This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.

## PRESENTATION ON THE AGRICULTURAL DEVELOPMENT ACT

**PRESENTED BY:** 

**BARRISTER ALI ASGHER KHAN** 



## THE SCHEME AND STRUCTURE OF THE AGRICULTURAL DEVELOPMENT ACT



- The Act shall be passed by each Province setting up an authority (the Authority) for development and regulation of the agricultural sector and formulation of agricultural policy in such Province.
- The Act shall establish special agricultural tribunals (the **Tribunals**) to act as an exclusive forum for all disputes emanating from the Act.
- Largescale corporate farming over state-owned land in the form of medium and long-term projects.
- Formalisation of general private farming arrangements through contracts containing well defined terms.
- Corporatization of smallholder farming by enabling smallholders to form entities and pool their resources whilst protecting their proprietary interests.

## **SALIENT FEATURES OF THE ACT**

#### THE AUTHORITY

- Will act through an Executive Board containing members from the Government and the Private Sector.

- The Executive Board will form Commissions to further the purposes of the Act.

#### **COMMISSIONS**

The Authority shall aid the conducting of agricultural activity through, inter alia, the following commissions:

-The Corporate Farming Commission

-The Smallholders Corporatization Commission
-The Contract Farming Commission
-Any other Commission that it may constitute

#### **DISPUTE RESOLUTION**

- Mandatary internal dispute resolution mechanisms also envisioned for all forms of agricultural activity under the Act.

- The court of first instance for all matters arising out of or in connection to the Act shall be the Agricultural Tribunal.
- The appeal from a decision of the Agricultural Tribunal shall vest relevant High Court.

#### THE REGISTRY

- Setting up of the Registry and ancillary matters such as data to be recorded, places of sitting and territorial limits.

- The management of the Registry and maintenance of the register shall vest with an appointed Registrar and such other additional officers felt necessary.

#### **MISCELLANEOUS PROVISIONS**

- Overriding Provisions.

- Exemption of Authority and Commissions from taxation.

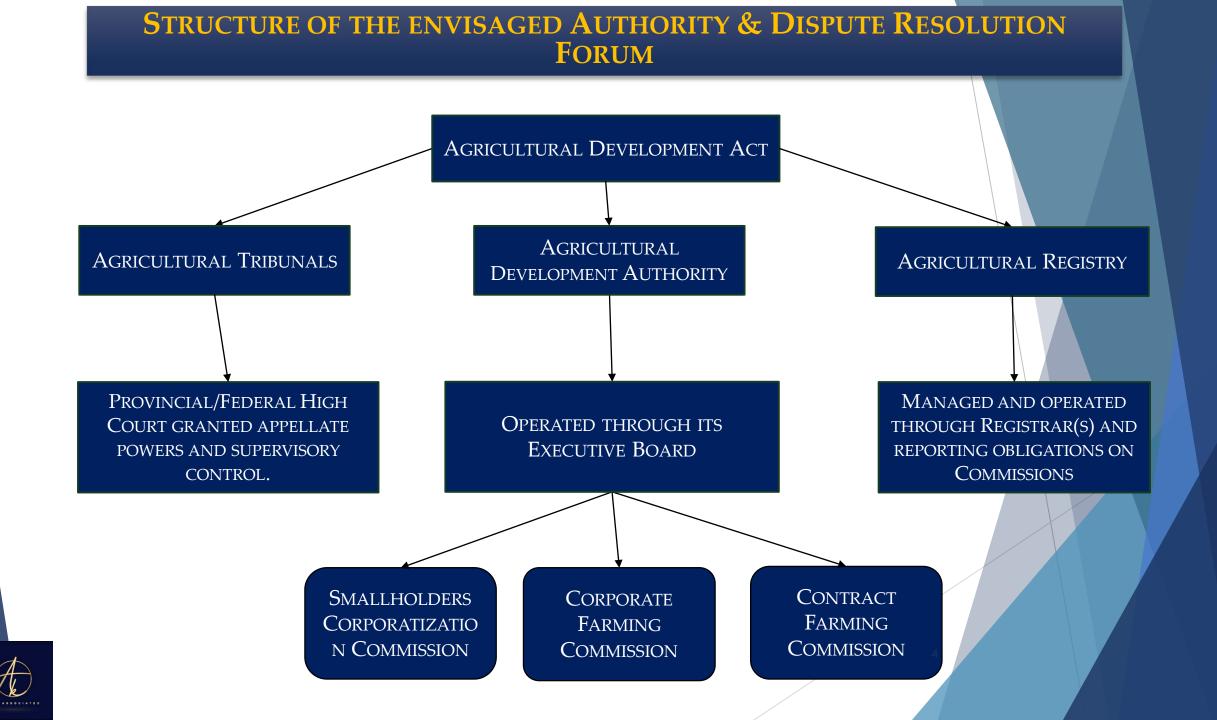
- Authority empowered to make rules and regulations and grant incentives and Benefits

- Protection of benefits and incentives granted under the Act.

- Immunity from legal action for functions in pursuance of the Act.

- Cognizance and penalizing offences under the Act.

- Repeal and savings of various laws.



#### **PROCESS FLOW UNDER THE CORPORATE FARMING RULES**

PROPOSAL PREPARED BY AN AGENCY OR BY A PRIVATE PARTY PROPOSAL SUBMITTED TO THE CORPORATE FARMING COMMISSION PROPOSAL FORWARDED TO THE AUTHORITY AFTER CORPORATE FARMING COMMISSION'S REVIEW

PROPOSAL EITHER APPROVED, REJECTED OR RETURNED BY CORPORATE FARMING COMMISSION ONCE THE PROPOSAL IS APPROVED, PROCUREMENT PROCESS (AS PER APPLICABLE LAWS) TO BE CONDUCTED BY THE AGENCY

Results of the Bidding process remitted to the Corporate Farming Commission

5

Once approved by the Commission, Corporate Farming Agreement to be executed

Commencement of work under the Corporate Farming Agreement

## **PROCESS FLOW UNDER THE CONTRACT FARMING RULES**

DRAFT CONTRACT FARMING DRAFT AGREEMENT SUBMITTED TO AGREEMENT PREPARED BY DRAFT REVIEWED BY THE THE CONTRACT FARMING FARMING ENTITY AND **CONTRACT FARMING COMMISSION COMMISSION** CONTRACTOR THE CORPORATE FARMING ONCE APPROVED, A FORMAL DRAFT AGREEMENT EITHER COMMISSION SHALL ASSIGN A **CONTRACT FARMING AGREEMENT** UNIQUE REGISTRATION NUMBER APPROVED, REJECTED OR RETURNED TO BE EXECUTED TO THE AGREEMENT. DATA REGARDING REGISTRATION TO BE REMITTED TO THE REGISTRY

## SALIENT FEATURES OF THE SMALLHOLDERS RULES

#### SMALLHOLDERS COMMISSION

- Smallholders Commission shall be the governing body for the registration, regulation and oversight of Farmers' Organizations (FOs) and other organizations (Notified Organizations) having such composition as may be prescribed.
- Make policy recommendations to the Authority.
- Dispose of applications for, *inter alia*, acquisition or cessation of membership in FOs and other Notified Organizations, mergers of FOs, dissolution of FOs and deregistration of Notified Organizations.

## KEY ELEMENTS OF FARMER'S ORGANIZATIONS

- Independent Legal Personality.
- Pooling of land by smallholder without effecting proprietary rights.
- Each member shall have 1 vote regardless of contribution of land or funds.
- Governance through Executive Committees and internal governance documents.

## JURISDICTION OF AGRICULTURAL TRIBUNAL

- Disputes inter se members of FOs or between the management and members of FOs.
- Disputes arising from any order passed, direction given, award made or other decision or act of the Smallholders Commission.
- Any other dispute that the Authority or Smallholders Commission may prescribe through regulations.

#### STRUCTURE UNDER THE CORPORATIZATION OF SMALLHOLDERS RULES

Smallholders (or eligible Notified Organisations) may approach the Commission for registration. THE COMMISSION SHALL ASSESS WHETHER THE REQUISITE CRITERIA IS FULFILLED BY THE APPLICANT(S).

THE COMMISSION SHALL REVIEW THE GOVERNANCE DOCUMENTS OF PROPOSED FOS.

THE COMMISSION SHALL THEN PROCEED TO APPROVE, REJECT OR RETURN THE APPLICATION FOR REGISTRATION. ONCE APPROVED, THE COMMISSION SHALL ISSUE REGISTRATION (AND/OR MEMBERSHIP) TO FOS AND NOTIFIED ORGANISATIONS.

DATA IN THIS REGARD WILL BE REMITTED TO THE REGISTRY.

SMALLHOLDERS FOS AND NOTIFIED ORGANISATIONS MAY SUBSEQUENTLY APPROACH THE COMMISSION IN CASE OF DISSOLUTION, DEREGISTRATION, ACQUISITION OR CESSATION OF MEMBERSHIP.

# THANK YOU