

PRODUCTION OF CANE ACT

CHAPTER 64:01

Act
61 of 1946
Amended by
19 of 1950
*33 of 1977

*Deemed to have come into operation on 1st January, 1972.

Current Authorised Pages

| <i>Pages</i> | <i>Authorised</i> |
|--------------------|-------------------|
| <i>(inclusive)</i> | <i>by L.R.O.</i> |
| 1-22 | .. 1/2006 |

L.R.O. 1/2006

Note on Subsidiary Legislation

Notices made under section 9 with respect to the rates of interim payment for Farmer's Cane have been omitted—*See* the Current Edition of the Consolidated Index of Acts and Subsidiary Legislation for references to these Notices.

CHAPTER 64:01

PRODUCTION OF CANE ACT

ARRANGEMENT OF SECTIONS

SECTION

1. Short title and application.
2. Interpretation.
3. Canes to be grown under contract.
Sale or purchase of canes subject to a contract.
Penalty.
4. Form and conditions of contract.
5. Miller not to refuse to enter into contract.
Quantity of canes to be purchased.
Temporary contracts.
6. Farmer to grow and deliver canes to miller.
Abatement of quantity.
7. Miller to purchase canes.
Compliance of miller with percentage.
Purchase of excess quantity of canes.
8. Power of the Minister to facilitate disposal of farmers' canes.
9. Minister to fix rates of interim payments.
10. Sub-contracts between a farmer and persons from whom he purchases
canes for sale to a miller.
11. Cane Farming Arbitration Board.
Duties.
Procedure.
Appeal.
Meetings.
Preliminary investigations.
12. Board to decide disputes.
13. District Revenue Officer to keep copies of contracts.
14. Exemption of obligations on account of act of God or
unavoidable causes.

ARRANGEMENT OF SECTIONS—*Continued*

SECTION

15. Devolution of rights and obligations.
16. Legal effect of a contract.
17. Contract exempt from stamp duty.
18. Saving undischarged contracts.
19. Application of the Act.

FIRST SCHEDULE.

SECOND SCHEDULE.

THIRD SCHEDULE.

CHAPTER 64:01

PRODUCTION OF CANE ACT

An Act relating to the production of cane.

1950 Ed.
Ch. 23. No. 12.
61 of 1946.
Commencement.

[1ST JANUARY 1947]

- 1.** (1) This Act may be cited as the Production of Cane Act. Short title and application.
(2) This Act shall not apply to Tobago.

- 2.** (1) In this Act—

Interpretation.
[*33 of 1977].

“Board” means the Cane Farming Arbitration Board established by section 11;

“canes” means sugar-canes;

“contract” means an agreement entered into under this Act between a miller and a farmer;

“crop-season” means the period between 1st December in any year and 31st July in the succeeding year;

“cultivate” includes planting, cleaning, weeding, draining or any agricultural work whatsoever performed in growing canes to maturity;

“cultivator” means a person who has entered into a sub-contract;

“District Revenue Officer” means the Officer in charge of a District Revenue Office of the County within the boundaries of which are situated the lands intended to be cultivated by a farmer in canes for sale to a miller;

“farmer” means a person who cultivates or contracts with a cultivator to cultivate canes for sale to a miller, but does not include a miller who cultivates canes on his own lands;

“former Ordinance” means the Production of Cane and Sugar Ordinance 1944; 9 of 1944.

*Deemed to have come into operation on 1st January 1972.

“miller” means subject to subsection (2) a person who processes cane into sugar in his factory in Trinidad and Tobago and who purchases cane from a farmer for such purpose but does not include a person who processes cane only into wet molasses sugar;

“sub-contract” means a contract entered into between a farmer and a cultivator under section 10.

(2) Where a factory owned by any person has ground cane for at least twenty-one days during the crop season and cane is processed into sugar on behalf of that person in the factory of another miller in Trinidad and Tobago, the cane shall be deemed to have been processed into sugar in the factory of that person.

(3) References in this Act to a farmer or to a miller include his predecessors and successors in title to the extent that they were or are farmers or millers as the case may be.

Canes to be grown under contract. [*33 of 1977].

3. (1) No farmer shall cultivate or contract with any cultivator to cultivate canes for sale to a miller unless he has entered into a contract with a miller as required by this Act.

Sale or purchase of canes subject to a contract.

(2) No farmer shall sell canes to a miller and no miller shall purchase canes from a farmer, unless the miller and the farmer have entered into a contract as required by this Act.

Penalty.

(3) Any person who contravenes the provisions of this section is liable on summary conviction to a fine of seventy-five dollars in respect of every ton or part thereof of canes sold or purchased by him.

Form and conditions of contract. First Schedule. [*33 of 1977].

4. The contract shall be in accordance with the form contained in the First Schedule or as near thereto as circumstances shall permit, and shall specify the varieties and quantity of canes which the miller agrees to purchase in each year during which the contract is in force, and may contain any other conditions not inconsistent with the provisions of this Act. The contract shall remain in force for such period as shall be agreed upon between the parties thereto.

*Deemed to have come into operation on 1st January 1972.

5. (1) Save as is expressly provided in subsection (3), no miller shall, without good and sufficient reason, refuse to enter into a contract with any farmer from whom the miller has purchased canes for three consecutive years immediately preceding the farmer's request to enter into such a contract. However, the miller shall not be under any obligation to enter into any contract with a farmer for the purchase of canes in the course of any year unless he receives the farmer's request before 15th January in that year.

Miller not to refuse to enter into contract. [19 of 1950 *33 of 1977].

(2) Such contract shall be for a yearly quantity of canes not less than the average yearly quantity sold by the farmer to the miller within the two years immediately preceding the making of the contract.

Quantity of canes to be purchased.

(3) Nothing in this Act shall prevent a miller from entering into a contract with a farmer to whom the provisions of subsection (1) do not apply. However, in such cases the quantity of canes which the miller contracts to purchase shall be a matter for the decision of the miller; but if the said contract is for not more than one year, the miller shall not be under any obligation to enter into any contract with the farmer in the following year.

Temporary contracts.

6. (1) A farmer who has entered into a contract shall cultivate or cause to be cultivated in a proper and husbandlike manner the varieties and quantity of canes prescribed by his contract and shall deliver the same or cause the same to be delivered to the miller pursuant to the terms of his contract and subject to the provisions of this Act.

Farmer to grow and deliver canes to miller. [*33 of 1977].

(2) Whenever the farmer through gross neglect or abandonment of his cane cultivation or through any wilful breach of his contract has failed to supply the quantity of canes agreed to be sold, then in any subsequent year during which the contract continues, or on any renewal of the contract, the miller shall not be bound to purchase or agree to purchase a larger quantity of canes than that supplied in the year in which such failure occurred.

Abatement of quantity.

*Deemed to have come into operation on 1st January 1972.

Miller to purchase canes. [*33 of 1977].

7. (1) A miller who has entered into a contract shall, subject to this Act, purchase and take delivery from the contracting farmer during the crop period of such quantities of canes as are prescribed by and comply with the provisions of such contract.

Compliance of miller with percentage.

(2) Notwithstanding anything contained in this Act or in any contract, a miller shall not be deemed to have committed a breach of a contract or of the provisions of this Act by reason of the fact that he has not at the end of the crop period in any particular year taken delivery of the quantity of canes prescribed by the contract provided that the total quantity of canes received by him for grinding during such crop period has included at least a percentage of canes delivered under contracts equal to the average percentage of canes delivered to him under contracts, in relation to total canes ground, during the previous two years. However, where a miller has not taken delivery from the farmer of the entire quantity of canes contracted for in any year, then in the next following year it shall be obligatory for the miller to take delivery from the farmer a quantity of canes equivalent to the shortage of the preceding year in priority to other farmers' canes and without prejudice to the yearly quantity of canes contracted to be purchased from such farmer and notwithstanding that in the following year the miller is unable to take delivery of the entire quantity of farmers' canes for that year.

Purchase of excess quantity of canes.

(3) A miller may purchase from a farmer with whom he has entered into a contract any quantity of canes in excess of the quantity prescribed by the contract; but the excess may not without the consent of both parties be taken into account in computing, pursuant to section 5(2) the quantity of canes which is to be included in any subsequent contract entered into between the miller and farmer.

(4) In the determination of the percentages under subsection (2), canes ground by one miller on behalf of another miller, either voluntarily or under directions given by the Minister under section 8, shall be regarded as canes ground by the former miller that is to say, in the case of farmers' canes, by the miller who has entered into contracts with farmers.

*Deemed to have come into operation on 1st January 1972.

8. (1) If the Minister is satisfied as regards any cane farmer that by reason of—

- (a) his failure or inability from reasonable causes to enter into an appropriate contract with a miller; or
- (b) the inability of a miller with whom he has entered into a contract to carry out in full his obligations under the contract,

Power of the Minister to facilitate disposal of farmers' canes. [*33 of 1977].

the farmer will be unable to dispose of the canes (whether as to the whole or any part thereof) which have grown or which grow to maturity on his land in any year, the Minister may give directions, substantially in the form in the Second Schedule, for the disposal of the canes or of the balance thereof, as the case may be, to a specified miller. Directions under this section shall not be given which will have the effect of compelling a miller to operate his factory without a sufficient and reasonably continuous supply of canes or beyond the reasonable capacity of the factory. In giving directions under this section the Minister shall have regard to the requirements of the miller in respect of the grinding of his own estate canes.

Second Schedule.

(2) The Minister may at any time vary or cancel, by subsequent directions, any directions which have been given under subsection (1); but, in the case of a variation, the directions as varied shall remain substantially in the form in the Second Schedule.

Second Schedule.

(3) Where directions have been given under subsection (1), the like consequences shall ensue in all respects as if a binding contract in the terms of the directions had been entered into between the miller and the farmer in question on the day on which the directions were given; and where any such directions have been varied or cancelled by subsequent directions given under subsection (2), the like consequences shall ensue in all respects as if the implied contract above-mentioned had been varied in the terms of the subsequent directions or had ceased to have effect

*Deemed to have come into operation on 1st January 1972.

(save as regards canes already delivered to the miller in pursuance thereof), as the case may be, on the day on which subsequent directions were given. Compliance with directions given under this section shall not, for the purpose of the obligations imposed on millers by section 5 (1), (2) and (3), amount to a purchase of canes by the miller from the farmer. Sections 4 and 6, section 7 (2) and the relevant provisions of section 10 shall not have effect as regards any contract implied by virtue of this section.

(4) Directions under this section shall be in writing signed by or on behalf of the Minister, and shall be served on the miller and the farmer in question. Such service may be effected by posting the directions in a registered envelope addressed to the miller or farmer, as the case may be, at his place of abode or business or by leaving the same with him or with the person in charge in Trinidad and Tobago of his business or (in the case of a partnership) with any partner therein or (in the case of a company) with any managing director, manager or secretary thereof.

(5) Whenever the Minister gives directions in the circumstances contemplated by subsection (1) (b), the contract referred to in that subsection shall cease to have effect save as regards canes already delivered to the miller in pursuance of that contract.

(6) While directions under this section are in force for the disposal of canes by a farmer, the farmer shall not deliver any canes referred to in the directions to any person other than the miller specified in the directions; and if any farmer delivers canes in contravention of this subsection he is liable on summary conviction to a fine of seventy-five dollars in respect of every ton or part thereof of canes so delivered.

Minister to fix rates of interim payments. [*33 of 1977].

9. (1) The Minister shall, as soon as may be practicable in each year—

- (a) fix the minimum rate of interim payments to be made by millers against the price of farmers' canes purchased during the year; and

*Deemed to have come into operation on 1st January 1972.

- (b) determine in accordance with the rules set out in the Third Schedule, the price to be paid by millers for farmers' canes purchased during the year. Third Schedule.
- (2) Subject to subsection (3)—
- (a) interim payments at not less than the minimum rate fixed and published under subsections (1) and (8) respectively shall be made, within twenty-one days after delivery of the canes, against the price of all farmers' canes delivered to millers; and
- (b) the balance of the price determined and published under subsections (1) and (8) respectively shall be payable within twenty-one days after the date on which such price was published.
- (3) A farmer and a miller may make a special agreement in writing as to all or any of the following matters:
- (a) the payment by the miller of a higher price than that determined and published under subsection (1);
- (b) the time and manner of payment of the price of canes purchased by the miller;
- (c) exempting the miller from the obligation to make interim payments, or modifying the obligation as to the amount, the time and manner of payment of the interim payments or any of those matters,
- and any such agreements shall have effect notwithstanding the preceding provisions of this section.
- (4) Where—
- (a) directions have been served on a miller and a farmer under section 8;
- (b) canes were cultivated on the land in question in the immediately preceding year and were under contract to be sold to a miller for delivery at his purchasing scale nearest to the farmer's cultivation;

Second
Schedule.

- (c) by reason of a notice given under paragraph 3 of the Second Schedule, the farmer is required to deliver canes at some other scale at his own expense; and
- (d) the mileage over which the canes have to be transported to the latter scale is greater than the mileage over which they would have had to be transported to the former scale if they had been delivered there,

the miller, on reasonable proof of the contract referred to in paragraph (b), shall pay to the farmer, in respect of the extra mileage aforesaid, a sum calculated at such rate as may be fixed by Order of the Minister. Such sum shall be payable, if reasonable proof of the contract mentioned above has meanwhile been furnished, within twenty-one days after the delivery of the canes, and otherwise shall be payable on reasonable proof of the said contract.

(5) Millers shall be entitled to be repaid by the Comptroller of Accounts out of public funds—

- (a) any sums properly paid by them under subsection (4); and
- (b) the amount of any further expenses reasonably incurred by them, in consequence of directions given under section 8, for the transportation of farmers' canes purchased by them to their estates from purchasing scales not situate on their estates,

on presentation of monthly accounts, rendered on or before the 15th day of the month following the month to which they relate, in such form, and verified in such manner, as the Comptroller of Accounts may from time to time require.

(6) Every miller who has purchased canes from a farmer in any year shall pay to the Comptroller of Accounts on demand a sum, in respect of the total tonnage so purchased, calculated at such rate as may be determined from time to time. Every such demand shall be in writing signed by or on behalf of the Comptroller of Accounts and may be served in any of the ways specified in section 8(4) for the service of directions under that section.

Third Schedule.

(7) The Minister may, by order published in the *Gazette* or served on the persons affected by the order in any of the ways specified in section 8(4) for the service of directions under that section, require farmers or millers or specified classes or descriptions of farmers or millers or specified farmers or millers to make returns or periodical returns of any particulars relating to their business which, in the opinion of the Minister, will assist him in exercising the powers conferred upon him by this section. Any such return may contain such ancillary directions as to the form of the returns, the time within which or at which the returns are to be made, the manner in which the returns are to be delivered and otherwise as the Minister may consider desirable. Any farmer or miller who fails to comply with an order under this section is liable on summary conviction to a fine of one thousand five hundred dollars. However, it shall be a defence to a prosecution for failing to make a return at the time or within the time specified in any such order to prove that it was not reasonably practicable to make the return at the time or within the time mentioned above. If any return is false in a material particular, the farmer or miller by whom it was made is liable on summary conviction to a fine of six thousand dollars.

(8) The minimum rate of interim payments and the price determined under subsection (1) (a) and (b) shall be published in the *Gazette*.

10. (1) A farmer (herein referred to as a “contractor”) who sub-contracts with a cultivator to cultivate canes to be purchased by the contractor for re-sale to a miller with whom he has entered into a contract shall cause a written record to be made specifying the cultivator, the situation and acreage of the land to be cultivated by him and the quantity of canes agreed to be purchased from him. Such record shall be signed by the contractor and the miller and annexed to the relevant contract entered into between the contractor and the miller. The contractor shall not, except with the written consent of the miller, sub-contract with cultivators other than those

Sub-contracts between a farmer and persons from whom he purchases canes for sale to a miller. [*33 of 1977].

*Deemed to have come into operation on 1st January 1972.

who have cultivated canes for sale to such contractor at some time within the three years immediately preceding the date on which he entered into a contract with the miller. The miller shall keep a register in which shall be entered the particulars of each sub-contract and the names of each cultivator.

(2) A contractor shall purchase from a cultivator a quantity of canes (if available) not less than the average quantity sold annually by the cultivator to the contractor during the three years immediately preceding the making of their sub-contract.

(3) The privileges and exemptions conferred and the obligations imposed upon a miller by section 7(2) shall apply *mutatis mutandis* to a contractor as regards canes which he has agreed to purchase from a cultivator.

(4) Unless a higher price is expressly agreed upon by the contracting parties, the price to be paid by a contractor for canes purchased from a cultivator shall be in accordance with the scale of prices provided for by section 9. However, the contractor shall be entitled to make deductions from such price in accordance with the local usage which prevailed prior to 9th September 1937.

(5) Whenever a sub-contract with a cultivator is determined the contractor shall forthwith give notice in writing of the determination to the miller concerned who shall make an entry to that effect in his register, and whenever such sub-contract has been determined without the consent of the cultivator the cultivator, provided that he has been a cultivator at any time within three years including the crop season ending 31st December 1946, may require the miller to enter into a contract with him and thereupon the provisions of section 5 shall apply as if the cultivator was a farmer from whom the miller had purchased canes. However, any quantity of canes which a Miller might be under obligation to purchase from the contractor shall be reduced by the quantity which the contractor shall be required to purchase from that cultivator.

(6) Any person who contravenes the provisions of this section is liable on summary conviction to a fine of one thousand five hundred dollars.

11. (1) There is hereby established a Board to be known as the Cane Farming Arbitration Board, whose duty it shall be to settle any dispute or claim arising out of any contract or sub-contract or under this Act.

Cane Farming
Arbitration
Board.
Duties.
[*33 of 1977].

(2) The Board shall consist of a Chairman to be appointed by the Minister and two other persons selected by the Chairman, one of whom shall be a representative of the millers and the other a representative of the farmers. The representative shall be selected from a panel consisting of six representatives of the millers and six representatives of the farmers, who shall be nominated by the Minister.

(3) The Board shall regulate its own procedure and shall have all the powers of the High Court to summon and examine witnesses on oath and to order the production of documents. The decision of the Board may be enforced by order of a Judge of the High Court in the same manner as a judgment or order of the High Court to the like effect. The Arbitration Act shall not apply to any proceedings of the Board or to any award made by it.

Procedure.

Ch. 5:01.

(4) There shall be a right of appeal to the Court of Appeal from any decision of the Board, provided the appeal is entered within twenty-eight days of the date of the decision.

Appeal.

(5) The Chairman shall convene a meeting of the Board whenever any dispute or claim is referred to it, and shall cause proper and sufficient records to be kept of its proceedings and decisions.

Meetings.

(6) The Chairman may, before convening a meeting of the Board, cause a preliminary investigation to be made into a dispute or claim referred to him or to the Board with the object of ascertaining the facts and limiting the issues and of endeavouring to bring about a voluntary settlement between the parties to the dispute.

Preliminary
investigations.

*Deemed to have come into operation on 1st January 1972.

Board to
decide disputes.
[*33 of 1977].

12. (1) If any dispute or claim arises between a farmer and a miller concerning the goodness or sufficiency of the miller's reasons for refusing to enter into a contract or the quantity of canes to be included in any such contract or purchased by the miller or any other matter relating to the rights and liabilities of the parties under a contract, the dispute or claim shall be referred to the arbitration of the Board.

(2) If any dispute or claim arises between a farmer and a cultivator as to any matter relating to the rights or liabilities of the parties under a sub-contract entered into pursuant to the provisions of section 10 the dispute or claim shall be referred to the Board.

(3) The Board shall have power to award damages and compensation for any loss or damage occasioned by the failure of either party to a contract or to a sub-contract to fulfil his obligations under the contract or sub-contract or under this Act or to declare a contract or sub-contract cancelled.

District Revenue
Officer to keep
copies of
contracts.
[*33 of 1977
51/1980].

13. (1) Within twenty-eight days of the execution of a contract the miller shall deposit a true copy thereof together with sub-contracts, if any, with the District Revenue Officer who shall keep the copy on record for the period of the contract and for two years after its termination. The District Revenue Officer shall on request furnish a copy of the contract upon payment of a fee of one dollar.

(2) Every miller shall supply the District Revenue Officer with a list of the persons registered with him by each farmer under the provisions of section 10 together with the particulars registered in respect of each such person.

(3) Every miller who fails without reasonable cause or excuse to deposit any copy of a contract or to supply any list of persons as required by this section is liable on summary conviction to a fine of three hundred dollars. The Magistrate may also make an order requiring the defendant within a period to be fixed by the

*Deemed to have come into operation on 1st January 1972.

Magistrate to deposit the copy or furnish the list, as the case may be, and in default of compliance with the order to pay a further fine of three thousand dollars.

14. If by reason of any act of God, strike, breakdown of machinery or any unavoidable cause, not due to any wilful neglect or default on his part either of the contracting parties fails to carry out any of his obligations under a contract or sub-contract he shall be exempt from any liability consequent upon such failure.

Exemption of obligations on account of act of God or unavoidable causes.

15. The right conferred by this Act on a farmer to require a miller to enter into a contract shall enure to the benefit of his successors in title and assigns in whole or in part as the case may be, and the obligation imposed by this Act on a miller to enter into such a contract shall devolve and be binding on his successors in title and assigns and the rights and obligations conferred and imposed upon any party under a contract or a sub-contract shall devolve and be binding on his successors in title and assigns.

Devolution of rights and obligations. [*33 of 1977].

16. A contract shall not be deemed to be a bill of sale within the meaning of the Bills of Sale Act.

Legal effect of a contract. Ch. 82:32.

17. A contract shall be exempt from the payment of any duty under the Stamp Duty Act.

Contract exempt from stamp duty. Ch. 76:01.

18. Undischarged contracts made pursuant to the provisions of the former Ordinance, shall continue to be binding on the parties thereto but subject to the provisions of this Act.

Saving undischarged contracts.

19. This Act shall apply in relation to any farmer's contract (as hereinafter defined) made before the passing of this Act as though such contracts had been made under and in accordance with the provisions of this Act and as though section 19(2) of the former Ordinance had not been passed. For the purpose of this section, the expression "farmer's contract" means any contract by

Application of the Act.

*Deemed to have come into operation on 1st January 1972.

a farmer in relation to which all the following circumstances exist:

- (a) the contract is of a class in relation to which express provision was made in the former Ordinance;
- (b) the contract is substantially in conformity with such provision;
- (c) the contract was in force at the time this Act was passed.

Section 8.
[*33 of 1977].

FIRST SCHEDULE

CANE FARMING CONTRACT

Agreement made this day of, 20....., between hereinafter called “the miller” of the one part and hereinafter called “the farmer” of the other part:

It is hereby mutually agreed as follows:

For reaping during the years 20..... to 20....., both inclusive, the farmer shall cultivate or cause to be cultivated in a husbandlike manner canes of any of the following varieties to wit: to the extent of tons a year on land situated at and sell such canes to the miller and for that purpose to reap the said canes from time to time when they have grown to maturity and are of good quality fit for use for conversion into sugar and deliver the same to the miller at his purchasing scale nearest to the farmer’s cultivation in a reasonably good condition at such times and in such quantities as the miller shall specify by notice. Such notice shall be in accordance with established custom in respect of the reaping season and the proportionate quantities of canes to be delivered from time to time during the crop period, so as not to delay the reaping and delivery of matured canes, nor to cause excessive delivery of canes beyond the capacity of the factory at which the canes are ground.

During the aforesaid period the miller shall take delivery of all canes of the above-mentioned variety or varieties and of good quality offered for sale by the farmer and pay for the same at the value at the time of delivery as determined

by law unless some other price is expressly agreed upon provided that the miller shall not be required to purchase a quantity of canes in excess of the amount specified in this contract.

References in this contract to canes of good quality shall be deemed to include burnt canes fit for grinding which have been burnt not more than three days before delivery; but in the case of such burnt canes as aforesaid the sum of sixty cents a ton shall be deducted from the price determined by law.

In Witness, etc.

[Insert here other conditions.]

*Deemed to have come into operation on 1st January 1972.

SECOND SCHEDULE

Section 8.
[*33 of 1977].

DIRECTIONS BY THE MINISTER

To of (hereinafter called “the miller”) and
....., of (hereinafter called “the farmer”).

1. The miller shall purchase from the farmer during the crop period of the year such quantity of canes not exceeding tons of the following varieties, namely,..... grown on land situate at as have grown to maturity and are of good quality fit for use for conversion into sugar and are delivered by the farmer to the miller in accordance with the directions hereinafter contained.

2. The canes shall be delivered at such times and in such quantities as the miller shall from time to time specify by notice to the farmer. The times and quantities specified in the notice shall conform with the established custom for the reaping season so as not unreasonably to delay the reaping and delivery of matured canes on the one hand and not to cause delivery of canes beyond the capacity of the miller’s factory on the other hand.

L.R.O. 1/2006

3. The miller shall, by notice to the farmer, from time to time specify the purchasing scale at which he is prepared to take delivery of the canes and thereupon delivery shall be made accordingly.

4. The price to be paid by the miller for canes delivered by the farmer and the interim payments (if any) to be made against such price shall be in accordance with the provisions of the Act.

5. The miller shall also pay to the farmer, in accordance with section 9 of the Act, such sums (if any) in respect of extra transport of canes as are provided for in the section.

6. References in this contract to canes of good quality shall be deemed to include burnt canes fit for grinding which have been burnt not more than three days before delivery; but in the case of burnt canes as aforesaid the sum of sixty cents a ton shall be deducted from the price determined by law.

*Deemed to have come into operation on 1st January 1972.

THIRD SCHEDULE

Section 9.
[*33 of 1977].

**RULES FOR DETERMINING THE PRICE OF
FARMERS' CANES**

1. In this Schedule—

“administered cost of the industry” means one-half the cost of the Cane Farming Department together with the full cost incurred in operating scales and derricks;

“by-products” means molasses and bagasse;

“post-processing expenses” means the cost of handling, storage, transportation and sale of sugar and its by-products;

“stripped value” means the gross revenue derived from sugar and its by-products and includes polarisation premiums *less* the administered cost of the industry and all post-processing expenses divided by the tonnage of sugar;

“sugar” means commercial sugar of 96° polarisation.

2. The price of cane which has been delivered at the factory gate shall be determined in accordance with the following formula:

$$P = \frac{SV}{tc/ts} - 1.02 - \frac{C}{2}$$

3. The price of cane which has been delivered at an outside purchasing point shall be determined in accordance with the following formula:

$$P = \frac{SV}{tc/ts} - A - \frac{C}{2} + J, \text{ where}$$

$$J = 1.02 \times \frac{F}{T}$$

4. In rules 2 and 3—

A= the average cost price per ton of transporting farmer’s cane from an outside purchasing point to the factory gate;

C = the cost per ton cane of the Cane Farming Department;

*Deemed to have come into operation on 1st January 1972.

F= the tonnage of farmers' canes which has been delivered to the factory gate;

J= the transport cost adjustment of contribution to transport costs in dollars;

P= the price in dollars a ton of cane;

SV= the proportionate share of stripped value allocable to a farmer; that is to say 72.75 per cent of stripped value;

T= the tonnage of farmers' canes which has been delivered at an outside purchasing point;

tc/ts= the number of tons of cane required to make one ton of sugar.