

ACT
No. 27 of 22 June 1928
Relating to the National Grain Supply

Cf. Act No. 5 of 23 Feb. 1951 - Cf. Act No. 7 of 25 June 1926 (repealed)

CHAPTER I
SOLE RIGHT OF THE STATE TO IMPORT
CERTAIN TYPES OF GRAIN AND MEAL

Section 1

¹The state has the exclusive right (monopoly) to import wheat, rye, barley and oats and all milling products thereof into the realm. ²This exclusive right also applies to mixes of these products, as well as to mixes that contain any of the said products as their main components.

The competent ministry³ may grant permits on specified conditions to import grain products subject to the monopoly.

If the proper classification of a product or class of products is in doubt, the Ministry⁴ shall decide whether it is subject to the state monopoly pursuant to this section.

1. Amended by Act No. 69 of 8 June 1984

2. See Section 6

3. The Ministry of Agriculture

4. Ministry of Agriculture, pursuant to Royal Decree No. 1174 of 8 June 1984

Section 2

Such products as are subject to the state monopoly may not be exported from the realm without a permit¹ from the competent ministry². This prohibition also applies to consignments of products grown in Norway.

Ships departing from Norwegian ports may carry the said products as provisions for the voyage without a permit from the Ministry. The King² will issue further regulations concerning this exception to the prohibition.

1. *See Section 6*

2. *Ministry of Agriculture*

Section 3

The provisions of the two preceding sections shall not preclude conveyance of the said products through the realm as cargo in transit.

The King will issue further control regulations¹.

1. *See Section 6*

Section 4

In respect of local cross-border trade, the King¹ may permit modifications in the rules on imports and exports laid down in the preceding sections².

1. *Ministry of Agriculture pursuant to Royal Decree of 14 June 1929*

2. *See Section 6*

Section 5

(Repealed by Act No. 69 of 8 June 1984)

Section 6¹

Any person who violates or makes any attempts to violate the provisions of Sections 1 to 4 or any provisions laid down pursuant to these sections, or who is accessory thereto is liable to fines or imprisonment for a term not exceeding six months, or both.

Products which, in violation of the provisions of this Act, have been imported, or in regard to which an attempt has been made to import or export, or as circumstances necessitate, the value of the said products, may be confiscated from the offender or from the person on whose behalf the offender has acted. ²The products may be seized and kept by the State regardless of whether a prosecution is or may be instituted. In the event that the products are not confiscated, compensation shall be paid to the owner according to the world market price for the products in question on the day of seizure, CIF the nearest mill owned or utilized by the State for milling.

1. Amended by Act No. 69 of 8 June 1984)

2. Cf. Sections 34 - 37 of Penal Code

Section 7

¹The State is empowered to expropriate any Norwegian commercial mill that is or has been in operation, with any appurtenant properties, inventories, stocks and rights that are deemed necessary or desirable for the operation thereof, and to become a party to all contracts to which the milling enterprise is party.

If a commercial mill is operated in conjunction with another enterprise in such a way that separation would lead to undue inconvenience in the operation of the latter, the owner may contest the expropriation².

1. Cf. Act No. 3 of 23 Oct. 1959, Section 30

2. Cf. Section 8, second paragraph

Section 8

The scope of expropriation and the amount of compensation shall be determined by a valuation commission consisting of nine members competent in the relevant range of disciplines. The chairman shall be an experienced judge possessing the

qualifications required of Supreme Court Judges. ¹The King will appoint the members of this commission as well as their personal deputies.

All decisions of the commission are final. The question of whether or not any expropriation shall not be allowed to proceed because the owner claims the protection of the second paragraph of Section 7 is left to the discretion of the commission.

Decisions of the commission may be appealed on a point of law directly to the Supreme Court. The time limit for an appeal² or for serving notice is four weeks (a summons will be issued in the case whether the Supreme Court is in session or not, and after the expiry of notice, the case will be heard out of turn)³.

1. *See Courts of Justice Act, Sections 53 and 54*

2. *Cf. Act relating to Court Procedures (rettergangsl.), Section 360*

3. *See Act relating to Court Procedures (rettergangsl.), Sections 364 and following*

CHAPTER II

ORGANIZATION OF THE STATE GRAIN MONOPOLY¹

1. *See Act No. 5 of 23 February 1951, Section 7*

Section 9

¹The State Grain Monopoly is headed by an executive board and a managing director.

The executive board shall consist of seven members. The King appoints the chairman of the board, the deputy chairman and the other board members and their personal deputies, of which two members and their personal deputies at the recommendation of the employees of the State Grain Monopoly. The members appointed by the King shall serve for a period

of three years. The managing director takes part in the meetings of the executive board, though without any vote.

An appointed member of the executive board shall continue in his post until a new member has been lawfully appointed, even if his period of service has expired.

The King may remove a board member before the end of his term. Whether or not he is entitled to compensation for what remains of his period shall be decided according to the legal principles generally applicable.

The managing director shall be appointed by the King on the recommendation of the board, with six month's mutual period of notice. The managing director's salary is determined by the King. If the managing director is dismissed, he may be asked to leave immediately. Whether or not he is then entitled to compensation for what remains of his period of service shall be determined according to the legal principles generally applicable. In the event of a prolonged absence, the Ministry² shall instate a deputy at the recommendation of the executive board.

The competent ministry² fixes the salaries of the board members.

1. Amended by Acts No. 16 of 19 June 1931, No. 13 of 9 June 1939, No. 6 of 23 Feb. 1951, No. 4 of 21 July 1967 and No. 78 of 21 Dec. 1979

2. The Ministry of Agriculture

Section 9A

¹It is the duty of the executive board² to run the affairs of the enterprise in accordance with this Act pursuant to the decisions taken by the Storting, the King and the Ministry.³

The executive board sees to it that the managing director performs his duties to the best advantage of the enterprise. The board issues instructions to the director and is also

empowered to decide on matters within his area of responsibility.

The executive board or the person authorized thereto shall hire the staff and fix their salaries and terms of employment. The Act of 15 February 1918 relating to Public Servants shall not apply to the managing director nor to the other personnel.

The executive board shall take its decisions in meetings held as often as the control and management of the affairs of the enterprise require. Meetings are convened by the chairman. If the managing director or any member of the board demands a meeting of the board, the chairman shall comply with the demand. The chairman, or in his absence, the deputy chairman, shall preside over the meetings. If neither of these officers are present, the board shall elect another person to preside.

Five members shall constitute a quorum. Decisions of the executive board require a majority vote of those present. In the event of a tie, the chairman has the deciding vote. In the event of a tie vote when selecting a person to preside over a meeting, the decision shall be made by drawing lots.

A board member must refrain from participating in any proceedings or casting a vote on any matter of business in which he may have a particular personal or pecuniary interest.

Records shall be kept of all proceedings and the minutes of each meeting shall be signed by all members present. If a member dissents from a decision that has been adopted, his dissention shall be recorded in the minutes. A transcript of the minutes shall be submitted to the Ministry.

1. Added by Act No. 4 of 21 June 1967 and amended by Act No. 78 of 21 Dec. 1979

2. See Section 9

3. The Ministry of Agriculture

Section 10¹

The managing director shall be in charge of the day-to-day management of the Norwegian Grain Corporation. Day-to-day management does not include business which, for the purposes of the Corporation, is of an unusual nature or of special importance, and which there is time and opportunity to submit to the executive board.

The managing director represents the Norwegian Grain Corporation in all external affairs, and is authorized to sign for the Corporation.

Acts in law which do not lie within the scope of the managing director's powers in relation to the Corporation shall not be binding upon the Corporation if the other party knew or ought to have known that the managing director was exceeding his powers.

The managing director must refrain from participating in any proceedings or casting a vote on any matter of business in which he may have a particular personal or pecuniary interest.

The managing director shall see to it that the business delegated to the Grain Corporation is conducted efficiently and in a businesslike way. He shall prepare and submit to the executive board the items of business to be deliberated by the board, and is responsible for carrying out the decisions of the board.

1. Amended by Act No. 4 of 21 July 1967

Section 11

(Repealed by Act No. 69 of 8 June 1984).

Section 12¹

The Norwegian Grain Corporation shall submit to the Ministry² quarterly reports on the accounts, the annual accounts and replies to comments from the Office of the Auditor General. The Corporation shall also submit a report on the activities of the first six months of each year, as well as an annual report.

The Norwegian Grain Corporation shall prepare a recommendation on the operating and investment budget for the coming year to be submitted to the Storting. Together with the budget, the Corporation shall submit a proposal on the use of the operating profits. Any proposals in respect of long-term credit or extraordinary loans not covered by the loan fund administered by the Grain Corporation shall also be submitted. The Corporation shall also provide information on its loan requirements for the coming year and submit any proposals for amendments to the Corporation's authorization to borrow money on State credit. The Corporation shall also report on emergency stocks of grain and flour products.

1. Amended by Acts No. 4 of 21 July 1967 and No. 69 of 8 June 1984

2. The Ministry of Agriculture

CHAPTER III

THE ACTIVITIES OF THE NORWEGIAN GRAIN CORPORATION

Section 13¹

The Norwegian Grain Corporation shall purchase grain pursuant to Section 17 and import any grain or products thereof necessary to meet the needs of the realm, cf. Section 14, however.

The products shall normally be offered for sale at the same price to all buyers.

The products shall normally be delivered at uniform prices at all railway stations and all ports of call for coastal liners. The Grain Corporation shall determine whether and to what degree the same shall apply to bus stops, and shall otherwise prescribe further rules in respect of shipping and whether exceptions may be made to the rule on cost-free shipping. The Corporation shall also decide whether compensation shall be granted, and how much, for transport of the products from the said points to outlying districts.

The Grain Corporation may lay down general as well as specific terms for sales and for arriving at uniform prices.

Sale prices shall be fixed according to the principle that the Corporation shall bear its own costs and earn a reasonable profit that may be applied to funds connected with the business of the Grain Corporation.

1. Amended by Acts No. 13 of 9 June 1939, No. 4 of 21 July 1967 and No. 2 of 8 Jan. 1988

Section 14

The Grain Corporation shall also stock for sale to industrial enterprises such quantities of the types of products subject to the monopoly as the enterprises require for their own technical use, if the Ministry¹ does not grant import permits. Enterprises shall be required to furnish an undertaking that the products will only be used within the enterprise and not marketed in any form which could damage the interests of the Grain Corporation.

In any case, prices shall be set FOB the Grain Corporation's point of import which is closest to the enterprise, and based as far as possible on the current CIF price at the place in question.

1. See Section 1

Section 15¹

The Grain Corporation shall stock such quantities of seed grain as are deemed necessary.

1. Amended by Act No. 4 of 21 July 1967

Section 16¹

The Grain Corporation should tender a reasonable amount of milling grain to local mills on specified terms, especially with a view to providing reasonably stable supplies throughout the year. Pursuant to further regulations, the Norwegian Grain Corporation may set prices somewhat lower than the prices that would otherwise be forthcoming pursuant to the provisions of Section 13 if such price reductions are deemed necessary in order to secure the mills reasonable operating conditions.

1. Amended by Act No. 4 of 21 July 1967

Section 17¹

The Norwegian Grain Corporation shall buy all Norwegian-grown grain crops offered to it so long as the grain meets the quality standards applicable at any given time. The Grain Corporation shall lay down rules for grading grain quality.

Payment for grain shall be fixed in relation to base prices established by the Storting. The Grain Corporation shall establish premiums and reductions in base prices on the basis of quality.

The base price shall be the same for all growers and shall apply to Norwegian-grown grain delivered to any facility owned or contracted by the Grain Corporation. Compensation shall be paid for transport to these facilities according to further rules laid down by the Grain Corporation.

1. Amended by Acts No. 13 of 9 June 1939, No. 4 of 21 July 1967 and No. 2 of 8 Jan. 1988

Section 18¹

The Norwegian Grain Corporation shall stockpile such quantities of grain products as contingency considerations require. The Storting shall issue further guidelines for contingency stockpiles.

1. Amended by Act No. 4 of 21 July 1967

Section 19

The provisions laid down in this chapter pertaining to the business of the Grain Corporation (duty to buy, purchase prices, sales, sale prices, etc.) provide no basis for any actionable claim in law.

Any person who feels he has been treated unfairly may file a complaint with the Ministry¹, which shall finally decide the matter. Disputes concerning a quality grading and consequent price reduction for a consignment of Norwegian grain (Section 17) shall be dealt with by a permanent appeals board appointed by the King². The decision of this board is final. The King determines whether one or more such boards shall be established, and issues further rules on deadlines for appeal, on the composition of the board or boards, their scope of activity, working procedures, etc.

1. The Ministry of Agriculture

2. The Ministry of Agriculture pursuant to Res. No. 32 of 30 Jan. 1987

CHAPTER IV

ENTRY INTO FORCE, ETC.

Section 20¹

The King or any person so authorized by the King² shall issue any further regulations necessary to implement this Act.

1. Amended by Act No. 13 of 9 June 1939

2. Ministry of Agriculture pursuant to Royal Decree of 31 May 1929

Section 21¹

This Act shall enter into force on the date prescribed by the King.²

On the date this Act enters into force, Act. _____ is repealed.

1. Amended in Act No. 69 of 8 June 1984

2. As of 1 July 1929 pursuant to Royal Decree of 31 May 1929

REGULATIONS ISSUED BY THE NORWEGIAN MINISTRY OF AGRICULTURE
PURSUANT TO THIS ACT

SECTION

IN ACT

REGULATION

Section 3 Regulations No. 1174 of 8 June 1984 relating to
Delegation of authority pursuant to the Act
relating to the National Grain Supply.

Section 13 Regulations No. 1 of 22 Nov. 1948 relating to
Transport Grants for Seed Grain.

Section 19 Regulations No. 32 of 30 Jan. 1987 relating to
Delegation of Authority to the Ministry of
Agriculture pursuant to the Act relating to the
National Grain Supply.

Section 21 Regulations No. 1173 of 8 June 1984 relating to
Entry into force of Act No. 69 of 8 June 1984
relating to amendments to Act. No. 27 of 22 June
1928 relating to the National Grain Supply and
to the Marketing Act of 1936.