

WRITTEN EXAMINATION

PAPER 1

11th NOVEMBER 1999

9.00am – 10.30am

Time Allowed - 1½ Hours

Instructions to Candidates:

1. Complete the Green Examination Information Sheet by stating your full name and address together with the area in which you are practising and the local Association of which you are a member. Attach the green sheet to the top of your answer pad.
2. Number each page and write ONLY your name on successive sheets in the top right hand corner.
3. Write on one side of the paper only, leaving the margin on the left hand side.
4. Start each answer on a separate sheet and place your answers in numerical order.
5. Time has been allowed for you to read through the Question Paper before commencing your answers.
6. You should attempt to answer both questions.
7. Both questions carry equal marks: 20 each.
8. State any assumptions that you have made but assumptions should only be made when absolutely necessary.
9. Where appropriate, you will be expected to state the relevant Act, Statutory Instrument or case upon which you have based your answers.
10. You may use imperial or metric measurements in your answers. Please indicate which units you are using.
11. The presentation and clarity of your answers is important.

QUESTION 1

You act for a London based stockbroker who is the landlord of a 200-hectare arable and livestock holding. You negotiated a rent increase from £25,000 year to £34,000 a year with effect from 11th October 1996.

The holding has 160 hectares of arable land registered for Arable Area Payments and 40 hectares of permanent pasture registered as Forage Area for the 60-head suckler cow herd. The holding is let on a 1986 Agricultural Holdings Act tenancy with the tenant fully responsible for insurance and repairs.

The fixed equipment of the holding, provided by the landlord, comprises a 4-bedroomed farmhouse, a pair of semi-detached modernised cottages together with a modern covered cattle yard and grain store for 1,000 tonnes.

The tenant's agent served a valid Section 12 Notice on the landlord prior to 11th October 1999 indicating in a covering letter that he would in due course be seeking a substantial rent reduction.

Your client has asked you to advise. Write a letter to him:

- A. indicating what you believe the tenant's agent's likely arguments will be to justify a rent reduction and how you will counter them, and
- B. setting out the formal methods of resolving the level or rent for the holding in the absence or a negotiated settlement, providing you client with full information on dates and timing.

QUESTION 2

Your City banker client has just received his annual bonus and has purchased a 320-hectare farm located within 100 miles of London.

The holding carries a good range of dairy, livestock and grain buildings and includes 80 hectares of steep permanent pasture.

He has approached you for advice on running a mixed farming system having particular regard to the effect of proposed Common Agricultural Policy (CAP) reforms.

Prepare a briefing note for your client explaining how the current CAP control system affects each potential enterprise and indicate how this will affect different cropping and stocking policies for the holding.