



Rural Development Programme 2007-2013

# Agri-Food Processing and Marketing Grant

## Guidance Notes



Department of  
**Agriculture and  
Rural Development**

[www.dardni.gov.uk](http://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](mailto: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.

### Axis 1 - 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).

Certain exclusions apply to Measure 1.2 and these are listed at Appendix 1 of this Guidance Note.

# Agri-Food Processing and Marketing Grant Guidance Notes

## 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 £6,000 which means that the total project eligible investment must be £15,000. 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 24 February 2012.** DARD reserves the right to vary the closing date and in such circumstances this will be announced through appropriate channels. Funding for successful projects will be subject to budget availability.

You can either complete the application form electronically and e-mail it to [afpinfo@dardni.gov.uk](mailto: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.

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

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).

# Agri-Food Processing and Marketing Grant Guidance Notes

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 £15,000) associated with the processing of agri-food (excluding fishery products) 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.
- Hannan Meats required investment to increase production capacity and sales potential. To do this the business required an extension to the existing factory and the purchase of meat processing equipment.



## APPENDIX 1

The following items or areas of expenditure are not eligible for grant aid under Measure 1.2 of the NIRD

- projects that involve processing fish or fish products;
- projects where the end product is not within the list of primary agricultural products and / or miscellaneous edible preparations as defined in Annex 1 to the Treaty of Rome;
- 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;
- research based projects;
- projects to eradicate animal disease;
- projects to promote agricultural/forestry products;
- investments which are upgrades purely to meet statutory requirements;
- projects relating to intervention stores;
- projects relating to retail outlets;
- projects relating to normal farm-based production and storage activity;
- projects relating to the processing and marketing of products which imitate or substitute for milk and milk products;
- cold stores except where part of the normal processing operation;
- slaughtering facilities for pigs, cattle, sheep or poultry unless equivalent capacity is abandoned or a shortage of capacity in the sector is proven;
- projects relating to farm animal feed production;
- projects to replace items grant-aided in the previous 5 years;
- projects commenced before receipt of written approval from DARD;
- purchase of land and/or buildings;

- second-hand equipment (The Department has sought approval from the EU Commission to permit the purchase of second hand equipment under this Measure);
- new equipment subject to outstanding hire purchase or leasing arrangements at project completion;
- simple replacement items or items which are replacements under an insurance claim;
- recreational equipment;
- vehicles for external transportation (forklift trucks or similar vehicles used for internal transportation and handling are eligible);
- harvesting equipment which is part of a normal farm-based activity;
- costs related to the transfer and installation of existing plant and equipment;
- repair, maintenance and running costs (including consumables which are normally written off within a year);
- overheads including own labour;
- marketing costs not related to the processing of the product e.g. design and/or promotional costs;
- interest and service charges arising from hire purchase, leasing and credit arrangements;
- value added tax on eligible project costs except where it cannot be reclaimed from HM Customs and Excise;
- financial charges (e.g. bank charges, costs of arranging loans, foreign exchange commissions, costs of guarantees, insurance charges etc);
- office equipment used for general administration purposes (e.g. office furniture, telephones (including installation), computers, laptops, printers etc);
- contingency sums;
- anaerobic digesters.