

GUIDELINES ON AGRICULTURAL LEASE

1. POLICY

It is the policy of the Government to grant agricultural leases to individuals, companies or cooperative societies. The agricultural leases may be for foodcrop, cane planting, flowers and fruit trees and livestock development.

2. APPLICATION FOR AGRICULTURAL LEASE

- 2.1** Any person, company or co-operative society who is willing to undertake agricultural activities may apply for State Land.
- 2.2** Co-operative societies should be empowered to take up leases.

3. PROCEDURES

- 3.1** Any Promoter willing to be granted State Land on lease for the above mentioned development should submit an application in the form of a letter to the Ministry.

Priority criteria, to be clearly spelt out in the project proposals, should include, amongst others, the following information:-

- (a) Profile & Shareholding structure of promoting company/promoters
- (b) Address and contact details of applicants/representatives
- (c) Proven track record of applicant/promoter
- (d) Development in line with the Agricultural Strategy and Food Security Plan
- (e) Extent of land required
- (f) Business plan
- (g) Concept plan
- (h) Eco-friendliness
- (j) Site applied for

Potential promoters are reminded that the above-listed criteria are not exhaustive but are only indicative.

3.2 If land applied for is available and found suitable for the purpose, a recommendation for the grant of the lease is submitted for the approval by the Ministry.

3.3 If the land applied for is not available, the applicant is informed accordingly.

4. CONDITIONS

4.1 Agricultural lease is usually granted for a period of 8 years with possibility for renewal.

4.2 The lessee shall start cultivating the land issued within a period of six months as from the date of signature of the lease.

4.3 The lessee may, with the written approval of the lessor, erect such watchman's quarters as required for the proper running of his plantation provided that the watchman's quarters shall be of a temporary nature and that it shall not be constructed in concrete.

4.4 The lessee shall not carry any other cultivation activities other than that approved without the prior written approval of the lessor.

4.5 The lessee shall not leave the land fallow for a period of more than three months following the harvest of the last crop.

4.6 The lessee shall not sublet or assign the whole or any part of his interest under the lease without the express written permission of the lessor.

4.7 The lessee shall dispose of all solid and liquid wastes in such a manner as not to pollute the air or water and not to cause any nuisance.

5. RENTAL

5.1 The rent payable is Rs. 1,000 per arpent per annum and Rs 1,500 where irrigation facilities are provided. For other types of agricultural lease, the rent will be at market value as assessed by the Valuation and Real Estate Consultancy Services.

6. LOANS

6.1 Pledging of rights to leases is granted under Article 1778-5, of the Code Civil.

6.2 The Pledging of rights is granted for development for which the lease has been granted and subject to the following criteria :-

- (i) any lessee is entitled to pledge his/her leasehold rights subject to a '*droit de regard*' from the lessor with particular to the contractual relationship with the

lessee;

- (ii) the purpose of the loan must be clearly stated and be related to the development of the site leased;
- (iii) loans must be taken from known lending institutions and a statement from the latter to that effect must be produced;
- (iv) there should be no arrears on the lessee's rent account and rent for the current financial year should be fully paid;
- (v) no infringement or encroachment or unauthorised construction whatsoever has been committed on the site;
- (vi) the consent of all other creditors, if any, has been obtained;
- (vii) the lease is in order; and

6.3 The pledging of leasehold rights is **not** granted in the following cases:

- (i) the repayment of debts other than those as per **paragraph 6.2** (ii) above contracted by the lessee or of any loan contracted by a third party;
- (ii) loans taken from private individuals or non-lending institutions.

6.4 All applications for pledging of rights not falling under **paragraph 6.2** will not be considered

7. REGISTRATION, TRANSCRIPTION AND STAMP DUTIES AND SURVEY FEE.

7.1 The lessee shall pay the cost of registration, transcription and stamp duties prescribed by the Registration Duty Act and also a survey fee of Rs1,000 per arpent for the first arpent or part thereof or survey carried out by a private sworn land surveyor at the cost of the lessee subject to approval of the Ministry.

8. TRANSFER

8.1 The approval of the Ministry is required for the transfer of a lease or in case there is a change of use of the original lease.

8.2 On the death of the lessee, the lease may be transferred to one of the heirs subject to production of the affidavit witnessing the consent of the other heirs.

8.3 The same conditions as at paragraph 4 above are applicable in case of transfer of a lease.

9. CANCELLATION

- 9.1** Whenever a site has remained undeveloped for a six month period, the lease will be cancelled.
- 9.2** Government may resume possession of the whole or any part of the land at any time for any purpose against payment of such compensation for added value to the land as may be determined by the Valuation and Real Estate Consultancy Services.
- 9.3** The rent has remained unpaid for more than three (3) months after its falling due and a forty eight hour notice served upon the Lessee requesting him to pay the rent has remained uncomplied with, the lease is cancelled “de pleindroit” and without payment of any compensation.