EXPLANATORY NOTE

(This note is not part of the Regulations)

On 7th July 1994 in accordance with the Agriculture Act 1993 ("the Act") the Secretary of State for Scotland granted an application by the North of Scotland Milk Marketing Board ("the Board") for the approval of a scheme of reorganisation ("the approved scheme") which provides for the transfer under section 11 of the Act ("the transfer") of the Board's property, rights and liabilities on 1st November 1994. Certain assets in the form of shares pass to milk producers who were registered with the Board during the period 1st April 1993 to 31st March 1994.

As a result of the transfer, section 1 of the Act provides that the North of Scotland Milk Marketing Scheme (Approval) Order 1934 ("the marketing scheme"), which constitutes the Board, is also revoked with effect from 1st November 1994 although, under section 13 of the Act, the Board shall not be deemed to be dissolved by reason of the revocation but shall continue to exist in residual form and so much of the marketing scheme as relates to the winding up of the Board shall continue in force, subject to any regulations which may be made under section 14 of the Act.

These Regulations, which are made under section 14 of the Act and come into force on 1st November 1994, make provision for the purpose of giving effect to so much of the approved scheme as relates to the Board in the period after the transfer (including however the completion of certain of the Board's responsibilities under the marketing scheme (other than the buying and selling of milk) with respect to the period before the transfer), and make provision in relation to the constitution of the Board and for the purposes of enabling the Board to wind up its affairs. In accordance with that section the Regulations provide for certain provisions of the marketing scheme to continue to have effect, subject to certain modifications, and contain new provisions.

A compliance cost assessment has been prepared and copies can be obtained from the Scottish Office Agriculture and Fisheries Department, Pentland House, 47 Robb's Loan, Edinburgh EH14 1TW. A copy has been placed in the library of each House of Parliament.