STATUTORY INSTRUMENTS

1964 No. 840

AGRICULTURE

GUARANTEED PRICES AND ASSURED MARKETS

The Cereals (Guarantee Payments) Order 1964

Made - - - -	*9th June* 1964
Laid before Parliament	*15th June* 1964
Coming into Operation	*1st July* 1964

The Minister of Agriculture, Fisheries and Food and the Secretaries of State respectively concerned with agriculture in Scotland and Northern Ireland, acting jointly, in exercise of the powers conferred upon them by sections 1, 35(3) and 36(3) of the Agriculture Act 1957(a), and of all other powers enabling them in that behalf, with the consent of the Treasury and after consultation with such bodies of persons as appear to the said Ministers to represent the interests of producers of cereals, hereby make the following order:—

Citation, commencement, interpretation and revocation

1. This order may be cited as the Cereals (Guarantee Payments) Order 1964; and shall come into operation on 1st July 1964.

2.—(1) In this order, except where the context otherwise requires—

"cereals" means wheat, rye, oats or barley;

"determined" means determined by the Minister with the approval of the Treasury and as respects any guaranteed price to be determined in pursuance of this order means so determined by the Minister from time to time in the light of the conclusions of the Ministers from a review held under section 2 of the Agriculture Act 1947(b);

"guaranteed price", "target indicator price", "standard quantity", "annual production" and "average realised price" mean respectively the prices and quantities determined or ascertained pursuant to article 3 of this order;

"millable rye" means rye which is sweet and in fair merchantable condition, reasonably free from sprouted grains, commercially clean as regards admixture and tailings and commercially free from heated or mouldy grains or objectionable taint, and capable of being manufactured into a sound sweet flour or meal fit for human consumption having regard to the customary methods employed in the milling industry for cleaning and conditioning rye;

"millable wheat" means wheat which is sweet and in fair merchantable condition, reasonably free from sprouted or smutty grains, commercially clean as regards admixture and tailings and commercially free from heated or mouldy grains or objectionable taint, and capable of being manufactured into a sound sweet flour fit for human consumption having regard to the customary methods employed in the milling industry for cleaning and conditioning wheat;

(a) 5 & 6 Eliz. 2. c. 57. (b) 10 & 11 Geo. 6. c. 48.

" the Minister " in relation to any part of the United Kingdom means either that one of the Ministers who is concerned with agriculture in that part, or that Minister and either or both of the others acting jointly;

" the Ministers " means the Minister of Agriculture, Fisheries and Food and the Secretaries of State respectively concerned with agriculture in Scotland and Northern Ireland acting jointly;

" registered grower ", in relation to any cereals, means the person for the time being registered by the Minister, in such manner and subject to such conditions as he may from time to time specify, as the grower of those cereals for the purposes of this order;

" year " means a period of twelve months commencing with the first day of July in any calendar year.

(2) The Cereals (Deficiency Payments) Order 1955(a) and the Cereals (Deficiency Payments) (Amendment) Order 1961(b) are hereby revoked.

(3) The Interpretation Act 1889(c) shall apply to the interpretation of this order as it applies to the interpretation of an Act of Parliament and as if this order and the orders hereby revoked were Acts of Parliament.

Guarantee payments for wheat and barley

3.—(1) In respect of each year there shall be determined for wheat and barley respectively—

(*a*) a guaranteed price per hundredweight;

(*b*) a target indicator price, being a price per hundredweight determined by the Minister with the approval of the Treasury having regard to the minimum import price levels prescribed for wheat and barley respectively by order under section 1(2) of the Agriculture and Horticulture Act 1964(d); and

(*c*) a standard quantity.

(2) In respect of each year the Minister shall ascertain in such manner and at such time as appears to him proper for wheat and barley respectively—

(*a*) the quantity produced (hereinafter referred to as the " annual production ");

(*b*) the average realised price per hundredweight obtained by producers.

4. If in any year the annual production of wheat or barley—

(*a*) is not less than the standard quantity the guarantee payment shall be the amount, if any, by which the guaranteed price exceeds the target indicator price, or the average realised price, whichever is the higher, after that amount has been divided by the proportion that the standard quantity bears to the annual production;

(*b*) is less than the standard quantity and the average realised price is higher than the target indicator price the guarantee payment shall be the amount, if any, by which the guaranteed price exceeds the average realised price to which amount shall be added a proportion of the amount by which the average realised price exceeds the target indicator price, arrived at in accordance with arrangements determined by the Minister;

(*c*) is less than the standard quantity and the average realised price is equal to or lower than the target indicator price the guarantee payment

(a) S.I. 1955/962 (1955 I, p. 80).
(b) S.I. 1961/1072 (1961 II, p. 2056).
(c) 52 & 53 Vict. c. 63.
(d) 1964 c. 28.

shall be the amount by which the guaranteed price exceeds the average realised price:

Provided that where the annual production falls short of the standard quantity by such amount as may from time to time be determined by the Minister and the average realised price is lower than the target indicator price, any guarantee payment under this paragraph shall be reduced by a proportion of the difference between the average realised price and the target indicator price arrived at in accordance with a scale determined by the Minister.

5.—(1) Any guarantee payment relating to wheat ascertained pursuant to article 4 of this order may be made by the Minister subject to such conditions as he may from time to time with the approval of the Treasury specify, in respect of every hundredweight of millable wheat which is shown to his satisfaction to have been despatched or delivered during the year to, or in accordance with the instructions of, a purchaser thereof.

(2) Any guarantee payment relating to barley ascertained pursuant to article 4 of this order shall be subject to such conditions as the Minister may from time to time with the approval of the Treasury specify and may—

(*a*) be made in respect of any land which is shown to the satisfaction of the Minister to have been used for the purpose of growing barley for harvesting during the year, being barley harvested as grain, or available at such date as he may specify for harvesting as grain;

(*b*) be made at such a rate per acre as may be ascertained by the Minister, being a rate calculated by reference to the guarantee payment ascertained pursuant to article 4 hereof and the average yield of barley in hundredweights per acre in the United Kingdom ascertained by the Minister during such period as may appear to him to be appropriate:

Provided that—

(i) in the case of any barley which is despatched or delivered by or on behalf of the registered grower during the year in question to, or in accordance with the instructions of, a purchaser thereof the Minister may, subject to such conditions as he may from time to time with the approval of the Treasury specify, make a deduction from or addition to the amount of any payment which might have been made under the foregoing provisions of this article (adjusted as circumstances may require in consequence of the provisions of sub-paragraph (ii) hereof) at such a rate in respect of each hundredweight of barley despatched or delivered as aforesaid as the Minister may, if he thinks fit and with the approval of the Treasury, specify in relation to that part of the year in which the barley is despatched or delivered;

(ii) in the event of the total of any such additions in respect of barley despatched or delivered as aforesaid in any year exceeding or being less than the total of any such deductions in respect of barley so despatched or delivered in that year, the difference shall be taken into account by the Minister in ascertaining, in the case of that year, any rate of payment per acre in respect of barley under the preceding provisions of this order.

Guarantee payments for rye and oats and mixed cereals

6. In each year in respect of millable rye and oats—

(*a*) a guaranteed price shall be determined in each case at a price per hundredweight; and

(*b*) an average realised price shall be ascertained by the Minister in such manner and at such time as may appear to him proper.

Rye

7. If in any year the average realised price of millable rye ascertained pursuant to article 6(*b*) hereof is less than the guaranteed price determined pursuant to article 6(*a*) hereof, the Minister may, if he thinks fit, and subject to such conditions as he may from time to time with the approval of the Treasury specify, make a payment of an amount equal to the difference in respect of every hundredweight of millable rye which is shown to his satisfaction to have been despatched or delivered during that year to, or in accordance with the instructions of, a purchaser thereof.

Oats

8.—(1) If in any year the average realised price of oats ascertained pursuant to article 6(*b*) hereof is less than the guaranteed price determined pursuant to article 6(*a*) hereof, the Minister may, if he thinks fit, and subject to such conditions as he may from time to time with the approval of the Treasury specify, make a payment in respect of any land which is shown to his satisfaction to have been used for the purpose of growing oats for harvesting during the year in question, being oats harvested as grain or available at such date as he may specify for harvesting as grain.

(2) Any payment under paragraph (1) hereof shall be at a rate per acre ascertained by the Minister, being a rate calculated by reference to the difference between the average realised price and the guaranteed price determined pursuant to article 6 hereof and the average yield of oats in hundredweights per acre in the United Kingdom ascertained by the Minister in respect of such period as may appear to him appropriate.

Mixed Cereals

9. Where any land has been used for the purpose of growing a crop consisting entirely of two or more cereals or consisting of a mixture of one or more cereals and other produce, the Minister may, if he thinks fit, and subject to such conditions as he may from time to time with the approval of the Treasury specify, make in respect of that land a payment—

(*a*) in the case of a crop consisting entirely of cereals, of an amount equal to, or

(*b*) in the case of a crop consisting of cereals and other produce, of an amount equal to such percentage as the Minister may from time to time with the approval of the Treasury specify of,

any payment which he might have made in respect of that land under article 8 of this order if the crop had consisted of oats.

10. The Minister may, without prejudice to his general discretion in respect of any payment under this order, in respect of any land to which articles 5(2), 8 and 9 hereof apply, if he is of opinion—

(*a*) that the crop of cereals obtained from the land is unduly small or has been adversely affected by the unsuitability of the land for growing the crop or by negligence in connection with the preparation of the land for, or the sowing, tending or harvesting of, the crop; or

(*b*) that any of the land has been used in the twelve months preceding the harvesting of the crop in question in a manner likely to impair its fertility ; or

(*c*) in the case of a crop of cereals, or of cereals and other produce, which has been undersown with other crops, that the cereal seed sown was not sufficient to provide a proper crop of cereals or that the undersowing was done in such a manner or with seed of such a kind as to be likely to reduce the yield of the cereals ; or

(*d*) that the cereals were self-sown,

reduce to such extent as he thinks fit the amount of, or withhold, any payment which he might otherwise have made under that provision in respect of that land.

Persons to whom payments may be made

11. Any payment under this order shall be made to the registered grower of the cereals in question or, if the Minister is satisfied that the interest of the registered grower in that payment has passed to some other person, to that other person.

12. Subject to such terms and conditions as the Minister, with the approval of the Treasury, may specify, the Minister may for the purposes of this order make such payments by way of advance as he may from time to time in respect of any year think fit.

In witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 4th June 1964.

(L.S.)

Christopher Soames,
Minister of Agriculture, Fisheries and Food.

Given under the Seal of the Secretary of State for Scotland on 8th June 1964.

(L.S.)

Michael Noble,
Secretary of State for Scotland.

Given under the hand of the Secretary of State for the Home Department on 8th June 1964.

Henry Brooke,
Secretary of State for the Home Department.

We consent
9th June 1964.

John Hill,
M. A. Hamilton,
Two of the Lords Commissioners of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the order, but is intended to indicate its general purport.)

This order replaces the Cereals (Deficiency Payments) Order 1955 (S.I. 1955/962) as amended, and provides for changes in the arrangements for guarantee payments to producers of cereals following the determinations of the Ministers after a review held under section 2 of the Agriculture Act 1947.

The changes effected by the order relate only to wheat and barley and provision is now made for the determination each year of standard quantities and target indicator prices which are used for calculating the guarantee payments in respect of these two crops in differing circumstances.

The provisions relating to rye, oats and mixed cereals remain unchanged.