

**KHULUMELA KWENTA VEGETABLE
MARKETING COOPERATIVE SOCIETY**

**POLICIES,
JOB DESCRIPTIONS,
AND BY-LAWS**

**SWAZILAND COMMERCIAL AGRICULTURAL PRODUCTION
AND MARKETING PROJECT**

March, 1996

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**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

CREDIT POLICY

1. All credit to members and non-members must be approved by the committee under the guidelines laid out by the by-laws of the society.
2. As per the by-laws, the general membership must pass lending and borrowing limits on the society's activities each year at the annual general meeting.
3. The manager may not extend any credit to any party with out the specific approval of the committee.
4. No credit will be extended to small vendors, who purchase less than 50 units at a time, and/or who operate from no fixed location.
5. No credit will be extended to customers operating from outside the Kingdom of Swaziland unless such customer is secured by bond, guarantee, or other approved form of security.
6. All applications for credit must be directed to the committee for consideration and must contain the following information:
 - name of the business
 - name of the owner
 - registered or legal address
 - phone number
 - bank
 - letter of reference from the bank manager
 - 3 business references with which the applicant has had credit
 - amount of credit requested
 - all other loans currently held by the applicant
 - any other information which the committee may require to be able to properly assess the credit worthiness of the applicant
7. Credit terms shall be payment in full within 15 days, 30 day terms may be issued to preferred customers at the discretion of the committee.
8. Failure to repay credit within the specified terms will automatically result in suspension of credit facilities until the account has been paid in full and the credit facility has been renewed by the committee.
9. The bookkeeper shall immediately inform the manager, in writing, of any account that has fallen into arrears, the manager will then immediately bring the account to the attention of the committee.

10. Limited credit may be extended to members on a secured basis only. Credit will be limited to one half the estimated value of goods delivered by a member to the pack house for which the member is due payment.
11. All loans to members by the society will be in the form of supplies and no cash will be lent to members.
12. All loans advanced to members by the society will automatically be deducted from produce payments, in full, unless prior arrangements have been approved by the committee.
13. The committee shall inform the manager in writing of any credit arrangements and the terms of such arrangements that the committee may extend to any party. Such written credit approvals will be placed on file in the society's office.
14. The committee reserves the right to deduct any outstanding loan obligation from any monies owed by the society, including share capital held by the society. Liquidation of all a members accounts, including share accounts will cause a member to cease to hold membership within the society.
15. The committee shall pursue all legal means to obtain repayment of any monies owed by any party to the society, should they fail to repay any credit for what so ever reason, under credit terms extended by the committee.

Approved: May 16, 1995 by Messrs. P. Dlamini, M. Dlamini, E. Matsenjwa, and M. Ndzimandze for the committee

**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

EDUCATIONAL POLICY

1. The society through the committee shall endeavour to arrange for, sponsor, and otherwise present educational events for members to increase their knowledge and skills in the areas of vegetable production and marketing as well as business and farm management.
2. The society shall provide for the training of it's employees, either in house or at an acceptable institution, to ensure that they possess the knowledge and skills needed to efficiently provide for the needs of the society and it's members.
3. The society shall participate, assist, and otherwise work with the GOS, MOAC, University of Swaziland, and any other agency or institute in any research or other scientific study aimed at improving the standard of vegetable production and marketing in the region.
4. The society shall actively lobby on behalf of it's members for the establishment and maintenance of programs, projects, and any other activities by the GOS or any other agency, which may benefit it's members.
5. The committee shall call regular meetings of the general membership to explain and educate the members in all aspects of the societies operations.

Approved: May 23, 1995 by Messrs. P. Dlamini, M. Dlamini, P. Masango, and M. Ndzimandze for the committee.

**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

INVENTORY AND STOCK CONTROL POLICY

1. The manager shall ensure that the bookkeeper keeps proper stock control and inventory records of all assets owned or controlled by the society.
2. Each item in inventory shall have a stock card maintained for that item and kept on file in the society's offices. The stock card shall contain the following information:
 - name of item
 - description of the item
 - date of purchase
 - supplier
 - purchase price
 - sale price
 - model
 - serial number
 - quantity
 - location
3. For items which are traded or otherwise depleted resulting from operations, in addition to a stock card, an inventory account will be maintained showing purchases, sales, and stock balance. The manager, in consultation with the committee, shall determine re-order levels for such items.
4. The manager, with the bookkeeper, shall take physical count of all items held by the society in inventory on a weekly basis. Any discrepancies between the physical count and inventory account values must be reported to the committee immediately by the manager.
5. For such equipment, tools, etc. That the society may purchase or otherwise obtain for loan to members, an inventory account showing current location will be maintained and the member obliged to sign for the loan of such equipment and pay such deposit fees which may be fixed by the committee to secure the return of the equipment.
6. All goods leaving the pack house must be accompanied by a receipt, invoice, or other documentation signed by the manager or his delegate. This documentation must be produced for verification by the gate keeper/guard on exit from the pack house.

Approved: May 9, 1995 by Messrs. P. Dlamini, M. Dlamini, P. Masango, and M. Ndzimandze for the committee.

KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.

LUG BOX POLICY

1. Lug boxes are to be used only for the transport of member's produce between farm and pack house.
2. Lug boxes supplied to members are only to be used for produce to be delivered to the co-op's pack house.
3. Members found to be using the society's lug boxes for other purposes than the delivery of produce to the pack house may be denied the use of the society's lug boxes by the committee.
4. All customers wishing to purchase produce in bulk must supply their own packaging material, as none of the society's lug boxes will be allowed to leave the pack house.
5. For produce sales, other than bulk sales, the co-op will pack all produce into disposable containers, the price of which will be added to the sale price of the produce.
6. The manager shall insure that all the society's lug boxes are clearly branded with the co-op's mark.
7. All lugs supplied to members must be signed for by the member or his agent, in a lug box book to be maintained at the pack house. This shall record the date, farmer name and number, the number of lug boxes taken, and the signature of the farmer or his agent and the signature of the co-op employee charged with the distribution of lug boxes. A copy of this record will be given to the farmer or his agent at the time lug boxes are issued.
8. The manager shall ensure that the bookkeeper maintains an individual lug box account for each farmer as well as a pack house lug box account, recording debit, credit, and balance of lug boxes to each account.
9. Members shall take lug boxes only for their own use and should not exchange lug boxes between members. If members must exchange lug boxes, both members must report the exchange to the book keeper so that lug box accounts may be properly adjusted. If this procedure is not followed, the member originally issued the lug boxes will be held responsible for their return and will be assessed any penalties resulting from the non-return of the lug boxes.

10. Return of lug boxes to the pack house is to be recorded in the produce delivery (receival) book. In cases, where boxes are returned with produce, normal delivery (receival) records will be issued and the members lug box account credited with lug boxes returned. In the case, that lug boxes are returned empty, the quantity shall be recorded in the produce delivery (receival) book as return of empty lug boxes and the members account credited accordingly.
11. Broken or damaged lug boxes must be returned to the pack house for credit and are in no instance to be discarded by the farmer.
12. The bookkeeper shall provide each member with a statement of his/her lug box account balance at the end of each month. Members, who disagree with lug box account statement balances must make queries to the manager within 7 days of receipt of the statement. The committee shall mediate and make the final decision in the case of disagreements.
13. Members will be charged a penalty of E20,00 per lug box for each lug box not returned to the pack house. The committee reserves the right to change the penalty charged per lug box based on the replacement cost of new lug boxes.
14. The committee shall reserve the right to deduct any penalties, for the failure to return lug boxes, charged against a member, from monies owed to the member for the sale of produce through the pack house and/or shares held in the society by the member. In the event, that a member's produce and share accounts are liquidated by the assessment of penalties, the member shall cease to be a member of the society and the committee may pursue any other legal means to secure payment for lug boxes not returned to the society.
15. The committee shall direct the manager to recall all lug boxes to the pack house for stock taking twice per year, e.g.. May, and december. The manager shall advise all members verbally and in writing of the date by which lug boxes are to be returned. Any member who does not return lug boxes held by this date will be subject to penalties as above.
16. The committee shall ensure the deposit of funds equivalent to 10% of the total value of lug boxes held by the society into a depreciation account annually. The lug box depreciation account is to be used for the replacement of lug boxes lost through normal wear and tear and for the provision of additional lug boxes that may be required from time to time by the co-op's marketing operations.
17. Each member will be required to sign a lug box agreement, to be designed by the committee, before any lug boxes will be issued to any member. The lug box agreement will signify the members acceptance of the society's lug box policy. The original signed copy of the lug box agreement will be placed in the members file and a copy given to the member.

Approved: May 16, 1995, by Messrs. P. Dlamini, M. Dlamini, E. Matsenjwa, and M. Ndzimandze for the committee.

**Khulumela Kwenta Vegetable Growers
Co-operative Society Ltd.**

Lug Box Agreement

I, _____,

The undersigned, do hereby signify my acceptance of the Khulumela Kwenta Gegetable Growers Co-operative Society's Lug Box Policy and acknowledge that I am responsible to return all lug boxes recieved, back to the society, and will be subject to penalties as laid out in the society's lug box policy for any and all lug boxes that I fail to return to the society.

Signed: _____

Date: ____/____/____

Witness: _____

Witness: _____

**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

MARKETING POLICY

1. All produce marketed by the society shall be graded and packaged in such a manner that enhances its value and optimises returns to members.
2. The society shall attempt to diversify market outlets for members produce to avoid any negative influence on prices and to minimise any risks associated with marketing operations.
3. Buyers shall provide their own packaging material for bulk sales of produce at the pack house as no lug boxes will be allowed to leave the pack house premises.
4. The society shall maintain a stock of disposable packing containers at the pack house for the convenience of clients. These containers will be sold to customers at a price reflecting the cost of the container plus a 15% handling fee.
5. For all sales away from the pack house, the society will package produce into disposable containers, the cost of which will be added to the sale price of the produce.
6. The committee and manager shall meet in advance of each season and plan marketing strategy in specific detail, so that the society has a clear marketing strategy or plan prior to the delivery of any produce to the packhouse. Furthermore, the committee and manager shall meet at least monthly to assess the effectiveness of the marketing strategy and make any adjustments as necessary.
7. The manager shall collect and file daily prices on crops traded from the various regional and local markets. This information should be used by the manager and committee as the basis for any market strategy development.
8. The society's marketing plan shall be prepared long enough in advance of the actual marketing period to allow the manager to develop and enlist members into a scheduled program of planting to provide the society's projected marketing demands.
9. The committee recognises the dynamic and volatile nature of the market place, particularly with regards to the marketing of fresh produce and shall not hold the manager responsible for events and market forces beyond his/her control.
10. The manager, in consultation with target markets, shall establish grade standards for each variety of produce to be marketed by the society. These

standards shall be presented to the committee, which shall be responsible for communicating required grade standards to the members of the society.

11. A 25 percent marketing commission will be deducted from the sale price of all produce sold through the society, except that the maximum commission that shall be charged will be E5.00 per unit for all sales of E20.00 per unit or more.
12. All members will be required to market all their produce (or all agreed upon quantities of produce) through the society, failure to do so shall result in a warning to the member by the committee. Subsequent failure to deliver all produce may result in the suspension or termination of membership in the society according to the provisions of the by-laws of the society.
13. The society reserves the right to refuse the delivery of any produce by any member if the produce does not meet minimum quality standards established by the society.
14. The society reserves the right to refuse to market any produce for any member, if the anticipated sale price will not cover the cost of marketing the produce in question.
15. The society recognises the vital importance of vendors in its marketing strategy and will attempt to attract vendors by providing facilities and services to encourage their patronisation and purchase of produce through the pack house facility.
16. Where ever possible and financially viable, the society shall attempt to seek markets for all grades of members produce to maximise returns to members.
17. The society recognises the limited ability of encabeni market based agents to absorb and effectively market swazi grown produce and will there fore make independent assessment of the market capacity and will limit deliveries to the market to such quantities that can be readily marketed and which will not have a negative influence on market prices for crops.
18. The manager shall be responsible to source and obtain lowest cost marketing inputs regardless of origin to reduce marketing charges imposed upon members.
19. The committee shall reserve the right to review and change marketing charges and/or commission rates charged by the society, in order to cover all associated costs of marketing borne by the society.
20. The committee shall call regular meetings of the general membership to explain and educate the members about marketing operations, procedures, and policies.

21. The society may market the produce of non-members and/or purchase produce for resale provided it markets members produce as first priority, that it can do so to the profit of the society and members, and that any such operation has no negative impact on the society or its members.

Approved: May 16, 1995 by Messrs. P. Dlamini, M. Dlamini, E. Matsenjwa, and M. Ndzimandze for the committee.

KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.

OFFICE PROCEDURAL POLICY

1. Only the manager and bookkeeper may enter the societies office. Committee members, Government and Camp fires, and other official visitors may only enter the societies office in the presence of the manager or bookkeeper.
2. Keys to the safe and file cabinet are to be kept by the bookkeeper only and the safe and the file cabinet are to be kept locked at all times and may be opened only by the bookkeeper.
3. All incoming correspondence is to be logged in a correspondence log book, detailing date received, sender, and addressee. All outgoing correspondence shall be logged in a correspondence log book, detailing the date posted, the addressee, the amount of postage, file reference, and the person posting the letter.
4. With the exception of correspondence originating from or addressed to the committee, all incoming correspondence must be routed through the manager for action or transmission to the appropriate staff member with instructions for action. All outgoing correspondence must be routed through the manager for approval and signature.
5. All incoming and copies of all outgoing correspondence must be filed in the appropriate file in the society's offices.
6. All requests for purchases must be made on a purchase order form directed to the attention of the manager.
7. Receipts must be issued for all cash received.
8. Only one person shall handle and be responsible for cash in hand.
9. Cash should be kept locked in the safe at all times when not being handled.
10. Any surplus cash, not immediately required for projected expenses, is to be banked daily.
11. Cheques should be used instead of cash when ever possible.
12. Cash transactions must be recorded immediately in official receipt or other official book.
13. Cash records should agree with actual cash in hand and must be checked daily by the manager or designated committee member.

14. Staff shall be cross trained in the various duties and functions required so that a deputy is available to stand in for each staff member in cases of absence arising from what ever reason.
15. All cheques shall be signed by two committee members, the chairman and one other committee member as per the societies by-laws. Cheques must not be signed unless the details have been written on the cheque.
16. All cash payments must be approved on a cash payment voucher by the manager, who is not authorised to handle cash.
17. The book keeper shall be responsible for the handling and proper recording of all cash transactions.
18. All material on file must be designated a file reference. Files should be kept by subject and/or organisation or individual name.
19. Filing is to be done daily.
20. All stationary should be stored in a secure cabinet or locked room. Control and issue of stationary items shall be the responsibility of the bookkeeper/clerk.
21. Official stationary should be strictly controlled and only used for official society business.
22. Accounting stationary, such as cheques and other pre-numbered receipts, and invoices, is to be strictly controlled and a register kept of all pre-printed numbered stationary, with numbers being recorded as they are received and used.
23. The committee shall develop an application for membership to be completed and signed by each prospective applicant for membership.
24. As per the by-laws of the society, the society shall keep a register of members.
25. The society accounts and records shall be made available for examination by moac, bank, and capm officers, by appointment with the committee. An exception being that moac co-ops officers, may examine the society's books and accounts at any time under the provisions of the co-operative's societies act.
26. All goods entering and leaving the pack house premises must be logged in and out by the society's security guard. All vehicles and parcels entering and leaving the pack house premises will be subject to examination by the society's security guard. All items leaving the pack house will be required to

be accompanied by receipt, invoice or other documentation to be checked by the security guard.

27. The manager or his delegate shall maintain a log of the hours worked by all employees of the society.

Approved: My 16, 1995 by Messrs. P. Dlamini, M. Dlamini, E. Matsenjwa, and M. Ndzimandze for the committee.

KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.

PAYMENT POLICY

1. Members are to be paid on the second Friday after the week in which their produce has been delivered. The delivery week shall be considered to be Sunday to Saturday. The reason for the delay in payments will be to allow the society to collect accounts receivable and to allow the book keeper adequate time to calculate payments.
2. All farmers will be paid by cheque to minimise the risk posed by cash and to assist in proper financial accounting by creating documentation for each payment made to members.
3. Payment to members may be made by a common cheque, with the provision that the bookkeeper shall keep detailed records of the names of the individual members and the amount of payment to each member contained with the common cheque.
4. Each member shall receive along with their payment check, all pink copies of delivery slips for which the member is being paid and a summary sheet of the payment, detailing: the farmer name and number, date of payment, price received per crop and grade by the society, any charges or commissions being deducted, the final payment price to members for each crop and grade, and the total amount of payment.
5. Each member or his agent shall be responsible to collect his/her payment cheque at the pack house and shall sign for the receipt of the payment cheque in a member payment log book to be maintained in the society's offices. The member payment log book shall record the following information: date of payment, farmer name and number, cheque number, deliveries being paid, amount of payment, signature of the farmer or his agent, and the date payment was collected. In the case of common payment cheques, containing payment for more than one member, deposited directly to the bank, the treasurer will sign in the member payment log book for receipt of the cheque.
6. Payments will be calculated using a pooling method, where by the sale prices received for all crops of a specific variety and grade during a particular week shall be added and an averaged sale price determined.
7. Once an individual member's delivery is graded and pack-out recorded, all produce shall lose its individual identity and be bulked for sale solely on the basis of variety and grade.
8. A commission shall be deducted from the sale price of all produce marketed through the society. The commission shall be calculated to cover all fixed and

variable costs associated with marketing operations and associated overhead costs. The commission rate shall be detailed in payment information supplied to members.

9. The committee shall direct the manager to analyse the marketing commission charged by the society on a yearly basis using the society's audited financial statement. Following the recommendations of the manager, the committee shall propose raising or lowering the commission rate as indicated by the manager's analysis, to continue covering the society's operating costs.
10. The society shall set a commission rate of 25 percent of the sale price of all goods marketed through the society, with the maximum commission to be charged per unit to be E5.00 regardless of the sale price realised by the society.
11. All produce sold on consignment will be exempted from payment policy point #1 and the member shall be paid only when the society has received payment for the goods sold on consignment.

Approved: May 9, 1995 by Messrs. P. Dlamini, M. Dlamini, P. Masango, M. Ndzimandze, for the committee.

**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

PERSONNEL POLICIES.

1. All employees shall report to and work under the supervision of the manager or his delegated representative.
2. Grave disciplinary offences, such as: theft, gross insubordination, fighting, striking or threatening a fellow employee, drunkenness, misuse of society property, etc., Will be grounds for immediate termination of employment.
3. For minor offences, such as tardiness, absenteeism, failure to follow instructions, etc., The manager must issue a written warning letter to the employee stating the nature of the offence, as well as the time and place it occurred. The warning letter is to be given directly to the employee with a verbal explanation of the offence.
4. All warnings of failure to perform assigned duties or other transgressions with regard to job performance or observance of the society's policies and rules must be signalled to the employee verbally and in writing by the manager, stating the nature of the offence, as well as the time and place it occurred. Three such warning letters will constitute grounds for termination of employment. Copies of warning letters must be kept in the society's office at the pack house, in the employees personnel file.
5. The manager must report any disciplinary action or problems to the committee within one week for minor offences and 24 hours for grave offences.
6. Unexplained absences of more than three days shall be considered abandonment of post and will be grounds for termination of employment.
7. For any offence in which termination is an option, the manager must consult with the committee before carrying out such actions.
8. The manager may temporarily suspend any employee for disciplinary reasons pending consultation with the committee on final action. In such cases, the committee must be informed within 24 hours.
9. Employee pay raises shall be based on job performance. The manager shall evaluate each employee based on the written job description and performance standards for each position and submit the evaluation reports to the committee for action.

10. The society will abide by all applicable Labour Laws of Swaziland in the employment of all workers.
11. The society shall endeavour to improve whenever possible the conditions of the employees of the society.
12. The society shall attempt to fill all vacancies and promote employees from with-in the organisation, when ever possible, provided employees of the society possess the skills being sought by the society and have demonstrated satisfactory job performance.
13. The manager shall establish and post a work schedule for each employee at least one week in advance. Working hours shall be set by management, in consultation with the committee, as dictated by the demands of the business.
14. The society shall observe all the national holidays of the Kingdom of Swaziland.
15. Full time permanent employees, will receive 15 paid sick days per year, in addition to 15 days paid recreational leave per year.
16. Casual labour, will be paid only according to the number of hours worked and will not accrue any recreational or sick leave.
17. Employees shall be entitled to one half hour lunch break and two 15 minute tea breaks per eight hour day, work in addition to eight hours will be paid in accordance with Swaziland Labour Laws.
18. The manager shall hold weekly meeting with employees to discuss progress and problems encountered and to review goals and tasks for the upcoming week.
19. The manager shall maintain an individual file for each employee. This file shall contain personnel details, employment agreement, salary details, evaluation reports, holiday and sickness record, training record, disciplinary notices, and any other pertinent information.
20. Any permanent employee shall receive and sign an employment agreement with the society, a copy of which will be placed in the individual employees personnel file.
21. The committee shall instruct the manager to ensure that the society deducts from every employee any and all applicable taxes, contributions, and other fees as may be legally required by the laws of the Kingdom of Swaziland. Furthermore, the committee shall ensure that all taxes, contributions, and fees collected by the society from any employee, as well as any statutory taxes, contributions, and fees owed by the society are properly accounted for and are submitted on schedule to the relevant authorities.

22. Since employees are considered to be vital component of the societies overall plans, the manager shall allot a period of time in each weekly employee meeting to hear the suggestions and complaints of the workers.
23. All employees shall be subject to a three month probation period before being offered a permanent position with the society.
24. The manager will be responsible to insure that each worker employed by the society receives an introduction to explain the duties required of him/her and arranges for any required on the job training to ensure that the employee is aware of the duties expected of him/her and has been adequately trained in the requirements of the position.
25. Wages and benefits shall be determined by rates being offered for similar positions in competitive businesses, subject to approval by the membership of the society.
26. The society shall endeavour to offer training opportunities for employees to improve their knowledge and skills, according to the needs and ability of the society.
27. No visitors, other than those visitors on official business, shall be allowed in the pack house during working hours without the permission of the manager. Visitation shall be restricted to lunch and tea breaks and will be restricted to areas under the society's control outside the pack house building.
28. In instances of an urgent nature, family illness or emergency, the manager may, at his discretion, excuse the worker from his/her duties to attend to family matters. Visitors, carrying such news, will be permitted into the packhouse, but will be required to report directly to the manager or his delegate, who will be responsible to summon the worker in question.
29. Employees are reminded that the farmer/members are the owners of the society and as such shall be accorded the respect and dignity that they deserve.
30. As the society is primarily a marketing concern, employees are reminded that our customers are the reason for their employment and the basis for the existence of the society, therefore customers and potential customers are to be treated courteously and promptly to help ensure their repeat business.
31. In cases, where employees are suspended for disciplinary reasons and the committee finds the employee not at fault, the society shall pay the employee for those days that he/she was placed on suspension.
32. The society shall provide protective clothing to employees, which will remain the property of the society. Employees will be required to wear protective clothing issued.

Approved: May 16, 1995 by Messrs. P. Dlamini, M. Dlamini, E. Matsenjwa, and M. Ndzimandze for the committee.

**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

PRODUCE RECIEVAL POLICY

1. The farmer is responsible to off load his/her produce upon delivery to the packhouse, or load the truck upon pickup in the field. If the manager or his delegate has available labour, he may assign workers to assist the farmer.
2. All produce must be tagged by the farmer with his/her farmer number or name.
3. The quality of the produce delivered is to be inspected by the manager or his delegate upon delivery to the packhouse or pickup in the field.
4. Any problems with produce in terms of quality, filling of containers, contamination with dirt or other material, etc., Must be communicated immediately to the farmer or his representative.
5. The manager will maintain a produce delivery log book in which any problems with produce delivered must be recorded. This log must record the following information: date, farmer, type of produce, number of containers, and specific problem(s).
6. Management has the right to refuse any produce that does not meet minimum standards - the reason for rejection must be explained to the farmer or his representative on the spot. All rejected produce must be documented in the produce delivery log book by the manager or his delegate.
7. All problems and /or rejection of produce records entered into the produce delivery log book must be discussed with the committee on a weekly basis.
8. Initial inspection of produce upon pick up in the field or delivery to the pack house does not indicate final grade out, which will be determined after the produce has been completely sized and selected on the grading line. Final grade out will be indicated on the delivery slips retained at the pack house (pink and yellow copies). The pink slip will be returned to the farmer with payment details.
9. Any problems with delivered produce, discovered after initial inspection during grading must be shown to a committee member by the manager, within 24 hours. He will also record the problem in the log book, which must be signed by the committee member called to witness the problem.
10. The committee is responsible to inform the farmer as soon as possible about any problems brought to their attention by the manager.

11. Delivery slips must be issued at the time of delivery or pickup by the manager or his delegate. The delivery slip must contain the following information: the date, the farmer's number, the farmer's name, the receiver's name and signature, the quantity, type of unit, type of produce (specific variety), and comments - (these should reflect any problems recorded in the produce delivery log book or otherwise encountered). The delivery slip must be signed by the farmer or his representative and the top (white copy) given to the farmer or his representative.
12. Grading is to be done by the pack house staff on a first come, first serve basis for perishable produce. Produce should be ranked as to perishability according to the following guidelines - tomatoes, peppers, green beans, green onions, etc. - 1st, carrots, beetroot, onions, - 2nd, pumpkins, butternuts, - last. The manager shall be responsible to ensure that adequate labour is available to process all produce delivered in a reasonable period of time.
13. The pack house may accept produce of less than minimum standard with the understanding that it will be sold only at the packhouse as reject grade. This reject grade will be offered ungraded, as is for what ever price as may be obtained. The society will bear no responsibility to members for payment for unsold produce.
14. The committee will assign one of it's members to be available for consultation by the manager for each day the pack house is in operation.

Approved: May 9, 1995 by Messrs. P. Dlamini, M. Dlamini, P. Masango, and M. Ndzimandze for the committee

**KHULUMELA KWENTA VEGETABLE
PRODUCERS SOCIETY LTD.**

PURCHASING POLICY

P.O. No.: _____

Person Making Request: _____

Company: _____ tell. All purchases of supplies and materials, with a value of E100.00 or more, must be approved by the committee. The manager shall be authorised to spend amounts less than E100.00 for daily operating needs from petty cash.

2. Before the committee may approve any purchase above E100.00, the manager must secure at least three (3) quotations for consideration by the committee, whenever possible.
3. All requests for purchases must be placed on a requisition form and submitted to the committee for approval. Approval for purchases may be passed by a simple majority of the committee, provided a quorum is present.
4. The purchase requisition form must provide the following information: date, person making the request, name and location of supplier, telephone number of the supplier, item(s) to be purchased, amount or quantity to be purchased, unit price, total price, person requesting the purchase, signature of the chairman or secretary granting committee approval. (see attached sample).
5. Once a purchase has been approved, the committee shall authorise the bookkeeper to issue a purchase order containing the above information, as well as purchase order number, who prepared the purchase order, and cheque number. (see attached sample).
6. The committee shall not be obliged to accept the lowest quotation for goods and materials, but may accept alternative quotes based on other considerations, such as quality, availability, etc.
7. In the case of materials and supplies which are reordered on a regular basis, the manager or his delegate shall be authorised to place orders for resupply of such goods when predetermined reorder levels (set by the committee in consultation with the manager) are reached.

8. The committee shall approve all new credit arrangements with suppliers, based on credit limits approved by members at the annual general meeting, as per the society's by-laws.
9. For cash purchases, the bookkeeper shall prepare a cheque or cash to accompany the purchase order. Cheques for purchases must be signed by the chairman and either secretary or treasurer.
10. Credit accounts will be opened by the bookkeeper for all credit purchases. These accounts are to be kept current and the manager alerted when accounts are due.
11. The bookkeeper shall be authorised to prepare payments on credit accounts, according to terms approved by the committee.
12. All purchases must be accompanied by either a receipt, invoice, delivery note, or other documentation from the supplier.. All receipts, invoices, delivery notes, or other documentation must be submitted to the bookkeeper for posting.
13. Once posted all receipts, invoices, delivery notes, or other documentation must be filed by supplier name in a file to be kept in the society's office.
14. All payments on credit accounts must be issued with a proper receipt by the supplier, which must be filed by supplier name, in the society's office, after being posted to the proper accounts.
15. All deliveries of goods or materials, whether purchased for cash or on credit must be checked by the manager or the bookkeeper, if assigned this duty by the manager, against the delivery note, invoice, receipt, or other documentation presented by the supplier.
16. Any discrepancies between goods delivered (quantity, type, price, etc.) And accompanying documentation must be reported immediately to the supplier by the manager. If the discrepancy is not rectified by the manager and the supplier, the manager shall inform the committee immediately of the problem and seek their advice on what measures should be taken.
17. On all purchases destined for resale to members, the co-op shall endeavour to realise a 15% gross margin, on certain items, such as diesel fuel and fertilisers, where such a margin is not competitive, the margin shall be determined by the committee.
18. All goods purchased or otherwise delivered to the pack house must be entered into inventory by the bookkeeper. The manager shall ensure that the bookkeeper maintains inventory accounts for all items stocked. Inventory shall be taken weekly by the manager and bookkeeper.

19. The committee shall be authorised to periodically review profit margins achieved by the society, with regard to goods destined for resale and adjust the margins as necessary.
20. For purchases over E10,000.00, the committee shall be required to seek the approval of the general membership before proceeding with the purchase.

Approved: May 16, 1995, by Messrs. P. Dlamini, M. Dlamini, E. Matsenjwa, and M. Ndzimandze for the committee.

Khulumela Kwenta Vegetable Growers
Co-operative Society Ltd.
P.o. box 62
Siphofaneni, Swaziland
Tel: 45707, ext. 44427

Purchase/request form

Date: _____

P. O. No.: _____

Person Making Request: _____

Company: _____

No. Of items	Details	Unit price	Total price
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Total: _____

Approved by: _____

P.o. completed by: _____

Cheque number: _____



KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.

SALES POLICY

1. The manager shall be responsible for all sales of produce and other goods and services by the society.
2. The manager shall conduct the society's sales program in such a manner that the returns to the society and it's members are maximised.
3. All sales by the society are to be properly documented, with receipt, invoice, or other appropriate documentation before being released from the custody of the society.
4. The sale price of all produce and other goods and services by the society shall reflect all marketing and administrative costs incurred by the society as well as the cost of the actual product or service.
5. The manager must present all new sales arrangements to be entered into by the society to the committee for approval.
6. The manager shall be authorised to make daily decisions regarding prices, destination of goods, etc. For market operations which have been approved by the committee, without having to seek approval for each decision to be made.
7. The manager shall prepare a weekly sales summary for presentation to the committee highlighting total sales, sales by crop and grade, prices received by crop and grade, and any problems, concerns and opportunities which may arise.
8. The manager shall ensure that all supplies and services (such as boxes and transport) have been arranged and are available to ensure the success of any proposed marketing activity.
9. The manager, with the book keeper shall periodically calculate the costs associated with each activity conducted by the society and recommend revised sale prices and charges accordingly.
10. Buyers will not be allowed into the packhouse to select produce within the various grades. All produce will be sold on the basis of standard grade and weight or volume and will be delivered to the packhouse door or other agreed upon point of sale in the quantity requested at the price agreed upon.
11. All goods will be sold as is /where is, meaning all goods will be inspected by the buyer or his agent at the time of sale at the point of delivery. Once a buyer has accepted the receipt of produce all sales will be considered final and no returns or claims will be accepted by the society.

12. There will be no discount for volume sales or allowances granted on any purchase.
13. All produce will remain the property of the member until it is sold. The society shall not be responsible for payment of any unsold produce.
14. The society may, with the approval of the committee enter into consignment sales arrangements, under the provisions of sale policy, point #11.

Approved: May 9, 1995, by Messers. P. Dlamini, M. Dlamini, P. Masango, M. Ndzimandze for the committee

**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

TERMS OF TRADE

The **Khulumela Kwenta Vegetable Growers Co-operative Society** will sell produce to the public under the following terms:

1. All produce will be sized and graded into the following grades: grade 1, grade 2, grade 3, culls, and ungraded.
2. All produce will be packed into containers of standard weights. The actual weight will vary by variety and container size.
3. No produce will be delivered in reusable lug boxes owned by the society. Buyers must either provide their own lug boxes if so desired, otherwise all produce will be delivered in disposable cartons or bags.
4. Prices must be established in advance with prospective buyers for each variety, grade, and container size. alternatively produce will be offered on a consignment basis, by mutual agreement.
5. Buyers must inspect all goods upon delivery and either accept or reject the delivery at this time. No adjustments, refunds, or other claims will be entertained by the society, once goods have been accepted by the buyer.
6. All credit arrangements must be approved by the committee prior to any delivery, otherwise all sales will be cash on delivery.
7. Payment for all goods delivered on credit will be payment in full with in 15 days, or alternatively payment on the 15th and the 30th of each month.
8. Payments on account must reference invoice numbers which are included in the payment.
9. Failure to meet these terms shall result in society suspending trade with prospective buyers.

Approved: June 7, 1995 by Messrs. P. Dlamini, M. Dlamini, P. Masango, and E. Matsenjwa.

**KHULUMELA KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.**

TRANSPORT POLICY

General terms

1. Vehicles owned or operated by the society are to be used exclusively for the benefit of the members of the society.
2. Vehicles owned or operated by the society may be hired out on a commercial for-profit basis, provided that the transport needs of the society's member have been satisfied first.
3. Transport costs accruing from the use of society owned or operated vehicles shall be expensed against relevant business operations in such a way that all fixed and variable costs of such transport are covered.
4. The committee shall make available to the manager adequate resources (financial and other) as may be required for the efficient usage and proper maintenance of society owned and operated vehicles.
5. The committee shall periodically review vehicle usage and profitability on a monthly basis with the manager, and shall recommend any changes and/or improvements which may be deemed necessary.
6. The manager shall provide the committee with monthly reports of vehicle usage and profitability.
7. All vehicles owned or operated by the society shall be parked at the society's registered office or police station.

Vehicle maintenance

8. The manager of the society shall be responsible to ensure that proper periodic servicing and maintenance of society owned or operated vehicles is conducted to ensure maximum vehicle life and efficiency and to minimise maintenance costs and down time resulting from breakdowns.

General conditions for vehicle use and assignment

9. Misuse of society owned or operated vehicles by employees of the society shall be considered grounds for termination of employment.

10. All employees authorised to operate society owned or operated vehicles must be in possession of a valid Swaziland drivers licence appropriate to the class of the vehicle to be operated and must further demonstrate to the committee driving proficiency and basic mechanical and maintenance skills.
11. Only the manager or authorised driver shall be permitted to drive society owned or operated vehicles. Permission to drive society owned or operated vehicles shall be granted solely by the committee.
12. No member or committee member shall be authorised to drive society owned or operated vehicles, but shall instead be required to make use of authorised drivers employed to the society, with the exception of emergency situations when the committee shall be authorised to designate an emergency driver.
13. The committee shall ensure that all vehicles owned and operated by the society are legally licensed and insured according to the Laws of Swaziland.
14. The committee shall ensure that insurance coverage on society owned and operated vehicles is adequate to cover the repair or replacement of such vehicles in the event of accident or other mishap resulting in the partial or total destruction of the vehicle.
15. No authorised driver shall pick up or otherwise offer transport to any passenger, whether gratis or for remuneration, other than for official society business.
16. No member or committee member shall be given any preference in regards the use or benefit of any society owned or operated vehicle. Priority for assignment or usage of society owned or operated vehicles shall be assigned by the manager, who shall make such determination according to the objectives, goals, and policies of the society, and guided by profit maximisation for the benefit of the society's members.
17. The manager shall maintain a log book to record all movement of society owned or operated vehicles. This log shall contain the date, destination, beginning and ending kilometres, total kilometres driven, purpose of the trip, and drivers name and signature. Any purchases of fuel, lubricants, or other goods or services for the use of the vehicle shall also be recorded in the log book.
18. The manager shall ensure that all vehicles owned or operated by the society are loaded according to the capacity rating of the vehicle to reduce wear and tear on the vehicle and assist in minimising breakdowns and repairs to the vehicles.

Operating charges and cost recovery

19. The committee of the society, in consultation with recognised expertise, shall determine the depreciable value of all vehicles owned by the society, and shall establish a vehicle depreciation account into which the committee shall deposit such funds, on an annual basis, which may be required to ensure the replacement of such vehicles on a five year basis or longer period as may be required.
20. The committee, using commonly accepted financial measures of profitability, shall review all vehicles owned or operated by the society to ensure their maximum contribution to the net profitability of the society.
21. When society owned or operated vehicles are used to collect produce from members for delivery to the pack house, a charge of E0.50/lug box shall be made to the member receiving the services of the vehicle. These funds shall be placed in a transport account to be used for the operation, maintenance and replacement of society owned or operated vehicles.
22. When society owned or operated vehicles are used to deliver produce to Encabeni Market, a charge of E0.75/lug box shall be deducted from the sale price of the produce. These funds shall be placed in a transport account as above.
23. When society owned or operated vehicles are hired to any non-member, a charge of E1.00/km shall be made to the party. These funds shall be placed in a transport account as above.

Other considerations

24. In the event, that a society owned or operated vehicle is not required for use by the society's various business activities, the manager, in consultation with the committee, shall endeavour to engage such vehicles in profitable activities, so as to maximise the income generated by society owned or operated vehicles, thereby reducing operating costs to the society, provided that such usage does not pose the risk of excessive wear and tear on society owned or operated vehicles.
25. The committee shall be authorised to purchase, lease, hire, or otherwise obtain such transport as may be needed to meet the objectives and goals of the society. However, before the committee shall make any such decision, it shall perform a proper business analysis and feasibility study, including budget projection, and use this feasibility study as the basis of any decision to purchase, lease, hire or otherwise obtain transport for the benefit of members. Any and all such analysis, feasibility studies, and/or budget projections shall be filed in the society's office and be available for study by any interested member of the society upon request.

26. The committee shall be authorised to sell, rent, or otherwise dispose of any vehicle owned by the society, provided that every effort is made to achieve the highest possible return on such assets for the benefit of the members of the society. Record of any such sale or other method of disposal of vehicles must be filed in the society's office and made available for the examination of any interested member.
27. The society's vehicle shall be made available for the use of the government of Swaziland Extension Worker, assigned to assist the co-operative, to perform duties related to serving the needs of the members of the society. The extension worker shall observe the transport policy of the society and will reimburse the society at the rate of e 0.75/km. The use of the society's vehicle by the extension worker must be scheduled in advance with the manager and will only be made available if not required for the societies other business activities.

Approved: June 7, 1995 by Messrs. P. Dlamini, M. Dlamini, P. Masango and E. Matsenjwa.

SECTION II - JOB DESCRIPTIONS

JOB DESCRIPTION - Bookkeeper.

The bookkeeper will be responsible to the manager

- Maintain (post to) and balance cash book on a daily basis.
- Journalize all transactions.
- Post all debtor and credit transactions to the appropriate ledger accounts.
- Post cash book to ledger weekly.
- Prepare profit and loss statement monthly.
- Prepare balance sheet monthly.
- Prepare wages monthly and post information to wages book.
- Reconcile bank accounts monthly (current, saving, and fixed deposit accounts).
- File all complete receipts/ delivery slips/orders/ and invoice for future reference.
- Prepare reports at the request of the manager.
- Alert the manager immediately to any irregularities.
- Perform any other duties as may be assigned by the manager.

JOB DESCRIPTION - Assistant Bookkeeper.

The assistant bookkeeper will be responsible to the bookkeeper

- Post cash sales analysis to cash book on a daily basis.
- Tally sales and deliveries from analysis sheet on a weekly basis, prepare weekly summary worksheet, and submit to manager for pricing.
- Using prices approved by the manager, complete weekly summary worksheet.
- Prepare farmer payment sheets in duplicate, using prices approved by the manager and the debtors list of deductions supplied by the bookkeeper, and write farmer payment checks for payment each Friday.
- File farmer payment sheets alphabetically by week upon completion.
- Prepare and make bank deposits daily.
- Post bank deposit information to cash book.
- Be responsible for all filing.
- Place orders for supplies as directed by the manager.
- Maintain the office in a tidy state.
- Alert the manager immediately of any irregularities.
- Assist the bookkeeper or manager as directed.
- Perform any other duties that may be assigned by the bookkeeper.

JOB DESCRIPTION - Cashier.

The cashier will be responsible to the manager

- Conduct all sales, including receipting of cash sales, invoicing of credit sales, and ensuring that goods match the grade and price per grade indicated.
- Receive, receipt, and secure all cash from sales, payment on accounts, membership joining fees and shares, and any other cash income received by the Society.
- Summarize all sales on weekly sales analysis sheet and record the breakdown of item.
- Provide daily sales analysis totals for the assistant bookkeeper for posting to the cash book.
- Balance cash box against cash sales receipts.
- Perform any other duty as may be assigned by the manager.

JOB DESCRIPTION - Collection clerk.

The collection clerk will be responsible to the manager

- Record all produce collected into the delivery book.
- Check produce quality and record any problems into the delivery book, inform farmer and manager of any problems.
- Issue farmer with delivery slip (white copy) at the time of collection.
- Advise and educate farmers as much as possible as to what quality standards the society is trying to maintain, and how can the farmers assist in this regard.
- Ensure that unmarketable produce is reported to the manager for rejection.
- Assist the graders with the emptying of the crates onto the grading machine, when not collection produce from the fields.
- Assist co-op, Namboard, and any other driver that the co-op may engage to collect farmers produce.
- Ensure that all crates carried to farmers are returned to the pack house.
- Assist in loading and unloading all produce collected or being sold.
- Alert the manager of any problems encountered in the fields or reported by farmers.
- Perform any other duties assigned by the manager.

JOB DESCRIPTION - Driver

The driver shall be responsible to the manager

- Operate the co-op vehicle according to co-op policy and the Road Traffic Act of Swaziland.
- Ensure the daily maintenance of the co-op vehicle.
- Alert the manager of any problems with the co-op vehicle.
- Collect, transport, and deliver goods and personnel as directed by the manager.
- Collect farmer produce from fields.
- Record produce collected into the delivery book.
- Check the quality of the produce collected and record in the delivery book.
- Issue delivery slip (white copy) to the farmer at the time of collection.
- Assist in the loading and off loading of vehicle.
- Perform any other duties the manager may assign.

JOB DESCRIPTION - Gate Keeper.

The gate keeper will be responsible to the manager

- Be responsible for the daytime security of the pack house premises.
- Record all incoming and outgoing goods.
- Check all outgoing goods to ensure correct payment has been made.
- Report all problems, suspicious activities immediately and/or abnormal occurrences to the manager.
- Prevent the entrance of the of unauthorized personnel to the pack house premises.
- Perform any other duties assigned by the manager.

JOB DESCRIPTION - Grader/ Packer.

The grader/ packer will be responsible to the quality control supervisor

- Work under the supervision of the quality control supervisor.
- Grade and pack all produce according to the standards required by the market. Tomatoes shall be graded by size and colour, other produce shall be graded by size.
- Select all reject produce (damaged, bruised, rotten etc.) and place in reject crate.
- Wear protective clothing provided by the co-op at all times.
- Keep the grading machine clean at all times.
- Stack all produce according to variety and grade in the place designated by the quality control supervisor or manager.
- Sweep and clean the pack house floor, store room, and grounds daily as directed by the quality control supervisor or manager.
- Assist in loading and off loading all deliveries and sales as required.
- Perform any other duties assigned by the quality control supervisor.

JOB DESCRIPTION - Secretary/ Manager.

The Secretary/ manager shall be responsible to the management committee

- Ensure safe keeping of keys of all vegetable houses and office.
- Supervise all packshed employees and all activities of the society.
- Preparation of monthly financial reports and distribution of the same to the management of the society and to the co-operative office in the region.
- Liaison with the Ministry of Agriculture and co-oparetives for technical advice to the vegetable and with the co-oparetive staff for smooth management of the society.
- Receive all goods delivered in the centre and sign for all consignments despatched.
- Credit control, where credit has been officially approved.
- Report any irregularities to the management committee.
- Maintain the books of account in such a way that they are readily available to the Ministry of Agriculture and co-operative inspectors, auditors and the management of the society.
- Count all stock at the end of each month.
- Produce final statements of accounts at the end of the year and distribute the same as in (b) above.
- Supervision of the society's assets and liabilities.
- Fulfilling such other related duties as may be assigned from time to time by the management committee.
- Take decisions where necessary for the benefit of the society.
- Authorise official journeys for the vehicle/s.
- Welcome all customers and visitors in a good mutual manner.

JOB DESCRIPTION - Quality Control Supervisor

The quality control supervisor will be responsible to the manager

- Receive all produce deliveries from farmer at the pack house.
- Record all deliveries into the delivery book.
- Check all produce deliveries for quality and inform the farmer and manager in cases of poor quality or other problems.
- Provide farmer with delivery slip (white copy) at the time of delivery.
- Ensure that all produce delivered is tagged with the farmer's number.
- Supervise grading of produce by grading labour to ensure maintenance of pack house quality standards.
- After grading, sort all produce and place according to variety and grade.
- Record grades onto delivery slips (pink and yellow copies).
- Check all deliveries bought to the pack house by co-op transport of quality and report any problems to the manager and collection alerts.
- Alert manager of any problems with regards to the grading machine or grading of produce.
- Supervise all grading labour.
- Ensure the cleanliness of the pack house interior and exterior.
- Perform any other duties assigned by the manager.

JOB DESCRIPTION - Stock Control Clerk.

The stock control clerk will be responsible to the manager

- Receive all incoming invoices, delivery slips, purchases, and check their correctness, and submit to the bookkeeper for posting.
- List all deliveries on the weekly analysis sheet and breakdown by item on a daily basis.
- Pull out all farmer delivery (pink) slips on a weekly basis, place in alphabetical order and submit to the assistant bookkeeper for payment.
- Submit all invoice to the manager for pricing.
- Daily stock-taking and maintenance of inventory records.
- Conduct all diesel fuel sales.
- Maintain diesel fuel control records and inventory.
- Perform any other duties assigned by the manager.

JOB DESCRIPTION - Vendor Sales Clerk.

The vendor sales clerk will be responsible to the manager

- Prepare and arrange stock for daily vendor sales.
- Conduct all vendor sales.
- Write payment voucher for the vendor to present to the cashier for payment.
- Maintain the vendor sales shelter.
- Ensure that the vendors are attended into accordance to the time of thier arrival, first come - first served.
- Obtain daily prices from the manager each day before selling.
- Perform any other duties as assigned by the manager.

SECTION III - BY-LAWS

Registered on the 25th day
of OCTOBER 1990
No. 179 Folio 179 File CC/25/3/1
LINDA GREEN
Commissioner for Co-Operative Development
Swaziland

BYE LAWS OF THE

KHULUMELA-KWENTA VEGETABLE GROWERS
CO-OPERATIVE SOCIETY LTD.

NAME AND ADDRESS:

1. (a) The name of the Society shall be the .KHULUMELA..KWENTA.....
VEGETABLE GROWERS Co-operative Society LTD.
- (b) The Registered address shall be P. O. BOX 62
SIPHOFANENI
.....
and any change thereof shall be notified to the Commissioner
for Co-operative Development within 14 days of such change.

OBJECTS:

2. The object of the society are to promote the economic interests of members of the society in accordance with Co-operative principles and more particularly to:-
 - (a) Arrange the joint marketing of the agricultural produce of members delivered to the society to which end the society may collect, grade, process, bulk and transport those products.
 - (b) Arrange the supply of seed, seedlings, fertilizers, pesticides, tools, equipment, material and other requisites;
 - (c) Accept deposits from members;
 - (d) Make advances to members on the security of their agricultural products delivered to the society or loans against other acceptable security or guarantee;

- (e) Raise loans, subject to the ~~maximum~~ amount approved by the Commissioner, from financing institutions for the furtherance of these objects and, in particular, but without prejudice to the foregoing, raise such loans on the security of agricultural products delivered to the society for marketing, or other acceptable security or guarantee;
- (f) Acquire by purchase, lease or rent and operate plant, machinery, vehicles, implements, equipment as may be requisite for the furtherance of these objects;
- (g) Acquire land by purchase, lease or otherwise for the erection of necessary buildings or to lease such buildings;
- (h) Instruct and encourage members in improved methods of agriculture, business, general affairs and Co-operative principles, and
- (i) Promote other measures designed to encourage members in the spirit and practice of thrift, mutual help and self-help.

MEMBERSHIP:

3. The members of the society shall consist of:-
 - (a) Persons who subscribe to the application for registration or
 - (b) Persons admitted after election by the Committee subject to confirmation by the general meeting;
4. Every member of the society must:-
 - (a) Be of good character ^{and} over the age of eighteen years;
 - (b) Be a bona fide farmer ordinarily resident in the SIPHOFANENI /SITHOBELA area and;
 - (c) Hold at least ^{ONE} share (s) in the society.

7/11

5. No person shall be admitted or continue as a member if he is a member of another organisation whose interests may conflict with those of this society.

6. Every member on admission shall:-

- (a) Sign his name or make his mark, in the presence of two witnesses, in the Register of members as token of his acceptance of these by-laws;
- (b) Nominate some person to whom his interest in the capital of the society may be paid in the event of death, and
- (c) Pay such entrance fee as may be decided from time-to time by the General meeting.

7. Membership shall be terminated by:-

- (a) Death,
- (b) Ceasing to hold a least ONE share (s)
- (c) Ceasing to farm land in the SIPHOFANENI / SITHOBELA area
- (d) Withdrawal after giving at least six months notice to the Secretary, prior to the termination of the financial year, provided that the member is not in debt to the society;
- (e) Exclusion in terms of these by-laws; and
- (f) Failure to do any business with the society for two years in succession.

8. (a) Withdrawal from membership shall be effective only from the end of the financial year in which due notice ^{of} to withdrawal has been given.

(b) Upon withdrawal from membership, other than by expulsion, a member shall be entitled to receive within one year from the end of the financial year in which due notice ^{is} to withdrawal was tendered and accepted, the value of shares held by him PROVIDED that such value shall not exceed the amount paid to the society in respect of such shares and may be a lesser amount due regard being made to the financial condition of the society at the time when with-drawal became effective. No part of the Entrance Fee shall be returned.

9. A member may be expelled for:-

- (a) Failing to pay any sum due to the society;
- (b) Failing to sell produce through the society as may be agreed by the General meeting;
- (c) Any offence involving dishonesty on the part of a member or resulting in his imprisonment for six months or more;
- (d) Giving or offering a present or gratuity to any officer or employee of the society;
- (e) Any action which the General Meeting hold to be contrary to the interests of the society;
- (f) Forming or joining an organisation whose interests may conflict with those of this society after admission.

10. A member who is expelled shall not be entitled to any refund of the value of his shares which may, upon expulsion, be forfeited to the society, provided that if all debts due to the society have been paid, the Committee may authorise payment of the value of his shares subject to the approval of the General Meeting.

11. Upon the death of a member or if he should be certified insane, any transfer or repayment of shares shall be in accordance with the terms of Section 19 of the Co-operative Societies Proclamation, 1964.

CAPITAL:

12. (a) The capital of the society shall be raised by the issue of an undetermined number of shares of value of E500.00 fully paid.

(i) Upon admission, each member shall purchase at least E100.00 share (s) paid up in full.

(ii) No member shall be eligible for election to the Committee until he holds the fully paid share qualification;

(iii) The unpaid call on Share Capital shall be deemed a debt due to the society;

(iv) No member may hold more than 1/5 shares of the issued and paid up share capital;

(v) Shares shall be fully paid within a period of three years.

LIABILITY:

13. The liability of a member for the debts of the society is limited to the payment of the nominal amount of the shares held by him.

TRANSFER OF SHARES:

14. Subject to the consent of the committee, a member may transfer his shares or any of them to another member or to a person qualified under these by-laws and acceptable to the Committee as a member.

15. No transfer of shares is permitted if the member has an outstanding debt due to the society.

FUNDS:

(a) The funds of the society shall be composed of:-

(i) An undetermined number of shares of E100.00 each;

(ii) An undetermined number of entrance fees of E30.00

(iii) Levies and commissions made in accordance with these by-laws;

(iv) Loans from financing institutions to the maximum amount approved by the Commissioner;

(v) The unallocated surplus of previous years;

(vi) The Reserve fund, unless the Commissioner otherwise directs, and

(vii) The share Transfer Fund;

(b) The funds shall be used solely in pursuance of the objects of the society.

17. To meet administrative and other current or special expenditure the society may:-

- (a) Make a levy or other charge in respect of the agricultural products marketed through the society;
- (b) Charge a commission on sales, purchase and other business undertaken,
- (c) Make a charge for other services rendered by the society to members; as may from time-to time be determined by the Committee and approved by the General Meeting.

BANKING ACCOUNT:

18. (a) The society may open a current account or a deposit account with Credit and Savings Bank or subject to approval by the Commissioner for Co-operative development with a commercial bank.
- (b) Cheques shall be signed in accordance with by-law 39 unless the Commissioner for cooperative development shall otherwise approve.

LIEN:

19. Any money due from the society to a member, past member or person claiming through him may be set off in payment of any sum which he owes to the society or for which he may have stood surety.

FINANCIAL YEAR:

20. The financial year of the society shall be from the first day of APRIL to the last day of MAY OF EACH YEAR.
.....

GENERAL MEETINGS:

21. The supreme authority shall be vested in the general meeting of members which shall be held not later than three months after the end of the financial year, and at such other times as may be necessary.

22. The general meeting may be summoned by the Chairman or the Committee, or may be convened by the Commissioner for cooperative development and shall be summoned at the Written request of not less than $\frac{2}{3}$ members.
23. At least fourteen days notice shall be given of the intention to hold the annual general meeting or seven days notice to hold a special general meeting and that notice shall give the date, time place at which it is to be held and the matters to be discussed and shall be published on the Notice Board of the society.
24. The presence of at least 30 members or one-fifth of the total membership of the society, whichever is the greater, shall be necessary for the transaction of any business at a general meeting. Provided that if within one hour after the advertised time of the meeting there is no quorum present, other than the case of a meeting summoned upon requisition by members which shall be deemed no meeting if a quorum is not present, the meeting shall stand adjourned to the same time at the same place on same day one week following and at the meeting the same business and no other than that proposed for the original meeting shall be discussed. The decision of the majority of members present at that meeting shall be binding whether a quorum is present or not.
25. At any general meeting convened or called by the Commissioner for Co-operative Development by-law 24 shall not apply and the members present at that meeting shall constitute a quorum.
26. Except in the case of an amendment to these by-laws, all other questions before a general meeting shall be decided by a majority of votes. When votes are equal, the Chairman shall have a deciding vote in addition to his deliberative vote.
27. Except as qualified in by-law 26, every member shall have one vote, and only one vote, irrespective of the number of shares he holds. No voting by proxy shall be permitted.
28. In an Annual General Meeting the following business shall be transacted:-

- (a) Confirmation of the minutes of the previous Annual General meeting and any intervening special General Meeting.
 - (b) The consideration and adoption of the annual Accounts and Balance Sheets, the Auditors Report and Inspection Notice of the Commissioner for cooperative development.
 - (c) The disposal of the surplus funds;
 - (d) The election, suspension and removal of members of the Committee, including a Chairman and, if desired, a Vice-Chairman.
 - (e) The confirmation of the admission of members;
 - (f) The fixing of the maximum amount that may be borrowed by the society from non-members;
 - (g) The fixing of the maximum amount that may be lent by the society to any member and the maximum rate of advance on produce delivered to the society for marketing;
 - (h) The fixing of the commission or levy to be charged by the society on business undertaken on behalf of the members;
 - (i) The amendment of the by-laws;
 - (j) The passing of estimates of Income and Expenditure for approval by the Commissioner for cooperative Development;
 - (k) To hear and determine complains of members.
29. (a) All business discussed or decided at a general meeting shall be recorded in a minute book and signed by the Chairman of the meeting at which the minutes are confirmed;
- (b) Copies of minutes of General Meeting shall be sent to the Commissioner for Co-operative Development within 14 days of the meeting.

AMENDMENT OF BY-LAWS:

30. No alteration shall be made to these by-laws except at a General Meeting called specially to consider such amendment.

The following shall apply:-

- (a) Where written voting papers are to be used, the voting papers shall be given to all members of the society and only written votes shall be accepted, examined and counted at a General Meeting at which there is a quorum in terms of by-law 24. The amendment shall then be carried by a clear majority of the total number of members of the society; and

- (b) Where written votes are NOT used the amendment shall only be carried by a clear majority of the members of the society. PROVIDED THAT where amendment has received the prior approval of the Commissioner for Co-operative Development, it may be carried by a two-thirds majority of the members present in person at the General Meeting.

COMMITTEE:

31. (a) The committee shall consist of SEVEN MEMBERS including the Chairman;
- (b) The members shall be elected for one year and shall be eligible for re-election provided that if for any reason a General Meeting cannot be held during the year, the existing committee shall continue to hold office till the election of a new committee, but such election shall in no case be held later than eighteen months after the election of the previous committee;
- (c) Vacancies arising in the committee shall be filled, by the rest of the committee, by co-option.
32. A member of the committee shall cease to hold office if he:-
- (a) Cease to be a member of the society;
- (b) Applies for or is declared insolvent;
- (c) Becomes of unsound mind;
- (d) Is convicted of any offence involving dis-honesty or is imprisoned for three months or longer;
- (e) Operates for his own profit a similar business to that conducted by the society;
- (f) Accepts salaried employment under the society;
- (g) Fails to attend three consecutive meetings but may be re-instated by the Committee for good reason given;
- (h) Is removed by the General Meeting.
33. Meetings of the Committee shall be held when necessary and at least 4 times each year, or in accordance with any resolution passed at a General Meeting. The attendance of at least 5 members is necessary for the disposal of any business. The Chairman, or in his absence one of the other members shall preside. Each member shall

34. The Committee shall exercise all the powers of the society except those reserved for the General Meeting, subject to any regulations or restrictions duly laid down by the society in General Meeting or in the by-laws, and in particular shall be the following powers and duties:-

- (a) To confirm the minutes of the previous meeting;
- (b) To ensure that business is conducted in accordance with the Law and these by-laws;
- (c) To maintain true and accurate accounts of all money received and expended and of all items of business conducted by the society;
- (d) To keep a true account of the assets and liabilities of the society;
- (e) To keep a register of members correct and up to date;
- (f) To prepare and lay before the Annual General Meeting true accounts of the business undertaken and an audited balance sheet;
- (g) To examine the accounts and the conduct of the business of the society at each meeting;
- (h) To elect new members, to issue new and transfer old shares, subject to confirmation by the General Meeting;
- (i) To frame, subject to the approval of the General Meeting, rules for the orderly conduct of Business;
- (j) To contract loans as necessary subject to the maximum liability imposed by the General Meeting and approved by the Commissioner for co-operative development;
- (k) To examine applications for loans from members; to ensure that proper provision has been made for repayment of the loan in due time, and if satisfied to approve loans subject to the maximum laid down by the General Meeting;
- (l) To ensure that loans are used for the purpose approved and are not mis-applied;
- (m) To take necessary steps for the recovery of loan;
- (n) To ensure that contracts or by-laws binding on the business of members with the society are complied with;
- (o) To arrange for the safe custody and insurance of all produce, stock and goods delivered to the society;
- (p) To guard against adulteration of produce sold through the society;
- (q) To supervise the business conducted by employees;

- (r) To appoint, suspend, or dismiss employees subject to any scales of pay approved by the general meeting;
- (s) To obtain security, where necessary, for the diligent performance of the duties of employees;
- (t) Generally to carry on the business of the society.

35. In their conduct of the affairs of the society, the committee shall exercise the prudence and diligence of ordinary men of the business and shall be responsible for any loss sustained through acts contrary to the law or these by-laws.

36. All business discussed or decided at a meeting of the Committee shall be recorded in a minute book which shall be signed by the Chairman and the members present at the meeting which confirms those minutes.

SECRETARY:

- 37. (a) The Secretary shall be appointed and may be suspended or dismissed by the Committee.
 - (b) The Committee may fix his remuneration subject to any scale of pay laid down by the General Meeting but if a member of the Committee is appointed Secretary, the foregoing shall not apply and the Secretary shall not be paid.
38. The powers and duties of the Secretary shall be as follows:-
- (a) To carry out the executive work of the society under the supervision of the Committee.
 - (b) To ^{superintend} ~~superintend~~ the working of the office and to be responsible for the proper and punctual keeping of the accounts and registers;
 - (c) To deliver and obtain all due receipts;
 - (d) To sign on behalf of the society and to conduct its correspondence.
 - (e) To accept money due to the society;
 - (f) To incur contingent expenditure subject to any limit imposed by the Committee;
 - (g) To conduct the business of the society in accordance with the instructions of the Committee, the by-laws and any rules of work approved by the General Meeting;

- (h) To summon and attend general meetings and meetings of the Committee;
- (i) To record the proceedings of those meetings and ensure that they are duly signed;
- (j) To perform all other duties entrusted to him by the Committee.

SIGNATORIES:

36. All charges or other instruments executed on behalf of the society shall, except in the case of receipts, bear the signatures of the Secretary and of two members of the Committee.

INSPECTION OF REGISTER AND OTHER DOCUMENTS, ETC.

40. The register of members, the last audited accounts, balance sheet and report, a copy of these by-laws and any resolutions of the General Meeting or of the Committee governing the conduct of the business of the society with the members shall be open for inspection by any member at all reasonable times.

41. No other person shall be allowed to inspect the deposit or loan account of a member without that member's permission in writing or in the presence of that member.

LOANS:

- 42. (a) Loans shall be restricted to members and shall be made for a productive or development purpose only and upon such guarantee, security and terms as the Committee shall have approved.
- (b) The general provisions of Regulations 42-49 of the Co-operative Societies Regulations, 1964, shall apply to all loans.
- (c) All applications for loans and the Reports of the Committee, and any loan officer thereon, shall be filed as permanent records of the society.

43. (a) The rate of interest shall be fixed from time-to-time by the Committee and shall in no case exceed 1 per cent per month on unpaid balances, inclusive of all charges incidental to making the loans.
- (b) No loan shall be made in excess of the maximum amount approved by the General Meeting.
- (c) The period of the loans shall not exceed 2 years or such less period as the General Meeting may determine.
44. (a) Every loan shall be guaranteed by two guarantors unless other security for the repayment is offered and accepted by the Committee.
- (b) No Committee member shall act as guarantor for members borrowing from the society.
- (c) No member shall guarantee a loan by the society to another member where that other member has guaranteed a loan by the society to the first mentioned member.
45. Applications for loans shall be made in writing, in accordance with procedure laid down by the Committee from time to time, and shall state the purpose of the loan, the security proposed, the names of two guarantors and the period of the loan and terms of repayment requested.
46. (a) No loan shall be made unless it is approved by a majority of the entire Committee and by all the members present at the meeting at which the application is considered.
- (b) Before approval of a loan, the Committee shall satisfy themselves that the loan is for a productive purpose and of probable benefit to the borrower, that the borrower and his guarantors are of good character and that the obligations incurred will be fully and promptly met.
- (c) Upon approval of the loan, the member and his guarantors shall execute a deed setting out the terms of the loan, including the purpose to which it is to be applied and the date and method of repayment, in such form as the committee shall require, prior to the receipt of the money involved.

47. (a) A member may repay his loan, in part or in full, prior to maturity.
- (b) If a member uses a loan for an improper purpose or otherwise fails to comply with the conditions under which the loan was issued, the Committee may cancel the loan which will then become re-payable, together with all charges immediately.

48. Subject to any restriction imposed by the General Meeting, the Committee may, for good and sufficient reason given and accepted renew a loan upon such terms as it may require or extend the period of a loan for a period not exceeding one year provided that the period set out in by-law 43 (c) is not exceeded.

BINDING RULES FOR DELIVERY OF PRODUCE:

49. Every member of the society shall deliver to the society when directed by the Committee all agricultural produce, as the society may, by resolution in General Meeting, decide to market.

50. Should any member, without the authority of the society sell, deliver or otherwise dispose of such produce, agreed in General Meeting to be marketed by the society, to any firm, person or body of persons other than the society, he shall pay by way of liquidated damages a sum equal to double the value of such produce at current local price or such less sum as the society may be willing to accept.

51. For the purpose of raising funds to make advances to members on the security of their agricultural produce delivered to the society for marketing, the society may pledge all or part of that produce so delivered by any member either separately from or jointly with all agricultural produce so delivered by all or any other members.

52. Provided that the society has funds available, it may make advances to members upon the security of the produce delivered to the society by members for marketing, an amount of money which shall not exceed seventy-five per cent of the local value of such produce as estimated by the Committee.

GENERAL PROVISIONS:

53. All business shall be conducted on a cash basis and no credit or loans shall be allowed save as provided in these by-laws.

54. Upon admission to membership, each member shall be bound to observe these by-laws and the rules of instructions for the conduct of business issued by the Committee, and the member's signatures in the Membership Register shall denote acceptance of these by-laws, rules and instructions.

55. No member of the Committee may receive payment of any kind, for service given, without the approval of the Commissioner for Cooperative Development provided that reasonable out-of pocket expenses incurred on business undertaken on behalf of the society may be re-imbursed to the maximum amount shown in the Estimates of Income and Expenditure, for the current year, as passed by the General Meeting and approved by the Commissioner for Co-operative Development.

DISTRIBUTION OF SURPLUS:

56. After all expenses of the society have been met within any financial year, the following provisions shall be made from surpluses accruing in that year and the undistributed surplus from previous year:-

- (a) Provision for the depreciation of the society's property;
 - (b) Provision for amortisation of loans, if necessary
- The balance shall then be applied as follows:-
- (c) A sum of twenty-five per cent of the surplus to be placed to the General Reserve Fund;
 - (d) Ten per cent of the surplus shall be carried to a share Transfer Fund until that fund is equal one-tenth of the total nominal issued capital,
 - (e) Provision for a reserve for contingencies. The amount of such provision if any, to be determined by the Committee;
 - (f) Provision for interest not exceeding five per cent per annum on the amount paid by the members on their respective shares, upon the recommendation of the committee;
 - (g) Distribution to members of the balance available Proportionate to the total value of business each member has conducted with the society during the past financial year.

