
EXPLANATORY NOTE

(This note is not part of the Order)

By this Order the Ministers approve, with modifications, a Scheme which revokes and replaces that approved by the Home-Grown Cereals Authority Levy Scheme (Approval) Order 1974 (S.I.1974/2083). The Scheme is for the purpose of financing the Authority, applies throughout the United Kingdom and comes into force on 1st August 1987.

The Scheme provides for—

- (a) dealer levy in respect of cereals sold by growers to dealers, processors or overseas purchasers (paragraph 4),
- (b) grower levy in respect of cereals sold into intervention (except where dealer levy has already been imposed) (paragraph 5), and
- (c) processor levy in respect of cereals sold and delivered to a processor (paragraph 6).

In each case the Scheme specifies the persons upon whom liability to pay levy is imposed (paragraphs 4(2) and 4(3), 5(2) and 6(1)) and who may now include agent intermediaries and financial intermediaries.

There are exemptions in respect of dealer levy where the quantity purchased in any year is less than 40 tonnes (paragraph 4(4)) and in respect of processor levy where the quantity delivered in any year is less than 200 tonnes (paragraph 6(2)). Provision is made in respect of dealer levy for recovery of contributions equal to grower levy from growers or their agents (paragraph 4(5)) and in respect of processor levy for recovery of rebate from the Authority (paragraph 6(3)).

The modifications to the Scheme extend the right to claim rebate of processor levy to all cases where cereals are disposed of unprocessed.

The Scheme also provides for the registration of dealers, processors, agent intermediaries and financial intermediaries and for them and for growers to be required to keep records of purchases, sales and processing of cereals (paragraphs 3 and 9).

Paragraph 10 of the Scheme makes transitional provision in respect of contribution by dealers and processors to levy under the Home-Grown Cereals Authority Levy Scheme 1974.

The principal changes made by the Scheme are—

- (a) dealer, grower and processor levies replace the single levy imposed on dealers and processors and the contributions to that levy made by growers from whom they bought and dealers and processors to whom they sold,
- (b) sales to the Intervention Board for Agricultural Produce may attract grower levy,
- (c) following amendments to the Cereals Marketing Act 1965 made by the Agriculture Act 1986,—
 - (i) “cereals” now includes not only wheat, barley and oats but also durum wheat, rye, maize, triticale and any two or more such cereals grown as one crop,
 - (ii) “dealer” is extended to include persons trading as wholesale buyers or wholesale sellers of cereals,
 - (iii) “processor” is extended to include persons who apply an industrial process to cereals (other than cereals grown by them) in the course of a business whether or not they intend to sell the processed cereals, and

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(iv) “agent intermediary” and “financial intermediary” are introduced and the persons so defined made liable to levy in specified circumstances.

Penalties are provided for in section 17 of the Cereals Marketing Act 1965 as amended.

A Home-Grown Cereals Authority (Rate of Levy) Order is made annually specifying the rate of levy for each of the kinds of home-grown cereals in respect of which levy is to be imposed.