



# **AGREEMENT**

**Between**

**Dzongkhag Livestock Sector, Dzongkhag  
Administration Trongsa**

**And**

**Youth and Youth Groups**

**For**

***Implementation of Dairy Enterprise Development***

# **AGREEMENT Between Youth and Youth Groups and Dzongkhag Livestock Sector, Dzongkhag Administration Trongsa for the Implementation of Dairy Enterprise Development**

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THIS AGREEMENT is entered between the Dzongkhag Livestock Sector (hereinafter referred to as “DLS”), Dzongkhag Administration, Trongsa (hereinafter referred to as “DAT” & “DLDEC”) interchangeably; and Youth & Youth Groups; hereinafter jointly referred to as the “Proponent(s)”. Wherever necessary, it shall also be referred to as “Farm”, interchangeably.

CONSIDERING that the Dzongkhag Livestock Sector has agreed to implement dairy enterprises under the RGoB fund;

CONSIDERING that it is in the interest of the Parties to maintain and strengthen their relations in the field of Dairy Enterprise Development;

CONSIDERING that the present Agreement represents the mutual understanding drawn and agreed between the parties regarding the implementation of the Project;

THEREFORE, IN WITNESSES AND THE PARTIES HERETO, WE HEREBY AGREES AND DECLARE AS UNDER:

## **ARTICLE 1 SCOPE & PURPOSE**

The Dairy Enterprise Development programme under the DLS is targeted towards increasing self- sufficiency in dairy products and under this initiative, Youth and Youth Groups shall be encouraged and gainfully engaged in dairy farming business to generate income, create employment opportunities and improve their livelihoods.

## **ARTICLE 2 AREAS OF COOPERATION & COLLABORATION**

1. The proponent(s) shall be entitled to take up different categories of enterprise as hereunder:
  - 10 to 15 cow level and
  - 20 cow level dairy farming.
2. For implementation of the programme under this Agreement, the Parties agreed on the following investment areas:
  - i. ***Hands-on Training:***

The DLS shall provide hands-on training on dairy farm management at the Rural Development Training Center, Zhemgang or any other convenient place. The full training costs for the Youth and Youth Groups shall be borne by the DLS.

**ii. *Shed Construction materials:***

The DLS shall provide shed construction materials such as cement, CGI sheets, wire mesh, iron doors, nets, and nails in kind as a production incentive support package which shall be a one-time support from the RGoB. The Youth and Youth Groups shall bear the cost of labour, local materials and other inputs not specified in the project details.

**iii. *Farm Equipment:***

The DLS shall provide necessary farm equipment and labor-saving devices to improve efficiency through farm mechanization on cost sharing basis.

**iv. *Live Inputs and Feed:***

The DLS shall source dairy cows and supply at the Government subsidized rate as specified in the Expression of Interest (EoI), and the transportation of inputs shall be borne by the RGoB. Alternatively, Youth and Youth Groups can also opt to avail input services and animal feed from the nearest feed agents.

**v. *Land Development and Fodder Technology:***

The DLS shall provide support package for pastureland development and the farm enclosed with a proper fencing (electric or barbed wire) whichever is applicable to promote stall feeding and provide protection from predators/wildlife and entry of disease. Support shall also be extended for fodder technology development such as poly/green house for hydroponic fodder cultivation, azzolla cultivation and other fodder conservation techniques to increase production through improved dairy nutrition.

**vi. *Product Marketing:***

The milk production from the farms shall be supplied to the milk processing units (MPU) at a fixed rate.

3. The quantity of shed construction materials and farm equipment to be provided by the Government as one-time support are as specified under the project details.

**ARTICLE 3  
OBLIGATIONS OF THE PARTIES**

1. The construction of the animal shed shall be done as per the design provided by DoL /DLS and its construction must be completed by the Youth and Youth Groups within 4 months from the date of dispensing of the materials.
2. The animal shed construction materials provided by the Government as one-time support to the proponent(s) shall strictly be used for intended purpose and not be misused. In the event of its misuse, DAT shall recover the cost of the misused material at the prevailing market value from the defaulting youth and youth groups, and such Youth and Youth Groups shall meet the expenses for the misused material and complete the shed construction without compromising the quality of the structure within the stipulated time.
3. The proponents shall be the custodian of the structure, equipment and the animals, and shall be responsible for its proper care and management.
4. Any expenditures incurred for maintenance of animal shed and equipment, and management of animals shall be borne by the proponent(s).
5. The Dzongkhag Livestock Enterprise Development Committee (DLEDC) shall facilitate securing credit and loans through Financial Institutions (FIs).
6. The proponent shall process and acquire all necessary documents such as land lease agreement (in case of private land), social clearance etc. The DLDEC shall facilitate in seeking necessary clearances from the concerned agencies for lease of the State Reserve Forest Land (SRFL). However, as far as possible, the proponents are discouraged from seeking land lease from the SRF.
7. The proponent(s) shall operate the farms for a minimum duration of *five years* in compliance with the following conditions:
  - (1) Follow existing biosecurity guidelines to avoid incursion of diseases in the farm;
  - (2) Respect the prevailing animal welfare guidelines and standards;
  - (3) The animals should be insured with registered insurance companies in the country which shall be facilitated by the DLS.
8. The DLS through its relevant agencies shall provide technical support and other services as per the existing norms.
9. In the event proponent(s) leave the farming business before five years from the date of its establishment, the DLDEC shall;
  - (1) Take-over the farm and allied facilities if it is on the leased SRFL, and forfeit all the investments made by them.

- (2) Recover the cost of structure at the standard depreciated value if the farm is located on private registered land and takeover the remaining equipments and such other facilities.

#### **ARTICLE 4 EMPLOYMENT AND GROWTH**

The proponents shall employ at least three youths in the farm and shall always endeavor for sustainable employment opportunities and operation and management of the farm. The farm shall always strive for continuous growth and expansion and turn it into a model dairy farm.

#### **ARTICLE 5 MONITORING AND EVALUATION**

1. The DLS shall strictly monitor the compliance to farm biosecurity and animal welfare measures including feeding and management practices, record keeping and overall execution of the activities. The Dzongkhag Livestock Enterprise Development Committee shall provide necessary

#### **ARTICLE 6 ENTRY INTO FORCE AND TERMINATION**

1. This Agreement shall come into force on the date of signing and shall be valid for the period of 5 years. The Agreement shall automatically cease its effect upon successful operation of the farms for 5 years.

#### **ARTICLE 6 DISPUTE SETTLEMENT**

1. Any dispute regarding the interpretation or application of this Agreement shall be resolved between the Parties based on the principles of mutual understanding and respect. In the event of non-resolution, the dispute shall then be referred to the Royal Court of Justice by either Parties for adjudication.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Entities, have signed this Agreement.

Signed at (Place Name) on (Day) of (Month) 2021.

**For DLDEC/DLS, DAT**

**For Youth/Youth Groups**

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**(Dzongkhag Livestock Officer)**  
Trongsa

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(Name of Representative)  
(Name of Youth or Youth Group)

**IN THE PRESENCE OF**  
**THE ADMINISTRATOR**

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**(DZONGDAG)**  
Dzongkhag Administration  
Trongsa