



Rural Development Programme 2007-2013

Agri-Food Processing and Marketing Grant

Guidance Notes



Department of
**Agriculture and
Rural Development**

www.dardni.gov.uk

AN ROINN

**Talmhaíochta agus
Forbartha Tuaithe**

MÁNNYSTRIE O

**Fairms an
Kintra Fordèrin**



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

Agri-Food Processing and Marketing Grant Guidance Notes

These guidance notes are intended to provide an overview of the application process for all agri-food (including forestry) processors and the areas of investment that can be supported. However they will not be able to deal with every situation. Should you require further information it can be sought by e-mailing afpinfo@dardni.gov.uk or by contacting Rural Development Division on:

(028) 9052 4219 or (028) 9052 4880 or (028) 9052 4871

Introduction

1. One of the aims of The Department of Agriculture and Rural Development (DARD) is to encourage the development of the agri-food sector in Northern Ireland by providing financial support through the Rural Development Programme 2007-2013 (RDP). The financial support provided under the RDP will help to continue the growth and development of our agri-food sector and improve the economic performance of a sector that has shown good resilience during the recent economic downturn.
2. DARD is providing a 'One Stop Shop' through which all agri-food (including forestry) applications seeking support for processing will be considered. An example is where a raw material input is subjected to some form of additional treatment, handling or management that results in a physical change in the end product that increases its competitiveness and adds value to the product. In the case of forestry, applications must involve the processing of a primary forest product or crop where the output is a renewable energy fuel.
3. DARD will check each application and decide (based on the operating rules for the RDP) whether the project proposed is eligible for funding and the most appropriate funding Measure under which the application can be considered.

The decision as to which funding Measure your application is allocated to depends on the raw materials being processed in your project. Within the RDP there are a number of Measures under which an application may be considered.

Axis1 - Improving the Competitiveness of the Agricultural and Forestry Sector

• **Measure 1.2** – The EU Agricultural and Forestry Processing & Marketing Grant (PMG) Scheme. Please note that applications will be assessed in line with the level of funding sought.

1. Up to and including £50,000 (eligible investment less than £125,000)
2. Greater than £50,000 (eligible investment more than £125,000) or

Axis 3 - The Quality of Life in Rural Areas and Diversification of the Rural Economy.

- **Measure 3.1** - Diversification into Non-Agricultural Activities
- **Measure 3.2** - Business Creation & Development

What financial support is available?

4. Financial support may be available towards eligible capital costs that may include the erection of new buildings, the refurbishment of old buildings, the purchase of new equipment and computer hardware and software directly related to the project investment. The funding available under each funding Axis / Measure is determined by the operating rules within the Rural Development Programme. For example:

Axis 1 - Improving the Competitiveness of the Agricultural and Forestry Sector

- Financial support is available up to a maximum of £500,000. In the case of forestry sector projects, applications are limited to micro - sized enterprises with a maximum grant of circa £130,000 (i.e. not more than €200,000). Funding for projects will be on a competitive basis and a Selection Panel will determine the level of grant awarded to each project. The minimum financial support must be £10,000 which means that the total project eligible investment must be £25,000. Please note that separate Selection Panels will be convened to assess applications seeking up to and including £50,000 and those seeking more than £50,000.

Axis 3 - The Quality of Life in Rural Areas and Diversification of the Rural Economy

- Financial support is available up to a maximum of £50,000. Funding for projects will be on a competitive basis and a Selection Panel will determine the level of grant awarded to each project.

Who Can Apply?

5. Support shall be limited to farm businesses, micro, small, medium and intermediate (less than 750 employees or a turnover of less than €200million) sized enterprises engaged in agri-food processing activities (including forestry). Please note that applications considered under Axis 3 of the RDP will be restricted to farm businesses and micro - sized enterprises. Only one application per business will be accepted.

How To Apply

6. The application form which accompanies this guidance note is at this stage capturing basic data that will be used to determine eligibility for support under the RDP and to help allocate your project to the most appropriate funding Measure. Please complete this application form providing as much detail as possible. Applications must be received by Rural Development Division, DARD, by noon on Friday 20 May 2011. DARD reserves the right to vary the closing date and in such circumstances this will be announced through appropriate channels.

You can either complete the application form electronically and e-mail it to afpinfo@dardni.gov.uk or alternatively print off the application form and send the completed paper copy in the post to:

Rural Development Division
Room 145
Dundonald House
Upper Newtownards Road
Ballymiscaw
Belfast
BT4 3SB

Copies of this form can be made available, on request, in alternative formats e.g. in paper copy, large print, Braille, computer disc, audio CD / MP3 and other languages. You can also listen with Browsealoud which is free to download from the Browsealoud website.

To request an alternative format please telephone **(028) 9052 4219** or **(028) 9052 4871** or email afpinfo@dardni.gov.uk.

What Happens Next?

7. Your application will be checked for completeness. Should there be any information missing, DARD will contact you for clarity. DARD will then proceed to check the project inputs (raw materials) declared in your application (Question 10 – Project Inputs) in order to determine suitability for either Axis 1 or 3 of the RDP. Those projects that plan to process at least 90% primary agricultural products (as defined by the Treaty of Rome) will be eligible for consideration under Axis 1. After these initial checks have been completed, we will inform you in writing:-
 - 7.1. Whether your application is eligible under the RDP. (Please note there may be circumstances in which your application is not eligible for funding under the RDP and, in those circumstances, we will tell you why your project is not eligible for consideration).

7.2. Whether your application will be considered under Axis 1 or Axis 3.

- If your application has been allocated to Axis 1 – EU Agricultural & Forestry Processing & Marketing Grant (PMG) Scheme then DARD will process your application. We will contact you directly to provide further details on the PMG Scheme and take you through the next stage in the process.
- If your application has been allocated to Axis 3 then we will arrange for your application to be sent to the relevant Local Action Group (LAG) who deliver the Axis 3 Measures on behalf of DARD. We will contact you to tell you which LAG has been allocated your application.

Project Examples:

8. Projects must involve capital investment (in the case of Axis 1, Measure 1.2 the minimum level of investment is £25,000) associated with the processing of agri-food raw materials. The project must demonstrate that it meets a current or future business need. For example:
 - Improved efficiency which may include improved factory layout and/or the purchase of new modernised equipment
 - Increased capacity which may include extensions to chill stores and/or the purchase of new packaging equipment
9. In the case of forestry projects, applications must involve investment associated with the processing of a primary forest product or crop where the output is a renewable energy fuel.

Projects which have been successful in the past include:

- Kilmore Farm Produce had a business need to improve their existing premises to allow them to pursue orders with local retailers. This required investment to extend an existing vegetable pack house and install washing, grading and packing equipment.
- Cloughbane Farm Foods required investment to allow production of their produce on a bigger scale. The company had to purchase new processing equipment to increase production output and increase the size of their chilled storage capacity.