STATUTORY INSTRUMENTS

# 1971 No. 801

# AGRICULTURE

## GUARANTEED PRICES AND ASSURED MARKETS

# The Fatstock (Guarantee Payments) (Amendment) Order 1971

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| *Made* - - - - | 14*th May* 1971 |
| *Laid before Parliament* | 19*th May* 1971 |
| *Coming into operation* | 5*th July* 1971 |

The Minister of Agriculture, Fisheries and Food, the Secretaries of State respectively concerned with agriculture in Scotland and Northern Ireland and the Secretary of State for Wales, acting jointly, in exercise of the powers conferred upon them by sections 1 and 35(3) of the Agriculture Act 1957(a), as read with the Transfer of Functions (Wales) Order 1969(b), and of all other powers enabling them in that behalf, with the consent of the Treasury and after consultation with such bodies of persons as appear to the said Ministers to represent the interests of producers of fatstock, hereby make the following order:—

*Citation, commencement and interpretation*

**1.**—(1) This order may be cited as the Fatstock (Guarantee Payments) (Amendment) Order 1971, and shall come into operation on 5th July 1971.

(2) The Interpretation Act 1889(c) shall apply to the interpretation of this order as it applies to the interpretation of an Act of Parliament.

*Amendment of the principal order*

**2.** The Fatstock (Guarantee Payments) Order 1964(d), as amended (e), shall be further amended as follows:—

(*a*) by inserting in article 2(1) thereof immediately after the definition of "standard price" the following definitions:—

"'target indicator price' and 'estimated price' mean respectively prices determined by the Minister in pursuance of this order;";

(*b*) by inserting in article 4 thereof immediately after the words "standard price" the words "target indicator price, estimated price";

(*c*) by substituting for paragraph (*c*) of article 8 thereof the following paragraphs:—

"(*c*) a target indicator price for fat cattle shall be determined for each week of a guarantee period having regard to the minimum

(a) 1957 c. 57. (b) S.I. 1969/388 (1969 I, p. 1070). (c) 1889 c. 63.
(d) S.I. 1964/463 (1964 I, p. 746). (e) S.I. 1968/398 (1968 I, p. 1078).

import price levels prescribed for fat cattle by order under section 1(2) of the Agriculture and Horticulture Act 1964(a); and

(*d*) an estimated price for fat sheep shall be determined for each week of a guarantee period having regard to the import duties charged on the importation into the United Kingdom of mutton and lamb by order under section 1 of the Import Duties Act 1958(b) and the seasonal pattern of market prices for fat sheep."; and

(*d*) by substituting for article 9 thereof the following article:—

"9(1) Subject to the provisions of this order, the rate of any payment which may be made in respect of each guarantee class of fat cattle and fat sheep respectively certified during any week shall be—

(*a*) in the case of fat cattle where the average market price thereof ascertained as aforesaid is lower than the standard price determined as aforesaid a rate equal to the difference between the standard price and either the average market price or the target indicator price, whichever is higher; and

(*b*) in the case of fat sheep where the average market price thereof ascertained as aforesaid is lower than the standard price determined as aforesaid a rate equal to the difference between the standard price and the average market price, such difference having been adjusted in accordance with a scale to be determined by the Minister having regard to the amount, if any, by which the average market price is lower than the estimated price.

(2) The Minister shall after each guarantee period ascertain—

(*a*) in accordance with Part II of the Schedule to this order, the average market price for each guarantee class of fat cattle and fat sheep respectively certified during such guarantee period, the average target indicator price for each such class of fat cattle so certified and the average estimated price for each such class of fat sheep so certified; and

(*b*) the amount, if any, by which any average market price ascertained under sub-paragraph (*a*) above falls short of the guaranteed price for the respective guarantee class determined pursuant to article 5 of this order after the deduction from such guaranteed price of the amount, if any, by which the average target indicator price, in the case of fat cattle, or the average estimated price, in the case of fat sheep, exceeds the said average market price ascertained under sub-paragraph (*a*) above.

(3) The amount ascertained pursuant to paragraph (2)(*b*) of this article shall be multiplied by the total weight (ascertained in such manner as appears to the Minister to be proper) of all fat cattle and fat sheep of the respective guarantee class certified under this order during the same guarantee period and the Minister may, in accordance with such arrangements as may be determined by him, make payment to producers of the amount, if any, by which such amount exceeds the amount which may be paid pursuant to paragraph (1) of this article.

(a) 1964 c. 28. (b) 6 & 7 Eliz. 2. c. 6.

(4) The provisions of paragraphs (2) and (3) of this article shall apply, as respects payments to be made in respect of fat cattle and fat sheep respectively certified during the current guarantee period ending with 26th March 1972, subject to the following modifications, that is to say :—

(*a*) as respects fat cattle and fat sheep certified respectively during that part of the current guarantee period which ends with 4th July 1971, as if—

(i) each reference to a guarantee period was a reference to that part of the current guarantee period ;

(ii) in paragraph (2)(*a*), the references to the average target indicator price for fat cattle and the average estimated price for fat sheep were omitted ;

(iii) in paragraph (2)(*b*), the reference to the guaranteed price for the respective guarantee class was a reference to the average standard price for that part of the current guarantee period calculated in accordance with Part II of the Schedule to this order, and as if the succeeding words of the paragraph were omitted ;

(*b*) as respects fat cattle and fat sheep certified respectively during the remaining part of the current guarantee period as if each reference to a guarantee period was a reference to that remaining part of the current guarantee period and as if each reference to a guaranteed price was a reference to the average standard price for that part of the current guarantee period calculated in accordance with Part II of the Schedule to this order." ;

(*e*) by substituting for Part II of the Schedule thereto the following part :—

"Part II

*Average Market Prices, Average Target Indicator Prices, Average Estimated Prices and Average Standard Prices for Fat Cattle and Fat Sheep for a Guarantee Period.*

For the purposes of article 9(2)(4) of this order—

(*a*) the average market price for fat cattle or fat sheep of any guarantee class in respect of any guarantee period shall be ascertained after the end of the guarantee period in such manner as appears to the Minister proper by reference to—

(i) market prices received in respect of fat cattle and fat sheep of that guarantee class certified during each week of the relevant guarantee period ;

(ii) weights of fat cattle and fat sheep of that guarantee class certified during each week of the relevant guarantee period ; and

(iii) any other matter which the Minister may consider relevant ;

(*b*) the average target indicator price for fat cattle and the average estimated price for fat sheep of any guarantee class in respect of any guarantee period shall be calculated respectively after the end of the guarantee period by multiplying for each week of the guarantee period the target indicator price or the estimated price, as the case may be, by the total weight of all fat cattle or fat sheep of the respective guarantee class certified during such week and by dividing the total of these amounts by the total weight of all fat cattle or fat sheep, as the case may be, of the respective guarantee class certified during the said guarantee period;

(*c*) the average standard price for fat cattle or fat sheep of any guarantee class shall be calculated for that part of the current guarantee period which ends with 4th July 1971 and for the remaining part of that period respectively by multiplying for each week of the respective part the standard price by the total weight used in determining that price and by dividing the total of these amounts by the total weight so used.".

In witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 12th May 1971.

(L.S.)

*J. M. L. Prior,*
Minister of Agriculture, Fisheries and Food.

Given under the Seal of the Secretary of State for Scotland on 13th May 1971.

(L.S.)

*Gordon Campbell,*
Secretary of State for Scotland.

Given under the hand of the Secretary of State for the Home Department on 13th May 1971.

*R. Maudling,*
Secretary of State for the Home Department.

Given under my hand on 13th May 1971.

*Peter Thomas,*
Secretary of State for Wales.

We consent,

14th May 1971.

*V. H. Goodhew,*
*Bernard Weatherill,*
Two of the Lords Commissioners of Her Majesty's Treasury.

## EXPLANATORY NOTE

*(This note is not part of the Order.)*

This order amends the Fatstock (Guarantee Payments) Order 1964, as amended, to provide for changes in the arrangements for guarantee payments to producers of fat cattle and fat sheep. The principal changes provide for—

(*a*) weekly payments to be based on, for fat cattle, the difference between the standard price and the average market price or the target indicator price whichever is the higher, and, for fat sheep, the difference between the standard price and the average market price, such difference having been adjusted by reference to any amount by which the average market price is lower than the estimated price;

(*b*) any residual payment to producers after the end of the fatstock year to be calculated with reference to any amount by which the average market price is, for fat cattle, below the average target indicator price or, for fat sheep, below the average estimated price over the year as a whole; except that for the current fatstock year instead of a single end of year residual payment two residual payments may be made, one after the end of that part of the year ending with 4th July 1971 and the other after the end of the year. Provision is made for these payments to be made for the former part of the year on the basis of the amount, if any, by which weekly payments fall short of the average standard price for that part of the year and for the remaining part of the year on the basis of that amount reduced by the amount, if any, by which the average target indicator price in the case of fat cattle or the average estimated price in the case of fat sheep exceeds the average market price.