

CHAPTER 274

FOOD PRODUCTION (ESTATES)

Acts
Nos. 40 of 1954,
54 of 1957.

AN ACT TO MAKE PROVISION FOR THE CULTIVATION OF FOODSTUFFS BY PROPRIETORS OF ESTATES OR FOR THE PAYMENT OF MONEY IN LIEU OF SUCH CULTIVATION; FOR THE ESTABLISHMENT OF A FOOD PRODUCTION FUND; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[30th July, 1954.]

Short title.

1. This Act may be cited as the Food Production (Estates) Act.

(2) If the proprietor of an estate fails to make an election under subsection (1) in respect of that estate for any year, such proprietor shall be deemed to have elected to pay in respect of that estate for that year as provided in section 6 a sum determined in accordance with the provisions of that section.

Application of Act.

2. (1) This Act shall apply to every land or group of lands which forms a separate and distinct property and of which an extent of not less than thirty-five acres is under cultivation for any purpose other than the production of foodstuffs; every such land or group of lands is hereinafter referred to as an "estate".

(2) Where any land or group of lands referred to in subsection (1) is cultivated partly with tea and partly with any other plant or plants of any description—

- (a) the aggregate of such areas of that land or group of lands as are cultivated mainly with tea, and
- (b) the remaining portion of that land or group of lands,

shall each be deemed, notwithstanding that it is of an extent less than that specified in subsection (1), to be a separate estate within the meaning of that subsection.

4. (1) Subject to any exemption granted or deemed to be granted under this Act or under any regulation made under this Act, an election made under section 3 in respect of any estate in any year shall for that year—

- (a) apply in relation to that estate, and
- (b) be a liability imposed in respect of that estate, notwithstanding any change of ownership of that estate in that year subsequent to such election.

Liability imposed in respect of estates.

(2) The person who is for the time being the proprietor of an estate shall discharge the liability imposed in respect of that estate by subsection (1).

Proprietors of estates to elect whether to cultivate foodstuffs or to pay money as provided by this Act.

3. (1) Before the end of January in each year the proprietor of every estate shall, in respect of that estate, elect and notify the Commissioner in writing whether such proprietor will—

- (a) cultivate during that year one or more foodstuffs in accordance with the provisions of section 5, or
- (b) pay as provided in section 6 a sum determined in accordance with the provisions of that section.

5. (1) Where the election under section 3 in respect of any estate for any year is to cultivate foodstuffs, the liability imposed by this Act in respect of that estate for that year shall be discharged by the cultivation of foodstuffs in accordance with the succeeding provisions of this section.

Cultivation of foodstuffs.

(2) One or more foodstuffs may be cultivated for the purposes of this Act, and any foodstuff which is to be cultivated for those purposes in any year shall be

cultivated in such seasons of that year as are the seasons in which it is customary to cultivate that foodstuff in the region where the land to be used for the cultivation of that foodstuff is situated.

(3) The cultivation of any foodstuff for the purpose of discharging the liability imposed by this Act in respect of any estate may be either on that estate or on any other land:

Provided, however, that for such purpose—

(a) any area which is already under any cultivation other than permanent cultivation shall not, except with the prior approval of the Commissioner, be cultivated with any foodstuff, and

(b) any area which is already under permanent cultivation shall not be cultivated with any foodstuff.

(4) Subject to any declaration made by any regulation under section 9, the area which is to be cultivated with foodstuffs for the purpose of discharging the liability imposed by this Act in respect of an estate of any description set out in column 1 of the First Schedule shall not be less than an area equal to such percentage of the total cultivated area of that estate as is specified in the corresponding entry in column 2 of that Schedule.

(5) Where the election under section 3 in respect of any estate for any year is to cultivate foodstuffs in that year, the Minister or any officer authorized in that behalf by the Minister may, by notice served on the proprietor of that estate, specify the description of foodstuffs which must be cultivated by that proprietor and the season or seasons during which such foodstuffs must be cultivated in that year; and where such notice is served on that proprietor—

(a) the foodstuffs cultivated by that proprietor for the purpose of discharging the liability imposed by this Act in respect of that estate for that year shall be of the description specified in the notice, and

(b) such foodstuffs shall be cultivated during such season or seasons in that year as are specified in the notice.

6. Where the election under subsection (1) of section 3 in respect of any estate for any year is to pay in respect of that estate for that year as provided in this section a sum determined in accordance with the provisions of this section or where the election so to pay is deemed under subsection (2) of section 3 to have been made, the liability imposed by this Act in respect of that estate for that year shall be discharged by the payment, before the end of that year, to the credit of the Food Production Fund of a sum calculated at the rate of ten rupees for each acre of the total cultivated area of that estate.

Payment of money in lieu of cultivation of foodstuffs.

7. (1) The Minister or any officer authorized in that behalf by the Minister may, in his discretion, by order under his hand, exempt the proprietor of any estate, either absolutely or subject to such conditions as may be specified by him in the order, from the whole or any part of the liability imposed by section 4 in respect of that estate, if the Minister or such officer is satisfied that such proprietor has, whether before or after the commencement of this Act—

Exemption of persons participating in approved companies and undertakings.

(a) acquired in any approved company or companies shares of a value not less than an amount (hereinafter referred to as “the minimum amount”) calculated at the rate of ten rupees for each acre of the total cultivated area of that estate, or

(b) contributed an amount not less than the minimum amount to the capital of any approved undertaking.

(2) The Minister may at any time, by order under his hand, revoke any exemption granted under subsection (1) to the proprietor of any estate, on being satisfied—

(a) that such proprietor has ceased to be a shareholder of any approved company or companies or to be a contributor to the capital of any approved undertaking, or

(b) that the value for the time being of any shares held by such proprietor in any approved company or companies, or the amount for the time being contributed by such proprietor to the capital of any approved undertaking, is less than the minimum amount, or

(c) that the company, or each of the companies, of which such proprietor is a shareholder, or the undertaking to the capital of which he is a contributor, has ceased to be an approved company or undertaking, or

(d) that such proprietor has not complied with any of the conditions subject to which the exemption was granted.

(3) Any exemption granted under subsection (1) to the proprietor of an estate shall cease to be valid in respect of that estate, if such proprietor sells or transfers that estate to any other person. Nothing in this subsection shall be deemed to preclude the purchaser or transferee from applying for and obtaining an exemption under subsection (1).

(4) (a) The Minister may—

(i) by Notification published in the Gazette, declare any incorporated company, which is engaged in the production of foodstuffs in Sri Lanka, to be a company approved by him for the purposes of this section, and

(ii) by writing under his hand, declare any undertaking carried on by any partnership or other unincorporate body of persons for the purpose of producing foodstuffs in Sri Lanka, to be an undertaking approved by him for the purposes of this section.

(b) The approval given by the Minister to any company or undertaking may be declared by him to be subject to such conditions as he may specify, and may be withdrawn by him in the manner in which such approval was given if he is satisfied

that any such condition has not been complied with by the company or undertaking.

(5) In this section, “approved company” means a company, and “approved undertaking” means an undertaking, in respect of which a declaration by the Minister under subsection (4) is for the time being in force.

8. (1) The Minister or any officer authorized in that behalf by the Minister may, in his discretion, by writing under his hand, exempt the proprietor of any estate, either absolutely or subject to such conditions or for such period as may be specified in such writing, from the whole or any part of the liability imposed by section 4 in respect of that estate, if the Minister or such officer is satisfied that such proprietor—

Exemption of persons engaged in the production of certain articles of food.

(a) is engaged in rearing livestock or poultry, or in the cultivation of fruit trees, or in the production of any article of food, and

(b) has expended, or is expending, in connexion with any of the activities mentioned in paragraph (a) such sum or sums of money as may be deemed by the Minister or such officer to be a sufficient discharge of the whole or any part of such liability.

(2) The Minister may at any time, by order under his hand, revoke any exemption granted under subsection (1) to the proprietor of any estate on being satisfied that such proprietor—

(a) has ceased to be engaged in any of the activities mentioned in paragraph (a) of that subsection, or

(b) has not complied with any of the conditions subject to which the exemption was granted.

9. (1) Regulations may be made either generally with respect to all estates or specially with respect to estates of any specified class or description—

Regulations for and conditions of exemption.

(a) providing for the exemption of, or authorizing the Commissioner by

order to exempt, the proprietor of any such estate from the whole or any part of the liability imposed by section 4, and

- (b) declaring or authorizing the Commissioner by order to declare that the minimum area which shall be cultivated with foodstuffs by the proprietor of any such estate for the purpose of discharging the liability imposed by this Act in respect of that estate shall be the area specified in the regulation or order, being an area less than the minimum area specified in subsection (4) of section 5.

(2) Any regulation made under subsection (1)—

- (a) may provide that the exemption referred to in paragraph (a) of that subsection shall have effect only if the proprietor of the estate fulfils the conditions that such area in the estate as is declared by the Commissioner to be suitable for the purpose shall be cultivated with paddy after being asweddumized where necessary,
- (b) may impose or authorize the Commissioner to impose such duties on the proprietor of the estate as may be necessary to secure compliance with the aforesaid condition, and
- (c) may provide that any section of this Act specified in the regulation shall not apply in relation to any estate exempted by or under any such regulation or shall apply subject to the modifications so specified.

such particulars as the Commissioner* or such officer may require for the purposes of this Act, unless that person has before that date furnished, under the provisions of the Food Production (Estates) Order or of the Food Production (Estates) Ordinance, No. 2 of 1943,† a return containing such particulars.

(2) Every person who, on any date subsequent to the commencement of this Act, becomes the proprietor of an estate shall, before the expiry of thirty days after that date, furnish to the Commissioner or to such officer as may be specified by the Commissioner by notification for the time being in force under subsection (1) the proprietor's full name and address, the name, if any, and the situation and extent of that estate, and the date on which he became the proprietor of that estate.

(3) Where any change occurs in the extent of any estate after a return in respect thereof has been furnished under subsection (1), or under the Order or Ordinance referred to in that subsection, or under subsection (2), the proprietor of that estate shall, within thirty days after the date of the occurrence of the change, furnish to the Commissioner or to such officer as may be specified by the Commissioner by notification for the time being in force under subsection (1) a statement setting out that proprietor's full name and address, the name, if any, and the situation of that estate, the extent of that estate before the aforesaid change, and the nature and date of such change.

(4) The proprietor of every estate shall, in addition to any return required to be furnished by him under the preceding provisions of this section, furnish to the Commissioner or to such officer as may be specified by the Commissioner by notification for the time being in force under subsection (1) such returns and other information as the Commissioner or such officer may from time to time require for the purposes of this Act, and produce, whenever required to do so by notice in writing by the Commissioner or such officer, within such time as may be specified

Furnishing of returns and information and production of documents.

10. (1) Every person who, on the date of the commencement of this Act, is the proprietor of an estate shall, before the expiry of thirty days after that date, furnish to the Commissioner* or to such officer as may be specified by the Commissioner* by notification published in the Gazette, a return in respect of that estate containing

* On the date of the commencement of this Act the Director of Food Production was performing this function.

† Repealed by Act No. 40 of 1954.

in the notice, such title deeds, survey plans, books, accounts or other documents relating to that estate and in the possession or under the control of that proprietor as may be required for the purposes of this Act.

(5) Every return under this section shall be made on such form as may be provided for the purpose by or on behalf of the Commissioner, and shall contain a declaration signed by the person making the return to the effect that the particulars contained therein are true and accurate. Such declaration shall be free of stamp duty.

Application for exemption.

11. (1) Every application for exemption from the whole or any part of the liability imposed by section 4 in respect of any estate shall be delivered or transmitted to the Commissioner on such form as may be provided for the purpose by or on behalf of him, and shall contain all such particulars as may be required to be set out on such form.

(2) Every application referred to in subsection (1) shall contain a declaration signed by the person making the application to the effect that the particulars contained therein are true and accurate. Such declaration shall be free of stamp duty.

Payment on failure to discharge liability to cultivate foodstuffs.

12. If the proprietor of an estate who, in respect of that estate, is liable under this Act to cultivate foodstuffs, fails to discharge such liability in respect of any year or of any season in any year, he shall, before the end of that year or of that season, as the case may be, pay to the credit of the Food Production Fund a sum calculated at such of the following rates as is appropriate to the case :—

(a) where the liability which is not discharged is in respect of any year, then—

(i) if such liability is in regard to the entire estate, the rate shall be ten rupees for each acre of the total cultivated area of the estate, and

(ii) if such liability is in regard to a portion of the estate, the rate

shall be ten rupees for each acre of the total cultivated area of such portion of the estate ;

(b) where the liability which is not discharged is in respect of any season of any year, then—

(i) if such liability is in regard to the entire estate, the rate shall be five rupees for each acre of the total cultivated area of the estate, and

(ii) if such liability is in regard to a portion of the estate, the rate shall be five rupees for each acre of the total cultivated area of such portion of the estate.

13. (1) Every sum which a proprietor of an estate is liable under this Act to pay to the credit of the Food Production Fund shall be paid at a kachcheri. Manner of making payments.

(2) The proprietor of an estate who makes any payment to the credit of the Food Production Fund shall forthwith transmit to the Commissioner the receipt issued to him at the kachcheri in respect of that payment.

*14. There shall be established a fund called the Food Production Fund for the following purposes :— The Food Production Fund.

(a) promoting food production on Government farms ;

(b) making loans or grants to persons who have settled on lands leased, or otherwise alienated, by the Government ;

(c) making loans or grants to persons engaged in the rearing of livestock or poultry or in the maintenance of dairies ;

(d) making loans or grants to cultivators for asweddumizing private lands and raising crops thereon ;

(e) purchasing manure or seeds for distribution on loan or otherwise ;

* All moneys lying to the credit of the Food Production Fund established under this section shall be transferred to the Agrarian Services Fund under section 67 (2) (a) of the Agrarian Services Act.

(f) purchasing tractors and other agricultural implements for hiring them out to cultivators, and the employment of the necessary staff to work the tractors ;

(g) organizing and maintaining the distribution of milk ;

(h) promoting Government agricultural and livestock exhibitions, and organizing Government propaganda for fostering food production.

Payments into and out of the Food Production Fund.

15. (1) There shall be paid into the Food Production Fund—

(a) all sums payable by the proprietors of estates under section 6, section 12, or section 21 (2),

(b) all sums which may from time to time be payable by way of principal or interest on loans granted out of such fund,

(c) all income derived either from the hiring out of tractors and other agricultural implements purchased with moneys of such fund or from any such business of distributing milk as may be financed by such fund, and

(d) all sums which, on the day immediately preceding the date of the commencement of this Act, were lying to the credit of or were payable to the Food Production Fund established under the Food Production (Estates) Ordinance, No. 2 of 1943.*

(2) There shall be paid out of the Food Production Fund—

(a) such sums as the Minister may determine with the approval of the Minister in charge of the subject of Finance for application to any of the purposes mentioned in section 14, and

(b) any expenses connected with the administration of this Act.

16. Subject to the direction and control of the Minister, the Food Production Fund shall be administered by the Commissioner in accordance with the provisions of this Act.

Administration of the Food Production Fund.

17. Any officer acting under the authority of the Minister or the Commissioner may from time to time enter and inspect any estate and carry out such investigations as he may deem necessary by reference to books, accounts, records or other documents maintained in such estate, for the purpose of—

Power of inspection.

(a) ascertaining whether compliance with the provisions of section 5 is being made in that estate, or

(b) verifying whether any of the activities referred to in paragraph (a) of subsection (1) of section 8 is being carried on, or whether any expenditure has been incurred in that behalf, in that estate ;

and the person in charge of that estate shall permit and assist such officer to enter and inspect that estate and carry out such investigations for such purpose.

18. Any person—

Offences.

(a) who fails to make an election under section 3, or

(b) who fails to furnish any return, statement or other information, or to produce any document, required to be furnished or produced by him under section 10, or

(c) who does not permit any officer, authorized in that behalf by the Minister or Commissioner under section 17, to enter, or inspect, or carry out any investigations in, any estate under his charge, or

(d) who fails to discharge the liability imposed on him by subsection (2) of section 21,

shall be guilty of an offence, and shall on conviction after summary trial before a Magistrate be liable to pay a fine not

* Repealed by Act No. 40 of 1954.

exceeding one thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.

Recovery of sums payable under this Act.

19. If the proprietor of an estate makes default in the payment of any sum which he is liable under this Act to pay to the credit of the Food Production Fund, such sum may be recovered in like manner as though it were a debt due from him to the State.

Regulations.

20. (1) The Minister may make all such regulations as may appear to him to be necessary or expedient for carrying out and giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations for or in regard to all matters in respect of which regulations are required or authorized by this Act to be made.

(3) No regulation made under this Act shall have effect unless it has been approved by Parliament and notice of such approval has been published in the Gazette.

Savings and transitional provisions.

21. (1) All exemptions granted under the provisions of the Food Production (Estates) Order and the Food Production (Estates) Ordinance, No. 2 of 1943,* and in force on the day immediately preceding the 30th day of July, 1954, shall be deemed to be exemptions granted under the corresponding provisions of this Act and all the provisions of this Act relating to the revocation of exemptions shall accordingly apply to such exemptions.

(2) Where the liability imposed in respect of any estate by the Food production (Estates) Ordinance, No. 2 of 1943,* has not, before the 30th day of July, 1954, been discharged for any such part of the year 1954 as is subsequent to the 30th day of July, 1954, then—

(a) it shall be a liability imposed in respect of that estate for that part of that year—

(i) to cultivate one or more foodstuffs in accordance with

the provisions of the aforesaid Ordinance, or

(ii) to pay, for each month in that part of that year, a sum calculated at the rate of eighty-four cents for each acre of the total cultivated area of that estate,

subject to any exemption granted or deemed to be granted under this Act or under any regulation made under this Act in respect of that estate, and

(b) the person who is for the time being the proprietor of that estate shall discharge the liability imposed in respect of that estate by this subsection.

Such provisions of the aforesaid Ordinance as relate to the cultivation of foodstuffs shall apply in relation to the cultivation of foodstuffs referred to in sub-paragraph (i) of paragraph (a) of this subsection in like manner as though those provisions were not repealed by Act No. 40 of 1954.

22. (1) In this Act, unless the context otherwise requires—

“cultivated area”—

(a) when used with reference to any estate other than an estate which is cultivated mainly with coconut, means the area which is actually cultivated, and

(b) when used with reference to an estate which is mainly cultivated with coconut, means the area which is actually cultivated excluding any area planted or replanted with coconut on or after the 1st day of January, 1954, such latter area being excluded until the trees thereon come into bearing and the extent of such area being computed on the basis of seventy trees for an acre;

“Commissioner” means the Commissioner of Agrarian Services; [§ 2, 54 of 1957.]

* Repealed by Act No. 40 of 1954.

“foodstuff” means any article of food specified in the Second Schedule and includes any other article of food which may be approved by the Commissioner for the purposes of this Act ;

superintendent of the estate, and

(b) where such proprietor is absent from Sri Lanka, the duly accredited agent of such proprietor.

“Food Production (Estates) Order” means the Food Production (Estates) Order, 1942, published in Gazette Extraordinary No. 8,857 of 2nd February, 1942 ;

(2) For the purposes of this Act, an estate or an area of land shall be deemed to be under permanent cultivation if such estate or area, as the case may be, is planted mainly with tea, rubber, coconut, cocoa, cinnamon, cardamom or citronella or with any such other plant as may be specified in that behalf by the Minister by Notification published in the Gazette.

“Food Production Fund” means the Food Production Fund established under this Act ; and

“proprietor” means the owner, lessee, usufructuary mortgagee, or other person lawfully in possession and taking the produce of an estate, and includes—

(3) For the purposes of any calculation made under this Act by reference to an acre or a month, a fraction which is less than, or which is over and above, an acre or a month shall be deemed to be an acre or a month as the case may be.

(a) where such proprietor is a company, the manager or

[Section 5.]

FIRST SCHEDULE

<i>Column 1</i>	<i>Column 2</i>
Estate under permanent cultivation which is tea or mainly tea.	12 per centum of the total cultivated area of the estate.
Estate under permanent cultivation other than tea.	6 per centum of the total cultivated area of the estate.
Estate under cultivation other than permanent cultivation.	6 per centum of the total cultivated area of the estate.

[Section 22.]

SECOND SCHEDULE

Grains	Legumes and Pulses	Yams	Fruits	Green Vegetables	Miscellaneous
Amu Elvi Kambu Kurakkan	Bean Cowpea Dhall Green Gram	Arrowroot Cassava Manioc Potato Sweet Potato	Melon Papaw (when cultivated for any purpose other than the production of papain)	Cabbages Jerusalem Artichokes Garden Vegetables	Sugar Cane Chillie Onion Gingelly
Maize Meneri Paddy	Horse Gram Soya Bean Sword Bean Lab Lab Bean Other Edible Beans Groundnuts	Other Edible Yams	Pineapple Plantain Pumpkin Tomato		