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GUYANA

RULES

MADE UNDER

THE NATIONAL CANE FARMING COMMITTEE  
ORDINANCE, 1965

UNDER SECTION 11 (1) OF THE NATIONAL CANE FARMING COMMITTEE ORDINANCE, 1965, THE FOLLOWING RULES HAVE BEEN MADE BY THE NATIONAL CANE FARMING COMMITTEE WITH THE APPROVAL OF THE MINISTER :—

1. These Rules may be cited as "The Cane Farmers Contract (General Conditions) Rules 1968". Citation.
  
2. In these Rules, unless the context otherwise requires, Inter-pretation.

"Committee" means the Committee established under the National Cane Farming Committee Ordinance 1965.

"Cane" means sugar cane suitable for delivery to a manufacturer.

"Contract" means a Contract entered into between a Farmer and a Manufacturer for the cultivation, sale and processing of sugar cane.

"Farm" means any area of land under, or to be placed under, cultivation of cane for sale to a Manufacturer in accordance with the terms of Contract, whether or not such land consists of separate parcels, provided it is owned, leased or cultivated by a Farmer.

"Farmer" means any person engaged in the cultivation of sugar cane for sale to a manufacturer under a Contract.

"Manufacturer" means any person who carries on the business of the manufacture of sugar and includes the Association.

"Association" means the Company known as the Guyana Sugar Producers' Association.

"Corporation" means the Cane Farming Development Corporation Limited.

"Tons" means long tons of two thousand, two hundred and forty pounds.
  
3. (i) A Farmer shall enter into a Contract with a Manufacturer relating to the cultivation, sale and grinding of cane. The Contract shall be in a standard form as Contract.

Forms and  
Conditions  
of Contract.

contained in the First Schedule hereto and it shall provide that these Rules shall be deemed to form a part of the Contract and that the Contract shall be read and construed therewith and subject thereto.

(ii) Unless and until a Contract has been made, no Farmer may sell cane to a Manufacturer and no Manufacturer may buy cane from a Farmer.

Contracts to  
be recorded  
with Com-  
mittee.

(iii) It shall be the duty of a Manufacturer to record with the Committee such particulars of all contracts entered into in accordance with these Rules and in such form as the Committee may from time to time prescribe.

Cultivation.

4. (i) A Farmer shall plant and cultivate cane on the farm in accordance with the rules of good husbandry to the extent that in a normal season would be expected to yield the weight estimated in the First Schedule to these Rules and the Manufacturer shall buy and accept delivery of such cane. If a Farmer cultivates a larger acreage of cane, the Manufacturer shall be under no obligation to purchase the cane reaped from the extra acreage unless the prior approval of the Manufacturer has been obtained.

Acceptance  
of cane.

Varieties of  
cane to be  
grown.

(ii) Varieties of sugar cane to be grown shall be approved by the Committee in agreement with the Association, due regard being given to the suitability of the soil and resistance to disease, but insofar as these two factors permit, and alternative varieties exist, the Farmer shall be free to choose whichever variety he prefers of those approved by the Committee but shall not plant any variety which has not been so approved.

Use of fer-  
tilizers.

(iii) A Manufacturer may advise Farmers as to the type, timing and quantity of fertilizers to be applied and the Farmers may obtain their supply of fertilizers from the Manufacturer at an agreed price which shall be chargeable to the Farmers and recoverable in accordance with the provisions of the Contract.

Pest Control.

(iv) If, in the opinion of a Manufacturer, a Farmer's crop is being affected by pest or disease, the Manufacturer shall serve notice on the Farmer that within twenty-four hours the Farmer shall take steps to control such pest or disease. Where the Farmer fails to take such steps, the Manufacturer shall forthwith notify the Committee and the Committee shall forthwith authorise the Manufacturer to take such steps as he considers proper to safeguard nearby crops which may be endangered, and any expense incurred in so doing shall become a debt due from the Farmer to the Manufacturer, chargeable to the Farmer's account with the Manufacturer and recoverable in accordance with the provisions of the Contract.

- (v) A Manufacturer shall on request advise a Farmer on any matter pertaining to the cultivation of cane and, where it is in all circumstances reasonable to do so may charge for the cost of providing such advice. If it is necessary, and provided the Manufacturer has equipment available and not in use elsewhere, the Manufacturer may at the Farmer's request undertake cultivation work on behalf of the Farmer, and charge the Farmer for so doing at an agreed rate. Advice on cultivation.
- (vi) Where a Farmer's cultivation is situated adjacent to irrigation canals owned or controlled by a Manufacturer, the Manufacturer shall supply on request from a Farmer, a supply of irrigation water but subject to any restrictions needed because of shortage or other exigencies, and subject always to the needs of the Manufacturer's estate cultivation and to the prior needs of other Farmers to whom the Manufacturer may have already been committed, at the rate calculated in accordance with the provisions of Appendix A to the Second Schedule to these Rules. Supply of Irrigation Water.
- (vii) A Manufacturer shall supply on request from a Farmer drainage facilities to the extent that the Manufacturer finds it reasonably practicable to make such facilities available from time to time and the cost of such facilities shall be charged to the Farmer and paid for by him at the rate calculated in accordance with the provisions of Appendix A to the Second Schedule to these Rules. Supply of Drainage Facilities.
- (viii) Where a Manufacturer has agreed to provide under the Contract drainage or irrigation or navigation or other services either to Farmers within a clearly identifiable community or area, or individually, he shall be at liberty with or without vehicles and equipment, to enter upon a Farm and any navigation or other canals, and operate kokers and sluices as may be necessary for the purpose of a Contract or to enable the cane grown by neighbouring Farmers to be delivered with expedition and safety, provided that in exercising these rights the route to be taken shall be selected to reduce to a minimum inconvenience to the Farmer. Manufacturer's right to enter upon Farm.
- (ix) On the termination of a Contract before the cane has been harvested in any crop, the Committee, if satisfied that the Farmer is unable to harvest the cane or has abandoned the Farm, or if requested by the Farmer, may (subject to any prior rights of the Corporation where a loan is outstanding) authorise the Manufacturer or any other Farmer, to harvest or complete the harvesting as the case may be. Authority to reap Cane on termination of Contract before harvest.

Limitation  
of  
Cultivation.

5. (i) If, and whenever, owing to the imposition of new quotas, or a reduction in existing quotas, allotted to Guyana under the Commonwealth Sugar Agreement or any other Agreement to which Guyana is a party or a serious world over-production of sugar, or a serious fall in the average price obtained for sugar produced in Guyana, the Association and the Committee agree that the harvesting and grinding of cane in Guyana are or are likely to become uneconomic or that all space available for storage of sugar in Guyana is full or is likely to become full, then the Association shall be entitled to restrict the harvesting of sugar cane in Guyana. Such restriction may take the form of a quota of cane the basis of calculation of which shall be chosen only after agreement with the Committee. Subject to compliance with these requirements the respective amounts of the quotas shall be such as shall operate most fairly in the circumstances then prevailing as between the Manufacturers and the Farmers.

Restriction  
on harvesting  
of Cane.

- (ii) After agreement with the Committee on any point of doubt, the Association shall subdivide the Farmers' Quota among individual Farmers and shall notify such Farmers in writing of the amounts of cane allocated to them respectively on such sub-division. No differentiation in the basis of calculation shall be made as between one Farmer and another in the course of any such sub-division.

Sub-division  
of Farmers'  
Quotas.

- (iii) Every quota allotted to the Manufacturers or to the Farmers shall be allotted whenever possible at least twelve months before the harvest to which it relates, but in the event of circumstances which render the making of such advance warning impracticable, the quotas shall be allotted at least three months before the harvest to which it relates.

Notice of  
Allotment of  
Quotas.

6. (i) A Farmer shall harvest the cane and deliver it at a date, at a rate, at the point of delivery and in the manner agreed with the Manufacturer at least six days before the date on which delivery is to begin; such rate may be adjusted at any time by agreement between the Farmer and the Manufacturer; and the Manufacturer shall take delivery of such cane. In the event of any alterations to the expected dates of starting and finishing grinding in any crop (or of extended periods of factory shutdown for any reason during crop), the Manufacturer shall use his best endeavours to make such altered dates known to the Farmer and, where necessary, shall endeavour to agree to an adjusted rate of delivery with the Farmer.

Harvesting  
and delivery  
of cane.

- (ii) Cane shall be cut level with the ground and topped at the uppermost joint which has completed growing.

Manner of  
cutting.

- (iii) Cane shall be delivered at the factory scale or weigh-bridge free from such extraneous matter as trash, refuse, roots, and white immature tops, green leaves, soil, shoots and other extraneous matter, in fresh condition, that is to say, no more than seventy-two hours after burning and having a crusher juice purity of not less than 5 points below the average first expressed juice purity of all cane (from whatever source) being received by the factory during the same period, and generally as provided by the Rules relating thereto. Provided that the Manufacturer shall accept cane burnt after seventy-two hours if the Manufacturer fails to supply punts to the Farmer at such time as may be agreed. Conditions for delivery.
- (iv) In the event of the cane being delivered with a percentage by weight of total extraneous matter in excess of three per cent, determinable from a reasonable sample, the Manufacturer shall give the Farmer the option of having the cane returned to him for cleaning or alternatively clean the cane and debit the Farmer's account with the expense thereof, and in any event the Farmer shall be paid for the net weight of the clean cane only. Cleaning of Cane with extraneous matters.
- (v) Where a Manufacturer undertakes to supply punts he may refuse to make punts available to any Farmer who consistently delivers cane not in accordance with the quality requirement specified in the previous paragraph. A Manufacturer may also refuse to transport any punt which in his opinion appears to contain cane not in accordance with the said quality requirement and may charge demurrage on the punt at the rate specified in sub-paragraph (b) of paragraph (vii) of Rule 8 until such time as the punt is unloaded by the Farmer. In the event of a Manufacturer so refusing to transport a punt the Farmer may require the Manufacturer to determine the percentage of extraneous matter by a test. Should such test show the percentage of extraneous matter to be within the specified limit the Manufacturer shall pay for the cost of such examination, but should it show the percentage of extraneous matter to be above the limit the Farmer shall bear the cost of the test, and the Manufacturer may debit the Farmer's account accordingly. Refusal to supply punts.
- (vi) A Manufacturer shall take all reasonable steps to ensure that extraneous materials, as specified in the Rules, in cane harvested from the Manufacturer's estate shall not exceed the percentage by weight stated in the Rules. Manufacturers' Cane to be free of extraneous matter.
7. (i) Cane shall be burnt only with the written consent of the Manufacturer or by such other accepted means of communication now existing. Burning of Cane

Delivery within seventy-two hours.

(ii) Cane burnt in accordance with paragraph (1) of this Rule, if delivered after seventy-two hours of burning, shall be accepted, subject to a deduction of three per cent from the price payable for the cane for each twenty-four hours in excess of seventy-two hours and subject to a Manufacturer's right not to pay for cane in the event of the first expressed juice purity falling to a level of 5 points or more below the average first expressed juice purity of all the cane (from whatever source) being received by the factory during the same period; provided that this paragraph shall not apply if the Manufacturer fails to supply punts to the Farmer at such times as may be agreed. In this event, a Farmer who delivers cane with a first expressed juice purity more than 5 points below the average of that of the factory, shall be given the benefit of the average first expressed juice purity of all the cane supplied by Farmers to that factory up to that date for the crop.

Acceptance of Cane Deliberately burnt.

(iii) Cane deliberately burnt contrary to paragraph (i) of this Rule may be accepted by the Manufacturer with the same deductions as for cane burnt as stated in paragraph (ii) of this Rule but the first instalments may not then be credited in respect of the cane until three months later than such instalments would have been credited had the cane been burnt with consent.

Apportionment of deductions made.

(iv) All deductions made under the two preceding paragraphs of this Rule shall be shared equally between the Manufacturer and all Farmers under Contract with the Manufacturer in that factory area in which the cane subject to such deduction was situated. The share of the Farmers shall be apportioned amongst the Farmers (including Farmers who have been so penalised), **pro rata** to their deliveries of cane accepted during the year without penalty. The amount credited to the Farmers under this Rule shall be included in the final payment of cane.

Transport of Cane.

8. (i) Each Manufacturer shall provide and operate an efficient system of transport by punt along the navigation canals of the Manufacturer's estates.

Payment for Water Transport.

(ii) Except as hereinafter provided, all cane shall be transported through the navigation canals, and the cost of the transport shall be charged to the Farmer and paid for by him at the relevant rates calculated in accordance with the provisions set out in Appendix B, to the Second Schedule to these Rules.

Payment for alternative transport.

(iii) If a Farm is so situated that transport of cane to factory through the navigation canals is precluded, then the responsibility for providing and paying for alternative transport and for delivery to the Factory shall rest with the Farmer.

- (iv) If the present system of transporting cane to the factory shall at any time be varied by legislation, or by the action of any public authority so that the cost of transport is increased, the increase in the first instance shall be paid by the Manufacturer, but shall be taken into account in the final rates for the year in question. If, for any of the above reasons, the cost of transport is decreased, the gain so effected shall similarly be taken into account. Increase in Transport Charges.
- (v) If it is found that a Farmer has not maintained his water supply, navigation and irrigation canals or any of them, or that punts cannot reach his Farm without difficulty, or that the working of the canal system is hampered or endangered to the detriment of the Farmers within a clearly identifiable community or area, or to individual Farmers, by the Farmer's neglect, the Manufacturer may clear the canals and their banks as may be necessary, and charge the cost of so doing to the Farmer or Farmers concerned. Maintenance of Waterways.
- (vi) A Manufacturer shall not be bound to accept delivery of a punt load of cane weighing less than six tons, or, if delivered otherwise than by punt, a load of less than three tons or such other minimum load as may be specified from time to time by a Manufacturer; also a Manufacturer shall not be bound to accept any load — whether transported by punt or otherwise — which is beyond the capacity of the cane-hoist (or other handling equipment installed at the factory) to handle. Notwithstanding the foregoing, smaller tonnages shall be accepted where there is prior agreement between the Farmer and the Manufacturer that the prevailing circumstances render this unavoidable. The Manufacturer shall notify the Farmer in writing at the beginning of each crop what the capacity of the cane-hoist and cane scale shall be. Stipulation on Tonnages to be accepted.
- (vii) A Farmer shall :
- (a) load the cane in punts with binding chains properly tightened and secured in accordance with the Manufacturer's directions, at a point on the canal convenient to the Farm; give a ticket showing the ownership of the cane to the representative of the Manufacturer in charge of punts; Manner of loading of Cane in punts.
  - (b) pay a charge of \$2.00 per punt for a 24 hour day in respect of each day or part of a day on which the punts are retained over the number of days specified by the Manufacturer; Demurrage Charge.
  - (c) in the event of delivery of cane otherwise than by punt, load and secure the cane in accordance with the Manufacturer's directions which shall be reasonable; give a ticket showing the ownership of Manner of Loading of Cane other than in punts.

the cane to the representative of the Manufacturer in charge at the point of delivery.

**Weighing  
of Cane.**

9. (i) The cost of weighing and of maintaining scales or weigh-bridges shall be borne by the Manufacturer. In addition to such statutory obligations as may exist, it shall be the duty of the Manufacturer, at weekly intervals during the harvest, to check the accuracy of his scales or weighbridges. A Farmer or his representative shall be entitled to be present at the weighing of cane and the checking of the scale or weighbridge.

Checking of  
Scale and  
Weighbridges.

Provision  
of Cane  
Scale Book.

(ii) The weight of the cane supplied by the Farmer shall be determined at the factory. A cane scale book, the pages of which shall be numbered consecutively in ink prior to the commencement of any harvest season, shall be kept at every scale or weighbridge.

Recording  
of weight  
of Cane

(iii) Whenever any Farmer's cane shall have been delivered for weighing, the persons in charge of the scale or weighbridge shall weigh the canes in such a way that the scale or weighbridge shall give the correct weight and he shall thereupon record in ink in the cane scale book the name or description of the Farmer to whom the cane belongs, the identification number of the punt, lorry, truck or trailer, the gross and nett weight of the cane and the tare of the punt, lorry, truck, chains and similar securing devices.

Right to  
Statement  
from Cane  
Book.

(iv) On application a Farmer shall be entitled to a statement in writing showing the relevant entries in the cane scale book.

Substitution  
of Printed  
Record for  
Cane Scale  
Book.

(v) Where a scale has a device for printing tickets and for keeping a printed record of the weights recorded, such printed record may be substituted for the scale book with numbered pages required under paragraphs (ii), (iii), (iv) provided such substitution is approved by the Manufacturers' Auditors.

**Manufacture  
of Sugar**

10. Running in  
of Mill.

(i) A Manufacturer shall during the first week of the harvest season, in order to run in the mill, grind only cane grown on the Manufacturer's estates.

Economic  
Manufacture  
of Sugar.

(ii) A Manufacturer shall manufacture sugar to the maximum extent practicable and economic, subject to the right of the Manufacturer not to pay for cane having a first expressed juice purity 5 points or more below the average first expressed juice purity of all the cane (from whatever source) being received by the factory during the same period; provided this is not due to negligence on the part of the Manufacturer. In this event, a Farmer who delivers cane with a first expressed juice purity more than 5 points below the average of that of the factory, shall be given the benefit of the average



first expressed juice purity of all the cane supplied by Farmers to that factory up to that date for the crop.

- (iii) A Manufacturer shall take all reasonable steps to ascertain as accurately as possible the quantity of sugar manufactured from the Farmer's cane, and to adopt the best methods which are practicable, having regard to the facilities in terms of personnel and equipment available to the Manufacturer. Ascertainment of Quantity of Sugar.
- (iv) In the event of any stoppage of the factory from any cause, a Manufacturer will at once give notice of such stoppage to the Farmer who is cutting, or who has received notice to cut his cane, as required by the provisions of the Contract relating to the harvesting of cane. The Manufacturer shall, subject to the provisions of Clause 14 hereof, take delivery of such quantity of cane already cut in accordance with the notice. The Farmer shall on receipt of such notice at once cease cutting cane or shall not start to cut cane, and shall not resume or start cutting cane until he has received a further notice from the Manufacturer. Notice of Stoppage to be given.
- (v) A Manufacturer shall take all reasonable steps to provide sufficient storage capacity for unsold sugar and molasses. Where for any reason special provision has to be made for the storage of sugar in excess of the normal amount the Manufacturer may charge the cost of providing such storage and of handling the sugar into and out of such storage (including the cost of any necessary bags or other containers) against the proceeds of the sugar before the determination of such proceeds. Provision of Storage for unsold sugar and molasses.
11. (i) In order to establish the price paid each year for cane purchased under the Contract, a Manufacturer shall: The Price of Cane.
- (a) ascertain the conversion factor for cane to sugar by the testing by polariscope and brix hydrometer of samples of the juice extracted by the crushing mills from Farmers' cane, and by application of the formula described in (b) below, the tonnage of Farmers' cane required to yield one ton of 96° sugar. Ascertainment of Conversion Factor.
- (b) in order to ascertain the tonnage of Farmers' cane to yield one ton equivalent 96° sugar, use the formula approved by the United States Department of Agriculture for use in Puerto Rico, that is:
- $$\frac{TC \text{ (farmer)}}{TS} = \frac{P - 0.3B}{p - 0.3b} \times \frac{TC \text{ (factory)}}{TS} \times F$$

in which

$$\frac{TC \text{ (farmer)}}{TS} = \text{Tons farmer cane per ton equivalent 96° sugar.}$$

**P** = Polarisation of first expressed juice from all cane delivered to the factory during the period of computation.

**p** = Polarisation of first expressed juice from the farmers' cane delivered during the same period of computation.

**B** = Brix of first expressed juice from all cane delivered to the factory during the period of computation.

**b** = Brix of first expressed juice from the farmers' cane delivered during the same period of computation.

$\frac{\text{TC}}{\text{TS}}$  (factory) = the average tons of all cane per ton equivalent 96° sugar during the period of computation.

**F** = a factor arrived at, at the end of every period of computation, as follows:

*Stage 1*

for each farmer compute a

$\frac{\text{TC}}{\text{TS}}$  (farmer) using the formula in

$\frac{\text{TC}}{\text{TS}}$

this sub-paragraph and assuming, for this purpose **F** to equal unity;

*Stage 2*

for all estate cane delivered compute a  $\frac{\text{TC}}{\text{TS}}$

(estate) figure using the same formula (except that **p** and **b** shall apply to the polarisation and brix of first expressed juice of estate cane delivered during the period of computation instead of to that of Farmers' cane) and again assuming, for this purpose, **F** to equal unity;

*Stage 3*

Compute the total tonnage equivalent 96° sugar said to be made from farmers' cane during the period of computation by applying the figures for  $\frac{\text{TC}}{\text{TS}}$  (farmer) obtained under Stage 1 above

$\frac{\text{TC}}{\text{TS}}$

to the relevant tonnages of cane and summing them;

*Stage 4*

Likewise compute the total tonnage equivalent 96° sugar said to be made from estate cane during the period of computation by applying the Stage 2 figure(s) to the relevant cane tonnage(s) and summing them;

*Stage 5*

Add the total tonnage equivalent 96° sugar obtained under Stage 3 above to that obtained under Stage 4 above, and let this grand total be called "Hypothetical tonnage equivalent 96° sugar made during the period of computation" or (H);

*Stage 6*

Ascertain from the appropriate factory records the actual tonnage equivalent 96° sugar made by the factory in question during the period of computation and let it be called (A);

*Stage 7*

Then  $F = \frac{(H)}{(A)}$

Review of  
Testing  
Method.

(c) review periodically the method used for testing cane quality in order to determine whether experience, better techniques or other changing circumstances would justify modification in any way.

(d) ascertain the price per ton of equivalent 96° sugar realised by all Manufacturers on the scale of all sugars manufactured during the Spring and Autumn Harvest seasons, including therewith the value of all molasses produced by the industry during the two harvest seasons in each year and evaluated at the Contract Price negotiated with independent purchasers.

Ascertainment  
of Price of  
Sugar.

(ii) The price payable to Farmers for their cane shall be finally arrived at in accordance with (a), (b), (c) and (d) above and in accordance with the formula in Appendix C to the Second Schedule to these Rules.

Method of  
Determination  
of Price.

(iii) No Farmer delivering less than 1,000 tons of cane per annum shall be entitled to an individual determination of TC/TS ratio; and a Manufacturer may group Farmers each estimated to deliver less than 1,000 tons of cane together for the purpose of determining this ratio and where applicable, all reference to a Farmer in these Rules and in Contracts made thereunder shall be taken as applying to such a group of Farmers taken as a whole. In no case shall a Manufacturer be required to carry out tests on less than fifty tons of cane delivered in one batch.

Entitlement to  
Tests on Cane

12. (i) Before the prices realised on the sale of Sugar and molasses have been finally ascertained, the Association shall prepare from information supplied by each Manufacturer an estimate of the value of all unsold sugar and molasses and recommend for the approval of the Com-

Payments  
for Cane.

Price of  
Unsold Sugar  
and molasses  
to be  
estimated.

mittee an estimated price, making due allowance for possible falls in market prices.

Approval  
of Payment  
by Committee.

(ii) Subject to any provisions to the contrary in the Contracts and to the Rules relating to the burning of cane without written consent a Manufacturer, having obtained the Committee's formal approval, shall make provisional instalment credits or payments to the Farmer as hereinafter provided.

(iii) In respect of the spring crop Farmers' accounts will be credited:

Manner of  
Payment for  
Spring Crop.

(a) within seven days after delivery, with a first instalment of such amount per ton (not being less than \$6.00 per ton of cane) as may be decided each year by the Association on the basis of their estimates of receipts from sales of sugar made during the year in question.

(b) not later than six months after delivery with a further amount as estimated by the Manufacturer by reference to the year's selling estimates.

(iv) In respect of the autumn crop Farmers' accounts will be credited:

Manner of  
Payment for  
Autumn Crop.

(a) within seven days after delivery with a first instalment of such amount per ton (not being less than \$6.00 per ton of cane) as may be decided each year by the Association on the basis of their estimates of receipts from sales of sugar made during the year in question.

(b) as soon as practicable after the first December, with a further amount as estimated by the Manufacturer by reference to the year's selling estimates.

(v) Farmers may draw against amounts credited to their accounts after taking into account:

Drawing  
against  
amounts  
credited.

(a) amounts due by a Farmer to a Manufacturer, and,

(b) amounts which the Farmers have authorised the Manufacturers to pay over to the Corporation.

(vi) The appropriate proportion of any interim sums received by Manufacturers from sales materially in excess of the estimates shall be credited to the Farmers' accounts. Farmers may also draw on amounts thus credited to them in respect of these interim receipts.

Interim sums  
received from  
sales to be  
credited.

(vii) Subject to any provision to the contrary in the Contract, a Manufacturer shall make final credits or payments to a Farmer as follows:

Final Pay-  
ment.

(a) in respect of the spring crop as early as possible but not later than 31st March in the following

year a final sum representing any balance due as a result of the confirmation of the year's selling estimates.

- (b) in respect of the autumn crop as early as possible but not later than 31st March in the following year a final sum representing any balance due as a result of the confirmation of the year's selling estimates.
- (viii) If on the 31st March in any year the Manufacturers hold stocks of sugar unsold which have been produced in the preceding calendar year, and if the Manufacturers have not received final account sales for sugar produced in the preceding calendar year, then, in order that a final credit or payment may be made by the 31st March, Manufacturers and the Committee shall by agreement decide as to the basis of valuation of the aforementioned stocks and as to the subsequent adjustment, when the succeeding year's payments for cane are made, of any differences that may arise on the ultimate disposal of such stocks or on receipt of the final account sales. Unsold Sugar to be valued for preparation of Final Accounts.
- (ix) At the time of making the final credit or payment, the Committee shall publish an audited statement of the price formula calculations of the allocations between Farmers and Manufacturers, of amounts credited or paid on account and of the balance due as the final instalment. Publication of Audited Statement.
- (x) If the amounts in any year up to the 31st March credited to a Farmer's account in accordance with the provisions of paragraphs (i) to (ix) of this Rule exceed the Farmer's basic share after adjustment for transport differential as calculated in the formula set out in Appendix C to the Second Schedule to these Rules, any balance thus due by the Farmer to the Manufacturer shall subject to the prior claims of the Corporation be carried forward for recovery against further credits in future years. Adjustment of Excess Payments.
13. (i) A Farmer shall grant to the Corporation upon request security for the payment or repayment together with interest thereon of any principal sums at any time owing to the Corporation by the Farmer, the security to comprise the Farm and the crops and produce of the Farm (or such part thereof as the Corporation shall specify) and to rank after any mortgage or charge granted by the Farmer prior to such request to any other person but in all other respects such security shall be in such form as the Corporation shall prescribe. Security, Transfers, Assignments and Termination of Contracts. Security for payment for sums advanced.
- (ii) A Farmer wishing to transfer, assign, sublet or otherwise part with the possession of the Farm or any part thereof or to transfer or assign the Contract otherwise than in accordance with the Contract, shall apply for the consent of the Committee and the Corporation by lodging Procedure for a Transfer, assignment or sub-letting.

with the Corporation and the Committee an application containing or accompanied by :

- (a) a statement of the full consideration in money or money's worth for the transfer or assignment, and
- (b) full particulars of the transfer or assignment, and
- (c) an undertaking signed by the assignee, to occupy the whole Farm or part thereof and cultivate cane thereon, and fulfil in every respect the obligations of the Farmer under the Contract.

Granting  
of Consent  
to transfer  
or assignment.

- (iii) Subject as hereinafter provided, consent shall not be unreasonably withheld to a transfer or assignment:
  - (a) if the whole of the benefits and obligations of the Contract are transferred or assigned to or for the benefit of a fit and proper person (including a registered co-operative Society but excluding any other corporate body) or a group in a village.
  - (b) to a person who does not already hold a Contract with the Corporation in respect of any other farm or who shall not otherwise, either directly or indirectly, thereby acquire two or more Farms or an interest therein.

Provided that the instrument of transfer or assignment shall be in a form approved by the Committee.

Taking  
possession  
of Farm to  
enforce  
Security.

- (iv) A Farmer shall permit the Manufacturer or any person to whom or in whose favour a mortgage, charge, hypothecation, pledge, assignment or lien has been granted if the Manufacturer or such person has reasonable grounds for believing that the Farmer has ceased or is neglecting to cultivate or dispose of any such crops or produce in accordance with the terms of the Contract or if the security has become enforceable, to take possession of the Farm or any such crops or produce or any part thereof for the purpose of cultivation, reaping and disposing of the same until the indebtedness is liquidated.

Ascertainment  
of Successor  
to Deceased  
Farmer.

- (v) In the event of the death of a Farmer during the term of the Contract, and, if under his will or by operation of law, more than one person becomes entitled to occupy and cultivate the Farm, a Manufacturer shall, in the event that the persons aforesaid are unable to agree within three months after the grant of Probate or Letters of Administration that one person only shall be recognised as the Farmer for the purposes of the Contract, refer the matter to the Committee who shall decide which person shall be recognised as the Farmer, and the Committee's decision shall be final and binding. If the person so recognised refuses to accept the decision of the Committee, the Contract may thereupon be cancelled by the Manufacturer.

**(vi) A Contract may be terminated:**Termination  
of Contract.

- (a) if the Farmer neglects to comply with the provisions of this Contract and the Rules relating to occupation or possession of the Farm and to the transfer or assignment of the Contract;
- (b) at the discretion of the party not in default, if either the Farmer or Manufacturer commits a serious breach of the Contract and Rules and fail to remedy such breach within 30 days after notice thereof. For the purpose of this sub-paragraph the frequent repetition of any breach (whether or not each such breach is in itself serious) shall be deemed to be a serious breach and such serious breach shall be deemed not to have been remedied within 30 days after notice in writing if any repetitions of the original breach shall occur more than 30 days after notice in writing of the intention to invoke this sub-paragraph shall have been given;
- (c) by the Manufacturer giving not less than three months previous notice that, owing to changes of circumstances affecting the economic manufacture of sugar beyond the control of the Manufacturer, the Manufacturer decides to terminate the Contract on 31st March or 30th September in any year following the giving of such notice, but the Manufacturer shall offer to purchase the cane upon modified terms designed to meet the changed circumstances and the terms of these Rules shall be modified accordingly as they apply to such purchases;
- (d) by the Farmer giving not less than three months previous notice that, owing to lack of finance or other circumstances beyond the control of the Farmer, the Farmer decides to terminate the Contract on the 31st March or 30th September in any year as he is unable to fulfil his obligations under the Contract thereafter;
- (e) by either a Farmer or a Manufacturer, giving not less than two years' previous notice of intention to discontinue, on a date to be stated, the growing of cane on the Farm or the milling of cane at the factory as the case may be, and such notice shall take effect on such a date.

- (vii) Save and except as provided in these Rules if a Farmer or Manufacturer desires to terminate this Contract

Payment of  
all sums  
due on  
Termination.

according to paragraph (vi) of this Rule, all moneys then owing by either party, shall become payable on demand being made therefor.

Termination not to prejudice any other rights or obligations.

- (viii) Any termination of a Contract shall be without prejudice to the respective rights and obligations of the Farmer and the Manufacturer accrued due before such termination and in particular shall not prejudice any right to damages or other remedy for breach of contract.

No parting with Farm without written consent.

- (ix) (a) Subject to the provisions of sub-paragraph (b) hereof, the Farmer shall remain in personal occupation of the Farm throughout the term of this Contract and shall not transfer, assign, sub-let or otherwise part with possession of the Farm or any part thereof nor transfer or assign this Contract or any interest therein without the previous written consent of the Manufacturer;

- (b) The Farmer may mortgage, charge, hypothecate, pledge, assign or create a lien on the Farm, the crops or produce of the Farm and this Contract to or in favour of the Corporation or to or in favour of any person whom the Manufacturer has approved in writing.

Acts of God, etc.

14. Neither a Farmer nor a Manufacturer shall be responsible to the other for any failure to fulfil any term of this Contract, if fulfilment has been seriously hindered or prevented, whether directly or indirectly, by fire, flood, drought, earthquake, tempest, explosion, war, civil commotion, riots, arson, sabotage, shortage of labour, strikes, lockouts, or other industrial disputes, breakdown or damage to plant, machinery or transport, failure or shortage of supplies, including navigation water, fuel, power or shipping or other circumstances, or any lack of market outlet (whether caused by reason of quotas under any agreement or low prices or for any other reason), provided it was not within the reasonable control of the party in default to prevent the circumstances giving rise to the failure.

Amendment of Reversion of Rules.

15. None of the provisions of these Rules shall be amended (whether by variation, addition, deletion or substitution) if such amendment would or might operate or in any way diminish or prejudice any security given by a Farmer to a Manufacturer or the Corporation or to any person or the rights of any person under any Contract which has been assigned, charged or pledged to him without his consent in writing, and unless the amendment has been agreed to in the same manner as a resolution of the Committee is required to be passed.



16. Any question, difference or dispute of substance which shall at any time arise between a Manufacturer and a Farmer, touching or concerning these Rules or a Contract, or the construction, meaning or effect thereof of any Rules or of any clauses in a Contract, or as to the rights, duties or liabilities of a Manufacturer and a Farmer under or by virtue of these Rules or the subject matter thereof, or arising out of or in a relation thereto, shall, as regards the Rules, be referred to a single arbitrator appointed by the parties or failing such appointment then to a single arbitrator appointed by the Committee or failing such appointment then to a single arbitrator appointed by the Chief Justice, and the provisions of the Arbitration Ordinance for the time being in force shall apply. Arbitration.

**FIRST SCHEDULE**

**CANE FARMING CONTRACT**

A Contract made the.....day of.....  
 in the year nineteen hundred and.....Between  
 .....  
 of..... (hereinafter called  
 the Farmer) of the one part, and.....  
 ..... of .....  
 (hereinafter called the Manufacturer) of the other part.

Whereby it is agreed that:—

1. In this Contract,  
 "Rules" mean The Rules of the Contract referred to in the  
 National Cane Farming Committee Ordinance, 1965, or any amendments thereof  
 "Farm" means in relation to this contract the Farm as more  
 particularly mentioned in the First Schedule hereto.
2. The Farmer shall sell cane grown on the Farm and the Manufacturer shall buy such cane in accordance with the provisions of the Rules and the Farmer and the Manufacturer shall comply with and observe all the provisions of the Rules.
3. The Cane Farmers' Contract (General Conditions) Rules, 1968, shall form part of this Contract which shall be read and construed with and subject to the said Rules.

**DESCRIPTION OF THE FARMER AND THE FARM, ETC.**

Description of Farmer(s):

Name of Representative:

Description of Farm (stating approximate area and particulars of title)

Approximate expected yield of tons of cane:

NOTES:

1. In this Schedule should be set out (a) detailed description of the Farmer and detailed information relating to the title(s) and date(s) of the Farm. If the Farmer consists of a number of individuals with separate titles, particulars of their individual interests must be stated. (See definition of Farmer and Farm in the Rules).
2. In the event of the "Farmer" being a corporate or unincorporate body of persons, the name or names of the duly appointed representative or representatives of such a body must be recorded in the Schedule and a confirmatory letter of such appointment must be filed with the Manufacturer.
3. The estate in respect of which this Contract is made is

**SECOND SCHEDULE: APPENDIX A****RULES OF THE CONTRACT: APPENDIX A****COST TO BE TAKEN INTO ACCOUNT AND METHOD OF COMPUTING CHARGES FOR DRAINAGE AND IRRIGATION FACILITIES****Cost to be taken into account:**

1. The following costs shall, where appropriate, be taken into account:—
  - (i) in respect of irrigation —
    - (a) the amounts payable under water supply assessment, and/or,
    - (b) the costs of pumping water from rivers, creeks or conservancies, and/or,
    - (c) the costs of operating any sluices or kokers or other facilities through which the water supply of a farmer or farmers passes and the cost of any additional pumping which may be required to transfer water from an estate waterway into a cane farmer's waterway.
  - (ii) in respect of drainage —
    - (a) the cost of pumping water off a Manufacturer's estate, and
    - (b) the cost of maintenance of the crown dam and river defences for the purposes of flood control, and
    - (c) the costs of operating any sluices or kokers or other facilities through which drainage water from a farmer or farmers passes.

The word "costs" shall include all direct expenses relating to the operation and maintenance of creek and pumping machinery, sluices, kokers and buildings, etc., including depreciation based upon historical costs, and in relation to direct labour costs shall include the appropriate proportion of expenses such as, holidays with pay, sickness benefit, workmen's compensation, bonuses, pensions and overtime premiums. The word "costs" shall not include the costs of maintaining the Manufacturer's irrigation and drainage canal system, (other than those parts of the system through which water supplied to or drained from a farmer or farmers passes) nor shall it include any of a Manufacturer's estate or head office overheads, except to the extent indicated above.

**Method of calculation of charges:**

2. The charges to be made shall be calculated as follows:—
  - (i) in respect of irrigation at a rate per acre of the land to be irrigated, based upon the costs in 1 (i) (a) and/or (b) per acre of a Manufacturer's estate plus the costs in 1 (i) (c), at a rate per acre of land to be irrigated based upon the costs of these facilities per acre of the area of the Manufacturer's estate served by the facilities in question.
  - (ii) in respect of drainage at a rate per acre of the land to be drained, based upon the cost in 1 (ii) (a) and (b) per acre of a Manufacturer's estate plus the costs in 1 (ii) (c), at a rate per acre of the land to be drained based upon the costs of these facilities per acre of the area of the Manufacturer's estate served by the facilities in question.

Provided that in either case if, as a result of affording such facilities, the costs of so doing can be demonstrated to give rise to a disproportionate increase in cost per acre, then the charge to be made by the Manufacturer can be increased to cover all the additional costs.

3. Where any facilities are erected upon a Manufacturer's estate solely for the purpose of supplying irrigation facilities or applying drainage facility to a farmer or farmers, the cost thereof, including costs of operation shall be recovered from the farmer or farmers concerned.
4. The charges to be made shall be certified by the Chief Accountant of the Manufacturer and approved by the Committee and the Manufacturer shall be entitled to fix the rate of charges for a period exceeding one year, provided that in the event of any change in circumstances relating to irrigation and drainage caused by legislation or governmental regulation, the Manufacturer shall be entitled to terminate any existing arrangement by offering a fresh one.

**SECOND SCHEDULE: APPENDIX B****RULES OF THE CONTRACT: APPENDIX B****COSTS TO BE TAKEN INTO ACCOUNT AND METHOD COMPUTING CHARGES TO FARMERS FOR CANE TRANSPORT BY WATER****Cost to be taken into account:**

1. The costs of the following facilities used in cane transport shall be established each year on the basis of a three year average of costs calculated over previous year, current year and year following for all Manufacturers' estates:—

- (i) Punts
- (ii) Tractors and tugs
- (iii) Navigation canals and use of dams

The word "costs" shall mean all direct expenses relating to the operation and maintenance of the facilities enumerated above and shall include (a) depreciation based upon historical costs and (b) in relation to direct labour the appropriate proportion of expenses such as, holidays with pay, sickness benefit, workmen's compensation, production bonuses, pensions and overtime premiums. Thirty per cent of the costs attributable to the navigation canals being the proportion estimated to be attributable to the uses of such canals for purposes other than cane transport shall be excluded. The word "costs" shall not include any of the Manufacturer's estate or head office overheads, except to the extent indicated in (a) and (b) above, but will include the proportion attributed by the Manufacturer of the salaries, travelling and other directly related expenses of employees responsible for organising and supervising the transport of farmers' cane.

**Method of Calculation of charges:**

2. The number of ton-miles of all cane transported by punt in each year shall be calculated and a cost per punt shall be established for each of the following facilities:—

- (i) Punts
- (ii) Tractors and tugs
- (iii) Navigation canals and use of dams

3. Charges by Manufacturers to Farmers shall be based upon the rates per ton-mile so calculated, taking into account the facilities used, but nothing herein shall entitle any any Manufacturer to include in the charge any element for the use of the navigation canals for the distance travelled by the punts outside the Manufacturer's estates.

4. So far as is possible, the mileage to be applied to the cane transported shall be the same for every Farmer within a clearly identifiable community or area, based upon the average distance from the factory of all Farmers in such community or area.

5. At the beginning of each year, an estimate shall be made of the rates per ton-mile for each of the facilities listed in 2 (i), (ii) and (iii) above, based upon the estimated costs for the year and the estimated tonnage to be transported. These rates shall be applied to cane transported in the succeeding spring and autumn harvests and not later than 31st March in the year following the rates based upon the known costs, and tons of cane transported shall be calculated and agreed with the Committee. The necessary adjustments to cover the difference between the estimated and final rates per ton-mile should be debited or credited to Farmers' account at the time when the final credit or payment is made in accordance with the Rules relating to payments for cane.

6. If a Farmer is able to provide his own tractor or punt these costs shall be reduced appropriately.

7. The costs of facilities calculated in accordance with this Appendix shall be subject to certification by the Manufacturers' Accountants and these shall be made available to the Farmers concerned.







### 5. FARMERS' BASIC SHARE AFTER ADJUSTMENT FOR TRANSPORT DIFFERENTIAL

**Note:** The transport differential is calculated in accordance with Part II of this Appendix.

Factory	Basic Average Price Sugar	Less Transport Differential	Net Average Sugar Prices	Plus Molasses	Final Proceeds Sugar and Molasses	Farmers Share $\frac{2}{3}$
Albion						
Blairmont						
Diamond						
Enmore						
L.B.I.						
Leonora						
Rose Hall						
Skeldon						
Uitvlugt						
Versailles						
Wales						



**SECOND SCHEDULE — APPENDIX C(II)****RULES OF THE CONTRACT: APPENDIX C (PART II)****COSTS TO BE TAKEN INTO ACCOUNT IN COMPUTING THE RATE PER TON OF SUGAR TO BE CHARGED TO FARMERS FOR THE TRANSPORT OF SUGAR IN BULK**

## 1. Bulk sugar lorries.

Direct wages including uniforms and the appropriate proportion of —  
holidays with pay, sickness benefit, workmen's compensation, bonuses, pensions and overtime premiums.

Licences and insurances.

Fuel, oil and tyres.

Repairs and maintenance including direct charges and overhead relevant to field and area workshops.

Depreciation based upon historical costs.

## 2. Wharves and railways.

Direct wages including appropriate proportion of benefits as above.

Repairs and maintenance.

Depreciation based upon historical costs in respect of locomotive and Hudson hoppers.

Note: The foregoing costs are chargeable to sugar transport to the extent that the railway is used for moving bulk sugar from bin to wharf and so to ship, but not if incurred in conveying sugar from centrifugals to bin.

## 3. Kokers, canals, wharves, tugs and barges.

Labour tariff for tugs and barges including appropriate portion of benefits as above.

Fuel and oil.

Repairs and maintenance.

Depreciation based upon historical costs.

## 4. Conveyor from bin to ship.

Direct costs including depreciation to the extent that the conveyor is used for moving bulk sugar from bin to ship.

## 5. Shipping charges from estate to terminal store.

Made by the Committee this 2nd day of November, 1968.

F. A. NOEL,  
Chairman.

Approved this 2nd day of November, 1968.

ROBERT J. JORDON  
Minister of Agriculture & Natural Resources.