

## SCHEDULE 3

Article 6(1)

### Levies

## PART 1

### Introduction

#### Subsidiary companies

1. Where the Agriculture and Horticulture Development Board has established a subsidiary company for any of the activities specified in this Schedule, references to the Agriculture and Horticulture Development Board are references to that subsidiary company.

#### Partnerships

2. In this Schedule “person” includes a partnership.

## PART 2

### Cattle, sheep and pigs

#### Levy on cattle, sheep and pigs

3.—(1) A person who is the occupier of a slaughterhouse (“the slaughterer”) must pay a levy on all cattle, sheep and pigs slaughtered.

(2) Any person who exports live cattle, sheep or pigs (“an exporter”) must pay a levy.

(3) The levy is based on the number of animals slaughtered or exported.

(4) The levy consists of two parts, the producer levy and the slaughter or export levy.

(5) The Agriculture and Horticulture Development Board may make provision for a reduction of the slaughter levy and export levy to cover the administrative costs of the slaughterer or exporter in administering the levy.

(6) If a slaughterer or exporter buys an animal for slaughter or export, he must deduct the producer levy from the price he pays, and hold it on trust for the Board.

(7) If a slaughterer slaughters an animal without buying it, he must charge the owner both the producer levy and the slaughter levy, and hold it on trust for the Board.

(8) The maximum rate of levy is in accordance with the following table.

#### Maximum levy for cattle, sheep and pigs

Levy category	Maximum rate of levy per head (£)
Cattle (except producer calves):	5.25
slaughterer	1.75
exporter	1.75

(a) For these purposes a calf is an animal under six months old (in the case of an exported animal) or an animal with a dressed slaughter weight of less than 68 kg (in the case of slaughtered animal).

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<i>Levy category</i>		<i>Maximum rate of levy per head (£)</i>
Calves(a):	producer	0.50
	slaughterer	0.50
	exporter	0.50
Pigs:	producer	1.075
	slaughterer	0.275
	exporter	0.275
Sheep:	producer	0.60
	slaughterer	0.20
	exporter	0.20

(a) For these purposes a calf is an animal under six months old (in the case of an exported animal) or an animal with a dressed slaughter weight of less than 68 kg (in the case of slaughtered animal).

### **Exceptions**

4.—(1) Levy is not payable for animals imported from another member State and slaughtered within 3 months in the case of cattle and 2 months in the case of pigs or sheep.

(2) Levy is not payable if an animal is subject to compulsory slaughter or the entire carcase is declared unfit for human consumption by the official veterinarian.

### **Returns by a slaughterhouse occupier**

5.—(1) An occupier of a slaughterhouse must notify the Agriculture and Horticulture Development Board, by the end of each Wednesday, of the number of animals subject to levy slaughtered in the previous week up to the end of Sunday, broken down into types of animal.

(2) If an occupier estimates that the total number of animals that will be slaughtered will be fewer than 25 each week, he may apply to the Board to be registered as a small operator; and if the Board agrees to so register him, he must notify the Board on or before the 15th day of each month of the number of animals subject to levy slaughtered in the previous month broken down into types of animal.

(3) Failure to notify in accordance with this paragraph is an offence.

### **Payment of the levy by slaughterhouse occupiers**

6. An occupier must pay the levy due for animals slaughtered in any month within 15 days from the end of that month.

### **Returns and payment of the levy by exporters**

7.—(1) An exporter must notify the Agriculture and Horticulture Development Board, within 30 days of the end of the month, of the number of animals exported in the previous month, and failure to do so is an offence.

(2) He must pay the levy on invoice.

## **Enforcement**

**8.—**(1) A person appointed by the Agriculture and Horticulture Development Board may, on producing a duly authenticated document showing his authority if required, enter any slaughterhouse at any reasonable hour to check any records to ensure that the correct levy has been paid.

(2) It is an offence to obstruct any person acting under this paragraph or to fail to produce records on demand.

## **PART 3**

### **Cereal and oilseed**

#### **Levy on cereal and oilseed payable by buyers**

**9.—**(1) Any person who buys cereal or oilseed grown in the United Kingdom from the grower must pay a levy.

(2) The levy is based on the weight bought.

(3) In the case of cereal—

- (a) the levy consists of two parts, the grower levy and the buyer levy;
- (b) when he buys cereal the buyer must deduct the grower levy from the price he pays, and hold it on trust for the Agriculture and Horticulture Development Board;
- (c) he may then take 5% of the combined grower levy and buyer levy as commission; and
- (d) he must pay the remainder of the levy to the Board.

(4) In the case of oilseed the buyer must—

- (a) deduct all the levy from the price he pays the grower, and hold it on trust for the Agriculture and Horticulture Development Board; and
- (b) pay it to the Board.

(5) If the buyer is—

- (a) the appropriate authority; or
- (b) outside the United Kingdom (or, in the case of a company, registered outside the United Kingdom),

the grower must pay the levy to the Board himself, based on the weight sold.

#### **Levy on cereal payable by a processor**

**10.—**(1) Any person who by way of business carries out an industrial process to cereal grown in the United Kingdom must pay a levy to the Agriculture and Horticulture Development Board.

(2) The levy is based on the weight of cereal to be processed.

(3) This paragraph does not apply in relation to cereal processed by or for the person who grew them.

#### **Maximum rate of levy**

**11.** The maximum rate of levy is in accordance with the following table.

*Status: This is the original version (as it was originally made).*

### Maximum levy for cereal and oilseed

<i>Levy category</i>	<i>Maximum rate of levy (pence per tonne)</i>
Cereal grower	60
Cereal buyer	5
Cereal processor (feedingstuffs)(a)	6
Cereal processor (non-feedingstuffs)	12
Oilseed (grower)	98

(a) The feedingstuffs rate is payable in relation to cereal processed into animal feedingstuffs.

### Returns

**12.—**(1) Any person liable to pay levy relating to cereal to the Agriculture and Horticulture Development Board must notify it of the amount of cereal bought, processed or sold on which levy is due in each three month period ending 31st December, 31st March, 30th June and 30th September.

(2) Any person who has bought less than 250 tonnes of cereal in any year ending 30th June, or processed less than 1,000 tonnes in any year, may instead notify once a year the amount bought in that year.

(3) Any person liable to pay levy relating to oilseed must notify the Board of the amount of oilseed bought in the six month period ending 31st December and 30th June each year.

(4) That person must notify within 28 days of the end of any period referred to in subparagraph (1), (2) or (3), and failure to do so is an offence.

(5) He must then pay to the Board the amount of levy due within a further 21 days.

### Weekly returns

**13.—**(1) If any person buys more than 1,000 tonnes of cereal grown in the United Kingdom in any year ending 30th June, he must in the following year make a written weekly return to the Agriculture and Horticulture Development Board in accordance with this paragraph, and failure to do so is an offence.

(2) Each return must show—

(a) the amount in tonnes of cereal grown in the United Kingdom and bought by him in the previous week (ending on Friday), broken down by type of cereal; and

(b) the prices paid.

(3) The return must be submitted by the end of Thursday in the following week.

(4) The Board must publish the mean average price of each type of cereal on a weekly, monthly and annual basis.

## PART 4

### Horticulture

#### Levy on horticultural products

**14.** Any person must pay a levy if he—

(a) grows horticultural products specified in the table below;

- (b) sells those products grown by him, or anything derived from such products grown by him, and
- (c) has adjusted sales figures (as calculated in accordance with paragraph 18) from those products or derivatives in any year ending 31st March of £60,000 or more.

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### *Horticultural products*

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#### **Vegetables grown in the open**

- 1 All vegetables grown in the open and sold for human consumption, including watercress but excluding potatoes.

#### **Fruit**

- 2 All soft fruit and orchard fruit, including nuts but excluding—
  - varieties of apples certified as cider apples, and varieties of pears certified as perry pears, by the Agriculture and Horticulture Development Board;
  - hops; and
  - grapes.

#### **Flowers and bulbs**

- 3 All flowers (whether cut or in pot), foliage, flower bulbs, corms, tubers and rhizomes.

#### **Hardy and other nursery stock**

- 4.1 All hardy nursery stock including—
  - fruit trees, bushes and canes, strawberries for runner production and other fruit stock for transplanting;
  - roses (including stock for budding);
  - shrubs and hedging plants;
  - ornamental trees and trees for sale for amenity purposes;
  - perennial herbaceous plants; and
  - aquatic plants.
- 4.2 All other nursery stock, seedlings and cuttings for propagation.

#### **Protected crops**

- 5 All crops grown in glasshouses and other forms of protection including pot plants, bedding plants and plants being propagated for growing elsewhere.

#### **Herbs**

- 6 All species of herbs.

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### **Levy on mushroom spawn**

- 15. Any person must pay a levy if, in any year ending 31st March, he—

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- (a) buys more than 700 litres of mushroom spawn, or
- (b) buys compost containing more than 700 litres of mushroom spawn.

### Returns

**16.**—(1) On or before 30th June each year any person liable to pay levy under this Part must, using the form published by the Agriculture and Horticulture Development Board for the purpose, provide sufficient information to enable the Board to calculate the levy due for the year ending 31st March that year.

(2) The information must be certified by an accountant unless the Board has notified the person that this is not necessary and for these purposes an accountant is a person who is a fully-qualified member of one of the bodies constituting the Consultative Committee of Accountancy Bodies (in the United Kingdom or Ireland) or who holds an equivalent qualification in another member State.

(3) Failure to comply with this paragraph is an offence.

### Information notices

**17.**—(1) If the Agriculture and Horticulture Development Board believes on reasonable grounds that any person is liable to pay levy under this Part, and that person has not submitted a return under this Part, the Board may serve a notice on that person requiring him, within a time specified in the notice, to provide sufficient information concerning any horticultural business operated by that person to enable the Board to assess whether levy is payable and, if it is payable, the amount.

(2) It is an offence to fail to comply with such a notice.

### Maximum levy for horticultural products

**18.**—(1) In the case of horticultural products the levy is based on the sales made during the accounting year of the grower that ended in the year ending 31st March, and the maximum levy is 0.6% of the adjusted sales figure.

(2) The adjusted sales figure is—

$$£AS = W + \frac{R}{2} - \left( P + T + B + Pr \right)$$

where—

- £AS = the adjusted sales figure
- W = wholesale sales
- R = retail sales
- P = the cost of packing materials
- T = the cost incurred by the grower in transporting the materials or derivatives from his premises to his customer
- B = the purchase cost of products that are bought in to be grown on and re-sold
- Pr = the cost of the following processing procedures: canning, freezing, drying, juicing, or extracting or any similar process that substantially alters the raw product.

### Maximum levy for mushrooms

**19.** In the case of mushrooms the levy is based on the amount of mushroom spawn used or sold in the year ending 31st March, and the maximum levy is 20 pence per litre of spawn used or sold for agaricus spawn and 8 pence per litre for non-agaricus spawn.

## **Payment**

20. The levy under this Part is payable on invoice.

## **PART 5**

### **Milk**

#### **Levies on milk**

- 21.—(1) A person who buys milk from a producer must pay a levy.
- (2) He must deduct the levy from the price paid to the producer.
- (3) A direct seller of milk must pay a levy, and “direct seller” means a producer who sells milk products or packaged milk if the milk was produced on his own holding.
- (4) The levy is based on volume and the maximum levy is 0.08 pence per litre.

#### **Payment of the levy**

- 22.—(1) At the end of every month a buyer of milk must notify to the Agriculture and Horticulture Development Board the amount of milk bought that month, and failure to do so is an offence.
- (2) A direct seller of milk must notify to the Board by 14th May each year the amount of milk produced on his holding in the previous year ending 1st April, and failure to do so is an offence.
- (3) In both cases the levy is payable to the Board on invoice.

## **PART 6**

### **Potatoes**

#### **Levy on potato growers**

- 23.—(1) Any person who grows three hectares or more of potatoes in any calendar year must pay a levy based on area planted.
- (2) The maximum levy is £50 per hectare.

#### **Levy on buyers of potatoes**

- 24.—(1) Any person who buys 1,000 or more tonnes of potatoes grown in Great Britain (excluding seed potatoes) in any year ending 30th June must pay a levy based on the weight of potatoes bought.
- (2) This paragraph does not apply to—
- (a) a person buying potatoes to sell by retail; or
  - (b) a caterer,
- unless he buys directly from the grower.
- (3) This paragraph does not apply to a co-operative when it is buying potatoes from its members (but it does apply when it is buying potatoes from persons other than its members); and for these purposes a co-operative is a business carried on by a group of potato growers that stores, prepares for market or markets potatoes grown by its members.
- (4) The maximum levy is £0.25 per tonne.

### **Returns by growers**

**25.**—(1) A grower liable to pay a levy under this Part must notify the Agriculture and Horticulture Development Board, by 1st June, using the form published by it for the purpose, of—

- (a) the area planted or intended to be planted that calendar year; and
- (b) the identity of the fields planted;

and failure to do so is an offence.

(2) A person who had not planted, and who did not intend to plant, potatoes before 1st June, but who subsequently plants them in that calendar year, must notify the Board of the details in subparagraph (1) within 30 days of planting, and failure to do so is an offence.

(3) He must pay the levy to the Board by 1st December following.

### **Returns by buyers**

**26.**—(1) A buyer liable to pay levy under this Part must notify the Agriculture and Horticulture Development Board by the 28th day of each month using the form provided by it of the tonnage bought in the previous month, and failure to do so is an offence.

(2) He must pay the levy on invoice.