whom a license has been issued by the Board shall not lend, transfer or assign the license.

PART V QUALITY CONTROL ,WEIGHING AND INSPECTION

Packing of seed cotton and lint **25.**-(1) Cotton packing shall be of the following standards -

- (a) the cotton packs shall contain only one grade of seed cotton:
- (b) the cotton pack shall not contain any feathers, grass, sticks, twine, sand, stones or extraneous matters not commonly found together with packaged seed cotton;
- (c) the material of the cotton pack shall not contain or consist of polypropylene:
- (d) the cotton packs shall be of such type and standard as the Board may, from time to time, specify.

(2) A ginner shall not use synthetic fibrous material for labelling the cotton pack in identifying the cotton seed variety, the grower or any other form of identification.

(3) The twine used to stitch or repair the cotton pack must be made of cotton and no synthetic material is permitted.

(4) Notwithstanding any contractual arrangements, a person shall not purchase seed cotton in any cotton pack contrary to the provision of sub regulation (1).

Conditions for drawing samples **26.**-(1) A ginner shall draw one sample of cotton from each bale which shall weigh not less than two hundred grams and shall within seven days after drawing, deliver the samples to the Board for classification using the requisition form as prescribed in the Fourth Schedule.

(2) Without prejudice to the provision of sub regulation (1) the Board may allow the drawing of more than one sample as it may deem fit.

(3) The Board shall charge a classification fee per bale where a high volume instrument machine is used as the Board may determine from time to time.

(4) The Board shall for the purpose of quality control, issue a cotton quality certificate for every requisition by a ginner made under sub-regulation (1).

(5) A certificate issued under sub-regulation (4) shall be as prescribed in the Fourth Schedule.

(6) Any person who exports cotton lint without a cotton quality certificate issued by the Board commits an offence, and the Board may, in addition to any other penalty, revoke the ginning licence.

Quality maintenance **27.** A grower, trader, processor, exporter, importer and ginner shall maintain quality of cotton at all levels of production, processing and marketing as provided in these Regulations.

Inspection of cotton **28.**-(1) The Board shall have the power to inspect cotton farms and premises used for processing, storage and transportation of cotton for the purpose of quality control.

(2) The Board shall, in exercising the power under sub-regulation (1) appoint such number of qualified persons to be cotton inspectors.

(3) An inspector appointed under Sub regulation (2) may, at any reasonable hour of the day, enter upon any cotton premises, inspect and examine the premises for the purpose of ensuring compliance with the provisions of these Regulations and the Act.

(4) An inspector may, for the purpose of establishing any breach of any provisions of these Regulations; take samples of any seed cotton, cotton lint or cotton seed, or of any product thereof, found in cotton premises.

(5) A person who obstructs an inspector in the exercise of the powers conferred upon him by this regulation, or who neglects or refuses to produce to the inspector any book or record which the inspector may request to be produced for his inspection commits an offence.

Grading of cotton **29.**-(1) A grower shall grade seed cotton into grade A and B as determined by the Board.

(2) A ginner shall grade seed cotton on the basis of International cotton classification grades approved by the Board.

(3) The Board may downgrade any cotton pack which contains more than one grade of seed cotton.

Weighing of seed cotton **30.**-(1) A cotton buyer shall ensure the weighing scales used for the purchase of cotton are inspected and approved in accordance with the requirements prescribed by the Authority responsible for weights and measures.

(2) A cotton buyer shall weigh seed cotton in the presence of the grower.

**PARTI VI
CONTRACT FARMING**

Contract of farming **31.**-(1) Contract of farming may be entered into between a grower on one part and a financier such as a buyer, processor, investor or banker on the other part at the start of the farming season.

(2) Parties shall, in entering into contract of farming under sub-regulation (1), use a standard form contract prescribed under the Sixth Schedule to these Regulations.

(3) Growers shall, for the purpose of entering into contract of farming, form grower groups.

Restrictions on contract farming **32.** (1) Parties to the contract of farming shall negotiate on terms and conditions of their contract in consultation with the Board.

(2) A financier shall not enter into a single contract with more than one grower or grower group.

(3) A grower or grower group who entered in contract farming with a financier shall not practise side selling.

Contents of contract of farming **33.**Without prejudice to the provision of Section 14A of the Act, a contract of farming shall include the following components-

- (a) particulars of the financier;
- (b) particulars of the grower or grower group;
- (c) responsibilities of the financier;
- (d) responsibilities of the grower or growers group;
- (e) dispute settlement clause;
- (f) modalities of pricing;
- (g) type of facilitation to the grower or growers group;
- (h) specified crop production estimates in hectares and volume, corresponding input requirements and the price thereof;
- (i) any other additional terms specified by the parties.

Dispute Settlement mechanism **34.** Any dispute arising between the parties in respect of provisions of the contract of farming shall be settled in a manner provided for in the contract.

Registrations of contracts **35.** A financier shall submit his contract of farming to the Board for perusal and registration.

Financier to keep register

36.-(1) A financier shall keep and maintain a register of growers and grower groups for whom he has contracted with.

(2) The Board may, upon request, access the registers of growers and grower groups maintained by the financier.

(3) A financier who denies the Board access to the registers of growers or growers groups commits an offence and the Board may, in addition to the general penalty provided for under these Regulations, cancel his license.

PART VII MARKETING AND SALES PROCEDURES

Cotton buying season

37.-(1) The Board shall, in consultation with stakeholders and before the start of the buying season, announce the date on which the buying season may commence.

(2) The trading hours at a cotton buying post shall be from 0800 hours in the morning to 1800 hours in the evening.

(3) The Board shall make administrative guidelines which shall govern the buying and selling of cotton during the season

(4) A cotton buyer who contravenes or fails to comply with this regulation commits an offence and shall, upon conviction, be liable to a fine of not less than two million shillings or to imprisonment for a term not exceeding three years or to both.

Indicative price

38.-(1) The Board shall, in consultation with stakeholders, announce indicative price before commencement of seed cotton buying season.

(2) The Board shall, in announcing the indicative prices, take into consideration the prevailing world market prices and relevant costs of ginners and growers.

(3) The Board may convene a stakeholders meeting to adjust the indicative price of cotton in the event of change of market conditions.

PART VIII STAKEHOLDERS FORUM AND SHARED FUNCTIONS

Annual stakeholders meeting

39.-(1) There shall be an annual stakeholders meeting composed of key stakeholders from the cotton industry.

(2) The members of an annual stakeholders meeting shall be as prescribed in the Eighth Schedule.

Role of members in annual stakeholders meeting

40. The collective role of members in an annual stakeholders meeting shall be to-

- (a) deliberate and make resolutions on issues presented to it;
- (b) determine modalities for financing its meeting and activities;
- (c) arrange for funding of the shared functions and other matters of

- common interest to cotton stakeholders;
- (d) form committees and working groups for the better carrying out the shared functions;
- (e) deliberate and determine indicative price; and
- (f) implement any other matters for sustainability and stability of the cotton industry.

Procedure for convening meetings

41. Stakeholders shall adopt stakeholders meeting procedures as prescribed in the Eighth Schedule.

Implementation of stakeholders meeting resolutions.

42.-(1) For the purpose of ensuring implementation of resolutions in the stakeholders meeting, the Local government authorities may present their implementation report of the previous stakeholders' resolutions at an annual stakeholders meeting.

(2) The Board shall be responsible for the follow up and coordination of the implementation of stakeholders meeting resolutions.

By- Laws of Local Government Authorities

43. Subject to the provisions of Section 47 of the Act, the Local government authorities may, in the implementation of the shared functions agreed by stakeholders, take into consideration the following-

- (a) increase in production of cotton in their respective areas
- (b) proper husbandry of cotton;
- (c) maintenance of quality of cotton from production to market levels;
- (d) proper and maintenance of infrastructure, and
- (e) any other matter for the development of the cotton industry.

Financing of shared functions

44. (1) Subject to Section 53 of the Act, every stakeholder shall comply with the agreed mode of financial contribution.

(2) Any Stakeholder who contravenes or fails to comply with the mode of financial contribution agreed by Stakeholders under sub-regulation (1) shall have his cotton buying licence, ginning licence or his export licence suspended forthwith and no lint bales shall be allowed to leave the ginnery gate.

PART IX ADMINISTRATIVE MATTERS

Guidelines

45. (1) The Board may issue administrative guidelines in relation to the following-

- (a) contract farming;
- (b) cotton production;
- (c) cotton processing;

- (d) cotton marketing;
 - (e) exportation and importation of cotton;
 - (f) any other matter as it may deem necessary.
- (2) Any guidelines made pursuant to sub-regulation (1) shall take effect upon the approval of the Minister.

Appointment of an agent

46. The Board may, upon such terms and conditions as may deem fit, appoint an agent to perform its functions.

Cotton industry strategic action plan

47. The Board shall, in consultation with other stakeholders, develop cotton industry strategy in which it shall draw its strategic action plan.

Standard of service

48. The Board shall develop staff performance evaluation system based on its strategic action plan.

Clients service charter

49. The Board shall establish and publish clear standards of service so as to ensure effective and efficient delivery of service to its clients.

Books and records

50.-(1) A person registered under these Regulations shall maintain books and records of cotton dealing and shall, using the prescribed forms under the Fifth Schedule, submit to the Board accurate and proper reports of-

- (a) in the case of a licensed buyer and processor, the amount of cotton purchased or processed by him for every week, month or year within a cotton season;
- (b) in the case of a licensed exporter, cotton purchased and exported, within each month of the cotton season;
- (c) in the case of a licensed importer, a monthly return of cotton imported and sold locally.
- (d) In the case of textile spinning mill, a monthly report of lint purchased.

(2) Any information under Sub regulation (1) shall be availed to cotton inspectors upon request.

(3) The Board shall compile and may upon request furnish a copy of the monthly report to key stakeholders.

PART X MISCELLANEOUS PROVISIONS

Ginning and ginnery expansion

51.-(1) Ginner who intends to expand a ginnery shall apply to the Board using the form prescribed in the Third Schedule.

(2) Any person who contravenes the provision of sub regulation (1) commits an offence.

Adulteration
of cotton

52. - Any person who adds or causes to be added, any foreign or extraneous matter to any seed cotton or cotton lint commits an offence.

General
Offences

53.-(1) Any person, who contravenes any provision of these Regulations for which no specified penalty is provided, commits an offence and shall, upon conviction, be liable to a fine of not less than two million shillings or to imprisonment for a term of not less than three years or to both.

Corporate
liability

54. Where any offence against these regulations has been committed by any person with the consent or approval of a director, manager, secretary or any other authorized officer with the capacity as a director of that body corporate, shall be deemed to have committed the offence in the corporate name.

Forfeiture

55. The court may, in addition to any other penalty which may be imposed on any offence committed, order the cotton to be forfeited by the Government.

Appeals to
the Minister

56. A person who is not satisfied with any decision made by the Board in the enforcement of any provision of the Act or of these Regulations may, within Sixty days after being notified of the decision, appeal in writing to the Minister.

Revocation
and Saving
G.N. No.
471 of 2000

57.-(1) The Cotton Regulations, 2000 are hereby revoked.
(2) Any orders made, permit or license issued before the coming into effect of these Regulations shall continue to be in force until they are cancelled or otherwise rendered invalid under these Regulations or any other law.

FIRST SCHEDULE

TANZANIA COTTON BOARD

**REGISTRATION OF A GROWER
(Made under Regulation 5(1))**

Preliminary

1. Name of applicant
2. Identification particulars (National Registration or Voter Registration)
3. I am a grower cultivating or proposing to cultivate seed cotton in:
District Division
Ward Village
4. My personal address is
.....
5. Details of existing financier, if any.....
.....
.....
6. Current/proposed hectarage of seed cotton planted
.....
.....

Name in full

Designation

Date _____

Authorized Signatory

TANZANIA COTTON BOARD

CERTIFICATE OF REGISTRATION AS A GROWER

This is to certify that
is registered for the season with the Tanzania Cotton Board in
terms of Regulation 4 of the Cotton Industry Regulations, 2011, as a grower, with effect
from the date hereof, and has furnished the following as the address/addresses of the
premises where he or she shall operate:

- (i)
- (ii)
- (iii)

The registration number allocated by the Board is

.....
Date

.....
for Director General of the Board

TANZANIA COTTON BOARD

CERTIFICATE OF REGISTRATION AS A FINANCIER

This is to certify that
is registered for the season with the Tanzania Cotton Board in terms
of Regulation 4 of the Cotton Industry Regulations, 2011 as financiers, with effect from the
date hereof, and has furnished the following as the address/addresses of the premises where
he or she shall operate:

- (i)
- (ii)
- (iii)

The registration number allocated by the Board is

.....
Date for Director General of the Board

SECOND SCHEDULE

LICENSE

TANZANIA COTTON BOARD

FORM NO. 1

APPLICATION FOR SEED COTTON BUYING LICENSE
(Made under Regulation 19(1))

1. **Particulars of Applicant:**

I/We _____ of P.O. Box _____ and holders of Business License No. _____ (**attached**) issued at _____ wish to apply for seed cotton buying license for the _____ season.

2. **Areas of Operation:**

I/We intend to operate in the following buying posts: - _____ total in number _____ the estimated total volume of the crop I/We expect to buy is about _____ kgs of seed cotton.

3. **Financial Arrangements:**

I/We confirm that I/We will have no problems with financing and we attach herewith confirmation from my/our financier _____ of P.O. Box _____

4. **Ginning Arrangement:**

I/We also confirm that I/We have my/our own ginnery (**Name**) _____ I/We have ginning contract with M/s. _____ to use their/his ginnery (**Name**) _____

5. **Declaration**

I/We hereby declare that I/We shall abide by the regulations governing the purchase of seed cotton as issued and as will be directed by the Board from time to time.

Signature

Date: _____

Capacity

Official Stamp

For office use only: I _____ hereby approve/ not approve this application

Signature and Official Stamp

NOTE: See procedure to be followed over leaf

PROCEDURE TO BE FOLLOWED BY APPLICANTS FOR SEED COTTON BUYING LICENSE

The applicant must do the following:

- (a) visit the area where he intends to buy cotton;
- (b) register with the Regional and District Authorities of the respective areas and abide by directions of such authorities;
- (c) visit and obtain confirmation from a ginnery that the seed cotton purchased shall be ginned at that designated ginnery.

QUALIFICATIONS FOR OBTAINING SEED COTTON BUYING LICENSE

- (a) the applicant should be in possession of a valid trading license;
- (b) the applicant must show financial ability with the support of a reputable bank or financial institution;
- (c) the application should be supported by certification by the Board or its agent that the intended buying posts have been inspected and passed for cotton buying for that season;
- (d) the applicant must be a member of Tanzania Cotton Association

A: L: APPLICATION-SEED COTTON BUYING LICENSE

TANZANIA COTTON BOARD

SEED COTTON BUYING LICENSE

SCBL No. _____

(Issued Under Regulation 20(2))

License is hereby granted to M/s. _____ of P.O. Box
_____ to buy seed cotton during _____ season, ending _____ at the
buying post designated by the Board and the cotton so purchased shall be ginned at
_____ Ginnery.

Issued at _____ this _____ day of _____ 20_____

**DIRECTOR GENERAL
TANZANIA COTTON BOARD
P.O. BOX 9161
DAR ES SALAAM**

RENEWAL

Renewed for _____ **season ending** _____ **Signature** _____

NOTE: This license is issued subject to the conditions shown overleaf

**CONDITIONS TO BE OBSERVED
BY COTTON BUYERS**

- (a) Every buyer shall be a member of Tanzania Cotton Association (TCA) and not blacklisted by any local or international recognized institution.
- (b) Every cotton buyer shall buy cotton from registered growers unless provided otherwise by the Board.
- (c) All buyers of seed cotton shall issue produce receipts to farmers for cotton purchased.
- (d) Any buyer shall purchase seed cotton in two grades, that is, **Grade A and Grade B**.
- (e) Every seed cotton buyer shall engage a qualified cotton grader at every buying post.
- (f) Every buyer shall display in an easily accessible place in conspicuous manner the following-
 - (i) Standard grade sample box approved by the Board at the beginning of every buying season;
 - (ii) producer price to be offered for each grade;
 - (iii) Weighing scale properly inspected and passed by Weights and Measure Agency of Ministry of Trade and Industries;
 - (iv) buying License issued by the Board.
- (g) Every buyer of seed cotton must purchase seed cotton from a designated buying/ auction post only.
- (h) Every buyer must use jute, cotton or any other material that will be approved by the Board to pack seed cotton at designated buying post.
- (i) Every buyer of seed cotton shall ensure that, all purchased seed cotton is insured with a reputable insurance company.
- (j) At any buying post, buyers should ensure that-
 - (i) all grass within five meters of the seed cotton store is removed;
 - (ii) all cotton refuse is burnt;
 - (iii) stores are properly repaired, cleaned and fumigated before the beginning of the season;
 - (iv) floor should be well surfaced.
- (k) **Grade A** cotton shall be kept separate from **Grade B**
- (l) The Board shall have power to inspect any buying post at any time without notice, to ensure compliance with these regulations.
- (m) Buyers of seed cotton shall also abide by regulations issued by Councils and Regional Consultative Committees (RCC).
- (n) Buyers shall produce standard weekly reports to the Board showing-
 - Weekly purchases and deliveries of seed cotton by grade for every buying post.
 - Producer price offered for each grade.
- (o) Buyers shall deliver seed cotton directly from buying post to ginneries designated for the area, unless instructed otherwise by the Board in writing.
- (p) Every buyer shall retain at the buying post book copies of produce receipts and delivery notes throughout the buying season.
- (q) Cotton buyers shall contribute to the Cotton Development Trust Fund as will be agreed by stakeholders from time to time on a weekly basis for seed cotton purchased during the week on or before Friday the following week.
- (r) The Board may exercise its powers under Section 35 (1) of the Cotton Industry Act No. 2 of 2001 to cancel or suspend a license if the Licensee fails to comply with terms and conditions of the License. Where a license is cancelled, the buyer shall have to re-apply upon payment of shillings one million and where a license is suspended, the buyer shall pay Tanzanian shillings five hundred thousand after complying with the conditions of this license.
- (s) In addition, any person who contravenes any one of these regulations shall be guilty of an offence.
- (t) A person aggrieved by the decision of the Board cancelling or suspending his license may appeal to the Minister.

F: L: S COTTON BUYING LICENSE

TANZANIA COTTON BOARD

FORM NO. 2

APPLICATION FOR COTTON GINNING LICENSE

(Made under Regulation 19(1))

1. Particulars of Applicant

I/We _____ of P.O. Box _____ owner/lessee of _____
Ginnery with Registration No. _____ situated at _____ in _____ District
_____ Region.

2. Type of Ginnery

_____ Ginnery has _____ single/double roller/saw gins installed, for the _____ season.
I/We intend to operate _____ gins. Press per bale _____ kgs annually.

3. Declaration

I/We hereby declare that the ginnery has been duly inspected and passed by the Board's Ginnery Inspectors as per the attached Ginnery Inspection Report No. _____ dated _____. I/We also declare that I/We shall abide by the conditions governing the ginning of cotton as issued and as will be directed by the Board from time to time.

Signature

Capacity

Official Stamp

Date _____

For office use only:

I _____ hereby approve/ not approve this application

Signature and Official Stamp

NOTE: See conditions overleaf

**REQUIREMENTS FOR OBTAINING
A GINNING LICENSE**

- (i) An applicant must own a ginnery or must have hired/leased one from a ginnery owner. Proof of hiring/leasing must be shown.
- (ii) The ginnery concerned must have been inspected and approved by the Board's Ginnery Inspectors.
- (iii) The applicant must be a member of Tanzania Cotton Association and not blacklisted by any local or international recognized institutions.
- (iv) It is the responsibility of the ginner to cause the Inspectors from the Board to inspect and certify the ginnery for issuance of a ginning license.
- (v) Holders of ginning licenses shall be bound to observe the rules and regulations governing the operation of ginnery.

TANZANIA COTTON BOARD

GINNING LICENSE

[(GL NO.....)]

Made under regulation 20(2)

License is hereby granted to M/s. _____ of P.O. Box _____ to gin and bale cotton during _____ season, ending _____ at the _____ Ginnery with Registration No. _____ situated at _____ in _____ District, _____ Region by means of _____ single/double roller/saw gins and press providing bales weighing between 181 and 220 kilograms net.

Issued at _____ this _____ day of _____ 20____

**DIRECTOR GENERAL
TANZANIA COTTON BOARD
P.O. BOX 9161
DAR ES SALAAM**

RENEWAL:

Renewed for _____ season ending _____ Signature _____

NOTE: This license is issued subject to regulations shown overleaf.

CONDITION FOR COTTON GINNING LICENCE

- (a) Every ginner shall be a member of Tanzania Cotton Association (TCA) and not blacklisted by any local or international recognized institution.
- (b) The ginner shall obtain and display a valid ginning license issued by the Board
- (c) The ginner shall maintain and work the ginnery in a proper manner and in such a way as to maintain cotton quality standards.
- (d) The ginner shall ensure that all raw cotton delivered to the ginnery is correctly graded and shall keep all Grade A cotton and the lint there from and all Grade B cotton and the lint there from separate from the other.
- (e) The ginner shall separate disease-infected cotton from non-infected cotton.
- (f) The ginner shall keep seed cotton, cotton seed and cotton lint which may be salvaged from damage by fire or water, separate from other seed cotton, cotton seed and cotton lint and shall gin the seed cotton and bale the cotton lint in accordance with conditions of the license.
- (g) Every ginner shall ensure that, the ginnery and all raw seed cotton or cotton lint in the premises are insured with a reputable insurance company.
- (h) Ginners shall produce correct weekly reports.
- (i) The ginner shall not later than 15th April of each year produce annual reports to the Board in the prescribed form.
- (j) The ginner is prohibited from buying and/or ginning improperly graded cotton.
- (k) The ginner shall ensure that lint bales are labelled with lot numbers as issued by the Board.
- (l) The ginner shall ensure that lint bales are stored in proper conditions.
- (m) The ginner shall deliver samples to the Board within one week after drawing the relevant samples. Upon receipt of the samples the Board shall classify them and issue a report. Copy of the classification report shall be made available to the owner. Each sample shall weigh not less than two hundred grams (200g).
- (n) Samples classed using the instrument based machine shall be charged a fee to be determined by the Board from time to time.
- (o) The ginner shall ensure that all bales produced are properly weighed and the same is clearly indicated in bale specification forms.
- (p) The ginner shall draw one sample from each bale that is one hundred percent (100%) sampling.
- (q) Ginners shall use cotton or any other material approved by the Board to pack lint bales, cottonseeds and cotton samples.
- (r) The Board may exercise its powers under Section 35 (1) of Cotton Industry Act, Act No. 2 of 2001 to cancel or suspend a license if the licensee fails to comply with terms and conditions of the license. Where a license is cancelled, the ginner shall have to re-apply upon payment of US Dollars two thousand one hundred and where the license is suspended, the ginner shall pay US Dollars one thousand after complying with the conditions of the license.
- (s) A person aggrieved by the decision of the Board cancelling or suspending his license may appeal to the Minister.
- (t) Authorized internal test production should not exceed 100 bales for Roller gins and 150 bales for sow gins. In the event there is a need to produce more bales for testing above the rated bales, the ginner should seek the Board approval.
- (u) Any person who contravenes the condition for ginning license shall be guilty of an offence.

F: L: GINNING LICENSE

To: Director General

APPLICATION FOR LINT/LINTERS EXPORT LICENSE

(Made under Sections 19(1))

1 Particulars of Applicant:

Name of Applicant _____

Address: _____

Trading License No. _____ of _____ 20_____

Bankers full name and address: _____

I/We _____ of P.O. Box _____ and holders of Business

License No. _____ (**attached**) issued at _____ hereby apply for a Cotton Lint Export

License for the _____ season.

Type of Lint Exporters (Tick whichever is applicable)

2:1 Licensed seed cotton buyer.

2:2 Agent of Licensed Seed Cotton Buyer (**copy of Agency Agreement attached**)

2:3 Cotton Merchant (**evidence of source of supply and business License attached**)

2 Financial Arrangement:

I/We confirm that I/We will have no problems with financing and we attach herewith confirmation from my/our financier _____ of P.O. Box _____

3 Declaration:

I/We hereby declare that I/We shall abide by the regulations governing the Cotton Lint Export as issued and as will be issued by the Board from time to time and satisfy conditions for lint exporters shown overleaf.

Signature _____ Date: _____

Official Stamp: _____

4 For office use only:

I _____ hereby approve/ not approve this application

Signature and Official Stamp

NOTE: See conditions overleaf

REQUIREMENT FOR LINT EXPORT LICENSE

- (a) The exporter shall show financial ability endorsed by a reputable Bank/Financial Institution.
- (b) The applicant must be a member of Tanzania Cotton Association and not blacklisted by any local or international recognized institution.
- (c) An applicant for cotton lint export license shall be the owner of the cotton lint.
- (c) No exporter shall export cotton lint without a valid export permit issued by the Board for every consignment.

TANZANIA COTTON BOARD

COTTON LINT EXPORT LICENSE

NO. LEL NO. _____

(Made under regulation 20(2))

License is hereby granted to M/s. _____

of P.O. Box _____ to export cotton lint during _____ marketing season.

Issued at Dar es Salaam this ____ day of _____ 20____

**DIRECTOR GENERAL
TANZANIA COTTON BOARD
P.O. BOX 9161
DAR ES SALAAM**

RENEWAL:

Renewed for _____ season ending _____ Signature _____

NOTE: This License is issued subject to the conditions shown overleaf.

CONDITIONS FOR COTTON LINT EXPORT LICENSE

- (a) Every exporter shall be a member of Tanzania Cotton Association (TCA) and not blacklisted by any local or international recognized institution.
- (b) Tanzania cotton shall be sold on the basis of regions grades and staples. The grade shall be equal to the standard boxes i.e. GANY and DARS for Lake and Coastal prepared by the Board from time to time. The staple length shall be at least 1-1/8" for type one, 1-3/32" for type two and 1-1/16" for type three. Premiums and discounts for grade and staple shall be as per Boards Terms and Conditions of cotton sale.
- (c) Exporters shall perfect the export permit issued for each consignment and return to the Board within fourteen days from the date of shipment.
- (d) All lint exporters must register every sale of cotton lint with the Board within seven days from the date of sale. The information should include the buyer's name, number of bales sold, the type, price and delivery period.
- (e) All applications for export permit must be accompanied by both the manual and High Volume Instrument (HVI) lint quality certificates issued by the Board.
- (f) The Board may exercise its powers under Section 35 (1) of the Cotton Industry Act No. 2 of 2001 to cancel or suspend a license if the Licensee fails to comply with terms and conditions upon which the license is issued. Where a license is cancelled, the exporter shall have to re-apply US\$ 2,100 and where a license is suspended, the exporter shall pay US Dollars one thousand (US \$ 1,000=) after complying with the conditions of this license.
- (g) In addition, any person who contravenes any one of the conditions shall be guilty of an offence.
- (h) A person aggrieved by the decision of the Board cancelling or suspending his license may appeal to the Minister.

F: L: COTTON LINT EXPORT LICENSE

THE UNITED REPUBLIC OF TANZANIA

TANZANIA COTTON BOARD

FORM NO. 4

APPLICATION FOR COTTON LINT EXPORT PERMIT

(Made under Regulation 19(1))

1. Particulars of Applicant

Name of Applicant _____

Address _____

Trading License No _____ of _____

I/We _____ of P.O. Box _____

And holders of Business License No. _____ (**attached**), issued at

_____ hereby apply for COTTON LINT EXPORT Permit for lot No _____ for _____ season.

2. Declaration

I/We hereby declare that I/We shall abide by the regulations and by-laws governing the cotton lint export as issued and as will be issued from time to time.

Signed: _____ Date: _____

Official Stamp: _____

For office use only:

I _____ hereby approve/ not approve this application

Signature and Official Stamp

THE UNITED REPUBLIC OF TANZANIA

TANZANIA COTTON BOARD
COTTON LINT EXPORT PERMIT

Serial No _____

(Made under Regulation 20 (2))

1. Exporter's Name and Address					2. EXPORT LICENCE NO.	
3. Buyer (Name and Address)					4. CONSIGNEE	
5. TO BE SHIPPED ON					6. TERMS OF DELIVERY	
ETA						
DESCRIPTION OF COTTON:					7. PORT OF SHIPMENT	
GRAD E	STAPLE	CLASSIFICATI ON REPORT	QUANTI TY	PRICE US C/LB	TOTAL VALUE US\$	8. PORT OF DESTINATION
9. LOT NUMBER(S):					10. CONTRACT NO.	
12. DECLARATION BY THE EXPORTER: We the owners (or agents duly authorised by the owner of the lint specified in this form), hereby declare that the export prices quoted above are correct. _____ Stamp & Signature of Exporter Date: _____				13. VERIFICATION BY TANZANIA COTTON BOARD We certify that for this application the requirements have been fulfilled. Checked by _____ _____ Stamp & Signature of Tanzania Cotton Board Date: _____		

14. FOR OFFICIAL USE BY CUSTOMS (at Wharf/Exit Point)

We hereby certify that his export shipment has been completed as follows:

Date of shipment _____ Port of Shipment _____ Carrying Vessel _____

Mode of Shipment _____ Bill of Lading/Airway Bill/Consignment No. _____

Export Entry No. _____ Export Entry Date _____ Port & Country of Destination _____

		QUANTITY BALES	AMOUNT IN FOREIGN CURRENCY	TSHS. VALUE EQUIVALENT

Checked by _____ Approved by _____ Date _____

Stamp & Signature of
Authorised Official of Customs

CONDITIONS FOR COTTON LINT EXPORT PERMIT

- (i) Cotton lint exporters should have valid trading licenses, evidence of agency for seed cotton buyer or ownership of lint.
- (ii) Exporters shall perfect the export permit issued for each consignment and return to the Board within fourteen days from the date of shipment, failure of which no export permit will be issued.
- (iii) Exporters must not exchange or barter cotton lint.
- (iv) Forwarding agents or representatives shall be required to quote the Sellers' Export Licence Numbers when requesting for export permits to effect shipment of cotton lint on behalf of their principals.
- (v) Lint quality certificate issued by the Board to be provided for every consignment.
- (w) All lint exporters must register every sale of cotton lint with the Board within seven (7) days from the date of sale. The Board will not issue any export permit for any contract not registered.

F: L: CLINT EXPORT PERMIT

THE UNITED REPUBLIC OF TANZANIA

TANZANIA COTTON BOARD

FORM NO. 5

APPLICATION FOR COTTON SEED/CAKE EXPORT PERMIT

(Made under Regulation 19(1))

3. Particulars of Applicant

Name of Applicant _____

Address _____

Trading License No _____ of _____

I/We _____ of P.O. Box _____

And holders of Business License No. _____ (**attached**), issued at

_____ hereby apply for COTTON SEED/CAKE EXPORT Permit for lot No _____ for _____ season.

4. Declaration

I/We hereby declare that I/We shall abide by the regulations and by-laws governing the cotton lint export as issued and as will be issued from time to time.

Signed: _____ Date: _____

Official Stamp: _____

For office use only:

I _____ hereby approve/ not approve this application

Signature and Official Stamp

THE UNITED REPUBLIC OF TANZANIA
COTTON SEED/ CAKE EXPORT PERMIT

Serial No. _____

((Made under Regulation 20(2))

1. Exporter's Name and Address				2. EXPORT LICENSE NO.
3. Buyer's (Name and Address)				4. CONSIGNEE
5. TO BE SHIPPED ON			ETA	6. TERMS OF DELIVERY
7. DESCRIPTION OF COTTON SEEDS/ CAKE:				PORT OF SHIPMENT
CROP YEAR	QUANTITY - TONS	PRICE US C/LB	TOTAL VALUES	9. PORT OF DESTINATION
10. CONTRACT NO.				
<p>DECLARATION BY THE EXPORTER: We the owners (or agents duly authorised by the owner of the seeds specified in the form), hereby declare that the export prices quoted above are correct.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Stamp & Signature of Exporter</p> <p style="text-align: center;">Date: _____</p>			<p>VERIFICATION BY TANZANIA COTTON BOARD We certify that for this application the requirements have been fulfilled.</p> <p>Checked by _____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Stamp & Signature of Tanzania Cotton Board</p> <p style="text-align: center;">Date: _____</p>	

FOR OFFICIAL USE BY CUSTOMS (at Wharf/Exit Point)

We hereby certify that this export shipment has been completed as follows:

Date of shipment _____ Port of Shipment _____ Carrying Vessel _____

Mode of Shipment _____ Bill of Lading/Airway Bill/Consignment No. _____

Export Entry No. _____ Export Entry Date _____ Port and Country of Destination _____

		QUANTITY TONS	AMOUNT IN FOREIGN CURRENCY	TSHS. VALUE EQUIVALENT

Checked by _____ Approved by _____ Date _____

Stamp & Signature of
Authorised Official of Customs

This permit is issued subject to the conditions shown overleaf

CONDITIONS FOR COTTON SEEDS/ CAKE EXPORTER PERMIT

- (i) Cotton seeds/ cake exporters should have valid trading licenses.
- (ii) Exporters shall perfect the export permit issued for each consignment and return to the Board within fourteen days from the date of shipment, failure of which no export permit will be issued.
- (iii) Exporters must not exchange or barter cotton seeds/ cake.

F: L: EXPORT PERMIT

REQUIREMENTS FOR GINNERY EXPANSION/ CONSTRUCTION

(1) No person shall expand and register a ginnery unless the following particulars are submitted and approved by the Board:-

- (a) An applicant for expansion of a ginnery must be the owner of the ginnery to be expanded. Proof of hiring/leasing or ownership must be shown.
- (b) The expansion of the ginnery concerned must be inspected and approved by the Board's Ginnery Inspectors on completion.
- (c) The applicant must not have been blacklisted by any local or international recognized institutions.
- (d) It is the responsibility of the ginner to have the ginnery Inspected and certified for issuance of a ginning licence by the Board.

FOURTH SCHEDULE

TANZANIA COTTON BOARD

TO: DIRECTOR GENERAL

REQUISITION FOR COTTON CLASSIFICATION

(Made under Regulation 26 (1))

1. Particulars of Applicant

Name of Applicant _____

Address _____

Please supply classing services for samples delivered as hereunder:

GINNERY	LOT NO.	SAMPLE BALE NOS	VARIETY AND QUALITY SYMBOL	TYPE OF GINNING SAW/ROLLER

2. Classing Services Required

(Tick the required service, but STAPLE and GRADE is mandatory)

HVI TEST

- (1) Micronaire (2) Upper Half Mean (3) Strength (g/tex)
(4) Uniformity Index (5) Uniformity ratio (6) Span length 50%
(7) Span Length 2.5% (8) Other (specify)

3. Test Results

(i) Telex/Fax/Post the classing data to the following address:

_____ or

(ii) Keep for collection in your lab by us or our agent.

4. Declaration

I/We hereby declare that the samples of the above mentioned lot/lots were drawn and sealed, under our responsibility in accordance with the sampling rules and regulations issued by the Board and were delivered to the Board as being to the best of my/our knowledge, truly representative of the lot referred to and that the Board shall not be held responsible for any claims arising from inconsistencies between the sample and the exported cotton.

Signature

Capacity

Official Stamp

Date: _____

For office use only:

I _____ hereby approve/ not approve this application

_____ **Signature and Official Stamp**

F: L: REQUEST FOR CLASSIFICATION

COTTON QUALITY CERTIFICATE
(Made under Regulation 26(5))

TANZANIA COTTON BOARD

Issued to _____

CQC _____

We certify that the _____ samples of raw cotton delivered to the Board vide Delivery Note No. _____ of _____ are as follows:-

CROP	LOT NOS	NO. OF BALES	SAMPLE NOS.	GRADE	STAPLE

TANZANIA COTTON BOARD

COTTON CLASSIFIER _____ **DATE** _____

DIRECTOR GENERAL _____ **DATE** _____

DISCLAIMER CLAUSE: As the samples are drawn by the ginners, the Board shall not be responsible for any claims arising from inconsistencies between the sample and the exported cotton. It includes materials not easily detected by visual or machine at the time of classing.

COTTON QUALITY CERTIFICATE

—————
FIFTH SCHEDULE
—————

REPORTS

FORM NO. 1

TANZANIA COTTON BOARD

WEEKLY SEED COTTON PURCHASES REPORT FOR _____ SEASON

(Made under regulation 50 (1) (a))

Bu yin g Po st	PURCHASES			DELIVERIES			Balances
	Purchase s To Previous Week	Purchases This Week	Total Purchases To Date	Deliveries To Previous Week	Deliveries This Week	Total Deliveries To Date	

Week No. _____ ending _____ GRADE AR/BR

WEEKLY GINNING REPORT FOR _____ SEASON

FORM NO. 2

(Made under regulation 50 (1) (a))

Week No. _____ ending _____ GRADE AR/BR

GINNERY	GINNING			DISPOSAL				
	Ginning to Previous Week	Ginning This Week	Total Bales Ginning to Date	Bales Delivered To Railheads	Bales Railed To Dar es Salaam	Sales to Local Mills/Merchants	Balance at The Ginner y	Balance at Railhead

GINNERY MANAGER _____

OFFICIAL STAMP _____

DATE _____

F: L: WEEKLY GINNING REPORT

SIXTH SCHEDULE

CONTRACT FARMING

THE COTTON INDUSTRY REGULATIONS, 2011

Standard Form Contract

(Made under Regulation 31(2))

This agreement is made this _____ day of _____ 20_____

BETWEEN a grower group known as:

Name:	
District:	
Ward:	
Village:	

(Hereunder referred to as the “**Seller**”) on one part;

AND

a cotton ginning company know as:

--

(Hereunder referred to as the “**Buyer**”) on the other part;

WHEREAS, Tanzanian cotton sub sector stakeholders having noted the benefit of contract farming in development of cotton industry in terms of cotton quality, production and assurance of marketing.

WHEREAS in pursuant to the above benefits, the parties agree to participate in this Contract Farming Scheme

AND THEREFORE both parties agree on the following:

GENERAL OBLIGATIONS:

1. The **Seller** agrees to make available for sale and the **Buyer** agrees to purchase the **Seller’s** entire seed cotton crop. The **Seller** estimates production as follows:

Estimated number of participating farmers	
Estimated number of acres planted	

2. The **Buyer** agrees to buy all seed cotton harvested during the _____ season. The **Seller** shall be paid cash upon delivery the crops to the warehouse or buying post approved by the Tanzania Cotton Board.
3. The **Seller** shall sell seed cotton to the approved warehouse or buying post within 10 kilometres in _____ Village in which the **Seller** is located.
4. The **Buyer** agrees to provide a minimum package of inputs (hereunder referred to as the “Minimum Input Package”) to the **Seller** as follows:

	Minimum Input Package
Cotton Seeds (kg)	
Pesticides (acre packs)	
Fertilizer (kg)	

Picking Bags	
Transportation Bags	

5. The **Buyer** agrees to purchase the Minimum Input Package in its entirety from the Cotton Development Trust Fund.
6. The **Buyer** shall offer the Minimum Input Package to the **Seller** as an advance on the sale of the entire seed cotton crop as indicated in section (1) above. The Tanzania Cotton Board will announce the value of the Minimum Input Package on a “per-unit” basis prior to the **Seller’s** physical acceptance of any part of the Minimum Input Package. The **Seller** shall document their acceptance of all or a portion of the Minimum Input Package upon receipt of the physical goods with documentation to be retained by the **Buyer**. The value of the advance to be deducted from proceeds due to the **Seller** as indicated in section (2) above shall be a function of the documented quantity of inputs accepted by the **Seller** and the “per-unit” value announced by the Tanzania Cotton Board.
7. The **Buyer** also agrees to offer a supplemental package of inputs and services as an advance upon the sale of the entire seed cotton crop as indicated in section (1) above as follows:

Input Commodity or Service (e.g. pesticide sprayers, ploughing services, etc.)	Description and Quantity	Per-Unit-Value

8. The **Seller** shall document their acceptance of all or a portion of the supplemental package of inputs upon receipt of the goods or services with such documentation to be retained by the **Buyer**. The value of the advance to be deducted from proceeds due the **Seller** as indicated in section 2) above shall be a function of the documented quantity of inputs or services accepted by the seller and the “per-unit-value” indicated in section (7) above.
9. Before the buying season begins, the Tanzania Cotton Board, representative of grower group’s, the **Buyer** and Ministry responsible for Agriculture will discuss and agree on a cotton indicative price which will be reviewed regularly. The **Buyer** agrees to pay a value for seed cotton purchases as indicated in section (2) above of not less than the indicative price before taking into consideration the value of advances indicated in sections (6) and (8) above.
10. This agreement will last for one growing season. There is no obligation for either party to renew the agreement.

THE OBLIGATIONS OF THE BUYER

11. To be properly licensed by the TCB and in compliance with all related requirements of the TCB and the Government of Tanzania.
12. To purchase the entire seed cotton crop of the **Seller** in accordance with section (2) above.
13. To supply inputs described in sections (4) and (7) in a quality approved by the relevant Authority and within sufficient time to satisfy the terms of this contract.
14. To provide extension services to the cotton grower group.
15. To keep records of all transactions made, and be ready to share information with other analysers who participate in the contract farming.
16. To submit monthly report of all transactions to the Tanzania Cotton Board and the District Council.
17. To allow the Tanzania Cotton Board officials to monitor on the operation of the contract farming.
18. To provide the Seller with recommended cotton picking bags and transportation bags with the Buyer’s mark on them.

THE OBLIGATIONS OF THE SELLER

19. To be properly registered with the Tanzania Cotton Board.
20. To sell the entire seed cotton crop to the **Buyer** in accordance with section (1) above within 90 days from the date of the commencement of the season as directed by the Tanzania Cotton Board.
21. To act in good faith in planting all of the acreage described in section (1) above and to deploy all inputs secured from the **Seller** as described in sections (4) and (7) above in using appropriate agricultural techniques to maximize seed cotton production (such techniques to include planting, thinning, weeding, pest control, harvesting, preservation of seed cotton quality and all other activities appropriate in the responsible execution of this contract).
22. To repay the outstanding balance of the advance by the **Buyer** of inputs as described in sections (4) and (7) above either through a deduction in proceeds to be received by the Seller under section (2) above or in cash in the event of failure by the Seller to produce seed cotton as indicated under section (1) above.
23. To allow the **Buyer's** duly appointed agent or nominee, reasonable access to the farm to inspect seed cotton production whenever required to do so.
24. To avoid contamination by appropriately storing the harvested seed cotton and not adding water and/or sand, and to ensure that as soon as practicable after harvest the seed cotton production is promptly packaged into wool packs bearing buyer mark or any other distinguishing mark prescribed by the buyer and thereby clearly identifiable from harvest belonging to any other entity or person.
25. Not under any circumstances execute any parallel or similar agreement with, nor take seed cotton production Inputs on credit from, any other distributor, inputs supplier or buyer of seed cotton or any other person whatsoever relating to the production of seed cotton.

SEVERABILITY

26. If, at any time, any provision of this agreement is or becomes invalid or illegal in any respect, such provision shall be deemed to be severed from this Agreement but the validity, legality, and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

AMENDMENT

27. This document constitutes the entire agreement made by both parties, no amendment shall be made to this agreement unless is in writing and signed by both parties.

TERMINATION OF THE AGREEMENT

28. This agreement will be terminated under the following circumstances:
 - a) If the **Seller** fails to adhere to prescribed procedures in this Agreement he will automatically infringe the terms contained in this Agreement, and therefore be given a verbal and written warning three times, and after that, the **Buyer** will have the right to terminate the contract and be able to be refunded his credit thereof.
 - b) The **Seller** (as a group) has joint liability for repayment of any portion of the advance represented by defaulting grower group/member(s) as described in sections (4) and (7) above.
 - c) If the **Buyer** fails to fulfil his promise as prescribed above, the **Seller** has a right to claim the compensation of the cost of the lost crop at the rates of the price of that time. Additionally, any default of this contract on the part of the **Buyer** will result in a loss of **Buyer's** rights under section (1) to purchase associated seed cotton production and under section (22) to the recovery of outstanding advance balance.

Both parties may terminate this contract by giving a four-teen days notice which shall specify the item(s) breached and the reasons for termination of the contract, and require the other party to amend the imperfection and to play its part in accordance with the terms of the agreement within four-teen days.

DISPUTE RESOLUTION

29. Any dispute arising from this Agreement shall first be resolved amicably between the parties. In the event parties fail to solve the dispute amicably, the dispute shall be referred to a arbitration Committee, comprising of: The Village Ward Executive Officer, Ward Agriculture and Livestock Officer, Tanzania Cotton Board Representative and the Representative of District Agriculture and Livestock Officer in which the Seller's farm is located. The Role of the

arbitration Committee is to solve problems. If the committee fails to solve the problem, this issue shall be referred to the Arbitrator to be appointed by both parties.

APPLICABLE LAW

30. This agreement shall be governed by the Laws of the United Republic of Tanzania.

Both parties have freely agreed to the terms (1-30), they hereby indicate their acceptance by signing hereunder.

BUYER

Signed by: _____ Company Director
Signature: _____
Date: _____
On behalf of: _____ Ginning Company

SELLER

Signed by: _____ Group Chairman
Signature: _____
Date: _____

Signed by: _____ Group Secretary
Signature: _____
Date: _____
On behalf of _____ Grower Group

WITNESS

Signed by: _____ Village/Ward
Signature: _____
Date: _____

Signed by: _____ TCB
Signature: _____
Date: _____

Copies to:

Buyer, Seller, Village Executive officer, Cotton Board Representative, and Agriculture/Livestock Officer.

Annexes:

1. List of Group Members of Cotton Growers with their signature.
2. Constitution or Minutes Summary of a meeting held to select leaders of the group of Commercial Cotton Growers.

Annex A
List of Group Members of the "Seller"

	Farmer Name	Farmer Number	Expected Planting Acreage
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

	Farmer Name	Farmer Number	Expected Planting Acreage
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			
51			
52			
53			
54			
55			
56			
57			
58			

	Farmer Name	Farmer Number	Expected Planting Acreage
59			
60			
61			
62			
63			
64			
65			
66			
67			
68			
69			
70			
71			
72			
73			
74			
75			
76			
77			
78			
79			
80			
81			
82			
83			
84			
85			
86			
87			
88			

	Farmer Name	Farmer Number	Expected Planting Acreage
89			
90			
91			
92			
93			
94			
95			
96			
97			
98			
99			
100			

SEVENTH SCHEDULE

COTTON CULTIVATION AND HUSBANDRY

(Made under Regulation 12)

A grower shall observe recommended practices of good crop husbandry as follow:-

1. Early farm preparations
2. Manure application
3. Early planting
4. Planting in rows to obtain an optimal and the right plant population per unit area
5. Thinning
6. Timely and proper weeding
7. Proper usage of fertilizers
8. Insect control measures
9. Timely and proper harvesting
10. Uprooting and burning of cotton crop residues and waste

EIGHTH SCHEDULE

CONSTITUTION, FUNCTIONS, FUNDING AND PROCEEDINGS OF THE STAKEHOLDERS MEETING THE COTTON REGULATIONS, 2011

(Made under Regulation 39)

- Constitution
- 1.-(1) The stakeholders meeting shall be composed by the following stakeholders-
- (a) Five (5) representatives from the Government;
 - (b) Local government authorities;
Seven (7) representatives from the Regional Commissioners, fifteen (15) District Commissioners or there representatives, fifteen (15) District Agriculture and Livestock Officers or there representatives and fifteen (15) District Executive Directors or there representatives;
 - (c) Two (2) representatives from the Cooperative societies;
 - (d) Twenty five (25) representatives from the board and three (3) representatives from the private players such as producers;
 - (e) Ten (10) representatives from the Producer associations;
 - (f) Five (5) representatives from the Traders;
 - (g) Twenty five (25) representatives from the Processors;
 - (h) Three (3) representatives from the Marketing agents;
 - (i) Five (5) representatives from the Exporters;
 - (j) Three (3) representatives from the Input suppliers;
 - (k) Two (2) representatives from the Research and extension institutions;
 - (l) Three (3) representatives from the financial institutions and any other person with vested interest in the cotton industry.
- (2) The Board shall be the chair of the stakeholders' meetings.
- (3) The stakeholders' meeting shall appoint the Secretariat of the Stakeholders meeting.
- Meetings of the stakeholders
2. -(1) The Board shall arrange for the Stakeholders' meetings to be held once in a year or as may be requested by the stakeholders as the circumstances may allow in order to expedient business transactions. The Secretariat, through the Chairman, will propose venue and dates for the meetings one year in advance.
- (2) The Board shall serve as facilitator for all stakeholders' meetings.
- (3) The shareholders meeting may co-opt any person to attend any deliberations of the meeting as an expert but that co-opted person shall not be allowed to vote.
- (4) Stakeholders meeting may appoint Working Groups which shall facilitate the implementation of the Stakeholders' resolutions.
- (5) Stakeholders Working Group meeting shall be scheduled on as may be needed by a working group.
- (6) Notice of each stakeholders or working group meeting will be posted/advertised on the Newspapers of wide circulation. Emails or post notifications shall be sent by the Board to the designated contact or signatory specified, as well as to all other subscribers to the Stakeholder Process e-mail list. Meeting date, time, location and draft agenda information shall be made available at least two weeks prior to the meeting.
- (7) Solicitation for meeting agenda items shall be included in each meeting announcement. Final meeting agenda and associated meeting materials shall be posted one week before the date.
- (8) The Chairman shall preside at meetings. If the Chairman is not present thirty (30) minutes after the time set for the meeting, or it is known that he will not be able to attend, the meeting can still be held if the members present comprise a quorum and appoints an interim Chairman to preside that only meeting.

(9) The Chairman shall endeavour to achieve a full discussion by the Stakeholders meeting of all agenda items and employ his best effort to allow all members and adequate voice during the meetings.

(10) Draft resolutions of each stakeholders meeting or Working Group meeting shall be made available through e-mail list subscribers or by posting.

(11) Final resolutions of each stakeholders meeting shall be adopted and confirmed on the same date of the meeting.

Powers to regulate its own procedures

3. Subject to the provisions of these regulations, the stakeholders' meeting shall have the power to regulate its own procedures in respect of the meetings and proper conduct of its business.

Circular resolution

4. A circular resolution in writing signed by all the Directors for the time being in Tanzania Shall be as an effectual as a decision made at a meeting provided that a member may require that notwithstanding the stakeholder meeting.

Quorum

5.-(1) Half of the members of stakeholders shall constitute a quorum at any meeting and all acts, matters and things to be done by the stakeholders shall be decided by a simple majority of the present members at the meeting.

(2) Each member of the stakeholders meeting shall have one vote and in the event of equality of vote the Chairman shall have a second or casting vote in addition to his normal vote.

Stakeholder Individual Meetings

6.-(1) A Stakeholder or the Board may request an individual meeting or discussion as long as the outcome of the meeting will be made available to all stakeholders. Nothing in the Stakeholder Process shall prohibit stakeholders from meeting with other stakeholders on a case specific basis to discuss issues of mutual concern or interest.

(2) All substantive discussions should take place in formal scheduled meetings.

Attendance and Representation

7.-(1) All members of the Stakeholders' meeting are required to attend all Stakeholders' meetings as may be scheduled.

(2) Where any member is unable to attend for any reason the stakeholders or Working Group meeting as the case may be, which he represents, he may in writing to the Chairperson nominate another person in his place to attend that meeting.

Role of Director General and Secretariat Staff

8. A Secretariat staff member other than the Director General will attend Stakeholders meetings to take notes. Other Secretariat staff members may attend to present and address agenda items, or attend to logistical matters. The Director General is the senior Secretariat liaison to the Stakeholders' meeting and shall attend the meetings. He may delegate others from within the Secretariat to manage communications and programs related to the Stakeholders' meeting, as the need may arise.

Meeting Notices

9. The date and venue of annual meetings will be determined at the previous annual meeting, giving all members one year's advance notices. Should the date or venue of the annual meeting need to be changed for logistical reasons, all members will be notified of the change at least thirty (30) days in advance. Draft agendas and proposed resolutions will be circulated at twenty one (21) days in advance of the annual general meeting in order to assure that all members have time to review and respond to them before the issuance of meeting agenda.

Establishing Meeting Agendas

10.-(1) The Chairman, in consultation with the Secretariat, will propose an agenda. The draft agenda and meeting papers will be circulated to members for comment at least forty five (45) days before the meeting. Up to thirty (30) days before the meeting, members may propose amendments or additional agenda items. Any member may propose an agenda item. These must be provided in writing to the chairman with a copy to the Secretariat. The final agenda and meeting papers will be circulated two weeks in advance of the meeting.

(2) When formulating the meeting agenda, the Chairman and Secretariat shall take into consideration the need for adequate time for thorough discussion of all agenda.

Conflict of interest **11.** Every member shall make a statement concerning any existence of conflict of interest in any matter presented to the meeting. At any time, if a member realizes that he has or may have a position of conflict of interest ; he must immediately bring this to the attention of the Chairman who will then decide on the appropriate course of action

Extraordinary Meeting **12.** The chairman may request an extra-ordinary meeting to consider issues of significant importance. An extra-ordinary meeting should only be called if the matter cannot wait to be considered at the annual general meeting. The resolutions will have the same effect like wise as that of the annual general meetings.

Official communication Language **13.** The official working languages of the Stakeholders meeting is English and Swahili. All communications will be prepared either in English or Swahili or in both.

Designated Spokespersons **14.-(1)** The Stakeholders meeting chairman is the designated spokesperson for the Stakeholders’ meeting. She/he may provide official input on Stakeholder meeting matters with media, governments and other stakeholders requiring formal input.

(2) Stakeholders’ meeting members may speak publicity as individuals participating in the Stakeholder meeting, but are not official spokespersons on behalf of the Stakeholder meeting or of the Board.

Interactions with Stakeholders **15.-(1)** Stakeholders’ meeting members are free to speak with the media, government and other stakeholders about Stakeholders’ meeting matters but must clearly explain that he does not speak on behalf of the Stakeholders’ meeting or of the Board in any official capacity.

16. Unless specifically authorized and prepared, on policy matters Stakeholders’ meeting members must direct such queries to either the Board Chairman or the Director General.

Roles of the Secretariat **17.** The role of the Secretariat shall be-

- (a) consult with the Director General in preparation of agenda for stakeholders’ meetings;
- (b) ensure that stakeholders’ resolutions are correctly recorded;
- (c) ensure that all members are enabled and encouraged to participate fully, and collectively are involved in the role and purpose of the stakeholders’ meeting;
- (d) ensure that Stakeholders’ meeting members receive timely, relevant information, and that they are briefed properly on agenda items and other issues that may arise at the stakeholders’ meetings;
- (e) ensure business of the Stakeholders’ meeting is within the budget set for the meeting.
- (f) to make follow-up of the implementation of the Stakeholders’ meeting resolutions.

Roles of the Stakeholders’ meeting **18.** Roles of the Stakeholders’ meeting shall be-

- (a) to deliberate on issues presented to it diligently and make resolutions on every issue presented before it;
- (b) to determine modalities for financing its meeting and activities;
- (c) to arrange for funding of the shared functions and other matters of common interest to cotton stakeholders;
- (d) to establish its organs for the better carrying out the shared functions;

- (e) to implement any other matter for sustainability and stability of the cotton industry.

Dar es Salaam,
....., 2011

JUMANNE A. MAGHEMBE
Minister for Agriculture, Food Security and Cooperatives