#### STATUTORY INSTRUMENTS

#### 1981 No. 323

### **AGRICULTURE**

### The Milk Marketing Scheme (Amendment) Regulations 1981

Made -3rd March 1981 Laid before Parliament 11th March 1981 Coming into Operation 1st April 1981

The Minister of Agriculture, Fisheries and Food and the Secretary of State, being Ministers designated (a) for the purposes of section 2(2) of the European Communities Act 1972(b) in relation to the common agricultural policy of the European Economic Community, acting jointly, in exercise of the powers conferred upon them by the said section 2(2) and of all other powers enabling them in that behalf, hereby make the following regulations:-

#### Citation, commencement and extent

1. These regulations may be cited as the Milk Marketing Scheme (Amendment) Regulations 1981, shall come into operation on 1st April 1981 and shall extend to England and Wales.

### Amendment of the Milk Marketing Scheme

2. The Milk Marketing Scheme 1933(c) shall be further amended as follows:-

### (a) by inserting in paragraph 3(2) thereof:

- (1) immediately after the definition of "The Act of 1958", the following definition:
- " 'Commercial activities' in relation to the Board means the following activities of the Board:
  - (i) producing from milk any of the commodities specified in the Second Schedule;
  - (ii) selling, grading, packing, storing, adapting for sale, insuring and advertising milk processed by the Board or commodities produced by the Board from milk;
  - (iii) transporting in vehicles owned, leased to or hired by the Board milk or commodities produced therefrom by the Board;
  - (iv) other activities reasonably incidental to those specified above."

<sup>(</sup>a) Designated by the European Communities (Designation) Order 1972 (S.I. 1972/1811).

<sup>(</sup>a) Designates 5, the 1-27 (b) 1972 c. 68. (c) S.R. & O. 1936/767, 1937/228, 744, 1939/324; S.I. 1950/1029, 1955/946, 1969/1812, 1977/900, 1979/249.

- (2) immediately after the definition of "Determined", the following definition:
  - "'Exempt producer' means a registered producer who holds a current certificate of exemption issued under paragraph 69A."
    - (b) by inserting immediately after paragraph 8 thereof the following paragraph:
      - "8A. The Board, to the intent that so far as practicable their commercial activities may be put on an equal footing with the activities of independent commercial undertakings, shall place their commercial activities under a system of financial management and administration which is separately accountable from the system of financial management and administration for the Board's other activities."
    - (c) by inserting immediately after paragraph 52 thereof the following paragraph:
      - "52A. The Board shall not make money or other financial benefits available for use in their commercial activities except on the market terms then prevailing."
    - (d) by substituting for paragraph 53 thereof the following paragraph:
      - "53.(1) The Board shall keep proper and separate accounts and records in respect of:
        - (a) their commercial activities; and
      - (b) their other activities,
      - and in particular shall annually make out for each of those two groups of activities separate balance sheets and income and expenditure accounts, and if the Board trade for profit, separate profit and loss accounts. Such accounts shall be in such form as the Minister shall from time to time direct, being a form which shall conform to the best commercial standards.
      - (2) The Board shall charge to their commercial activities such proportion of the Board's general administrative expenses as is fairly attributable to their commercial activities.
      - (3) The Board shall cause all their accounts and balance sheets prepared pursuant to sub-paragraph (1) of this paragraph to be audited by a member of, or a firm of accountants containing a member of, the Institute of Chartered Accountants in England and Wales or of the Association of Certified Accountants appointed by the registered producers in general meeting. As soon as may be after the auditor has reported thereon, and in any case within six months from the close of the period covered by any profit and loss account or income and expenditure account, the Board shall send to the Minister and to every registered producer a copy of the account and balance sheet and of the report of the auditor thereon, and also a report by the Board as to the working of this Scheme in the period covered by the profit and loss or income and expenditure account, which shall include a statement of the manner in which, in accordance with the provisions of paragraph 50, any moneys are invested.

The Board shall on the demand of any person and on payment by him of such fee, not exceeding fifteen new pence, as may be fixed by the Board furnish to him a copy of any of their balance sheets.

- (4) The Board shall furnish the Minister with such information as he may from time to time require concerning the Board's commercial activities and shall permit any person duly authorised in writing by the Minister, on production of his authority, to inspect such of the Board's accounts and records as he may reasonably require to satisfy himself that the Board are complying with the requirements of paragraph 8A, of this Part of this Scheme, of Council Regulation (EEC) No. 1422/78(a) and of Commission Regulation (EEC) No. 1565/79(b)."
- (e) by inserting immediately after paragraph 56 thereof the following paragraph:

#### "WITHHELD MILK

- 56A.(1) The provisions of paragraphs 58, 59, 60, 61, 62, 63, 64, 66, 67, 68, 69 and 70 shall not apply to milk which a registered producer:
  - (i) withholds from the Board by agreement with the Board; or
  - (ii) withholds from the Board for export, whether the milk be in unprocessed or processed form, outside the United Kingdom; or
  - (iii) withholds from the Board for conversion into butter or skimmed milk powder to be sold to the intervention agency; or
  - (iv) withholds from the Board and sells to an exempt producer; or
  - (v) withholds from the Board for sale by the registered producer in his capacity as an exempt producer.
- (2) A registered producer may act jointly with other registered producers or through intermediaries or with and through both for the purposes of subparagraph (1)(ii) of this paragraph but a registered producer who withholds milk for those purposes shall give to the Minister and to the Board not less than two months prior notice in writing of:
  - (a) the precise or minimum period during which he intends to withhold milk;
  - (b) the quantity of milk which he intends to withhold where this is or may be less than the total production of the cows in his possession; and
  - (c) the form (that is, whether unprocessed or processed) in which the milk is to be marketed outside the United Kingdom.

Where the registered producer specifies in the notice referred to above the precise period during which he intends to withhold milk, the Board shall not be obliged to buy milk from him until the expiration of that period.

Where the registered producer specifies in the notice referred to above the minimum period during which he intends to withold milk, the Board shall not be obliged to buy milk from him until the expiration of two months after the Board shall have received from him notice in writing of his intention to sell milk to the Board; but in any case the Board shall not be obliged to buy milk from him until the expiration of that minimum period.

(3) A registered producer may act jointly with other registered producers or through intermediaries or with and through both for the purposes of subparagraph (1)(iii) of this paragraph but a registered producer who withholds

milk for those purposes shall give to the Minister and to the Board not less than one months prior notice in writing of:

- (a) the precise or likely period during which he intends to withhold milk; and
- (b) the quantity of milk which he intends to withhold where this is or may be less than the total production of the cows in his possession.

Where the registered producer specifies in the notice referred to above the precise period during which he intends to withold milk, the Board shall not be obliged to buy milk from him until the expiration of that period.

Where the registered producer specifies in the notice referred to above the likely period during which he intends to withold milk, the Board shall not be obliged to buy milk from him until the expiration of two months after the Board shall have received from him notice in writing of his intention to sell milk to the Board.

A registered producer shall not be entitled to withold milk under subparagraph (1) (iii) of this paragraph unless:

- (a) for a period of five consecutive months in the period of twelve consecutive months immediately preceding the date from which he intends to withold milk the price paid by the Board to him each month shall have been less than either:
  - (i) the intervention price equivalent of milk for that month calculated pursuant to Regulation 5 of the Milk Marketing Boards (Special Conditions) Regulations 1981(a); or
  - (ii) an intervention price equivalent of milk for that month calculated as aforesaid but by the registered producer using the margins and conversion factors applicable to the milk produced by him that month, provided that he is able to satisfy the qualified person specified in the said Regulation 5 as to the validity of his calculation; or
- (b) during the period of twelve consecutive months immediately preceding the date from which he intends to withhold milk the average price paid by the Board to registered producers shall have been less than the average intervention price equivalent of milk over the same period calculated as aforesaid.

A registered producer may give notice under this sub-paragraph of his intention to withhold milk under sub-paragraph (1)(iii) upon receipt of payment for one month's supply of milk when the price paid by the Board shall have been less than the intervention price equivalent of milk for that month calculated as aforesaid.

A registered producer shall not be entitled to withhold milk under subparagraph (1)(iii) for more than a period of six consecutive months beyond the period of three consecutive months during which the average price paid by the Board to registered producers shall have exceeded the intervention price equivalent of milk calculated as aforesaid.

- (4) (a) A registered producer who withholds milk for the purposes of sub-paragraph (1)(iv) of this paragraph shall give to the Minister and to the Board not less than 60 days prior notice in writing of his intention to withhold milk.
- (b) Every such registered producer shall keep such books and records relating to the milk as the Board shall reasonably require and shall make such

returns and give such information to the Board as the Board shall reasonably require to enable the Board and, if he so desires, the Minister to be satisfied that the milk has been sold to an exempt producer and shall produce such books and records to any person authorised in writing by the Minister or the Board to inspect them."

- (f) by amending paragraph 60 thereof as follows:
  - (i) substitute for the word and figures "paragraph 56" the words and figures "paragraphs 56 and 56A"; and
  - (ii) add the following proviso as proviso (c):
    - "(c) The Board shall not recall for sale for liquid consumption milk which has been allocated to buyers if such milk is intended by the buyers for export, whether in unprocessed or processed form, outside the United Kingdom."
- (g) by revoking paragraph 65 thereof.
- (h) by substituting for paragraph 66 thereof the following paragraph: "NEGOTIATION WITH PURCHASERS' REPRESENTATIVES
  - 66.(1) A committee shall be established (hereinafter called 'the Joint Committee') which shall consist of members appointed by the Board and members appointed by the body established by buyers of milk and commonly known as the Dairy Trade Federation, provided that if in the opinion of the Minister that body has ceased to exist or has ceased to represent the views of buyers of milk, such last mentioned members shall be appointed by such other body or bodies as appear to the Minister to represent for the time being the views of the buyers of milk otherwise than by retail.
  - (2) The Joint Committee may appoint sub-committees consisting of one or more of their members and such other persons as the Joint Committee may appoint. Any such sub-committee may be empowered by the Joint Committee to consider any matters referred to it by the Joint Committee.
  - (3) The Joint Committee may appoint a Chairman who need not be one of their members.
  - (4) All questions to be decided by the Joint Committee shall be decided by resolution upon which the members appointed by the Board and the members appointed by the Dairy Trade Federation or other body or bodies aforesaid shall each collectively have one vote. The Committee shall not be taken to have agreed unless both such votes have been cast in the same direction.
  - (5) The parties represented in the Joint Committee shall negotiate the following matters:—
    - (a) the description of milk to be sold by the Board;
    - (b) the delivery of milk to be sold by the Board;
    - (c) the terms on which milk is to be sold by the Board;
    - (d) subject to sub-paragraphs (7), (8), (10) and (11) of this paragraph, the prices of milk to be sold by the Board;
    - (e) the amounts of any allowances to be made to buyers;
    - (f) the classes of persons and premises to whom or in respect of which such allowances are to be made;
    - (g) the conditions on which such allowances are to be made;

- (h) the arrangements for making milk available to buyers including the Board's processing and manufacturing enterprises, proposals for which shall be submitted to the Joint Committee by a sub-committee set up under the terms of sub-paragraph (2) of this paragraph.
- (6) The Joint Committee may also discuss any other matters agreed by both parties to the Joint Committee to be of mutual interest to the Board and the Dairy Trade Federation, or other body or bodies aforesaid, and arising out of the Community obligations of the United Kingdom.
- (7) Subject to the provisions of sub-paragraph (8) of this paragraph, the price of milk sold by the Board shall be set at the same level as the standard price negotiated by the Joint Committee for milk sold for human consumption as liquid whole milk, except that the Joint Committee may negotiate different prices for milk sold by the Board for use in production of the following commodities:—
  - (a) Cheese, with prices differentiated according to the variety of the cheese;
  - (b) Butter, with prices differentiated according to the type and fat content of the butter;
  - (c) Cream, with prices differentiated according to the type and fat content of the cream;
  - (d) Evaporated milk;
  - (e) Condensed milk;
  - (f) Milk powder:
  - (g) Milk chocolate crumb;
  - (h) Milk puddings;
  - (i) Custard;
  - (i) Ice cream;
  - (k) Cultured milk products;
  - (1) Sauces, desserts, soups, catering products and bakery products, with prices differentiated according to the product; and
  - (m) subject to the approval of the Minister, other commodities of which milk is an ingredient.

Prices may be further differentiated according to the use of each constituent if whole milk is fractionated and only a part of the solid constituents is utilised in the production of any of the commodities specified above.

- (8) The price of milk to be sold by the Board shall be set at the same level for all buyers who intend to use the milk for the same purpose, except that the Joint Committee may negotiate different prices to take account of:—
  - (a) the region or district in which the milk is to be produced processed or consumed;
  - (b) the description, quality or condition of the milk;
  - (c) the period during which, and the dates when, deliveries of milk are to be made;
  - (d) the place of delivery;

- (e) the quantity of milk to be delivered;
- (f) any special services to be rendered by or to the buyer, including the delivery of milk in specified quantities at specified times; and
- (g) subject to the approval of the Minister, any other criteria of an objective nature.
- (9) If the Joint Committee are unable to agree upon any matter which is referred to in sub-paragraph (5), (7) or (8) of this paragraph, either party may make a reference thereon to an Arbitration Panel. Such Panel shall consist of four members, namely a Chairman and three other members (although only three of the four members shall sit on any particular reference), appointed by the Joint Committee and shall include persons who in the opinion of the Joint Committee or, failing agreement by the Joint Committee, in the opinion of the Minister, are qualified for appointment as having had experience and shown capacity in:
  - (a) commerce, or
  - (b) law, or
  - (c) accountancy or economics.

If the Joint Committee fail to agree upon all or any of these persons, they shall be appointed by the Minister. This procedure of reference to the Arbitration Panel may be varied by agreement within the Joint Committee so that any matter of disagreement may be referred to a single arbitrator to be appointed from time to time by the Joint Committee. A decision of such Panel or of such single arbitrator shall be binding on the Joint Committee unless the Joint Committee agree not to accept it. This procedure may also be adopted subject to the agreement of both parties to the Joint Committee in relation to any matter raised under sub-paragraph (6) of this paragraph.

- (10) After the end of the calendar month following the month of delivery the Joint Committee shall not agree to any reduction in the prices they have negotiated in accordance with sub-paragraphs (5), (7) and (8) of this paragraph. If the Joint Committee fail to agree the final minimum price for any use of milk for manufacture, they shall as soon as is practicable and in any case not later than the twenty-second day of the month following the month of delivery, refer their disagreement to the Arbitration Panel referred to in sub-paragraph (9) of this paragraph or, if both parties in the Joint Committee so agree, to a single arbitrator. The Arbitration Panel, or the single arbitrator, as the case may be, shall decide the final minimum price before the end of the month following the month of delivery of the milk.
- (11) Notwithstanding the foregoing provisions of this paragraph, the price of milk sold by the Board shall not be set at such a level that the sale of milk by the Board at that price would contravene Article 9(3) of Council Regulation (EEC) No. 1422/78. In the event of any such contravention the Board shall make such adjustment in their prices for milk so sold or to be sold as the Minister shall require to counteract the effect of such contravention.
- (12) The Joint Committee or, failing agreement, either of the parties represented in the Joint Committee may invite the Chairman or any other member of the Arbitration Panel to attend all or any of

their meetings. If the two parties represented in the Joint Committee cannot agree on which member of the Arbitration Panel should be invited, then the Chairman of the Arbitration Panel shall decide. The Committee may also consult the Chairman or any other member of the Arbitration Panel or seek his advice in relation to any matter which is referred to in sub-paragraph (5), (7) or (8) of this paragraph, or raised under sub-paragraph (6) of this paragraph, provided that if the Chairman or any other member of the Arbitration Panel attends any meeting of the Joint Committee during discussion of a particular issue or is consulted by the Joint Committee thereon, he shall not sit on the Arbitration Panel if that issue is referred to the Arbitration Panel."

(i) by substituting for paragraph 67(3) thereof the following subparagraph:

- "(3) (a) If the Board refuse to purchase the said milk or, as the case may be, cease to purchase it they shall as soon as practicable and in any case not later than seven days after their decision give to the producer written notice of their decision and of their reasons for it.
  - (b) If the decision of the Board is made on the grounds set out in sub-paragraph (2)(b) or (c) above the Board shall in addition within the said period of seven days give to the Minister written notice of their decision and of their reasons for it and send to him all material documents. The Minister shall thereupon invite the producer and the Board to make written representations to him concerning the Board's decision and shall review the Board's decision having regard to any such representations received by him within the time specified by him. The Minister shall give to the producer and the Board written notice of the decision which he has reached following his review and such decision shall be binding on the producer and the Board.
  - (c) The provisions of paragraph 93 shall not apply to any such decision of the Board as is referred to in (b) of this subparagraph."
- (j) by inserting immediately after paragraph 69 thereof the following paragraph:
  - "69A.(1) Notwithstanding the provisions of paragraph 69(1), any exempt producer may sell milk by retail.
  - (2) Any registered producer may send to the Board a declaration signed by him that from the date specified therein, being a date not less than two months later than the month in which the Board shall receive his declaration, and for a period specified therein, being a period of not less than five years, he wishes to be exempted from his obligation to sell milk to the Board and to forgo his right to require the Board to buy milk from him. The registered producer shall at the same time as he sends his declaration to the Board send a copy of it to the Minister. The declaration shall incorporate a request for a certificate of exemption.
  - (3) Subject to the provisions of sub-paragraph (4) of this paragraph the Board shall not be entitled to refuse to issue a certificate of exemption to any such registered producer as aforesaid who satisfies the Board:
    - (a) that during the three calendar years immediately preceding

- his declaration the average annual production of milk from all the cows in his possession has not exceeded 100,000 kilograms; and
- (b) that he intends to sell not less than 75 per cent of the annual production of milk from all the cows in his possession directly to the final consumer in the form of liquid milk.
- (4) The Board shall be entitled to refuse to issue a certificate of exemption to any registered producer who:—
  - (a) during the period of six months immediately preceding his request for a certificate of exemption has committed a breach of any of the conditions specified in sub-paragraph 7(c)(i), (ii) or (iii) of this paragraph subject to which any previous certificate of exemption was issued to him save in a case where the Board are satisfied that the breach was due to accident or any cause beyond his reasonable control; or
  - (b) is not registered as a dairy farmer under the Food and Drugs Enactments.
- (5) If the Board refuse to issue a certificate of exemption they shall as soon as practicable and in any case not later than 21 days after receipt of the declaration send the declaration with all material documents to the Minister and shall give to the registered producer written notice of their decision, of the reasons for their decision and of their having sent his declaration to the Minister.
- (6) The Minister shall thereupon invite the registered producer and the Board to make written representations to him concerning the request for a certificate of exemption and shall consider the request having regard to any such representations received by him within the time specified by him. The provisions of sub-paragraphs (3) and (4) of this paragraph shall apply to the Minister's consideration of the request as if the references in those sub-paragraphs to the Board were references to the Minister. Unless the Minister within 60 days of the receipt of the declaration by the Board shall send to the registered producer written notice of his refusal of a certificate of exemption with reasons for his decision, he shall be deemed to have acceded to the request for a certificate of exemption and shall forthwith issue a certificate of exemption to the registered producer in the terms of his request.
  - (7) Every certificate of exemption:
    - (a) shall state the period of its validity;
    - (b) shall record the average annual production from cows in the possession of the exempt producer during the three calendar years immediately preceding the lodgement of his declaration with the Board; and
    - (c) shall be issued subject to the following conditions:
      - (i) that the exempt producer shall sell not less than 75 per cent of the annual production of milk from the cows in his possession directly to the final consumer in the form of liquid milk;
      - (ii) that the exempt producer may buy from other registered producers a quantity of milk not exceeding in the aggregate in any year 25 per cent of the production of milk in

- that year from the cows in his possession and shall sell the milk so bought by him directly to the final consumer in the form of liquid milk;
- (iii) that the amount of milk in liquid form sold by the exempt producer directly to the final consumer in any calendar year (including milk bought by him pursuant to the last foregoing condition) shall not exceed double the average annual production recorded in the certificate of exemption:
- (iv) that the exempt producer shall keep such books and records relating to milk as the Board shall reasonably require and shall make such returns and give such information to the Board as the Board shall reasonably require to enable the Board and, if he so desires, the Minister to be satisfied that the conditions of the certificate of exemption are being complied with and shall produce such books and records to any person authorised in writing by the Minister or the Board to inspect them; and
- (v) that the exempt producer shall comply with the relevant provisions of the Food and Drugs Enactments.
- (8) Every certificate of exemption may be revoked by the Minister, whether or not it was issued by him, upon breach of any of its conditions on the part of the exempt producer unless the Minister is satisfied that such breach was due to accident or other cause beyond the reasonable control of the exempt producer.
- (9) For the purposes of this paragraph a registered producer shall be deemed to have cows in his possession if, but only if, they and the buildings in which they are tended or milked are in his exclusive possession. If a registered producer satisfies the Minister that it is necessary for the time being for his cows to be tended or milked in buildings which are not in his exclusive possession he shall for such period as the Minister may determine be deemed for the purposes of this paragraph to have the cows in his possession."

# (k) by inserting immediately after sub-paragraph (4) in paragraph 71 thereof the following sub-paragraph:

"(4A) Sub-paragraph (1) of this paragraph shall not apply to any exempt producer. Every such producer shall in respect of each accounting period on such accounting days as may be prescribed contribute to the fund in respect of milk which he has sold by retail during that accounting period such sum per litre as the Board, with the approval of the Minister, may from time to time prescribe, being a sum which will produce a contribution proportional to the services rendered by the Board to exempt producers during that accounting period."

## (1) by inserting immediately after paragraph 77(1)(c) thereof the following provision:

"(ca) If any registered producer who withholds milk for the purposes of paragraph 56A(1)(iv) (for sale to an exempt producer) fails without reasonable excuse to comply with any requirement of paragraph 56A(4)(b) or in purported compliance with any such requirement knowingly makes any false return or knowingly gives any false information, then the disciplinary committee shall impose upon him

and the Board shall recover from him such monetary penalty (not exceeding £20) as the Committee think just."

(m) by inserting in paragraph 95 thereof, immediately after the word "Scheme", the words "except paragraph 69A."

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 2nd March 1981.

(L.S.)

Peter Walker, Minister of Agriculture, Fisheries and Food.

3rd March 1981.

Michael Roberts,
Parliamentary Under-Secretary of
State for Wales.

#### **EXPLANATORY NOTE**

(This Note is not part of the Regulations.)

These Regulations, which extend to England and Wales only, come into operation on 1st April 1981. They further amend the Milk Marketing Scheme 1933, as amended, in compliance with the requirements of Council Regulation (EEC) No. 1422/78 (OJ No. L 171, 28.6.1978, p.14) and Commission Regulation (EEC) No. 1565/79 (OJ No. L 188, 26.7.1979, p.29) concerning the granting of certain special rights to milk producer organisations in the United Kingdom, as provided for in Council Regulation (EEC) No. 804/68 (OJ No. L 148, 28.6.1968, p.13) as amended by Council Regulation (EEC) No. 1421/78 (OJ No. L 171, 28.6.1978, p.12). The principal amendments made to the Scheme are summarised below. (The paragraphs referred to are paragraphs of the Scheme).

- (1) The Board are required to place their "commercial activities" (a definition of which expression is inserted in the Scheme) under a system of financial management and administration which is separate from the system used for their other activities; to make money or other financial benefits available for use in their commercial activities only on market terms; and to keep separate accounts in respect of their commercial activities and of their other activities in such form as the Minister may direct. (Paragraphs 3(2), 8A, 52A and 53);
- (2) The principal powers of the Board are no longer to apply to milk which a registered producer withholds from the Board for certain specified purposes. A procedure and conditions are laid down under which registered producers may withhold milk in this way. (Paragraph 56A);
- (3) The Board are prohibited from recalling for sale for liquid consumption milk which has been allocated to buyers for export. (Proviso (c) to paragraph 60);

- (4) Paragraph 65, which gives the Board power to approve certain factories and depots used in connection with milk subject to certain conditions, is revoked;
- (5) Paragraph 66 is amended by the insertion of sub-paragraphs which lay down procedures for the setting of prices by the Joint Committee for milk sold by the Board and the criteria according to which these prices may be varied. Provision is made for any disagreement by the Joint Committee over the level of prices for milk to be referred to arbitration. Provision is also made that, in the event of the price of milk sold by the Board contravening Article 9(3) of Council Regulation (EEC) No. 1422/78, the Board shall make such adjustment in their prices as the Minister may require. (Paragraph 66);
- (6) Paragraph 67(3) is amended to provide a proceedure for appeal to the Minister in certain cases where the Board refuse to purchase milk from a registered producer;
- (7) Provision is made to permit any "exempt producer" (a definition of which expression is inserted in the Scheme) to sell milk by retail, notwithstanding the provisions of Paragraph 69(1), which gives the Board power to prescribe that registered producers may not sell milk by retail except under a licence issued by the Board. A procedure and conditions are laid down under which a registered producer may become an exempt producer. (Paragraph 69A);
- (8) Exempt producers are required to contribute to the Board's fund each year a sum proportional to the services rendered by the Board to exempt producers. (Paragraph 71(4A));
- (9) A penalty is provided for registered producers who fail to keep the required books and records in relation to milk withheld from the Board under Paragraph 56A(1) (iv). (Paragraph 77(1)(ca)).

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