
STATUTORY INSTRUMENTS

1998 No. 2025

**LANDLORD AND TENANT
ENGLAND AND WALES**

The Agricultural Holdings (Units of Production) Order 1998

Made - - - - *8th August 1998*
Laid before Parliament *21st August 1998*
Coming into force - - *12th September 1998*

The Minister of Agriculture, Fisheries and Food in relation to England and the Secretary of State in relation to Wales, in exercise of the powers conferred on them by paragraph 4 of Schedule 6 to the Agricultural Holdings Act 1986(1), and of all other powers enabling them in that behalf, hereby make the following Order:—

Title, commencement and interpretation

1.—(1) This Order may be cited as the Agricultural Holdings (Units of Production) Order 1998 and shall come into force on 12th September 1998.

(2) Any reference in this Order to “the Schedule” is a reference to the Schedule to this Order.

(3) Any reference in this Order to a Community instrument is a reference to that instrument and any amendment of such instrument in force on the date this Order is made.

(4) In this Order:

“Council Regulation 805/68” means Council Regulation (EEC) No. 805/68 on the common organisation of the market in beef and veal(2);

“Council Regulation 3013/89” means Council Regulation (EEC) No. 3013/89 on the common organisation of the market in sheepmeat and goatmeat(3);

“Council Regulation 1765/92” means Council Regulation (EEC) No. 1765/92 establishing a support system for producers of certain arable crops(4).

(1) 1986 c. 5; section 96(1) of the Act defines “the Minister”.

(2) OJ No. L148, 28.6.68, p.24 (OJ/SE 1968 (I) p.187) as last amended by Council Regulation (EC) No. 1633/98 (OJ No. L210, 28.7.98, p.17).

(3) OJ No. L289, 7.10.89, p.1, as last amended by Council Regulation (EC) No. 1589/96 (OJ No. L206, 16.8.96, p.25).

(4) OJ No. L181, 1.7.92, p.12, as last amended by Council Regulation (EC) No. 1625/98 (OJ No. L210, 28.7.98, p.3).

Assessment of productive capacity of land

2.—(1) Paragraphs (2) and (3) of this article have effect for the purpose of the assessment of the productive capacity of a unit of agricultural land, in order to determine whether that unit is a commercial unit of agricultural land within the meaning of subparagraph (1) of paragraph 3 of Schedule 6 to the Agricultural Holdings Act 1986.

(2) Where the land in question is capable, when farmed under competent management, of being used to produce any livestock, crop, fruit, etc., as is mentioned in any of the entries 1 to 7 in column 1 of the Schedule, then—

- (a) the unit of production prescribed in relation to that use of the land shall be the unit specified in column 2 of the Schedule opposite to that entry, and
- (b) the amount determined, for the period of 12 months beginning with 12th September 1998, as the net annual income from that unit of production in that period shall be the amount specified in column 3 of the Schedule opposite that unit of production.

(3) Where land capable, when farmed under competent management, of producing a net annual income is designated as set aside land, as is mentioned in entry 8 in column 1 of the Schedule, then—

- (a) the unit of production prescribed in relation to that use of the land shall be the unit specified in column 2 of the Schedule opposite to that entry, and
- (b) the amount determined, for the period of 12 months beginning with 12th September 1998, as the net annual income from that unit of production in that period shall be the amount specified in column 3 of the Schedule opposite that unit of production.

(4) The Schedule has effect subject to the Notes to the Schedule.

Revocation

3. The Agricultural Holdings (Units of Production) Order 1997(5) is revoked.

8th August 1998

Elliot Morley
Parliamentary Secretary, Ministry of Agriculture,
Fisheries and Food

Signed by authority of the Secretary of State for Wales

6th August 1998

Jon Owen Jones
Parliamentary Under Secretary of State, Welsh
Office

SCHEDULE

Articles 1(2) and 2

PRESCRIBED UNITS OF PRODUCTION AND DETERMINATION OF NET ANNUAL INCOME

<i>Column 1</i> <i>Farming use</i>	<i>Column 2</i> <i>Unit of production</i>	<i>Column 3</i> <i>Net annual income from unit of production</i>
		£
1. Livestock		
Dairy cows:		
Channel Islands breeds	cow	269
Other breeds	cow	314
Beef breeding cows:		
On eligible land under the Hill Livestock (Compensatory Allowances) Regulations 1996 ⁽⁶⁾	cow	49 ⁽¹⁾
On other land	cow	40 ⁽¹⁾
Beef fattening cattle (semi-intensive)	head	66 ⁽²⁾
Dairy replacements	head	54 ⁽³⁾
Ewes:		
On eligible land under the Hill Livestock (Compensatory Allowances) Regulations 1996	ewe	25 ⁽⁴⁾
On other land	ewe	26 ⁽⁵⁾
Store lambs (including ewe lambs sold as shearlings)	head	0.87
Pigs:		
Sows and gilts in pig	sow or gilt	135
Porker	head	3.17
Cutter	head	5.74
Bacon	head	7.98
Poultry:		
Laying hens	bird	1.47
Broilers	bird	0.18
Point-of-lay pullets	bird	0.39
Turkeys	bird	1.75

(6) S.I. 1996/1500, as amended by S.I. 1997/33 and S.I. 1998/206.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

<i>Column 1</i> <i>Farming use</i>	<i>Column 2</i> <i>Unit of production</i>	<i>Column 3</i> <i>Net annual income from unit of production</i>
2. Farm arable crops		
Barley	hectare	246 ⁽⁶⁾
Beans	hectare	115 ⁽⁷⁾
Herbage seed	hectare	238
Linseed	hectare	172 ⁽⁸⁾
Oats	hectare	197 ⁽⁹⁾
Oilseed rape	hectare	294 ⁽¹⁰⁾
Peas:		
Dried	hectare	103 ⁽¹¹⁾
Vining	hectare	257
Potatoes:		
First early	hectare	675
Maincrop (including seed)	hectare	833
Sugar Beet	hectare	398
Wheat	hectare	353 ⁽¹²⁾
3. Outdoor horticultural crops		
Broad beans	hectare	386
Brussels sprouts	hectare	1406
Cabbage, savoys and sprouting broccoli	hectare	1631
Carrots	hectare	2136
Cauliflower and winter broccoli	hectare	976
Celery	hectare	5891
Leeks	hectare	3004
Lettuce	hectare	3800
Onions:		
Dry bulb	hectare	989
Salad	hectare	4174
Outdoor bulbs	hectare	1735
Parsnips	hectare	2480
Rhubarb (natural)	hectare	2815
Turnips and swedes	hectare	1172

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<i>Column 1</i> <i>Farming use</i>	<i>Column 2</i> <i>Unit of production</i>	<i>Column 3</i> <i>Net annual income from unit of production</i>
4. Protected crops		
Forced narcissi	1000 square metres	9425
Forced tulips	1000 square metres	7075
Mushrooms	1000 square metres	11868
5. Orchard fruit		
Apples:		
Cider	hectare	603
Cooking	hectare	1412
Dessert	hectare	1378
Cherries	hectare	1297
Pears	hectare	1100
Plums	hectare	1030
6. Soft fruit		
Blackcurrants	hectare	1093
Gooseberries	hectare	1579
Raspberries	hectare	2974
Stawberries	hectare	3093
7. Miscellaneous		
Hops	hectare	1800
8. Set-aside⁽¹⁾		
	hectare	66

NOTES TO THE SCHEDULE

Article 2(4)

Note to column 1

- (1) This refers to land which is set-aside under Article 2(5) of Council Regulation 1765/92, except where such land is used (in accordance with Article 7(4) of Council Regulation 1765/92) for the provision of materials for the manufacture within the Community of products not primarily intended for human or animal consumption.

Notes to column 3

- (1) Deduct £112 from this figure in the case of animals for which the net annual income does not include a sum in respect of the premium for maintaining suckler cows (suckler cow premium) provided for in Article 4d of Council Regulation 805/68.
Add £28 to the figure in column 3 in the case of animals for which the net annual income includes a sum in respect of the lower rate of extensification premium provided for in Article 4h of Council Regulation 805/68.
Add £40 to the figure in column 3 in the case of animals for which the net annual income includes a sum in respect of the higher rate of extensification premium provided for in Article 4h of Council Regulation 805/68.
- (2) This is the figure for animals which are kept for 12 months.
Deduct £90 in the case of animals which are kept for 12 months and for which the net annual income does not include a sum in respect of the special premium for holding male bovine animals (beef special premium) provided for in Article 4b of Council Regulation 805/68.
Add £28 to the figure in column 3 in the case of animals which are kept for 12 months and for which the net annual income includes a sum in respect of the lower rate of extensification premium.
Add £40 to the figure in column 3 in the case of animals which would be kept for that period and for which the net annual income includes a sum in respect of the higher rate of extensification premium.

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In the case of animals which are kept for less than 12 months and for which the net annual income does not include a sum in respect of beef special premium, the net annual income is to be calculated by deducting £90 from the figure in column 3 and then making a pro rata adjustment of the resulting figure.

In the case of animals which are kept for less than 12 months and for which the net annual income includes a sum in respect of beef special premium, the net annual income is to be calculated by first deducting £90 from the figure in column 3, then making a pro rata adjustment of the resulting figure, then adding to that figure the sum of £90 and (where the net annual income includes a sum in respect of extensification premium) the sum of £28 (where the extensification premium is paid at the lower rate) or £40 (where the extensification premium is paid at the higher rate).

- (3) This indicates the figure for animals (irrespective of age) which are kept for 12 months. In the case of animals which are kept for less than 12 months a pro rata adjustment of this figure is to be made.
- (4) Deduct £24 from this figure in the case of animals for which the net annual income does not include a sum in respect of the premium for offsetting income loss sustained by sheep meat producers (sheep annual premium) provided for in Article 5 of Council Regulation 3013/89.
- (5) Deduct £19 from this figure in the case of animals for which the net annual income does not include a sum in respect of sheep annual premium.
- (6) Deduct £241 from this figure in the case of land for which the net annual income does not include a sum in respect of the compensatory payment for which producers of arable crops may apply (area payment) provided for in Article 2 of Council Regulation 1765/92.
- (7) Deduct £349 from this figure in the case of land for which the net annual income does not include a sum in respect of area payment.
- (8) Deduct £467 from this figure in the case of land for which the net annual income does not include a sum in respect of area payment.
- (9) Deduct £240 from this figure in the case of land for which the net annual income does not include a sum in respect of area payment.
- (10) Deduct £331 from this figure in the case of land for which the net annual income does not include a sum in respect of area payment.
- (11) Deduct £349 from this figure in the case of land for which the net annual income does not include a sum in respect of area payment.
- (12) Deduct £241 from this figure in the case of land for which the net annual income does not include a sum in respect of area payment.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order prescribes units of production for the assessment of the productive capacity of agricultural land and sets out the amount which is to be regarded as the net annual income from each such unit for the year 12th September 1998 to 11th September 1999 inclusive. This Order supersedes the Agricultural Holdings (Units of Production) Order 1997 (S.I. 1997/1962).

An assessment of the productive capacity of agricultural land is required in determining whether or not the land in question is a “commercial unit of agricultural land” for the purposes of the succession provisions in the Agricultural Holdings Act 1986 (“the 1986 Act”): see in particular sections 36(3) and 50(2). A “commercial unit of agricultural land” is land which, when farmed under competent management, is capable of producing a net annual income which is not less than the aggregate of the average annual earnings of two full-time male agricultural workers aged 20 years or over (paragraph 3 of Schedule 6 to the 1986 Act). In determining this annual income figure, neither the system of farming carried out on a particular holding nor historical data from that holding will necessarily be used. Instead, whenever a particular farming use mentioned in column 1 of the Schedule to this Order is relevant to this determination, the units of production and the net annual income specified

in columns 2 and 3 respectively will form the basis of the assessment of the productive capacity of the land in question.

The net annual income figures in column 3 of the Schedule specify the net annual income from one unit of production. In some cases the net annual income is derived from a unit which will be on the land for the full twelve-month period. In other cases the net annual income is derived from a unit which will be on the land for only part of the year, and there may be more than one production cycle in the twelve-month period. The assessment of the productive capacity of the land will take account of the total production in the course of a year.