

BILL No. 7 of 1998

Saturday 10th October, 1998

PARLIAMENT OFFICE,
Public Buildings,
Georgetown,
Guyana.

15th October, 1998

The following Bill which was introduced in the National Assembly is published for general information.

F. A. Narain,
Clerk of the National Assembly.



GUYANA

Bill No. 7 of 1998

RICE FACTORIES BILL 1998

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and commencement
2. Interpretation.
3. Application for permit to establish rice factory.
4. Rice not to be manufactured without licence.
5. Refusal to issue licences.
6. Appeal against refusal to issue licence.
7. Form and fees for licences.
8. Revocation of licences.
9. Transfer of licences.
10. Power to enter and inspect factory and examine books.
11. Register of licences.
12. Official padi grading agency.
13. Padi to be bought or sold at 143 lbs per bag.
14. Application of due process provisions.
15. Prosecution of offences and recovery of penalties.
16. Repeal.
17. Regulations.

FIRST SCHEDULE - Application for Licence to manufacture rice.

SECOND SCHEDULE - Licence to manufacture rice.

THIRD SCHEDULE - Application for Official Padi Grading Agency Status.

FOURTH SCHEDULE - Authorisation as Official Padi Grading Agency.

FIFTH SCHEDULE - Establishment Requirements for Rice Factories.

2

A BILL
INTITULED

AN ACT to repeal and re-enact the Rice Factories Act 1998 to provide for the establishment of rice factories, the regulation and control of rice factories and the manufacture of rice.

A.D. 1998 Enacted by the Parliament of Guyana:-

Short title and commencement. 1. This Act, may be cited as the Rice Factories Act 1998, and shall come into operation on such date as the Minister may by order appoint.

Interpretation.

Act No.15 of 1994

Cap. 19:02

2. In this Act -

- (a) "Board" means the Guyana Rice Development Board established by section 3 of the Guyana Rice Development Board Act 1994.
- (b) "district" means a district declared and established by the Minister under section 2 of the District Government Act;
- (c) "licence" means a licence issued to a person under section 4;
- (d) "licensee" means a person to whom a licence has been issued;
- (e) "manufacture of rice" means the use of any process in connection with the converting of padi into rice;
- (f) "official padi grading agency" means a facility authorised by the Board under section 12;
- (g) "padi" means the unhulled product of the rice plant;
- (h) "rice factory" means any premises on which

3

padi is manufactured into rice by mechanical power, and includes any place, building, machinery or equipment used in connection with the storage of padi or rice, or the manufacture of rice and includes rice milling facilities;

(i) "rice milling facility" means premises, whether or not owned by the Government or any of its agencies -

(i) into which padi or rice may be received directly from trucks, trailers, ships or other conveyances, or out of which padi or rice may be discharged directly into trucks, trailers, ships or other conveyances;

(ii) constructed for the purpose of handling, storing and processing padi or rice received directly from producers, otherwise than as part of the farming operation of a particular producer,

and which have services ancillary to milling including services for the welfare of workers;

Appli- 3. (1) A person who desires to establish
cation for a rice factory shall apply to the Board for a permit
permit to to do so in triplicate accompanied by -
establish
rice factory.

- (a) the building plans;
- (b) the certificate of title, lease or any other document evidencing title or a right of occupancy of the land;
- (c) an environmental permit from the Environmental Protection Agency established under the Environmental Protection Act 1996 or a statement from

Act No. 11
of 1996

the Agency to the effect that the

applicant has been exempted from the requirement for an environmental impact assessment.

(2) The Board upon receipt of the documents referred to in subsection (1) shall transmit copies thereof to the Central Housing and Planning Authority, the Central Board of Health, the Factories Division of the Occupational Health and Safety Department, the Environmental Protection Agency and the Department of Fire Service for their consideration and recommendations.

(3) The Board shall, notwithstanding anything in any other written law, upon receipt of the recommendations of the entities to which the documents were transmitted and taking those recommendations into consideration decide whether or not a permit should be granted for the rice factory to be established.

(4) The Board shall issue a permit under this section, where the applicant satisfies generally the requirements for rice factories specified in the

Fifth schedule Fifth Schedule.

Rice not 4.(1) No person shall manufacture rice unless, to be manu- upon an application therefor in the Form in the factured First Schedule, he is issued with a licence by the without Board. licence.

sixth (2) In any case where a producer sells padi to a manufacturer, the sale shall be evidenced in writing, in the Form in the Sixth Schedule. schedule

(3) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable, on summary conviction -

(a) for a first offence, to a fine of five hundred thousand dollars and in the case of a continuing offence a further fine of one thousand dollars for

5

each day during which the offence continues;

(b) for a second or subsequent offence, to a fine of five hundred thousand dollars and imprisonment for six months, and in the case of a continuing offence to a further fine of one thousand dollars for every day during which the offence continues.

Second Schedule (4) A licence shall be in the Form in the Second Schedule and shall be subject to the conditions attached thereto.

Refusal to issue licences. 5. The Board may refuse to issue a licence to any applicant who in the five-year period immediately preceding his application was convicted of an offence under this Act.

Appeal against refusal to issue licence. 6. (1) An applicant who is aggrieved by a decision of the Board refusing to issue a licence may, within thirty days of the date of being notified of the decision, appeal in writing to the Minister and within the same period furnish to the Board a copy of his appeal.

(2) An appeal shall contain the facts and arguments upon which the aggrieved applicant relies.

(3) The Board shall, within fourteen days from the date of receipt of a copy of the appeal, submit to the Minister the reasons for refusal to issue the licence.

(4) The Minister may, after considering the appeal and the reasons furnished by the Board, order the Board to issue the licence.

Form and fees for licences. 7. (1) A licence shall be in the Form in the Second Schedule and shall expire on 31st December in every year.

Second Schedule

(2) The following licence fees shall be paid annually for a rice factory having a -

	<u>Fee (\$)</u>
(a) milling capacity not exceeding two tons	25,000
(b) milling capacity exceeding two tons but not exceeding five tons	40,000
(c) milling capacity exceeding five tons but not exceeding ten tons	80,000
(d) milling capacity exceeding ten tons	100,000

(3) Where a licence is issued for the first time on any date after 1st July, the licence fee shall be halved.

(4) The Minister may by order increase or decrease the fees prescribed under subsection (2).

Revoca-
tion of
licences.

8. (1) The Board may revoke or suspend a licence where the holder thereof commits a breach of any of the terms and conditions of the licence or contravenes any of the provisions of this Act or any regulations made thereunder.

(2) Without prejudice to the generality of subsection (1), the Board may revoke or suspend a licence where the holder -

- (a) fails to comply with requirements relating to -
 - (i) the quality or grading of padi or rice under any law;
 - (ii) the manufacture of rice;
- (b) produces rice or padi for export by a person who is not a holder of an export licence;
- (c) sells rice or padi for which a

quality certificate has not been issued under any law and without approved packaging or approved labelling; or

- (d) fails to maintain proper records of the rice or padi entering and leaving his factory.

(3) The Board shall, before revoking a licence, grant the holder thereof an opportunity of being heard.

Transfer of
licences.

9.(1) A licence shall not be transferred except with the prior consent of the Board.

(2) Where a licensee wishes to transfer his licence to some other person, he shall deliver to the Board an application in writing signed by himself and the proposed transferee and the Board may, where the proposed transferee qualifies for issue of a licence, endorse on the licence its consent to the transfer.

Power to
enter and
inspect
factory
and
examine
books.

10.(1) The Chairman or the General Manager of the Board, or any person authorised in writing by or on behalf of the Board or the head of any of the entities referred to in section 3(2) or anyone authorised in writing by or on behalf of such head, may at all reasonable times enter a rice factory and inspect it or any padi or rice therein or any books kept under this Act or any other written law.

(2) Any person who refuses to permit any person authorised by or under subsection (1) to do anything referred to therein shall be guilty of an offence and shall be liable to a fine of one hundred thousand dollars and imprisonment for a term not exceeding six months.

Register of
licences.

11. The Board shall cause to be kept a register of licences issued by the Board.

- Official padi grading agency. Third Schedule 12. (1) A licensee who desires to become an official padi grading agency shall submit to the Board an application in the Form in the Third Schedule.
- Fourth Schedule (2) The Board may, if it thinks fit, authorise in the Form in the Fourth Schedule a licensee to become an official padi grading agency.
- Padi to be bought or sold at 143 lbs per bag. 13. (1) No person shall sell, purchase or receive padi for the manufacture of rice, except at a price calculated on a bag of one hundred and forty-three pounds net or such other weight as may be prescribed by the Minister by order.
- (2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable to a fine of one hundred thousand dollars and imprisonment for a term not exceeding six months.
- Application of provisions. 14. Sections 5, 6, 8, 9 and 11 shall apply mutatis mutandis to a permit issued under section 3 and to an authorisation granted under section 12.
- Prosecution of offences and recovery of penalties. 15. All offences and penalties under this Act may be prosecuted and recovered under the Summary Jurisdiction Acts.
- Repeal Cap. 95:05 16. The Rice factories Act is hereby repealed.
- Regulations. 17. (1) The Minister may, subject to the provisions of this Act, make regulations for carrying out the provisions of this Act including regulations prescribing fees payable for a permit under section 4 and an authorisation under section

FIRST SCHEDULE
RICE FACTORIES ACT 1998
GUYANA RICE DEVELOPMENT BOARD
APPLICATION FOR LICENCE TO MANUFACTURE RICE

I/We residing at
..... whose registered
office is at
in the county of hereby apply for a licence
to manufacture rice. My/Our rice factory is situated at
..... in the county of
..... and has a total milling capacity of
tons per hour.

DATED THE DAY OF 19....

.....
APPLICANT

*DELETE IF INAPPLICABLE

SECOND SCHEDULE
RICE FACTORIES ACT 1998
GUYANA RICE DEVELOPMENT BOARD
LICENCE TO MANUFACTURE RICE

LICENCE NO. MILL NO.
NAME AND ADDRESS OF HOLDER
.....
SITUATION OF RICE FACTORY
TOTAL MILLING CAPACITY

This licence is issued to the above-mentioned person to manufacture rice at the rice factory stated in this licence.

This licence expires on the 31st December, 19....

This licence is granted subject to the conditions endorsed hereon.

Licence Fee \$.....

DATED THIS DAY OF, 19....

.....
CHAIRMAN/CHIEF EXECUTIVE/SECRETARY

CONDITIONS OF LICENCE

This licence is granted subject to the following conditions namely-

- a. the licensee shall purchase or receive padi for manufacture of rice at his factory at any time during the working hours of the factory,

11

subject to availability of storage accommodation;

- b. the rice factory and all machinery and equipment shall be in serviceable condition;
- c. a schedule of services offered, milling fees and deductions to be made shall be displayed prominently at the premises of the rice factory;
- d. the licensee shall carry out such pest control, hygiene and safety measures as may be directed by the Board;
- e. the licensee shall ensure that the scales and the grading equipment used at the rice factory are accurate, efficient and approved by the Board;
- f. the licensee shall submit to the Board at the end of every calendar month daily records of the rice entering and leaving the factory;
- g. the licensee shall comply with such other directions regarding compliance with this Act and any regulations made hereunder, as are given to him from time to time by the Chairman, Deputy Chairman or General Manager of the Board, or any other employee authorised by the Board.

THIRD SCHEDULE
RICE FACTORIES ACT 1998
GUYANA RICE DEVELOPMENT BOARD
APPLICATION FOR OFFICIAL PADI GRADING AGENCY STATUS

DATE:

NAME OF APPLICANT:

BUSINESS ADDRESS:
.....

MILLING CAPACITY: TONS/HOUR:

STORAGE CAPACITY:

DRYING CAPACITY:

OFFICERS CERTIFIED:

NAMES:

.....
.....
.....
.....

LIST AVAILABLE EQUIPMENT FOR PADI GRADING

.....
.....
.....
.....

NOTE: ANY CHANGES IN GRADING STAFF SHOULD BE COMMUNICATED
WHENEVER THIS OCCURS.

SIGNATURE:

FOURTH SCHEDULE
RICE FACTORIES ACT 1998
GUYANA RICE DEVELOPMENT BOARD
AUTHORISATION AS OFFICIAL PADI
GRADING AGENCY

DATE:

NAME OF AUTHORISED ENTITY OR PERSON
.....

BUSINESS ADDRESS
.....

MILLING CAPACITY TONS/HOURS

STORAGE CAPACITY

DRYING CAPACITY

OFFICERS CERTIFIED

NAMES:

.....
.....
.....
.....
.....

.....
CHAIRMAN/CHIEF EXECUTIVE/SECRETARY

FIFTH SCHEDULE
RICE FACTORIES ACT 1998
GUYANA RICE DEVELOPMENT BOARD
ESTABLISHMENT REQUIREMENTS
FOR RICE FACTORIES

ENVIRONMENTAL CONSIDERATIONS

- (a) LOCATION: If possible, away from residential areas
- (b) ACCESS: Factory must have good access roads to accommodate both heavy and light vehicles.
- (c) DRAINAGE: Area should have good drainage.
- (d) WATER SUPPLY: Potable water is readily available. If there is no potable water supply, a water reservoir should be constructed, or a well sunk and a water purification plant installed.
- (e) POWER SUPPLY: Must have access to power source for lighting and milling operations.
- (f) WASTE DISPOSAL: Disposal plan must conform to all relevant laws on environmental protection and pollution control.
- (g) EXPANSION. If there are plans for expansion of the factory, adequate area must be available and included on the site plan.

LAYOUT OF FACTORY

- (a) COMPONENTS: Components should be so arranged as to facilitate a continuous flow of operations.

15

(b) MILL: Must be separate from all other areas of operation.

3. MILL CONSTRUCTION:

(a) FLOOR: Mill floor and all other floors should be water and gas proof and slightly inclined. Floors should also be smooth and free from cracks and crevices. Drains must be provided.

(b) WALLS: Smooth surfaces with no seams. All openings should be meshed to prevent entry of rodents, birds or pests. Ventilation should be provided.

(c) CEILING: Should be flat to minimise accumulation of dust, debris and cobwebs. The eaves should be sealed to prevent entry of bats and rodents.

(d) LIGHTING: Light intensity should be adequate for the operation of the various units.

4. FENCING: Perimeter fencing must be provided.

5. WEIGHING FACILITIES: Standard scales must be provided for various operations.

6. QUALITY CONTROL: Minimum grading equipment must be available to determine the quality of raw materials and finished products in accordance with the stipulations laid down by the relevant authority.

7. DRYING: Either mechanical or floor drying may be used.

16

PADI STORAGE:

Bonds, silo and other storage facilities should be constructed in such a manner as to-

1. restrict entry of rodents, birds or pests; and
2. be weatherproof.

PRODUCT STORAGE:

The main product (rice) should be stored separately from by-products.

EQUIPMENT &
MATERIAL STORAGE:

An area should be provided for the storage of bags, tools and other equipment and machinery.

STAFF FACILITIES:

Wash rooms (toilets and bathrooms), rest rooms and a canteen must be provided for staff in accordance with relevant labour laws.

PARBOILING FACILITIES:

- | | |
|-------------------------------|--|
| (a) WATER SUPPLY: | Potable water must be available. |
| (b) DRAINAGE: | Drains to dispose of water and waste are necessary. |
| (c) STEAM GENERATING
UNIT: | Should be sited away from storage and immediate work areas. Unit should have proper safety devices in accordance with relevant safety laws. |
| (d) FUEL STORAGE: | Must conform to relevant fire laws. |
| (e) FUEL WASTE
DISPOSAL: | Must conform to relevant regulations. |
| (f) SOAKING TANKS: | Should be close to drying area. They should be of a type approved by the Board and must be equipped with adequate fittings for filling and draining. |
| (g) STEAMING TANKS: | Should be close to soaking tanks. They should be made of non-corrosive material. |
| (h) STEAM CONDUIT
PIPES: | Must be insulated and be free from leaks. |

SIXTH SCHEDULE
RICE FACTORIES ACT 1998
GUYANA RICE DEVELOPMENT BOARD
RECORD OF SALE OF PADI BY PRODUCER TO MANUFACTURER

DATE:.....

NAME OF MANUFACTURER:.....

ADDRESS OF MANUFACTURER:.....

NAME OF PRODUCER:.....

ADDRESS OF PRODUCER:.....

QUANTITY OF PADI DELIVERED TO MANUFACTURER:.....

QUALITY OF PADI:.....

PRICE PER BAG:.....

TOTAL SUM OF MONEY: \$

I hereby acknowledge receipt of the quantity of padi herein mentioned this.....day of.....199...and agree that the total amount of \$.....will be paid to the aforesaid producer on or before theday of.....199...

.....
Signature or Mark of Producer

.....
Signature of Manufacturer

WITNESSES' NAMES AND SIGNATURES:

1.....

2.....

EXPLANATORY MEMORANDUM

This Bill seeks to repeal and re-enact the Rice Factories Act, Cap. 95:05, so as to introduce modern trends in the law relating to the establishment of rice factories and the licensing requirements therefor.

Under clause 4, it continues to be illegal to manufacture rice without a licence issued by the Board.

Clause 3 makes it mandatory for any person who wishes to establish a new rice factory to apply to the Guyana Rice Development Board for a permit to do so. The application will have to be accompanied by : the building plans; the certificate of title, lease or other document evidencing title or a right of occupancy of the land; and a certificate from the Environmental Protection Agency to the effect that the applicant has complied, or has been exempted from complying, with the Environmental Protection Act. At the same time, the applicant will be required to submit copies of his application to the Central Housing and Planning Authority, the Central Board of Health, the Factories Division of the Occupational Health and Safety Department, and the Department of Fire Service. Before making any decision on an application, the Board will have to take into account the recommendations of all the afore-mentioned entities.

The Bill also makes provision under clause 12 for the Board to grant padi grading agency status to deserving licensees who apply. Apart from the Board itself and regional grading and export offices, these will be the only entities allowed to grade padi.

The Board will have power, under clause 5, to refuse to issue a licence to any applicant who in the five-year period immediately preceding his application was convicted of an offence under the Act. Where, however, the Board refuses to issue a licence, the applicant will have a right under clause 6 to appeal to the Minister of Agriculture, who may uphold the decision of the Board or order it to issue the licence.

Clause 7 sets out the fees that will be charged for licences. Under clause 8, licences may be suspended or revoked where a licensee commits a breach of any of the terms and conditions of the licence or contravenes the provisions of the Act or any regulations made thereunder. However, the Board will not revoke any licence until it has granted to the licensee an opportunity of being heard. Further, a licensee may, under clause 9, with the prior approval of the Board, transfer his licence to another person.

There will also be a power under clause 10 for persons authorised by or on behalf of the Board, the Central Housing and Planning Authority, the Central Board of Health, the Factories Division of the Occupational Health and Safety Department and the Department of Fire Service to enter any rice factory for the purpose of performing any of their respective functions.

In accordance with clause 11, the Board shall also maintain a register containing a record of all licences issued by it.

Clause 14 provides that clauses 5, 6, 8, 9, 10 and 11 will also apply to permits, to be issued

under clause 4, to establish rice factories, as well as to authorisations for official padi grading agency status granted

under clause 12.

The Bill provides for increased penalties.

R. D. Persaud,
Minister of Agriculture
and Parliamentary Affairs.