STATUTORY INSTRUMENTS

1976 No. 743

AGRICULTURE

HORTICULTURE

The Farm and Horticulture Development (Amendment) Regulations 1976

Laid before Parliament in draft

Made - - - - 13*th May* 1976

Coming into Operation 1*st June* 1976

The Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland and the Secretary of State for Wales, 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:—

Citation, commencement and extent

1. These regulations, which may be cited as the Farm and Horticulture Development (Amendment) Regulations 1976, shall come into operation on 1st June 1976 and shall apply to the whole of the United Kingdom.

Interpretation

2.—(1) The Interpretation Act 1889(**c**) shall apply to the interpretation of these regulations as it applies to the interpretation of an Act of Parliament.

(2) In these regulations the expression "the principal regulations" means the Farm and Horticulture Development Regulations 1973(**d**) and, unless the context otherwise requires, any reference therein to a numbered regulation or to the Schedule shall be construed as a reference to the regulation bearing that number or to the Schedule in the principal regulations.

Amendment of the principal regulations

3.—(1) Regulation 2 shall be amended—

(a) by deleting from the definition of labour unit in paragraph (1) thereof the words "adult male";

(**a**) 1972 c. 68.
(**b**) S.I. 1972/1811 (1972 III, p. 5216).
(**c**) 1889 c. 63.
(**d**) S.I. 1973/2205 (1973 III, p. 7746).

(b) by inserting after the definition of labour unit in paragraph (1) thereof the following definition:—

" 'less-favoured area' means land

(a) which is situated in an area included in the list of less-favoured farming areas adopted by the Council of the European Communities under Article 2 of Council Directive No. 75/268/EEC of 28th April 1975 (a) and consists predominantly of mountains, hills or heath, and

(b) which is, or by improvement could be made, suitable for use for the breeding, rearing and maintenance of sheep or cattle but not, in the opinion of the appropriate Minister, for the carrying on, to any material extent, of dairy farming, the production, to any material extent, of fat sheep or fat cattle or the production of crops in quantity materially greater than that necessary to feed the number of sheep or cattle capable of being maintained on the land;"

(c) by substituting for the definition of earned income in paragraph (2) thereof the following definition:—

" 'Earned income', in relation to an agricultural business, means the revenue of the business as assessed by the appropriate Minister provided that in any such assessment, the said revenue shall be taken to include net inventory changes and farmhouse consumption less remuneration of capital invested in the agricultural business and such charges and expenses as that Minister may consider reasonable;"

(2) Regulation 3 shall be amended—

(a) by substituting in paragraphs 2 and 3 thereof for the words "who is carrying out" the words "in respect of";

(b) by substituting in paragraph 6 thereof for the words "applicant's written consent" the words "written consent of the person currently responsible for carrying on the agricultural business to which the development plan relates."

(3) The following regulation shall be inserted after regulation 3:—

"3A. In any case where an eligible person secures a guarantee in respect of monies borrowed from a bank for the purposes of carrying out an approved development plan the Minister of Agriculture, Fisheries and Food may defray the reasonable costs properly chargeable in relation thereto by any person providing such guarantee."

(4) Regulation 6 shall be amended—

(a) by substituting in paragraph 2(a) thereof for the words "first calendar year to which the plan relates" the words "calendar year in which the plan is submitted for approval or such other year as that Minister may for this purpose allow";

(a) OJ No. L. 128, 19.5.75, p. 1.

(b) by inserting in paragraph 2(b) thereof after the words "the comparable income" the words "increased as";

(c) by substituting for paragraph 2(c) thereof the following paragraph:—

"(c) if the agricultural business to which it relates is part of a larger business, the earned income which the agricultural business may reasonably be expected to achieve, or maintain, on completion of the plan comprises as respects:—

(i) an agricultural business situated in a less-favoured area, not less than 50 per cent. of the comparable income increased as aforesaid, or

(ii) an agricultural business not situated in a less-favoured area, not less than 80 per cent. of the said comparable income increased as aforesaid, or

(iii) an agricultural business situated partly in a less-favoured area and partly outside a less-favoured area, such proportion of the said comparable income increased as aforesaid as the appropriate Minister may determine."

(d) by substituting in paragraph 3 thereof for the words "who submitted it for approval" the words "currently responsible for carrying on the agricultural business to which the development plan relates."

(5) Regulation 7 shall be amended by deleting from paragraphs (a) and (b) thereof the words "adult male".

(6) Regulation 8 shall be amended—

(a) by substituting in paragraph (a) thereof for the figure "40,000" the figure "42,060";

(b) by substituting in paragraph (b) thereof for the figures "10,000" and "40,000" the figures "10,520" and "42,060" respectively;

(c) by substituting for paragraph (d) thereof the following paragraph:—

"(d) any expenditure on the purchase of livestock other than livestock of any of the kinds mentioned in the preceding provisions of this regulation unless the appropriate Minister is satisfied that the purchase is a purchase of additional animals as specified in an approved development plan and, in the case of expenditure on the purchase of cattle or sheep, unless that Minister is satisfied that the expenditure is being made in the carrying out of a development plan which provides that on its completion the sales by the agricultural business of cattle or sheep and their produce, assessed in such a manner as that Minister shall consider appropriate, shall comprise more than 60 per cent. of all sales, assessed as aforesaid, of agricultural produce made by the business".

(7) Regulation 9 shall be amended—

(a) by substituting in paragraph (1) thereof for the words and figures "paragraphs 1 to 25 and 27" the words and figures "paragraphs 1 to 28 and 30";

(b) by substituting for paragraphs (1) (a), (b) and (c) thereof the following sub-paragraphs:—

"(a) is for the purposes of, or in connection with, the carrying on of an agricultural business, or that part thereof, situated in a less-favoured area, the amount of grant so payable shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 3 of that Schedule;

(b) is for the purposes of, or in connection with, the carrying on of a horticultural production business as to which that Minister is satisfied that at all times during the period of 24 months ending with the date of application for approval of that expenditure for the purposes of a grant under regulation 3(1) there has been occupied for the purposes of that business not less than 1.6 hectares of land calculated, as appropriate, in accordance with the provisions of paragraph (2) of this regulation, the amount of grant so payable shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 4 of that Schedule;

(c) is for the purposes of, or in connection with, the carrying on of an agricultural business, or a horticultural production business, of a kind described in regulation 5(b), the amount of grant so payable shall be 80 per cent. of the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 2 of that Schedule in the case of an agricultural business, or in column 3 thereof in the case of an agricultural business in a less-favoured area, or in column 4 thereof in the case of a horticultural production business."

(c) by substituting in paragraph 3(b) thereof for the measurement "5½ feet" the measurement "1.67 metres";

(d) by substituting in paragraph (5) thereof for the words and figures "paragraphs 1 to 25" the words and figures "paragraphs 1 to 28".

(8) Regulation 10(2) shall be amended—

(a) by substituting for the figure "150" the figure "173";

(b) by deleting the word "such".

(9) The following regulation shall be substituted for regulation 11:—

"11. Subject to the provisions of regulation 13, the amounts of grant payable by way of guidance premium under regulation 3(3) 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 being a number of hectares of land which in the opinion of the appropriate Minister is necessary for the breeding or keeping of cattle or sheep suitable for the production of beef or sheep meat in the carrying out of that development plan, at the rate of—

(a) 47 units of account per hectare in the first year;

(b) 32 units of account per hectare in the second year;

(c) 16 units of account per hectare in the third year:

Provided that no payment by way of such grant shall be made in excess of 4,700 units of account in respect of the first year, 3,200 units of account in respect of the second year or 1,600 units of account in respect of the third year".

(10) The Schedule to these regulations shall be substituted for the Schedule to the principal regulations.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 11th May 1976.

(L.S.)

Frederick Peart,
Minister of Agriculture, Fisheries and Food.

Bruce Millan,
Secretary of State for Scotland.

12th May 1976.

John Morris,
Secretary of State for Wales.

13th May 1976.

Regulation 3(10)

SCHEDULE

ELIGIBLE WORKS AND FACILITIES AND RATES OF GRANT

Column 1	*Column* 2	*Column* 3	*Column* 4
Kind of work or facility or transaction	*Agricultural business. Rate of grant. Per cent.*	*Agricultural business in Less-Favoured Area. Rate of grant. Per cent.*	*Horticultural production business. Rate of grant. Per cent.*
1. Provision, replacement, improvement, alteration, enlargement or reconditioning of:			
(i) Permanent buildings (except living accommodation and buildings designed and intended for horticultural use or for any use mentioned in paragraph 11 of this Schedule and works and facilities specified in paragraphs 2 and 3 of this Schedule); silos designed and intended for use for grain storage, bulk dry stores.	25	30	Not applicable
(ii) Yards, loading platforms, ramps or banks.	25	30	30
2. Provision, replacement, improvement, alteration, enlargement or reconditioning of silos (other than silos intended for grain storage); provision and installation of equipment for loading or unloading such silos.	40	40	Not applicable
3. Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings for cattle (except for any use mentioned in paragraph 11 of this Schedule); dairy and parlour buildings and associated collecting yards; associated systems for disposal of waste; other associated services.	40	40	Not applicable
4. Provision, replacement or improvement of systems for the disposal of farm waste, except waste systems specified in paragraph 3 of this Schedule.	25	30	30

Column 1	*Column* 2	*Column* 3	*Column* 4
Kind of work or facility or transaction	*Agricultural business. Rate of grant. Per cent.*	*Agricultural business in Less-Favoured Area. Rate of grant. Per cent.*	*Horticultural production business. Rate of grant. Per cent.*
5. Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.	25	30	30
6. Provision, replacement or improvement of facilities for the supply of water.	25	50	30
7. Field drainage, including under-drainage and ditching.	60	70	60
8. Provision or improvement of farm flood protection works, protection or improvement of river banks.	25	50	25
9. Provision, replacement or improvement of roads, paths and other permanent ways, hard standings, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.	25	50	30
10. Provision, replacement or improvement of sheep grids or cattle grids.	25	50	30
11. Provision, replacement or improvement of pens, dips, stells, or other facilities designed and intended for use in connection with the gathering, treatment or feeding of sheep or cattle or for sheltering them in periods of adverse weather but not for inwintering.	25	50	Not applicable
12. Provision, replacement or improvement of permanent fences, hedges, walls or gates.	25	50	30
13. Provision, replacement or improvement of shelter belts.	10	50	30

Column 1	*Column 2*	*Column 3*	*Column 4*
Kind of work or facility or transaction	*Agricultural business. Rate of grant. Per cent.*	*Agricultural business in Less-Favoured Area. Rate of grant. Per cent.*	*Horticultural production business. Rate of grant. Per cent.*
14. (i) Reseeding and regeneration of grassland and laying down of permanent pasture, including the application of lime or fertiliser (other than normal husbandry applications).	25	Not applicable	Not applicable
(ii) Reseeding and regeneration of grassland, laying down of permanent pasture, application of lime or fertiliser (other than normal husbandry applications) for the benefit of grassland.	Not applicable	50	Not applicable
(iii) Clearance and reclamation of land, subsoiling, burning heather or grass or making muirburn, land levelling or grading (including filling in of ditches or ponds), removal of tree roots, boulders or other obstructions to cultivation, bracken control.	25	50	30
15. Orchard grubbing.	25	25	30
16. Provision, replacement or improvement of wirework for hop gardens.	25	25	Not applicable
17. Provision or installation or replacement of:			
(i) Plant or machinery (including fixtures and fittings) for agricultural purposes (excluding plant or machinery which has been used before installation or which is installed in, or is wholly for the benefit of, living accommodation or which is of a kind specified in sub-paragraphs (ii) and (iii) of this paragraph or paragraphs 24 to 26 of this Schedule).	10	15	10

Column 1	*Column 2*	*Column 3*	*Column 4*
Kind of work or facility or transaction	*Agricultural business. Rate of grant. Per cent.*	*Agricultural business in Less-Favoured Area. Rate of grant. Per cent.*	*Horticultural production business. Rate of grant. Per cent.*
(ii) Fans for barn hay drying and associated equipment, hay and silage making machinery (except tractors).	20	25	Not applicable
(iii) Milking and associated equipment, bulk milk tanks.	20	25	Not applicable
18. Provision, replacement or improvement of stakes and wirework for vineyards.	25	25	25
19. Provision, replacement or improvement of stakes and wirework for cane fruit.	20	20	20
20. Claying or marling or soil mixing.	10	10	10
21. Provision or enlargement of permanent buildings, of permanently sited frames or of durable structures for cladding with plastic, designed and intended for the production of horticultural produce.	Not applicable	Not applicable	10
22. (i) Replacement, reconstruction, alteration, reconditioning or other improvement of existing permanent buildings, of permanently sited frames or of durable structures for cladding with plastic, designed and intended for horticultural use (excluding any work or facility specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	30
(ii) Provision or enlargement of permanent buildings designed and intended for horticultural use (excluding buildings of a kind specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	30

Column 1	*Column 2*	*Column 3*	*Column 4*
Kind of work or facility or transaction	*Agricultural business. Rate of grant. Per cent.*	*Agricultural business in Less-Favoured Area. Rate of grant. Per cent.*	*Horticultural production business. Rate of grant. Per cent.*
(iii) Supply and installation of permanent thermal insulation, vapour sealing or gas sealing for the control of temperature or atmosphere in buildings designed and intended for horticultural use (excluding buildings of a kind specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	30
23. Provision, replacement, improvement, alteration, enlargement or reconditioning of watercress beds.	Not applicable	Not applicable	30
24. Plant or equipment designed and intended for the production or harvesting of horticultural produce (excluding plant or equipment of a kind specified in paragraph 25 or 26 of this Schedule).	Not applicable	Not applicable	20
25. Plant or equipment designed and intended for the storage or preparation for market of horticultural produce (excluding plant or equipment of a kind specified in paragraph 26 of this Schedule).	Not applicable	Not applicable	20
26. Plant or equipment, including tractors and ancillary equipment, designed and intended for the cultivation of horticultural crops and produce.	Not applicable	Not applicable	10
27. (i) Purchase of livestock (except fresh water fish for food production).	10	15	Not applicable
(ii) Purchase of fresh water fish for food production.	10	10	Not applicable
28. Provision, replacement, improvement, alteration or enlargement of facilities for the farming of fresh water fish for food production.	10	10	Not applicable

Column 1	*Column 2*	*Column 3*	*Column 4*
Kind of work or facility or transaction	*Agricultural business. Rate of grant. Per cent.*	*Agricultural business in Less-Favoured Area. Rate of grant. Per cent.*	*Horticultural production business. Rate of grant. Per cent.*
29. Any work or facility incidental to the carrying out or provision of any work or facility specified in any of paragraphs 1 to 28 of this Schedule or necessary or proper in carrying it out or providing it or securing the full benefit thereof.	The rate appropriate to that work or facility in accordance with the provisions of the Scheme.		
30. Preparation of development plans.	25	25	25

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations, which apply to the whole of the United Kingdom, are made under section 2(2) of the European Communities Act 1972. They amend the Farm and Horticulture Development Regulations 1973 (the principal regulations) in order to: —

(a) implement the provisions of Directive 75/268/EEC of the Council (OJ No. L.128, 19.5.75, p. 1) on mountain and hill farming and farming in certain less-favoured areas by providing higher rates of grant and more favourable conditions of eligibility for farmers in such areas;

(b) raise limits for expenditure that may be approved for grant, and increase amounts of grant payable for keeping accounts and guidance premiums so as to implement the provisions of Council Regulation (EEC) No. 557/76 (OJ No. L.67, 15.3.76, p. 1) on the exchange rates to be applied in agriculture and to implement Commission Regulation (EEC) No. 571/76 (OJ No. L.68, 15.3.76, p. 1) providing for additional measures in that respect;

(c) substitute metric measures for imperial;

(d) effect changes whereby the principal regulations are administered more simply within the ambit of Directive No. 72/159/EEC of the Council (OJ No. L.96, 23.4.72, p. 1) (OJ/SE 1972 (II), p. 324) on the modernisation of farms;

(e) provide higher rates of grant for investments related to cattle;

(f) provide higher rates of grant for investments for improved use and conservation of grass;

(g) provide aids for stakes and wirework for vineyards and for cane fruit;

(h) make provision for the Minister of Agriculture, Fisheries and Food to defray reasonable costs in relation to loan guarantees.

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