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STATUTORY INSTRUMENTS

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**1987 No. 735**

**AGRICULTURE**

**Milk Marketing Scheme (Amendment) Regulations 1987**

<i>Made</i>	- - - -	<i>22nd April 1987</i>
<i>Laid before Parliament</i>		<i>23rd April 1987</i>
<i>Coming into force</i>	- -	<i>14th May 1987</i>

The Minister of Agriculture, Fisheries and Food and the Secretary of State, being Ministers 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 Economic Community, acting jointly, in exercise of the powers conferred on them by the said section 2(2) and of all other powers enabling them in that behalf, hereby make the following Regulations:

**Title, commencement and extent**

1. These Regulations may be cited as the Milk Marketing Scheme (Amendment) Regulations 1987, shall come into force on 14th May 1987 and shall apply to England and Wales.

**Amendment of the Milk Marketing Scheme 1933**

2. The Milk Marketing Scheme 1933<sup>(3)</sup> shall be further amended—
- (a) by substituting in paragraph 3(2) thereof for the definition of Commercial activities the following definition—
    - ““Commercial activities” means the following activities—
    - (i) processing milk or producing from milk any of the commodities specified in the Second Schedule;
    - (ii) selling, grading, packing, storing, adapting for sale, insuring and advertising milk so processed or such commodities;
    - (iii) transporting milk or such commodities;
    - (iv) other activities reasonably incidental to those specified above;”;
  - (b) by inserting in paragraph 3(2) thereof—

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(1) S.I. 1972/1811.

(2) 1972 c. 68.

(3) S.R. & O. 1933/789, amended by S.R. & O. 1936/767, 1937/228, 744, 1939/324; S.I. 1950/1029, 1955/946, 1969/1812, 1977/900, 1981/323, 864, 1984/1330, 1986/83.

- (i) after the definition of “Commercial activities” the following definition—
  - ““Company” has the same meaning as in section 735(1)(a) of the Companies Act 1985(4)
- (ii) after the definition of “Secretary” the following definition—
  - ““Subsidiary” has the same meaning as it has for the purposes of section 736 of the Companies Act 1985;”;
- (c) by inserting after paragraph 59 thereof the following paragraph—
  - “59A.—(1) For the purpose of complying with paragraph 8A, the Board may if it thinks fit and with the approval of the Minister—
    - (a) set up a company to carry out commercial activities or to form a subsidiary to carry out commercial activities;
    - (b) transfer to that company such assets, rights or liabilities as are necessary;
    - (c) make available to or for that company or that subsidiary on prevailing market terms loans, guarantees or other financial benefits.
  - (2) For so long as and to the extent that any commercial activities of the Board are, under paragraph 59A(1), carried out by a company or a subsidiary of that company—
    - (a) they shall be the activities of that company or that subsidiary;
    - (b) reference to their commercial activities in paragraphs 52A and 53(2) and (4) of this Scheme shall be construed accordingly; and
    - (c) reference to the Board’s accounts and records in paragraph 53(4) of this Scheme shall be construed as including a reference to that company’s accounts and records and, if applicable, that subsidiary’s accounts and records.”;
- (d) by substituting in the Second Schedule thereto—
  - (i) for the heading the words “COMMODITIES WHICH MAY BE PRODUCED FROM MILK”;
  - (ii) for the words “empower the Board to produce” the words “authorise the production of”.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 12th April 1987.

L.S.

*Michael Jopling*  
Minister of Agriculture, Fisheries and Food

22nd April 1987

*Nicholas Edwards*  
Secretary of State for Wales

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## EXPLANATORY NOTE

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

These Regulations come into force on 14th May 1987 and further amend the Milk Marketing Scheme 1933 which applies to England and Wales.

These Regulations further implement the United Kingdom's obligation to supervise compliance with Council Regulation (EEC) No. 1422/78 concerning the granting of certain special rights to milk producer organisations in the United Kingdom (O.J. No. L171, 28.6.1978, p.14). It is a requirement of Article 5.1 of Regulation 1422/78 that operations of the Milk Marketing Board in the processing of milk for direct human consumption and the manufacture of milk products shall be subject to a separate system of financial management and administration with a view to placing their processing undertakings on an equal footing with other independent undertakings.

By way of further provision for compliance with this requirement as set out in the Scheme, these Regulations amend the Scheme—

- (a) by inserting a new paragraph 59A authorising the Board, subject to the approval of the Minister of Agriculture, Fisheries and Food and the Secretary of State for Wales acting in conjunction, to set up, and make specified ancillary provision for, a company to carry out commercial activities (regulation 2(c));
- (b) by substituting a modified definition of “commercial activities” and making other minor consequential provisions (regulation 2(a), (b) and (d)).