

## SCHEDULES

### SCHEDULE 1

#### TENANTS' COMPENSATION FOR MILK QUOTA

##### PART I

##### RIGHT TO COMPENSATION

###### *Succession on death or retirement of tenant*

- 2 (1) This paragraph applies where on the termination of the tenancy of any land after 2nd April 1984 a new tenancy of the land or part of the land has been granted to a different tenant (" the new tenant ") and that tenancy—
- (a) was obtained by virtue of a direction under section 39 or 53 of the Agricultural Holdings Act 1986 (direction for grant of tenancy to successor on death or retirement of previous tenant);
  - (b) was granted (following a direction under section 39 of that Act) in circumstances within section 45(6) of that Act (new tenancy granted by agreement to persons entitled to tenancy under direction); or
  - (c) is such a tenancy as is mentioned in section 37(1)(b) or (2) of that Act (tenancy granted by agreement to close relative).
- (2) Where this paragraph applies—
- (a) any milk quota allocated or transferred to the former tenant (or treated as having been allocated or transferred to him) in respect of the land which is subject to the new tenancy shall be treated as if it had instead been allocated or transferred to the new tenant; and
  - (b) in a case where milk quota is treated under paragraph (a) above as having been transferred to the new tenant, he shall be treated for the purposes of any claim in respect of that quota—
    - (i) as if he had paid so much of the cost of the transaction by virtue of which the milk quota was transferred as the former tenant bore (or is treated as having borne); and
    - (ii) in a case where the former tenant was in occupation of the land on 2nd April 1984 (or is treated as having been in occupation of the land on that date), as if he had been in occupation of it on that date.
- (3) Sub-paragraph (1) above applies in relation to the grant of a new tenancy before the date on which the Agricultural Holdings Act 1986 comes into force as if the references in that sub-paragraph to sections 39, 53 and 45(6) of that Act were references to section 20 of the Agriculture (Miscellaneous Provisions) Act 1976, paragraph 5 of Schedule 2 to the Agricultural Holdings Act 1984 and section 23(6) of the said Act of 1976 respectively.