STATUTORY INSTRUMENTS

1965 No. 406

AGRICULTURE

The Hops Marketing Scheme (Amendment) Order 1965

Made - - - - 8*th March* 1965

Whereas the Hops Marketing Board duly submitted to the Minister of Agriculture, Fisheries and Food (hereinafter called " the Minister ") certain amendments of the Hops Marketing Scheme 1932(a), as amended(b), and the Minister duly published notice of the submission of the said amendments and of the time within which objections and representations with respect thereto might be made.

And whereas no such objections were made to the said amendments which are set forth in the Schedule hereto.

Now, therefore the Minister in pursuance of section 2 of the Agricultural Marketing Act 1958(c) and the First Schedule to that Act, hereby makes the following order :—

1. This order may be cited as the Hops Marketing Scheme (Amendment) Order 1965.

2. The amendments of the Hops Marketing Scheme 1932, as amended, which are set forth in the Schedule hereto are hereby approved and shall come into force on 16th March 1965.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 8th March 1965.

(L.S.) *Frederick Peart,*
Minister of Agriculture, Fisheries and Food.

THE SCHEDULE

1. In paragraph 2 there shall be added the following definition:—

"'The Brewers' Society' means the unincorporated association of this name consisting of Wholesale Brewers, firms of Brewers and Brewery Companies carrying on business in the United Kingdom and the Republic of Ireland and elsewhere."

2. In paragraph 17 there shall be added the following sub-paragraph:—

"(*d*) without prejudice to the generality of sub-paragraph (*c*) of this paragraph, may from time to time enter into any agreement with the Brewers' Society and with any members of the Brewers' Society in the Form of Agreement set out in the Third Schedule to this Scheme or in any form substantially to the like effect: and may include in any such agreement figures or percentages different from those set out in the said Form of Agreement."

(a) S.R. & O. 1932/505 (Rev. I, p. 203 : 1932, p. 24).
(b) S.R. & O. 1934/841, 1939/444, 1945/1486, S.I. 1948/642 (Rev. I, p. 204 : 1934 I, p. 14 ; 1939 I, p. 24 ; 1945 I, p. 1 ; 1948 I, p. 23), S.I. 1949/2456, 1950/655, 1955/464 (1949 I, p. 54 ; 1950 I, p. 38 ; 1955 I, p. 124).
(c) 6 & 7 Eliz. 2. c. 47.

3. In paragraph 35, in sub-paragraph (*b*), for the word "provisions" substitute the word " provisions " ; sub-paragraphs (*b*) and (*c*) shall be redesignated (*c*) and (*d*) respectively ; and there shall be inserted, immediately after sub-paragraph (*a*), the following new sub-paragraph: —

" (*b*) Acquire and sell to registered producers and other persons hop plants, but so that hop plants shall be sold primarily in such circumstances that they are likely to be utilized mainly by registered producers ; ".

4. In paragraph 40, at the end of sub-paragraph (*d*), there shall be added: —

" Provided that, if the Board by resolution so determine, such hops may be treated as 'for quota account' in any season when, in the opinion of the Board, the supply of hops accepted by the Board is less than the demand."

5. Immediately following the Second Schedule there shall be added: —

" THE THIRD SCHEDULE

Form of Agreement expressly authorised by Paragraph 17(*d*) of this Scheme.

THIS AGREEMENT is made this ..... day of ..... between the Hops Marketing Board of the first part and the Brewers' Society of the second part and the Subscribed Members of the Brewers' Society of the third part.

1. A Permanent Joint Hops Committee (hereinafter called " the Committee ") consisting of representatives of the Brewers' Society (hereinafter called " the Society ") and of the Hops Marketing Board (hereinafter called " the Board ") together with independent members to be appointed by the Minister of Agriculture, Fisheries and Food shall be set up, which shall, inter alia, supervise the administration of this Agreement.

2. For the purpose of paragraph 4 of this Agreement, provision shall be made for the Society to obtain from individual brewers each year estimates of their total requirements of English hops of the current year's crop and of the quantity of English hops, being not less than 90% of his total requirements of English hops, which each brewer undertakes to contract to buy and which the Board will contract to sell. The sum of the individual contracts shall equal not less than 90% of the estimated market demand for English hops.

The Society shall also estimate the total requirements of all hops of the current year's crop. Brewers who are registered producers within the provisions of the Hops Marketing Scheme shall include in the estimates furnished by them to the Society the quantity of hops of their own growths which they intend to retain for their own use. Such brewers shall set off against the fulfilment of the quantity which they contract to buy the quantity of hops of their own growths so retained by them up to but not exceeding their annual quota as registered producers.

3. On the information obtained under paragraph 2 above, the representatives of the Society on the Committee shall advise the Committee as to the probable demand for English and all hops, and shall provide the Committee with information as to the quantity which brewers as a whole have undertaken to contract to buy, and shall subsequently supply to the Board a list of brewers who have undertaken to enter into contracts with the Board, showing the estimated requirements and the quantity to be contracted in each case.

4. The independent members of the Committee, having before them such statistics of production, stocks and consumption of hops as are available, and the information given under paragraph 3 above, shall determine in February in each year the estimated market demand from the Board for English hops of the current year's crop. The estimated market demand shall exclude any hops supplied direct to brewers under existing contracts between brewers and growers which are registered with the Board.

5. In determining the annual quota of hops for each year's crop the Board shall undertake to have regard to the estimated market demand for English hops as determined under paragraph 4 above.

6. The Board shall undertake to appoint half the persons responsible for the grading and grade price determination of hops of each year's crop from among persons nominated by the Society.

7. In each season a date shall be fixed, not later than twenty-eight days after the commencement of trading before which no sale of English hops of the current year's crop shall take place except in fulfilment of the firm contracts entered into by each brewer or for exports to countries other than the Republic of Ireland and the Channel Islands. Subject to any decision by the Committee the date of the commencement of trading in any season shall be the date of the first day on which the Board carries out the valuation of hops. If all firm contracts are fulfilled before the expiration of the period fixed, then the commencement of general trading shall not be delayed beyond the date on which all firm contracts were fulfilled. To enable brewers to select the hops they require, facilities shall be given for the inspection and borrowing of samples by brewers and their agents.

8. The average price of all English hops of each crop shall be determined by the Committee who shall have regard to the available information as to the cost of production of that crop. The Committee shall have power to determine the source and method of ascertainment of the figures of the cost of production of hops.

9. If in any year the weighted average of all the prices determined by the persons appointed under paragraph 6 above (for all the hops taken by brewers in fulfilment of their contracts with the Board) differs by 1s. per hundredweight or more from the price determined in accordance with paragraph 8 above, then the Board shall consult the Society as to the adjustment, if any, to be made in the prices determined in accordance with paragraph 6, and if the Board and the Society fail to reach agreement on this matter it shall be determined by the independent members of the Committee. The average price means the average selling price, and includes factors' commission and the Hops Marketing Board's charges, but does not include Levy Fund contributions.

10. The Committee shall take into consideration each season, the sums standing to the credit of the Levy Fund, the maximum liability of the Levy Fund as provided in paragraph 13 below, and the quantity of hops for which brewers have undertaken to enter into contracts, and shall fix such rate of levy (if any) as the Committee shall deem necessary. This levy shall be added to the price of all hops sold by the Board and paid into a Levy Fund controlled by the Committee and invested in the names of the independent members as trustees.

Any income accruing on the securities from time to time forming the capital of the Levy Fund shall be paid to the Research Fund of the Institute of Brewing and for the removal of doubt it is expressly declared that during the whole period of this Agreement such income is assigned to the said Research Fund.

11. A date shall be fixed by the Committee on which the unsold balance, if any, of the estimated market demand for English hops shall be determined. There shall be paid out of the Levy Fund to the Board each season a sum equivalent to the difference between the value of the estimated market demand or the total crop (excluding insufficiently cured hops) consigned to the Board, whichever is the less, at the agreed average price determined in accordance with paragraph 8 above and the total receipts from the sale of hops (exclusive of Levy Fund contributions and receipts from the sale of insufficiently cured hops) which have been received by the Board before the date determined.

12. On the date fixed under paragraph 11 above the Board shall grant the Committee a general lien on all unsold hops held by the Board. The property in those hops shall be vested in the Committee and the Committee shall administer the disposal of the hops so long as receipts from the sale of the hops are less than the sum paid to the Board in accordance with paragraph 11 above.

13. The maximum liability of the Levy Fund in any year shall be equivalent to the actual value of 10% of the estimated market demand for English hops.

14. If in any season the Levy Fund is insufficient to meet its liabilities, advances may be obtained on the security of the hops held on account of the Levy Fund and/or the levy on future sales. Any balance remaining in the Levy Fund at the expiration of the Agreement shall be at the disposal of the brewing industry as represented by the Society.

15. The Board agree that they will operate the Hops Marketing Scheme so as to give effect to the following conditions :—

(*a*) In the operation of Clause 52 of the Scheme the Board will not give effect to the transfer of an annual quota if the Board are satisfied that the transferor is not making a bona fide attempt to produce the quantity of hops for which provision is made by his quota.

(*b*) In the operation of Clause 56 of the Scheme if the re-allotment of a lapsed basic quota has the effect of transferring the quota from one farm to another, the Board will notify the Society of such circumstances as are likely to affect the purchaser of the hops. If the Board propose to attach any conditions to the transfer such conditions will be given with the notification. If the Society make no observations on any such conditions within fourteen days, then the transfer shall proceed. If the Society object to any conditions attached by the Board, and is unable to agree with the Board, then the matter shall be determined by a person to be appointed by the Society and the Board jointly or, failing such appointment, a person to be appointed by the Committee.

16. This Agreement shall operate from the 31st day of March 1965 for a period of seven years and thereafter for successive periods of seven years until determined by either the Board or the Society at the end of any such period of seven years by twelve months' notice in writing or for such shorter period as the Hops Marketing Scheme may be operative.

17. The subscribed members of the Society agree that they will co-operate with the Board and with the Society in carrying out the terms of this Agreement and will comply with the same.

signed.....For and on behalf of the Hops Marketing Board.

signed.....For and on behalf of the Brewers' Society.

signed.....For and on behalf of the subscribed members of the Brewers' Society."

EXPLANATORY NOTE

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

This order further amends the Hops Marketing Scheme 1932. The principal provision is that an Agreement between the Hops Marketing Board and the Brewers' Society made in the form shown in the Schedule to the order is now expressly authorised by the Scheme. The Board may also trade in hop plants and make special payments in respect of certain hops in years of shortage.