EXPLANATORY MEMORANDUM TO

THE HOME-GROWN CEREALS AUTHORITY (RATE OF LEVY) ORDER 2006

2006 No. 1357

1. This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

2. **Description**

2.1 The instrument specifies the rates of levy to be paid to the Home-Grown Cereals Authority ("HGCA") by dealers, growers and processors of specified cereals and of specified oilseeds grown in the UK. This levy is raised to enable the HGCA to carry out its statutory functions.

3. **Matters of Special Interest to the Joint Committee on Statutory Instruments**

3.1 None

4. **Legislative background**

4.1 The Order is being made pursuant to the requirements of section 13(3) of the Cereals Marketing Act 1965 ("the Act"). This provision requires Ministers to make an order, prescribing for a particular year rates of levy to be paid to the HGCA, following receipt of the HGCA's estimate of the amount required to be raised by levy for that year and an apportionment of the amount to be raised between different kinds of cereals and oilseeds.

4.2 The levy is imposed in accordance with the provisions of the Home-Grown Cereals Authority Cereals Levy Scheme 1987 (as varied) and the Home-Grown Cereals Authority Oilseeds Levy Scheme 1990 (as varied), both of which are schemes for raising a levy under section 16 of the Act.

5. **Extent**

5.1 The Order applies to all of the UK.

6. **European Convention on Human Rights**

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. **Policy background**

7.1 The HGCA is a levy funded body which was established by the Act to improve the production and marketing of specified home-grown cereals and oilseeds. This instrument, by prescribing levy rates, enables the HGCA to raise a levy and thereby carry out its statutory functions. Most of its funding comes from the levy.

7.2 On the basis of the amount estimated by the HGCA required to be raised by levy for this year, there will be no change to levy rates from the previous year. The instrument is therefore unlikely to raise any public interest. It is however of importance in that without this Order the HGCA would not have the bulk of the funding it relies upon. The HGCA engaged in consultation with industry following which it submitted its estimate of the amount needed to be raised by levy.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on the private or voluntary sector in that levy rates remain unchanged.

9. Contact

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