
STATUTORY INSTRUMENTS

1980 No. 1298

AGRICULTURE

HORTICULTURE

**The Agriculture and Horticulture
Development Regulations 1980**

Made - - - - 28th August 1980

Coming into Operation 1st October 1980

The Minister of Agriculture, Fisheries and Food and the Secretary of State, acting jointly, being Ministers designated for the purposes of section 2(2) of the European Communities Act 1972 in relation to the common agricultural policy of the European Economic Community⁽¹⁾, in exercise of the powers conferred upon them by the said section 2(2) and of all other powers enabling them in that behalf, hereby make the following regulations, of which a draft has been approved by resolution of each House of Parliament:—

Citation, commencement and extent

1. These regulations, which may be cited as the Agriculture and Horticulture Development Regulations 1980, shall come into operation on 1st October 1980 and shall apply to the whole of the United Kingdom.

Interpretation

2.—(1) In these regulations, unless the context otherwise requires—

“agriculture” includes horticulture, fruit growing, seed growing, dairy farming and livestock breeding and keeping, the use of land as grazing land, meadow land, osier land, market gardens and nursery grounds, and the use of land for woodlands where that use is ancillary to the farming of land for other agricultural purposes, and “agricultural” and references to farming shall be construed accordingly;

“agricultural business” means a business consisting in, or such part of any business as consists in, the pursuit of agriculture, including the storage, the transport and the preparation for market of the produce of the business;

“agricultural produce” includes anything (whether live or dead) produced in the course of agriculture;

(1) S.I. 1972/1811.

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“the appropriate Minister” means—

- (a) in relation to England or Northern Ireland, the Minister of Agriculture, Fisheries and Food;
- (b) in relation to any other part of the United Kingdom, the Secretary of State;

“approved” means approved by the appropriate Minister in writing, and “approve” and “approval” shall be construed accordingly;

“earned income” in relation to an agricultural business, means the revenue of the business as assessed by the appropriate Minister, provided that in any such assessment the said revenue shall be taken to include net inventory changes and farmhouse consumption less remuneration of capital invested in the agricultural business and such charges and expenses as that Minister may consider reasonable;

“ECU” means the unit of account of the European Economic Community defined in Article 1 of Council Regulation (EEC) No. 3180/78(2), and any reference in these regulations to a specified number of ECU in relation to any expenditure shall be taken to be a reference to the sterling equivalent of that number of ECU applicable on the 1st January of the calendar year in which the conditions for granting aid are fulfilled;

“eligible agricultural business” has the meaning assigned to that expression by regulation 4;

“eligible person” has the meaning assigned to that expression by regulation 3;

“horticultural produce” means—

- (a) fruit;
- (b) vegetables of a kind grown for human consumption, including fungi, but not including maincrop potatoes or peas grown for seed or for harvesting dry;
- (c) flowers, pot plants and decorative foliage;
- (d) herbs;
- (e) seeds (other than pea seeds), bulbs and other material, being seeds, bulbs or material for—
 - (i) sowing or planting for the production of fruit, of the vegetables, flowers, plants or foliage mentioned in (b) and (c) above or of herbs, or
 - (ii) reproduction of the seeds, bulbs or other material planted; or
- (f) trees and shrubs, other than trees grown for the purpose of afforestation;

but does not include hops;

“horticultural production business” means an agricultural business consisting in, or such part of any agricultural business as consists in, the growing in the United Kingdom of horticultural produce for sale or the growing of such produce for sale and its storage, transport or preparation for market;

“labour unit” means the amount of work, other than work done by contractors, which would in the opinion of the appropriate Minister occupy the full time, not exceeding 2,300 hours per year, of a full-time worker;

“less-favoured area” means land—

- (a) which is situated in an area included in the list of less-favoured farming areas adopted by the Council or the Commission of the European Communities under Article 2 of Council Directive No. 75/268/EEC of 28th April 1975(3) and consists predominantly of mountains, hills or heath, and

(2) O.J. No. L379.

(3) O.J. No. L128.

- (b) which is, or by improvement could be made, suitable for use for the breeding, rearing and maintenance of sheep or cattle but not, in the opinion of the appropriate Minister, for the carrying on, to any material extent, of dairy farming, the production, to any material extent, of fat sheep or fat cattle or the production of crops in quantity materially greater than that necessary to feed the number of sheep or cattle capable of being maintained on the land;

“livestock” includes any creature kept for the production of food, wool, skins or fur, or for the purpose of its use in the farming of land;

“preparation for market”, in relation to produce, does not include canning, bottling, pulping or cooking, or preserving by sterilising, by freezing, by de-hydrating, by heat or by chemical process.

- (2) Unless the context otherwise requires any reference in these regulations—
 - (a) to a numbered regulation shall be construed as a reference to the regulation bearing that number in these regulations, or
 - (b) to “the Schedule” shall be construed as a reference to the Schedule to these regulations.

Eligible persons

3.—(1) Subject to the provisions of these regulations, the following kinds of person shall be eligible for a grant under these regulations—

- (a) an individual carrying on an eligible agricultural business if the appropriate Minister is satisfied that that individual or, as the case may be, the farm manager or other person through whom the business is being carried on—
 - (i) practices farming as his main occupation, in that not less than half of his annual income, calculated in accordance with the provisions of paragraph (2), is derived from agricultural activities and the amount of time spent by him in such activities is more than half of the time spent by him in working, and
 - (ii) possesses sufficient agricultural skill and competence, in that he holds an appropriate certificate issued by a teaching establishment recognised for this purpose by that Minister or has been engaged in agricultural activities for not less than five years,and if the individual carrying on that agricultural business submits a development plan in accordance with regulation 5, and undertakes, if that plan is approved, to carry it out and, during its carrying out, to keep accounts in accordance with regulation 9;
- (b) any person representing a body carrying on an eligible agricultural business if—
 - (i) the appropriate Minister is satisfied that the main purpose of that business is farming and that the farm manager or other person through whom the business is carried on practices farming as his main occupation, as specified in sub-paragraph (a)(i) above, and possesses sufficient agricultural skill and competence, as specified in sub-paragraph (a)(ii) above, and
 - (ii) the said person representing the said body submits on behalf of the said body a development plan in accordance with regulation 5 and gives the undertakings required of an individual by sub-paragraph (a) above;
- (c) persons carrying on an eligible agricultural business in partnership if—
 - (i) the appropriate Minister is satisfied that the farm manager or other person through whom the business is carried on practises farming as his main occupation, as specified in sub-paragraph (a)(i) above, and possesses sufficient agricultural skill and competence, as specified in sub-paragraph (a)(ii) above, and

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- (ii) a development plan is submitted and the undertakings required of an individual by subparagraph (a) are given on behalf of the partnership;
 - (d) the owner of land occupied for the purposes of an eligible agricultural business who makes an application for approval of a development plan relating to such land jointly with one of the kinds of person eligible for grant under sub-paragraphs (a), (b) or (c) above.
- (2) For the purposes of this regulation a person's annual income shall be calculated in each case by reference to such year or years within the 3 years immediately preceding the day on which application for assistance is made as the appropriate Minister shall determine, being a year or years which he is satisfied gives or give a fair indication of the normal amount of income derived from agricultural activities by that person.

Eligible agricultural business

4. For the purposes of these regulations an eligible agricultural business is an agricultural business which appears to the appropriate Minister to be suitable for development and as to which that Minister is satisfied—
- (a) that the earned income per labour unit reasonably required under the existing system of production is less than the comparable income determined in accordance with regulation 13(a), or
 - (b) that the nature or structure of the business is such as to place at risk the maintenance of an earned income at the level of the comparable income determined as aforesaid.

Development plans

- 5.—(1) A development plan submitted for approval shall be set out in such form as the appropriate Minister may from time to time require and the person submitting it shall furnish—
- (a) sufficient information to show that the person undertaking to carry out the plan is an eligible person and that the plan relates to an eligible agricultural business;
 - (b) a description of that agricultural business at the time of submission of the plan for approval and of the land to which the plan relates;
 - (c) a description of that agricultural business on completion of the plan in the form of an estimated budget and of a statement of the number of labour units required in the carrying on of the business;
 - (d) an indication of the measures to be taken and, in particular, of the investments to be made, in order to achieve the aim of the plan and a list of any agreements to purchase land or take land on lease made in order to achieve an increase in the area of land occupied for the purposes of the agricultural business to which the plan relates;
 - (e) an indication of any loan guarantee which may be required;
 - (f) such other particulars and information relating thereto as the appropriate Minister may require.
- (2) A development plan shall not be approved unless the appropriate Minister is satisfied that the plan is reasonably practicable and that if it is completed within a period, specified therein, not exceeding 6 years—
- (a) the agricultural business to which it relates or, if the agricultural business is part of a larger business, that larger business may reasonably be expected to achieve or maintain an earned income per labour unit which amounts to not less than the aggregate of the comparable income determined in accordance with regulation 13(a) in respect of the calendar year in which the plan is submitted for approval, or such other year as that Minister may for this purpose allow, and of annual increases at least equal to the annual

- percentage increases determined in accordance with regulation 13(b) in respect of each of the remaining calendar years in the period during which the plan is to be carried out, and
- (b) the agricultural business to which it relates may reasonably be expected to achieve or maintain an earned income, not less than the said comparable income increased as aforesaid, for at least one labour unit, and
 - (c) if the agricultural business to which it relates is part of a larger business, the earned income which the agricultural business may reasonably be expected to achieve or maintain on completion of the plan comprises—
 - (i) as respects an agricultural business situated in a less-favoured area, not less than 50 per cent of the said comparable income increased as aforesaid, or
 - (ii) as respects an agricultural business not situated in a less-favoured area, not less than 80 per cent of the said comparable income increased as aforesaid, or
 - (iii) as respects an agricultural business situated partly in a less-favoured area and partly outside a less-favoured area, such proportion of the said comparable income increased as aforesaid as the appropriate Minister may determine.
- (3) The appropriate Minister shall not approve for the purposes of grant a development plan in so far as it includes—
- (a) proposed expenditure amounting in aggregate to less than £1,000 or more than 52,599 ECU per labour unit; or
 - (b) proposed expenditure in connection with the breeding and keeping of pigs (not being expenditure on the purchase of pigs) unless—
 - (i) that expenditure amounts in aggregate to not less than 13,158 ECU and not more than 66,699 ECU, and
 - (ii) that Minister is satisfied that the plan provides that on its completion not less than 35 per cent of the feeding stuffs required for the pigs kept on the land occupied for the purposes of the agricultural business to which the plan relates can be produced from that land; or
 - (c) proposed expenditure on the purchase of land, calves intended for slaughter at less than 7 months of age, or pigs; or
 - (d) proposed expenditure in connection with the keeping or breeding of poultry or the production of eggs; or
 - (e) proposed expenditure on the erection, alteration or improvement of living accommodation; or
 - (f) proposed expenditure on the purchase of livestock other than livestock of any of the kinds mentioned in the preceding provisions of this paragraph unless that Minister is satisfied that—
 - (i) the purchase is of additional animals as specified in the plan, and
 - (ii) in the case of expenditure on the purchase of cattle or sheep, the plan provides that on its completion the sales by the agricultural business of cattle or sheep and their produce, assessed in such a manner as that Minister shall consider appropriate, shall comprise more than 60 per cent of all sales, assessed as aforesaid, of agricultural produce made by the business; or
 - (g) proposed expenditure amounting in aggregate to more than 220,000 ECU; or
 - (h) proposed expenditure which, in the opinion of the appropriate Minister, would in any six-year period amount to more than 220,000 ECU when added to other expenditure—

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- (i) which is included in any previous development plan, relating to the same agricultural business, approved under these regulations or the Farm and Horticulture Development Regulations 1978(4), and
- (ii) which has been incurred in the six-year period in question, and
- (iii) in respect of which the application for assistance was received on or after 1st February 1980.

(4) The appropriate Minister may make the approval under this regulation of a development plan subject to such conditions as he thinks fit.

Variation and withdrawal of development plans

6. The appropriate Minister may, on the written request of the person currently responsible for the carrying on of an agricultural business to which a development plan relates, vary or withdraw the approval of that plan.

Farm development and related grants

7.—(1) Subject to the provisions of these regulations, the appropriate Minister may make to any eligible person a grant towards expenditure incurred by him for the purposes of, or in connection with, the carrying on of an eligible agricultural business, being expenditure which—

- (a) has been incurred in respect of any work, facility or transaction of a kind specified in column 1 of the Schedule, and
- (b) appears to the appropriate Minister to be of a capital nature or to have been incurred in connection with expenditure of a capital nature, and
- (c) is included in, and appears to the appropriate Minister to be necessary or appropriate for the purposes of, an approved development plan for that business and to be the responsibility of that person.

(2) The appropriate Minister may make to an eligible person in respect of an approved development plan grants of the amounts specified in regulation 9(2) for the keeping of accounts of a kind described in regulation 9(1).

(3) Subject to the provisions of these regulations, the appropriate Minister may make grants by way of guidance premium of amounts calculated in accordance with regulation 10 to an eligible person in respect of an approved development plan which makes such provision for the breeding or keeping of cattle or sheep suitable for the production of beef or, as the case may be, sheep meat that on completion of the plan the sales of such cattle or sheep, assessed in such manner as that Minister shall consider appropriate, made in the carrying on of the business to which the development plan relates shall comprise more than half of all sales so made, assessed as aforesaid.

(4) The appropriate Minister may make the payment of grant under paragraphs (1), (2) or (3) of this regulation subject to such conditions as that Minister thinks fit, and any payment of grant under these regulations may be made at such time as that Minister may determine.

(5) Where it appears to the appropriate Minister that expenditure in respect of which a grant is claimed under paragraph (1) has been incurred partly for the purposes of, or in connection with, the carrying on of an agricultural business and partly for non-agricultural purposes, that Minister may for the purposes of a grant under the said paragraph treat as having been incurred for the purposes of, or in connection with, the carrying on of an agricultural business so much of that expenditure as appears to that Minister to be referable to the carrying on of that agricultural business.

(4) , amended by S.I. 1979/1559; 1980/97, 419.

Amounts of grant under regulation 7(1)

8.—(1) Subject to the provisions of this regulation and regulations 12 and 14 the amount of any grant payable under regulation 7(1) towards expenditure in respect of any work, facility or transaction of a kind specified in any of paragraphs 1 to 20 and 22 in column 1 of the Schedule shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 of the Schedule, except that in the case of any work, facility or transaction which, in the opinion of the appropriate Minister—

- (a) is for the purposes of, or in connection with, the carrying on of an agricultural business or that part thereof situated in a less-favoured area, the amount of grant so payable shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 3 of the Schedule;
- (b) is for the purposes of, or in connection with, the carrying on of a horticultural production business which is capable of providing the greater part of the employment of at least one person reasonably skilled in agriculture, the amount of grant so payable shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 4 of the Schedule;
- (c) is for the purposes of, or in connection with, the carrying on of an agricultural business, or a horticultural production business, of a kind described in regulation 4(b), the amount of grant so payable shall be 80 per cent of the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 of the Schedule in the case of an agricultural business, or in column 3 thereof in the case of an agricultural business in a less-favoured area, or in column 4 thereof in the case of a horticultural production business.

(2) Where it appears to the appropriate Minister that expenditure towards which grant is payable under regulation 7(1) has been incurred for the purposes of, or in connection with, the carrying on of an agricultural business situated partly in a less-favoured area, the appropriate Minister may for the purpose of determining the amount of grant so payable towards that expenditure treat as having been incurred for, or in connection with, that part of the business situated in the less-favoured area so much of that expenditure as appears to that Minister to be referable to the carrying on of that part of the business.

(3) Where it appears to the appropriate Minister that expenditure towards which grant is payable under regulation 7(1) has been incurred partly for the purposes of, or in connection with, the carrying on of a horticultural production business and partly for other agricultural purposes, the appropriate Minister may for the purpose of determining the amount of grant so payable towards that expenditure treat as having been incurred for the purposes of, or in connection with, the carrying on of a horticultural production business so much of that expenditure as appears to that Minister to be referable to the carrying on of that horticultural production business.

(4) The amount of any grant payable under regulation 7(1) towards expenditure in respect of the carrying out or provision of any work, facility or transaction which is incidental to the carrying out or provision of another work, facility or transaction of any kind specified in any of paragraphs 1 to 20 of the Schedule or necessary or proper in the carrying out or provision of that other work, facility or transaction or for securing the full benefit thereof shall be calculated at the rate of grant appropriate to that other work, facility or transaction in accordance with the provisions of this regulation.

(5) Where it appears to the appropriate Minister that the expenditure in connection with the breeding and keeping of pigs reasonably incurred in the carrying out of any approved development plan exceeds the proposed expenditure in that connection included in that plan in respect of any work, facility or transaction of a kind specified in any of paragraphs 1, 4 to 13 and 21 in column 1 of the Schedule that Minister may pay grant in relation to the difference between the amount of expenditure so included and the amount of expenditure actually incurred, unless the expenditure limit set out in regulation 5(3)(b)(i) is thereby exceeded.

(6) Subject to the provisions of paragraph (5), where it appears to the appropriate Minister that the expenditure reasonably incurred in the carrying out of any approved development plan exceeds the proposed expenditure included in that plan in respect of any work, facility or transaction of a kind specified in any of paragraphs 1 to 13, 14(i), 14(iii), 15, 19 and 21 in column 1 of the Schedule that Minister may pay grant in relation to the difference between the amount of expenditure so included and the amount of expenditure actually incurred.

Accounts and amounts of grant payable in connection therewith

9.—(1) The accounts referred to in regulations 3(1)(a) and 7(2) are accounts relating to an agricultural business to which an approved development plan relates and the keeping of those accounts—

- (a) shall comprise—
 - (i) the drawing up of an annual trading account, a profit and loss account and a balance sheet, and
 - (ii) the systematic and regular recording during the accounting year of the transactions in kind and in cash carried out in the course of carrying on the agricultural business;
- (b) shall result in the submission to the appropriate Minister at the end of each accounting year—
 - (i) of a description of the general characteristics of the agricultural business, and in particular of the factors of production used, and
 - (ii) of a detailed trading account, profit and loss account and balance sheet, and
 - (iii) of such information as is necessary, in particular the earned income per labour unit and the income of the person carrying on the agricultural business, to assess the efficiency of the management of the agricultural business and the profitability of the main kinds of production of the agricultural business.

(2) Subject to the provisions of regulation 14 the amounts of grant payable under regulation 7(2) shall be, in respect of the first of the years in which the development plan is carried out, 250 ECU and, in respect of each of the next 3 years, 167 ECU.

Amounts of guidance premium

10. Subject to the provisions of regulation 14 the amounts of grant payable by way of guidance premium under regulation 7(3) shall be calculated in relation to the number of hectares of land occupied for the purposes of the agricultural business to which the development plan relates, and to the number of hectares of land which in the opinion of the appropriate Minister is necessary for the breeding or keeping of cattle or sheep suitable for the production of beef or, as the case may be, sheep meat in the carrying out of that development plan, at the rate of—

- (a) £30.56 per hectare in the first year;
- (b) £20.67 per hectare in the second year;
- (c) £10.52 per hectare in the third year:

Provided that no payment by way of such grant shall exceed £3,056 in respect of the first year, £2,067 in respect of the second year or £1,052 in respect of the third year.

Claims for grant

11. Any claim for a grant under these regulations shall be made in such form and manner and at such time as the appropriate Minister may from time to time require and the claimant for grant shall furnish all such particulars and information relating to the claim as that Minister may require.

Standard costs

12. In such cases, and subject to such conditions, as the appropriate Minister may from time to time determine, the cost of any work, facility or transaction or the amount of any other cost or expenditure, shall, if the claimant so elects, be taken for the purpose of determining the amount of any grant payable under these regulations as such standard cost or amount as that Minister may from time to time fix with the approval of the Treasury.

Comparable income

13. For the purposes of these regulations the appropriate Minister shall determine in respect of each calendar year—

- (a) a comparable income per labour unit for Great Britain and Northern Ireland respectively, having regard to the average earnings of full-time workers in occupations other than agriculture;
- (b) a percentage increase in the comparable income, having regard to the average annual increase during the preceding 5 years in the earnings of full-time workers in occupations other than agriculture after adjustment for changes in retail prices.

Reduction or withholding of grant

14. The appropriate Minister may reduce or withhold any grant payable under these regulations in any case where—

- (a) assistance in respect of expenditure towards which such grant is claimed has been or may be given otherwise than under these regulations, or
- (b) the carrying out or provision of the work, facility or transaction towards the expenditure on which such grant is claimed appears to that Minister to frustrate the purposes served by assistance previously given out of money provided by Parliament or the European Economic Community, or
- (c) the greater part of the land affected by a development plan, in connection with the carrying out of which the grant is claimed, has been affected within the preceding 5 years by another development plan approved under these regulations or the Farm and Horticulture Development Regulations 1978.

Revocation of approval and recovery of grant

15. If at any time after the appropriate Minister has approved a development plan or paid a grant under these regulations it appears to that Minister—

- (a) that any condition subject to which the approval was given or the grant has been paid has not been complied with, or
- (b) that any work, facility or transaction, in respect of expenditure on which a grant has been paid has been badly done or provided, or
- (c) that the person by whom the application for approval of the development plan or for the payment of grant was made gave information on any matter relevant to the giving of the approval or the making of the payment which was false or misleading in a material respect,

that Minister may revoke the approval, in whole or in part, and, where any payment has been made, may recover on demand an amount equal to the payment which has been so made or such part thereof as that Minister may specify; but before revoking an approval or making a demand under the preceding provisions of this regulation that Minister—

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- (i) shall give to any person to whom any payment by way of such grant would be payable or from whom any such amount would be recoverable a written notification of the reasons for the action proposed to be taken by that Minister, and
- (ii) shall afford that person an opportunity of appearing before and being heard by a person appointed for the purpose by the appropriate Minister, and
- (iii) shall consider the report by a person so appointed and supply a copy of the report to the person mentioned in sub-paragraph (i) above.

False statements

16. If any person, for the purposes of obtaining for himself or any other person any grant under these regulations, knowingly or recklessly makes a false statement, he shall be liable on summary conviction to a fine not exceeding £400.

Rights of entry

17. For the purposes of these regulations and, in particular, for the purpose of securing that grants under these regulations are made in proper cases only, any person duly authorised in that behalf by the appropriate Minister, or in Northern Ireland by the Department of Agriculture for Northern Ireland, may, upon production if so required of his appointment or authority, at all reasonable times enter upon and inspect any land, and inspect any premises, plant, equipment or livestock in respect of which grant under these regulations has been made or claimed.

Closing date for applications

18. The appropriate Minister shall not pay any grant under these regulations in respect of an application for assistance received after 31st December 1985, or such later date, not later than 31st January 1986, as that Minister may in special circumstances permit.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 8th August 1980.

L.S.

Peter Walker
Minister of Agriculture Fisheries and Food

28th August 1980

George Younger
Secretary of State for Scotland

SCHEDULE

Regulations 7(1) and 8

ELIGIBLE WORKS, FACILITIES AND TRANSACTIONS AND RATES OF GRANT

Column 1	Column 2	Column 3	Column 4
Kind of work or facility or transaction	Agricultural business. Rate of grant. Per cent.	Agricultural business in Less-Favoured Area. Rate of grant. Per cent.	Horticultural production business. Rate of grant. Per cent.
1. Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings (except living accommodation and buildings designed and intended for the production of horticultural produce (see paragraph 2 of this Schedule)), bulk dry stores, silos, yards, loading platforms, ramps or banks.	32.5	37.5	32.5
2. (i) Replacement, reconstruction, alteration, reconditioning or other improvement of existing permanent buildings, of permanently sited frames or of durable structures for cladding with plastic, designed and intended for the production of horticultural produce (excluding any work or facility specified in paragraph 2(ii) of this Schedule).	Nil	Nil	32.5
(ii) Provision or enlargement of permanent buildings, of permanently sited frames or of durable structures for cladding with plastic, designed and intended for the production of horticultural produce.	Nil	Nil	5
3. Supply and installation of permanent thermal insulation, vapour sealing or gas sealing for the control of temperature or atmosphere in buildings designed and intended for horticultural use.	Nil	Nil	32.5
4. Provision, replacement or improvement of systems for the disposal of agricultural waste.	32.5	37.5	32.5
5. Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.	32.5	37.5	32.5
6. Provision, replacement or improvement of facilities for the supply or storage of water for agricultural purposes.	32.5	50	32.5
7. (i) Provision, replacement or improvement of field drainage, including under-drainage and ditching.	50	70	50
(ii) Works and facilities to prevent the flooding of agricultural land by watercourses.	32.5	50	32.5
8. Provision, replacement or improvement of roads, paths and other permanent ways, grids, hard standings,	32.5	50	32.5

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Column 1	Column 2	Column 3	Column 4
Kind of work or facility or transaction	Agricultural business. Rate of grant. Per cent.	Agricultural business in Less-Favoured Area. Rate of grant. Per cent.	Horticultural production business. Rate of grant. Per cent.
fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.			
9. Provision, replacement or improvement of pens, dips, stells or other facilities designed and intended for use in connection with the gathering, treatment or feeding of livestock or for sheltering them in periods of adverse weather but not for in-wintering.	32.5	50	Nil
10. Provision, replacement or improvement of permanent fences, hedges, walls or gates.	32.5	50	32.5
11. Provision, replacement or improvement of shelter belts.	5	50	32.5
12. (i) Reseeding and regeneration of grassland and laying down of permanent pasture, including as part of a complete programme of work the application of lime or fertiliser.	32.5	Nil	Nil
(ii) Reseeding and regeneration of grassland; laying down of permanent pasture; application of lime or fertiliser (other than normal husbandry applications) for the benefit of grassland.	Nil	50	Nil
(iii) Clearance and reclamation of land; sub-soiling; burning heather or grass or making muirburn or regenerating heather by cutting; land levelling or grading (including filling in of ditches or ponds); removal of tree roots, boulders or other obstructions to cultivation; bracken control.	32.5	50	32.5
(iv) Claying or marling or soil mixing.	5	10	5
13. Orchard grubbing.	32.5	32.5	32.5
14. Provision, replacement or improvement of stakes and wirework for—			
(i) hop gardens;	32.5	32.5	Nil
(ii) cane fruit;	20	20	20
(iii) vineyards.	32.5	32.5	32.5
15. Provision, replacement, improvement, alteration, enlargement or reconditioning of watercress beds.	Nil	Nil	32.5
16. Plant or equipment designed and intended for the production, harvesting, storage or preparation for market of horticultural produce (excluding plant or	Nil	Nil	20

Column 1	Column 2	Column 3	Column 4
Kind of work or facility or transaction	Agricultural business. Rate of grant. Per cent.	Agricultural business in Less-Favoured Area. Rate of grant. Per cent.	Horticultural production business. Rate of grant. Per cent.
equipment of a kind specified in paragraph 18 of this Schedule and potato harvesting equipment).			
17. Provision or installation or replacement of plant or machinery (including fixtures and fittings) for agricultural purposes (excluding plant or machinery which has been used before installation or which is installed in or is wholly for the benefit of living accommodation or which is of a kind specified in paragraphs 16 or 18 of this Schedule).	5	10	5
18. Plant or equipment, including tractors and ancillary equipment, designed and intended for the cultivation of horticultural crops and produce.	Nil	Nil	5
19. Provision, replacement, improvement, alteration or enlargement of facilities for the farming of fresh water fish for food production.	5	10	Nil
20. Purchase of livestock.	5	10	Nil
21. Any work, facility or transaction incidental to the carrying out or provision of any work, facility or transaction specified in any of paragraphs 1 to 20 of this Schedule or necessary or proper in carrying it out or providing it or securing the full benefit thereof.	The rate appropriate to that work, facility or transaction in accordance with the provisions of these regulations.		
22. Preparation of development plans.	32.5	32.5	32.5

EXPLANATORY NOTE

These Regulations, which apply to the whole of the United Kingdom, are made under section 2(2) of the European Communities Act 1972, in implementation of Directive [72/159/EEC](#) of the Council (O.J./S.E. 1972 (II), p.324)), on the modernisation of farms, and of Directive [75/268/EEC](#) of the Council on mountain and hill farming in certain less-favoured areas. They supersede, and in effect largely consolidate, the Farm and Horticulture Development Regulations 1978 (as amended).

The Regulations make provision for aid for agricultural and horticultural businesses in relation to development plans. This aid is mainly in the form of grants in respect of expenditure of a capital nature. The works, facilities and transactions and the rates of grant applicable to them, set out in the Schedule, remain the same as those provided for in the superseded regulations. Higher rates of grant may be payable in certain circumstances for agricultural businesses in less-favoured areas.

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The classes of persons and the types of agricultural business or horticultural production business which may benefit from grant-aid are defined (regulations 3 and 4 respectively).

To benefit from assistance an applicant must submit a development plan for approval. To be approved a development plan must show either that the income per labour unit of the business can be raised up to or above the average level of non-agricultural incomes (the “comparable income”—regulation 13) or, if the income per labour unit is above the comparable level but may fall below that level because of the nature or structure of the business, that the income per labour unit can be maintained at or above the comparable level (regulation 5).

Power is also given to pay grants to farmers and growers who keep and submit accounts related to approved development plans (regulation 9), and to pay grants by way of guidance premium to farmers whose development plans provide for their business to concentrate on the breeding or keeping of cattle or sheep suitable for the production of beef or sheep meat (regulation 10).

The Regulations also provide for—

- (a) certain restrictions on grant (regulation 5(3));
- (b) standard costs (regulation 12);
- (c) in certain circumstances the reduction or withholding of grant otherwise payable (regulation 14) and the recovery of grant paid (regulation 15); and
- (d) the imposition of a penalty for making a false statement to obtain grant (regulation 16).