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STATUTORY INSTRUMENTS

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**2003 No. 2261**

**AGRICULTURE**

**The Sheep Annual Premium and Suckler  
Cow Premium Quotas Regulations 2003**

*Made* - - - - *3rd September 2003*  
*Laid before Parliament* *3rd September 2003*  
*Coming into force* - - *1st October 2003*

The Secretary of State, being designated<sup>(1)</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>(2)</sup> in relation to the common agricultural policy of the European Community, in exercise of the powers conferred on her by that section, makes the following Regulations—

**Title and commencement**

1. These Regulations may be cited as the Sheep Annual Premium and Suckler Cow Premium Quotas Regulations 2003 and shall come into force on 1st October 2003.

**Interpretation**

2.—(1) In these Regulations—

“calendar year” means a period of twelve months ending on 31st December;

“Commission Regulation 2342/99” means Commission Regulation (EC) No. 2342/1999 laying down detailed rules for the application of Council Regulation (EC) No. 1254/1999 on the common organisation of the market in beef and veal as regards premium schemes<sup>(3)</sup>;

“Commission Regulation 2550/01” means Commission Regulation (EC) No. 2550/2001 laying down detailed rules for the application of Council Regulation (EC) No. 2529/2001 on the common organisation of the market in sheep meat and goat meat as regards premium schemes and amending Regulation (EC) No. 2419/2001<sup>(4)</sup>;

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(1) S.I. 1972/1811; the continued power of the Secretary of State to make regulations in relation to Scotland is confirmed by section 57(1) of the Scotland Act 1998 (c. 46), in relation to Wales by article 3(4) of S.I. 1999/2788 and in relation to Northern Ireland by article 3(2) of S.I. 2000/2812.

(2) 1972 c. 68. The function of the former Minister of Agriculture Fisheries and Food of making regulations under section 2(2) of this Act was transferred to the Secretary of State by the Ministry of Agriculture, Fisheries and Food (Dissolution) Order 2002 S.I. 2002/794.

(3) OJ No. L281, 4.11.99, p. 30, as last amended by Commission Regulation (EC) No. 2381/2002 (OJ No. L358, 31.12.02, p. 19).

(4) OJ No. L341, 22.12.2001, p. 105, as last amended by Commission Regulation (EC) No. 493/2003 (OJ No. L73, 19.3.2003, p. 5).

“the Community legislation” means Article 9 of Council Regulation 2529/01, Articles 6 and 8 of Council Regulation 1254/99, Articles 22 to 26 and so far as they relate to suckler cow premium, 31 and 32 of Commission Regulation 2342/99 and Articles 2 to 5, 10 to 12 and 14 of Commission Regulation 2550/01;

“Council Regulation 1254/99” means Council Regulation (EC) No. 1254/1999 on the common organisation of the market in beef and veal<sup>(5)</sup>;

“Council Regulation 2529/01” means Council Regulation (EC) No. 2529/2001 on the common organisation of the market in sheepmeat and goatmeat<sup>(6)</sup>;

“holding” has the same meaning as in—

- (a) Article 3(b) of Council Regulation 2529/01 in so far as these Regulations relate to sheep annual premium quota; and
- (b) Article 3(b) of Council Regulation 1254/99 in so far as these Regulations relate to suckler cow premium quota;

“lease” means—

- (a) a temporary transfer under Article 9(4) of Council Regulation 2529/01 in so far as these Regulations relate to sheep annual premium quota; and
- (b) a temporary transfer under Article 8(3) of Council Regulation 1254/99 in so far as these Regulations relate to suckler cow premium quota,

and “lessor” shall be construed accordingly;

“the Minister” means—

- (a) in relation to England, the Secretary of State;
- (b) in relation to Wales, the National Assembly for Wales;
- (c) in relation to Scotland, the Scottish Ministers; and
- (d) in relation to Northern Ireland, the Department of Agriculture and Rural Development;

“producer” has the same meaning as in—

- (a) Article 3(a) of Council Regulation 2529/01 in so far as these Regulations relate to sheep annual premium quota; and
- (b) Article 3(a) of Council Regulation 1254/99 in so far as these Regulations relate to suckler cow premium quota;

“quota” means sheep annual premium quota or as the case may be suckler cow premium quota;

“quota register” means the register prepared and maintained under regulation 13;

“scheme year” means any calendar year in respect of which sheep annual premium may be paid but also includes the period in relation to an application for premium in respect of a given calendar year which falls within the preceding calendar year;

“sensitive zones” means the sensitive zones specified in Schedule 1 and a reference to a numbered sensitive zone is a reference to the sensitive zone so numbered in that Schedule;

“sharefarming agreement” means a farming contract made between the owner of land (including a person entitled for a term of years certain or other limited estate) and a farmer with no legal interest or charge in or over the land concerned which does not constitute the parties partners or employer or employee but merely contracting parties whose liabilities remain separate, whose contributions are defined by the agreement between them, whose responsibility for planning and managing the farming enterprise is joint and whose rewards

(5) OJ No. L160, 20.6.99, p. 21, as last amended by Commission Regulation (EC) No. 806/2003 (OJ No. L122, 16.5.03, p. 1).

(6) OJ No. L341, 22.12.01, p. 3.

are an agreed share of the revenue of that enterprise; and any reference in these Regulations to a “sharefarmer” is a reference to any farmer such as specified above;

“sheep annual premium” means the premium granted under Article 4(1) of Council Regulation 2529/01 and any reference in these Regulations to the Sheep Annual Premium Scheme for a given scheme year is a reference to the arrangements adopted by the Minister for enabling sheep annual premium to be granted in respect of that scheme year;

“sheep annual premium quota” means the right to sheep annual premium subject to the individual ceiling referred to in Article 4(3) of Council Regulation 2529/01;

“the sheep annual premium quota national reserve” means the national reserve of sheep annual premium quota established under Article 10(1) of Council Regulation 2529/01;

“suckler cow premium” means the premium granted under Article 6(1) of Council Regulation 1254/99 and any reference in these Regulations to the Suckler Cow Premium Scheme for a given year is a reference to the arrangements adopted by the Minister for enabling suckler cow premium to be granted in respect of that year;

“suckler cow premium quota” means the right to suckler cow premium subject to the individual ceiling referred to in Article 6(3) of Council Regulation 1254/99;

“the suckler cow premium quota national reserve” means the national reserve of suckler cow premium quota established under Article 9(1) of Council Regulation 1254/99;

“the Suckler Cow Premium Regulations” means the Suckler Cow Premium Regulations 2001(7), the Suckler Cow Premium (Scotland) Regulations 2001(8) and the Suckler Cow Premium Regulations (Northern Ireland) 2001(9);

“transfer”, in relation to quota means—

- (a) a transfer of sheep annual premium quota under Article 9(1) of Council Regulation 2529/01 in so far as these Regulations relate to such quota; and
- (b) a transfer of suckler cow premium quota under Article 8(1) of Council Regulation 1254/99 in so far as these Regulations relate to such quota,

but does not include a lease, and “transferor” shall be construed accordingly.

(2) Any reference in these Regulations to a Community instrument is a reference to that instrument as amended on the date these Regulations are made.

(3) In so far as these Regulations relate to sheep annual premium quota, any reference in them to—

- (a) the national reserve is a reference to the sheep annual premium quota national reserve; and
- (b) the national reserve for a given year is a reference to the sheep annual premium quota national reserve for any given scheme year, in so far as it comprises—
  - (i) any sheep annual premium quota which has been added to that or any previous national reserve in accordance with regulation 10(1),
  - (ii) any sheep annual premium quota which has been added to that or any previous national reserve in accordance with regulation 10(2),
  - (iii) any sheep annual premium quota carried forward from the national reserve for the previous year in accordance with regulation 12(5).

(4) In so far as these Regulations relate to suckler cow premium quota, any reference in them to—

- (a) the national reserve is a reference to the suckler cow premium quota national reserve; and

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(7) S.I. 2001/1370.

(8) S.S.I. 2001/225.

(9) S.R. (N.I.) 2001/362.

- (b) the national reserve for a given year is a reference to the suckler cow premium quota national reserve for any given calendar year later than 1997 in so far as it comprises—
  - (i) any suckler cow premium quota which has been added to that or any previous national reserve in accordance with regulation 10(1),
  - (ii) any suckler cow premium quota which has been added to that or any previous national reserve in accordance with regulation 10(2),
  - (iii) any suckler cow premium quota carried forward from the national reserve for the previous year in accordance with regulation 12(5).

### **Location of holdings**

**3.—(1)** The location of a producer's holding in any given scheme year, or as the case may be, calendar year shall be that determined as at 15th May in that year.

- (2) Where a producer's holding is not situated entirely in a single sensitive zone, then—
  - (a) where the holding concerned is situated in two sensitive zones, it shall be treated for the purposes of these Regulations as being located in whichever of those sensitive zones contains the greater part of the agricultural area utilised for farming on that holding; and
  - (b) where the holding concerned is situated in at least 3 sensitive zones, the sensitive zone in which it shall be treated as being located for the purposes of these Regulations is as follows—
    - (i) if the holding is situated entirely in Great Britain, then—
      - (aa) if the greater part of the agricultural area utilised for farming on that holding is situated within the land comprising sensitive zones 1 to 4, it shall be treated for the purposes of these Regulations as being located in whichever of those sensitive zones contains the largest single part of the holding, and
      - (bb) if the greater part of the agricultural area utilised for farming on that holding is situated in sensitive zone 5, it shall be treated for the purposes of these Regulations as being located in that zone, and
    - (ii) if any part of that holding is situated in sensitive zone 6, then—
      - (aa) if the greater part of the agricultural area utilised for farming on the holding concerned is situated in that zone, it shall be treated for the purposes of these Regulations as being located in the said zone, and
      - (bb) if the greater part of the agricultural area utilised for farming on the holding concerned is situated in Great Britain—
        - (aaa) where the majority of the holding is situated within the land comprising sensitive zones 1 to 4 and that part of sensitive zone 6 which is disadvantaged land or severely disadvantaged land, that holding shall be treated for the purposes of these Regulations as being located in whichever of those sensitive zones contains the largest single part of the holding, and
        - (bbb) where the majority of the holding is situated within the land comprising sensitive zone 5 and that part of sensitive zone 6 which is not disadvantaged land or severely disadvantaged land, that holding shall be treated for the purposes of these Regulations as being located in whichever of those sensitive zones contains the largest single part of the holding.

(3) Where a producer's holding is located in sensitive zone 5, or is to be treated by virtue of paragraph (2) as so located, and the parts of the holding in sensitive zone 5 are not situated entirely within England, Wales or Scotland, the holding shall be treated for the purposes of these Regulations

as being located in whichever of those countries contains the greatest part of the agricultural area utilised for farming on the holding that is within sensitive zone 5.

(4) In this regulation—

- (a) “agricultural area utilised for farming” has the same meaning as in Article 5(b) of Council Regulation (EEC) No. 571/88 on the organization of Community surveys on the structure of agricultural holdings between 1988 and 1997<sup>(10)</sup>;
- (b) “disadvantaged land” and “severely disadvantaged land” have the same meanings as in regulation 2(1) of the Hill Livestock (Compensatory Allowances) Regulations (Northern Ireland) 1996<sup>(11)</sup>.

#### **Transfer or lease of quota: notification**

4.—(1) The notification of a transfer or lease of quota as required by Article 12(2) of Commission Regulation 2550/01 or as the case may be Article 24(2) of Commission Regulation 2342/99 shall be made to the Minister with responsibility for the part of the United Kingdom in which the transferor’s holding is located in that scheme year or as the case may be calendar year, in such form as the Minister may determine.

(2) The deadline for notifying a transfer or lease of sheep annual premium quota in respect of a scheme year shall be, in relation to any holding located in Northern Ireland, on 2nd January in that year and, in relation to any other holding, on 4th February in that year.

(3) The deadline for notifying a transfer or lease of suckler cow premium quota in respect of a given calendar year shall be—

- (a) if the producer receiving the quota under the transfer or lease submits a suckler cow premium application for that year by the end of the period specified in regulation 4(2) of the Suckler Cow Premium Regulations for submitting such an application, the date of lodgement of that application; or
- (b) if no such application is submitted by that date by that producer, the end of the period so specified.

(4) Notification of a transfer or lease of suckler cow premium quota in respect of a given calendar year may be made from such date prior to the deadline for that notification, as specified in paragraph (3), as the Minister may reasonably determine.

(5) Notification of a transfer or lease of sheep annual premium quota in respect of a given scheme year may be made from such date prior to the deadline for that notification, as specified in paragraph (2) as the Minister may reasonably determine.

(6) Nothing in this regulation shall prevent quota from being transferred through an inheritance at any time, but—

- (a) in the case of suckler cow premium quota, the beneficiary may not (except where, in relation to a particular calendar year, the transfer takes place by the deadline specified in paragraph (3)) use the quota concerned to claim suckler cow premium until the quota has been transferred to him; and
- (b) in the case of sheep annual premium quota, the beneficiary may not (except where, in relation to a particular calendar year, the transfer takes place by the deadline specified in paragraph (2)) use the quota concerned to claim sheep annual premium until the quota has been transferred to him.

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<sup>(10)</sup> OJ No. L56, 2.3.88 p. 1, as last amended by Council Regulation (EC) No. 143/2002 (OJ No. L24, 26.1.02, p. 16).

<sup>(11)</sup> S.R. (N.I.)1996 No.230, as amended by S.R. (N.I.)1997 No. 13.

### **Transfer or lease of quota: other provisions**

5. Where a producer transfers quota without transferring his holding, the part of the quota surrendered to the national reserve under Article 9(2) of Council Regulation 2529/01 or Article 8(1) of Council Regulation 1245/99 shall be 15%.

### **Transfer of quota with holding**

6.—(1) For the purposes of regulation 5(1), a producer shall be taken to have transferred quota without transferring his holding if he has not transferred the quota in question together with his holding within the meaning of this regulation.

(2) A producer shall be regarded as transferring suckler cow premium quota together with his holding only if the circumstances specified in any of Case A, Case B or Case C set out in Part I of Schedule 2 apply.

(3) A producer shall be regarded as transferring sheep annual premium quota together with his holding only if the circumstances specified in any of Case A, Case B or Case C set out in Part II of Schedule 2 apply.

(4) For the purposes of paragraphs (2) and (3), if the Minister is not satisfied that the recipient of the quota has already taken over the transferor's holding, the transfer of quota shall be deemed to be a transfer without a corresponding transfer of a holding.

### **Sensitive zones**

7.—(1) Quota that is allocated to a producer from the national reserve for a given year shall be regarded as belonging to the sensitive zone which the producer has in his application for the allocation concerned indicated as being the one in which his holding is to be situated in that year.

(2) A producer shall not (except in accordance with regulation 8) acquire by transfer or lease in any scheme year, or as the case may be, calendar year quota which does not belong to the sensitive zone in which his holding is located in the scheme year, or as the case may be, calendar year concerned.

(3) A producer shall not receive sheep annual premium or suckler cow premium in respect of any scheme year, or as the case may be, calendar year in reliance on quota that does not belong to the sensitive zone in which his holding is located in that year.

### **Transfers and leases between sensitive zones**

8.—(1) A producer whose holding is in any given scheme year, or as the case may be, calendar year located in one of sensitive zones 1 to 4 may in that year transfer or lease quota belonging to that zone to any producer whose holding is in that year located in sensitive zone 5 only if—

- (a) the transferor or lessor is participating in a qualifying environmental scheme that involves extensification of livestock production;
- (b) he cannot fully use his quota without exceeding the maximum stocking level permitted under that scheme; and
- (c) the amount of quota transferred or leased does not exceed the amount by which his quota exceeds the maximum stocking level permitted under the scheme.

(2) Quota that is transferred to a producer by virtue of paragraph (1) shall be regarded as belonging to sensitive zone 5.

(3) In paragraph (1), “qualifying environmental scheme” means—

- (a) the aid scheme introduced by Council Regulation (EEC) No. 2078/92 on agriculture production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside<sup>(12)</sup>; or
- (b) an experimental scheme made under section 4(1) of the Countryside Act 1968<sup>(13)</sup>.

### **Division of national reserves**

9. The national reserve for a given year shall be divided into 6 divisions, consisting of a division corresponding with each sensitive zone.

### **Distribution of quota among divisions**

10.—(1) Quota that falls to be surrendered to the national reserve for a given year under Article 9(2) of Council Regulation 2529/01 or Article 8(1) of Council Regulation 1254/99 (in each case as read with regulation 5(1)) following the notification of its transfer as required by Article 12(2) of Commission Regulation 2550/01 or as the case may be Article 24(2) of Commission Regulation 2342/99 (in each case read with regulation 4) shall be added to the division of the national reserve for the immediately following year which corresponds with the sensitive zone in which the transferor's holding was located in the scheme year or as the case may be calendar year in respect of which the notification was required.

(2) Quota that falls to be withdrawn from a producer or transferred to the national reserve following the application of Article 9(2) of Council Regulation 2529/01 or Article 9(2) of Council Regulation 1254/99 in respect of a scheme year or as the case may be calendar year shall be added to the division of the national reserve for the immediately following year which corresponds with the sensitive zone in which the producer's holding was located in the scheme year or as the case may be calendar year in respect of which Article 9(2) of either Council Regulation 2529/01 or Council Regulation 1254/99 was applied.

### **Sheep Quota Purchase Scheme**

11.—(1) For the purpose of this regulation—

- (a) "Sheep Quota Purchase Scheme" means the scheme operated by the Secretary of State to buy back sheep annual premium offered by a producer; and
- (b) "Sheep Quota Purchase Scheme Agreement" means an agreement between a producer and the Secretary of State, following a successful application to surrender quota by a producer under the Sheep Purchase Quota Scheme, to buy back sheep annual premium quota offered by the producer.

(2) Any quota acquired by the Secretary of State through the Sheep Quota Purchase Scheme and added to the national reserve in accordance with regulation 10(2) may be allocated by the Secretary of State in accordance with regulation 12.

(3) Any person who surrendered quota through the Sheep Quota Purchase Scheme shall not acquire additional quota, by any means, unless they have acquired land by purchase or tenancy or the Secretary of State is satisfied they have acquired land under written agreement for exclusive occupation for a defined period of time, which is in addition to the land that formed part of his holding at the date of the Sheep Quota Purchase Scheme Agreement.

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<sup>(12)</sup> OJ No. L215, 30.7.92, p. 85 as repealed by Council Regulation (EC) No. 1257/99.

<sup>(13)</sup> 1968 c. 41; section 4(1) was inserted by section 40 of the Wildlife and Countryside Act 1981 (1981 c. 69) and has been amended by section 130 of and paragraph 2(4) of Schedule 8 to the Environmental Protection Act 1990 (1990 c. 43) and paragraph 8 (1) of Schedule 10 to the Environment Act 1995 (1995 c. 25) and S.I. 1999/416.

### **Allocations of quota from the national reserve**

12.—(1) There shall be 6 categories of person (as specified in Part I of Schedule 3, of which category III and category VI are divided into 2 groups) eligible to be allocated quota from the national reserve for a given year.

(2) Any reference in these Regulations to a numbered category is a reference to the corresponding category of person specified in Part I of Schedule 3.

(3) Where a person who considers that he falls within any of the categories of person specified in Part I of Schedule 3 wishes to be allocated quota from the national reserve for a given year he may, subject to paragraph (14), apply for such an allocation to be made to him to the Minister with responsibility for the part of the United Kingdom in which his holding is located in that year or, if he does not possess a holding, to the Minister with responsibility for the part of the United Kingdom in which he intends his holding to be located in that year, in such form and by such date as that Minister may from time to time direct.

(4) Where a person has made a successful application for an allocation of quota from the national reserve for a given year in accordance with paragraph (3), the Minister to whom the application was made shall—

- (a) subject to paragraph (8); and
- (b) to the extent that such quota is available under paragraphs (6) and (9),

allocate to the person concerned the amount of quota of the corresponding kind which is specified in Schedule 4 from the division of that national reserve corresponding with the sensitive zone in which his holding is located in that year or (if he does not possess a holding) the sensitive zone in which he intends his holding to be located in that year.

(5) Where quota remains in a division of the national reserve for a given year after allocations of quota from that division have been made to all successful applicants, the Minister with responsibility for the part of the United Kingdom in which the sensitive zone corresponding with that division is situated shall direct that—

- (a) some of the remaining quota be transferred to such other divisions of that national reserve as he may determine and that the rest of that quota be carried forward for distribution from the corresponding division of the national reserve for the following year;
- (b) all of the remaining quota be transferred to such other divisions of that national reserve as he may determine; or
- (c) all of that quota be carried forward for distribution from the corresponding division of the national reserve for the following year.

(6) Within each division of the national reserve for a given year the Minister with responsibility for the part of the United Kingdom in which the sensitive zone corresponding with that division is situated shall make allocations of quota category by category, beginning with the first category of person specified in Part I of Schedule 3 until all available quota in that division is exhausted.

(7) Within categories III and VI, group (a) shall rank equally with group (b) in each case.

(8) Where any person (other than one falling within category I) who has made a successful application for an allocation of quota from the national reserve for a given year in accordance with paragraph (3) has acquired quota of the corresponding kind by transfer between the date the factors establishing his eligibility for the allocation came into being and the date the allocation falls to be made, the quota so acquired shall be deducted from that allocation.

(9) If there is insufficient quota within a division of the national reserve for a given year to enable all successful applications for allocations of quota from it by those persons falling within a particular category of person specified in Part I of Schedule 3 to be met, the Minister with responsibility for the part of the United Kingdom in which the sensitive zone corresponding with that division is situated shall in the light of the quota available to fund those allocations reduce the amount of quota allocated



to those persons in such a way that they each receive the same proportion of the quota to which they would otherwise be entitled under Schedule 4.

(10) A person falls within category II only if the condition specified in Part II of Schedule 3 is satisfied in his case.

(11) A person falls within category III, group (b), or category IV only if the conditions specified in Part III of Schedule 3 are satisfied in his case.

(12) Where any category of person specified in Part I of Schedule 3 is divided into 2 groups, a person shall be eligible for an allocation of quota from the national reserve for a given year in respect of only one of those groups and shall specify in any application under any such category the particular group in respect of which he wishes the allocation to be made.

(13) A person shall, subject to paragraph (15), be eligible for an allocation of quota from the national reserve for a given year in respect of each category of person specified in Part I of Schedule 3 into which he falls.

(14) A person who in the 2003 scheme year fell within category III group (b), category IV or category VI group (a) of the sheep annual premium quota natural reserve, but was not allocated quota from the national reserve for the 2003 scheme year in respect of that category, shall be entitled to apply for an allocation of quota from the national reserve for 2004 in respect of that category.

(15) A person (other than one falling within category II) who has made a successful application for an allocation of quota from the national reserve for a given year in accordance with paragraph (3), shall not apply for an allocation of quota in accordance with that paragraph from the national reserve for any subsequent year in reliance on any factor which rendered the first-mentioned application successful.

(16) Schedule 5 shall have effect for determining when allocations of quota from the national reserve for a given year become effective and when they shall be regarded as having been obtained for the purposes of Commission Regulations 2550/01 and 2342/99.

(17) The Minister to whom an application for an allocation of quota from the national reserve for a given year is made in accordance with paragraph (3) may by notice to the applicant direct him to provide by such date as is specified in the notice such further information as that Minister may consider relevant for the purpose of determining the application.

(18) For the avoidance of doubt, a successful application for an allocation of quota for the purposes of paragraph (15) includes the case where the allocation concerned has been reduced in accordance with paragraph (9).

### **Quota register**

**13.—**(1) The Minister with responsibility for the part of the United Kingdom in which a producer's holding is located shall prepare and maintain a register containing an entry for each such producer who has quota.

(2) The entry for each producer shall include—

- (a) his name;
- (b) his address;
- (c) his holding number;
- (d) his producer identification number;
- (e) an indication of the sensitive zone to which his quota belongs;
- (f) a statement of the amount of his quota;
- (g) a statement of the amount of any of that quota that he has leased to other producers, together with the expiry dates of any such leases; and

- (h) the amount of any additional quota that he holds under leases from other producers, together with the expiry dates of any such leases.

### **Copies of quota register entries**

**14.**—(1) Any producer, any person acting on behalf of a producer who wishes to transfer or lease quota or any person who has entered into a financial arrangement with a producer in reliance on an expectation of the producer's continuing right to receive sheep annual premium or suckler cow premium may make a request to the Minister in such form as the Minister may from time to time direct for a copy of the entry in the quota register relating to that producer.

(2) The Minister shall inform the producer of any request under paragraph (1) made by a person who has entered into any financial arrangement with that producer such as is specified in that paragraph.

(3) After taking into account any representations made by the person making the request the Minister shall decide whether to comply with it.

### **Verification of applications for allocations of quota from a particular national reserve**

**15.**—(1) For the purpose of verifying an application for an allocation of quota from the national reserve for a given year any duly authorised officer of the Secretary of State (in the case of an application made in England), of the National Assembly for Wales (in the case of an application made in Wales), of the Scottish Ministers (in the case of an application made in Scotland) or of the Department of Agriculture and Rural Development (in the case of an application made in Northern Ireland) shall (on producing if so required some duly authenticated document showing his authority) have the following powers—

- (a) at any reasonable time to enter any land other than land used only as a dwelling; and
- (b) (to such extent as is reasonable) to require the production of, to inspect, to take copies of and to detain any record (in whatever form) relevant to the application.

(2) Any duly authorised person who enters premises by virtue of paragraph (1)(a) may take with him such other persons as he considers necessary.

### **Offences and penalties**

**16.**—(1) Any person who, in connection with these Regulations or the Community legislation, makes a statement or uses a document which he knows to be false in a material particular, or recklessly makes a statement or uses a document which is false in a material particular, shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(2) Any person who intentionally obstructs any officer such as is specified in paragraph (1) of regulation 15 in the exercise of his powers under that regulation shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

### **Transitional measures**

**17.** Reference in these regulations to the sheep annual premium quotas national reserve and the suckler cow premium quotas national reserve for a given scheme year, or as the case may be, calendar year includes a reference to sheep annual premium quota and suckler cow premium quota carried forward in accordance with The Sheep Annual Premium and Suckler Cow Premium Quotas Regulations 1997<sup>(14)</sup>.

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(14) S.I. 1997/2844.

**Revocation**

18. The Sheep Annual Premium and Suckler Cow Premium Quotas Regulations 1997 are revoked.

3rd September 2003

*Alun Michael*  
Minister of State  
Department for Environment, Food and Rural  
Affairs

SCHEDULE 1

Regulation 2(1)

SENSITIVE ZONES

**Less-favoured farming areas in England**

1. The areas of England that are disadvantaged land or severely disadvantaged land.

**Less-favoured farming areas in Wales**

2. The areas of Wales that are disadvantaged land or severely disadvantaged land.

**Less-favoured farming areas in the Scottish Highlands and Islands**

3. The areas of Scotland that are disadvantaged land or severely disadvantaged land and that are within the areas of operation of the Highlands and Islands Enterprise designated by or under section 21 of the Enterprise and New Towns (Scotland) Act 1990<sup>(15)</sup>.

**Other less-favoured farming areas in Scotland**

4. The areas of Scotland that are disadvantaged land or severely disadvantaged land and that are not within sensitive zone 3.

**The rest of Great Britain**

5. The areas of Great Britain that are not within sensitive zones 1 to 4.

**Northern Ireland**

6. The whole Province.

In this Schedule, “disadvantaged land” and “severely disadvantaged land” have the same meanings as in regulation 2(1) of the Hill Livestock (Compensatory Allowances) Regulations 1999<sup>(16)</sup>.

SCHEDULE 2

Regulation 6(2) and (3)

PART I

CASES IN WHICH SUCKLER COW PREMIUM QUOTA SHALL BE  
TAKEN TO BE TRANSFERRED TOGETHER WITH THE HOLDING

**Case A**

Where—

- (a) the holding is transferred—
  - (i) during a period within which a notification of a transfer of suckler cow premium quota may be made in respect of a given calendar year pursuant to regulation 4,

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<sup>(15)</sup> 1990 c. 35.

<sup>(16)</sup> S.I. 1999/3316.

- (ii) at least 4 weeks before the expiry of the deadline for submitting a claim for suckler cow premium in respect of that calendar year, and
  - (iii) before the transferee submits an application for suckler cow premium in respect of that calendar year; and
- (b) the suckler cow premium quota concerned is transferred during the period referred to in paragraph (a)(i) above.

#### **Case B**

Where—

- (a) the holding is transferred—
  - (i) during a period within which a notification of a transfer of suckler cow premium quota may be made in respect of a given calendar year pursuant to regulation 4, but
  - (ii) either after the transferee has submitted a claim for suckler cow premium in respect of the calendar year in question or less than 4 weeks before the expiry of the deadline for submitting such a claim; and
- (b) the suckler cow premium quota concerned is transferred before the transferee submits a claim for suckler cow premium in respect of the following calendar year.

#### **Case C**

Where—

- (a) the holding is transferred outside any period within which a notification of a transfer of suckler cow premium quota may be made in respect of a given calendar year pursuant to regulation 4; and
- (b) the suckler cow premium quota concerned is transferred before the transferee submits a claim for suckler cow premium in respect of the following calendar year.

## **PART II**

### **CASES IN WHICH SHEEP ANNUAL PREMIUM QUOTA SHALL BE TAKEN TO BE TRANSFERRED TOGETHER WITH THE HOLDING**

#### **Case A**

Where—

- (a) the holding is transferred—
  - (i) during a period within which a notification of a transfer of sheep annual premium quota may be made in respect of a given scheme year,
  - (ii) at least 4 weeks before the expiry of the deadline for submitting a claim for sheep annual premium in respect of that scheme year; and
  - (iii) before the transferee submits a claim for sheep annual premium in respect of that scheme year; and
- (b) the sheep annual premium quota concerned is transferred during the period referred to in paragraph (a)(i) above.

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## **Case B**

Where—

- (a) the holding is transferred—
  - (i) during a period within which a notification of a transfer of sheep annual premium quota may be made in respect of a given scheme year, but
  - (ii) either after the transferee has submitted a claim for sheep annual premium in respect of the scheme year in question or less than 4 weeks before the expiry of the deadline for submitting such a claim; and
- (b) the sheep annual premium quota concerned is transferred before the end of the next period within which a notification of a transfer of sheep annual premium quota may be made in respect of a given scheme year pursuant to regulation 4.

## **Case C**

Where—

- (a) the holding is transferred outside any period within which a notification of a transfer of sheep annual premium quota may be made in respect of a given scheme year, and
- (b) the sheep annual premium quota concerned is transferred before the end of the next such period.

In this Schedule, “transferee” means the person to whom the holding and quota concerned are being transferred.

## SCHEDULE 3

Regulations 12(1), (2), (3), (6), (9),(10),  
(11), (12) and (13)

## PART I

### CATEGORIES OF PERSON ELIGIBLE TO BE ALLOCATED QUOTA FROM THE NATIONAL RESERVE FOR A GIVEN YEAR

#### **CATEGORY I**

- (1) Any producer who—
  - (a) in the relevant year participated in—
    - (i) the Countryside Stewardship Scheme (in England); or
    - (ii) Tir Cymen (in Wales),(established in each case under section 4(1) of the Countryside Act 1968);
  - (b) because of his participation in the relevant scheme specified in sub-paragraph (a) of this paragraph was required to reduce in (or in a period including) the relevant year the number of sheep or as the case may be suckler cows kept by him; and
  - (c) can demonstrate that at the time he makes his application for an allocation of quota from the national reserve for a given year—
    - (i) his participation in the relevant scheme specified in sub-paragraph (a) of this paragraph has ended, or

- (ii) he is irrevocably committed to ending his participation in the relevant scheme specified in sub-paragraph (a) of this paragraph before the close of the application period for the Sheep Annual Premium Scheme or as the case may be Suckler Cow Premium Scheme for the year corresponding with that given year.
- (2) Any producer who—
- (a) in the relevant year was a party to—
    - (i) any Wildlife Enhancement Scheme management agreement entered into under section 15 of the Countryside Act 1968(17),
    - (ii) any management agreement concerning a Site of Special Scientific Interest entered into under the said section 15,
    - (iii) any management agreement concerning land adjacent to a Site of Special Scientific Interest entered into under the said section 15,
    - (iv) any management agreement concerning a National Nature Reserve entered into under section 16 of the National Parks and Access to the Countryside Act 1949(18),
    - (v) any management agreement made under section 39 of the Wildlife and Countryside Act 1981(19) or section 49A of the Countryside (Scotland) Act 1967(20);
  - (b) by virtue of his being bound by the relevant agreement specified in sub-paragraph (a) of this paragraph was required to reduce in (or in a period including) the relevant year the number of sheep or as the case may be suckler cows kept by him; and
  - (c) can demonstrate that at the time he makes his application for an allocation of quota from the national reserve for a given year—
    - (i) he has ceased to be a party to the relevant agreement specified in sub-paragraph (a) of this paragraph, or
    - (ii) he is irrevocably committed to ending his participation in the relevant agreement specified in sub-paragraph (a) of this paragraph before the close of the application period for the Sheep Annual Premium Scheme or as the case may be Suckler Cow Premium Scheme for the year corresponding with that given year.

In this category “relevant year” means, in the case of a sheep producer, the 1991 marketing year and, in the case of a suckler cow producer, the 1992 calendar year; and “marketing year” means a marketing year as defined in Article 3(3) of Council Regulation 3013/89 on the common organisation of the market in sheepmeat and goatmeat(21).

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(17) 1968 c. 41; section 15 was amended by section 1 of and paragraph 9 to Schedule 1 to the Nature Conservancy Council Act 1973 (1973 c. 54), sections 72(8) and 73 and Schedule 17 to the Wildlife and Countryside Act 1981 (1981 c. 69), sections 132(1) and 162(2) of and paragraph 4(2) of Schedule 9, and Schedule 16, to the Environmental Protection Act 1990 (1990 c. 43) and section 4(10) of and paragraph 3 of Schedule 2 to the Natural Heritage (Scotland) Act 1991 (1991 c. 28) and sections 73(4) and 75(3) and paragraph 1(c)(i) of Schedule 8 of the Countryside and Rights of Way Act 2000 (2000 c. 37) and paragraphs 29(1) and (2) of Part I of Schedule 12 of the Abolition of Feudal Tenure etc (Scotland) Act 2000. (2000 asp 5).

(18) 1949 c. 97; section 16 was amended by section 1(1)(b) of and paragraph 1 of Schedule 1 to the Nature Conservancy Council Act 1973 (1973 c. 54) and section 4(6) of and paragraph 1(3) of Schedule 2 to the Natural Heritage (Scotland) Act 1991 (1991 c. 28).

(19) 1981 c. 69; section 39 was amended by sections 7 and 102 of and paragraph 7(3) of Schedule 17, to the Local Government Act 1985 (1985 c. 51) and section 120 of and Schedule 24 to the Environment Act 1995 (c. 25) and section 2(5) of and paragraph 31(2) of Part I of Schedule 3 to the Norfolk and Suffolk Broads Act 1998 (1998 c. 4) and sections 96(a) and (b) and 102 and Part IV of Schedule 16 of the Countryside and Rights of Way Act 2000 (2000 c. 37).

(20) 1967 c. 86; section 49A was inserted by section 9 of the Countryside (Scotland) Act 1981 (1981 c. 44) and amended by paragraph 4(3) of Schedule 10 to the Natural Heritage (Scotland) Act 1991 (1991 c. 28), and section 76 of and paragraph 28(6) of Schedule 12 to the Abolition of Feudal Tenure (Scotland) Act 2000 (2000 asp5).

(21) OJ No. L289, 7.10.99, p. 1.

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## CATEGORY II

Any producer who can demonstrate that at the time he makes his application for an allocation of quota from the national reserve for a given year—

- (a) he has in any capacity taken over any part of any land from which any amount of quota of the corresponding kind acquired under the Community legislation other than by way of lease or transfer has been removed by a departing tenant or sharefarmer whose tenancy or sharefarming agreement was made before 1st January 1993; or
- (b) he has irrevocably committed himself to taking over any such part by the close of the application period for the Sheep Annual Premium Scheme or as the case may be Suckler Cow Premium Scheme for the year corresponding with that given year.

## CATEGORY III, GROUP (a)

Any person who at the time he makes his application for an allocation of quota from the national reserve for a given year can demonstrate that—

- (a) he has become a producer or (already being a producer) he has increased the size of his existing flock or as the case may be herd in consequence of his reverting from arable to livestock farming by virtue of his—
  - (i) making any Environmentally Sensitive Area Scheme agreement under section 18 of the Agriculture Act 1986<sup>(22)</sup> or article 3 of the Agriculture (Environmental Areas) (Northern Ireland) Order 1987<sup>(23)</sup>,
  - (ii) entering into any Nitrate Sensitive Area agreement under section 112 of the Water Act 1989<sup>(24)</sup> or section 31B of the Control of Pollution Act 1974,<sup>(25)</sup>
  - (iii) participating in the Countryside Stewardship Scheme in England or Tir Cymen in Wales (established in each case under section 4(1) of the Countryside Act 1968),
  - (iv) entering into any Wildlife Enhancement Scheme management agreement under section 15 of the Countryside Act 1968,
  - (v) entering into any management agreement concerning a Site of Special Scientific Interest under the said section 15,
  - (vi) entering into any management agreement concerning land adjacent to a Site of Special Scientific Interest under the said section 15,
  - (vii) entering into any management agreement concerning a National Nature Reserve under section 16 of the National Parks and Access to the Countryside Act 1949, or
  - (viii) making or as the case may be entering into any management agreement under section 39 of the Wildlife and Countryside Act 1981, section 49A of the Countryside (Scotland) Act 1967 or article 9 of the Nature (Conservation and Amenity Lands) (Northern Ireland) Order 1985<sup>(26)</sup>,

(22) 1986 c. 49; section 18 was amended by section 132 of and paragraph 13 of Schedule 9 to the Environmental Protection Act 1990 (1990 c. 43), section 27 and paragraph 12 of Schedule 10 to the Natural Heritage (Scotland) Act 1991 (1991 c. 28), paragraph 45 of Schedule 11 to the Agricultural Holdings (Scotland) Act 1991 (1991 c. 55) and section 73(4) and paragraph 19(j) of Schedule 8 of the Countryside and Rights of Way Act 2000 (2000 c. 37) and S.I.1994/249, S.I. 1997/1457, S.I. 1999/416 and S.I. 2002/794.

(23) S.I. 1987/458 (N.I.3).

(24) 1989 c. 15; section 112 was repealed by section 3(1) of and Part I of Schedule 3 to the Water Consolidation (Consequential Provisions) Act 1991 (1991 c. 60).

(25) 1974 c. 40; section 31B was inserted by section 169 and Schedule 23 to the Water Act 1989 (1989 c. 15) and amended by section 88(1) and paragraph 39 of Schedule 11 of the Agricultural Holdings (Scotland) Act 1991 (1991 c. 55) and section 106 and paragraph 5 to Schedule 16 of the Environment Act 1995 (1995 c. 25).

(26) S.I. 1985/170 (N.I.1), amended by S.I. 1989/492 (N.I.3).



- (ix) undertaking to comply with the requirements of a Nitrate Sensitive Area Scheme established under the Nitrate Sensitive Area Regulations 1994(27),
  - (x) undertaking to comply with the management obligations of a Habitat Scheme established under the Habitat (Water Fringe) Regulations 1994(28), the Habitat (Salt-Marsh) Regulations 1994(29), the Habitats (Scotland) Regulations 1994(30), the Habitat (Broadleaved Woodland) (Wales) Regulations 1994(31), the Habitat (Water Fringe) (Wales) Regulations 1994(32), the Habitat (Coastal Belt) (Wales) Regulations 1994(33) or the Habitat (Species-Rich Grassland) (Wales) Regulations 1994(34), or
  - (xi) participating in a development project or scheme established under section 5 of the Natural Heritage (Scotland) Act 1991(35); or
- (b) he has irrevocably committed himself to becoming a producer or (already being a producer) to increasing the size of his existing flock or as the case may be herd by the close of the application period for the Sheep Annual Premium Scheme or as the case may be Suckler Cow Premium Scheme for the year corresponding with that given year in consequence of his reverting from arable to livestock farming by virtue of his taking the said action or participating in any such project or scheme.

### **CATEGORY III, GROUP (b)**

Any young natural person—

- (a) who is a newcomer to farming and whose first application for sheep annual premium or as the case may be suckler cow premium is in respect of a scheme year, or as the case may be, calendar year corresponding with the one in which he makes an application for an allocation of quota from a particular national reserve; or
- (b) who (although he was a newcomer to farming and made a successful first application for sheep annual premium or as the case may be suckler cow premium in respect of the scheme year, or as the case may be, calendar year immediately prior to the one in respect of which he makes an application for an allocation of quota from a particular national reserve) did not receive an allocation of quota from the national reserve immediately preceding that particular national reserve.

### **CATEGORY IV**

Any other natural person—

- (a) who is a newcomer to farming and whose first application for sheep annual premium or as the case may be suckler cow premium is in respect of the scheme year, or as the case may be, calendar year corresponding with the one in which he makes an application for an allocation of quota from a particular national reserve; or
- (b) who (although he was a newcomer to farming and made a successful first application for sheep annual premium or as the case may be suckler cow premium in respect of the scheme year, or as the case may be, calendar year immediately prior to the one in respect of which

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(27) S.I. 1994/1729, amended by S.I. 1995/1708, S.I.1995/2095, S.I.1996/3105, S.I.1997/990 and S.I. 1998/2138.

(28) S.I. 1994/1291, amended by S.I. 1996/1480 and S.I. 1996/3106.

(29) S.I. 1994/1293, amended by S.I. 1995/2871 (as corrected by S.I.1995/2891), S.I.1996/1479, S.I. 1996/3108 and S.I. 1999/3161.

(30) S.I. 1994/2710, repealed by S.I. 1996/3035.

(31) S.I. 1994/3099, amended by S.I. 1996/3075.

(32) S.I. 1994/3100, amended by S.I. 1996/3073.

(33) S.I. 1994/3101, amended by S.I. 1996/3074.

(34) S.I. 1994/3102, amended by S.I. 1996/3072.

(35) 1991 c. 28.

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he makes an application for an allocation of quota from a particular national reserve) did not receive an allocation of quota from the national reserve immediately preceding that particular national reserve.

#### **CATEGORY V**

Any person who at the time he makes his application for an allocation of quota from the national reserve for a given year can demonstrate that—

- (a) he has become a producer or (already being a producer) he has increased the size of his existing flock or as the case may be herd in accordance with an application or plan under the Organic Farming (England Rural Development Programme) Regulations 2003<sup>(36)</sup>, or the Organic Farming Scheme (Wales) Regulations 2001<sup>(37)</sup>; or the Organic Farming Regulations (Northern Ireland) Regulations 2001<sup>(38)</sup>; or the Organic Aid (Scotland) Regulations 1994<sup>(39)</sup>; or
- (b) he has irrevocably committed himself to becoming a producer or (already being a producer) to increasing the size of his existing flock or as the case may be herd by the close of the application period for the Sheep Annual Premium Scheme or as the case may be Suckler Cow Premium Scheme for the year corresponding with that given year in accordance with an application or plan such as is described in sub-paragraph (a) above.

#### **CATEGORY VI, GROUP (a)**

Any producer who—

- (a) can produce appropriate documentary evidence that he intends to make his first application for sheep annual premium or as the case may be suckler cow premium in respect of a calendar year corresponding with the one in respect of which he makes an application for an allocation of quota from a particular national reserve; or
- (b) (although he made a successful first application for sheep annual premium or as the case may be suckler cow premium in respect of the calendar year immediately prior to the one in respect of which he makes an application for an allocation of quota from a particular national reserve) did not receive an allocation of quota from the national reserve for the immediately preceding year.

#### **CATEGORY VI, GROUP (b)**

Any producer who at the time he makes his application for an allocation of quota from the national reserve for a given year can demonstrate that—

- (a) he has acquired any part of an area—
  - (i) formerly used for sheep or as the case may be suckler cow production by another producer, and
  - (ii) which was acquired for industrial, military, commercial or construction purposes on the giving of an undertaking that it would in due course be returned to agricultural use; or
- (b) he has irrevocably committed himself to acquiring any such part of an area as is specified in paragraph (a) of this category before the close of the application period for the Sheep

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<sup>(36)</sup> S.I. 2003/1235.

<sup>(37)</sup> S.I. 2001/424.(W.17).

<sup>(38)</sup> S.R. (N.I.) 2001 No. 5.

<sup>(39)</sup> S.I. 1994/1701, amended by S.I. 1996/3083 and S.S.I. 1999/107.

Annual Premium Scheme or as the case may be Suckler Cow Premium Scheme for the year following that given year.

In category II, quota which has been acquired by a tenant or sharefarmer under the Community legislation other than by way of lease or transfer shall be regarded as having been removed from land by that person where he leaves the land in question permanently, and paragraph 2 of Schedule 4 shall be construed accordingly.

## PART II

### CONDITION WHICH HAS TO BE SATISFIED IF A PERSON IS TO FALL WITHIN CATEGORY II

The departing tenant or sharefarmer shall have surrendered all the land in respect of which he had the relevant tenancy or as the case may be sharefarming agreement.

## PART III

### CONDITIONS WHICH HAVE TO BE SATISFIED IF A PERSON IS TO FALL WITHIN CATEGORY III, GROUP (B), OR CATEGORY IV

1. A person falls within category III, group (b), only if he is under 40 years of age on the date his application for an allocation of quota from the national reserve for any given year is received by the Minister to whom that application is required by these Regulations to be submitted.
2. A person falls within category IV only if he is at least 40 years of age on the date his application for an allocation of quota from the national reserve for any given year is received by the Minister to whom that application is required by these Regulations to be submitted.
3. In the case of category III, group (b), and category IV, the applicant concerned shall not previously have been the sole trader of or a manager in an enterprise, or a partner in a firm, involving the production of an agricultural commodity, although he may have owned no more than 5% of the issued share capital of any such enterprise of which he was a director or an employee.
4. In the case of category III, group (b), and category IV, the applicant concerned shall—
  - (a) hold an appropriate certificate relating to the possession of agricultural skill and competence issued by an establishment recognised for that purpose by the Minister to whom he is required by these Regulations to submit his application; or
  - (b) produce appropriate documentary evidence that, whilst not holding any such certificate as is specified in sub-paragraph (a) of this paragraph, he nevertheless possesses at least one year's relevant agricultural experience.

## SCHEDULE 4

Regulation 12(4) and (9)

### AMOUNTS OF QUOTA TO BE ALLOCATED FROM THE NATIONAL RESERVE FOR ANY GIVEN YEAR

1. In the case of a successful application for an allocation of quota from the national reserve for a given year by a person falling within category I the amount of quota allocated to him shall be equivalent to the difference between the number of animals in respect of which he received sheep annual premium or as the case may be suckler cow premium in the relevant year and the number

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of animals in respect of which he received that premium in the scheme year, or as the case may be, calendar year before his participation in the relevant scheme specified in that category began or he became a party to the relevant agreement specified therein.

2.—(1) Subject to sub-paragraph (2) of this paragraph, in the case of a successful application for an allocation of quota from the national reserve for a given year by a person falling within category II—

- (a) where a single producer takes over the whole of the land from which the quota has been removed, the amount of quota allocated to that producer shall correspond with the amount of quota acquired by the departing tenant or sharefarmer in respect of that land under the Community legislation other than by way of lease or transfer;
- (b) where a single producer takes over part only of the land from which the quota has been removed, the amount of quota allocated to that producer shall equal

$$A \times (B/C)$$

where

A is the quota acquired as specified in paragraph (a) of this sub-paragraph, B is the available forage hectarage of that part and C is the available forage hectarage of that land;

- (c) where a number of producers simultaneously take over the whole of the land from which the quota has been removed—
  - (i) the total amount of quota allocated to those producers shall correspond with the amount of quota acquired by the departing tenant or sharefarmer in respect of that land under the Community legislation other than by way of lease or transfer, and
  - (ii) the amount of quota allocated to each producer shall—
    - (aa) where the producers concerned farm the land as a single holding, be that agreed between them or if there is no such agreement such amount as gives each producer an equal allocation of quota units with any surplus being carried forward for distribution from the following national reserve, or
    - (bb) where the producers concerned farm the land individually in separate holdings, be calculated by reference to the available forage hectarage of his holding; and
- (d) where a number of producers simultaneously take over part only of the land from which the quota has been removed—

- (i) the total amount of quota allocated to those producers shall equal

$$A \times (B/C)$$

where

A is the quota acquired as specified in paragraph (c)(i) of this sub-paragraph, B is the available forage hectarage of that part and C is the available forage hectarage of that land, and

- (ii) the amount of quota allocated to each producer shall—
  - (aa) where the producers concerned farm the land taken over as a single holding, be that agreed between them or if there is no such agreement such amount as gives each producer an equal allocation of quota units with any surplus being carried forward for distribution from the following national reserve, or

(bb) where the producers concerned farm the land taken over individually in separate holdings, be calculated by reference to the available forage hectareage of his holding.

(2) Notwithstanding sub-paragraph (1) of this paragraph, where the holding of the departing tenant or sharefarmer comprised both the land from which quota had been removed and other production units, the total amount of quota available for allocation to the producer taking over the land from which quota had been removed shall be that specified in the relevant tenancy or sharefarming agreement or (where that information is not available) shall equal

$$A \times (B/C)$$

where

A is the amount of quota acquired by that tenant or sharefarmer other than by way of lease or transfer, B is the available forage hectareage of that land and C is the available forage hectareage of that holding.

3. In the case of a successful application for an allocation of quota from the national reserve for a given year by a person falling within category III, group (a), the amount of quota allocated to him shall be determined—

- (a) by the Minister with responsibility for the part of the United Kingdom in which that person's holding is situated;
- (b) where the producer is participating in the Countryside Stewardship Scheme in England or Tir Cymen in Wales (established in each case under section 4(1) of the Countryside Act 1968) or a development project or scheme established under section 5 of the Natural Heritage (Scotland) Act 1991, after that Minister has taken into account a recommendation made by the body responsible for accepting his application to join the scheme concerned; and
- (c) where the producer has entered into or as the case may be made—
  - (i) any Wildlife Enhancement Scheme management agreement under section 15 of the Countryside Act 1968,
  - (ii) any management agreement concerning a Site of Special Scientific Interest under the said section 15,
  - (iii) any management agreement concerning land adjacent to a Site of Special Scientific Interest under the said section 15,
  - (iv) any management agreement concerning a National Nature Reserve under section 16 of the National Parks and Access to the Countryside Act 1949, or
  - (v) any management agreement under section 39 of the Wildlife and Countryside Act 1981, section 49A of the Countryside (Scotland) Act 1967 or article 9 of the Nature (Conservation and Amenity Lands) (Northern Ireland) Order 1985,

after that Minister has taken into account a recommendation made by the body responsible for accepting his application to enter into or make the agreement concerned, so as to ensure that he receives such amount of quota as corresponds with the number of sheep or as the case may be suckler cows which is necessary to ensure that the requirements of the appropriate scheme or agreement are fulfilled.

4.—(1) In the case of a successful application for an allocation of quota from the national reserve for any given year by a person falling within paragraph (a) of category III, group (b), or paragraph (a) of category IV, the amount of quota allocated to that person shall be the amount of quota specified in that application, provided that amount is reasonable in the circumstances.

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(2) In the case of a successful application for an allocation of quota from the national reserve for any given year by a person falling within paragraph (b) of category III, group (b), or paragraph (b) of category IV, the amount of quota allocated to him shall correspond with the number of animals specified in the successful application for the immediately preceding year, unless the number of eligible animals kept on the applicant's holding throughout the retention period<sup>(40)</sup> for that last-mentioned application was lower than the number specified in it, in which case the amount of quota allocated to him shall correspond with that lower number.

5. In the case of a successful application for an allocation of quota from the national reserve for a given year by a person falling within category V the amount of quota allocated to him shall correspond with the number of additional sheep or as the case may be suckler cows as are specified in the relevant approved plan.

6.—(1) In the case of a successful application for an allocation of quota from the national reserve for any given year by any person falling within paragraph (a) of category VI, group (a), the amount of quota allocated to him shall correspond with the number of sheep or as the case may be suckler cows specified in that application, provided that amount is reasonable in the circumstances.

(2) In the case of a successful application for an allocation of quota from the national reserve for any given year by a person falling within paragraph (b) of category VI, group (a), the amount of quota allocated to him shall correspond with the number of animals specified in the successful application for the immediately preceding year, unless the number of eligible animals kept on the applicant's holding throughout the retention period for that last-mentioned application was lower than the number specified in it, in which case the amount of quota allocated to him shall correspond with that lower number.

7. In the case of a successful application for an allocation of quota from the appropriate national reserve by a person falling within category VI, group (b), the amount of quota allocated to that person shall correspond with the number of sheep or as the case may be suckler cows which in the opinion of the Minister to whom the application was made his holding can support.

## SCHEDULE 5

Regulation 12(16)

### WHEN ALLOCATIONS OF QUOTA FROM A GIVEN NATIONAL RESERVE ARE TO BE EFFECTIVE AND WHEN THEY ARE TO BE REGARDED AS HAVING BEEN OBTAINED FOR THE PURPOSES OF COMMISSION REGULATIONS 2550/01 AND 2342/91.

1. In the case of any allocation of quota from the national reserve for any given year that quota shall be effective beginning with the scheme year, or as the case may be, calendar year corresponding with that year.

2. A person obtains quota for the purposes of Article 10 of Commission Regulation 2550/01 or as the case may be Article 22 of Commission Regulation 2342/99 when it becomes effective in accordance with this Schedule.

<sup>(40)</sup> The requirement to have a retention period for suckler cow premium claims is set out in Article 6(2) of Council Regulation 1254/99.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

1. These Regulations (“the Regulations”) replace the Sheep Annual Premium and Suckler Cow Premium Quotas Regulations 1997 (S.I.1997/2844). The Regulations, which extend to the United Kingdom, make provision for the administration of the quota system for sheep annual premium established by Articles 4 to 10 of Council Regulation 2529/01 and the quota system for suckler cow premium established by Articles 6 to 10 of Council Regulation 1254/99. Definitions of those Council Regulations may be found in regulation 2(1) of the Regulations.

2. The Regulations—

- lay down rules for determining the location of a producer’s holding (*regulation 3 as read with Schedule 1*);
- lay down rules for notifying transfers and leases of quota (*regulation 4*);
- specify the proportion of quota that is transferred to the national reserve on a transfer of quota without a corresponding transfer of a holding (*regulation 5(1)*);
- lay down rules for determining whether or not a producer has transferred quota without also transferring his holding (*regulation 6 and Schedule 2*);
- lay down rules in relation to the place of origin, acquisition and use of quota from the national reserve (*regulation 7*);
- specify that in certain cases quota may be transferred or leased between sensitive zones as defined by regulation 2(1) (*regulation 8*);
- provide for the division of the national reserve into 6 divisions, each division to correspond with a sensitive zone (*regulation 9*);
- provide for the distribution of quota in the national reserve among the appropriate divisions (*regulation 10*);
- lay down the principles governing allocations of quota from the national reserve (*regulation 12, Schedules 3, 4 and 5*);
- establish a quota register and provide for the supply of copies of register entries in specified circumstances (*regulations 13 and 14*);
- give specified persons a number of powers which may be used for the purpose of verifying an application for an allocation of quota from the national reserve (*regulation 15*);
- create offences and penalties (*regulation 16*);
- ensure that reference in these regulations to the sheep annual premium quotas national reserve and the suckler cow premium quotas national reserve for a given scheme or calendar year includes a reference to sheep annual premium quota and suckler cow premium quota carried forward in accordance with The Sheep Annual Premium and Suckler Cow Premium Quotas Regulations 1997 (*regulation 17*);
- revoke S.I.1997/2844 (*regulation 18*).

3. The principal changes of substance made by the Regulations are as follows:

legislative references have been updated to reflect changes in Community and national legislation since 1997;

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any quota acquired by the Secretary of State through the Sheep Quota Purchase Scheme and added to the national reserve may be allocated by the Secretary of State (*regulation 11(2)*);

any person who surrendered quota through the Sheep Quota Purchase Scheme shall not acquire additional quota, unless they have acquired land by purchase or tenancy or the Secretary of State is satisfied they have acquired land under written agreement for exclusive occupation for a defined period of time which is in addition to the land that formed part of their holding at the date of their Sheep Quota Purchase Scheme Agreement (*regulation 11(3)*);

revisions have been made to the conditions governing eligibility under category II and category V of the national reserve which are set out in Schedule 3 and to the rules entitling persons falling within category III group (b), category IV or category VI group (a) in the 2003 scheme year to enable them to apply for allocation of quota from the national reserve for the 2004 scheme year (*regulation 12(14)*).

4. A Regulatory Impact Assessment was not prepared for these Regulations.