

LAWS OF GUYANA

RICE FACTORIES ACT

CHAPTER 95:05

Act

8 of 1998

Amended by

3 of 2007

31 of 2009

**Current Authorised Pages**

<i>Pages (inclusive)</i>	<i>Authorised by L.R.O.</i>
1 - 21 ...	1/2012

**Note**  
**on**  
**Subsidiary Legislation**

**This Chapter contains no subsidiary legislation.**

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**CHAPTER 95:05**  
**RICE FACTORIES ACT**  
**ARRANGEMENT OF SECTIONS**

## SECTION

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12. Official paddy grading agency.
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8 of 1998

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

[DECEMBER, 1998]

Short title.

1. This Act may be cited as the Rice Factories Act.

Interpretation.

2. In this Act—

c. 72:01

“Board” means the Guyana Rice Development Board established by section 3 of the Guyana Rice Development Board Act.

c. 19:02

“district” means a district declared and established by the Minister under section 2 of the District Government Act;

“licence” means a licence issued to person under section 4;

“licensee” means a person to whom a licence has been issued;

“manufacture of rice” means the use of any process in connection with the converting of paddy into rice;

“official paddy grading agency” means a facility authorised by the Board under section 12.

“paddy” means the unhulled product of the rice plant;

“rice factory” means any premises on which paddy is manufactured into rice by mechanical power; and includes any place, building, machinery or equipment used in connection with the storage of paddy or rice, or the manufacture of rice and includes rice milling facilities;

“rice milling facility” means premises, whether or not owned by the Government or any of its agencies—

- (i) into which paddy or rice may be received directly from trucks, trailers, ships or other conveyances, or out of which paddy or rice may be discharged directly into trucks, trailers, ships or other conveyances;
- (ii) constructed for the purposes of handling, storing and processing paddy or rice received directly from producers, otherwise than as part of the farming operation of a particular producer,

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

Application for  
permit to  
establish rice  
factory.  
[3 of 2007]

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

- (a) the building plans
- (b) the certificate of title, lease or any other document evidencing title or a right of occupancy of the land;
- (c) an environmental permit from the Environmental Protection Agency established under the Environmental Protection Act or a statement from the Agency to the effect that the applicant has been exempted from the requirement for an environmental impact assessment;

c. 20:05

- (d) the application fee (if any) prescribed by regulation.

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

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

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

Fifth Schedule.

Rice not to be manufactured without licence. [3 of 2007]

4. (1) No person shall manufacture rice unless, upon an application therefor in the Form in the First Schedule, he is issued with a licence by the Board.

(2) In any case where a producer sells paddy to a manufacturer—

- (a) the manufacturer shall ensure that the sale is evidenced in writing, in the Form in the Sixth Schedule; and
- (b) the manufacturer shall pay the producer interest for any late payment, as specified in that form.

Sixth Schedule.

(3) Any person who contravenes subsection (1) or

(2) shall be guilty of an offence and shall be liable, on summary conviction—

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

Second  
Schedule.

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

Refusal to issue  
licence.

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

Appeal against  
refusal to issue  
licence.

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

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

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

(4) The Minister may, after considering the appeal

and the reasons furnished by the Board, order the Board to issue the licence.

Forms and fees  
for licences.  
Second  
Schedule.

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

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

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

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

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

Revocation of  
licences.

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

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

- (a) fails to comply with requirements relating to—
  - (i) the quality or grading of paddy or rice under any law;
  - (ii) the manufacture of rice;

- (b) produces rice or paddy for export by a person who is not a holder of an export licence:
- (c) sells rice or paddy for which a quality certificate has not been issued under any law without approved packaging or approved labelling; or
- (d) fails to maintain proper records of the rice or paddy entering and leaving his factory.

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

Transfer of licence.

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

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

Power to enter and inspect factory and examine books.

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

(2) Any person who refuses to permit any person authorised by or under subsection (1) to do anything referred to therein shall be guilty of an offence and shall be liable to a

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Rice Factories

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fine of one hundred thousand dollars and imprisonment for a term not exceeding six months.

Register of licences.

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

Official paddy grading agency. Third Schedule.

12. (1) A licensee who desires to become an official paddy grading agency shall submit to the Board an application in the Form in the Third Schedule.

Fourth Schedule.

(2) The Board may, if it thinks fit, authorise in the Form in the Fourth Schedule a licensee to become an official paddy grading agency.

Paddy to be bought or sold at 143lbs per bag.

13. (1) No person shall sell, purchase or receive paddy for the manufacture of rice, except at a price calculated on a bag of one hundred and forty-three pounds net or such other weight as may be prescribed by the Minister by regulation.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable to fine of one hundred thousand dollars and imprisonment for a term not exceeding six months.

Application of provision.

14. Sections 5, 6, 8, 9, and 11 shall apply *mutatis mutandis* to a permit issued under section 3 and to an authorisation granted under section 12.

Prosecution of offences and recovery of penalties.

15. All offences and penalties under this Act may be prosecuted and recovered under the Summary Jurisdiction Acts.

Regulations. [3 of 2007]

16. The Minister may make regulations for all or any of the following purposes—

- (a) prescribing the application fee payable under section 3(1)(d);

- (b) prescribing fees payable for a permit issued under section 3(4);
- (c) prescribing fees payable for an authorisation under section 12;
- (d) amending any Schedule to this Act;
- (e) providing for any other matters necessary for giving full effect to the provisions of this Act and for the due administration of these provisions.

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**SCHEDULE**

**FIRST SCHEDULE**

RICE FACTORIES ACT  
 GUYANA RICE DEVELOPMENT BOARD  
APPLICATION FOR LICENCE TO MANUFACTURE RICE

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

DATED THE.....DAY OF .....20....

.....  
 APPLICANT

\*DELETE IF INAPPLICABLE

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[3 of 2007  
31 of 2009]

SECOND SCHEDULE

RICE FACTORIES ACT  
GUYANA RICE DEVELOPMENT BOARD  
LICENCE TO MANUFACTURE RICE

LICENCE NO.....

MILL NO.....

NAME AND ADDRESS OF HOLDER

.....  
.....

SITUATION OF RICE FACTORY

.....

TOTAL MILLING CAPACITY .....

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

This licence expires on the 31st December, 20.....

This licence is granted subject to the conditions endorsed hereon.

Licence Fee \$.....

DATED THIS.....DAY OF .....20.....

.....  
CHAIRMAN/CHIEF EXECUTIVE/SECRETARY

CONDITIONS OF LICENCE

This licence is granted subject to the following conditions namely –

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

- 
- to availability of storage accommodation;
- b. the rice factory and all machinery and equipment shall be in serviceable condition;
  - c. a schedule of service offered, milling fees and deductions to be made shall be displayed prominently at the premises of the rice factory;
  - d. the Licensee shall carry out such pest control, hygiene and safety measures as directed by the Board.
  - e. The Licensee shall ensure that the scales and the grading equipment used at the factory are accurate, efficient and approved by the Board;
  - f. The Licensee shall submit to the Board at the end of every calendar month daily records of rice entering and leaving the factory;
  - g. The Licensee shall comply with such other directions regarding compliance with this Act and any regulations made hereunder, as are given to him from time to time by the Chairman, Deputy Chairman or General Manager of the Board, or any other employee authorised by the Board.
  - h. the Licensee's total debt owed to an individual producer shall not, at any given time, exceed 5 percent of the value of paddy supplied by that

producer, unless—

- (i) the licensee notifies the Board in writing as soon as the total debt owed by the licensee to an individual producer exceeds the level specified above, and gives the Board the reasons for this;
- (ii) upon being notified, the Board gives the licensee written approval (subject to any conditions that the Board thinks fit) for that total debt to exceed that level for a period not exceeding 3 months from the date of the approval; and
- (iii) at the end of the specified period, the total debt owed by the licensee to an individual producer no longer exceeds that level.

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**THIRD SCHEDULE**

RICE FACTORIES ACT  
 GUYANA RICE DEVELOPMENT BOARD  
APPLICATION FOR OFFICIAL PADDY GRADING  
AGENCY STATUS

DATE.....

NAME OF APPLICANT .....

BUSINESS ADDRESS  
.....

.....

MILLING CAPACITY ..... TONS/HOUR  
.....

STORAGE CAPACITY .....

DRYING CAPACITY .....

OFFICES CERTIFIED:.....

NAMES:

.....

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.....

LIST AVAILABLE EQUIPMENT FOR PADDY GRADING

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NOTE: *any changes in grading staff should be communicated whenever this occurs:*

SIGNATURE:.....

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s. 12

**FOURTH SCHEDULE**

RICE FACTORIES ACT  
GUYANA RICE DEVELOPMENT BOARD  
AUTHORISATION AS OFFICIAL PADDY GRADING  
AGENCY

DATE.....

NAME OF AUTHORISED ENTITY OR PERSON  
.....

BUSINESS ADDRESS  
.....

MILLING CAPACITY ..... TONS/HOURS  
.....

STORAGE CAPACITY .....

DRYING CAPACITY .....

OFFICERS CERTIFIED .....

NAMES:

.....

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.....  
CHAIRMAN/CHIEF EXECUTIVE/SECRETARY

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s. 3

**FIFTH SCHEDULE**

RICE FACTORIES ACT  
GUYANA RICE DEVELOPMENT BOARD  
ESTABLISHMENT REQUIREMENTS FOR RICE FACTORIES

1. ENVIRONMENTAL CONSIDERATIONS

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

2. LAYOUT OF FACTORY

- (a) COMPONENTS: Components should be so arranged as to facilitate a continued flow of operations.
- (b) MILL: Must be separate from all other areas of operations.

3. MILL CONSTRUCTION:

- (a) FLOOR: Mill floor and all other floors should be water and gas proof and slightly inclined. Floors should also be smooth and free from cracks and crevices. Drains must be provided.
- (b) WALLS: Smooth surfaces with no seams. All openings should be meshed to prevent entry of rodents, birds or pests. Ventilation should be provided.
- (c) CEILING: Should be flat to minimize accumulation of dust, debris and cobwebs. The eaves should be sealed to prevent entry of bats and rodents.
- (d) LIGHTING: Light intensity should be adequate for the operation of various units.

4. FENCING: Perimeter fencing must be provided.

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

6. QUALITY CONTROL: Minimum grading equipment must be available to determine the quality of raw materials

and finished products in accordance with the stipulations laid down by the relevant authority.

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

8. PADDY STORAGE: Bonds, silo and other storage facilities should be constructed in such a manner as to—

- (1) restrict entry of rodents, birds or pests; and
- (2) be weather-proof.

9. PRODUCT STORAGE: The main product (rice) should be stored separately from by-products.

10. EQUIPMENT & STORAGE MATERIAL An area should be provided for the storage of bags, tools and other equipment and machinery.

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

12. PARBOILING FACILITIES

- (a) WATER SUPPLY: Potable water must be available.
- (b) DRAINAGE: Drains to dispose water and waste are necessary.
- (c) STEAM GENERATING: Should be sited away storage.  
UNIT: from storage and immediate work areas should have proper safety laws.

- (d) FUEL STORAGE: Must confirm to relevant fire laws.
- (e) FUEL WASTE DISPOSAL: Must confirm to relevant conditions.
- (f) SOAKING TANKS: Should be close to drying area. They should be of a type approved by the Board and must be equipped with adequate fittings for filling and draining.
- (g) STEAMING TANKS: Should be closed to soaking tanks. They should be made of non-corrosive material.
- (h) STEAM CONDUIT PIPES: Must be insulated and be free from leaks.

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**SIXTH SCHEDULE**

s. 6

[21 of 2007  
21 of 2009]

RICE FACTORIES ACT  
 GUYANA RICE DEVELOPMENT BOARD  
RECORD FOR SALE OF PADDY BY PRODUCER TO  
MANUFACTURER

DATE: .....

NAME OF MANUFACTURER:

.....

ADDRESS OF MANUFACTURER:

.....  
.....

NAME OF PRODUCER:

.....

QUANTITY OF PADDY DELIVERED TO  
MANUFACTURER: .....

QUALITY OF PADDY: .....

PRICE PER BAG: .....

TOTAL SUM OF MONEY: \$.....

“I, the Manufacturer, acknowledge receipt of the quantity of paddy herein mentioned this.....day of ..... 20..... and agree that fifty percent of the total amount of \$..... will be paid to the producer within two weeks from the date of receipt of the paddy and the remaining amount will be paid within forty-two days of the signing of the agreement.

.....  
Signature or Mark of producer

.....  
Signature of Manufacturer

WITNESSES' NAMES AND SIGNATURES:

- 1.....
- 2.....