

1985 No. 509

FOOD

The Dairy Produce Quotas (Amendment) Regulations 1985

<i>Made</i>	- - - - -	26th March 1985
<i>Laid before Parliament</i>		28th March 1985
<i>Coming into Operation</i>		29th March 1985

The Minister of Agriculture, Fisheries and Food and the Secretary of State, being Ministers designated **(a)** for the purposes of section 2(2) of the European Communities Act 1972 **(b)** in relation to the common agricultural policy of the European Economic Community, acting jointly in exercise of the powers conferred on them by that section and of all other powers enabling them in that behalf, hereby make the following regulations:—

Title, commencement and interpretation

1. These regulations may be cited as the Dairy Produce Quotas (Amendment) Regulations 1985 and shall come into operation on 29th March 1985.

2. In these regulations “the principal regulations” means the Dairy Produce Quotas Regulations 1984 **(c)**.

Amendment of the principal regulations

3. The principal regulations shall be amended in accordance with the following provisions.

Amendments of Definitions

4. At the end of the definition of “Council Regulation 857/84” in regulation 2(1) there shall be added the following words: “as amended by Council Regulation 590/85 **(d)**”;

5. In the definition of “dairy produce” in regulation 2(1) of the principal regulations, after the word “kilograms” there shall be inserted the following words: “or litres” (one kilogram being 0.97116 litres).

(a) S.I. 1972/1811.

(b) 1972 c. 68; section 2 is subject to Schedule 2 to that Act and is to be read, as regards England and Wales, with section 32(7) and (9) of the Magistrates’ Courts Act 1980 (c. 43), and S.I. 1984/447, as regards Scotland, with section 289B(4) and (6) of the Criminal Procedure (Scotland) Act 1975 (c. 21) as inserted by paragraph 5 of Schedule 11 to the Criminal Law Act 1977 (c. 45) and amended by section 55(2) of the Criminal Justice Act 1982 (c. 48) and S.I. 1984/526 and, as regards Northern Ireland, with S.I. 1984/703 (N.I. 3) and S.R. (N.I.) 1984 No. 253.

(c) S.I. 1984/1047, to which there are amendments not relevant to these regulations.

(d) O.J. No. L. 68, 8.3.85, p. 1.

Transfer of quota between regions

6. After paragraph (12) of regulation 5 of the principal regulations (allocation of quota on a change of regions) there shall be inserted the following two paragraphs—

“(13) The Minister may at any time reallocate the national wholesale quota among the regions to the extent that such reallocation can be achieved by the transfer of quantities of dairy produce between running regional wholesale reserves, and any increase or reduction in any regional wholesale quota consequent thereon shall be announced by advertisement published in the Gazette and farming press.

(14) For the purpose of any reallocation of national wholesale quota under paragraph (13) the Minister may remove quantities of dairy produce from any running regional wholesale reserve and add them to any other running regional wholesale reserve.”.

National direct sales reserve

7. In the first line of regulation 7(1) (national direct sales reserve) after the words “purpose of” there shall be inserted the words “Article 6.3 of Council Regulation 857/84 and”.

Insertion of new regulations

8. After regulation 9 of the principal regulations (reallocation) there shall be inserted the following six regulations—

“Special allocation of quota

9A.—(1) Where, by reason of a mistake made by the Minister or any person acting on his behalf, a producer has not been allocated a direct sales quota or a wholesale quota or has been allocated such quota less than he would have been allocated if the mistake had not been made, the Minister may allocate to that producer such quantity of dairy produce as will compensate, in whole or in part, for that mistake from the national direct sales reserve or from the appropriate running regional wholesale reserve, as the case may be.

(2) Where any wholesale quota is allocated under paragraph (1) to a producer the cumulative quarterly wholesale quota of that producer shall be calculated or adjusted, as the case may be, as it would have been calculated or adjusted if the mistake referred to in paragraph (1) had not been made.

(3) The Minister shall amend the registers which he is required by Schedules 1, 2 and 3 to maintain so as to record any allocation referred to in paragraph (1).

Small producer provision

9B.—(1) The Minister may at any time create and add to a small producer provision from quantities of dairy produce in the national direct sales reserve or any running regional wholesale reserve.

(2) Schedule 6 shall apply in respect of the allocation of direct sales quota and wholesale quota in any small producer provision, and in respect of matters consequential thereon or incidental thereto.

Conversion of direct sales quota and wholesale quota

9C. Schedule 7 shall apply in respect of the conversion of wholesale quota into direct sales quota and of direct sales quota into wholesale quota under Article 6a of Council Regulation 857/84.

Reallocation of unused quota

9D. Schedule 8 shall apply in respect of the reallocation of quota in respect of the quota year ending 31 March 1985 for the purposes of Article 4a of Council Regulation 857/84.

Remote areas wholesale provision

9E.—(1) The Minister may at any time create and add to a remote area wholesale provision from quantities of dairy produce in any running regional wholesale reserve.

(2) Schedule 9 shall apply in respect of the allocation of wholesale quota in any remote area wholesale provision, and in respect of matters consequential thereon or incidental thereto.

Remote areas direct sales provision

9F.—(1) The Minister may at any time create and add to a remote areas direct sales provision from quantities of dairy produce in the national direct sales reserve.

(2) Schedule 10 shall apply in respect of the allocation of direct sales quota in any remote areas direct sales provision.”.

Penalties in Northern Ireland

9. Regulation 18(1) of the principal regulations (penalties) shall be amended by the deletion from the last two lines thereof of the words “(except in Northern Ireland) or £1,000 (in Northern Ireland)”.

Direct sales quota

10. Paragraph 13(4) of Schedule 1 to the principal regulations (amount of direct sales quota when aggregate of all gross direct sales quota does not exceed the national direct sales quota) shall be deleted.

Direct sales supplementary provision

11. After paragraph 17 of Schedule 1 to the principal regulations (exceptional hardship provision) there shall be inserted the following paragraph—

“17A.—(1) The Minister may at any time create and add to a direct sales supplementary provision from quantities of dairy produce in the national direct sales reserve.

(2) Quantities of dairy produce in any direct sales supplementary provision shall be allocated among producers who have direct sales quota in proportion to each producer’s direct sales quota and (so far as it is available) to the extent that each producer’s gross direct sales quota has not already been allocated to him.

(3) Any unallocated part of a direct sales supplementary provision may be transferred back to the national direct sales reserve.

(4) Where a direct sales supplementary provision is made or added to the Minister shall, by advertisement placed in the Gazette, announce the quantity of dairy produce in that provision.

(5) The Minister shall amend the registers which he is required by this Schedule to maintain so as to record any allocation of direct sales quota under paragraph 17A(3) and shall inform the producer to whom such an amendment relates of that allocation.”.

Change of occupation

12. At the end of paragraphs 19(2)(a) of Schedules 1 and 2 to the principal regulations (apportionment of quota on a major change of occupation), in the third line thereof, for the word “notice” there shall be substituted the word “statement”.

13. After subparagraphs (4) of paragraphs 19 (apportionment of quota on a major change of occupation) of Schedules 1 and 2 to the principal regulations there shall be inserted the following subparagraph—

“(4A) Where the Minister reasonably considers that the proposed apportionment of quota agreed between the transferor and the transferee and evidenced by a statement made for the purpose of subparagraph (2)(a) is not according to areas used for milk production, he shall give notice in writing to the transferor and the transferee of this fact and the apportionment of that quota shall be carried out—

- (a) according to the methods described in subparagraph (4)(a), or
- (b) where within 21 days of such notice either the transferor or the transferee notifies the Minister that he is not satisfied by the methods of apportionment described in subparagraph (4)(a), by the award of an arbitrator whose appointment, conduct of the arbitration and criteria for determining the award shall be as described in subparagraph (4)(b) in relation to the arbitrator referred to therein.”.

Development provision

14. After paragraph 17 of Schedule 2 to the principal regulations (exceptional hardship provision) there shall be inserted the following paragraph—

“17A.—(1) The Minister may at any time create and add to a development provision from quantities of dairy produce in any regional running wholesale reserve.

(2) Quantities of dairy produce in any development provision shall be allocated among producers who have secondary wholesale quota consequent upon a development claim in proportion to the wholesale quota which each such producer has consequent thereon (and so far as it is available) to the extent that those wholesale quotas have not been allocated from the initial regional wholesale reserve under paragraph 12(5)(b).

(3) Any unallocated part of a development provision may be transferred back to the appropriate running regional wholesale reserve.

(4) Where a development provision is made or added to the Minister shall, by advertisement placed in the Gazette, announce the quantity of dairy produce in that provision.

(5) The cumulative quarterly wholesale quotas of each producer to whom an allocation is made under paragraph (2) shall be adjusted so that they bear the same proportion to each other and to his annual wholesale quota as they bore before that allocation, or, in the case of a producer who is not a prior delivery producer for the purposes of paragraph 13(2)(d), as may be otherwise agreed by him and the Minister.

(6) The Minister shall amend the registers which he is required by this Schedule and Schedule 3 to maintain so as to record the allocations and adjustments referred to in this paragraph, and shall inform each producer and purchaser to whom such an amendment relates of that amendment.”.

Adjustment of purchaser quota

15. After paragraph 3 of Schedule 3 (reduction of purchaser quota on release or surrender of wholesale quota) there shall be inserted the following paragraphs—

“3A. Where any wholesale quota is increased or reduced in accordance with the Community legislation or these regulations, the purchaser quota of any purchaser for the quota year in question shall be increased or reduced, as the case may be, by the quantities of dairy produce applicable to him and increased or reduced thereunder, and his cumulative quarterly purchaser quota for the quota year in question shall be increased or reduced accordingly.

3B. Where any wholesale quota is increased by virtue of a reallocation of quota under paragraph 4 of Schedule 8, the purchaser quota of any purchaser shall, for the quota year ending on 31 March 1985 only, be increased by the quantities of dairy produce applicable to him and increased thereunder.”.

Insertion of new Schedules

16.—(1) After Schedule 5 to the principal regulations (Dairy Produce Quota Tribunals and Local Panels) there shall be inserted Schedule 6, (small producer provision) as set out in Schedule 1 to these regulations.

(2) After Schedule 6 to the principal regulations (inserted into those regulations by paragraph (1) of this regulation) there shall be inserted Schedule 7 (conversion of direct sales quota and wholesale quota) as set out in Schedule 2 to these regulations.

(3) After Schedule 7 to the principal regulations (inserted into those regulations by paragraph (2) of this regulation) there shall be inserted Schedule 8 (reallocation of unused quota) as set out in Schedule 3 to these regulations.

(4) After Schedule 8 to the principal regulations (inserted into those regulations by paragraph (3) of this regulation) there shall be inserted Schedule 9 (remote areas wholesale provision) as set out in Schedule 4 to these regulations.

(5) After Schedule 9 to the principal regulations (inserted into those regulations by paragraph (4) of this regulation) there shall be inserted Schedule 10 (remote areas direct sales provision) as set out in Schedule 5 to these regulations.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 25th March 1985.

Michael Jopling,
Minister of Agriculture, Fisheries and Food.

George Younger,
One of Her Majesty's Principal Secretaries of State.
26th March 1985.

SCHEDULE 1 Regulation 16(1)

SCHEDULE TO BE INSERTED AFTER SCHEDULE 5 TO THE
PRINCIPAL REGULATIONS

“SCHEDULE 6 Regulation 9B

SMALL PRODUCER PROVISION

1.—(1) The Minister shall serve on each provisionally eligible producer a written notice requiring him, if he is a producer to whom Article 4(1)(c) of Council Regulation 857/84 (which deals with producers undertaking farming as their main occupation) applies, to deliver to the Minister at such address as may be specified in the notice and within such time (being not less than 21 days from the date when the Minister's notice is served) as may be specified in the notice written confirmation that he is such a producer, and any provisionally eligible producer who complies with that requirement shall be an eligible producer for the purposes of this Schedule.

(2) For the purposes of subparagraph (1) a “provisionally eligible producer” shall be a producer the aggregate of whose direct sales quota and wholesale quota on a date to be determined by the Minister is less than 200,000 litres, except that a producer who has no wholesale quota and whose holding is entirely in a remote area shall not be a provisionally eligible producer.

2.—(1) Subject to subparagraph (2) the Minister shall make an initial calculation in relation to the relevant direct sales and wholesale deliveries of each eligible producer, being,

- (a) in respect of the direct sales of each eligible producer—
- (i) 6.38 per cent of his direct sales quota,
 - (ii) if his direct sales between 1st April 1983 and 31st March 1984 exceeded 101 per cent of his direct sales in 1981 by a percentage less than 6.38 per cent, that lesser percentage of his direct sales quota, or
 - (iii) if his direct sales between 1st April 1983 and 31st March 1984 were 101 per cent of his direct sales in 1981 or less, nil, and

- (b) in respect of the wholesale deliveries of any eligible producer—
- (i) 1.04 per cent of the wholesale quota applicable to any division of his holding in Shetland or the Scilly Isles,
 - (ii) 7.28 per cent of the wholesale quota applicable to any division of his holding in Scottish area B,
 - (iii) 10.98 per cent of the wholesale quota applicable to any division of his holding in Northern Ireland, and
 - (iv) 11.04 per cent of the wholesale quota applicable to any division of his holding elsewhere.

(2) For the purpose of subparagraph (1) “quota” shall exclude any secondary direct sales quota or secondary wholesale quota awarded as a result of a development claim, any direct sales quota allocated under paragraph 17A of Schedule 1 (direct sales supplementary provision) and any wholesale quota allocated under paragraph 17A of Schedule 2 (development provision).

3. The Minister shall, in respect of each eligible producer in respect of whom an initial calculation is made under paragraph 2, make a provisional addition of the quantity, so calculated, to his direct sales quota and his wholesale quota, but if, following such provisional addition, the aggregate of his direct sales quota and wholesale quota exceeds 200,000 litres that provisional addition shall be adjusted so that—

- (a) that aggregate shall equal 200,000 litres, and
- (b) the aggregate of provisional additions so adjusted shall be divided among direct sales quota and wholesale quota for each division of the holding in the proportions in which they would have been divided had the adjustment not been made.

4. The Minister shall allocate any small producer provision to eligible producers so as to give effect to paragraph 3 but, to the extent that the national direct sales reserve or any running regional wholesale reserve is insufficient for this purpose, such allocations shall be made in order of priority commencing with the lowest aggregate of direct sales and wholesale quota following such provisional additions, following with the next lowest, and so on.

5. The cumulative quarterly wholesale quotas of any eligible producer to whom an allocation of wholesale quota is made under paragraph 4 shall be adjusted so that they bear the same proportion to each other and to his annual wholesale quota as they bore before that allocation, or, in the case of a producer who is not a prior delivery producer for the purpose of paragraph 13(2)(d) of Schedule 2, as may be otherwise agreed by him and the Minister.

6. Any unallocated part of a small producer provision may be transferred back to the national direct sales reserve or the appropriate running regional wholesale reserve, as the case may be.

7. Where any small producer provision is made or added to, the Minister shall by advertisement published in the Gazette announce—

- (a) the quantity of dairy produce in the small producer provision, and
- (b) the date determined by the Minister for the purpose of paragraph 1(2).

8. All registers required by Schedules 1, 2 and 3 to be maintained by the Minister shall be amended so as to record the allocations and adjustments referred to in this Schedule, and the Minister shall inform each producer and purchaser to whom such an amendment relates of that amendment.”

SCHEDULE 2

Regulation 16(2)

SCHEDULE TO BE INSERTED AFTER SCHEDULE 6 TO THE
PRINCIPAL REGULATIONS

"SCHEDULE 7

Regulation 9C

CONVERSION OF DIRECT SALES QUOTA AND WHOLESALE QUOTA

1. An applicant for the conversion of direct sales quota into wholesale quota or wholesale quota into direct sales quota in respect of a quota year shall submit his application to the Minister no later than a date to be determined by the Minister in respect of each quota year and published in the Gazette.

2. An application referred to in paragraph 1 shall, in respect of the quota year concerned—

- (a) state the quantity of direct sales quota which the applicant wishes to convert into wholesale quota, or the quantity of wholesale quota which he wishes to convert into direct sales quota, as the case may be. This quantity shall be equal to, or less than, that which the applicant has not used in that quota year,
- (b) provide such information as may reasonably be required to be provided in order to enable the Minister to assess the factors referred to in Article 6a of Council Regulation 857/84.

3.—(1) The quantity of dairy produce represented by any direct sales quota which is to be converted into wholesale quota by virtue of an application referred to in paragraph 1 shall be taken from the applicant's direct sales quota and added to the national direct sales reserve. An equivalent quantity shall be transferred from that reserve to the appropriate running regional wholesale reserve and allocated from that reserve to the applicant.

(2) The quantity of dairy produce represented by any wholesale quota which is to be converted into direct sales quota by virtue of such an application shall be taken from the applicant's wholesale quota and added to the appropriate running regional wholesale reserve. An equivalent quantity shall be transferred from that reserve to the national direct sales reserve and allocated from that reserve to the applicant.

4. The Minister shall amend the registers which he is required by Schedules 1, 2 and 3 to maintain so as to record any conversion of direct sales quota into wholesale quota or wholesale quota into direct sales quota by virtue of Article 6a of Council Regulation 857/84.

5. The cumulative quarterly wholesale quotas of any producer whose wholesale quota is increased by virtue of a conversion of direct sales quota into wholesale quota shall be adjusted so that they bear the same proportion to each other and to his annual wholesale quota as they bore before his wholesale quota was increased, or, in the case of a producer who is not a prior delivery producer for the purpose of paragraph 13(2)(d) of Schedule 2, as may be otherwise agreed by him and the Minister."

SCHEDULE 3

Regulation 16(3)

SCHEDULE TO BE INSERTED AFTER SCHEDULE 7 TO THE
PRINCIPAL REGULATIONS

"SCHEDULE 8

Regulation 9D

REALLOCATION OF UNUSED QUOTA

Direct sales quota

1. The Minister shall calculate—

- (a) to what extent, if at all, the quantity of dairy produce sold by direct sales from the holding of each direct seller falls short of, or exceeds, that direct seller's direct sales quota, and
- (b) the total of the amounts by which all those quantities which fall short of the appropriate direct seller's direct sales quotas do so.

2. The total amount referred to in paragraph 1(b) shall be reallocated among those direct sellers whose direct sales of dairy produce exceed their direct sales quotas in proportion to, and (so far as it is available) to the extent of, the quantity each such direct seller has sold in excess of his direct sales quota.

Wholesale quota

3. The Minister shall calculate, in respect of each region in which Formula A is implemented—

- (a) to what extent, if at all, the quantity of wholesale deliveries of dairy produce from each holding in that region falls short of, or exceeds, the wholesale quota of the producer in occupation of that holding, and
- (b) the total of the amounts by which all those quantities which fall short of the appropriate producers' wholesale quotas do so.

4. The total amount referred to in paragraph 3(b) shall be reallocated among those producers in that region whose deliveries of dairy produce exceed their wholesale quotas in proportion to and (so far as it is available) to the extent of, the quantity of dairy produce each such producer has sold in excess of his wholesale quota.

Purchaser quota

5. The Minister shall calculate, in respect of each region in which Formula B is implemented—

- (a) to what extent, if at all, the quantity of wholesale deliveries of dairy produce to each purchaser in that region falls short of, or exceeds, the purchaser quota of that purchaser, and
- (b) the total of the amounts by which all those quantities which fall short of the appropriate purchasers' quotas do so.

6. The total amount referred to in subparagraph 5(b) shall be reallocated among those purchasers in that region to whom wholesale deliveries of dairy produce exceed their purchaser quotas in proportion to, and (so far as it is available) to the extent of, the quantity of dairy produce each such purchaser has had delivered to him in excess of his purchaser quota.

Reallocation between regions

7. The Minister shall calculate—

- (a) to what extent, if at all, the total quantity of wholesale deliveries of dairy produce in each region falls short of, or exceeds, the appropriate regional wholesale quota after any reallocations under paragraphs 4 and 6 have been carried out, and
- (b) the total of the amounts by which all those quantities which fall short of the appropriate regional wholesale quota do so.

8. The total of the amounts referred to in subparagraph 7(b) shall be reallocated among those regions in which wholesale deliveries of dairy produce have exceeded the appropriate regional wholesale quota in proportion to, and (as far as it is available) to the extent of, the quantity by which wholesale deliveries of dairy produce in each such region have exceeded that region's regional wholesale quota.

9. Any quantity of dairy produce reallocated to a region by virtue of paragraph 9 shall be reallocated to producers or purchasers within that region in accordance with the provisions of paragraphs 4 or 6 as the case may be."

Final reallocation

10. The Minister shall calculate—

- (a) to what extent, if at all, the total quantity of dairy produce sold by direct sales or by wholesale delivery from each holding in respect of which there is both a direct sales quota and a wholesale quota exceeds the aggregate of the quotas of the producers in occupation of that holding after any reallocations under paragraphs 2 and 4 have been carried out, and
- (b) the total of the amounts referred to in subparagraph 7(b) which remains after any reallocations under paragraph 8 have been carried out.

11. The total referred to in subparagraph 10(b) shall be reallocated among those producers whose direct sales and wholesale deliveries of dairy produce exceed the aggregate of their quotas in proportion to and (so far as it is available) to the extent of, the quantity of dairy produce each such producer has sold in excess of the aggregate of his quota."

SCHEDULE 4

Regulation 16(4)

SCHEDULE TO BE INSERTED AFTER SCHEDULE 8 TO THE
PRINCIPAL REGULATIONS

"SCHEDULE 9

Regulation 9E

REMOTE AREAS WHOLESAL PROVISION

1.—(1) The Minister shall serve on each provisionally eligible producer a written notice requiring him, if he is a producer to whom Article 4(1)(c) of Council Regulation 857/84 (which deals with producers undertaking farming as their main occupation) applies, to deliver to the Minister at such address as may be specified in the notice and within such time (being not less than 21 days from the date when the Minister's notice is served) as may be specified in the notice written confirmation that he is such a producer, and any provisionally eligible producer who complies with that requirement shall be an eligible producer for the purposes of this Schedule.

(2) For the purpose of sub-paragraph (1) a "provisionally eligible producer" shall be a producer who has wholesale quota and whose holding or part of whose holding is, on a date to be determined by the Minister, within such remote area, or such part of a remote area, as has been identified by the Minister as an area or part of an area in relation to which there shall be a remote areas wholesale provision.

2.—(1) The Minister shall allocate any quantities of dairy produce in any remote areas wholesale provision to eligible producers in proportion to the wholesale quota of each such eligible producer.

(2) For the purpose of subparagraph (1) “wholesale quota” shall exclude any secondary wholesale quota awarded consequent upon a development claim and any wholesale quota allocated under paragraph 17A of Schedule 2 (development provision).

3. The cumulative quarterly wholesale quotas of any eligible producer to whom an allocation of wholesale quota is made under paragraph (1) shall be adjusted so that they bear the same proportion to each other and to his annual wholesale quota as they bore before that allocation, or, in the case of a producer who is not a prior delivery producer for the purpose of paragraph 13(2)(d) of Schedule 2, as may be otherwise agreed by him and the Minister.

4. Any unallocated part of a remote areas wholesale provision may be transferred back to the appropriate running regional wholesale reserve.

5. Where any remote areas wholesale provision is made or added to, the Minister shall by advertisement published in the Gazette announce—

- (a) the quantity of dairy produce in the remote areas wholesale provision,
- (b) the date determined by the Minister for the purposes of paragraph 1(2), and
- (c) the remote area, or the part of a remote area, identified by the Minister for the purposes of paragraph 1(2).

6. All registers required by Schedules 2 and 3 to be maintained by the Minister shall be amended so as to record the allocations referred to in this Schedule, and the Minister shall inform each producer and purchaser to whom such an amendment relates of that amendment.”.

Regulation 14(5)

SCHEDULE 5

SCHEDULE TO BE INSERTED AFTER SCHEDULE 9 TO THE
PRINCIPAL REGULATIONS

“SCHEDULE 10

Regulation 9F

REMOTE AREAS DIRECT SALES PROVISION

1. An applicant for an allocation of direct sales quota in any remote areas direct sale provision (who shall be a producer to whom Article 4(1)(c) of Council Regulation 857/84 (which deals with producers undertaking farming as their main occupation) applies) shall submit his application to the Minister no later than a date to be determined by the Minister and published in the Gazette.

2. An application referred to in paragraph 1 shall,

- (a) state the quantity of direct sales quota which the applicant wishes to have allocated to him, and
- (b) provide such information as may reasonably be required to be provided in order to enable the Minister to assess what quantity of dairy produce can reasonably be expected to be sold by direct sale by the applicant in the area in which his holding, or that part of his holding in relation to which the application is made, is situated.

3. The Minister shall determine what quantity of dairy produce can reasonably be expected to be sold by direct sale annually by each applicant in the area to which the remote areas direct sales provision relates.

4. The Minister shall allocate quantities of dairy produce in any remote areas direct sales provision among applicants in proportion to the quantities which the Minister has determined should be allocated to each applicant under paragraph 3.

5. Any unallocated part of a remote areas direct sales provision may be transferred back to the national direct sales reserve.

6. Where any remote areas direct sales provision is made or added to, the Minister shall by advertisement published in the Gazette announce—

- (a) the quantity of dairy produce in the remote areas direct sales provision, and
- (b) the remote area or the part of a remote area identified by the Minister for the purposes of subparagraph 2(b).

7. All registers required by Schedule 1 to be maintained by the Minister shall be amended so as to record any allocations under this Schedule, and the Minister shall inform each producer to whom such an amendment relates of that amendment.”.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These regulations amend the Dairy Produce Quota Regulations 1984 (“the principal regulations”). The principal amendments are as follows:—

1. Provision is made for the Minister to reallocate the national wholesale quota among regions by transferring quantities of dairy produce from one running regional wholesale reserve to another. Any such reallocation of wholesale quota must be announced in the Gazette and farming press (regulation 6 of these regulations and new paragraphs (13) and (14) of regulation 5 of the principal regulations).

2. The Minister is enabled to allocate quantities of dairy produce in the national direct sales reserve or any running regional wholesale reserve to producers who, by reason of a mistake made by the Minister or by a person acting on his behalf, have received no quota, or less quota, than they would have received if the mistake had not been made (regulation 8 of these regulations and new regulation 9A of the principal regulations).

3. The Minister is empowered to create and add to a small producer provision from quantities of dairy produce in the national direct sales reserve or any running regional wholesale reserve, and a new Schedule 6 has been added to the principal regulations which deals with the eligibility of producers for a share in any such provision and with the allocation of direct sales quota and wholesale quota in any such provision (regulation 8 of these regulations and new regulation 9B of the principal regulations).

4. Article 6a of Council Regulation (EEC) No. 857/84(a), which was inserted into that regulation by Article 1.3 of Council Regulation (EEC) 590/85(b), provides that producers who have both a direct sales quota and a

(a) O.J. No. L90, 1.4.84, p. 10.

(b) O.J. No. L68, 8.3.85, p. 1.

wholesale quota may, on request, obtain an increase in one of those quotas within a 12-month period to enable them to adapt to changes in their marketing requirements. The Article further provides that any such increase shall be subject to a reduction of the same amount in the other quota during the same 12-month period. A new Article 9C and the new Schedule 7 have been inserted into the principal regulations which deal with such conversions of quota (regulation 7 of these regulations).

5. Article 4a of Council Regulation (EEC) No. 857/84, which was inserted into that regulation by Article 1.1 of Council Regulation (EEC) No. 590/85, provides that Member States may, for the first quota year, reallocate quantities of quota which producers or purchasers have not used. A new Article 9D and a new Schedule 8 have been inserted into the principal regulations which provide that the Minister shall calculate unused quantities of quota for the year ending 31 March 1985, and provide how they shall be reallocated among purchasers and producers who would, without such reallocation, be liable to pay a levy, or more levy, under the Community legislation (regulation 8 of these regulations).

6. The Minister is enabled to create and add to a remote areas wholesale provision and a remote areas direct sales provision from quantities of dairy produce in the appropriate reserves. New Schedules 9 and 10 have been added to the principal regulations which deal with the allocation of quota in any such provisions (regulation 8 of these regulations and new regulations 9E and 9F of the principal regulations).

7. Regulation 18(1) of the principal regulations has been amended to the effect that the maximum fine on summary conviction for an offence under the regulations in Northern Ireland is now £2,000 instead of £1,000 (regulation 9 of these regulations).

8. Paragraph 13(4) of Schedule 1 to the principal regulations has been deleted so that any excess of the national direct sales quota over the aggregate of gross direct sales quotas shall be added to the national direct sales reserve under paragraph 16(1)(a) of Schedule 1 to the principal regulations (regulation 10 of these regulations).

9. The Minister is empowered to create and add to a direct sales supplementary provision from quantities of dairy produce in the national direct sales reserve. Quantities of dairy produce from any such provision will be allocated among direct sellers to the extent that their direct sales quotas have not already been allocated to them (regulation 11 of these regulations and new paragraph 17A of Schedule 1 to the principal regulations).

10. Where there has been a major change of occupation of a producer's holding and the transferee submits a statement to the Minister that the transferor and the transferee have agreed an apportionment of quota according to areas used for milk production as specified, paragraphs 19 of Schedules 1 and 2 provide that the Minister, subject to sub-paragraph (3) of those paragraphs, shall amend the registers which he is required by the regulations to maintain to give effect to that agreement. New sub-paragraphs 19(4A) have been inserted

into Schedules 1 and 2 to the principal regulations which provide that if the Minister reasonably considers that the proposed apportionment of quota would not be according to the areas used for milk production, he shall apportion the quota concerned according to the method described in sub-paragraph 19(4) instead of according to the proposed apportionment. Provision is also made for arbitration if the transferor or the transferee are not satisfied by the methods of apportionment so described (regulation 13 of these regulations).

11. A new paragraph 17(A) has been added to Schedule 2 to the principal regulations which enables the Minister to create and add to a development provision for quantities of dairy produce in any running regional wholesale reserve. Any such provision will be allocated so far as it is available among producers in respect of whom secondary wholesale quota has been determined consequent upon a development claim in proportion to and to the extent that that quota has not been allocated from the initial regional wholesale quota (regulation 14 of those regulations).

12. Two new paragraphs (3A and 3B) have been added to Schedule 3 to make it clear that where a producer's quota is increased or reduced in accordance with Community legislation or the principal regulations, the purchasers' quota of any purchaser affected by such conversion or reallocation shall be increased or reduced by the quantities of dairy produce applicable to him and increased or reduced thereunder.

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