



PROCEDURES FOR BUYING LENTILS THROUGH TANZANIA MERCANTILE EXCHANGE (TMX)

1.0 Introduction

Lentils is one of the crops produced in large quantity in Tanzania. In the 2020/2021 marketing season, Tanzania Mercantile Exchange (TMX) in collaboration with the Warehouse Receipt Regulatory Board (WRRB), Tanzania Cooperative Development Commission (TCDC), Regional Government Authorities of Mwanza, Shinyanga, and Manyara with their respective district councils will administer for lentils auctions, aggregated in the licensed warehouses under the Warehouse Receipt System (WRS). The trade is aimed at bringing competitive prices, transparency and reducing transaction costs for stakeholders.

The trading procedure is carried out in accordance with Section 70A (1) of the Warehouse Receipts System Act which specifies the produce aggregated under the warehouse receipt system to be sold through a trading platform as well as with the guidelines stipulated in the Warehouse Receipt Regulatory Board for lentils crop in the marketing season 2020/2021 and other laws governing the sub-sector in Tanzania.

2.1 Sellers' Obligation

2.1.1 Farmers (AMCOS/UNION)

Lentils sellers (AMCOS/ groups or individual farmer) or representative (Union) of the lentils that's stored in the warehouse licensed by WRRB. Seller's obligations are as follows:

- i. To provide list of owners/ sellers of lentils (deposited in the Warehouse) indicating farmer's name, bank name and account number to which payment will be done and the quantity of lentils deposited in the warehouse.
- ii. To provide consent on buyer's final price within half an hour after the highest price being reached.
- iii. To submit warehouse receipt to the respective union.
- iv. To encourage farmers to open bank accounts.

2.1.2 Union

- i. To provide farmers with information regarding trading prices and sold warehouse receipts.
- ii. To verify and submit farmers bank details (Bank name, A/cc name and number) to TMX.
- iii. To present to the buyer, respective warehouse receipts

2.2 Buyer's Obligation