

## CHAPTER 347

# THE COFFEE INDUSTRY ACT

[PRINCIPAL LEGISLATION]

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## CHAPTER 347

### THE COFFEE INDUSTRY ACT

An Act to make better provisions for the regulation, improvement and development of the Coffee Industry, to re-establish the Tanzania Coffee Board, to repeal the Tanzania Coffee Board Act of 1984 and to provide for related matters.

[1<sup>st</sup> July, 2002]

[GN. No. 334 of 2002]

Acts Nos.  
23 of 2001  
20 of 2009

#### PART I PRELIMINARY PROVISIONS

Short title

1. This Act may be cited as the Coffee Industry Act.

Interpretation  
Act No.  
20 of 2009 s. 18

2.–(1) In this Act, unless the context otherwise requires-

“Board” means the Tanzania Coffee Board established by section 3;

“Board of Directors” means the Board of Directors established under section 3;

“coffee” means cherry, dried cherry, berries or beans or parts of berries or beans of coffee species, and includes clean coffee, parchment coffee, lights, triage, buni and hulled buni;

“coffee buyer” means any person or group of persons registered under section 7;

“coffee by-products” means nicotine acid, chocolates, oils from beans, shells, firebricks from husks, fertilizer and mulching from hard coffee husks and such other by-products as may be derived from coffee;

“coffee grower” means an owner, occupier or a manager of land registered under section 7 for the purposes of growing coffee;

“coffee exporter” means any person or group of persons licensed under section 12;

“contract farming” means farming under an agreement between coffee growers, farmers or producers on the one part and coffee industry financiers including coffee buyers, factory owner, investors and bankers on the other part;

“dealing in coffee” means to act, treat, do business with or in coffee, and includes, buying, selling, processing, liquoring, roasting, central pulping, warehousing and exporting;

“Director” means an officer in-charge of the department in the Ministry responsible for crop development and technical services;

“Director General” means the chief executive officer of the Board;

“export” means export outside Tanzania;

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“former Board” means the Board established by the provisions of the Tanzania Coffee Board Act;

“grower” means any person who grows coffee intended for sale;

“input” means planting materials, agrochemicals, fertilizers, farm implements and packaging materials;

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“local government authority” means district authority, urban authority established under the Local Government (District Authorities) Act and the Local Government (Urban Authorities) Act respectively;

“member of the Board of Directors” includes the Chairman;

“Minister” means the minister for the time being responsible for agriculture and food security;

“ministry” means the ministry responsible for agriculture and food security;

“processing” with its grammatical variations and cognate expressions means to subject coffee in any process which materially changes the coffee in substance, character or appearance, and the term “processor” shall be construed accordingly;

“regulatory functions” includes-

- (a) quality control and licensing;

- (b) data collection, analysis and dissemination;
- (c) market information;
- (d) enforcement of law and order, making and enforcing rules and regulations for proper production, processing, marketing, importation, exportation and storage of coffee inputs and products;
- (e) setting indicative prices; and
- (f) such other functions financed exclusively by the Government;

“shared functions” means joint function to be undertaken by all coffee stakeholders as agreed, including research, extension, inputs supply, coffee development and promotion of association or other bodies related to or dealing in coffee industry, promotion of fair trade and completion, provision of technical advisory services to coffee growers, processors, makers of liquor traders and exporters;

“stakeholders” means dealers in the coffee industry including the Central Government, local Government authorities, cooperative societies, the Board and private players such as producers, producer associations, traders, processors, marketing agents, exporters, input suppliers, research and extension institutions and any other person with vested interest in the coffee industry; and

“stakeholders meeting” means the meeting of all coffee stakeholders referred to under section 30.

(2) The terms “buying” and “selling” include an offer to buy, or as the case may be, an offer to sell, and also any transaction whereby the property in the article in question may in future pass to the buyer.

## PART II

### THE TANZANIA COFFEE BOARD

Establishment of Board

3.–(1) There is hereby established a body corporate to be known as the Tanzania Coffee Board which shall-

- (a) have perpetual succession and a common seal;

- (b) in its corporate name, be capable of suing and being sued;
- (c) be capable of purchasing or acquiring in any manner and alienating any movable and immovable property; and
- (d) be capable of entering into any such contract as may be necessary or expedient for the performance of its functions.

(2) The provision of the Schedule shall have effect as to the constitution, tenure of office, and proceedings of other matters relating to the Board of Directors.

Management of Board

4. The power to carry out the operations and management of the Board shall vest in the Board of Directors.

Functions of Board  
Act No.  
20 of 2009 s. 19

5.-(1) The Board shall carry out regulatory functions and such other activities as are necessary, advantageous or proper for the benefit of the coffee industry.

(2) The functions of the Board shall be to -

- (a) advise the Government on the policies and strategies for the development of coffee industry;
- (b) regulate and control the quality of coffee and coffee by-products;
- (c) to collect, refine, maintain, use or disseminate information or data relating to the coffee industry;
- (d) monitor the production and exportation of coffee;
- (e) make regulations for processing, exportation and storage of coffee and coffee by-products;
- (f) facilitate or assist in the formation of associations or other bodies related to or dealing with coffee industry;
- (g) promote and protect the interests of farmers against syndicates of buyers which may be formed through associations; and
- (h) represent the industry in the local and international fora in the matters relating to coffee industry.

(3) Without prejudice to the generality of the provisions of subsection (1) and subject to any special or general direction of the Minister, the Board shall have power to-

- (a) grant licences or permits for coffee export;
- (b) register various coffee dealers;
- (c) appoint inspectors for the inspection of coffee farms, coffee processing plants, coffee warehouses and any other facilities that may be inspected for the better carrying out any of the provisions of this Act;
- (d) conduct coffee auctions;
- (e) arbitrate between farmers, traders, processors, liquorers, warehousemen and others;
- (f) acquire, borrow or lend money for coffee development to enhance coffee quality and production; and
- (g) do anything which in the opinion of the Board is calculated to facilitate and enhance the proper exercise of the functions of the Board under this Act.

(4) The Board may, subject to approval of the Minister on specified terms and conditions, perform any commercial activity or hold interest in any undertaking, enterprise or project associated with the coffee industry.

(5) It shall be the duty of the Board in the exercise of its powers and in the performance of its functions under this Act to act in such manner as appears to it proper to promote the quality and competitiveness of the coffee industry in Tanzania and internationally.

(6) A corporate body registered as an association shall not be approved to represent stakeholders in any forum established by this Act, or where such body has been so approved as such it shall cease to be such a representative, if it is proved that it has, as one of its objectives or functions, an objective or function that enables that association, in its capacity as an association, to act as-

- (a) a coffee grower;
- (b) a coffee buyer;

- (c) a coffee processor;
- (d) a coffee exporter;
- (e) an inputs distributor; or
- (f) an implementer of any other function or arrangement which may involve members of that association in price fixing or doing anything that is contrary to the Fair Competition Act.

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Minister may give directions and take disciplinary measures

6.–(1) The Minister may give to the Board directions of a general or specific character as to the exercise or performance by the Board of any of its functions under the Act, and the Board shall give effect to every such directions.

(2) Where the Board of Directors fails to perform any of its functions without a reasonable cause, or to give effect to any of the Minister's directions, the Minister may exercise disciplinary powers as he may deem fit against the Board.

### PART III

## CULTIVATION AND REGISTRATION OF COFFEE GROWERS

Registration of coffee growers

7.–(1) The Board shall cause a register to be kept and maintained of all land planted with coffee and of owners, occupiers and managers thereof and of all buildings used or intended to be used for grading, curing or roasting, pulping, market centres, warehouses and coffee processing factories in such form as the Board deems fit.

(2) The grower shall provide the following information to the Board for registration purposes;

- (a) name of individual grower and in case of a society or association, names of individual growers within such society or association;
- (b) types of coffee to be grown and areas to be put under cultivation in that year of applications; and
- (c) pulping space available for the coffee yield expected.

(3) Every person who intends to grow coffee for sale shall be required to be registered by the Board.

Types and varieties of coffee or plants

**8.**—(1) The Director shall prescribe types and varieties of coffee to be grown in different parts of Tanzania.

(2) A person who grows any coffee types or variety which has not been prescribed by the Director or any other relevant authority commits an offence.

Restriction on coffee seed and seedlings or plants

**9.**—(1) A person shall not import, breed or multiply coffee seeds or seedlings or plants for any purpose unless authorised by the Director.

(2) A person who contravenes this section commits an offence and on conviction shall be liable to a fine not exceeding one hundred thousand shillings or to an imprisonment for a term not exceeding two years or to both and such seeds or plants shall be destroyed by the Board at the cost of the offender.

Only certified seeds or seedlings to be grown

**10.** A coffee grower shall not sow coffee seeds or seedlings which have not been certified by the Director or an authorised officer and any person who contravenes the provisions of this section, the court may on conviction impose the following sentences namely;

- (a) in the case of the first offence, a fine not exceeding one hundred thousand shillings and total destruction of the seedlings or plants by the Board at the cost of the offender;
- (b) in the case of the second offence, a fine not exceeding two hundred thousand shillings and the total destruction of seedlings or plants by the Board at the cost of the offender; or
- (c) in the case of the third offence, a fine not exceeding five hundred thousand shillings or an imprisonment for a term not exceeding two years and the total destruction of seedlings or plants by the Board at the cost of the offender and the Board shall cancel the offender's registration.

Board to make regulations

**11.** The Board shall subject to the approval of the Minister make rules and regulations for better farming husbandry of coffee.

## PART IV

### REGISTRATION, LICENSING AND INSPECTION

Power to issue various coffee dealer's licences

**12.**—(1) The Board shall on application issue various licences including the licence for coffee buying, liquoring, processing, roasting, warehousing, central pulping and exporting upon such terms and conditions as the Board thinks fit.

(2) Where the Board refuses to issue any licence to any applicant on any grounds which may appear to the Board to be sufficient, the Board shall inform the applicant the reasons for refusal.

(3) A person shall not on commercial basis not buy liquor, process roast, warehouse, centrally pulp, or export any coffee without a license issued by the Board.

Registration of processing factory

**13.**—(1) A coffee factory processing shall not be registered unless the following particulars have been submitted and approved by the Board—

- (a) name and address of the factory;
- (b) the name and address of each director or partner and the shareholding of each shareholder;
- (c) processing capacity of the factory;
- (d) planned production of the factory;
- (e) capacity number and area of warehouse; and
- (f) number and quality of skilled, semi-skilled and non skilled person employed or to be employed.

(2) The certificate of registration shall not be transferable.

(3) The certificate holder shall be required to begin operations within two years from the date the certificate was issued.

Licences Act No. 20 of 2009 s. 20

**14.** All licences granted under the provisions of this Act shall be—

- (a) in the prescribed form; and
- (b) valid for a specified period.

- Power to cancel, vary, and suspend licences **15.** The Board may if the terms and conditions of licence have not been complied with, cancel, vary or suspend any licence issued under the provisions of this Act.
- Aggrieved party to appeal to Minister **16.** A person aggrieved by the decision of the Board pursuant to section 15 may, within sixty days after the date of decision, appeal to the Minister.
- Penalty for dealing with coffee without licence **17.** A person who deals in coffee without a licence issued by the Board or in contravention of any of the provisions of this Act, commits an offence and on conviction shall be liable to a fine not exceeding twenty million shillings or to imprisonment for a term not exceeding three years or to both.
- Appointment of coffee inspectors **18.** The Board shall have power to appoint proper and fit persons to be coffee inspectors who shall have and exercise powers generally to supervise the arrangements for the cultivation, purchase, export and import of coffee and who, without prejudice to the generality of the foregoing power shall have and exercise such other powers including the inspection of coffee fields, processing plants, markets, the taking of samples and the certifying of weights and quality of coffee as are provided for in this Act or as may be prescribed.
- Power of entry and inspection **19.**—(1) A coffee inspector or any other person duly authorised in writing in that behalf may, at any reasonable hour during day time, enter any place where coffee is grown, pulped, processed, packed, roasted, stored or sold and inspect or examine the same for the purpose of ensuring that the provisions of this Act, or of any regulations or rules made thereunder, or of any directions given, or order made by the Minister, the Director or the Board are being complied with.
- (2) The coffee inspector or any authorised person may, for the purpose of securing compliance with the provisions of this Act or of any regulations, by-laws, order or directions, take samples of any raw coffee, found in or on any store, plant or other place or premises, including any land, and may subject such samples to such tests as he may deem necessary.

(3) A person who obstructs the coffee inspector or any other authorised person in the exercise of the power conferred upon him by this section, or who neglects or refuses to produce to the coffee inspector or any other authorised person anything, book or record which the coffee inspector or any other authorised person may request to be produced for his inspection, commits an offence.

Adulteration of coffee and plucking of unripe coffee

**20.** Where any person adds or causes or permits to be added any foreign or extraneous matter to any coffee or plucks unripe coffee for purposes of selling commits an offence and on conviction shall be liable to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding twelve months or to both.

## PART V

### ADMINISTRATION AND FINANCIAL PROVISIONS

Appointment of Director General

**21.**-(1) The Minister shall, upon recommendation of the Board of Directors, appoint the Director General who shall be the chief executive officer of the Board.

(2) The Board may appoint at such salaries and upon such terms and conditions as it may think fit, such officers and employees as it may deem necessary for the proper and efficient conduct of the business and activities of the Board.

Superannuation benefits

**22.** The Board may-

- (a) grant gratuities or other retirement allowances or benefits to the employees of the Board;
- (b) establish and contribute to a superannuation fund or medical benefits for the employees of the Board; and
- (c) require any employee of the Board to contribute to the superannuation fund or medical benefits fund or any other fund and fix the amounts and method of payment of the contribution.

- Seal of Board **23.**—(1) There shall be a common seal of the Board which shall be of such shape, size and form as the Board may determine.
- (2) All deeds, contracts or agreements, to which the seal is affixed shall be authenticated either by the chief executive officer or his representative and one Board member or by any two Board members.
- Appointment of agents and contractors **24.** The Board may, appoint and employ, upon such terms and conditions, such agents and contractors as it may deem necessary for the better carrying out the functions of this Act.
- Assets and liabilities to vest in Board **25.** The assets and liabilities of the former Board shall by virtue of this Act and without further assurance vest in the Board.
- Funds and resources of Board  
Act No. 20 of 2009 s. 21 **26.** The funds and resources of the Board shall consist of-
- (a) such sums of money as may be appropriated by the Parliament;
  - (b) any monies raised by way of loans, donations or grants made within and outside the United Republic;
  - (c) any subsidy granted to the Board by the Government or any other person; and
  - (d) such sums of money or property which may become payable to or vested in the Board under this Act or any other written law or in respect of any matter incidental to the carrying out of its functions.
- Annual budget of Board **27.**—(1) Before the commencement of the financial year of the Board, the Board of Directors shall consider and endorse a detailed budget of moneys expected to be received and disbursed by the Board during the coming financial year.
- (2) Upon endorsement by the Board of Directors of the budget under subsection (1), the Board shall submit the same to the Minister for his approval and the budget so approved shall be binding upon the Board.
- (3) In this section the term “financial year” means any period not exceeding twelve consecutive months designated by

the Board of Directors as the accounting period of the Board, and the term “budget” includes a supplementary budget.

Liability of members, etc.

**28.** No matter or thing done or omitted to be done by any member, officer, employee or agent of the Board shall, if the matter or thing is done or omitted to be done in good faith for the purpose of carrying out the provisions of this Act or of any order or regulations made there under, subject to any person as aforesaid to any action, liability, claim or demand whatsoever.

Repealed

**29.** [Repealed by Act No. 20 of 2009 s. 22.]

Stakeholders meeting  
Act No.  
20 of 2009 s. 23

**30.**—(1) For the purpose of promoting the development of the coffee industry, there shall be a stakeholders’ forum which shall be responsible for -

- (a) putting in place mechanisms for the management and funding of the shared functions;
- (b) making procedures for conducting annual general meetings;
- (c) determine modalities for financing its activities and meetings;
- (d) establishing stakeholder’s secretariat and other organs for better carrying out the shared functions.

(2) The stakeholders’ meeting shall be held at least once in every year for the purpose of agreeing on the funding and implementation of the shared functions and other matters of common interest.

Repealed

**31-32.** [Repealed by Act No. 20 of 2009 s. 24.]

Accounts and audit  
Act No.  
20 of 2009 s. 25

**33.**—(1) The Board shall cause to be kept and maintained proper books of accounts with respect to-

- (a) all sums of money received and expended by the Board and matters in respect of which the receipt and expenditure take place;
- (b) all the assets and liabilities of the Board;
- (c) the income and expenditure statement of the Board;

(2) The financial year of the Board means a period not exceeding twelve consecutive months designated by the Board of Directors as the accounting period of the Board.

(3) The books of the accounts of the Board shall be audited by the Controller and Auditor-General.

(4) The Report of the auditor appointed under the provisions of subsection (3) shall state-

- (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
- (b) whether, in his opinion, proper books of accounts have been kept by the Board as it appears from his examination of those books;
- (c) whether in his opinion and to the best of his information and according to the explanations given to him, the income and expenditure account gives true and fair view of the income and expenditure for the year and the balance sheet gives a true and fair view of the state of affairs of the Board at the end of the financial year.

Annual report to be submitted to Minister

**34.**-(1) The Board shall, not later than six months after the end of financial year, submit to the Minister a copy of the audited accounts and annual report on the activities of the Board in respect of that year.

(2) The Minister shall, within a period of six months or such longer period as the National Assembly may by resolution appoint after the accounts have been audited, lay the audited accounts and audit report before the National Assembly.

Contract farming Act No. 20 of 2009 s. 26

**35.**-(1) A registered farmer may, for the purposes of carrying on and facilitating farming activities enter into a contract farming with financiers, coffee buyers, processor, investor or banker.

(2) The contract farming entered into under subsection (1) shall be in the prescribed standard form and shall contain:

- (a) name, address and status of the registered farmer;
- (b) name, address and status of the financier;

- (c) obligations of the parties;
- (d) type or kind of facilitation to be granted to the farmer;
- (e) terms and conditions imposed on the contract farming; and
- (f) such other information as may be necessary for the purpose of the contract farming.

(3) Every contract farming entered into under this section shall be submitted to the Board for scrutiny and registration.

(4) The Board shall monitor the implementation of every contract farming in order to protect rights of both parties.

(5) A person being a financier, coffee buyer, processor, investor or banker shall not facilitate a registered farmer in any manner without a contract farming as required under this section.

(6) A person who contravenes the provisions of this section commits an offence and on conviction shall be liable to a fine not less than five million shillings or to imprisonment for a term of not less than six months but not more than two years or to both.

[s. 34A]

## PART VI

### MISCELLANEOUS PROVISIONS

Rules and regulations

- 36.**—(1) The Minister may make rules and regulations-
- (a) governing all aspects of dealings of coffee;
  - (b) providing for the grading and definitions of grades of coffee;
  - (c) providing for the inspection of coffee and for the appointment of inspectors and prescribing their duties;
  - (d) providing for the procedures for sampling, inspection, weighing and determination of quality of coffee;
  - (e) providing for records to be kept by coffee dealers;
  - (f) prescribing the forms and particulars to be included in any return, information or statistics to be submitted by the coffee dealers;

(g) prescribing anything which is to be or may be prescribed and generally for better carrying out of the provisions or purpose of this Act.

(2) The Minister may in exercising the powers under subsection (1) (a), restrict persons licensed to buy and process coffee from participating in coffee auctioning directly or indirectly.

(3) The rules and regulations made under the provisions of this section shall be published in the *Gazette* and shall be availed to stakeholders.

[s. 35]

Power to make  
by-laws  
Act No.  
20 of 2009 s. 27

**37.** The local government authority may, in consultation with the Minister, make by-laws for the better carrying out of the shared functions agreed by the stakeholders.

[s. 35A]

General penalty

**38.** A person who commits any offence against the provisions of this Act shall be liable on conviction for every such offence except where in any other section a special penalty is provided, to imprisonment for a term not exceeding three years or to a fine not exceeding three million shillings or to both.

[s. 36]

Forfeiture

**39.**—(1) A court which convicts any person of an offence under this Act or under any subsidiary legislation made under it may order in addition to any penalty it may impose, that the coffee and articles used in respect of which the offence has been committed be forfeited to the Government.

(2) Any coffee and articles forfeited under this section shall be delivered to the Government and shall vest in the Government free of any mortgage, charge, lien or other encumbrance of any kind.

[s. 37]

Where offence committed by body corporate

**40.** Where any offence under this Act or subsidiary legislation made under it is committed by a body corporate then, as well as the body corporate, any person who, at the time of the commission of the offence was concerned, as a director or an officer, with the management of the affairs of the body corporate, commits an offence and shall be liable to be proceeded against and punished accordingly.

[s. 38]

Liability of employee or principal

**41.** Where an offence under this Act or any subsidiary legislation made under it is committed by a person as an agent or employee then, as well as the agent or employee, the principal or employer, commits an offence and shall be proceeded against and punished accordingly.

[s. 39]

Notification of order or directions

**42.** Where any order or direction made or given by the Minister, the Director or the Board under this Act is not required to be published in the *Gazette*, the order or direction shall be brought to the notice of persons affected or likely to be affected thereby in a manner determined by the Minister, the Director or, as the case may be, the Board.

[s. 40]

Burden of proof

**43.** In any proceedings for an offence under this Act, the burden to prove that the order, direction or requirement, the contravention of which constitutes the offence with which the accused is charged, shall not apply to the accused, and in the case of an order, direction or requirement not published in the *Gazette*, that he had no notice of the contents of the order, direction or, as the case may be the requirement, shall lie on the accused.

[s. 41]

Repeals Act No. 18 of 1984 s.41

**44.** [Repeals the Tanzania Coffee Board Act].

[s. 42]

Savings  
Acts Nos.  
18 of 1984  
20 of 2009 s. 28

**45.** Notwithstanding the repeal of the Tanzania Coffee Board Act all the directions given or regulations, orders, notices or rules made under the repealed Tanzania Coffee Board Act shall be deemed to be directions given and regulations made by or on behalf of the Board under the provisions of this Act and shall remain in force until revoked by directions given or regulations made under this Act.

[s. 43]

Act No.  
20 of 2009

## SCHEDULE

*(Made under section 3(2))*

### CONSTITUTION, FUNCTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS

Constitution  
of Board of  
Directors  
Act No.  
20 of 2009 s. 29

- 1.**—(1) The Board of Directors shall consist of nine members as follows:
- (a) a Chairman, who shall be appointed by the President upon advice of the Minister;
  - (b) one member from not less than three and not more than five recommended names by Tanzania Coffee Association;
  - (c) one member from not less than two and not more than three names recommended by Association of Coffee Growers;
  - (d) three members from three major Coffee zones recommended by respective Cooperative Unions;
  - (e) one member representing the Ministry; and
  - (f) two persons who possess knowledge and experience in the coffee industry.
- (2) The members specified under paragraph (b), (c), (d), and (e) of subsection (1) shall be appointed by the Minister.
- (3) The minister may, from time to time review the representation of the Board members from various institutions.
- (4) The Director-General shall be the Secretary to the Board of Directors.

Tenure of office

- 2.**—(1) The members of the Board of Directors shall hold office for a period of three years from the date of appointment and shall be eligible for re-appointment provided that no member shall be appointed for more than two consecutive terms.
- (2) In the case of a Board member, who is a member by virtue of his holding some office, he shall cease to be a member upon his ceasing to hold that office.
- (3) Any member of the Board may at any time resign from the Board by giving notice in writing to the Minister and from the date specified

in the notice or, if no date is so specified, from the date of receipt of the notice by the Minister, he shall cease to be a member.

Meetings of Board

**3.**—(1) The Board of Directors shall meet at least four times a year and at such other times as may be necessary or expedient for the transaction of business of the Board.

(2) All meetings of the Board shall be convened by the Chairman.

(3) The Chairman shall convene a special meeting of the Board upon a request in writing signed by not less than four members of the Board for such a meeting and shall cause such a meeting to be held within twenty one days of receiving such request.

(4) The Board may require any person to attend any deliberations of the meeting of the Board as an expert but such person so required shall not be allowed to vote.

Board members to be paid allowances

**4.** The Chairman and other members of the Board shall be entitled to such allowances and at such rates as the Minister may from time to time approve.

Alternate members

**5.** Where a Board member is unable for any reason to attend the meeting of the Board or a Committee of the Board as the case may be, he shall in writing appoint another person from the institution which the member represents to attend the meeting in his place for the purpose of that meeting.

Power to regulate its procedures

**6.** Subject to the provisions of this Act, the Board shall have powers to regulate its own procedures in respect of meetings and the proper conduct of its business.

Quorum

**7.**—(1) Four members of the Board shall constitute a quorum at any meeting and all acts, matters or things to be done by the Board shall be decided by a simple majority of the members present.

(2) Each member of the Board shall have one vote and in the event of equality of votes, the Chairman of the meeting shall have a casting vote in addition to his normal vote.

Minister may appoint a member

**8.** Where a person ceases to be a Board member for any reason before the expiration of his term of office, the Minister may appoint another person in his place and the person so appointed shall hold office for the remainder of the term of office of his predecessor.

Disqualification of Board Member

**9.** A person who-

(a) has been adjudged or otherwise declared insolvent or bankrupt and has not been discharged within the period of five years proceeding his appointment;

(b) has been sentenced to a term of imprisonment of or exceeding six months imposed without the option of a fine and has not received a free pardon, shall be appointed a Board member.

- Director to declare interest      **10.** A director who is in any way directly or indirectly interested in a contract or proposed contract or any matter being deliberated by the Board shall declare the nature of his interest to the fellow directors.
- Circular resolution      **11.** A circular resolution in writing signed by all the directors for the time being in Tanzania shall be as effectual as a decision made at a meeting provided that a member may require that notwithstanding the directors' signatures the matter be brought at the next board meeting.
- Minutes      **12.** Minutes in proper form of each meeting of the Board shall be kept and shall be confirmed by the Board at its next meeting and signed by the Chairman of the meeting.
- Defects in appointment not to invalidate proceedings      **13.** Subject to the provisions of paragraph 7 relating to quorum, the Board of Directors may act notwithstanding any vacancy in the members thereof and no act or proceedings of the Board shall be invalid by reason only of some defect in the appointment of a person who purports to be a member thereof.
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