

HORTICULTURE SECRETARIAT

NOTIFICATION

No. HCD 562 HGM 2014, BENGALURU, DATED: 27-09-2017

Whereas 'the draft of the Karnataka Oil Palm (Regulation of Cultivation, Production and Processing) Rules, 2015, Which the published as required by sub-section (1) of section 25 of the Karnataka Oil Palm (Regulation of Cultivation, Production and Processing) Act, 2013 (Karnataka Act 56 of 2013) in Notification No.HCD 562 HGM 2014, Dated: 07-10-2016, in Part IV A of the Karnataka Gazette Extra-Ordinary dated 13th April, 2017, inviting objections and suggestions from all the persons likely to be affected thereby within thirty days from the date of its publication in Official Gazette.

And whereas, the said gazette was made available to public on 13th April, 2017.

And whereas, no objections or suggestions have been received in this behalf by the State Government.

Now, therefore, in exercise of the powers conferred by section 25 of the Karnataka Oil Palm (Regulation of Cultivation, Production and Processing) Act, 2013 (Karnataka Act 56 of 2013) the Government of Karnataka hereby makes the following rules namely:-

RULES

1. Title and commencement.- (1) These rules may be called the Karnataka Oil Palm (Regulation of Cultivation, Production and Processing) Rules, 2017.

(2) They shall come into force from the date of their final publication in the Official Gazette.

2. Definitions.- (1) In these rules, unless the context otherwise requires,-

(a) 'Act' means the Karnataka Oil Palm (Regulation of Cultivation, Production and Processing) Act, 2013 (Karnataka Act 56 of 2013);

(b) 'Agriculture year' or 'Financial year' means the period commencing on the first day of April of any year and ending with the 31st of March of the succeeding year;

(c) 'Form' means a Form appended to these rules;

(d) 'Section' means a section of the Act; and

(e) 'Weigh Bridge' means any mechanism of scales including beam-scales and tripod balances used to weigh Oil Palm fresh fruit bunches, approved by the Department of Weights and Measurements.

(2) 'Words and expressions' used but not defined in these rules shall have the meaning assigned to them in the Acts.

3. Project Management Committee.- (1) The meetings of the Project Management Committee shall generally be held at Bengaluru and the Chairman may

determine such other place as he may think fit to conduct such meetings of the committee.

(2) The Project Management Committee shall be convened atleast twice in a financial year or as and when the situation demands for effective and efficient implementation of the project.

(3) The notice of the meeting of the Project Management Committee shall be sent by the Member-Secretary of the Committee to all the members at least fifteen days in advance before the date fixed for the meeting.

(4) The quorum required for conducting the Project Management Committee meeting shall be minimum four members including the Chairman and Member Secretary.

(5) The Government at any point of time if it deems it necessary shall reconstitute the committee with appropriate members.

(6) The project management committee shall also discuss on the problems faces by the oil palm growers, processors and overall by the oil palm Industry and come out with amicable solution.

4. Price Fixation Committee.- (1) The meetings of the Price Fixation Committee shall generally be held at Bengaluru and the Chairman may determine such other place as he may think fit to conduct such meetings of the committee.

(2) The Price Fixation Committee shall be convened once in a four months or as and when the situation demands for effective and efficient implementation of the project.

(3) The notice of the meeting of the Price Fixation Committee shall be sent by the Member Secretary of the Committee to all the members at least fifteen days in advance before the date fixed for the meeting.

(4) The minimum quorum required for conducting the Price Fixation Committee meeting shall be three persons.

(5) The Price Fixation Committee shall decide and recommend the formula to be adopted for calculating the monthly purchase price of Oil Palm Fresh Fruit Bunches by the entrepreneurs.

5. Allowances payable to non-official members.- The non-official members of the price fixation committee shall receive such allowance as be prescribed in annexure A to the Karnataka Civil Services Rules.

6. Rules of procedure for Conducting the meeting of the Project Management Committee and Price Fixation Committee.- (1) All meetings of the Project Management Committee and Price Fixation Committee shall be convened by the Member Secretary with the approval of the Chairman, but the meetings may be convened by the Member-Secretary when the post of Chairman of the Committee is vacant due to his resignation, or for any other reasons.

(2) Notice in writing about the meeting of the Committee and the agenda shall be circulated to all members not less than one week before the meeting. Notice of a resolution or motion to be moved at the meeting shall be given to the Member-Secretary at least fifteen days before the meeting.

(3) If in any meeting there is no quorum, the Chairman shall adjourn the meeting to any subsequent date and no quorum shall be necessary for the meeting so adjourned.

(4) Business, other than the one contained in the agenda shall not be transacted except with the approval of the Chairman.

(5) A motion or amendment may be withdrawn with the permission of the Chairman by any member who has given a notice thereto.

(6) Every question shall be decided by a majority of votes of the members who are entitled to vote and are present. In the case of votes being equally divided the Chairman shall exercise a second or casting vote. The Chairman shall be the sole judge of any point of order and may call any member to order and may, if necessary dissolve the meeting or adjourn to any other date.

(7) An appeal against a resolution which is repugnant to the provisions of the Act and the resolution there under shall lie to the Oil Palm Commissioner within one month from the date of passing such resolution for rectification.

7. Reports.- For every financial year ended, a progress report of the oil palm development project in the state or status report shall be submitted before end of month of May of the following year.

8. Register of Oil Palm Growers.- (1) The Occupier of a factory shall enter into a bi-partite agreement with oil palm farmers. The Occupier of the factory shall give commitment in writing that they shall purchase the fresh fruit bunches of the oil palm farmers and make payment as per the price fixed by the Government regularly. The farmers shall also declare in writing that they shall not uproot the oil palm plantation or neglect the garden. Both the growers and occupier shall declare that they shall be bound by the Act and rules made there under.

(2) Every Occupier of a factory shall maintain a Register of Oil Palm Growers in Form-1.

(3) The Register shall be prepared by the Occupier of the factory every year and shall be made available for inspection by any grower or by an officer authorized by the Oil Palm Commissioner during the office hours in the office of the factory.

(4) Register shall be updated every year not later than one month before the commencement of the agriculture year along with farmer-wise fresh fruit bunches details.

(5) Any Oil Palm Grower having or claiming to have grown oil palm in a factory zone may apply to the occupier of the factory for the correction of any entry in the Growers Register.

(6) The Occupier of a factory shall keep a record of such applications and shall after field verification through his own channel, pass such orders for inclusion of the entries in the register within one month from the date of the application.

(7) The Oil Palm Commissioner, on a report made by the Oil Palm Inspector either suo-moto or upon an application made by any grower or a Grower's Association may pass such orders and issue such directions for inclusion, exclusion or correction

of any of the entries in the oil palm Growers Registers as he deems fit after providing a reasonable opportunity to the occupier of the factory.

(8) The orders of the Oil Palm Commissioner as issued in the matter shall be binding on the occupier of the factory and occupier of the factory shall make such entries as are ordered by the Oil Palm Commissioner within one week from the date of receipt of the order.

9. Declaration of Factory Zone.- (1) The project management committee shall call for applications for allotment of taluks or districts by advertisement in more than one widely circulated Newspapers of which atleast one shall be in Kannada. The applications so received within the time specified shall be evaluated and the evaluated applications after scrutiny by the project management committee shall be notified.

(2) The declaration of a factory zone in relation to a factory under section 12 of the Act shall be subject to the following conditions namely:

- (i) The factory zone declared in favour of a processing unit may be notified for failure to comply with the provisions of the Act after providing a reasonable opportunity to such processor.
- (ii) The occupier of the factory shall furnish to the Oil Palm Commissioner, the schedule of implementation of the project for creation of processing facilities indicating the time frame. The Oil Palm Commissioner may suggest any changes in the schedule of implementation, which will be binding on the occupier of a factory;
- (iii) The occupier of the factory for whom a particular area is declared as a factory zone under section 12 of the Act shall adhere to the schedule of implementation for setting up the processing factory and such other facilities as may be required by the Oil Palm Commissioner;
- (iv) The occupier of the factory shall endeavor to get adequate area in the factory zone under the oil palm cultivation and shall also expand processing capacity to the required extent for purchasing of the oil palm fresh fruit bunches from all the growers in the factory zone;
- (v) The occupier of the factory shall from time to time be liable to inform the project management committee and Oil Palm Commissioner about the progress in establishment of factory.
- (vi) The occupier of the factory on the application of any person interested to cultivate oil palm in the factory zone shall arrange for the supply of Oil Palm seedlings from his own nursery or other nurseries, if it is from other nurseries, the additional transport shall be borne by the oil palm company and render extension work and provide for post harvest facilities including procurement and processing.
- (vii) The project management committee may alter the area of the factory zone by addition or deletion of any area in respect of a specified factory in the interest of the farmers or to meet certain unforeseen contingencies and the factory shall abide by such addition, deletion or alterations of the factory zone as if the factory zone was originally added, deleted or altered and all the provisions of the Act, rules and orders made there under shall apply, provided the reasons there for shall be clearly mentioned.

- (viii) The project management committee may for good and sufficient reasons attach any area falling in any factory zone to any other factory for a specified period for specific reasons to be recorded in writing to meet any contingencies.

Provided that the Oil Palm Commissioner shall not pass such order without giving an opportunity of making a representation to the factories likely to be affected by such order.

10. Plucking, Collection and delivery of Oil Palm Fresh Fruit Bunches.-

The occupier shall lift the Oil Palm fruits promptly without causing any hardship to the farmers in such cases. The Oil Palm Inspector shall be informed well in advance regarding change of collection schedules.

11. Weighment of Fresh Fruit Bunches.- (1) No Oil Palm fresh fruit bunches shall be purchased without actual weighment. The net weight of the Oil Palm fresh fruit bunches shall be correctly recorded by an Electronic Weighing machine with a print out handed over to the farmer then and there;

Provided that, the certificate from Inspector of Weights and Measures shall prominently displayed at the premises of weighment, Carts, trucks, Carriages etc., carrying oil palm Fresh Fruit Bunches shall be taken care of during the day of collection on.

(2) The occupier of the factory shall permit a representative of the Oil Palm Grower, or a representative of the Oil Palm Growers' Cooperative Society or any other person authorized by the Oil Palm Commissioner, to watch or check weighments, weighbridges and weights and examine the Oil Palm weighment receipts.

(3) At every collection center, adequate facilities for weighment shall be provided by the occupier of the factory to avoid congestion and undue delay of weighment. Cars, trucks or carriages carrying Oil Palm fresh fruit bunches shall not be kept waiting for more than four hours from the time of arrival at such collection centers.

(4) The occupier of the factory may give such time-table for the Oil Palm growers in the factory zone specifying the dates on which the growers shall deliver the Oil Palm fresh fruit bunches and the growers shall adhere to the schedule so given. The occupier of a factory shall give adequate advance intimation to the growers. Any change in such time-table for delivery of oil palm fresh fruit bunches shall be given by the occupier of factory with reasonable advance intimation so as not to cause loss to growers and the grower shall adhere to such change.

12. Registers and Records.- (1) An occupier of the factory shall maintain, at each collection center, a receipt in duplicate for the Oil Palm fresh fruit bunches purchased; The receipt issued at the collection center shall contain:

- (a) The serial number of the receipt;
- (b) The date of purchase;

- (c) The name and address of the person or grower from whom the oil palm fresh fruit bunches are purchased together with similar particulars about the person, if any, authorized by the vendor to deliver oil palm on his behalf;
- (d) The number of requisition slips issued to the vendor;
- (e) The gross weight of the oil palm Fresh Fruit Bunches including the weight of the vehicle in which Oil Palm Fresh Fruit Bunches are brought;
- (f) The weight of the vehicle in which the Oil Palm Fresh Fruit Bunches are brought;
- (g) The weight of the binding material to be deducted;
- (h) The net weight of the Oil Palm Fresh Fruit bunches purchased and;
- (i) The entries under clauses (e) and (f) of sub – rule (1) above, shall be made and announced in the presence of the persons, who actually deliver the Oil Palm Fresh Fruit Bunches

(2) The receipt in original referred to in sub – rule (1) above, shall be handed over to the person from whom the Oil Palm fresh fruit bunches are purchased or to his authorized agent.

(3) The payment for Fresh Fruit Bunches procured during a particular month are to be made to the growers through ECS after the declaration of Fresh Fruit Bunches prices by the Oil Palm Commissioner upon approval by the Chairman, Price Fixation Committee.

(4) The payment for a particular month needs to be made by the entrepreneurs within 10th of the every month.

(5) The occupier of the factory for each of the oil palm grower shall maintain a computerized data bank for the parameters, indicated there in and cause to be maintained at the office of the company, a register or record showing correctly the particulars, namely:-

- (i) The approved price that has to be paid for the Oil Palm Fresh Fruit Bunches.
- (ii) The amount of authorized deduction, if any;
- (iii) The amount actually paid in cheque/ECS; and
- (iv) The date of payment.

(6) (i) The occupier of a factory shall maintain separately for each grower an account containing the following particulars, namely:-

- a) Name of the supplier, father's/husband's name and address;
- b) Date of purchase;
- c) The rate per Metric Ton paid for Oil Palm fresh fruit bunches;
- d) Sl. No. of the relevant receipt;
- e) Net weight of oil palm fresh fruit bunches purchased;
- f) Progressive total weight of oil palm fresh fruit bunches purchased;
- g) The amount due for oil palm fresh fruit bunches purchased;
- h) Progressive total amount due for oil palm fresh fruit bunches Purchased;
- i) Amount paid for oil palm fresh fruit bunches purchased; and
- j) Progressive total amount paid for oil palm fresh fruit bunches Purchased.

(ii) When the oil palm fresh fruit bunches are supplied through a growers Cooperative Society, the Society shall maintain the above referred accounts in

respect of each of its members. Such society shall also show deductions if any made from the price of oil palm fresh fruit bunches payable to a member.

- (7) (i) An occupier of a factory shall cause to be issued to each of the oil palm growers a passbook which as to be maintained in **Form 2**. The passbook shall show for each month, date wise, the net weight of oil palm fresh fruit bunches; fresh fruit bunches delivered to the factory, the price to be paid. The entries in the passbook shall be authenticated by the authorized Officer or the occupier of the factory, in-charge of the collection centre. Similarly, for the payments made to the grower, entries of payment, authorized deductions made and the amount yet to be paid shall also be indicated under authentication.
- (ii) The grower shall present this passbook every time when the oil palm fresh fruit bunches are delivered for making the entry and also every time a payment is received so that the entry for the payment and authorized deductions shall be made and the pass book is kept updated.
- (iii) The occupier of a factory shall provide pass books. However, maintenance of details rests with the farmers based on the information available in the receipt issued at the collection centre.
- (iv) In the event of an Oil Palm grower losing the pass book, the matter shall immediately be brought to the notice of the occupier of the factory who shall arrange to issue a duplicate pass book charging a nominal fee of Rs.10/-.

(8) An occupier of a factory shall maintain at each collection center an inspection book or cause to be maintained inspectors or other persons which authorized by the Oil Palm Commissioner may record their remarks and instructions.

(9) The registers, receipts referred to in this rule shall be preserved by the occupier of the factory or the Oil Palm Growers' Co-operative Society concerned for at least five Agricultural years from the date of the last transaction entered therein.

(10) An occupier of a factory shall maintain a register or cause to be maintained at each collection center in **Form 3**, showing the quantity of oil palm fresh fruit bunches purchased, the value, amount paid to the growers, amount outstanding for payment to growers and a consolidated report covering all collection centers in the factory zone, shall be sent by the occupier of a factory to the oil palm Commissioner or any authority specified by the oil palm Commissioner in respect of each month by 5th day of the next month.

(11) Details of total fresh fruit bunches purchased in the entire factory zone shall be prepared on monthly basis. The format suggested contains the details like (a) quantity of fresh fruit bunches purchased till last month (b) quantity of fresh fruit bunches purchased during this month; and (c) cumulative quantity for the year.

13. Payments to the Oil Palm Growers by the Occupier / Entrepreneur.-

(1) The payment of the price of oil palm fresh fruit bunches shall be made to the oil palm grower through ECS (to the bank account of the grower) on the basis of the recorded weight of oil palm fresh fruit bunches and the price announced by the price fixation committee.

(2) If any occupier of a factory fails to pay the approved price of the Oil Palm fresh fruit bunches in accordance with the provisions of subsection (1) of section 16 of the Act within schedule period then the Oil palm Inspector shall furnish to the Deputy Commissioner and District Magistrate of the district or any other Officer authorized by

him, the value of the amounts due from the defaulters, the nature of the dues clearly specifying the price of the Oil Palm fresh fruit bunches interest thereon, the details of the properties that may be attached for the recovery of the dues from the defaulters in accordance with the provisions of the **Karnataka Land Revenue Act, 1964** as arrears of Land Revenue.

14. Power to Recover Subsidy or Assistance Granted.- (1) Any Oil Palm grower who have received assistance / subsidies from the Government under Oil palm Development Program, willfully uproots the plantations with or without the knowledge of the Government or the factory, the Government shall recover the entire amount of subsidy / assistance from the farmers as if it were to be arrears of land revenue.

(2) The Oil Palm inspectors shall issue a notice in this regard to the farmer who has uprooted the crop blacklisting the farmer from any further assistance from Government sponsored program / Horticulture Department programs. He shall also submit details to the respective Tahasildhar for recovery of Government subsidies / assistance.

(3) Similarly, if any Occupier of the factory fails to properly utilize the subsidy that is released to them in advance or if it is found that the Occupier has not utilized the subsidy properly, the Government as under the provisions of sub-section (2) and (3) of the section 19 of the Act shall reserve the right to recover the amount with interest from the date it shall become due.

By Order and in the name of the
Governor of Karnataka

(R.MAHADEVA)
Under Secretary to Government
Horticulture Department

FORM-1

(see sub-section rule (2) of rule 8)

PROFORMA FOR MAINTENANCE OF OIL PALM GROWERS REGISTER

District:

Unique identity no. for oil palm farmer or registration no.	Name of the farmer	Survey no.	Village /hobli	Taluk	Category of farmer (SC, ST, Woman, General, Handicap, Minority)	Year of planting	Date of planting	No. of palms planted	Area in ha.	No. of palms existing (as on date)	Source of the seedlings	Source of irrigation	Over all condition of the plantation (A; excellent B; Average, C; Poor, D; Uprooted)	Remarks

Form -2

(see clause (i) of sub-rule (7) of rule 12)

OIL PALM FFB (Fresh Fruit Bunches) SUPPLY PASS BOOK

Name of the factory :

Name of the grower with code:

Name of the Grower with address:

Area under Oil Palm (in Acres):

1.	2.	3.	4.	5.	6.	7.	8.	9.
Date	Oil palm purchased Gross wt. and Net wt.	Survey no. and date of planting	Rate per Metric ton (MT).	Value	Authorized deduction	Previous Balance to be paid if any	Total Amount to be paid	Signature of the authorized officer of occupier of factory incharge of collection center

Form -3

(see sub-rule (10) of rule 12)

REPORT FOR THE FORTNIGHT ENDING

Name of the Collection Centre with code:

1. Quantity of Oil Palm fresh fruit bunches purchased during the previous fortnight.
2. Quantity of Oil Palm fresh fruit bunches purchased up to the end of the previous fortnight (cumulative)
3. Value of Oil palm fresh fruit bunches purchased during the previous fortnight
4. Value of Oil palm fresh fruit bunches purchased up to the end of previous fortnight (cumulative)
5. Value of Oil palm fresh fruit bunches paid during fortnight under report.
6. Value of Oil palm fresh fruit bunches paid up to the end of the fortnight under report, (cumulative)
7. Amount not paid within the stipulated period (col.4- col.6)
8. Quantity of Oil palm fresh fruit bunches purchased during the fortnight under report.
9. Quantity of Oil palm fresh fruit bunches purchased up to the end of the fortnight under report.
10. Value of Oil palm fresh fruit bunches noted in Col.9
11. Price yet to be paid (col.11 -col.6)

To

The Oil Palm Commissioner,
Department of Horticulture,
Lalbagh, Bangalore.

SIGNATURE OF THE OCCUPIER OF FACTORY

By order and etc.....

R. MAHADAVA

Under secretary to Government
Horticulture Department