STATUTORY INSTRUMENTS

1981 No. 1708

AGRICULTURE
HORTICULTURE

The Agriculture and Horticulture Development (Amendment) Regulations 1981

Laid before Parliament in draft

Made - - - - *27th November* 1981

Coming into Operation *30th November* 1981

The Minister of Agriculture, Fisheries and Food and the Secretary of State, acting jointly, being Ministers designated for the purposes of section 2(2) of the European Communities Act 1972(**a**) in relation to the common agricultural policy of the European Economic Community (**b**), in exercise of the powers conferred upon them by the said section 2(2) and of all other powers enabling them in that behalf, hereby make the following regulations, of which a draft has been approved by resolution of each House of Parliament:—

1. These regulations, which may be cited as the Agriculture and Horticulture Development (Amendment) Regulations 1981, shall come into operation on 30th November 1981 and shall apply to the whole of the United Kingdom.

2.—(1) The Agriculture and Horticulture Development Regulations 1980 (**c**) shall be amended in accordance with the following provisions of these regulations.

(2) Unless the context otherwise requires, any reference in these regulations to a numbered regulation or to the Schedule shall be construed as a reference to the regulation bearing that number in, or to the Schedule to, the aforesaid regulations.

3. In regulation 2(1) (interpretation)—

(*a*) immediately after the definition of " approved " there shall be inserted the following definition:—

" ' dairy cows ' means cows which have calved and which by reason of their breed or suitability are exclusively or principally kept for the production of milk either for human consumption or for processing into milk products ; " ;

(*b*) for the definition of " ECU " there shall be substituted the following definition:—

" ' ECU ' means the unit of account used for the purposes of the common agricultural structures policy of the European Economic Community and any reference in these regulations to a specified

(**a**) 1972 c. 68. (**b**) S.I. 1972/1811. (**c**) S.I. 1980/1298.

number of ECU in relation to any expenditure or any grant shall be taken to be a reference to the sterling equivalent of that number of ECU converted into sterling at the agricultural exchange rate applicable on 1st January in the calendar year during which the decision to pay grant is taken ; " ;

(*c*) immediately after the definition of " eligible person " there shall be inserted the following definitions:—

" ' forestry income ' means income from the planting, tending and management of woodlands and includes income from the sale of timber and other products therefrom ;

' heifers ' means female bovine animals of two years of age or over which have not calved and which are intended to replace dairy cows ; ".

4. In regulation 4 (eligible agricultural business) for sub-paragraph (*b*) thereof there shall be substituted the following sub-paragraph:—

" (*b*) that the nature or structure of the business is such as to place at risk the maintenance of an earned income at the level of the said comparable income, and that the earned income per labour unit reasonably required under the existing system of production is not greater than 120 per cent. of the said comparable income.".

5. In regulation 5 (development plans)—

(*a*) in paragraph (2)(*c*), immediately after the words " earned income " there shall be inserted the words " including, for these purposes, forestry income " ;

(*b*) for paragraph (3)(*a*) there shall be substituted the following sub-paragraph:—

" (*a*) by reason of an application for approval of, or of a variation to, that plan which is received by that Minister—

(i) before 1st January 1982, proposed expenditure amounting in aggregate to less than £1,000 or more than 53,204 ECU per labour unit ;

(ii) on or after 1st January 1982, proposed expenditure amounting in aggregate to less than £1,000 or more than 72,538 ECU per labour unit or more than 217,612 ECU per agricultural business ; or " ;

(*c*) for paragraph (3)(*b*) there shall be substituted the following sub-paragraph:—

" (*b*) proposed expenditure in connection with the breeding or keeping of pigs (not being expenditure on the purchase of pigs) unless—

(i) in the case of an application for approval of, or of a variation to, a development plan received by that Minister before 30th November 1981, that expenditure amounts in aggregate to not less than 13,158 ECU and not more than 66,699 ECU, or

(ii) in the case of an application for approval of, or of a variation to, a development plan received by that Minister on or after 30th November 1981, that Minister is satisfied that such expenditure will not make possible an increase to more than 550

in the number of pig places on the land occupied for the purposes of the agricultural business to which the plan relates, and in either case

(iii) that Minister is satisfied that the plan provides that on its completion not less than 35 per cent. of the feeding stuffs required for the pigs kept on the land occupied for the purposes of the agricultural business to which the plan relates can be produced from that land ; or " ;

(*d*) in paragraph (3) after paragraph (3)(*h*) there shall be inserted the following sub-paragraph:—

" (*j*) by reason of an application for approval of, or of a variation to, that plan which is received by that Minister on or after 30th November 1981, proposed expenditure in connection with the breeding or keeping of dairy cows or heifers (not being expenditure on the purchase of dairy cows or heifers) unless that Minister is satisfied either—

(i) that such expenditure is no more than is necessary to enable the agricultural business to which the plan relates to achieve or maintain an earned income which is not less than the comparable income calculated in accordance with regulation 13 in relation to not more than 1·5 labour units and that such expenditure will not make possible an increase in the number of dairy cows kept on the land occupied for the purposes of the agricultural business to which the plan relates on completion of the plan to more than 40 dairy cows per labour unit reasonably required for that business under the system of production then existing up to a maximum of 1·5 labour units, or

(ii) in the case of an agricultural business which in the opinion of that Minister reasonably requires more than 1·5 labour units under the existing system of production and in the carrying on of which dairy cows were kept at the date of submission of the plan, or of the variation thereto, for approval, that such expenditure will not make possible an increase of more than 15 per cent. in the number of dairy cows so kept at that date." ;

(*e*) after paragraph (3) there shall be inserted the following paragraph:—

" (3A) For the purposes of this regulation ' pig place ' means the facilities necessary to house one fattening pig ; save that where the herd includes breeding sows, the facilities necessary to house one such sow shall be taken to be the equivalent of 6·5 pig places.".

6. In regulation 7(3) (guidance premium) there shall be substituted for the words " an approved development plan which makes such provision " the words " an approved development plan which makes or made such provision " and for the words " the business to which the development plan relates " the words " the business to which the development plan relates or related ".

7. In regulation 8 (amounts of grant)—

(*a*) in paragraph (1) (*c*) for the expression " 80 per cent. " there shall be substituted the words " two thirds " ;

(*b*) in paragraph (6) the figure " 14(iii) " shall be deleted.

8. In regulation 9(2) (amount of grant payable in connection with accounts) for the expression " 250 ECU " there shall be substituted the expression " 259 ECU ".

9. In regulation 10 (amounts of guidance premium) for the words " shall be calculated in relation to the number of hectares of land occupied for the purposes of the agricultural business to which the development plan relates, and to the number of hectares of land which in the opinion of the appropriate Minister is necessary " there shall be substituted the words " shall be calculated in relation to so many of the hectares of land occupied for the purposes of the agricultural business to which the development plan relates, or in the case of a development plan which has been completed, related, as in the opinion of the appropriate Minister is or was necessary ".

10. For paragraph 1 of column 1 of the Schedule (kinds of eligible work) there shall be substituted the following paragraph:—

" 1. Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings or permanently sited durable structures for cladding with plastic (except living accommodation and buildings or structures designed and intended for the production of horticultural produce (see paragraph 2 of this Schedule)), bulk dry stores, silos, yards, loading platforms, ramps or banks.".

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 27th November 1981.

Peter Walker,
Minister of Agriculture, Fisheries and Food.

George Younger,
Secretary of State for Scotland.

27th November 1981.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations, which are made under section 2(2) of the European Communities Act 1972 and apply to the whole of the United Kingdom, amend the Agriculture and Horticulture Development Regulations 1980 in accordance with Council Regulation (EEC) No. 1945/81 (OJ No L197, 20.7.81, p. 31) and Commission Regulation (EEC) No. 2180/81 (OJ No L211, 31.7.81, p. 28) both restricting investment aids for pig production, Council Regulation (EEC) No. 1946/81 (OJ No L197, 20.7.81, p. 32) restricting investment aids for milk production and Commission Regulation (EEC) No. 3332/80 (OJ No L349, 23.12.80, p. 19) which increased the limits on certain grants. They also implement Directive 81/528/EEC of the Council (OJ No L197, 20.7.81, p. 41) amending Directive 72/159/EEC of the Council (OJ No L96, 23.4.72, p. 1 (OJ/SE 1972(II), p. 324)) on the modernisation of farms.

The restriction on the amount of expenditure on the breeding or keeping of pigs which may be eligible for grant is replaced by the restriction that expenditure on the breeding or keeping of pigs may be eligible for grant only to the extent that it does not result in an increase to more than 550 pig places (regulation 5(3)(*b*)(ii) of the 1980 Regulations as substituted by regulation 5(*c*) of these Regulations). The amount of expenditure on the breeding or keeping of dairy cows or heifers which may be eligible for grant is subject to the restriction that it must not result in an increase in the dairy herd to more than 60 cows (for an agricultural business requiring $1\frac{1}{2}$ labour units) or by more than 15 per cent. of the existing herd size (for larger agricultural businesses) (regulation 5(3)(*j*) of the 1980 Regulations as inserted by regulation 5(*d*) of these Regulations).

Other changes are that the Regulations provide that—

(*a*) agricultural businesses earning the equivalent of more than 120 per cent. of the comparable (non-agricultural) income will no longer be eligible for grant in the " at risk " category; those remaining in the " at risk " category will receive only two thirds of grant assistance instead of 80 per cent. as previously (regulations 4(*b*) and 8(1)(*c*) of the 1980 Regulations as amended by regulations 4 and 7(*a*) of these Regulations respectively);

(*b*) income from forestry can count as agricultural income for the purpose of comparing a farmer's income with the comparable income (regulation 5(2)(*c*) of the 1980 Regulations as amended by regulation 5(*a*) of these Regulations);

(*c*) expenditure on permanent framework for plastic cladded structures will be eligible for grant (regulation 10).

In addition, the definition of " ECU " has been amended (regulation 3(*b*)) to relate it more clearly to the representative rate used for the purposes of the common agricultural structures policy of the European Economic Community which is fixed from time to time by Council Regulation. The sterling equivalent of 1 ECU on 1st January 1981 converted at the agricultural exchange rate was £0·618655.

SI 1981/1708
ISBN 0-11-017708-8

