1987 No. 451

AGRICULTURE

Farm Diversification Grant Scheme (Northern Ireland) 1987

Made . . . . . 16th December 1987
Coming into operation . . 1st January 1988

The Department of Agriculture, in exercise of the powers conferred on it by Article 16(1) of the Agriculture and Fisheries (Financial Assistance) (Northern Ireland) Order 1987(**a**), and of every other power enabling it in that behalf, with the approval of the Department of Finance and Personnel, hereby makes the following Scheme:—

Citation and commencement

1. This Scheme may be cited as the Farm Diversification Grant Scheme (Northern Ireland) 1987 and shall come into operation on 1st January 1988.

Interpretation

2. In this Scheme,

"ancillary farm business" means any business of a kind specified in the Schedule to the Farm Businesses Specification Order (Northern Ireland) 1987(**b**) where that business is carried on by a person also carrying on a business consisting in or partly in the pursuit of agriculture on the same or adjacent land;

"approved" means approved by the Department;

"contractor" means any person who enters into an agreement to supply agricultural work or services in connection with agricultural land;

"designated map" means the map marked "map of less-favoured farming areas in Northern Ireland" dated 4th April 1984, signed by the Secretary of State and deposited at the offices of the Department at Dundonald House, Upper Newtownards Road, Belfast BT4 3SB;

"eligible person" has the meaning assigned to that expression in Article 3;

"farm-based industry" means—

(*a*) the manufacture of craft items and tourist souvenirs;

(*b*) food processing and the purification, carbonation and bottling of spring water;

(*c*) the processing of timber;

(*d*) the processing of agricultural produce for purposes other than human or animal consumption; or

(**a**) S.I. 1987/166 (N.I. 1)
(**b**) S.R. 1987 No. 448

(*e*) the repair and renovation of agricultural machinery;

"farm diversification plan" has the meaning assigned to that expression in Article 4;

"food processing" means the application of any process or treatment to agricultural produce for the purposes of human consumption but does not include—

(*a*) the cleaning and trimming of raw fruit and vegetables to which no further process or treatment is applied and the packaging of such fruit and vegetables;

(*b*) the slaughter of livestock and the skinning and gutting of animal carcases;

(*c*) any process or treatment applied for the purposes of the manufacture of wine; or

(*d*) any process or treatment applied to cow's milk for the purposes of the liquid consumption of that milk or for the purposes of the manufacture of any milk-based drink as defined in regulation 2 of the Milk Regulations (Northern Ireland) 1987(**a**), and any process or treatment applied to any such milk-based drink;

"less-favoured area" means land which is within the area shaded blue or pink on the designated map;

"livery" means the provision of accommodation and care for horses and ponies;

"sports" means any game or exercise other than field sports, horse riding and sports involving the use of motor vehicles, firearms or crossbows.

Eligible persons

3.—(1) Subject to the provisions of this Article, the following classes of person shall be eligible for grant under this scheme—

(*a*) an individual carrying on an agricultural business if the Department is satisfied that that individual or, as the case may be, the farm manager or other person through whom the business is carried on—

(i) derives more than half of his annual income calculated in accordance with paragraph (2) from that business; and

(ii) spends not less than 1,000 hours per year in agricultural activities relating to that business; and

(iii) possesses sufficient agricultural skill and competence, in that he holds an appropriate certificate issued by a teaching establishment recognised for this purpose by the Department or has been engaged in agricultural activities for not less than five years,

and if the individual carrying on that agricultural business submits a farm diversification plan in accordance with Article 4, and undertakes, if that plan is approved, to carry it out;

(*b*) any person representing a body carrying on an agricultural business if—

(a) S.R. 1987 No. 229

(i) the Department is satisfied that the main purpose of that business is the pursuit of agriculture and that the farm manager or other person through whom the business is carried on satisfies the requirements as to income, hours spent in agricultural activities and as to agricultural skill and competence, as specified in paragraph (1)(*a*), and

(ii) the said person representing the said body submits on behalf of the said body a farm diversification plan in accordance with Article 4 and undertakes, if that plan is approved, to carry it out;

(*c*) persons carrying on an agricultural business in partnership if—

(i) the Department is satisfied that the farm manager or other person through whom the business is carried on satisfies the requirements as to income, hours spent in agricultural activities and as to agricultural skill and competence as specified in paragraph (1)(*a*), and

(ii) a farm diversification plan is submitted in accordance with Article 4 and the undertaking required of an individual by paragraph (1)(*a*) is given on behalf of the partnership;

(*d*) the owner of land occupied for the purposes of the pursuit of agriculture who submits a farm diversification plan relating to such land or to adjacent land jointly with one of the kinds of person eligible for grant under sub-paragraph (*a*), (*b*) or (*c*).

(2) For the purposes of this Article, a person's annual income shall be calculated in each case by reference to such year or years within the three years immediately preceding the day on which the farm diversification plan is submitted as the Department shall determine, being a year or years which the Department is satisfied gives or give a fair indication of the normal amount of income of that person and the normal amount of income derived by that person from the agricultural business.

(3) Where a person eligible for grant under paragraph (1) is a contractor, it shall be a further condition of eligibility that he has entered into a written agreement with the occupier of the land in connection with which the contractor supplies agricultural work or services which is expressed to continue in force for a period of not less than seven years from the day immediately preceding the day on which the farm diversification plan is submitted.

Farm diversification plans

4.—(1) The Department shall not approve any proposed expenditure for the purposes of grant under this scheme unless a farm diversification plan relating to that expenditure is submitted for the approval of that Department and is approved by it.

(2) A farm diversification plan submitted for approval shall be set out in such form as the Department may from time to time require and the person submitting it shall furnish all such particulars and information relating thereto as the Department may require, and in particular—

(*a*) sufficient information to show that the person undertaking to carry out the plan is an eligible person and that the plan relates to the carrying on or establishment of an ancillary farm business;

(*b*) details of the agricultural business of which the ancillary farm business forms or will form part at the time of submission of the plan for approval and of any other business carried out on the same land as the agricultural business;

(*c*) a description of the land and buildings to which the plan relates;

(*d*) an indication of the measures to be taken, and in particular of the investments to be made and the timing of such investments in order to achieve the aim of the plan;

(*e*) a description of the ancillary farm business to which the plan relates on completion of the plan in the form of an estimated budget and an estimate of the implications of the completion of the plan for the economic situation of the agricultural business of which that ancillary farm business forms or will form part, including the number of persons gainfully employed in the carrying on of that agricultural business.

(3) The duration of a farm diversification plan shall be such period as is specified in the plan, being a period not exceeding six years from the date of approval of the plan.

Restrictions on approval of farm diversification plans

5.—(1) The Department shall not approve a farm diversification plan under this scheme unless it is satisfied that in the absence of financial assistance under this scheme the plan could not, or could not appropriately, be realised and that—

(*a*) on completion of the plan the ancillary farm business to which the plan relates will be capable of being carried on as a profit-making enterprise; or

(*b*) the completion of the plan will bring about a lasting improvement in the economic situation of the agricultural business of which the ancillary farm business forms or will form part.

(2) The Department shall not approve for the purposes of grant a farm diversification plan in so far as it includes—

(*a*) proposed expenditure amounting in aggregate to less than £750 or more than £35,000;

(*b*) proposed expenditure which, in the opinion of the Department, would in any six-year period exceed £35,000 when added to other expenditure which has been incurred in the six-year period in question in relation to the same agricultural business and which is included in any previous farm diversification plan approved under this scheme;

(*c*) proposed expenditure in relation to the provision of horses and ponies for hire outside a less-favoured area;

(*d*) proposed expenditure in relation to the purchase of land or buildings.

(3) The Department shall not approve a farm diversification plan under this scheme in relation to any ancillary farm business where the agricultural business of which that ancillary farm business forms or will form part—

(*a*) is affected by a current farm diversification plan approved under this scheme, or

(*b*) is affected by a current improvement plan approved under the Agriculture Improvement Regulations (Northern Ireland) 1987(**a**) or treated under the Agriculture Improvement Regulations (Northern Ireland) 1987 as having been approved thereunder and that improvement plan includes proposed expenditure in connection with any work, facility or transaction of a kind specified in paragraph 12 or 13 in column 1 of the Schedule to those Regulations.

(4) The Department may make the approval of a farm diversification plan under this scheme subject to such conditions as it sees fit and in particular may require that the person undertaking to carry out the plan shall for the duration of the plan furnish to the Department in such form as it may determine accounts relating to the ancillary farm business to which the plan relates and to the agricultural business of which that ancillary farm business forms or will form part.

Closing date for approval of farm diversification plans

6. The Department shall not approve any farm diversification plan for the purposes of grant under this scheme after 30th November 1994.

Variation and withdrawal of farm diversification plans

7.—(1) The Department may, on the written request of the person currently responsible for the carrying out of a farm diversification plan vary or withdraw the approval of that plan.

(2) The Department shall not vary a farm diversification plan more than once in the period of twelve months following the approval of that plan or more than once in any subsequent period of twelve months.

Farm diversification grants

8.—(1) Subject to the provisions of this scheme, the Department may make to any eligible person a grant towards expenditure incurred by him for the purposes of, or in connection with, the carrying on or establishment of an ancillary farm business, being expenditure which—

(*a*) has been incurred in respect of any work, facility or transaction of a kind specified in Column 2 of the Schedule in relation to an ancillary farm business of a kind specified in Column 1 of the Schedule; and

(*b*) appears to the Department to be of a capital nature or to have been incurred in connection with expenditure of a capital nature, and

(*c*) is included in, and appears to the Department to be necessary or appropriate for the purposes of, an approved farm diversification plan in respect of that business and to be the responsibility of that person.

(2) The Department may make the payment of grant under paragraph (1) subject to such conditions as it sees fit, and in particular may require that the person currently responsible for the carrying on of the ancillary farm business in respect of which expenditure has been incurred shall furnish to the Department copies of the accounts relating to that business and of the agricultural business of which it forms part in such form as the Department

(**a**) S.R. 1987 No. 156 as amended by S.R. 1987 No. 452