

PURCHASE CONTRACT

Poultry Products
Offtake Agreement



OFFTAKE AGREEMENT

POULTRY PRODUCTS: LAYER CHICKENS AND EGGS.

This Offtake Agreement ("Agreement") is entered into on this ____ day of August , 2023, between the African Farmers Association of South Africa (AFASA), a legal entity duly registered under the laws of South Africa, hereinafter referred to as the "Buyer," and its affiliated farmer, hereinafter collectively referred to as the "Seller."

1. Background

AFASA and its affiliated farmer are committed to fostering a responsible and sustainable agricultural relationship. The Buyer acknowledges the Seller's dedication to producing high-quality Layer Chickens and Eggs and desires to purchase all of the Seller's output to support their efforts.

The buyer intends to purchase the layer chickens in full from the seller and then collaborate with them for egg production. This collaboration involves a fee of fifty cents (R0.50) per egg laid, as remuneration for poultry-keeping efforts.

2. Definitions

- **Buyer:** African Farmers Association of South Africa (AFASA).
- **Seller:** An affiliated farmer of AFASA participating in poultry production.
- **Layer Chickens and Eggs:** Refers to all Layer Chickens and Eggs produced by the Seller.
- **Offtake:** The agreed-upon quantity or percentage of Layer Chickens and Eggs that the Buyer commits to purchase from the Seller over an indefinite period.

3. Offtake Commitment:

3.1 The Buyer commits to purchasing the Layer Chickens and Eggs from the Seller in accordance with the terms set forth in this Agreement.

3.2 The Seller commits to providing the Buyer with the agreed-upon quantity or percentage of Layer Chickens and Eggs as specified in Section 4.

4. Offtake Quantity and Period:

4.1 The Buyer and Seller shall mutually agree upon the specific quantity or percentage of Layer Chickens and Eggs that the Buyer will purchase from the Seller. This quantity/percentage will be outlined in a separate schedule attached to this Agreement.

4.2 The period of this Agreement shall be indefinite, but either party may terminate the Agreement with [notice period, e.g., 60 days] written notice to the other party.

5. Quality and Standards

5.1 The Seller shall ensure that all Layer Chickens and Eggs provided to the Buyer meet the highest quality standards and adhere to all applicable regulations.

5.2 The Buyer shall have the right to inspect the Seller's production facilities, processes, and products to ensure compliance with the agreed-upon quality standards.

6. Pricing and Payment

6.1 The parties shall agree upon the pricing mechanism for the Poultry Products: Layer Chickens and Eggs this may include fixed prices, pricing tied to market rates, or other mutually acceptable methods.

6.2 Payment terms shall be agreed upon separately and outlined in a payment schedule attached to this Agreement.

7. Responsibilities of the Parties

7.1 The Seller shall:

- Produce Layer Chickens and Eggs of the agreed-upon quality and quantity.
- Maintain records of production and deliveries.
- Notify the Buyer in case of any production delays or quality issues.

7.2 The Buyer shall:

- Honour its commitment to purchase the agreed-upon quantity or percentage of Layer Chickens and Eggs.

- Provide reasonable notice for any changes to offtake quantities or timing.
- Make payments according to the agreed-upon payment schedule.

8. Confidentiality

Both parties shall treat all information received under this Agreement as confidential and shall not disclose such information to any third parties without the other party's consent, except as required by law.

9. Dispute Resolution

Any disputes arising under or in connection with this Agreement shall be resolved amicably through negotiations. If an amicable resolution cannot be reached, the parties may resort to arbitration in accordance with the laws of South Africa.

10. Entire Agreement

This Agreement constitutes the entire understanding between the parties and supersedes all prior agreements, understandings, or representations.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

For the African Farmers Association of South Africa (Off-taker):

Authorised Signatory :
Designation :

For the Affiliate Farmer (Supplier):

Authorised Signatory :
Designation :