

**An Act to amend the Cotton Industry
Act, 2001**

**ENACTED by the Parliament of the United Republic
of Tanzania**

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PART I

PRELIMINARY PROVISIONS

1. This Act may be cited as the Cotton Industry (Amendment) Act, 2006 and shall be read as one with the Cotton Industry Act, 2001 hereinafter referred to as the "principal Act" **Short title and construction**

PART II

GENERAL AMENDMENTS

2. (i) Section 2 of the principal Act is amended by inserting in appropriate alphabetical order the following definitions: **Amendment to Section 2**

"**agent**" means a person employed to act on behalf of another;

"**auction post**" means any place with qualities specified by the Board suitable for conducting cotton auction and which is registered by the Board;

"**authorised officer**" means an officer appointed by the Board to act on its behalf and who is charged with duties of inspection.

"**Certification Agency**" means an agency appointed by the Minister pursuant to section 10 of the Seeds Act, 2003

"**declare**" means inform or announce to the public through the fastest media, accessible by the public;

"**Eastern Cotton Growing Area**" means cotton growing zone for the time being comprising of Manyara, Kilimanjaro, Tanga, Coast, Morogoro and Iringa regions.

"**exporter**" means a person or body licensed by the Board as cotton exporter;

"**inspecting officer**" means an officer of the Board or an authorised officer;

"**local government authority**" means a district authority or an urban authority;

"**local lint licence**" means any licence issued by the Board for purchase of cotton lint for re-sale in the United Republic of Tanzania;

"**seed dealer**" includes importers, exporters, processors, producers, sellers and distributors of seeds and owners of seed testing laboratories or any other person dealing with seeds under the Seeds Act, 2003

"**un-merchantable cotton**" means false packed cotton in a bale or bag: containing substances entirely foreign to cotton, or containing damaged cotton or composed of good cotton upon the interior and decidedly inferior cotton in the interior in such a manner as not to detect by customary examination, or

containing pickings or linters worked in the bale or bag

"Western Cotton Growing Area" means cotton growing zone for the time being comprising of Shinyanga, Mwanza, Mara, Kagera, Tabora, Singida and Kigoma regions.

"specified organisation" means the Board, a Co-operative Society and body of persons designated by the Board in writing under its seal or by notice in the Gazette to be a specified organisation for the purpose of this Act.

(ii) The definition of **"ginners"** in the principal Act is repealed and redefined to mean "any place where cotton lint is separated from cotton seeds and shall have the following items namely a set of similar ginning machines that is, roller or saw gins; godowns for storing seed cotton and cotton seeds; a weigh bridge; a seed cotton suction system; seed cotton cleaning system; in the case of saw gin an enclosed single line of handling lint; in the case of roller gin a lint conveyor; a bale press; cotton seed handling system; and a bale shed

3. (1) Section 5(1) (f) is amended by repealing and substituting for it the following: "to ensure fair competition and trade" **Amendment of Section 5**

(2) Section 5(3) is amended by repealing and substituting for it the following:

Notwithstanding any provision in this Act, the Minister may, after consultation with the Board and by notice published in the **gazette**, specify an area or areas where cotton buying is being hampered due to lack of adequate licensed persons, appoint the Board to be a buyer of a last resort during the whole period that problem persists. **Minister to direct Board to buy cotton under certain circumstances**

4. The principal Act is amended by repealing Parts III, IV, V and VI and substituting for them the following parts: - **Repeal and substitution of Parts III, IV, V and VI**

PART III

REGISTRATION OF COTTON GROWERS

5. (1) The Board shall register all cotton growers and all cotton growers shall avail themselves for registration by the Board through their co-operative societies, recognised farmer groups or in their individual capacities at their respective district authorities for the purposes of assisting the Board to control cotton quality and supply of inputs, provision of extension services and cotton growers' credit requirements. **Registration of cotton growers and issuance of "GRNs"**

- (2) Upon registration each grower shall be issued with a Growers Registration Number, which shall be known by the acronym "GRN".
- (3) No fee shall be charged for growers' registration.
6. The Board in consultations with the parent Ministry and other institutions, may appoint persons from local government authorities, associations of cotton growers, co-operative societies, to be its agents in performing any or all activities pertaining to registration of cotton growers, on such terms and conditions as the Board may specify. **Board may appoint registration agents**
7. (1) Any agent of the Board appointed under section 6 shall perform registration activities specified by the Board in conformity to the provisions of this Act. **Agents to conform to regulations on registration, and penalty**
- (2) Any agent of the Board appointed under section 6, who fails or neglects to comply with the provisions of this Act in carrying out registration activities, shall have his appointment terminated forthwith.

PART IV

COTTON CULTIVATION AND HUSBANDRY

8. (1) The Director may, by order published in the **Gazette**, subject to such exemptions as he may specify therein, prescribe areas in Mainland Tanzania where cotton plant may be grown. **Cotton to be grown in specified areas.**
- (2) Any person who, in contravention of any order made under this section, plants cotton on any land to which such order applies, shall be guilty of an offence and shall be liable of a fine of five hundred thousand shillings or to a term of imprisonment of five months or to both such fine and imprisonment.
9. (1) The Board shall prescribe varieties of cotton to be grown in different parts of Tanzania. **Varieties of cotton to be grown**
- (2) It shall be an offence for any person to grow any cotton variety which has not been prescribed by the Board.
10. (1) No person shall import, breed or multiply cotton seeds or plants for any purpose without the permit issued by the Director. **Restriction on cotton seed importation, breeding and multiplication.**
- (2) Any person who contravenes the provisions of this section shall on conviction be liable to a fine of three million shillings or to an imprisonment for a term of three years or to both

such, and such seeds or plants shall be destroyed by the Board on behalf of the Director at the cost of the convicted person.

- (3) The Board shall make arrangements for multiplication of foundation and certified cotton seeds for planting.
11. No cotton grower shall grow cotton seeds which have not been certified by the Certification Agency and any person who contravenes the provisions of this section, commits an offence. **Only certified seeds to be grown**
12. (1) Subject to the existing laws on Plant Protection, the Director or an authorised officer in consultation with the Board may, by order under his hand and for the purposes of preventing or controlling occurrence or spread of any cotton insect pests or diseases of cotton within any area specified in that order: - **Quarantine**
- (a) prohibit or regulate the sowing in such area of cotton seed or any other crop specified in the order known to harbour insect pests or diseases of cotton;
 - (b) prohibit the removal from any area any seed cotton or cotton seed, which in the opinion of the Director is likely to harbour insect pests or diseases of cotton; or
 - (c) require the uprooting and burning of all or any cotton plants, cotton residue or any plant specified in the order by a person possessing or having control over that cotton plant.
- (2) If a person fails to comply with an order issued under sub-section (1), the Director or an authorised officer, may, on giving further seven days' notice in writing, of his intention to do so, cause the removal or destruction to be effected and there upon that person shall, without prejudice to any penalty which he may have suffered by reason of any failure, be liable to pay all the costs incurred, which shall be recoverable as debt due to the Board.
13. Cotton seed for planting shall first be inspected and approved by an authorised officer of the Certification Agency responsible for seeds certification. **Seed Act No. 18 of 2003**
14. If planted cotton is neglected or abandoned, or owner has left such cotton under the immediate care of a person who, in the opinion of an authorised officer, is unwilling to take care of the cotton, the Board may, after considering the report of an authorised officer and for the purposes of controlling the spread of pests and diseases, order that such cotton be uprooted. **Order of an authorized officer to uproot cotton**
15. Any person, who contravenes or fails to comply with any order made under section 14, commits an offence and upon conviction shall be liable to a fine of one hundred thousand shillings or to imprisonment for a term of six months and the court may order the cancellation of his registration. **Failure to comply with order**

16. (a) The Board may enter into contracts with farmers and or seed companies for multiplication of foundation and certified cottonseeds for planting. **Seed multiplication**

(b) Cotton buyers and seed dealers may enter into agreement with cotton growers for cultivation, purchase, provision of extension services and supply of inputs which has to be approved by the Board.

(c) The contracts must be registered and approved by the Board **Contract farming**

PART V

GRADING AND BUYING

17. (1) There shall be two grades of cotton recognised by the Board namely; grade A cotton and grade B **Types of cotton grades**

(2) The Board may allow recognition of other grades of cotton.

18. Every cotton grower shall, before selling, grade all seed cotton according to grades provided in section 17. **Grading**

19. (1) The cotton so graded shall be sold to licensed buyers.

(2) Any dispute arising in respect of grading shall be referred to an authorised officer designated at the buying post who shall make a decision as regard to grading cotton. **Licensed buyer, grading, dispute and prohibition of buying un-graded cotton.**

(3) Any person who is aggrieved by a decision of an authorised officer may appeal to the Board

(4) Every cotton buyer shall buy cotton from registered growers, according to grades prescribed in section 17 and shall pay differential prices corresponding to those grades.

20. (1) No person other than a holder of a valid seed cotton buying licence shall buy seed cotton. **Restriction on cotton buying**

(2) Any person who contravenes any of the provisions of this Act commits an offence.

21. Any buyer who buys cotton: -

- (a) from a non-registered cotton grower;
- (b) which is not graded;
- (c) without paying a different price for each grade; and
- (d) Falsifies or tempers with weighing scales.

Shall be guilty of an offence, and the Board shall forthwith suspend or cancel a buying licence of such buyer.

22. The Board shall announce the dates on which the cotton buying season shall commence together with any new rules or administrative guidelines, if any, which shall govern the buying and selling of cotton during that season. **Declaration of cotton buying season**
23. (1) No person shall mix: -
- (a) Grade A seed cotton with Grade B or any un-merchantable cotton;
 - (b) any other seed cotton with Grade B seed cotton; and
 - (c) any un-merchantable cotton with graded cotton.
- (2) Any person who mixes Grade A cotton with Grade B cotton or un-merchantable cotton with graded cotton commits an offence and on conviction shall be liable to pay a fine of shillings fifty thousand or imprisonment for a period of three months or to both such fine and imprisonment. **Mixing different grades of seed cotton or un-merchantable cotton with graded cotton**
24. (1) No person shall buy or sell any seed cotton except at a cotton auctioning post or buying post. **Places where seed cotton may be sold**
- (2) Any seller who contravenes the provisions of this section shall be guilty of an offence and shall on conviction be liable to pay fine of shillings fifty thousand or imprisonment for a period of six months or to both such fine and imprisonment.
- (3) Any buyer who contravenes the provisions of this section shall be guilty of an offence and on conviction shall be liable to pay a fine of shillings five million for each act of breach or imprisonment for a period five years or to both such fine and imprisonment.
25. (1) The Board may, by order: -
- (2) declare the unit of weight to be used for the purpose of weighing seed cotton in any specified area;
 - (3) fix a date in each year after which no seed cotton shall be bought in any specified area;
 - (4) fix hours and days on which the premises of cotton buyers shall be kept open for the purpose of conducting business
- (2) Any cotton buyer who contravenes or fails to comply with the provisions of any order made under this section commits an offence. **Purchase of cotton**

All traders in the cotton industry shall be guided in their dealings in respect of prices and quality by prevailing international marketing information. **Prices to be linked to world markets**

PART VI

REGISTRATION AND LICENCING

26. In addition to registration of cotton growers under Part III, the Board shall keep and maintain the following registers: -
- The Board to keep registers of buyers, processors, exporters etc.**
- (a) buying posts and/ or auction posts;
 - (b) cotton buyers;
 - (c) ginners;
 - (d) exporters of cotton; and
 - (e) ginneries.
27. (1) Persons intending to carry out the activities of: -
- Prohibition of trading in cotton without licence**
- (a) operating auctioning posts;
 - (b) buying cotton;
 - (c) operating a ginnery; or
 - (d) selling cotton locally or export
- shall have to obtain a licence from the Board issued under this Act.
- (2) Any person, who contravenes this section, commits an offence and shall on conviction be liable to pay a fine of shillings two million for each act of breach or imprisonment for a period of three years or to both such fine and imprisonment.
28. (1) Every buyer of cotton shall be registered by the Board and the Board shall issue the buyer so registered with a buying licence.
- Registration and licencing of cotton buyers**
- (2) The licence granted under this Act shall allow the holder to buy cotton.
- (3) Registers of cotton buyers, ginners and exporters of cotton shall have the following information: -
- (i) Name of the company/ buyer;
 - (ii) Certificate of incorporation of the company, or business name and its number;
 - (iii) TIN Registration Number;
 - (iv) List of agents to be used and their identification
 - (v) Particulars of storage facilities, their location and capacity
29. (1) Every registered owner of any auction post and/ or buying post shall: -
- Obligation of cotton buyers**
- (a) at all times during office hours, display, at a conspicuous

place in both Kiswahili and English, the prices offered at the auction or the price offered by him;

- (b) ensure that cotton is bought in cash at the time and place of delivery and at the prices exhibited;
- (c) keep all cotton bought in ventilated stores in an area where he is licensed to buy or in any storage premises, which is approved by an authorised officer;
- (d) keep records of cotton purchased, including growers GRNs and file reports of the said purchases at intervals specified by the Board;
- (e) enter into the farmer's pass book an agreed sum of money per kilogram of seed cotton purchased in respect of farmers contributions towards Cotton Input Scheme established under this Act; and
- (f) throughout the seed cotton buying season retain book copies of produce receipts and delivery notes at the buying posts;
- (g) issue produce receipts to the farmers in respect of all seed cotton purchased;
- (h) display standard grade boxes approved by the Board; and
- (i) display a weighing scale properly serviced, inspected and approved by the Weights and Measurements Agency.

(2) Any person who contravenes or fails to comply with any of the provisions to this section shall be guilty of an offence and upon any proof, the Board shall forthwith suspend or cancel his cotton buying licence.

(3) In addition, any person who contravenes any of the provisions to this section shall be guilty of an offence.

30. (1) The Board may declare any premises or places to be cotton auctioning or buying posts and all buyers shall be obliged to buy cotton at those auctioning or buying posts.

Declaration of cotton buying/ auctioning posts

(2) Any person who contravenes or fails to comply with any of the provisions to this section shall be guilty of an offence and upon any proof, the Board shall forthwith suspend or cancel his buying licence.

(3) In addition, any person who contravenes or fails to comply to the provisions of this Act shall be guilty of an offence.

31. Notwithstanding the provisions of section 38 and for the purpose of seed quality control, the Minister may after consultation with the Board and by notice in the **Gazette** specify an area or areas in which a cotton buying license may not be issued to any person other than a specified organisation, and in respect of any such area the Board shall not issue a cotton buying licence to any applicant other than a specified organisation.

Restriction on issue of cotton buying licences

32. No cotton auctioning post shall be issued a licence unless the Board is satisfied that the auctioning posts concerned have been properly inspected by the Board or its agent and passed for auctioning seed cotton for that season. **Conditions for issuance of cotton auctioning post operating licence**
33. (1) No person shall erect, expand or operate a ginnery save with a permit in the prescribed form issued by the Board and in accordance with such conditions as the Board may therein specify or as may be prescribed. **No erection of ginnery without a permit**
- (2) A person granted with a registration certificate shall complete construction of the ginnery within two years from the date of the issuance of the certificates.
- (3) The certificate of registration is not transferable.
- (4) No person shall operate a ginnery unless it has been duly inspected and certified by the Board.
- (5) The Board may in its discretion limit the number of ginneries which may be constructed or operated in an area.
- (6) Any person who contravenes the provisions of this section or of any order made under this section shall be guilty of an offence.
34. (1) It shall be a condition of every ginning licence that the holder shall - **Duties of holder of ginning licence**
- (a) maintain and work the ginnery in a proper and workmanship manner and in such a way as not to cause deterioration or damage to the seed cotton, cotton lint, or cotton seed handled therein;
- (b) ensure that all seed cotton delivered to the ginnery is correctly graded and shall keep all Grade A cotton and the lint there from and all Grade B cotton and the lint there from separate from one another and from any other seed cotton;
- (c) keep all seed cotton, cotton seed and cotton lint which has been salvaged from damage by fire or water separate from all other seed cotton, cotton seed and cotton lint and shall gin the seed cotton and bale the cotton lint only in accordance with instructions from the Board;
- (d) keep such records and make such returns as may be prescribed;
- (e) keep all seed cotton, cotton seed and cotton lint in his

possession or control properly stored in the ginnery building or stores;

- (f) keep the ginnery and its precincts in a clean and sanitary condition;
- (g) take all reasonable precautions for the prevention of fire as may be prescribed;
- (h) if so required by the Board, gin before any other seed cotton in respect of seed of which the Board has given notice of its intention to exercise its powers under the provisions of section 56;
- (i) produce cotton lint free from all seeds or parts of seeds or other substances whatsoever which ought to have been removed there from by the processes of ginning if the same had been carried out in a proper and workmanship manner;
- (j) gin all seed cotton which may be delivered to him for ginning up to the capacity of the ginnery.

(2) Any holder of a ginning licence who contravenes any of the provisions of this section commits an offence.

(3) Where any ginnery or any machinery in any ginnery is being maintained or used in such a manner as to cause deterioration or other damage to any cotton handled in such ginnery, the Board may suspend the ginning licence relating to such ginnery until such time as it is satisfied that the cause of such deterioration or other damage has been removed.

35. (1) Subject to the provisions of this Act, any person may purchase:-

- (a) cotton lint, cotton seeds, cotton linters and cotton seed cake for export; and
- (b) cotton seed or seed cotton for resale within the United Republic.

(2) Any person who exports seed cotton shall be guilty of an offence.

36. (1) No person other than a holder of valid local lint licence issued by the Board shall purchase cotton lint for re-sale within the United Republic.

(2) No spinning and textile mill shall buy cotton lint from any person not licensed under this Act.

(7) No person other than holder of a valid permit shall import cotton lint.

(8) Any person who contravenes or fails to comply with the provisions of this section shall be guilty of an offence.

37. (1) No person shall in any manner whatsoever: -

- (a) export any cotton lint or cotton seed, other than a holder of a valid export permit issued by the provisions of this Act;
- (b) exchange, barter, or enter into any agreement for exchange or barter of seed cotton or cotton lint; or
- (c) purchase, sell, export or dispose of any seed cotton, cotton lint or cotton seed, unless he applies and obtains a licence from the Board in accordance with the provisions of this Act.

Restriction on purchase and export of cotton

(2) Any person who contravenes any of the provisions of this section or contravenes any of the terms and conditions of a licence granted under this Act, commits an offence and on conviction shall be liable to pay a fine of shillings ten million or to an imprisonment for a term of five years.

PART VII

PROCESSING AND ISSUING OF LICENCES

38. The Board shall process every application of a licence under this Act expeditiously and without undue delay and in any case within a period of fourteen days.

Processing of applications

39. Every licence issued by the Board under this Act shall be issued in respect of, and shall be valid for a period of only one cotton season and may be renewed in accordance with this Act.

Duration of licence

40. (1) Where the Board is satisfied that the applicant for any licence has satisfied the requirements necessary for the grant of a licence; shall grant such licence to the applicant.

Grant and refusal of licences

(2) If the Board refuses to grant a licence it shall inform the applicant accordingly.

(3) The Board may refuse to issue a licence to an applicant if : -

- (a) the applicant has failed to show evidence of capacity to carry out business relating to the applied licence;
- (b) in the opinion of the Board, the applicant is unable to

comply with the provisions of this Act relating to carrying out of the cotton business;

- (c) the applicant is indebted to the cotton growers and Cotton Development Trust Fund; and
- (d) the applicant failed to observe rules and regulations related to licence issued in previous seasons; and
- (e) the applicant is blacklisted by a recognised local or international institutions.

41. (i) A cotton buying licence shall not be assignable or transferable.

Licences to be produced for inspection

(ii) Every licensed person under this Act shall produce his licence at all reasonable time upon request by the authorised officer, a police officer or any other person duly authorised and any licence holder who fails, without reasonable cause, to produce the licence so requested, commits an offence and upon conviction shall be liable to a fine of five hundred thousand shillings and the licence may forthwith be cancelled.

42. (1) The Board may, for specified reasons made known to the holder of a licence issued under this Act, suspend or cancel a licence.

Suspension and cancellation of licence

(2) Persons whose licences have been suspended or cancelled by the Board shall not transact any business to which the licence relates during the period of suspension or cancellation and any person who contravenes this sub-section shall be guilty of an offence.

(3) The person convicted pursuant to sub-section (2) shall not be allowed to apply for any licence for a period of two seasons.

(4) The Board shall, as soon as the licence holder rectifies the situation, which necessitated the suspension of any licence, lift the suspension.

43. Notwithstanding the provisions of sections 40 and 41, the Board after it has given the licence holder opportunity to be heard, shall cancel any licence issued under this Act where it is satisfied that the holder of the licence: -

Power to cancel licence

- (a) despite warnings from the Board or Local Government Authorities, wilfully neglects to observe conditions related to the issued licences;
- (b) has ceased to carry on the business in respect of which the licence was issued;
- (c) in the case of cotton ginner, he has failed or refused to gin cotton which conforms to the type or grade of cotton specified by the Board.

PART VIII

QUALITY CONTROL

44. The Board, its agent or authorised officer shall maintain quality of cotton at all levels of production, processing and marketing as provided in this Act. **Board to maintain quality of cotton**
45. (1) Farms or fields on which cotton is grown, shall be constantly inspected by the authorised officers, to ensure that: - **On farm cotton quality control**
- (a) farmers take care of cotton plants, according to proper cotton husbandry standards, provided in this Act or as may be provided from time to time by the Board;
 - (b) cotton farms are kept free from pests or diseases, including weeds; and
 - (c) other provisions on cotton cultivation and husbandry, provided under Part IV of this Act, are observed.
- (2) Any person who contravenes or fails to comply with the provisions of this section shall be guilty of an offence.
46. Any person who adds or causes to be added any foreign or extraneous matter to any seed cotton or cotton lint shall be guilty of an offence and on conviction shall be liable to pay a fine of shillings ten million or to imprisonment for a term of five years. **Adulteration**
47. In addition to any penalty, which may be awarded under section 54, the court may, where the offence committed relates to any quantity of seed cotton, cotton lint or cottonseed, or any product thereof, order the same to be forfeited to the Board. **Confiscation**
48. (1) The Board shall cause to be reserved such quantity and quality of cotton seeds and shall hold such cotton seeds to the order of the Director. **Reservation of cotton seeds**
- (2) Any cotton seeds reserved pursuant to the provisions of subsection (1) shall become the property of the Director from the date of the notice reserving such seeds. **Seeds Act No. 18 of 2003**
 - (3) All cotton seed so reserved shall be dusted, packed, labelled, transported, delivered, stored and sold to growers.
 - (4) Every package of seed offered for sale shall be labelled in accordance with the specifications set out under the provisions of the Seeds Act.

(5) Any person who contravenes the provisions of this Act shall be guilty of an offence.

49. (1) Every cotton grower shall uproot and burn all cotton stalks and any cotton residue on or before the fifteenth day of September for the Western Cotton Growing Area and by the fifteenth day of November for the Eastern Cotton Growing Area. **Stalks destruction**

(2) Any person who contravenes the provision of this section commits an offence and shall on conviction be liable to pay a fine of shillings fifty thousand or imprisonment for a period of three months or to both such fine and imprisonment.

50. In liaison with the Tropical Pesticides Research Institute, the Board shall have power to approve or disapprove the type of agro-chemicals to be used for cotton pest control. **Plant Protection Act No. 17 of 1997**

51. (1) Every registered person or holder of a licence issued under this Act shall, at all times during normal working hours, whether with or without prior notice from the Board, allow authorised officers and officers of the Board to carry out inspection for cotton quality control purposes.

(2) Any person, who denies access or obstructs an authorised officer or officers of the Board, or who fails to render any reasonable assistance to an inspecting officer, commits an offence and upon conviction shall be liable to a fine of five hundred thousand shillings and his operations shall be suspended and licence revoked.

52. (1) There shall be established an office of Inspectors which shall be under the Board. **Appointment of Inspectors**

(2) The Board shall appoint fit and qualified persons to be Inspectors.

(3) The functions of Inspectors shall include to supervise the cultivation, purchase, ginning and export of seed cotton, cotton lint and cotton seed.

(4) In discharging the functions conferred to the Inspectors under subsection (3), the Inspectors shall have the power of ;

(d) inspecting cotton seed, cotton ginneries and cotton stores;

(e) taking of samples and verifying weights and quality of seed cotton, cotton seed and cotton lint as provided for in this Act or as may be prescribed.

53. (1) An officer of the Board or an authorised officer may: - **Power to inspect**

- (a) at any time, enter any building in which cotton is processed or stored, and may inspect the building or any machinery used for the processing of cotton; or
- (b) give any directions, which the inspecting officer may think necessary to ensure that the building or processing factory complies with the standards required by the Board or;
- (c) take reasonable samples of any cotton found in any store or processing factory, and cause those samples to be tested in any manner which the Board may consider necessary;
- (d) require the production by the holder and if necessary make copies of any licences, books, documents, records or returns required to be kept or maintained under this Act; and
- (e) give orders prohibiting the use of any building or the working of any part of processing factory, until the Board or an authorised officer is satisfied that the storage or the processing of cotton conforms to the standards required by the Act.

(2) Any person who obstructs an officer lawfully exercising his duties under this section or refuses that officer permission to exercise any powers or fails to co-operate with any such officer in the exercise of that officer's duties, commits an offence and upon conviction shall be liable to pay a fine not less than shillings five hundred thousand or imprisonment for a period not less than three years or to both such fine and imprisonment.

Offence for obstructing an authorised officer

PART IX

MISCELLANEOUS PROVISIONS

54. (1) Every person registered by the Board or an Agent under this Act to buy, gin, or export cotton, shall keep on the business premises -

Books and records

- (a) in the case of auction post/ buying post operator; the amount of cotton sold by him for every month within the cotton season;
- (b) in the case of a cotton buyer and ginner; proper and accurate records of the amount of cotton lint bought or ginned by him for every month, within a cotton season;
- (c) in the case of the exporter; proper and accurate records of the amount of cotton bought and exported, within each month of the cotton season; and
- (d) a copy of a licence issued to him, by the Board

(2) Every local spinning and textile mill shall produce correct standard monthly reports to the Board showing monthly lint bales purchased by grade and average prices paid.

Cotton spinners and Textile Mills to fill Return forms

(3) Any person who contravenes or fails to comply to the provisions of this section shall be guilty of an offence.

55. (1) Every seed cotton buyer, ginner and exporter shall, for each calendar month during which he is registered, file with the Board returns of the quantity and grades of cotton processed or exported by him during that period and cottonseeds dusted in accordance with the requirements or guidelines issued by the Board.

Seed cotton buyers, Ginners and exporters to fill Return forms

(2) Any person who contravenes or fails to comply to the provisions of this section shall be guilty of an offence.

56. The Board shall issue administrative guidelines regarding cultivation, production, ginning, marketing and export of cotton.

Board to issue guidelines

PART X

COTTON DEVELOPMENT TRUST FUND

57. (1) The cotton sub-sector shall cause to be established a fund for cotton development to be known as the Cotton Industry Development Trust Fund (hereinafter referred to as the "Fund") into which moneys realised from cess or levy shall be paid and the Board shall collect such cess or levy on behalf of the Board of Trustees.

Establishment of the Cotton Development Fund

(2) The sources of money for the Fund shall include: -

- (a) contributions from farmers;
- (b) contributions from traders, processors and any other industry service providers;
- (c) contributions from the government; and
- (d) any other source as may be determined by the cotton stakeholders from time to time.

(3) The purpose of the Fund shall include financing the following activities, namely -

- (a) research and development;
- (b) extension services;
- (c) training and human resource development;
- (d) procurement and distribution of cotton inputs;
- (e) supporting cotton related information services
- (f) the administration of the Fund; and
- (g) such other activities beneficial to the cotton industry as may be deemed fit by stakeholders in the cotton sector.

(4) The Fund shall be managed by a Board of Trustees to be appointed by the Minister on recommendations of Stakeholders from names proposed by the following institutions: -

- (a) Cotton Growers Association;
- (b) Tanzania Cotton Association; and
- (c) Any other credible body or association in the industry.

(5) The Director General of the Board, representing the government, shall be a member of the Board of Trustees and shall also be the Secretary to the Board of Trustees.

58. (1) The cotton sub-sector shall cause to be established a scheme for input provision to the farmers to be known as the Cotton Input Scheme (hereinafter referred to as the "Scheme") into which monies realised from farmers' contributions shall be paid and the Board shall collect such contributions from the cotton buyers on behalf of the cotton farmers. **Establishment of the Cotton Input Scheme**
- (2) The purpose of the Scheme shall include enabling farmers procure their cotton inputs requirements at the time of selling their cotton. **Purpose of the Cotton Input Scheme**
- (3) The functions of the Scheme shall include financing the procurement of cotton inputs, that is, insecticides and their applicators, cottonseeds for planting, fertilisers and farm implements. **Functions of the Cotton Input Scheme**
- (4) Any person who falsifies the records of a scheme shall be guilty of an offence.

5. The principal Act is amended by renumbering Part VII as Part XI
 6. Section 39 is amended:
 - (a) by renumbering as Section 59
 - (b) by deleting the words "General Manager" and substituting for them the following "Director General"
 7. Section 40 is amended by renumbering as "Section 60"
 8. Section 41 is amended by renumbering as "Section 61"
 9. Section 42 is amended by renumbering as "Section 62"
 10. Section 43 is amended by renumbering as "Section 63"
 11. Section 44 is amended by renumbering as "Section 64"
 12. Section 45 is amended by renumbering as "Section 65"
 13. Section 46 is repealed
 14. Section 47 is repealed
 15. Section 48 is repealed and substituting it for Section 57 and 58 under Part X
 16. Section 49 is amended by renumbering as "Section 66"
 17. Section 50 is amended by renumbering as "Section 67"
 18. Section 51 is amended by renumbering as "Section 68"
 19. Section 52 is amended by renumbering as "Section 69"
 20. Section 53 of the principal Act is amended by;
 - (i) renumbering as "Section 70"
 - (ii) by adding "subsection (2)"
- "Where any offence against this Act committed by a body corporate is proved to have been committed with the consent or approval of any director, manager, secretary or other officer of the body corporate, he, as well as the body corporate, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly"
21. Section 54 is amended by renumbering as "Section 71"
 22. The Principal Act is amended by renumbering Part VIII as "Part XII"
 23. Section 55 is amended by renumbering as "Section 72"
 24. Section 56 is amended by renumbering as "Section 73"
 25. Section 57 is amended by renumbering as "Section 74"