

COMMISSION DECISION

of 27 November 1974

**on the reform of agricultural structures in the United Kingdom pursuant to
Council Directives No 72/159/EEC and No 72/160/EEC**

(Only the English text is authentic)

(75/5/EEC)

THE COMMISSION OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European
Economic Community ;

Having regard to Council Directive No
72/159/EEC⁽¹⁾ of 17 April 1972 on the moderniza-
tion of farms, and in particular Article 18 (3) thereof ;

Having regard to Council Directive No
72/160/EEC⁽²⁾ of 17 April 1972 concerning measures
to encourage the cessation of farming and the realloca-
tion of utilized agricultural area for the purposes of
structural improvement, and in particular Article 9 (3)
thereof ;

Whereas on 22 August 1973 the Government of the
United Kingdom, pursuant to Article 8 (4) of Direc-
tive No 72/160/EEC, notified the following instru-
ments :

- The Agriculture Act 1967 (Amendment) Regula-
tions 1973 (Statutory Instruments 1973 No 1402),
- The Farm Structure (Payments to Outgoers)
Scheme 1973 (Statutory Instruments 1973 No
1403),
- The Farm Amalgamations Scheme 1973 (Statutory
Instruments 1973 No 1404) ;

Whereas on 8 February 1974 the Government of the
United Kingdom notified the following administrative
provisions :

- Administrative provision on the release of
outgoer's land in priority to development plan
farms,
- Administrative provision on the approval of the
formation or expansion of intermediate units ;

Whereas on 22 May 1974 the Government of the
United Kingdom, pursuant to Article 17 (4) of Direc-
tive No 72/159/EEC, notified the following instru-
ments :

- The Farm and Horticulture Development Regula-
tions 1973 (Statutory Instruments 1973 No 2205),

— The Farm Capital Grant Scheme 1973 (Statutory
Instruments 1973 No 1965),

— The Horticulture Capital Grant Scheme 1973 (Stat-
utory Instruments 1973 No 1945),

— Grants for Guarantees of Bank Loans (Extension
of Period) Order 1973 (Statutory Instruments 1973
No 2102) ;

Whereas on 22 May 1974 the Government of the
United Kingdom also submitted additional informa-
tion and documentation concerning the application of
these instruments and administrative provisions ;

Whereas under Article 18 (3) of Directive No
72/159/EEC and Article 9 (3) of Directive No
72/160/EEC the Commission has to determine
whether, having regard to the objectives of the said
Directives and the need for a proper connection
between the various measures, the instruments and
administrative provisions so notified comply with the
Directive and thus satisfy the conditions for financial
contribution by the Community to common measures
within the meaning of Article 15 of Directive No
72/159/EEC and Article 6 of Directive No
72/160/EEC ;

Whereas the basic objective of Directive No
72/159/EEC is to promote the formation and develop-
ment of farms which are capable through the adop-
tion of rational methods of production of assuring for
persons working thereon a fair income and satisfac-
tory working conditions comparable with those of
non-agricultural occupations ;

Whereas Directive No 72/159/EEC therefore requires
the Member States to introduce a system of selective
incentives to farmers able to show, by submitting a
development plan, that their farms upon the comple-
tion of the plan will be capable of attaining for at least
one man-work unit a level of earned income from agri-
cultural production equal to that received for non-agri-
cultural work ;

⁽¹⁾ OJ No L 96, 23. 4. 1972, p. 1.

⁽²⁾ OJ No L 96, 23. 4. 1972, p. 9.

Whereas under Article 14(2) of Directive No 72/159/EEC aids may be granted to farms which do not satisfy this requirement only in so far as the interest remaining payable by the beneficiary amounts to not less than 5 % per year;

Whereas the Farm and Horticultural Development Regulations 1973, the Farm Capital Grants Scheme 1973, the Horticulture Capital Grants Scheme 1973 and the Grants for Guarantees of Bank Loans (Extension of Period) Order 1973, as notified by the Government of the United Kingdom, are consistent with the said objectives of Directive No 72/159/EEC, and in particular those of Articles 4, 8 and 14(2) thereof;

Whereas the administrative provisions notified by the Government of the United Kingdom on the release of outgoer's land in priority to development plan farms and on the approval of the formation or expansion of intermediate units are consistent with the objectives of Article 8(1)(a) of Directive No 72/159/EEC;

Whereas the basic objective of Directive No 72/160/EEC is to make available sufficient vacant land for the formation of farms of appropriate size and structure as specified in Article 4 of Council Directive No 72/159/EEC on the modernization of farms;

Whereas to achieve this objective Member States are required:

- under Article 2(1)(a) of Directive No 72/160/EEC, to grant an annuity to farmers aged between 55 and 65, practising farming as their main occupation, who cease farming,
- under Article 2(1)(b) of Directive No 72/160/EEC, to grant farmers premiums, such premiums not to be eligible for assistance and to be calculated by reference to the utilized agricultural area released,
- under Article 2(1)(c) of Directive No 72/160/EEC, to grant annuities to permanent hired or family workers aged between 55 and 65 who are employed on farms on which the farmer benefits from any measure provided for under Article 2(1)(a) or (b) of the Directive;

Whereas the granting of annuities and premiums is subject to the condition that the recipient cease working in agriculture and that, where the recipient is a farmer, at least 85 % of his land be either sold or leased to farms which are undergoing modernization pursuant to Directive No 72/159/EEC, or that it be withdrawn permanently from agricultural use or sold

or leased to a land agency, which must put the land to one of the abovementioned uses;

Whereas Member States may vary the amount of an annuity or premium, or refuse to grant the same, on the ground of the age and/or means of a prospective beneficiary;

Whereas Member States may reduce annuities granted to permanent hired or family workers by the amount of any unemployment benefit received by the beneficiary; whereas in this connection the Community, at the seventh meeting of the 'Comité Intermédiaire' held on 28 and 29 March 1972 declared that the existence of other social security measures or measures concerning redundancy must be taken into account in assessing the means of the beneficiary under the second indent of the second subparagraph of Article 2(1)(c) of Directive No 72/160/EEC;

Whereas the Agriculture Act 1967 (Amendment) Regulations 1973, the Farm Structure (Payments to Outgoers) Scheme 1973 and the Farm Amalgamations Scheme 1973, as notified by the Government of the United Kingdom, are consistent with the said objectives of Directive No 72/160/EEC, and in particular those of Article 2(1)(a) and (b) thereof;

Whereas the administrative provisions notified by the Government of the United Kingdom on the release of outgoer's land in priority to development plan farms and on the approval of the formation or expansion of intermediate units permit the attainment of the objectives of Article 5(1) of Directive No 72/160/EEC;

Whereas the existing social security arrangements in the United Kingdom, and in particular the measures concerning redundancy, are such as to entitle that State not to apply Article 2(1)(c) of Directive No 72/160/EEC;

Whereas the Committee of the EAGGF has been consulted on the financial aspects;

Whereas this Decision is in accordance with the Opinion of the Standing Committee on Agricultural Structure,

HAS ADOPTED THIS DECISION:

Article 1

The instruments and administrative provisions notified on 22 August 1973, 8 February 1974 and 22 May 1974 by the Government of the United Kingdom pursuant to Article 17(4) of Directive No

72/159/EEC and to Article 8 (4) of Directive No 72/160/EEC satisfy the conditions for financial contribution by the Community to common measures within the meaning of Article 15 of Directive No 72/159/EEC and of Article 6 of Directive No 72/160/EEC.

Article 2

The financial contribution by the Community shall be in respect of expenditure eligible for assistance incurred in connection with aids granted under decisions taken on or after 1 January 1974.

Article 3

This Decision is addressed to the United Kingdom.

Done at Brussels, 27 November 1974.

For the Commission

The President

François-Xavier ORTOLI