

SUPPLEMENT to the Solomon Islands GazetteThursday 29th August, 2013

S.I. No.40

[Legal Notice No. 71]

**COMMODITIES EXPORT MARKETING AUTHORITY ACT
(Cap. 36)****THE COCOA (AMENDMENT) REGULATIONS 2013**

IN exercise of the powers conferred by section 34 of the Commodities Export Marketing Authority Act and on the recommendation of the Authority, I, **ELIJAH DORO MUALA**, Minister of Commerce, Industry, Labour and Immigration, do hereby make the following Regulations -

1. These Regulations may be cited as the Cocoa (Amendment) Regulations 2013 and shall come into force on the date of publication in the *gazette*.

2. The Cocoa Regulations are hereby amended in the following respects -

(a) by deleting regulation 9 and substituting therefor the following as regulation 9.

9(1) The Chief Inspector or any Inspecting Officer of the Authority, or any person authorized in writing by the Authority which includes MAL Agricultural Extension Officers may prohibit the use of any processing unit to process cocoa beans for export and any premises from being used for the storage of cocoa beans for export, if he or she considers that the processing unit and / or the storage premises do not comply with the requirements specified in paragraph (2), (3), (4), (5), (6) and (7) of this regulation.

(2) Cocoa beans for export shall only be processed from processing units which are registered and coded under the prescribed processes and procedures set out in the Sixth Schedule of this regulation.

- (3) Every cocoa bags produced from each registered processing unit shall bear the distinctive Registration Number or Code Mark of that particular processing unit, clearly marked on each bag.
- (4) The registered owner of the processing unit must clearly write the Registration Number or Code Mark on the processing unit where it can be easily read and must always possess and be prepared to produce to any CEMA Officer or MAL Officer or Provincial Revenue Officer, the valid documentations which includes registration certificates, CEMA training certificates and appropriate provincial certificates, whenever requested to do so.
- (5) Cocoa shall be stored in premises constructed with the objective of keeping the moisture content of the beans sufficiently low, consistent with local conditions. Storage shall be on gratings or decking which allow at least 7 cm of air space from the floor.
- (6) Measures shall be taken to prevent infestation by insects, rodents and other pests which include regular disinfection by careful use of fogging using acceptable insecticides.
- (7) Bagged cocoa shall be so stocked that:-
- (a) for exporters, each grade and shipper's mark is kept separate by clear passages of not less than 60 cm in width, similar to the passage which must be left between the bags and each wall of the building;
 - (b) disinfection by fumigation and / or the careful use of acceptable insecticide sprays (e.g. those based on pyrethrin) to be carried out where and when required; and
 - (c) contamination with odours of flavor or dust from other commodities, both foodstuffs and materials such as kerosene, cement or tar must be prevented.

(8) Any person aggrieved by a decision of the Chief Inspector or any Inspecting Officer of the Authority or any person authorized in writing by the Authority which includes MAL Agricultural Extension Officers may appeal to the Minister or the Authority in accordance with section 16 of the Act.

(9) Any person who process cocoa beans for export using an unregistered processing unit or who stores cocoa beans for export in premises prohibited under paragraph 1, shall be guilty of an offence and shall be liable to a fine not exceeding five hundred dollars or to a term of imprisonment not exceeding six months.

(b) by amending the Fourth Schedule by inserting immediately after clause 13 the following new clauses –

14. The Applicant must individually or collectively own, through farm associations, a minimum of 10 hectares of producing cocoa trees and must be verified by an assessment report from a MAL Extension Officer and endorsed by the Provincial MAL Chief Field Officer responsible.

15. The Applicant must possess or have access to a Registered Cocoa Processing Unit, certified by a MAL Extension Officer and verified by a valid "Certificate of Registration of Cocoa Processing Unit".

16. The Applicant must have proven records of cocoa purchased or sold locally over the last twelve months.

17. The Cocoa Export Licensee is only permitted to process or buy dried cocoa beans produced from registered processing units and licenced or registered producers / traders respectively.

(c) by inserting immediately after the fifth schedule, two new schedules as "Sixth Schedule" and "Seventh Schedule" respectively.

SIXTH SCHEDULE

Reg. 9

QUALIFYING CONDITIONS FOR REGISTRATION OF COCOA PROCESSING UNITS

The Cocoa Processing Unit shall consist of (a) fermenting boxes, (b) cocoa drier (c) storage facility.

For the purpose of Regulation 9, the following are minimum qualifying conditions of compliance before a Cocoa Processing Unit is registered.

1. The grower owns at least 2.0 ha (2222 trees at 3m x3m planting space or 1250 trees at 4m x4m planting spacing) of mature cocoa trees.
2. A group of growers in a close proximity who in aggregate own at least 2222 trees (2.0 ha) planted at 3m x 3m spacing or 1250 trees at 4m x4m spacing may qualify for a common processing unit.
3. A Cocoa Exporter with a valid export licence issued by CEMA.
4. That the design and construction of the fermenting boxes, drier and storage meet the standards set by MAL and CEMA.
5. That the owner attended a Cocoa Processing Course conducted by CEMA and those processed cocoa beans have met the quality standard set by CEMA.
6. That a processing unit that is de-registered for failing to maintain the expected standard and which requires re-registration must correct the defects and / or meet the standard set by CEMA.

For the purpose of Regulation 9, the following are the prescribed procedures for registering a Cocoa Processing Unit.

1. The Grower or groups of growers indicate, verbally or in writing, to any MAL Extension Officer of their desire to build a Cocoa Processing Unit.
2. The MAL Extension Officer to verify the number of trees or hectares and maturity of their trees.
3. MAL to provide advice and facilitate construction of proper processing unit that meets the standard set by MAL and CEMA.
4. MAL and CEMA to confirm whether applicant(s) had undergone Cocoa Processing Course.
5. Sample of first processed cocoa beans batch sent to CEMA for grading. Need to pass quality standard to be approved. If not, CEMA to advise corrective measures.
6. A Field Report with recommendations to be compiled by MAL Extension Officer and sent to Chief Field Officer for approval.
7. The approval letter by the Chief Field Officer is sent to the Provincial Secretary who will instruct the Provincial Revenue Clerk to collect the Registration fee. The Registration fee becomes Provincial revenue.
8. The Registration must have MAL logo, the appropriate Provincial Government logo and CEMA logo.
9. The owner of the Cocoa Processing Unit must keep basic records of his trading transaction to provide to MAL and CEMA on agreed periods.
10. The registration of a Cocoa Processing Unit once done is done for the life of the unit but maybe de-registered if the unit has not been maintained to the set standard or if the use of the Unit has been abused contrary to the CEMA cocoa Regulations. In the case where the Unit is de-registered, its re-registration must follow the requirements set above.
11. The registration fees should be set at a reasonable level to allow many growers to have processing units.
12. Upon registration, the Cocoa Processing Unit is given a nationally UNIQUE CODE numbering (Branding / Labeling) that will be used to brand any cocoa that is produced from the Unit.

Chairman
Commodities Export Marketing Authority

SEVENTH SCHEDULE**Reg. 17
Prescribed Activities Schedule**

Cocoa Trading Licence in this context consists of (a) Cocoa Wet Beans Buying Licence and (b) Cocoa Dry Bean Buying Licence.

For the purpose of regulating the prescribed activities referred to as "Cocoa Beans and Cocoa Products" in the Schedule made pursuant to section 2 of the Act, the following are the minimum qualifying conditions and prescribed procedures for obtaining cocoa trading licences.

(A) Cocoa Wet Bean Buying Licence**(i) Qualifying Conditions for Wet Beans Trading Licence**

1. The prospective wet bean buying applies to the Provincial MAL office to buy wet beans in the Province.
2. The Applicant must have a valid Registered Cocoa Processing Unit.
3. The Applicant has a standard storage shed that has a capacity to store dry cocoa beans.
4. The Applicant must publicly display his or her buying prices.
5. The Applicant must use certified scales that are verified annually by the Metric Division of the Customers Affairs Division of the Ministry of Commerce, Industry, Labour and Immigration.
6. The Applicant has attended basic business and commodities trading training conducted by CEMA or other recognized bodies.
7. The Applicant must maintain basic cocoa trading information to provide to CEMA on agreed periods.
8. The Applicant must maintain a valid Provincial Wet Bean trading Licence at all times.

(ii) Procedures for obtaining Wet Beans Trading Licence

1. Prospective wet bean buyer applies to Provincial MAL office to buy wet bean in the Province.
2. MAL to assess the application and carry out field assessment based on qualifying conditions set above.
3. This is repeated each year before the licence is renewed.
4. MAL sends the approval letter to the appropriate Provincial Secretary, copied to CEMA.
5. The Applicant pays the appropriate Provincial Licence fee.
6. The Chief Field Officer issues a certificate for the Licence – (April – March, the Provincial Financial Year).
7. Certificate to have logos of the relevant Province, MAL and CEMA. The certificate to be signed by the Chief Field Officer and the Provincial Secretary.
8. All the above steps are repeated when the licence is about to expire in preparation for renewal.
9. Wet Bean Buying Licences are renewable yearly (April – March, Provincial Financial Year). The Licence fees vary from Province to Province as per their respective Provincial Business Ordinances.

(B) Cocoa Dry Bean Buying Licence

(i) Qualifying Conditions for Dry Bean Trading

1. The Applicant applies to MAL Provincial Office for approval.
2. The Applicant must own or have access to approved standard storage facility with the capacity to store dry cocoa beans.
3. The Applicant must publicly display his or her buying prices.
4. The Applicant must use certified scales that are verified annually by the Metric Division of Customers Affairs Division of the Ministry of Commerce, Industry, Labour and Immigration.

5. The Applicant must maintain basic cocoa trading information to provide to CEMA on agreed periods.
6. The Applicant must maintain a valid Provincial Dry Bean Trading Licence at all times.
7. The Applicant shall only buy dry cocoa beans from Registered Cocoa Processing Units.
8. Apart from growers, only licenced dry bean traders are allowed to trade with dry cocoa beans locally and for export.

(ii) Procedures for Cocoa Dry Bean Buying Licence

1. The prospective dry bean buyer applies to the Provincial MAL office to buy dry bean in the Province.
2. MAL to assess the application and carry out a field assessment based on qualifying conditions set above.
3. This is repeated each year before the licence is renewed.
4. MAL sends the approval letter to the relevant Provincial Secretary, copied to CEMA.
5. The Applicant pays the appropriate Provincial Licence fee.
6. The Chief Field Officer issues a certificate for the licence (April – March, Provincial Financial Year)
7. The Certificate must have the logos of the relevant Province, MAL and CEMA.
The Certificate is to be signed by the Chief Field Officer and the relevant Provincial Secretary.
8. All steps above are repeated when the licence is about to expire in preparation for renewal.

9. Dry Bean Buying Licences are renewable yearly (April – March, Provincial Financial Year). The Licence fee varies from Province to Province as per their respective Provincial Business Ordinances. The range could take into consideration whether the dry bean buyer is a domestic trader (who then sells to an exporter) or an exporter.

CHAIRMAN
Commodities Export Marketing Authority

Dated at Honiara this twentieth-eighth day of August, 2013.

HON. ELIJAH DORO MUALA
Ministry of Commerce, Industry, Labour and Immigration

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