EXPLANATORY MEMORANDUM

The Agricultural Holdings (Units of Production)(England) Order 2004

SI 2004 No 1811

This explanatory memorandum is laid before Parliament by Command of Her Majesty.

Department responsible
Department for Environment, Food and Rural Affairs.

Description
The instrument sets out values for agricultural production which are used in assessing the productive capacity of agricultural land and to determine whether it is a "commercial unit" of agricultural land. A "commercial unit" of agricultural land is defined in the Agricultural Holdings Act 1986 and means a unit of land which, if farmed under competent management, is capable of producing a net annual income which is not less than the sum of the average earnings of two full-time, male agricultural workers, aged twenty or over.

Legislative background
The instrument is being made under paragraph 4 of Schedule 6 to the Agricultural Holdings Act 1986 (the Act).

The Order is used by Agricultural Land Tribunals (ALT) in the case of applications by close relatives of a deceased or retiring tenant to succeed to a tenancy which is governed by the provisions of the Act. Where statutory succession applies and where the succession is contested, two successive generations of close relatives may apply to the ALT for a direction to succeed to the tenancy on the grounds that they are eligible and suitable. In such cases, statutory succession is not automatic. The potential successor must (amongst other requirements) demonstrate that he is not already in possession of a "commercial unit" of agricultural land.

The instrument revokes the Agricultural Holdings (Units of Production) (England) Order 2003 (SI 2003 No 2151).

Extent
The instrument applies to England only.

Policy Background
Succession tenancies have the potential to continue for a number of years to come under the current provisions of the Act. Under the Act, the Order needs to be made annually until all such tenancies have expired.

The Order is of limited interest to the public.

Impact
No Regulatory Impact Assessment has been prepared. This is because no impact on the private or voluntary sector is foreseen other than already exists in relation to the 2003 Order. There is no anticipated impact on the public sector.

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