

CHAPTER 197

AGRICULTURAL PRODUCTS (REGULATION)

Ordinances
Nos. 29 of 1939,
29 of 1941,
5 of 1942,
Acts
Nos. 31 of 1953,
7 of 1964.

AN ORDINANCE TO REGULATE THE IMPORTATION OF AGRICULTURAL COMMODITIES AND TO FACILITATE THE SALE OF THE AGRICULTURAL PRODUCTS OF CEYLON

[1st October, 1939.]

Short title. 1. This Ordinance may be cited as the Agricultural Products (Regulation) Ordinance.

Appointment of Commissioner and other officers 2. (1) There may be appointed any person by name or by office to be or to act as Commissioner for Agricultural Marketing, and may in like manner be appointed such Assistant Commissioners and other officers as may be deemed necessary for the purposes of this Ordinance.

(2) In the exercise of his powers and in the discharge of his duties under this Ordinance, the Commissioner shall be subject to the general direction and control of the Minister.

The Agricultural Products Regulation Board. 3. (1) There shall be established an "Agricultural Products Regulation Board" which shall consist of the Commissioner as *ex officio* chairman and not more than five other members all of whom shall be appointed by the Minister.

(2) Subject as hereinafter provided, each member of the board shall ordinarily hold office for a period of three years unless he is appointed to be a member of the board for some shorter period :

Provided that any member of the board may at any time resign from the board or be removed therefrom by order of the Minister.

(3) Regulations may be made providing for the conduct of the business of the board and the procedure to be observed at meetings of the board :

Provided that the board may regulate its own procedure in any matter not provided for by regulation.

(4) Where the board has by resolution determined that information on any matter is necessary for the purposes of this Ordinance, the chairman of the board may, at any time after the passing of such resolution, exercise in respect of any such matter any power conferred on the Director of Statistics by or under the Statistics Ordinance ; and that Ordinance shall, for such purpose, be read and construed and shall have effect as though-

(u) such matter were a matter to which the provisions of that Ordinance have been duly applied by Order under section 2 of that Ordinance ;

(b) any reference in that Ordinance to the Bureau of Statistics were a reference to the board ; and

(c) any reference in that Ordinance to the Director of Statistics were a reference to the chairman of the board.

4. (1) It shall be the duty of the board Functions of the board. to discharge such functions as are assigned to the board under this Ordinance and to advise the Minister from time to time on the following matters : —

(a) the agricultural products to which the provisions of this Ordinance shall be applied by Order under

section 5 and all other matters required to be prescribed by notification under section 6 ;

(b) any other matters referred by the Minister to the board for advice.

(2) The board shall also perform such functions, discharge such duties and exercise such powers as may be assigned or entrusted to or vested in the board by this Ordinance or by any regulation.

Application of Ordinance to specified agricultural products by Order of the Minister

5. (1) The Minister may, by Order, apply the provisions of this Ordinance with effect from a specified date to any agricultural product specified in that Order, and may, in like manner, vary or revoke any such Order.

(2) An agricultural product specified in an Order is hereinafter referred to as a "regulated product" and shall continue to be a regulated product for the purposes of this Ordinance until that Order is revoked as hereinbefore provided.

(3) Every Order shall, in addition, specify the local product which an importer must purchase in order to obtain a licence to import the regulated product.

(4) An Order may be made in respect of any agricultural product notwithstanding the revocation of any previous Order made in respect of the same product.

(5) Every Order shall be published in the Gazette and shall have effect from the date on which it is so published or from such later date as may be specified therein.

(6) Every Order shall, as soon as possible after the date of its publication in the Gazette, be brought before Parliament by a motion that such Order shall be approved.

(7) Any Order which Parliament refuses to approve shall be deemed to be revoked but without prejudice to the validity of anything previously done thereunder or to the making of any new Order. The date on which an Order shall be so deemed to be revoked shall be the date on which Parliament refuses to approve it.

(8) Notification of the date on which any Order is deemed to be revoked shall be published in the Gazette.

6. (1) The Minister, after consulting the board, may, by Notification published in the Gazette prescribe—

Notification of standard grade, price, &c.

(a) the ratio for determining the quantity of the local product which an importer must purchase in order to obtain a licence to import a specified quantity of the regulated product ;

(b) the price at which a specified grade of the local product will be sold to an applicant for a licence to import the regulated product and the place at which such local product will ordinarily be delivered to the purchaser.

(2) Where, in respect of any local product, the price referred to in paragraph (b) and proposed to be inserted in a Notification under subsection (1) is, in the opinion of the Minister, less than the cost (including all connected charges and expenses) at which that local product can be obtained by the Commissioner, such price shall not be prescribed by Notification until the Minister in charge of the subject of Finance has concurred in the draft of that Notification.

(3) Any ratio, price, grade, or place specified in a Notification published under subsection (1) is hereinafter referred to as the standard ratio, the standard price, the standard grade, or the standard place.

7. (1) No consignment of any quantity of any regulated product in respect of which the standard ratio is prescribed shall be imported into Sri Lanka unless the importation of a consignment of that quantity of that regulated product is authorized by an import licence issued by the Commissioner under this Ordinance.

Importation of regulated product in respect of which standard ratio is prescribed prohibited except under licence. [§ 2, 7 of 1964.]

(2) A separate import licence shall be necessary in respect of each consignment of any quantity of any regulated product referred to in subsection (1) which is imported into Sri Lanka. [§ 2, 7 of 1964.]

(3) Every import licence issued under this section shall cease to be valid on a date which shall be fixed by the Commissioner and inserted by him in the licence at the time the licence is issued.

[§ 2, 7 of 1964.] (4) For the purposes of the application of the Customs Ordinance, a regulated product in respect of which the standard ratio is prescribed shall be deemed to be an article the importation of which is restricted by Ordinance.

Application for import licence.

[§ 3, 7 of 1964.]

8. (1) Every application for a licence to import a consignment of any quantity of any regulated product in respect of which the standard ratio is prescribed shall be made to the Commissioner on a form which shall be provided by him for the purpose.

(2) The form of application for an import licence shall be prepared by the Commissioner and submitted to the board for approval. It shall not be issued for use until it has been approved by the board.

Payment for prescribed quantity of local product 3 condition precedent to issue of import licence

[§ 4, 7 of 1964.]

9. (1) No person shall be entitled to receive a licence authorizing the importation of a consignment of any quantity of any regulated product in respect of which the standard ratio is prescribed until he has paid to the Commissioner the standard price for delivery at the standard place of that quantity of the standard grade of the corresponding local product which bears the standard ratio to the quantity of such regulated product sought to be imported.

(2) Regulations may be made prescribing the circumstances and cases in which and the conditions subject to which security for payment may be accepted by the Commissioner in lieu of payment ; and where such security has been tendered and accepted by the Commissioner in accordance with such regulations, the acceptance of such security shall be deemed to be the equivalent of payment for the purposes of this section.

Coupon for proportionate quantity of local product paid for by importer.

10. (1) Every person who, under section 9, pays for any quantity of any local product for the purpose of obtaining an import licence, shall be entitled to receive from the Commissioner a coupon for that quantity of that local product.

(2) Where the Commissioner has, in his discretion, fixed the denominations of coupons to be issued in respect of any local product, a person entitled under subsection (1) to a coupon for any quantity of that local product shall be entitled to receive from the Commissioner on demand, instead of a single coupon, coupons of such denominations as will in the aggregate represent that quantity of that local product.

(3) Every coupon shall specify

- (a) the name and address of the person to whom and the date on which it is issued ;
- (b) the local product in respect of which it is issued and the quantity of that local product ; and
- (c) the date on which it shall cease to be valid.

(4) At any time before the date specified in any coupon under paragraph (c) of subsection (3), the Commissioner may, by notice sent by registered post addressed to the person to whom that coupon was issued, direct that for the date so specified a later or an earlier date shall be substituted ; and that coupon shall accordingly cease to be valid on such substituted date.

11. (1) Subject as hereinafter provided, the person to whom a coupon has been issued under section 10 may, at any time before that coupon ceases to be valid, upon application made to the Commissioner in that behalf, obtain from the Commissioner in exchange for that coupon a delivery warrant for the amount of the local product specified in that coupon :

Coupons to be exchanged for delivery Warrants.

Provided, however, that where, at the time when an application for a delivery warrant for any quantity of a local product specified in any coupon is so made, the Commissioner is of opinion that, having regard to the stocks of that local product at his disposal and to the number of coupons issued in respect of that product, it is inexpedient to issue a delivery warrant in exchange for that coupon at such time, he may defer the issue of such delivery warrant

to some later time, but so, however, that such warrant shall be issued before that coupon ceases to be valid ;

Provided, further, that nothing in the preceding provisions of this subsection shall in any way affect or prejudice any provision of section 12 or section 13.

(2) Every delivery warrant shall specify-

- (u) the quantity and grade of the local product which will be delivered on surrender of that warrant and the place at which such delivery will be made ; and
- (6) the person to whom that warrant is issued, the date of issue, and the date on which that warrant shall cease to be valid.

(3) A delivery warrant shall be sufficient authority for any person, on surrender thereof, to obtain at the place specified therein delivery from the stocks at the disposal of the Commissioner of such quantity of such grade of such local product as may be specified in that delivery warrant.

(4) Any person entitled to the delivery of any quantity of any local product on surrender of a delivery warrant at the place of delivery specified in such warrant, shall be entitled, on such surrender, to have that quantity of that local product **despatched** to him from that place to any railway station named by him on payment to the prescribed officer in the prescribed manner of the freight and charges for the conveyance of such goods to such railway station.

Commissioner authorized to issue multiple delivery warrant and to vary standard place of delivery, standard grade, &c.

12. (1) It shall be lawful for the Commissioner in his discretion to issue, in exchange for any coupon, separate delivery warrants for any part of the quantity of the local product specified in that coupon :

Provided that the aggregate of the quantities specified in such delivery warrants shall be equal to the quantity specified in the coupon.

(2) It shall be lawful for the Commissioner in his discretion to specify in any delivery warrant issued under this Ordinance for any quantity of any local

product -

- (a) that such local product shall be of a grade other than the standard grade ; or
- (6) that such local product shall be delivered at a place other than the standard place ; or
- (c) that such local product shall be of a grade other than the standard grade and shall be delivered at a place other than the standard place.

(3) Where under subsection (2) any variation is made in the grade, or in the place of delivery, or in both the grade and in the place of delivery, of any local product, the standard price of such local product may be varied and the price to be paid for such local product shall be such price as the Commissioner may have fixed for any such variation with the approval of the board.

(4) Where the price fixed under subsection (3) is lower than the standard price, the person to whom a coupon has been issued shall, at the time of issue to him of a delivery warrant in exchange for that coupon, be entitled to a refund of the amount by which the cost at the standard price of the quantity specified in such delivery warrant exceeds the cost of that quantity at the lower price so fixed.

(5) Where the price fixed under subsection (3) is higher than the standard price, the person to whom a coupon has been issued shall not be entitled to receive any delivery warrant in exchange for that coupon until he has paid to the Commissioner the amount by which the cost at such higher price of the quantity specified in any such delivery warrant exceeds the cost of that quantity reckoned at the standard price.

(6) No delivery of any quantity of any local product specified in any delivery warrant shall be made after the date on which that warrant ceases to be valid.

(7) Where delivery of any quantity of any local product specified in any delivery warrant is not taken before the date on which that warrant ceases to be valid, a quantity of that local product in the stocks

of the Commissioner, corresponding to the quantity of that local product specified in the delivery warrant, shall be sold at the risk of the person to whom that warrant was issued.

(8) Where any quantity of any local product specified in any delivery warrant is sold under subsection (7), the person to whom that delivery warrant was issued may, on application made to the Commissioner and on surrender of that delivery warrant, be entitled to be paid the sum realized at such sale less—

(a) warehouse charges (at such rates as the Commissioner may in his discretion determine) for that quantity of that local product until the time of sale ; and

(b) the costs of such sale ;

and, upon payment of such sum to such person, the Government and the Commissioner shall be discharged from any liability to any person in respect of that delivery warrant.

(9) If no application is made under subsection (8) by the person to whom any delivery warrant was issued within a period of six months reckoned from the date of issue specified in that warrant, any sum which such person may have claimed under that subsection shall be credited to the Consolidated Fund ; and the Government and the Commissioner shall thereupon be discharged from any liability to any person in respect of that delivery warrant or of any sum payable under subsection (8) to the person to whom that delivery warrant was issued.

(10) Subject to the provisions of this Ordinance, the issue of a delivery warrant shall be deemed to constitute a contract between the State and the person to whom the delivery warrant is issued.

Cancellation of coupon and refund of price paid under section 9 in certain cases.

13. Where a coupon has been issued under section 10 in respect of any quantity of any local product and the Commissioner is of opinion that, having regard to the stocks of that local product at his disposal and to the number of coupons issued in respect of that product, it is inexpedient to issue a delivery warrant in exchange for that coupon, or to defer the issue of such delivery warrant, in accordance with the

provisions of section 11, he may, notwithstanding anything in the preceding provisions of this Ordinance—

(a) recall and cancel that coupon, and

(6) refund the price paid under section 9 for the quantity of the local product specified in that coupon.

14. (1) The Minister may make regulations for the purposes of this Ordinance and such regulations may contain such incidental, consequential and supplementary provisions as may appear to the Minister to be necessary or proper for giving full effect to this Ordinance.

Regulations.

(2) No regulation shall have effect until it has been approved by Parliament. Notification of such approval shall be published in the Gazette.

(3) Upon the publication in the Gazette of a notification to the effect that a regulation made by the Minister has been approved by Parliament, that regulation shall be as valid and effectual as if it were herein enacted.

15. The Minister may by Notification published in the Gazette, authorize any officer appointed under section 2 to exercise the powers and perform the duties of the Commissioner under this Ordinance in respect of any matter or for any purpose specified in such Notification.

Authority of other officers to act for Commissioner in specified cases.

16. In this Ordinance, unless the context otherwise requires—

Interpretation.

“ agricultural product ” means any agricultural or horticultural produce whether grown in Sri Lanka or outside Sri Lanka and whether in its natural state or otherwise adapted, prepared, treated or dealt with for sale or for consumption, and includes any commodity derived or manufactured in whole or in part from any such produce by any operation or process ;

“ board ” means the Agricultural Products Regulation Board established under this Ordinance ;

" Commissioner " means the person appointed under section 2 to be or to act as Commissioner for Agricultural Marketing and includes an Assistant Commissioner ;

" consignment ", when used with reference to any regulated product, means any quantity of that product upon the importation of which into Sri Lanka a separate bill of entry is required under the Customs Ordinance to be delivered to the Collector, whether for payment of duty upon, or for the warehousing of, such quantity or for the payment of duty upon such quantity when it is taken out of the warehouse ;

" coupon " means a coupon issued under section 10 ;

" delivery warrant " means a delivery warrant issued under section 11 ;

" grade ", when used with reference to any agricultural product, includes any quality, variety or description of that product ;

" import licence " means a licence to import a regulated Product ;

" local product " means an agricultural product either grown in Sri Lanka or derived or manufactured from an agricultural product grown in Sri Lanka ;

" Order " means an Order made by the Minister under section 5 ;

" prescribed " means prescribed by or under this Ordinance or by any regulation ;

" regulated product " means an agricultural product to which the provisions of this Ordinance have been applied by an Order ;

" regulation " means a regulation made by the Minister under section 14 ;

" standard ", when used with reference to any grade, place, price or ratio, means the grade, place, price or ratio prescribed in a Notification published under section 6.

17. The provisions of this Ordinance shall be in addition to and not in derogation of any other written law relating to the marketing or sale or importation of agricultural products.