EXPLANATORY MEMORANDUM

The Fur Farming (Compensation Scheme)(England) Order 2004 No. 1964

1. (i) Title:

Fur Farming (Compensation Scheme)(England) Order 2004 No. 1964.

(ii) Laying Authority and Purpose:

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

(iii) Department responsible:

Department of Environment, Food and Rural Affairs.

2. Description:

This Order establishes a compensation scheme for mink farmers affected by section 1 of the Fur Farming (Prohibition) Act 2000, which has banned fur farming in England with effect from 31 December 2002. The Order enables compensation to be paid, in terms of income and non-income losses, to fur farmers who were put out of business by the ban.

3. Matters of special interest to the Joint Committee on Statutory Instruments:

See paragraph 4 below.

4. Legislative background:

Section 5 of the Fur Farming (Prohibition) Act 2000 requires the Secretary of State to set up a scheme to compensate former fur farmers whose businesses were made illegal under the Act. The original scheme, set out in the Fur Farming (Compensation Scheme) (England) Order 2002 ("the 2002 Order"), was quashed by High Court. The Court found against Defra on one specific component of the scheme - the inclusion of interim payments based on the value of breeding mink. This provision is not included in the new Order, which instead includes a greater multiplier of annual profits to compensate. The revised Order leaves the majority of the detail of the old scheme in place, apart from interim payments based on the value of breeding mink. The Order enables the Secretary of State to rely on the applications made under the 2002 Order and so the former fur farmers will not have to reapply, which will enable the compensation to be paid to them as soon as possible.

5. Extent:

The statutory instrument applies to England only. Similar legislation is not required for Wales as they have no fur farmers.

6. Policy background:

The statutory instrument will allow us to fulfil our obligations under the Fur Farming (Prohibition) Act 2000. The former fur farmers and their representatives have been consulted on the draft Order. The fur farmers are obviously keen to see the revised scheme put in place as quickly as possible to enable compensation to be paid at the earliest opportunity.

7. Impact:

As the statutory instrument does not impose new burdens on UK businesses, a Regulatory Impact Assessment has not been prepared.

8. Contact:

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