

REPUBLIC OF KENYA  
COFFEE MILLING AGREEMENT

This Agreement made this..... day of .....20..... BETWEEN New Kenya Planters Co-operative Union Public Limited Company whose address is Post Office Box Number 59638-00200 Nairobi, a State Corporation established under the State Corporations Act, Chapter 446 Laws of Kenya, a licensed miller (License Number.....) (hereinafter called the "miller", which expression shall where the context so admits include its successors and assignees) of the First Part;

AND ..... of.....a registered grower of coffee (Registration Number .....) whose address is Post Office Box Number .....(hereinafter called the “grower”, which expression shall where the context so admits include his or its successors and assignees) of the Second Part

WHEREAS

- a) The miller is a duly licensed under the Coffee Act, 2013 and the Rules made there under.
- b) The grower has requested the miller to provide milling services and the miller has agreed to provide such services to the grower upon the terms and conditions appearing, hereinafter.

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

- 1. The grower shall deliver the parchment coffee and *buni* under the conditions herein stipulated in respect of moisture content of maximum of 10.5%-11%, properly labelled bags, well sorted out to distinguish different grades and without foreign matter and the miller shall reserve the right to refuse to accept delivery or provide services if the grower fails to comply with the said conditions
- 2. Transport services from the factory of the grower to the mills may be provided by the miller at such rate of charge as may be agreed between the parties. the

- transport of milled coffee and *buni* to the marketing agent shall also be charged at such rate of charge per bag as may be agreed between the parties, all milled coffee and *buni* being securely transported as per the grower's delivery note, confirmation slip and movement permit.
3. The grower shall ensure all the coffee in transit to mills is properly insured while the miller shall take out insurance against fire and burglary and any other risk for the coffee delivery for milling until the coffee is handed over to the market
  4. Drying of coffee received at the mills will be charged according to the moisture content after consent to dry the coffee has been sought and obtained from the client before the drying process starts.
  5. The grower agrees to pay:
    - a) Milling charges at the rate of.....**40 US\$/Ton**
    - b) Colour sorting charges at the rate of.....**2.5 US\$/Ton**
    - c) Handling charges at the rate.....**1.75 US\$/60kg bag cc**
    - d) Regrading for estate cured coffee-----**35US\$ per clean Ton**
    - e) Export Bags-----**3.0 US\$ plus 16% VAT**
  6. Milling shall be done on a first -in first out basis and empty bags shall remain the property of the grower.
  7. The miller shall ensure that the coffee in its possession is properly stored and secured to protect it from any damage, pilferage or loss of quality.
  8. The miller shall submit and provide such advice from time to time as the grower may reasonably require in relation to milling out-turns and grading.
  9. This agreement shall bind the parties for a period of a coffee year meaning a period of twelve months beginning on the 1st October of one year and ending on the 30th September of the following year.
  10. The parties may terminate this agreement by giving the other one month notice in writing prior to the proposed date of termination.

Provided that;

    - a) No such termination shall in any way affect any accrued right of either party hereunder

- b) Where the grower is a member of a co-operative, society and the rules of the Society so provide, no such notice of termination shall be valid if it was given in contravention of the rules of the society or any agreement to which the society and any party to this agreement are parties.

11. Any dispute arising from or in connection with this Agreement, its breach, termination or cancellation shall, in the absence of the parties resolving the dispute amicably, be settled by arbitration in accordance with the Nairobi Centre for International Arbitration, Arbitration Rules and where any matter is not covered by such Rules, the provisions of the Arbitration Act, 1995 Laws of Kenya shall apply. The seat of arbitration shall be Nairobi, Kenya.

12. Any notice under this Agreement shall be given only by one or more of the following methods;

- a) In writing and shall be deemed to have been duly given or made if delivered at the offices for the time being of the parties hereto
- b) Postal services to the last known address of the parties hereto where such notice shall be effective four days after the date of posting thereof and in proving service by post it shall be sufficient to prove that the letter containing the notice was properly stamped, addressed and duly posted at a post office
- c) Electronic Mail
- d) Any other method of written communication provided that a record of the notice is capable of being preserved by both parties and printed by both parties and that such method of communication has been expressly agreed in writing

IN WITNESS WHEREOF the parties have executed this Agreement on the day and date first hereinbefore written.

SIGNED for and on behalf of the miller:

Name.....

Designation.....

Signature and Stamp.....

In the presence of

Name.....

Identity Card No.....

Signature.....

SIGNED by the grower

Name.....

Designation.....

Identity Card No.....

Signature and Stamp.....

In the presence of

Name.....

Identity Card No.....

Signature.....