

**Memorandum of Understanding
Between
The Government of the Kingdom of Thailand
and
The Government of the Kingdom of Cambodia
on Cooperation in the Promotion of Contract Farming under ACMECS**

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The Government of the Kingdom of Thailand and the Government of the Kingdom of Cambodia (hereinafter referred to as the Contracting Parties);

Determined to strengthen further mutually beneficial cooperation between the Contracting Parties;

Guided by the goals and spirit of the Bagan Declaration of November 2003;

Recalling the desire to accelerate the completion of the ASEAN Free Trade Area and noting that the ASEAN Trade in Goods Agreement (ATIGA) entered into force on 17 May 2010;

Recognizing the importance of contract farming as a mean to elevate the living standard of the peoples of the Contracting Parties;

Desiring to establish necessary framework for the operations of contract farming under ACMECS scheme between the Contracting Parties;

Have agreed as follows:

**Part I
Market
Article 1**

The Government of the Kingdom of Thailand shall, in accordance with its relevant laws and regulations, permit importation into the Kingdom of Thailand of agricultural products and processed agricultural products grown or raised in the Kingdom of Cambodia under contract farming arrangements stipulated by this Memorandum of Understanding (MoU).

The Government of the Kingdom of Thailand shall grant exemption/ reduction of import tariffs on the agricultural products and processed agricultural products grown or raised under the contract farming plan made in

accordance with this MoU. Such tariff exemption/ reduction shall be in accordance with the ATIGA.

Article 2

The list of agricultural products and processed agricultural products which is entitled to tariff exemption/ reduction under this MoU shall jointly be determined and announced by the designated authorities of the Contracting Parties. The list may be subject to review occasionally.

Article 3

The volume, specifications and prices of the agricultural products and processed agricultural products, under contract farming, imported into the Kingdom of Thailand shall be determined through contracts signed by suppliers and buyers involved in accordance with market mechanism. Buyers and sellers of the Contracting Parties can conduct other business transaction through their own arrangements.

Part II

Coordination

Article 4

The Ministry of Commerce and the Ministry of Agriculture and Cooperatives of the Kingdom of Thailand shall be designated as the Coordinating Agencies under the contract farming scheme for the Government of the Kingdom of Thailand and the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Commerce of the Kingdom of Cambodia shall serve as the Coordinating Agencies for the Government of the Kingdom of Cambodia for the purpose of this MoU.

The Coordinating Agencies shall establish a Joint Bilateral Working Committee (hereinafter referred to as the Working Committee) which shall comprise representatives of the relevant agencies and ACMECS Business Council of the Contracting Parties.

The Coordinating Agencies shall also designate their relevant authorities at certain border areas (hereinafter referred to as the relevant authorities) to coordinate, under the supervision of the Working Committee, with each other on matters relating to the operations of contract farming under the endorsed operation plan.

Article 5

The Working Committee shall play the role of assisting the implementation of contract farming.

The Working Committee shall hold regular consultations with the participation of the concerned agencies of the Contracting Parties on matters relating to the endorsed operation plan, progress of the operations and settlements of issues, which may arise in the course of their operations.

The relevant authorities referred to in Article 4 shall maintain regular contact and meet each other when necessary to discuss and resolve issues.

Part III Facilitation Article 6

The Contracting Parties shall facilitate their respective producers and business persons in entering into the contracts referred to in Article 3.

The Contracting Parties shall provide to the companies endorsed by both sides necessary assistance in forming partnership with local companies, organizations or individuals for the purpose of contract farming activities.

Article 7

The Contracting Parties, by the respective Coordinating Agencies, shall provide the companies permitted to carry out contract farming activities under this scheme, with all necessary and relevant information relating to the contract farming plan.

Article 8

The Contracting Parties shall facilitate, in accordance with their laws and regulations, at the border checkpoints crossing, the owners, managers and assigned staff of the companies permitted to carry out contract farming activities at the border checkpoints.

Article 9

The Contracting Parties shall encourage and facilitate the private sector to invest in agricultural production and processing in the Kingdom of Cambodia.

The Government of the Kingdom of Cambodia, with close consultation on potential crops, shall identify the potential areas of contract farming. The areas identified shall be informed to the Government of the Kingdom of Thailand.

The Government of the Kingdom of Thailand shall encourage Thai business persons to invest in agricultural production and processing, through contract farming, in the Kingdom of Cambodia.

Article 10

The Government of the Kingdom of Cambodia shall assist endorsed companies in identifying the areas for their contract farming activities.

Article 11

The Government of the Kingdom of Cambodia shall permit and facilitate the importation by the endorsed companies of seeds, seedlings, fertilizers, equipment and machineries and other supplies necessary for their contract farming activities under the scheme into the Kingdom of Cambodia according to regulations and laws of the Government of the Kingdom of Cambodia.

The Government of the Kingdom of Cambodia shall be responsible for granting privilege tax incentives, including duties, levies or other types of fees for the importation of machineries, equipment, seeds, seedlings, fertilizers and materials to be used by the endorsed companies to carry out contract farming activities into the Kingdom of Cambodia according to regulations and laws of the Government of the Kingdom of Cambodia.

Article 12

The Contracting Parties shall facilitate the importation and exportation of agricultural products and processed agricultural products under the contract farming activities and may set up a one-stop service mechanism along the border areas.

The agricultural products produced under this contract farming scheme shall meet the standard and be in conformity with sanitary and phytosanitary (SPS) measures as mutually agreed between the Contracting Parties. The Coordinating Agencies shall encourage the Ministry of Agriculture and Cooperatives of the Kingdom of Thailand and the Ministry of Agriculture, Forestry and Fisheries of the Kingdom of Cambodia to develop the procedure and mechanism relating to the implementation of SPS measures for the contract farming scheme.

Article 13

The Government of the Kingdom of Cambodia shall provide, subject to the availability of funds, necessary public infrastructures such as access roads and irrigation facilities in the areas under contract farming.

The Government of the Kingdom of Thailand shall consider providing assistance to the Government of the Kingdom of Cambodia, subject to the availability of funds, to improve necessary public infrastructures such as roads and irrigation facilities in the areas under contract farming.

Article 14

The Contracting Parties shall jointly monitor the implementation of contract farming to ensure that the contracts are given full effect and proceeded smoothly for their mutual benefit.

Article 15

The implementation of the activities set forth in Part III of this MoU shall be subject to the prevailing laws and regulations and procedures in each country.

Part IV Technical Cooperation Article 16

Under the bilateral cooperation framework between the Kingdom of Thailand and the Kingdom of Cambodia, the Government of the Kingdom of Thailand shall provide technical assistance to the Government of the Kingdom of Cambodia for the establishment of farmers association which is considered as cluster of producers for contract farming.

The Government of the Kingdom of Thailand shall provide, as appropriate, the Government of the Kingdom of Cambodia with technical cooperation, training courses, exchange of experts and researchers on the contract farming scheme.

Part V
Settlement of Disputes
Article 17

Any disputes which may arise from contract farming activities shall be settled amicably through consultations within the Working Committee. The ACMECS Business Council of both countries may participate in the coordination for the settlement of disputes.

Part VI
Entry into Force and Termination
Article 18

This MoU shall enter into force on the date of its signature and shall remain valid for the initial period of 5 (five) years, and can be extended as agreed upon by the Contracting Parties.

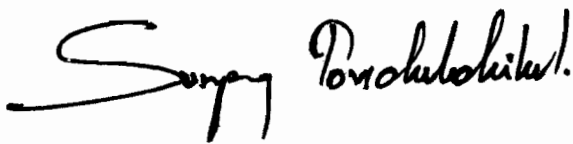
Article 19

Either Contracting Party may terminate this MoU by giving the other Contracting Party six months prior notice in writing. However, in respect of any contract farming activity for which implementation has commenced pursuant to the contract farming plan, the provisions of this MoU shall continue to apply until the implementation of such activity is completed.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed this MoU.

Done at Phnom Penh, the Kingdom of Cambodia, on 11 June 2013 (B.E. 2556) in duplicate in the English language.

For the Government of
the Kingdom of Thailand



Dr. Surapong TOVICHAKCHAIKUL
Deputy Prime Minister
and Minister of Foreign Affairs
of the Kingdom of Thailand

For the Government of
the Kingdom of Cambodia



HOR Namhong
Deputy Prime Minister
Minister of Foreign Affairs and
International Cooperation of the
Kingdom of Cambodia