



Rural Development Programme 2007-2013

Agricultural and Forestry Marketing and Development Grant Scheme

Information Brochure



Department of
**Agriculture and
Rural Development**
www.dardni.gov.uk



'The European Agricultural Fund
for Rural Development: Europe
investing in rural areas'.

Please read this Brochure carefully before completing the application form.

Copies of this document can be made available on request in alternative formats, e.g. in large Print, Braille, disc, audiocassette (for those with vision difficulties) and other languages.

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Introduction

1. This Brochure is a guide to the EU Agricultural and Forestry Marketing Development Grant Scheme. The information contained in it will help you to understand the conditions of the Scheme and to prepare and submit an application.
Please read it carefully before making an application.
2. The Scheme, which will run until 31 December 2013, is part of the Northern Ireland (NI) Rural Development Programme. It is open to applicants throughout NI. Non-capital support (excepting costs related to the provision of new ICT equipment) will be available to businesses engaged in the marketing of the produce of agriculture (including horticulture) and forestry or of products derived from such produce. It seeks to improve the economic performance and international competitiveness of the agri-food and forestry sectors by:
 - encouraging greater integration and collaboration between producers, processors and others in either the food chain or wood supply and renewable energy chains;
 - improving the application of technology within the supply chain; and
 - improving the marketing capability of businesses.
3. This Brochure is only a guide to the Scheme and the way it is operated may be subject to change. Agricultural and Forestry Marketing Development Grants are governed by the legislation in Annex A. The funding under this Scheme is shared equally by the European Commission and the Department of Agriculture and Rural Development (DARD).
4. Applications for grant should be made to DARD. Applicants should not commit themselves to any expenditure on which grant may be sought until their application has been approved by DARD and a Letter of Offer has been issued, signed by them and returned to DARD.

Who can apply?

5. The Scheme is open to micro, small, medium and intermediate sized enterprises involved or wishing to become involved in marketing including:
 - processors;
 - groups of producers who market their produce collaboratively;
 - individual producers who want to market their own produce; and
 - trade associations or industry bodies.

However, any applicant must be a separate legal entity. **Also, in the case of the forestry sector the Scheme is limited to micro enterprises.**

6. (a) A “micro” enterprise is an enterprise which:

- has fewer than 10 employees; and
- has either an annual turnover not exceeding €2 million or an annual balance sheet not exceeding €2 million.

(b) A “small” enterprise is an enterprise which:

- has fewer than 50 employees; and
- has either an annual turnover not exceeding €10 million or an annual balance sheet not exceeding €10 million.

(c) A “medium” enterprise is an enterprise which:

- has fewer than 250 employees; and
- has either an annual turnover not exceeding €50 million or an annual balance sheet not exceeding €43 million.

(d) An “intermediate” enterprise is an enterprise which has less than 750 employees or a turnover of less than €200 million.

(e) An enterprise must meet the size criteria detailed above for the whole of the enterprise that is including subsidiaries.

Ways in which the grant could be used

7. Illustrative examples of possible projects include:

- **A group of producers** wishing to collaborate on the marketing of a product might need a **feasibility study** to examine the needs of their customers and how these could be met, for example by developing a common logistics system (e.g. packaging design, shared storage and transport);
- **A processor** may wish to develop outlets for his products or by-products in order to improve the profitability of the enterprise. **A feasibility study** might help with identifying new markets and any new processing methods needed. If the market concerned was outside Northern Ireland, a grant towards staff costs for an **export manager** for the new venture may be available. The study might also point to the need for greater co-ordination of supply to the plant.

The Scheme could help **set up a procurement group** between the processor and producers;

- **A trade association** may need assistance to set up a market intelligence network for the benefit of the sector as a whole. This might require a **feasibility study** and perhaps some assistance towards **recruitment and salary costs** of new staff to manage the intelligence gathering and dissemination;
- **Two producer groups** might wish to merge to improve their economies of scale and enhance their product range. The Scheme could help with a **feasibility study** into the proposal and, assuming the study supported this development, grant could be given to help **set up the new structure**;
- **A producer marketing group** might wish to incorporate the requirements of an independent quality assurance scheme in its product specification. A **feasibility study** could help with identifying new markets for products which have undergone the quality assurance process. The Scheme could also help fund the costs of a **development manager** to implement and oversee the quality assurance process.

Project eligibility criteria

To be eligible for a grant under the Scheme you will have to meet the criteria outlined in paragraphs 8 to 17.

Sectors Covered

8. Investments must fall within the following sectors:
- Red meat;
 - Pig meat;
 - Poultry meat;
 - Eggs;
 - Milk and milk products;
 - Potatoes;
 - Horticulture (including flowers, fruit and vegetables);
 - Cereals;
 - Forestry.

Scheme objectives

9. Your project must contribute to one or more of the following objectives:
- guide production in line with foreseeable market trends;
 - encourage greater collaboration between producers and others in the supply chain;
 - encourage the dissemination of marketing information between processors and producers;
 - encourage the development of innovative, speciality or organic products; or
 - develop regional distinctiveness.

Type of produce marketed

10. Projects must be primarily (at least 90%) concerned with the marketing of products (other than fishery products) covered by Annex 1 to the Treaty of Rome (See Annex B) or forestry products, that is, the products concerned must be classified as primary agricultural products. Investments related to wood are limited to material for marketing prior to the stage of industrial processing.

Need for project

11. A need for the proposal must be demonstrated. This will include showing that a normal market outlet has been identified for the output associated with the investment. As part of this assessment the issue of rapid growth will be taken into account. Priority will normally be given to the development of existing marketing structures. Where applications are received, for example, from a new producer group the applicant will need to show that this activity will not unnecessarily fragment the marketing effort in the sector concerned. During assessment, account will be taken of previous activity and grant assistance in the sector.
12. You must be able to show that your proposal will achieve a positive marketing/commercial development for the business. This could include demonstrating a capability for substantial growth or that the proposal is innovative or that it involves speciality/organic produce or that it concerns the establishment of a farmers' market.

Producer commitment

13. If you are a producer group you will need to show that your members are prepared to commit their produce fully to the project. This is a key element in the success of such ventures.

Producer benefits

14. Applicants must be able to show that the project benefits primary producers from the agriculture or forestry sectors that are providing the raw material (which may have been processed) for marketing.

Funding of projects

15. Applicants must be able to demonstrate that they are financially viable and that grant is needed for the project to proceed. The principle of “additionality” will apply in all cases. This means firstly that grant will only be paid on a project if it is clearly shown that it would not take place as planned without a grant. In addition the amount of aid available to a project will be determined according to the principle of providing the minimum grant necessary for the project to succeed.

Other requirements

16. Applicants must declare that the project will comply with relevant national and EU legislation on equal opportunities.
17. Projects must comply, where applicable, with national and EU legislation on food safety, animal welfare and the environment.

Exclusions

18. There are a number of exclusions. These are set out in Annex B.

Costs which are eligible for grant aid

19. The following activities are eligible for grant aid payable at the rate indicated in paragraphs 20 to 22 and include:
 - (a) Feasibility studies including studies into the establishment, expansion, merger or acquisition of producer groups;
 - (b) Studies into quality assurance systems including their integration into the business of the applicant;
 - (c) Market research including the collection and collation and dissemination of market intelligence;

The following activities are eligible for grant aid and must be supported by a Business Plan or Feasibility Study:

- (d) The establishment, expansion or merger of a collaborative marketing group including:
 - the legal and accountancy costs of group establishment, expansion or merger;
 - the costs of recruiting new members to producer groups including the costs of meetings and the preparation and dissemination of suitable material to encourage take-up.
- (e) Additional key staff required for a project for up to 3 years including:
 - the costs of recruitment, including advertising material;
 - salary costs, national insurance, company pension and professional indemnity insurance premiums. This may include a managing or marketing agents' fees if the agents are not employees of the applicant;
 - travel costs outside Northern Ireland including related accommodation but excluding the provision/use of company cars;
 - training costs including the costs for training on marketing, business planning, financial management and language.
- (f) Additional key outside directors for up to three years (including training costs but excluding employers' national insurance and pension costs).
- (g) Improving the application of ICT within the supply chain.
- (h) Developing a marketing intelligence network for innovative, speciality or organic products.
- (i) Developing new market outlets for existing agricultural, forestry and renewable energy products.
- (j) Developing traceability systems.

You may apply for a grant for an activity or any combination of the activities listed in paragraph 19 (a) to (j). This means that you can tailor your application to the particular needs of your business.

Grant rate

- 20. For “micro”, “small” and “medium” enterprises grant will be paid on eligible costs at a rate of up to 40% of the total project cost. For projects submitted by “intermediate” enterprises the grant will be paid on eligible costs at a rate of up to 20% of the total project cost.
- 21. The maximum grant payable on a project is £150,000.

22. The level of grant may be subject to change if EC regulations are amended throughout the lifetime of the NI Rural Development Programme 2007-2013.

How to apply

23. Applications will be accepted at any time while the Scheme remains open.
24. The Application Form is available on the DARD website www.rdpni.info (select downloads, Agricultural and Forestry Marketing Development Grant Scheme).
25. Applicants who do not have access to the internet may request a paper version of the Application Form to complete in writing by contacting Rural Development Division, DARD (telephone: 028 9052 5209) or contact the general email account at mdg.info@dardni.gov.uk
26. All applications must at least be accompanied by profit and loss accounts and balance sheets for the previous two years and if appropriate a Business Plan, see Paragraph 19 (d) to (j); or if a new company, an opening state of affairs from an accountant.
27. The information you provide in your application and at the subsequent technical evaluation (see paragraph 38) will be used to assess your project against:
- (a) the eligibility criteria set out in paragraphs 8 to 17; and
 - (b) the priorities for grant aid set out in paragraph 41.
28. You will be asked to confirm that no other public funding (whether from the EU or other sources) has been sought for any part of the project.

Application for a grant for a feasibility study, quality assurance system study or market research report

29. At least three **competitive quotations** must be submitted with your application for a grant for a feasibility study, quality assurance system study or market research report. Alternatively you may prepare the study or report in-house, in which case a grant will not be payable. We recommend that your study or report be completed by a suitably qualified person.

If your project is selected for an award of grant you will be required to obtain competitive tenders or quotations for all other services undertaken, for example, training and

recruitment costs and ICT costs. These must be retained for inspection by DARD or the European Commission and must be procured in line with the following guidance.

Up to: £1,000	1 or 2 quotations (if two local suppliers please obtain two quotations. If only one local supplier is identified, one quotation will suffice. Quotations must be confirmed in writing).
£1,001 to £10,000	3 written quotations
£10,001 to £30,000	4 written quotations
Over: £30,000	Public Advertisement for open or restricted tender competition.

Goods and services over £30,000 to be obtained by a Project Promoter should be procured by means of a formal contract.

If it is not possible to obtain competitive tenders/quotations for an expenditure item because, for example, there is only one specialist supplier, you must fully document this at the time the quotation is obtained and seek the approval of DARD prior to making any purchase.

Expenditure not supported by the required tender documentation will be considered ineligible and no grant will be paid.

30. When completed the study or report must cover each of the issues listed in Annex D. Grant will be refused on any project where this requirement is not met.

Application for a grant for items other than a feasibility study, quality assurance system study or market research report

31. If you are applying for a grant solely towards the costs of training proposals or the appointment of outside directors your application must be accompanied by a business plan or feasibility study covering each of the issues in Annexes D or E.
32. Each application (other than in relation to a feasibility study, quality assurance system study, market research report, training proposals or the appointment of outside directors) must be accompanied by a feasibility study. This study must cover comprehensively each of the issues listed in Annex D.

General

33. When completing the application form the targets against which your project can be measured (starting with the first full year from the date of the award of grant) should be realistic and achievable as these will be incorporated into any award of grant.

34. It is an offence to make a false statement in your application form. Should DARD discover that you have intentionally made a false declaration your project will be deemed ineligible and DARD will not process any further application submitted by you under the Scheme during the EAFRD year (16 October to 15 October) in question or the following EAFRD year. This penalty will apply without prejudice to additional penalties, including prosecution, under national legislation.
35. Each application must be submitted to Rural Development Division, DARD as shown on the application form. DARD will write to you within five days acknowledging its receipt. If you do not receive this acknowledgement please contact DARD.
36. All information given to DARD will be treated in confidence. However, if your project is selected for an award of grant, to meet EU requirements for transparency regarding the use of EAFRD assistance, DARD will publish the name of your company, the amount of grant you were awarded and a brief summary of your project. Any other disclosure of information will be in accordance with the Data Protection Act, Freedom of Information Act and Environmental Information Regulations.
37. Once an application has been submitted you must notify DARD immediately if you wish to make any changes to the project. Work must not commence on your project until it has been appraised fully and DARD has issued a Letter of Offer. **DARD will not issue an urgent work authority for any project.**

Assessment of Projects

38. Following receipt of your application DARD will check it against the eligibility criteria set out in paragraphs 8 to 17 of this Brochure. This may include a visit to your premises and an expert technical evaluation on these matters. A check will also be made to ascertain whether you have made an application for aid for the same project or part of project under another European Community or national scheme.
39. A detailed scrutiny will be undertaken in relation to the financial viability of the project which will include an “additionality” test, that is, whether grant is needed for the project to progress as planned and the minimum grant needed for this purpose.
40. If during any of the assessment process it is clear that additional information is needed we will request this from you.
41. All applications which have been fully appraised will be considered by a panel, which will include an independent member from outside DARD, before an award is made. It is planned that this will take place at three month intervals. If funds are not available to support all projects your project will be considered by the panel under a competitive

process which means that not all projects which are eligible in principle will be successful. For the purpose of shortlisting for an award, projects will be assessed against the following priorities:

- (a) The extent to which the project contributes to the Scheme objectives listed in paragraph 9.
- (b) Whether the project:
 - increases the use of raw materials listed in Annex 1 to the Treaty of Rome;
 - increases exports (ie sales outside Northern Ireland);
 - develops traceability systems;
 - impacts positively on OFMDFM's Anti-poverty and Social Inclusion strategy (previously known as targeting social need – TSN) in rural areas.

- (c) Whether the applicant is a “micro” or “small” enterprise.

42. If your project is selected for an award of grant DARD will write to you giving you two copies of a detailed Letter of Offer (a formal agreement advising that the assistance is part-financed by the EAFRD under Axis 1 of the NI Rural Development Programme and setting out the conditions of the award, the items which are being supported, the targets for your project and monitoring data which you must provide). You will be asked to sign and date one copy of the Letter of Offer and to return it to DARD. This will be your undertaking to abide by the conditions of the Scheme which are set out in paragraph 44.

43.(a) If your project is not to be awarded grant you will be advised in writing and provided with an explanation why. You may then request a meeting with DARD when we will discuss with you the reasons why it was not successful, after which you will wish to consider whether you can strengthen particular elements of your project. You may apply with the same project (or a revised project) **twice** more if you wish, both of which must be within one year from the date of the letter advising that your project was not successful. The same project (including a revised project) may not be considered by a panel on more than three occasions for an award of grant and on each occasion you must not have incurred any expenditure on project items.

(b) Unsuccessful applicants will naturally be disappointed. However, if you have reason to believe that the facts have been misinterpreted or an error has occurred in processing your application you may request a formal review which will require you to demonstrate that:

- the outcome was a decision that no reasonable person would make on the basis of the information provided on the application; and/or
- there was a failure in adherence to the Scheme procedures.

No additional information will be considered during a formal review and any request for such a review must be received by DARD in writing within 28 days of the letter advising that your project has not been awarded grant. The matter will then be reviewed by a different panel to that involved in the original assessment of your project. This panel will also include an independent member.

Conditions of an award

44. The award of a grant under the Scheme will be subject to the conditions set out below. DARD may also impose special conditions in individual cases. Paragraph 49 of this Brochure details actions which may be taken by DARD if you fail to comply with any of these conditions. In particular an award of grant may be withdrawn if a Letter of Offer is not signed and dated by the applicant and returned within 28 days or if arrangements are not in place to take advantage of the award of grant and submit claims within the period specified.

Conditions

- a. Completing the project
- (i) You must not alter the project without the prior written approval of DARD.
 - (ii) Applicants are expected to have carefully planned projects in advance and not to embark on major modifications after grant is awarded.
 - (iii) You must sign, date and return to DARD a copy of the Letter of Offer within 28 days of the date of notification of an award of grant.
 - (iv) In the case of an award of grant for a feasibility study, quality assurance system study or market research report the project must be completed and a claim together with two copies of the study or report submitted within nine months of the date of notification of the award.
 - (v) In the case of an award of grant, other than for a feasibility study, quality assurance system study or market research report the project must be started within six months of the date of notification of the award and be completed within three years and six months from that date or by 30 June 2015, whichever is earlier, with claims being made quarterly in arrears.
 - (vi) Where appropriate you must obtain competitive tenders or quotations for work to be undertaken as set out in paragraph 29. In the case of key staff the post must be advertised clearly in the three main newspapers in Northern Ireland (Belfast Telegraph, News Letter and Irish News).

- (vii) Claims must be submitted using the appropriate Scheme form and be accompanied by evidence (including originals of all relevant receipted invoices, tenders/quotations and copies of newspaper advertisements) in relation to eligible expenditure. For expenditure to be considered as eligible, payments must have been debited from your bank account. Payments must be traceable from the original receipted invoice to the cheque journal to the bank statement. You must maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project. A certificate from an independent accountant must accompany all claims.
- (viii) Grant will be paid in arrears of and on net expenditure (i.e excluding discounts received or receivable).
- (ix) Grant will not be paid on the entire project where work has commenced prior to the date of issue of a Letter of Offer by DARD.

b. On and after completion of the project

- (i) You must not change ownership of the project within 12 months from the date of completion of the project **without the prior written approval of DARD**. Completion will be calculated from the last date on which a payment for project expenditure was debited from the beneficiary's bank account.
- (ii) Any new staff posts which are grant aided must be sustained for a period of at least 12 months from the date of appointment to the post and be engaged in the activity set out in your application. In the case of an existing employee being successful in the open competition his/her existing post must be backfilled by a new recruit.
- (iii) Any ICT equipment grant aided under the project must be kept in operational condition and be used for the purpose outlined in the project for at least three years.
- (iv) You must meet any legal obligations imposed under EU and UK law, including legislation on food safety, animal welfare and equal opportunities.

c. General

- (i) If you fail to meet the conditions of the Letter of Offer then consideration may be given to whether the Letter of Offer should be withdrawn and any grant which has been paid recovered with interest. DARD accepts no liability in respect of any loss attributable to any suspension, reduction or cancellation of grant.
- (ii) Any publicity given to the project (including advertisements for additional key staff) must include the following words "The European Agricultural Fund for Rural Development: Europe investing in rural areas".

- (iii) Any overpayment of grant must be repaid to DARD following receipt of DARD's first demand or upon you becoming aware that grant has been overpaid, whichever occurs first.
- (iv) You must keep **all original documents (including tenders, quotations and invoices)** relating to the project until 31 December 2021 (or such a date as may be specified by the European Commission).
- (v) A spot check may be carried out on your project. You must allow officials from DARD, the Northern Ireland Audit Office or the European Commission to inspect the project or documents related thereto (which includes providing access to computers on which electronic data is stored and providing copies of information requested) at any reasonable time after an award of grant.

d. Monitoring

- (i) It is important that DARD monitors the progress of your project and evaluates its success following completion. You may be required to provide:
 - regular updates on its progress;
 - a report on the performance of the project one year after its completion. This will focus on the activities which have been undertaken, a statement on the financial performance of the business, the progress made in achieving its targets and any other monitoring data required. If your project did not meet a particular target you will be asked to explain why and the implications it had for the project. The need for a report will not apply in the case of a feasibility study, quality assurance system study or market research report.
- (ii) If required to assist with an evaluation of the Scheme or the collation of monitoring data you must provide any information requested within a reasonable timeframe. In this respect, your name and address may be passed (in confidence) to independent researchers commissioned to undertake such work.

How to claim

45. Claim forms and associated guidance notes will be issued when the award is confirmed. Claims will only be paid when DARD is satisfied that the relevant expenditure has taken place in line with the conditions of the award of grant. The checking of claims may involve a visit to your business premises.

Verification of expenditure

- 46.(a) Feasibility studies, quality assurance system study, market research report; your claim must be accompanied by:

- two copies of the study/report – whilst the findings of a study/report will not prejudice its eligibility for grant, payment of grant will not be made if the study/report does not cover all of the information in Annex D;
 - original receipted invoices showing any discount given and bank statements showing the transactions clearing the account. DARD will trace a selection of invoices on which claims are based through the book of accounts.
- (b) Salaries of additional key staff: claim must be accompanied by a copy of the monthly payslip (issued to the key staff) marked “Verified as a true copy of the original” and be signed and dated by the person signing the claim. In addition the claim must be accompanied by bank statements showing the salary payment clearing the account. Grant will be calculated from the date of appointment. DARD will trace a selection of claims through the book of accounts.
- (c) All other activities or items: claim must be accompanied by original receipted invoices showing any discount given and bank statements showing the transaction clearing the account. DARD will trace a selection of invoices on which claims are based through the book of accounts.

Payment of grant

47. Provided that there are no queries with your claim, DARD will aim to pay the grant within four weeks. All payments will be made by electronic transfer to your bank account. DARD accepts no liability in respect of loss attributable to any delay in the payment of grant.

Variation of project

48. Where circumstances change or unanticipated factors arise, following the signing of a Letter of Offer, you may apply for variations to a project. However, you must obtain the approval of DARD before implementing any variations to an approved project.

Penalties

49. Regulations 11 to 16 of the Agricultural and Forestry Marketing Development Grant Regulations (Northern Ireland) 2007 set out penalties which may be imposed should you breach the conditions of an approval of grant. Failure to meet the conditions of grant could result in the cancellation of your award of grant and/or recovery of any grant already paid (plus interest on the sum recovered) or a reduction in the amount of grant payable. The Regulations also create offences in respect of the furnishing of false information for the purpose of obtaining financial assistance and in respect of obstruction.

Annex A

Legislation

This Brochure is only a guide for the Agricultural and Forestry Marketing Development Grant Scheme and does not represent an interpretation of the legislation - only the courts can rule authoritatively on such matters. It is recommended that you study the legislation before applying

The relevant legislation is:

- Council Regulation (EC) No. 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ No. L277, 21.10.2005, p.1).
- Commission Regulation (EC) No. 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation (EC) No. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (OJ No. L368, 23.12.2006, p.15).
- Commission Regulation (EC) No. 1975/2006 of 7 December 2006 laying down detailed rules for the implementation of Council Regulation (EC) No. 1698/2005, as regards the implementation of control procedures as well as cross-compliance in respect of rural development support measures (OJ No. L368, 23.12.2006, p.74).
- Council Regulation (EC) No. 1290/2005 of 21 June 2005 on the financing of the common agricultural policy (OJ No. L209, 11.8.2005, p.1).
- Commission Regulation (EC) No. 885/2006 of 21 June 2006 laying down detailed rules for the application of Council Regulation (EC) 1290/2005 as regards the accreditation of paying agencies and other bodies and the clearance of the accounts of the EAGF and the EAFRD (OJ No. L171, 23.6.2006, p.90).
- Commission Regulation (EC) No. 1481/2006 of 6 September 2006 laying down form and content of the accounting information to be submitted to the Commission for the purpose of the clearance of the accounts of the EAFG and EAFRD as well as for monitoring and forecasting purposes (OJ No. L276, 7.10.2006, p.3).

Annex A

- Commission Regulation (EC) No. 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises (OJ No. L10, 13.12001, p33).
- Commission Regulation (EC) No. 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aids to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No. 70/2001 (OJ No. L358, 16.12.2006, p3).
- Commission Regulation (EC) No. 1628/2006 of 24 October 2006 on the application of Articles 87 and 88 of the Treaty to national regional investment aid (OJ No. L 302, 1.11.2006, p29).
- State Aid N 673/2006 – United Kingdom Regional aid map 2007 – 2013.
- Commission Regulation (EC) No. 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid (OJ No L 379, 28.12.2006, p5).
- Commission Decision of [27 September 2007] approving the Northern Ireland Rural Development Programme – C (2007) 4411 final.
- Agricultural and Forestry Marketing Development Grant Regulations (Northern Ireland) 2007 (S.R. 2007 No. 417).

Annex B

Exclusions

The following investments are excluded:

- Enterprises in difficulty within the meaning of the Community Guidelines on State Aid for rescuing and restructuring firms in difficulty;
- Projects receiving other public/EU support;
- Capital expenditure other than costs related to the provision of new ICT equipment;
- Expenditure relating to the normal running costs of the business;
- Research projects (other than market research);
- Projects to promote agricultural and forestry products;
- Investments at retail level (except farmers' marts or where farm-based);
- Value added tax on eligible project costs except where it cannot be reclaimed from the Commissioners of Customs and Excise;
- Projects commenced before receipt of written approval from DARD.

Annex C

Reproduction of Annex 1 to the Treaty Of Rome (as amended)

<i>Number in the Brussels Nomenclature</i>	<i>Description of products (1)</i>
Chapter 1:	Live animals
Chapter 2:	Meat and edible meat offal
Chapter 3:	Fish, crustaceans and molluscs
Chapter 4:	Dairy produce; birds' eggs; natural honey
Chapter 5: -05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
Chapter 6:	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
Chapter 7:	Edible vegetables and certain roots and tubers
Chapter 8:	Edible fruit and nuts; peel of melons or citrus fruit
Chapter 9:	Coffee, tea and spices, excluding mate (heading No 09.03)
Chapter 10:	Cereals
Chapter 11:	Products of the milling industry; malt and starches; gluten; inulin
Chapter 12:	Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial or medical plants; straw and fodder
Chapter 13: -13.02.20	Pectin
Chapter 15: -15.01	Lard and other rendered pig fat; rendered poultry fat
-15.02	Unrendered fats of bovine animals, sheep or goats;
-15.03	Lard stearin, oleostearin, lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
-15.04	Fats and oils, of fish and marine mammals, whether or not refined
-15.07-15.15	Fixed vegetable oils, fluid or solid, crude, refined or purified

(1) Important: this annex is a basic guide to the commodities classified as primary agricultural products. Formal classification is given in a detailed Commission Regulation (current Regulation EC 2031/2001).

Annex C

Reproduction of Annex 1 to the Treaty Of Rome (as amended)

<i>Number in the Brussels Nomenclature</i>	<i>Description of products (1)</i>
Chapter 15: -15.16	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
-15.17	Margarine, imitation lard and other prepared edible fats
-15.22	Residues resulting from the treatment of fatty substances or animal or vegetable waxes
Chapter 16:	Preparations of meat, of fish, of crustaceans or molluscs
Chapter 17: -17.01	Beet sugar and cane sugar, solid
-17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel
-17.03	Mollasses resulting from the extraction of refining of sugar
Chapter 18: -18.01	Cocoa beans, whole or broken, raw or roasted
-18.02	Cocoa shells, husks, skins and waste
Chapter 20:	Preparations of vegetables, fruit, nuts or other parts of plants
Chapter 22: -22.04	Wine of fresh grapes; grape must, with fermentation arrested by the addition of alcohol
-22.06	Other fermented beverages (for example, cider, perry and mead)
-22.07-08	Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in Annex 1 to the Treaty, excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages
-22.09	Vinegar and substitutes for vinegar
Chapter 23:	Residues and waste from the food industries; prepared animal fodder
Chapter 24: - 24.01	Unmanufactured tobacco, tobacco refuse
Chapter 45: - 45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
Chapter 53: - 53.01	Flax, raw or processed but not spun; flax tow and waste (including yarn waste or garnetted stock)
- 53.02	True hemp (<i>Cannabis sativa</i>), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted stock)

Annex D

Feasibility study, quality assurance system study or market research report

When completed, a feasibility study, quality assurance system study or market research report must cover clearly the issues outlined in this Annex under the same headings and in the same paragraph order – as necessary the study/report can have sub-paragraphs under each paragraph. If any aspect is not applicable please explain why.

Current market share

1. A description of the market at which the proposal is targeted, including in particular:
 - (a) the actual or potential customers of the applicant;
 - (b) an assessment of the applicant's current share of the relevant market; and
 - (c) in the case of a producer group a list of the current members.

Need for project

2. Outline why action is needed in the sector concerned and how this was established (for example, market research, specific investment identified in an agreed strategic investment plan, customer requirements).

Project objectives

3. Outline the specific objectives of the project (provide measurable targets and quantifiable outputs, for example, to create x full time jobs) and state how they will contribute to the objectives of the Scheme listed at paragraph 2 of the Scheme Brochure.
4. Describe the baseline ("Do nothing" option) from which costs and benefits are to be measured and the main options which have been identified as alternative ways of meeting the objectives of the project. Also please provide a summary of the economic costs and benefits of each option. If no alternative has been identified please explain why.
5. Would any of the "do something" options impact on any existing project or business in Northern Ireland. If so please give details of expected impact.
6. In the case of a proposed new producer group or business organisation please explain why existing structures cannot be utilised and advise whether proliferation will occur.

Annex D

Proposed action

7. Provide details of action to be taken under the proposal including all items for which grant will be sought.
8. For the baseline position and each option identified please explain the impact on New Anti Poverty Measures (previously referred to as TSN – Targeting Social Need), equality and the environment.

Future market share

9. Provide a description of potential new customers of the applicant (including evidence) and an assessment of the anticipated share of the market as a result of implementing the proposal. In the case of a producer group provide a list of potential new members.

Project benefits

10. What are the anticipated benefits of the project, particularly in the long term, and who will be its primary beneficiaries.

Financial performance

11. Provide a three year forward cash flow for the proposal showing revenues, costs and profit/loss before grant and the profit/loss after grant for each year. If appropriate advise when the project becomes viable.
12. What are the net cash flows for the proposal in each of the first three years of the project, before and after grant.
13. Provide a full breakdown of how the project is to be funded (grant requested, own resources, bank loans, other funds).
14. Identify the main risks attached to successful delivery of the project and actions proposed to minimise these.
15. Provide a clear recommendation on the likely viability of the proposal.

Implementing the project

16. Provide details of the proposed management structure and skills that are necessary to implement the project. Does the applicant have these skills? If not, what budget has been allowed for training and when will it be completed?

Annex D

17. Describe the marketing steps required to implement the project. Have the costs of these steps been included? If not, explain how they are to be funded.
18. Provide details of the proposed arrangements for the internal monitoring of the project if it is approved.
19. Provide any additional information which you consider is relevant to an appraisal of the project and the case for providing grant assistance.

Annex E

Business Plan

The Business Plan submitted with your application should cover the issues listed below:

- provide details of your business (type, turnover, products and markets);
- explain the need for the project and how this was established;
- advise the specific objectives of the project (provide measurable targets and quantifiable outputs, for example, to create x full time jobs) and state how they will contribute to the objectives of the Scheme listed at paragraph 2 of the Scheme Brochure;
- indicate the sources of funding for the project (grant requested, own resources, bank loan, other funds);
- outline the anticipated benefits of the project and who will be its primary beneficiaries;
- details of proposed arrangements for evaluating the project and the factors that will be evaluated.



Proof Sheet

Job Number **08.09.174**

Proof Number

3

Job Title **Agricultural & Forestry Marketing Grant Information**

Date **January 27, 2009**

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