

MEMORANDUM OF UNDERSTANDING

SIGNED BY

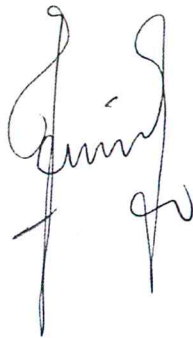


Beke Dairy Cooperative

and

Dawit

Dairy Farm



2018, Addis Ababa,

Ethiopia

Contract of Agreement made and entered on June 05, 2018 between **Dawit Farm and Beke Dairy Cooperative**; address Beke Addis Ababa, Ethiopia

Both parties desired to engage in such agreement for the sake of helping each other's and working together.

NOW, THEREFORE the party here to agree as follows:

Article I – Nature of the Services

The nature of the services is that Dawit Farm will support the cooperative in conditions where Beke Dairy Cooperative is unable to manage activities and resources potentially.

Article II - Duration of Agreement

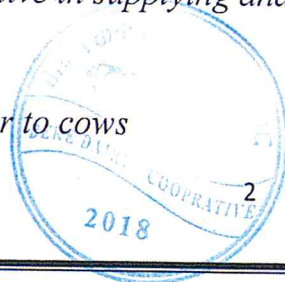
The total duration of this contract will be mainly two years. This agreement shall commence on the day of **June 05, 2018** and shall expire on **June 05, 2020** upon the satisfactory completion each party's responsibility. It is possible renewed every two years where both parties are admitted.

Article III – Scope of Activities

The two parties have their own activities that Dawit Farm will contribute the following to Beke Dairy farm

1. *Help the cooperative in supplying and resource sharing; such as:*

- *Bull*
- *Drink water to cows*

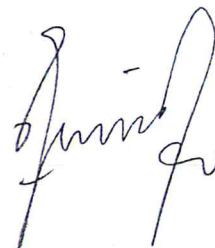


- *Vaccine*
 - *Cooperatively supplying feeds like brewery, straw, silages, vet*
2. *Capacity building*
Member of the cooperative will be allowed to learn and train on the facilities on Dawit Farm. Both technical and management training and capacity building activities will be supported bat the farm.
 3. *Sharing technology*
Bothe parties will share technologies on management, feed, health of cows and record retrieving information
 4. *Breed improvement and supply*
 5. *Dawit farm will help the cooperative in supplying better breed to the cooperative in fairly settled prices.*
 6. *Milk collection and management*
Dawit farm will collect quality milk where their quality is checked periodically from every member who is voluntarily. There a fixed price of milk 15 birrs for a liter.

Article IV – determination of current working expense

From every farmer's litters of milk one berr will be saved in a separated account which is managed by the cooperative manager for running the cost of t6he comparative. That mean, the milk will be sold 16 berr for Dawit and the farmers will get 15 berr and the difference one berr will be saved for working capital.

Article V - Acceptance of Agreement



Both parties has read, understood and accept all terms of this agreement. In Witness whereof, the parties here to have executed this agreement.

On behalf of Dawit Far, the manager and on the behalf of the cooperative the General Manager

Dawit Farm

Beke Dairy Cooperative

Name: Dawit Chebude

Position: Manager

Signature: [Signature]

Date: 05/06/18

Name: Merfin Andargie

Position: Co. Manager

Signature: [Signature]

Date: 05/06/18



Witnesses

Name

Signature

1. Guade Hailu
2. Alemarehu Bayu
3. Mesfin Taddesse

[Signatures]



Date: 27/05/18

Ref. No BDC/OE/2018

CONTRACT AGREEMENT FORM

FORMATION OF BEKE DAIRY COOPRATIVE

I, Girma Axano the representative of all members of Beke Dairy cooperative agreed up on discharging my responsibilities and to exercise my rights based on the rules and the regulation of the cooperatives right from April, 20, 2018. On behalf of all member farmers, I am committed to participate in the facilitating irrigation process and other cooperative strengthening activities. I am interested and committed work for the improvement of our cooperative in its productivity and quality through growing the crops for cows like alfalfa and clover using irrigation. I will be responsible to manage the cooperative and all inputs of production through organizing resource and cooperative members

I, here by signed that, I am obeyed by the rules and regulation of the cooperative and I also accept the board and general assembly decisions of the cooperative.

I confirm through my signature;

Farmers' representative Girma Axano G. Manager of the coop Mesfin Taddese

Signature [Signature]



Signature [Signature]

Witnesses

1. Name. Mesfin Taddese Signature [Signature]
2. Name. Alemayehu Baye Signature [Signature]



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ADMIN POLICY OF BEKE DAIRY COOPRATVE

ARTICLE ONE

Nomenclature

Here after the name of the cooperative will be named as “Beke Dairy Cooperative” which is aimed at working together for the development the dairy production. The address of the cooperative is Beke 44 kilometer distant from the Addis Ababa, Ethiopia.

ARTICLE TWO

Vision and mission

2.1. Vision:

To see the cooperative is well developed and contributed to the change of living of farmers

2.2. Mission:

- Creating strong synergy of farmers and bring better dairy production through strengthen togetherness and shaping attitudes of all the members of the cooperative to peruse better life.

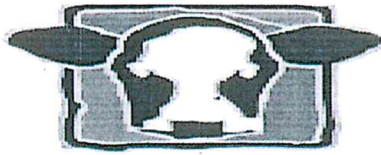
ARTICLE THREE

Basic activates

The cooperative has the following established responsibilities and activities

- ✦ Milk collection and input provision for the members
- ✦ Feed production and irrigation
- ✦ Veterinary drug supply





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- ✦ Training on milk quality management, financial management, leadership for board of directors and feed preparation
- ✦ AI service, Vet service,
- ✦ Micro finance, for saving
- ✦ Introducing Quality based payment
- ✦ Establishing feed mixer mill
- ✦ Establishing Milk quality monitoring
- ✦ Establishing dairy processing plant of capacity

PERFORMED ACTIVITIES

1. Meeting with farmers
2. Selection of the board members
3. Examining the irrigation
4. Researching the alfalfa and red clobber
5. Capacitating the cooperative manager and the board members
6. Collection the milk and fixing the price for 1kg of the milk

Soil fertility=grown crops=make a good feed=better production=quality milk=processing milk=better price=better income= better life

ARTICLE FOUR

Working principles

1. Membership is through voluntarily
2. There a democratic system of management will be emplaced
3. Members participate at every step of the management and economical benefits
4. Continuous and sustainable training and awareness c creation will be done
5. participate on local developmental activities



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ARTICLE FIVE

Requirements for a Cooperative Membership

Qualifying farmers must meet the following conditions to be members of the cooperatives:

- 1) They must be from Beke kebele
- 2) They must be engaged in marketing milk.
- 3) They must be operated for the mutual benefit of its members.
- 4) The value of non-member businesses must be less than the value of members business.
- 5) They must be obeyed by the law of the cooperative Small farmers dairy
- 6) The members has to accept provisions and procedures stated under the proclamation numbers of 147/1991 and on its improvement on 402/1996
- 7) Those who admit the rules of the cooperative and submitted the milk on the specified date of time
- 8) Those who receive trainings and equipments from the farm shall hold responsibly and act accordingly

ARTICLE SIX

Benefits of the members

Membership in Beke Dairy farm cooperative connects nearly 38 dairy producers in the village 150 cows to a 300 cows. BDFC believes that dairy producers are not just members of BDFC rather, they are owners. As owners of BDFC, members receive:

1. Earnings from the Cooperative. Profits will be shared periodically with the patronage their contribution (volume) in BDFC
2. An equal voice Through BDFC's grassroots structure, each and every member is empowered to influence discussions regarding the business operations decisions of the Cooperative.

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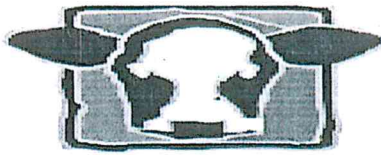
3. A guaranteed market for their milk. The last thing on a dairy producer's mind should be where their milk is going to go. BDFC ensures that there is always a home for its members' milk and that it will always be delivered fresh.
4. A competitive price for their milk. As a leading national cooperative, BDFC is able to work with other cooperatives throughout the country to comingle milk, creating efficiencies in hauling and reducing transportation costs. This also ensures that BDFC's members are receiving the fair price for their quality product.
5. Programs and services. BDFC offers programs and services ranging from health and workers' compensation insurance to pace risk management tools, all designed to increase profitability and efficiency on members farms.
6. Returns on investments made on their behalf. Through BDFC, the members are invested in plants and brands throughout the country that not only produce returns that go back to the members, but also create additional markets for the members' milk.

ARTICLE SIX

Rights of members

- Based on the rules and regulation the members can participate on general assembly of the cooperative
- To elect and to be elected
- To legally get the services and products of the cooperatives
- To get the it's due and quite the membership





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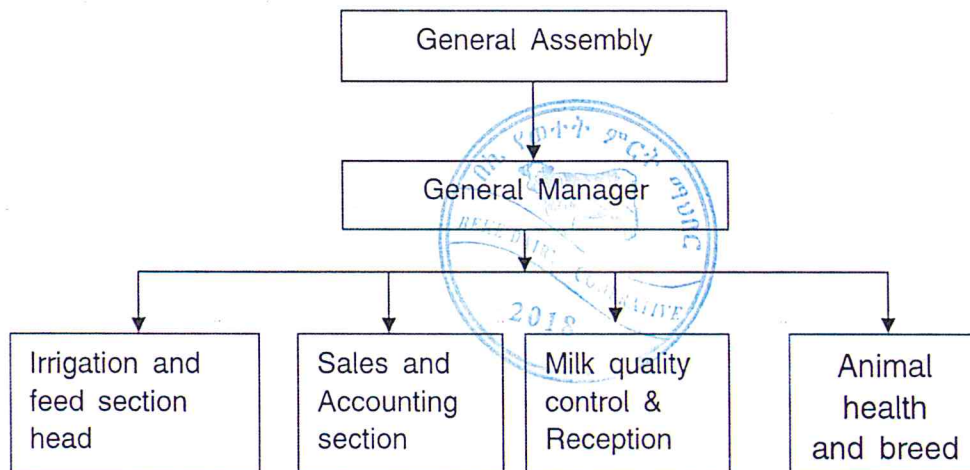
ARTICLE SEVEN

Duties of the members

- Cooperative Awaji, establishment principles, rules and regulation, internal rules, decisions of the general assembly and board decision has to be respected by every member.
- Strong marketing linkage has to be saved by each member
- On time delivery of milks and other required goods
- On time report and participate on meetings
- To protect and secure the properties of the cooperative

ARTICLE EIGHT

Organizational Structure for the Beke Dairy Cooperative



Note:

Detailed job description about the responsibilities of each position will be compiled based of the performances of the cooperative after gaining an experience sharing with other related coops.

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ARTICLE NINE

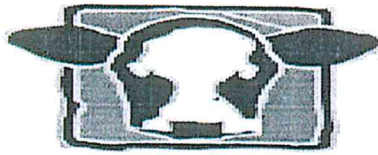
Cooperative management

There a democratic way of management of the cooperative. Leaders of the cooperative will be selected democratically and they will exercise their power for two years as a term. After the two years management services the General Assembly will select the next person to lead the cooperative. One leader may serve the cooperative for two consecutive terms.

General assembly is the body of the cooperative where it incorporated all the members of the cooperative and entitled to pass strategic and systemic decisions. It will be leaded by the general manager and there an equal chance of voting for decision. The general manger is an independent body who managed the formal flow of the cooperative on the top level. Its responsibility will be for the general assembly. The general manger will assign body of the board of management who are the members of the cooperative. The board will manage every day details and reports of the activities. The general assembly will have two times meeting in a half of a year for strategic decisions. The board will have a meeting every fifteen days for operational checking.

Members of the founders of the cooperative

No	Name of farmer	Number of cows	land size in hectare	Milk per day	Sign	Remark
1.	Mesay Getachew	1	0	1	<i>mw</i>	
2.	Birhanu Abera	1	1	6	<i>Birhanu</i>	
3.	Shimelis Legesse	1	1	9	<i>sw</i>	
4.	Getachew Legesse	1	1	8	<i>gl</i>	
5.	Ayele Yilam	1	1	8	<i>APh</i>	
6.	Teka Gemechu	1	1	12	<i>sp</i>	
7.	Bekele Tsegaye	1	0.5	8	<i>ts</i>	
8.	Fikadu Regassa	2	1	17	<i>fr</i>	
9.	Asefa Alemayehu	2	1	13	<i>ah</i>	
10.	Tariku Ayano	2	1	20	<i>ta</i>	



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11. Fekadu Dere	3	1	20	<i>[Signature]</i>	
12. Abeba Shiferaw	3	0.5	25	<i>[Signature]</i>	
13. Shewangizaw Tegegn	4	1	31	<i>[Signature]</i>	
14. Mamo Abera	5	1	30	<i>[Signature]</i>	
15. Abera Seifu	2	1	18	<i>[Signature]</i>	
16. Addisu Hailu	2	1	20	<i>[Signature]</i>	
17. Alemayehu baye	1	0.5	13	<i>[Signature]</i>	
18. Alemayehu Taye	3	1	23	<i>[Signature]</i>	
19. Almaz Belachew	1	1	8	<i>[Signature]</i>	
20. Ayenu Merawo	2	0.5	9	<i>[Signature]</i>	
21. Aze Abera	2	0.5	17	<i>[Signature]</i>	
22. Dawit Chebude	100	5	250	<i>[Signature]</i>	
23. Dereje Taye	2	0.5	8	<i>[Signature]</i>	
24. Girma Ayenu	2	1	20	<i>[Signature]</i>	
25. Girma Taye	10	1	60	<i>[Signature]</i>	
26. Gude Haylu	2	1	14	<i>[Signature]</i>	
27. Hyailu Debele	4	1	30	<i>[Signature]</i>	
28. Mesfin Lema	2	1	16	<i>[Signature]</i>	
29. Mesfin Tadesse	9	1.5	40	<i>[Signature]</i>	
30. Mulat Ayenu	2	0.5	17	<i>[Signature]</i>	
31. Sisay Ayano	2	1	10	<i>[Signature]</i>	
32. Zewudu Nigussie	2	0	0	<i>[Signature]</i>	
TOTAL	178	31	781	<i>[Signature]</i>	



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