



# Cereals Marketing Act 1965

## 1965 CHAPTER 14

An Act to provide for the establishment of a Home-Grown Cereals Authority, and to make provision as to the functions and finances of the Authority; and for purposes connected therewith. [2nd June 1965]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### PART I

#### CONSTITUTION AND NON-TRADING FUNCTIONS OF HOME-GROWN CEREALS AUTHORITY

##### **1 Constitution of Authority**

- (1) There shall be established an Authority, to be called the Home-Grown Cereals Authority (in this Act referred to as "the Authority"), who shall perform the functions assigned to them by or under this Act for the purpose of improving the marketing of home-grown cereals.
- (2) The Authority shall consist of not less than twenty-one and not more than twenty-three members appointed by the Ministers ; and of those members—
  - (a) not less than three and not more than five shall be appointed as being independent persons ;
  - (b) nine shall be appointed as being persons capable of representing the interests of growers of home-grown cereals, and of those nine such number as appears to the Ministers to be adequate shall be appointed as being also capable of representing the interests of farmers who use home-grown cereals for feeding livestock kept by them;
  - (c) nine shall be appointed as being persons capable of representing the interests of persons who are either dealers in, or persons who process, home-grown cereals.

- (3) Of the members appointed under paragraph (a) of subsection (2) of this section, the Ministers shall appoint one to be chairman and one to be deputy chairman of the Authority.
- (4) Of the members appointed under paragraph (b) of subsection (2) of this section, at least one shall be appointed as being capable of representing, in particular, the interests of growers of home-grown cereals in Scotland, and one shall be appointed as being capable of representing, in particular, the interests of growers of home-grown cereals in Northern Ireland.
- (5) Before appointing the members referred to in paragraphs (b) and (c) of subsection (2) of this section, the Ministers shall consult such organisations appearing to them to represent to any substantial extent the interests in respect of which the members in question are to be appointed as the Ministers consider appropriate.
- (6) The Authority shall—
  - (a) pay to the members of the Authority such remuneration and such travelling or other allowances as the Ministers may, with the approval of the Treasury, determine, and
  - (b) in the case of any member of the Authority to whom the Ministers, with the approval of the Treasury, determine that this paragraph applies, pay such pension, or make such payments towards the provision of a pension, to or in respect of him as the Ministers and the Treasury may determine in his case.
- (7) The provisions of Schedule 1 to this Act shall have effect with respect to the Authority.

## **2 Bonus payments and loans in respect of forward contracts**

- (1) The Authority may (and, in so far as they are required to do so by subsection (3) of this section, the Authority shall) prepare and submit to the appropriate Minister or Ministers one or more schemes under this section.
- (2) Every such scheme shall provide for the making by the Authority of bonus payments in respect of forward contracts which—
  - (a) are contracts for the sale of home-grown cereals of a kind, and grown in a part of the United Kingdom, to which the scheme relates, and
  - (b) are contracts made by the growers of such cereals.
- (3) Without prejudice to any power of the Authority to prepare a scheme under this section with respect to any other kind of home-grown cereals, or to include any other kind of home-grown cereals in a scheme prepared in pursuance of this subsection, it shall be the duty of the Authority, as soon as practicable after they are established, to prepare and submit to the appropriate Minister or Ministers one or more schemes under this section comprising, or together comprising, wheat and barley grown in all parts of the United Kingdom.
- (4) Any scheme under this section may include provision for the making or guaranteeing by the Authority of loans to growers of home-grown cereals in respect of forward contracts made by them for the sale of such cereals; and (either in addition to, or instead of, the inclusion of any such provision in a scheme under this section) the Authority may make arrangements for the making or guaranteeing of such loans by other persons on the recommendation of the Authority.

- (5) Where a scheme under this section includes any such provision as is mentioned in the last preceding subsection, the scheme shall also include provision whereby any person who—
- (a) satisfies the Authority that in the ordinary course of business he makes loans to farmers to provide them with working capital, and that a grower of home-grown cereals has applied to him for such a loan, or has received from him such a loan which has not yet been repaid, or
  - (b) satisfies the Authority that he extends credit to farmers in the ordinary course of a business of supplying goods or services required for agricultural purposes, and that a grower of home-grown cereals has applied to him for credit to be so extended, or has received from him credit so extended which is still outstanding,
- and who (in either case) fulfils such other requirements (if any) as may be determined in accordance with the scheme, may request the Authority, and the Authority shall thereupon be required, to furnish to him such information as may be determined in accordance with the scheme with respect to loans made to that grower by the Authority in pursuance of the scheme.

### **3 Bonus payments in respect of deliveries of cereals**

- (1) The Authority may also prepare and submit to the appropriate Minister or Ministers one or more schemes under this section ; and any such scheme may relate—
- (a) either to all kinds of home-grown cereals or to one or more kinds of home-grown cereals specified in the scheme, and
  - (b) either to the whole of the United Kingdom or to any part of the United Kingdom so specified.
- (2) Any scheme under this section shall provide for the making by the Authority of bonus payments in respect of cereals which, being cereals of a kind, and grown in a part of the United Kingdom, to which the scheme relates, are (whether in pursuance of a forward contract or not) delivered at such time of the year as may be specified in the scheme.

### **4 General provisions as to schemes under ss. 2 and 3**

- (1) A scheme under section 2 or section 3 of this Act shall not have effect unless it is approved by the appropriate Minister or Ministers.
- (2) Any such scheme may either specify the rates of any bonus payments to be made under the scheme or may provide for those rates to be determined annually by the Authority, with the approval of the appropriate Minister or Ministers, for each year in respect of which the scheme is in force.
- (3) Any bonus payment to be made in pursuance of any such scheme shall be paid to the grower who makes the forward contract or, as the case may be, delivers the cereals in question, or, if the Authority are satisfied that the interest of the grower in the payment has passed to some other person, shall be paid to that other person.
- (4) Subject to the provisions of subsections (2) and (3) of this section, any such scheme shall include provision as to the circumstances in which, and any conditions subject to which, bonus payments are to be made in pursuance of the scheme.
- (5) Where, in pursuance of subsection (4) of section 2 of this Act, a scheme under that section includes provision for the making or guaranteeing of loans by the Authority, the

scheme shall include provision as to the circumstances in which, and any conditions subject to which, loans may be made or guaranteed by the Authority in pursuance of the scheme.

## **5 Supplementary provisions as to schemes**

- (1) Any scheme under section 2 or section 3 of this Act may be varied or revoked by a subsequent scheme thereunder.
- (2) Where a scheme under either of those sections is for the time being in force, and the Authority represent to the appropriate Minister or Ministers that the scheme should be revoked without being replaced by another scheme, the appropriate Minister or Ministers may by order revoke the scheme.
- (3) Any scheme under either of those sections, and any order under the last preceding subsection, may contain such transitional, incidental and supplementary provisions as appear to the Authority, or Co the appropriate Minister or Ministers, as the case may be, to be necessary or expedient.

## **6 Further non-trading functions of Authority**

- (1) For the purpose specified in section 1(1) of this Act, the Authority may carry on any of the activities mentioned in the following provisions of this section; and any power conferred on the Authority by (this section to carry on any activity shall be construed as including a power—
  - (a) to carry on that activity in co-operation with any other person, or
  - (b) to do anything (including the provision of financial assistance) calculated to procure, promote or facilitate the carrying on of that activity by any other person.
- (2) The Authority may compile or prepare information or estimates with respect to prices, supply, demand and other market conditions (whether actual or prospective) relating to cereals or related products; and (subject to section 17(2) of this Act) the Authority may publish or disseminate any such information or estimates, and any other information compiled, or estimates prepared, in the course of the performance of their functions under this Act.
- (3) In publishing or disseminating any such information or estimates as are mentioned in the last preceding subsection, the Authority may include recommendations as to prices which would, in their opinion, be appropriate in selling home-grown cereals, having regard to any prices specified in the information or estimates.
- (4) The Authority may devise and disseminate, or otherwise encourage the adoption of, new, improved or standardised systems, procedures or forms for use in connection with the marketing, or preparation for marketing, of home-grown cereals.
- (5) The Authority may conduct research or other experimental work in—
  - (a) the collection, storage, conservation, testing and distributing of home-grown cereals, and
  - (b) the invention, development or assessment of new uses of, or processes which might be applied to, home-grown cereals,and may carry out demonstrations of the results of any such work or of any other new or improved methods relating to, or apparatus for use in, the marketing of cereals.

## **7 Power to confer additional non-trading functions on Authority**

- (1) if it appears to the Ministers, after consultation with the Authority, that for the purpose specified in section 1(1) of this Act it is expedient for the Authority to perform additional non-trading functions, the Ministers may, if they think fit, by order confer on the Authority for that purpose such additional non-trading functions as may be specified in the order.
- (2) Any order under this section may be varied or revoked by a subsequent order thereunder.
- (3) Except as provided by subsection (4) of this section, an order under this section shall not be made unless a draft of the order has been laid before Parliament and approved by a resolution of each House of Parliament.
- (4) The last preceding subsection shall not apply to an order under this section which confers additional non-trading functions on the Authority otherwise than by varying a previous order if the Ministers certify that, in their opinion, all the functions specified in the order are similar in character to those conferred on the Authority by section 6 of this Act; and that subsection—
  - (a) shall not apply to an order under this section which varies a previous order if the Ministers certify that, in their opinion, all the functions conferred by the original order as it will have effect in consequence of the varying order will be functions similar in character to those conferred on the Authority by section 6 of this Act, and
  - (b) shall not apply to an order which revokes a previous order without itself conferring any functions on the Authority if a certificate under this subsection was given in respect of the previous order.
- (5) In this section " additional non-trading functions " means functions which—
  - (a) do not fall within sections 2 to 6 of this Act, and
  - (b) do not consist (wholly or in part) of buying or selling cereals, except in so far as the buying or selling of cereals may be requisite for purposes of research or other experimental work or for purposes of demonstration.

## **PART II**

### **TRADING FUNCTIONS OF AUTHORITY**

## **8 Orders empowering Authority to deal in home-grown cereals**

- (1) If it is represented to the Ministers by the Authority, and the Ministers are satisfied, that the purpose specified in section 1(1) of this Act cannot be adequately fulfilled unless the Authority are empowered to perform trading functions, the Ministers may make an order under this section.
- (2) Subject to the following provisions of this Part of this Act, any order under this section shall empower the Authority, for the purpose specified in section 1(1) of this Act, to perform either or both of the following functions, as may be specified in the order, that is to say—
  - (a) to buy home-grown cereals otherwise than by way of forward contracts;

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- (b) to buy home-grown cereals by way of forward contracts for delivery at times when, in the opinion of the Authority, deliveries of home-grown cereals would otherwise be inadequate.
- (3) Any power conferred on the Authority in pursuance of this section to buy home-grown cereals shall include power to sell them, whether by way of forward contracts or otherwise, and to transport, store and otherwise deal with any cereals which the Authority have bought.
- (4) In buying home-grown cereals, in the performance of their functions under this Part of this Act, the Authority shall have regard to what, among persons who process home-grown cereals, is the normal practice in respect of buying them from established dealers, or employing such dealers as their agents in buying them, and shall conform to that practice so far as appears to the Authority to be practicable to do so.
- (5) Any order under this section may be varied or revoked by a subsequent order thereunder, whether in pursuance of representations made by the Authority or without any such representations; but the variation or revocation of an order under this section shall not affect the exercise by the Authority, in relation to any cereals which they have bought before the variation or revocation takes effect, of any of the powers referred to in subsection (3) of this section.
- (6) Any order made under this section shall cease to have effect at the end of the period of forty days beginning with the day on which the order is made (but without prejudice to anything previously done under the order or to the making of a new order) unless before the end of that period the order is approved by resolution of each House of Parliament.
- (7) In reckoning any period for the purposes of the last preceding subsection, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

## **9 Restrictions on trading dependent on market price of cereals**

- (1) Notwithstanding anything in the last preceding section, any power of the Authority to buy home-grown cereals of any kind, in pursuance of an order under that section, shall not become exercisable until a time when the average market price for the prescribed quality of home-grown cereals of that kind is, and has throughout a prescribed period been, below a price determined (by reference to minimum import prices levels) in accordance with the provisions of Schedule 2 to this Act.
- (2) Where the condition as to average market price specified in the preceding subsection is fulfilled in respect of any kind of home-grown cereals, then (subject to the following provisions of this Part of this Act) any power of the Authority to buy home-grown cereals of that kind, in pursuance of an order under the last preceding section, shall become exercisable and shall continue to be exercisable until a time when the average market price for the prescribed quality of home-grown cereals of that kind is, and has throughout a prescribed period been, at or above a price determined as mentioned in the preceding subsection, and shall then cease to be exercisable.
- (3) Where, in the case of any kind of home-grown cereals, the condition as to average market price last-mentioned in the last preceding subsection is fulfilled, and at any subsequent time the condition as to average market price specified in subsection (1) of this section is again fulfilled, any power of the Authority to buy home-grown cereals of that kind, in pursuance of an order under the last preceding section, shall (subject

to the following provisions of this Part of this Act) again become exercisable; and the provisions of the last preceding subsection, and the preceding provisions of this subsection, shall have effect as often as the conditions referred to in those provisions respectively are fulfilled.

- (4) Nothing in this section shall be construed as empowering the Authority to buy home-grown cereals as mentioned in paragraph (a), or as mentioned in paragraph (b), of subsection (2) of the last preceding section at any time when, in consequence of the revocation or variation of an order under that section, the Authority have ceased to be empowered to buy home-grown cereals as mentioned in the paragraph in question.
- (5) In this section " prescribed " means prescribed by regulations made by the Ministers ; and any such regulations may make provision as to the way in which, for the purposes of this section, the average market price for any prescribed quality of home-grown cereals of any kind is to be determined at any particular time, and (without prejudice to the application to any such regulations of section 23(1) of this Act) any such regulations may prescribe different periods for the purposes of subsection (1) and subsection (2) of this section respectively.
- (6) In this section, and in the following provisions of this Part of this Act, references to buying home-grown cereals are references to entering into contracts (whether forward contracts or not) for the purchase of such cereals.

## **10 Further limitations on trading**

- (1) At any time while an order under section 8 of this Act is in force, the Ministers may, if they consider it necessary or expedient to do so, by regulations prohibit the Authority from buying home-grown cereals of a kind prescribed by the regulations during such part of the year as may be so prescribed ; and (without prejudice to the application to any such regulations of section 23(1) of this Act) if the order empowers the Authority to buy home-grown cereals in both of the ways specified in section 8(2) of this Act, any such prohibition may either extend to the buying of home-grown cereals in both of those ways or may be limited to one of them, as the Ministers may determine.
- (2) The Authority shall not have power to enter into forward contracts in one year for the purchase of cereals for delivery in. a subsequent year.
- (3) Any prohibition imposed by or under this section shall be in addition to any restrictions imposed by the last preceding section.

## **11 Sale of cereals purchased by Authority**

- (1) Where in the performance of their functions under this Part of this Act the Authority buy any cereals in a particular year, it shall be their duty to sell those cereals for delivery either before the end of that year or not later than one month after the end of that year.
- (2) In respect of each year in which an order under section 8 of this Act is in force (whether it is in force during the whole of the year or during a part of it) the Authority shall, as soon as practicable after the end of the month immediately following the end of the year.—
  - (a) if no home-grown cereals were held by, or at the disposal of, the Authority at the end of that month, send to the Ministers a certificate stating that fact, or

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- (b) in any other case, send to the Ministers a certificate stating the quantity of home-grown cereals of each kind held by, or at the disposal of, the Authority at the end of that month.

### **PART III**

#### FINANCIAL AND SUPPLEMENTARY PROVISIONS

##### *Financial*

#### **12 Contributions by Minister of Agriculture, Fisheries and Food**

- (1) The Minister of Agriculture, Fisheries and Food (in this section referred to as "the Minister ") may, with the consent of the Treasury, make contributions out of moneys provided by Parliament towards expenditure incurred or to be incurred by the Authority in the performance of their functions under Part I of this Act (including Schedule 1 to this Act) except so much of any such expenditure as consists or is to consist of bonus payments or loans made by the Authority, or of sums required for fulfilling guarantees given by the Authority, under that Part of this Act.
- (2) Any contributions under this section may be made subject to any conditions regulating or restricting the functions of the Authority, imposing requirements as to the inspection of accounts and records, or relating to other matters, which the Minister may specify; and the Minister may recover the whole or any part of a contribution which is made subject to a condition, if that condition is not complied with.
- (3) Any sums recovered by the Minister under the last preceding subsection shall be paid into the Exchequer.

#### **13 Orders prescribing rates of levy**

- (1) Before the beginning of each year the Authority shall prepare and submit to the Ministers either—
  - (a) an estimate of the amount required to be raised by levy for that year for the purposes of the Authority's functions under Part I of this Act, or
  - (b) such an estimate as is mentioned in the preceding paragraph and also an estimate of the amount required to be raised by levy for that year for the purposes of the Authority's functions under Part II of this Act.
- (2) Together with any estimate submitted under this section, the Authority shall submit to the Ministers proposals as to—
  - (a) the kinds of home-grown cereals in respect of which a levy should be imposed, and
  - (b) the apportionment of the amount specified in the estimate as between those kinds of home-grown cereals.
- (3) As soon as practicable after the submission to the Ministers of one or more estimates for any year under this section, the Ministers shall—
  - (a) determine the amount to be raised by levy for that year for the purposes of the Authority's functions under Part I of this Act, and (where applicable) the amount to be so raised for the purposes of their functions under Part II of this



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- Act, and the kinds of home-grown cereals in respect of which a levy is to be imposed for that year, and
- (b) apportion the amount (or, as the case may be, each of the amounts) so determined as between those kinds of home-grown cereals, and
  - (c) make an order for that year specifying, in respect of each of those kinds of home-grown cereals, such rate of levy as appears to the Ministers to be sufficient (but not more than sufficient) to meet the amount (or, as the case may be, the aggregate amount) apportioned to that kind of home-grown cereals under this subsection.
- (4) The rates of levy specified in an order under this section may be expressed either by reference to quantity of home-grown cereals delivered or to acreage of land used for the growing of home-grown cereals or partly in the one way and partly in the other; and the order shall include provision as to the way in which any such quantity or acreage is to be determined for the purposes of the levy.
- (5) The provisions of Schedule 3 to this Act shall have effect with respect to estimates and orders under this section, and otherwise with respect to levies under this Part of this Act.

#### **14 Alternative methods of raising levy**

- (1) In addition to the preparation of an estimate or estimates in accordance with the last preceding section, the Authority shall, before the beginning of each year, consider, in respect of each kind of home-grown cereals, whether it is their intention that any levy to be imposed for that year under this Part of this Act shall be imposed in accordance with section 15 of this Act or shall be imposed in pursuance of a scheme under section 16 of this Act; and—
- (a) if, in the case of any kind of home-grown cereals, they intend that a levy for that year shall be imposed in pursuance of a scheme under section 16 of this Act which is then in force, they shall pass a resolution to that effect and shall publish notice of that resolution in the London, Edinburgh and Belfast Gazettes, or
  - (b) if, in the case of any kind of home-grown cereals, they intend that a levy for that year shall be imposed in pursuance of such a scheme, but no such scheme is then in force, they shall submit such a scheme to the Ministers before the beginning of that year and shall publish in the London, Edinburgh and Belfast Gazettes notice of the submission of the scheme.
- (2) Where for any year the Ministers have made an order under the last preceding section specifying a rate of levy for that year in respect of any kind of home-grown cereals, the following provisions of this section shall have effect.
- (3) If in that year a scheme under section 16 of this Act is in force in respect of that kind of home-grown cereals, and the Authority have published in respect of that kind of home-grown cereals such a notice as is mentioned in paragraph (a) or paragraph (b) of subsection (1) of this section, a levy for that year shall be imposed in respect of that kind of home-grown cereals as mentioned in section 16(6) of this Act.
- (4) In any case not falling within the last preceding subsection, a levy for that year shall be imposed in respect of that kind of home-grown cereals as mentioned in section 15(1) of this Act.

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## **15 Levy recovered wholly or mainly by deduction**

- (1) Where, in respect of any year (in this section referred to as "the relevant year"), a levy is, by virtue of subsection (4) of the last preceding section, to be imposed in accordance with this section in respect of any kind of home-grown cereals (in this section referred to as "the relevant kind of cereals"), a levy for that year shall be imposed on registered growers of the relevant kind of cereals, at the rate specified in relation thereto in the order for that year made under section 13 of this Act and in accordance with such provisions as to quantity or acreage as are contained in that order.
- (2) If one or more deficiency payments would, apart from this section, be paid to or in respect of a registered grower of the relevant kind of cereals in respect of the relevant year, the amount of the levy which by virtue of this section is imposed on him for that year shall, so far as it appears to the appropriate Minister or Ministers to be practicable to do so, be deducted from that payment or (if more than one) from the aggregate of those payments, and the payment or payments shall be reduced accordingly.
- (3) In so far as the amount, or any part of the amount, of the levy imposed on a registered grower by virtue of this section cannot be deducted as mentioned in the last preceding subsection, the Authority may recover it in either of the ways mentioned in subsections (4) and (5) of this section, or partly in the one way and partly in the other; and for the purposes of this subsection a certificate issued by the appropriate Minister or Ministers, stating that the amount of a levy, or such part of that amount as may be specified in the certificate, cannot be so deducted, shall be conclusive evidence of the fact so stated.
- (4) If one or more bonus payments are payable to or in respect of that registered grower under Part I of this Act in respect of forward contracts made by him in the relevant year which relate to the relevant kind of cereals, or in respect of any of that kind of cereals delivered in that year, the amount of the levy, or the part of it in question, as the case may be, may be deducted by the Authority from that bonus payment or (if more than one) from the aggregate of those bonus payments, and the payment or payments shall be reduced accordingly.
- (5) The amount of the levy, or the part of it in question, may be recovered by the Authority as a simple contract debt in any court of competent jurisdiction.
- (6) The appropriate Minister or Ministers shall pay to the Authority any amounts deducted in pursuance of subsection (2) of this section.
- (7) Any reference in this section to deducting an amount from a payment shall, where the amount in question is equal to or greater than the payment, be construed as including a reference to setting off the amount, or part of it, against the payment so as to extinguish any claim to the payment, and any reference to reducing a payment shall be construed accordingly.
- (8) Any reference in this section to a deficiency payment includes a reference to a payment in advance on account of a deficiency payment; and any reference to a deficiency payment or bonus payment which, apart from this section, would be paid in respect of a registered grower is a reference to a deficiency payment or bonus payment which, apart from this section, would be paid to a person other than the registered grower as being a person to whom the interest of the registered grower in the payment has passed.

## **16 Scheme for raising levy otherwise than by deduction**

- (1) The Authority may prepare and submit to the Ministers a scheme for imposing (otherwise than in accordance with section 15 of this Act) a levy on growers of home-grown cereals of any kind specified in this scheme.
- (2) So far as is necessary for determining the liability of persons to a levy imposed in accordance with a scheme under this section, such a scheme may confer on the Authority power to require any persons who are growers of, or dealers in, home-grown cereals, or who process home-grown cereals.—
  - (a) to be registered in a register kept for the purpose by the Authority;
  - (b) to furnish returns and other information, and to produce for examination on behalf of the Authority books and other documents in their custody or under their control; and
  - (c) to keep records and to produce them for examination on behalf of the Authority.
- (3) Any scheme under this section may be varied or revoked by a subsequent scheme thereunder.
- (4) A scheme under this section shall not have effect unless it is approved by the Ministers by order; and any such order may approve the scheme with or without modifications, and may be revoked by a subsequent order, whether the subsequent order is made for the purpose of approving another scheme under this section or not.
- (5) An order under the last preceding subsection shall be of no effect unless it is approved by a resolution of each House of Parliament.
- (6) Where for any year a levy is, by virtue of section 14(3) of this Act, to be imposed in respect of any kind of home-grown cereals in pursuance of a scheme under this section, a levy for that year shall be imposed on growers of home-grown cereals of that kind—
  - (a) at the rate specified in relation thereto in the order for that year made under section 13 of this Act, and in accordance with such provisions as to quantity or acreage as are contained in that order, and
  - (b) in other respects, in accordance with the provisions of any scheme relating to that kind of home-grown cereals which is for the time being in force by virtue of this section.

## **17 Offences in relation to scheme under s. 16**

- (1) Any person who fails to comply with a requirement imposed by or under a scheme in accordance with subsection (2) of the last preceding section shall be guilty of an offence and liable on summary conviction to a fine not exceeding £100 or to imprisonment for a term not exceeding three months or both.
- (2) Returns or other information furnished to or obtained by any person in pursuance of such a requirement shall not be disclosed except—
  - (a) with the written consent of the person by whom the information was furnished, or
  - (b) to a member, officer or servant of the Authority, or
  - (c) to any of the three Ministers mentioned in section 24(1) of this Act or an officer or servant appointed by one of those Ministers, or

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- (d) in the form of a summary of similar returns or information furnished by or obtained from a number of persons, being a summary so framed as not to enable particulars relating to any one person or business to be ascertained from it, or
  - (e) for the purposes of any proceedings pursuant to this Act or of any criminal proceedings which may be taken, whether pursuant to this Act or otherwise, or for the purposes of a report of any such proceedings.
- (3) Any person who—
- (a) in furnishing any information for the purposes of a scheme under the last preceding section, makes a statement which he knows to be false in a material particular, or recklessly makes a statement which is false in a material particular, or
  - (b) wilfully makes a false entry in any document which is required to be produced in pursuance of any such scheme, or
  - (c) discloses any information in contravention of subsection (2) of this section,
- shall be liable on summary conviction to a fine not exceeding £100 or to imprisonment for a term not exceeding three months or both, or on conviction on indictment to a fine or to imprisonment for a term not exceeding two years or both.

## **18 Reserve funds**

- (1) The Authority may establish and thereafter maintain a reserve fund for the purposes of their functions under Part I of this Act, and may establish and thereafter maintain a reserve fund for the purposes of any functions of the Authority under Part II of this Act.
- (2) Any moneys for the time being comprised in a reserve fund maintained under this section, and any other moneys of the Authority which are not for the time being required for any other purpose, may be invested in accordance with the next following subsection.
- (3) Sections 1, 2, 5, 6, 12 and 13 of the Trustee Investments Act 1961 (which relate to the investment powers of trustees) shall have effect in relation to any such moneys, and in relation to any investments or other property for the time being representing any such moneys, as if they constituted a trust fund and the Authority were the trustees of that trust fund.

## **19 Borrowing powers**

- (1) Subject to the following provisions of this section, the Authority may borrow money and may pledge, mortgage or charge any of their property, including the proceeds of any levy under this Part of this Act.
- (2) The Ministers may, by order made with the consent of the Treasury, direct that the aggregate amount outstanding in respect of the principal of any moneys borrowed by the Authority for the purposes of their functions under Part II of this Act shall not at any time exceed such sum as may be specified in the order; and, at any time while such an order is in force, that aggregate amount shall not exceed the sum so specified.
- (3) Any order under this section may be revoked by a subsequent order thereunder.
- (4) An order under this section shall not have effect unless it is approved by a resolution of each House of Parliament.

## *Supplementary*

### **20 Powers of Ministers**

- (1) The Ministers, after consultation with the Authority, may give to the Authority such directions of a general character with respect to the performance of any functions of the Authority as appear to the Ministers to be requisite in the public interest; and it shall be the duty of the Authority to comply with any such directions.
- (2) Any information obtained by a government department in the administration of any cereals (guarantee payments) order may, for the purpose of assisting the Authority in the performance of their functions under Part I of this Act, or under this Part of this Act, be disclosed to the Authority; and any such disclosure shall not be treated as a breach of contract, trust or confidence.

### **21 Report and accounts of Authority**

- (1) As soon as may be after the end of each accounting period the Authority shall prepare and submit to the Ministers a report on the discharge of their functions under this Act during that period, and the Ministers shall lay a copy of the report before each House of Parliament.
- (2) The Authority shall keep proper accounts and shall prepare in respect of each of their accounting periods statements of account in such form as the Ministers, with the approval of the Treasury, may direct; and the accounts of the Authority for each accounting period shall be audited by auditors who are qualified accountants appointed for the purpose by the Authority.
- (3) As soon as may be after the accounts of the Authority have been audited, the auditors shall transmit to the Ministers copies of the statements of account together with their report thereon, and the Ministers shall lay a copy of the statements and report before each House of Parliament.
- (4) Copies of reports and statements of account prepared by the Authority under this section shall be made available to the public at a reasonable price.
- (5) In this section—
  - (a) " accounting period " means the period beginning with the establishment of the Authority and ending with such date falling not more than twelve months later as the Authority may determine, or any subsequent period of not more than fifteen months, beginning with the end of a previous accounting period, which the Authority may appoint, and
  - (b) " qualified accountant" means a person who is a member, or a firm all of the partners wherein are members, of one or more of the following bodies, that is to say—
    - The Institute of Chartered Accountants in England and Wales;
    - The Institute of Chartered Accountants of Scotland;
    - The Association of Certified and Corporate Accountants;
    - The Institute of Chartered Accountants in Ireland;
    - Any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Board of Trade.

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## 22 Prosecution of offences

- (1) No proceedings for an offence under this Act shall be instituted in England or Wales except—
  - (a) by the Authority, or
  - (b) by, or with the consent of, the Director of Public Prosecutions.
- (2) No proceedings for an offence under this Act shall be instituted in Northern Ireland except—
  - (a) by the Authority, or
  - (b) by, or with the consent of, the Attorney General for Northern Ireland.
- (3) Where a body corporate is guilty of an offence under this Act, and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
- (4) In this section " director ", in relation to a body corporate established by or under any enactment for the purpose of carrying on under national ownership any industry or part of an industry or undertaking, being a body corporate whose affairs are managed by its members, means a member of that body corporate.

## 23 Provisions as to schemes, orders and regulations

- (1) Any scheme, order or regulations made under this Act may make different provision as to different kinds of home-grown cereals, or in relation to different parts of the United Kingdom, and may in any other respect make different provision in relation to different cases.
- (2) Any power to make an order or regulations under this Act shall be exercisable by statutory instrument.
- (3) Subject to the next following subsection, any statutory instrument containing an order or regulations under this Act shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (4) The last preceding subsection shall not apply to any order under section 7 of this Act of which, by virtue of subsection (3) of that section, a draft is required to be laid before Parliament, and shall not apply to any order under section 8, section 16 or section 19 of this Act.

## 24 Interpretation

- (1) In this Act " the Ministers " means the Minister of Agriculture, Fisheries and Food and the Secretaries of State respectively concerned with agriculture in Scotland and Northern Ireland, and, in the case of anything falling to be done by the Ministers, means those three Ministers acting jointly, and " the appropriate Minister or Ministers "
  - (a) in relation to the whole of the United Kingdom, means those three Ministers, and, in the case of anything falling to be done by the appropriate Minister or Ministers, means those Ministers acting jointly ;

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- (b) in relation to the whole of Great Britain, means the Minister of Agriculture, Fisheries and Food and the Secretary of State concerned with agriculture in Scotland, and, in the case of anything falling to be done by the appropriate Minister or Ministers, means those two Ministers acting jointly;
  - (c) in relation to England and Wales separately, means the Minister of Agriculture, Fisheries and Food;
  - (d) in relation to Scotland separately, means the Secretary of State concerned with agriculture in Scotland; and
  - (e) in relation to Northern Ireland separately, means the Minister of Agriculture, Fisheries and Food and the Secretary of State concerned with agriculture in Northern Ireland, and, in the case of anything falling to be done by the appropriate Minister or Ministers, means those two Ministers acting jointly.
- (2) In this Act, except in so far as the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say:—
- " cereals (guarantee payments) order " means an order under section 1 of the Agriculture Act 1957 which provides for payments to growers of home-grown cereals;
  - " deficiency payment " means a payment made in pursuance of any cereals (guarantee payments) order ;
  - " forward contract " means a contract of sale under which the date on which the cereals to which the contract relates are required to be delivered cannot fall within the month in which the contract is made or within the month immediately following that month;
  - " functions " includes powers and duties, and any reference to the performance of functions shall be construed accordingly;
  - " home-grown cereals " means cereals grown in the United Kingdom and being either wheat, barley, oats or rye;
  - " registered grower " means a person for the time being registered as a grower for the purposes of any cereals (guarantee payments) order;
  - " related product " has the meaning assigned to it by section 1(10) of the Agriculture and Horticulture Act 1964;
  - " year " means a period of twelve months beginning with the 1st July in any calendar year, except that, in relation to any time when a different period is defined as a year for the purposes of a cereals (guarantee payments) order which is for the time being in force, it shall mean the period so defined.
- (3) Any reference in this Act to a kind of cereals (whether home-grown cereals or not) is a reference to one of the following kinds, that is to say, wheat, barley, oats and rye.
- (4) In this Act any reference to delivery of cereals includes a reference to the despatch of cereals to the buyer under a contract of sale or on the instructions of such a buyer ; and—
- (a) any scheme under Part I of this Act, and any order under section 13 of this Act, may include provision whereby, for the purposes of the scheme or order, home-grown cereals shall be treated as delivered in such circumstances (in addition to actual delivery or despatch) as may be specified in the scheme, and
  - (b) in relation to a scheme which includes such a provision, the reference in section 15(4) of this Act to cereals delivered in the relevant year shall be construed accordingly.

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- (5) In this Act any reference to a dealer in home-grown cereals is a reference to a person trading as a wholesale buyer and seller of home-grown cereals, and any reference to a person who processes home-grown cereals is a reference to a person who applies an industrial process to home-grown cereals in the course of a business carried on by him.
- (6) In this Act any reference to a part of the United Kingdom is a reference to one, or any two, of the three following, that is to say—
  - (a) England and Wales;
  - (b) Scotland;
  - (c) Northern Ireland.
- (7) Except in so far as the context otherwise requires, any reference in this Act to an enactment shall be construed as a reference to that enactment as amended or extended by or under any other enactment.

## **25 Short title and extent**

- (1) This Act may be cited as the Cereals Marketing Act 1965.
- (2) This Act extends to Northern Ireland.



## SCHEDULES

### SCHEDULE 1

Section 1.

#### PROVISIONS AS TO HOME-GROWN CEREALS AUTHORITY

- 1 The Authority shall be a body corporate with perpetual succession and a common seal.
- 2 (1) It shall be within the capacity of the Authority as a statutory corporation to do such things and to enter into such transactions as are incidental or conducive to the performance of any of their functions.  
(2) Without prejudice to the generality of the preceding sub-paragraph, where in the performance of any of their functions the Authority render any services to any person they may make such charges in respect of those services as may be agreed between the Authority and that person.
- 3 For the purposes of the Restrictive Trade Practices Act 1956, the definition of "trade association" in section 6(8) of that Act shall be construed as not including the Authority.
- 4 The validity of any proceedings of the Authority shall not be affected by any vacancy among the members of the Authority or by any defect in the appointment of any of the members of the Authority.
- 5 (1) Subject to the following provisions of this paragraph, a member of the Authority, and the chairman and deputy chairman, shall hold and vacate office as such in accordance with the terms of his appointment.  
(2) If the chairman or deputy chairman ceases to be a member of the Authority, he shall also cease to be chairman or deputy chairman.  
(3) A member of the Authority may at any time, by notice in writing addressed to the secretary of the Authority, resign his membership, and the chairman or deputy chairman may, by the like notice, resign his office as such.
- 6 (1) A member of the Authority shall, if he is in any way directly or indirectly interested in a contract made or proposed to be made by the Authority, disclose the nature of his interest at a meeting of the Authority as soon as possible after the relevant circumstances have come to his knowledge.  
(2) Any disclosure made by a member under the preceding sub-paragraph shall be recorded in the minutes of the Authority, and that member shall not take part after the disclosure in any deliberation or decision of the Authority with respect to that contract, but may, nevertheless, be taken into account for the purpose of constituting a quorum of the Authority.
- 7 In the case of an equality of votes at any meeting of the Authority, the person who is chairman at that meeting shall have a second or casting vote.

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- 8 Subject to paragraphs 6 and 7 of this Schedule, the Authority may determine their own quorum and procedure and the quorum and procedure of any committee of the Authority.
- 9 (1) The Authority may appoint a secretary and such other officers and such servants as the Authority may determine.
- (2) The Authority shall—
- (a) pay to their officers and servants such remuneration and such travelling or other allowances as they may determine, and
  - (b) as to any officers or servants in whose case the Authority may determine to do so, pay to or in respect of them such pensions and gratuities, or provide and maintain for them such pension schemes (whether contributory or not), as the Authority may with the approval of the Ministers determine.
- 10 (1) The Authority may appoint such advisory committees as they think fit, to consider such matters with which the Authority are concerned as the Authority may determine and to report on those matters to the Authority ; and any such committee may include persons who are not members of the Authority.
- (2) The Authority may pay to members of any such committee, who are not members of the Authority, such allowances as the Ministers may, with the approval of the Treasury, determine.
- 11 The application of the seal of the Authority shall be authenticated by the signatures of two members of the Authority and of the secretary of the Authority or some other person authorised by the Authority to do so in his place.
- 12 In Part II of Schedule 1 to the House of Commons Disqualification Act 1957 (bodies of which all members are disqualified under that Act), there shall (at the appropriate point in alphabetical order) be inserted the following entry:—
- “The Home-Crown Cereals Authority”;
- and the like amendment shall be made in the Part substituted for the said Part II by Schedule 3 to that Act in its application to the Senate and House of Commons of Northern Ireland.

## SCHEDULE 2

Section 9.

### DETERMINATION OF PRICE FOR PURPOSES OF SECTION 9

- 1 (1) The provisions of this Schedule shall have effect for the purpose of determining at any time the price which, in relation to the prescribed quality of home-grown cereals of any kind, is required by section 9 of this Act to be determined in accordance with those provisions.
- (2) In this Schedule " the regulations" means the regulations made under section 9 of this Act and " the prescribed quality" means the quality prescribed by those regulations.
- 2 For the purposes of this Schedule the basic price for the prescribed quality of home-grown cereals of any kind shall be ascertained as follows, and any reference in this Schedule to " the basic price " shall be construed accordingly:—
- (a) if one minimum import price level for all imports of cereals of that kind has been prescribed by an order under section 1(2) of the Agriculture and Horticulture Act 1964 which is for the time being in force, that minimum

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- import price level shall be the basic price for the prescribed quality of home-grown cereals of that kind ;
- (b) if two or more minimum import price levels have been so prescribed for different qualities of cereals of that kind, that one of those minimum import price levels which is prescribed by the regulations shall be the basic price for the prescribed quality of home-grown cereals of that kind.
- 3 Where the basic price for the prescribed quality of homegrown cereals of any kind has been ascertained and that price relates to a quality of cereals of that kind which is different from the prescribed quality, the regulations may require that price to be adjusted in such way as appears to the Ministers to be appropriate for taking account of that difference in quality.
- 4 (1) The basic price for the prescribed quality of home-grown cereals of any kind (or, where that price has been adjusted under paragraph 3 of this Schedule, that price as so adjusted) shall (where the regulations so require) be adjusted, or further adjusted, as the case may be, in such way as may be prescribed by the regulations for the purposes of this paragraph.
- (2) Where—
- (a) the basic price has been determined by reference to delivery at a particular kind of place, or in particular circumstances, and
- (b) so much of the regulations as relates to the way in which the average market price is to be determined for the purposes of section 9 of this Act requires that price to be determined by reference to delivery at a different kind of place, or in different circumstances,
- any such adjustment shall be such as appears to the Ministers to be appropriate for taking account of those differences in place or circumstances of delivery.
- 5 The price required to be determined for the prescribed quality of home-grown cereals of any kind, as mentioned in paragraph 1(1) of this Schedule, shall be the basic price for that quality of home-grown cereals of that kind, as adjusted in accordance with paragraph 3 or paragraph 4 of this Schedule, or in accordance with both those paragraphs, as the case may be.
- 6 For the purposes of this Schedule an order under section 1(2) of the Agriculture and Horticulture Act 1964 shall be taken to be in force at any time, notwithstanding that the order provides that the date as from which the minimum import price levels specified in the order are to apply is itself to be determined by a subsequent order.

### SCHEDULE 3

Section 13.

#### SUPPLEMENTARY PROVISIONS AS TO LEVIES

- 1 If at any time during a year it appears to the Authority that the amount determined by the Ministers under section 13(3) of this Act as the amount to be raised by levy for that year for the purposes of the Authority's functions under Part I or, as the case may be, Part II of this Act will fall short of the amount required to be so raised for that year, the Authority may prepare and submit to the Ministers an estimate (in this Schedule referred to as a " supplementary estimate ") of the amount of the deficiency together with proposals as to—
- (a) the kinds of home-grown cereals in respect of which a supplementary levy should be raised, and

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- (b) the apportionment of the amount specified in the supplementary estimate as between those kinds of home-grown cereals.
- 2 As soon as practicable after the submission to the Ministers of one or more supplementary estimates for any year, the Ministers shall—
- (a) determine what additional amount (if any) is to be raised by levy for that year for the purposes of the Authority's functions under Part I or, as the case may be, Part II of this Act, and the kinds of home-grown cereals in respect of which a supplementary levy is to be raised for that year, and
- (b) apportion any amount so determined as between those kinds of home-grown cereals, and
- (c) make an order for that year specifying, in respect of each of those kinds of home-grown cereals, such rate of supplementary levy as appears to the Ministers to be sufficient (but not more than sufficient) to meet any amount apportioned to that kind of home-grown cereals under this paragraph.
- 3 Where an order is made for any year under the last preceding paragraph, the provisions of sections 15 and 16 of this Act shall have effect in relation to that year as if any reference in those provisions to the rate specified in relation to a kind of home-grown cereals in an order under section 13 of this Act were a reference to the aggregate of that rate and of the rate of supplementary levy specified in relation to that kind of home-grown cereals in the order under the last preceding paragraph.
- 4 Where under section 13(3) of this Act, or under paragraph 2 of this Schedule, the Ministers determine that an amount is to be raised by levy for the purposes of the Authority's functions both under Part I and under Part II of this Act, any order specifying the rates of the levy shall indicate how much of each rate specified in the order is attributable to functions of the Authority under Part I of this Act and how much of each such rate is attributable to their functions under Part II of this Act.
- 5 For the purposes of sections 13 to 17 of this Act and of this Schedule any sums paid by the Authority (whether by way of remuneration or otherwise) to or in respect of officers or servants of the Authority employed wholly or mainly in connection with any functions of the Authority under Part II of this Act shall be taken to be expenditure incurred in the performance of those functions and not in the performance of functions under Part I of this Act.
- 6 A crop which—
- (a) consists of two or more kinds of home-grown cereals (whether it includes oats or not), and
- (b) is a crop in respect of which a deficiency payment is made as if it consisted of oats,
- shall for the purposes of sections 13 to 17 of this Act and of this Schedule be treated as if it consisted of oats.