



Rural Development Programme 2007-2013 (extended to 2015)

EU Agricultural and Forestry Processing and Marketing Grant (PMG) Scheme

Guidance Notes



Department of
**Agriculture and
Rural Development**

www.dardni.gov.uk

AN ROINN
**Talmhaíochta agus
Forbartha Tuaithe**

MANNYSTRIE O
**Fairms an
Kintra Fordèrin**



**'The European Agricultural Fund
for Rural Development: Europe
Investing in rural areas'**

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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 pmginfo@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).
2. 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.
3. Funding under the present PMG Scheme (funded through the RDP 2007-13) ends on 31 March 2015 and DARD is issuing a final call for applications from those involved in the processing of agri-food products (including forestry).
4. For the purposes of the PMG Scheme 'Processing & Marketing' is taken to mean all the steps involved in supplying the right products, at the right price and at the right time. 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
5. DARD expects approvals under this call to be made no earlier than March 2014 and successful applicants will therefore have a maximum of 12 months to complete the approved project. As this is a part EU funded scheme, projects that do not complete by 31 March 2015 will not receive funding under the PMG Scheme.
6. Given the limited time to implement projects (must be completed by 31 March 2015) applications for new factory builds cannot be accepted. All applicants should either have statutory planning approvals (or a Certificate of Lawfulness) in place for the location of the planned project. Applicants who do not have planning approvals (or a Certificate of Lawfulness) must obtain and provide copies to DARD no later than 16 December 2013.

7. DARD will check each application and decide whether the project proposed meets the eligibility criteria to be considered for support under the PMG Scheme.

What financial support is available?

8. Financial support may be available towards eligible capital costs that may include reconfiguration works within a factory; refurbishment works to existing factory premises and the purchase of plant and equipment. As this is an EU funded scheme projects must be completed by 31 March 2015.
9. Please note that the maximum level of grant available under this call for applications is £250,000. This is because it is the final call for applications under the PMG Scheme 2007-2013 and the remaining budget is limited.
10. In the case of forestry sector projects, applications are limited to micro-sized enterprises with a maximum grant of circa £160,000 (i.e. not more than €200,000). Please note that for forestry type projects the costs for equipment associated with the harvesting and extraction of forest material are not eligible for financial support.
11. Funding for projects will be on a competitive basis and the PMG 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 PMG Selection Panels will be convened to assess applications seeking up to and including £50,000 grant and those seeking more than £50,000 grant.

How To Apply

12. 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 PMG Scheme 2007-2013. Please complete this application form providing as much detail as possible.
13. Applications must be received by Rural Development Division, DARD, by noon on Friday 20 September 2013. Late applications will not be considered.
14. 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.

15. You can either complete the application form electronically and e-mail it to pmginfo@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

16. 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 pmginfo@dardni.gov.uk.

What Happens Next?

17. 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) and outputs (product produced) declared in your application (Question 10 & Question 11) in order to determine suitability for funding under the PMG Scheme. Please note there may be circumstances in which your application is not eligible for funding under the PMG Scheme and in those circumstances we will tell you why your project is not eligible for consideration. After these initial checks have been completed, we will inform you in writing if your application is eligible and take you through the next stage in the process.

Project Examples:

18. 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 modern equipment
- Increased capacity which may include extensions to chill stores and/or the purchase of packaging equipment

- 19.** 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. **Financial support is not available towards the harvesting and extraction of forest material.**

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 improve production efficiency and product diversity. This required an extension to the existing premises (including construction of an innovative salt chamber) and investment in meat processing equipment.
- Fernhill Nurseries required financial assistance to purchase an automated potting line to increase production capability and improve competitiveness.

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 relating to the harvesting and extraction of forest material;
- (with the exception of forestry applications) projects where the end product is not within the list of primary agricultural products as defined in Annex 1 to the Treaty of Rome and / or the end product does not have an edible preparation classification in the HM Revenue and Customs Tariff;
- 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 processing at retail outlets where the processing takes place on the premises; such as bakery, vegetable and butcher shops;
- 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;
- 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.