
WELSH STATUTORY INSTRUMENTS

2006 No. 2796 (W.235)

LANDLORD AND TENANT, WALES

**The Agricultural Holdings (Units
of Production) (Wales) Order 2006**

Made - - - - 17 October 2006
Coming into force - - 27 October 2006

In exercise of the powers conferred by paragraph 4 of Schedule 6 to the Agricultural Holdings Act 1986⁽¹⁾, which are now vested in it⁽²⁾, the National Assembly for Wales makes the following Order:

Title, commencement and interpretation

1.—(1) The title of this Order is the Agricultural Holdings (Units of Production) (Wales) Order 2006 and it comes into force on 27 October 2006.

(2) This Order applies in relation to Wales.

(3) Any reference in this Order to “Schedule 1” or “Schedule 2” is a reference to the appropriate Schedule attached to this Order.

(4) In this Order:

(a) “Council Regulation 1251/99” (“*Rheoliad y Cyngor 1251/99*”) means Council Regulation (EC) No. 1251/1999 establishing a support system for producers of certain arable crops⁽³⁾ as last amended by Council Regulation (EC) No. 1782/2003⁽⁴⁾;

(b) “Council Regulation 1254/99” (“*Rheoliad y Cyngor 1254/99*”) means Council Regulation (EC) No. 1254/1999 on the common organisation of the market in beef and veal⁽⁵⁾ as amended by Council Regulation (EC) No. 1455/2001⁽⁶⁾; Council Regulation (EC)

(1) 1986 c. 5.

(2) By virtue of the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672), the functions of the Minister (defined in section 96(1) of the 1986 Act as the Secretary of State in relation to Wales) under paragraph 4 of Schedule 6 to the Agricultural Holdings Act 1986, were, so far as they are exercisable in relation to Wales, transferred to the National Assembly for Wales.

(3) OJ No. L160, 26.6.99, p.1. Council Regulation (EC) No. 1251/99 was also repealed by Council Regulation (EC) No. 1782/2003 (Article 153(3)) with application from 28 October 2003 (Article 156(2)) but continued to apply to the marketing year 2004/2005 (1 July 2004 to 30 June 2005).

(4) OJ No. L270, 21.10.03, p.1.

(5) OJ No. L160, 26.6.99, p.21. Council Regulation 1254/99 has been further amended by Council Regulation (EC) No. 1782/2003 and by Council Regulation (EC) No. 1913/2005 (OJ No. L307, 25.11.05, p.2), however, for the purposes of assessments made under Article 2 of this Order, these further amendments to Council Regulation 1254/99 are to be disregarded.

(6) OJ No. L198, 21.07.01, p.58.

No. 1512/2001(7); Council Regulation (EC) No. 2345/2001(8); the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded(9); Council Regulation (EC) No. 806/2003(10) and the amendments made by Council Regulation (EC) No. 1782/2003(11) to Article 10(1) and Annexes 1 and 2 of Council Regulation 1254/99;

- (c) “Council Regulation 2529/01” (“*Rheoliady Cyngor 2529/01*”) means Council Regulation (EC) No. 2529/2001 on the common organisation of the market in sheepmeat and goatmeat(12) as amended by the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded(13);
- (d) “marketing year” (“*blwyddyn farchnata*”) is to be construed in accordance with Council Regulation 1251/1999.

Assessment of productive capacity of land

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

(2) For the period of 12 months beginning with 12 September 2004, where the land in question is capable, when farmed under competent management, of being used to produce any livestock, crop, fruit or miscellaneous product, as is mentioned in any of the entries 1 to 6 in column 1 of Schedule 1, then—

- (a) the unit of production prescribed in relation to that use of the land is the unit specified in column 2 of Schedule 1 opposite to that entry, and
- (b) the amount determined as the net annual income from that unit of production in that period is the amount specified in column 3 of Schedule 1 opposite to that entry as read with any relevant Note to Schedule 1.

(3) For the period of 12 months beginning with 12 September 2004, where land capable, when farmed under competent management, of producing a net annual income is the subject of Tir Mynydd payments or is designated as set aside land, as is mentioned in entries 7 and 8 in column 1 of Schedule 1, then —

- (a) the unit of production prescribed in relation to that use of the land is the unit specified in column 2 of Schedule 1 opposite to that entry, and
- (b) the amount determined as the net annual income from that unit of production in that period is the amount in the entry in column 3 of Schedule 1 opposite to that entry.

(7) OJ No. L201, 26.07.01, p.1.

(8) OJ No. L315, 1.12.01, p.29.

(9) OJ No. L236, 23.09.03, p.33.

(10) OJ No. L122, 16.05.03, p.1.

(11) OJ No. L270, 21.10.03, p.1.

(12) OJ No. L341, 22.12.01, p.3. Council Regulation 2529/01 has been further amended by Council Regulation (EC) No. 1782/2003 (OJ No. L270, 21.10.03, p.1) and Council Regulation (EC) No 1913/2005 (OJ No. L307, 25.11.05, p.2), however, for the purposes of assessments made under Article 2 of this Order, these further amendments to Council Regulation 2529/01 are to be disregarded.

(13) OJ No. L236, 23.09.03, p.33.

(4) For the period of 12 months beginning with 12 September 2005, where the land in question is capable, when farmed under competent management, of being used to produce any livestock, crop, fruit or miscellaneous product, as is mentioned in any of the entries 1 to 6 in column 1 of Schedule 2, then—

- (a) the unit of production prescribed in relation to that use of the land is the unit specified in column 2 of Schedule 2 opposite to that entry, and
- (b) the amount determined as the net annual income from that unit of production in that period is the amount specified in column 3 of Schedule 2 opposite to that entry as read with any relevant Note to Schedule 2.

(5) For the period of 12 months beginning with 12 September 2005, where land capable, when farmed under competent management, of producing a net annual income is the subject of Tir Mynydd payments or was in the marketing year 2004/2005 designated as set aside land, as is mentioned in entries 7 and 8 in column 1 of Schedule 2, then—

- (a) the unit of production prescribed in relation to that use of the land is the unit specified in column 2 of Schedule 2 opposite to that entry, and
- (b) the amount determined as the net annual income from that unit of production in that period is the amount in the entry in column 3 of Schedule 2 opposite to that entry.

Revocation

- 3.** The Agricultural Holdings (Units of Production) (Wales) Order 2004(14) is hereby revoked.

Signed on behalf of the National Assembly for Wales under section 66(1) of the Government of Wales Act 1998(15).

17 October 2006

D. Elis-Thomas
The Presiding Officer of the National Assembly

(14) S.I. 2004/1218 (W.133).

(15) 1998 c. 38.

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SCHEDULE 1

Articles 1(3), 2(2) and 2(3)

**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 (other than Channel Islands breeds)	cow	260
Beef breeding cows :		
On land which is “eligible land” for the purposes of the Tir Mynydd (Wales) Regulations 2001(16)	cow	31 ⁽¹⁾
On other land	cow	80 ⁽¹⁾
Beef fattening cattle (semi-intensive)	head	63 ⁽²⁾
Dairy replacements	head	45 ⁽³⁾
Ewes:		
On land which is “eligible land” for the purposes of the Tir Mynydd (Wales) Regulations 2001	ewe	14 ⁽⁴⁾
On other land	ewe	21 ⁽⁵⁾
Store lambs (including ewe lambs sold as shearlings)	head	1.05
Pigs:		
Sows and gilts in pig	sow or gilt	95
Porker	head	1.90
Cutter	head	3.50
Bacon	head	5.50
Poultry:		
Laying hens	bird	1.25
Broilers	bird	0.15

(16) S.I. 2001 / 496 (W.23) as amended by S.I. 2001/1154 (W.61); S.I. 2002/1806 (W.176) and S.I. 2005/1269 (W.89).

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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>	
	Point-of-lay pullets	bird	0.30
Christmas turkeys		bird	3.00
2. Farm arable crops			
Barley		hectare	199 ⁽⁶⁾
Beans		hectare	175 ⁽⁷⁾
Herbage seed		hectare	120
Oats		hectare	131 ⁽⁸⁾
Oilseed rape		hectare	188 ⁽⁹⁾
Peas:			
	Dried	hectare	201 ⁽¹⁰⁾
	Vining	hectare	175
Potatoes:			
	First early	hectare	900
	Maincrop (including seed)	hectare	780
Sugar Beet		hectare	270
Wheat		hectare	266 ⁽¹¹⁾
3. Outdoor horticultural crops			
Broad beans		hectare	575
Brussels sprouts		hectare	1600
Cabbage, savoys and sprouting broccoli		hectare	2000
Carrots		hectare	3100
Cauliflower and winter broccoli		hectare	1000
Celery		hectare	8000
Leeks		hectare	3600
Lettuce		hectare	4150
Onions:			
	Dry bulb	hectare	1305
	Salad	hectare	3800
Parsnips		hectare	3250

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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>
Rhubarb (natural)	hectare	6900
Turnips and swedes	hectare	1500
4. Orchard fruit		
Apples:		
Cider	hectare	380
Cooking	hectare	1250
Dessert	hectare	1400
Cherries	hectare	900
Pears	hectare	1000
Plums	hectare	1250
5. Soft fruit		
Blackcurrants	hectare	850
Raspberries	hectare	3100
Strawberries	hectare	4200
6. Miscellaneous		
Hops	hectare	1700
7. Forage Land		
On land which is “eligible land” for the purposes of the Tir Mynydd (Wales) Regulations 2001	hectare	The amount of the Tir Mynydd payment required to be paid under Regulation 2A of the Tir Mynydd (Wales) Regulations 2001
8. Set-aside		
Land which is set-aside under Article 2(3) of Council Regulation 1251/99, except where such land is used (in accordance with Article 6(3) of Council Regulation 1251/99) for the provision of materials for the manufacture within the Community of products not primarily intended for human or animal consumption	hectare	37

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NOTES TO SCHEDULE 1

- (1) Deduct £135 from the figure in column 3 in the case of animals for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive did not include a sum in respect of the premium for maintaining suckler cows (suckler cow premium) provided for in Article 6 of Council Regulation 1254/99 on the common organisation of the market in beef and veal.
Add £27 to the figure in column 3 in the case of animals for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive included a sum in respect of the lower rate of extensification premium provided for in Article 13 of Council Regulation 1254/99.
Add £54 to the figure in column 3 in the case of animals for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive included a sum in respect of the higher rate of extensification premium provided for in Article 13 of Council Regulation 1254/99.
- (2) This is the figure for animals which would be kept for 12 months.
Deduct £115 in the case of animals which are kept for 12 months and for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive did not include a sum in respect of the special premium for holding male bovine animals (beef special premium) provided for in Article 4 of Council Regulation 1254/99.
Add £27 to the figure in column 3 in the case of animals which are kept for 12 months and for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive included a sum in respect of the lower rate of extensification premium.
Add £54 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 during the period 12 September 2004 to 31 December 2004 inclusive included a sum in respect of the higher rate of extensification premium.
In the case of animals which are kept for less than 12 months and for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive did not include a sum in respect of beef special premium, the net annual income is to be calculated by deducting £115 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 during the period 12 September 2004 to 31 December 2004 inclusive included a sum in respect of beef special premium, the net annual income is to be calculated by first deducting £115 from the figure in column 3, then making a pro rata adjustment of the resulting figure, then adding to that figure the sum of £115 and (where the net annual income during the period 12 September 2004 to 31 December 2004 inclusive included a sum in respect of extensification premium) the sum of £27 (where the said extensification premium was paid at the lower rate) or £54 (where the said extensification premium was paid at the higher rate).
- (3) This indicates the figure for animals (irrespective of age) which would be 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 £19 from the figure in column 3 in the case of animals for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive did not include a sum in respect of the premium for offsetting income loss sustained by sheep meat producers (sheep annual premium) provided for in Articles 4 and 5 of Council Regulation 2529/01 on the common organisation of the market in sheepmeat and goatmeat.
- (5) Deduct £15 from the figure in column 3 in the case of animals for which the net annual income during the period 12 September 2004 to 31 December 2004 inclusive did not include a sum in respect of sheep annual premium.
- (6) Deduct £238 from the figure in column 3 in the case of land for which the net annual income during the period 12 September 2004 to 30 June 2005 inclusive did 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 1251/99.
- (7) Deduct £274 from the figure in column 3 in the case of land for which the net annual income during the period 12 September 2004 to 30 June 2005 inclusive did not include a sum in respect of area payment.
- (8) Deduct £238 from the figure in column 3 in the case of land for which the net annual income during the period 12 September 2004 to 30 June 2005 inclusive did not include a sum in respect of area payment.
- (9) Deduct £238 from the figure in column 3 in the case of land for which the net annual income during the period 12 September 2004 to 30 June 2005 inclusive did not include a sum in respect of area payment.
- (10) Deduct £274 from the figure in column 3 in the case of land for which the net annual income during the period 12 September 2004 to 30 June 2005 inclusive did not include a sum in respect of area payment.
- (11) Deduct £238 from the figure in column 3 in the case of land for which the net annual income during the period 12 September 2004 to 30 June 2005 inclusive did not include a sum in respect of area payment.

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SCHEDULE 2

Articles 1(3), 2(4) and 2(5)

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 (other than Channel Islands breeds):	cow	260
Beef breeding cows:		
On land which is “eligible land” for the purposes of the Tir Mynydd (Wales) Regulations 2001	cow	31 ⁽¹⁾
On other land	cow	80 ⁽¹⁾
Beef fattening cattle (semi-intensive)	head	63 ⁽²⁾
Dairy replacements	head	45 ⁽³⁾
Ewes:		
On land which is “eligible land” for the purposes of the Tir Mynydd (Wales) Regulations 2001	ewe	14 ⁽⁴⁾
On other land	ewe	21 ⁽⁵⁾
Store lambs (including ewe lambs sold as shearlings)	head	1.05
Pigs:		
Sows and gilts in pig	sow or gilt	95
Porker	head	1.90
Cutter	head	3.50
Bacon	head	5.50
Poultry:		
Laying hens	bird	1.25
Broilers	bird	0.15
Point-of-lay pullets	bird	0.30

<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>
Christmas turkeys	bird	3.00
2. Farm arable crops		
Barley	hectare	199 ⁽⁶⁾
Beans	hectare	175 ⁽⁷⁾
Herbage seed	hectare	120
Oats	hectare	131 ⁽⁸⁾
Oilseed rape	hectare	188 ⁽⁹⁾
Peas:		
	Dried	hectare 201 ⁽¹⁰⁾
	Vining	hectare 175
Potatoes:		
	First early	hectare 900
	Maincrop (including seed)	hectare 780
Sugar Beet	hectare	270
Wheat	hectare	266 ⁽¹¹⁾
3. Outdoor horticultural crops		
Broad beans	hectare	575
Brussels sprouts	hectare	1600
Cabbage, savoys and sprouting broccoli	hectare	2000
Carrots	hectare	3100
Cauliflower and winter broccoli	hectare	1000
Celery	hectare	8000
Leeks	hectare	3600
Lettuce	hectare	4150
Onions:		
	Dry bulb	hectare 1305
	Salad	hectare 3800
Parsnips	hectare	3250
Rhubarb (natural)	hectare	6900

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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>
Turnips and swedes	hectare	1500
4. Orchard fruit		
Apples:		
Cider	hectare	380
Cooking	hectare	1250
Dessert	hectare	1400
Cherries	hectare	900
Pears	hectare	1000
Plums	hectare	1250
5. Soft fruit		
Blackcurrants	hectare	850
Raspberries	hectare	3100
Strawberries	hectare	4200
6. Miscellaneous		
Hops	hectare	1700
7. Forage Land		
On land which is “eligible land” for the purposes of the Tir Mynydd (Wales) Regulations 2001	hectare	The amount of the Tir Mynydd payment required to be paid under Regulation 2A of the Tir Mynydd (Wales) Regulations 2001
8. Set-aside		
Land which was, in the marketing year 2004/2005, set-aside under Article 2(3) of Council Regulation 1251/99, except where such land was used (in accordance with Article 6(3) of Council Regulation 1251/99) for the provision of materials for the manufacture within the Community of products not primarily intended for human or animal consumption	hectare	37

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NOTES TO SCHEDULE 2

- (1) Deduct £135 from the figure in column 3 in the case of animals for which the net annual income would not include a sum in respect of the premium for maintaining suckler cows (suckler cow premium) provided for in Article 6 of Council Regulation 1254/99 if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
Add £27 to the figure in column 3 in the case of animals for which the net annual income would include a sum in respect of the lower rate of extensification premium provided for in Article 13 of Council Regulation 1254/99 if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
Add £54 to the figure in column 3 in the case of animals for which the net annual income would include a sum in respect of the higher rate of extensification premium provided for in Article 13 of Council Regulation 1254/99 if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
- (2) This is the figure for animals which would be kept for 12 months.
Deduct £115 in the case of animals which are kept for 12 months and for which the net annual income would not include a sum in respect of the special premium for holding male bovine animals (beef special premium) provided for in Article 4 of Council Regulation 1254/99 if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
Add £27 to the figure in column 3 in the case of animals which are kept for 12 months and for which the net annual income would include a sum in respect of the lower rate of extensification premium if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
Add £54 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 would include a sum in respect of the higher rate of extensification premium if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
In the case of animals which—
(1) are kept for less than 12 months, and
(2) for which the net annual income would not include a sum in respect of beef special premium if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004,
the net annual income is to be calculated by deducting £115 from the figure in column 3 and then making a pro rata adjustment of the resulting figure.
In the case of animals which—
(1) are kept for less than 12 months, and
(2) for which the net annual income would include a sum in respect of beef special premium if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004,
the net annual income is to be calculated by first deducting £115 from the figure in column 3, then making a pro rata adjustment of the resulting figure, then adding to that figure the sum of £115 and (where the net annual income would include a sum in respect of extensification premium if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004) the sum of £27 (when the extensification premium would be paid at the lower rate) or £54 (when the extensification premium would be paid at the higher rate).
- (3) This indicates the figure for animals (irrespective of age) which would be 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 £19 from this figure in the case of animals for which the net annual income would not include a sum in respect of the premium for offsetting income loss sustained by sheep meat producers (sheep annual premium) provided for in Articles 4 and 5 of Council Regulation 2529/01 if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
- (5) Deduct £15 from the figure in column 3 in the case of animals for which the net annual income would not include a sum in respect of sheep annual premium if that premium were still available and the conditions for receiving it were the same as for the calendar year 2004.
- (6) Deduct £238 from the figure in column 3 in the case of land for which the net annual income would 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 1251/99 if that payment were still available and the conditions for receiving it were the same as for the marketing year 2004/2005.
- (7) Deduct £274 from the figure in column 3 in the case of land for which the net annual income would not include a sum in respect of area payment if that payment were still available and the conditions for receiving it were the same as for the marketing year 2004/2005.
- (8) Deduct £238 from the figure in column 3 in the case of land for which the net annual income would not include a sum in respect of area payment if that payment were still available and the conditions for receiving it were the same as for the marketing year 2004/2005.
- (9) Deduct £238 from the figure in column 3 in the case of land for which the net annual income would not include a sum in respect of area payment if that payment were still available and the conditions for receiving it were the same as for the marketing year 2004/2005.
- (10) Deduct £274 from the figure in column 3 in the case of land for which the net annual income would not include a sum in respect of area payment if that payment were still available and the conditions for receiving it were the same as for the marketing year 2004/2005.

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- (11) Deduct £238 from the figure in column 3 in the case of land for which the net annual income would not include a sum in respect of area payment if that payment were still available and the conditions for receiving it were the same as for the marketing year 2004/2005.

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 situated in Wales and sets out the amount which is to be regarded as the net annual income from each such unit for the years 12 September 2004 to 11 September 2005 inclusive and 12 September 2005 to 11 September 2006 inclusive by reference to Schedules 1 and 2 respectively.

This Order revokes the Agricultural Holdings (Units of Production) (Wales) Order 2004.

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: 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, whenever a particular farming use mentioned in column 1 of the appropriate Schedule to this Order is relevant to the assessment of the productive capacity of the land in question, the units of production and the net annual income specified in columns 2 and 3 respectively of that Schedule will form the basis of that assessment.

The net annual income figures in column 3 of the relevant 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.

The Notes to Schedule 1 and Schedule 2 require various additions and deductions to be applied in respect of payments which were payable under several Common Agricultural Policy schemes which have now been replaced by the Single Payment Scheme. The notes require those additions and deductions to be applied where the payments would or would not be made if those schemes were still in operation and the conditions for receiving payments in the last year of operation of each scheme still applied.