



Department
for Environment
Food & Rural Affairs



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

2014 to 2020 European Structural and Investment Funds Growth Programme

Call for applications to support investments in micro, small and medium-sized food and drink processing businesses

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	Buckinghamshire Thames Valley
Call Reference	02RD15BS0003
Deadline for the submission of applications	Friday 8 January 2016 at 1700 hours

Read the [Growth Programme](#) guidance. This explains what applicants must do to apply for a grant, how grant applications are assessed and how to meet the terms of a grant funding agreement if an application is successful.

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1. Call Context

1.1. Background

A single European Structural and Investment Funds (ESIF) Growth Programme has been set up to combine three separate European Funds. These are:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- part of the European Agricultural Fund for Rural Development (EAFRD)

The Growth Programme provides funding to help projects in England that create jobs and economic growth. Department for Environment, Food and Rural Affairs (Defra) has responsibility for managing EAFRD. Rural Payments Agency (RPA) manages these grants on behalf of Defra.

Government has allocated £177 million of rural development funding from EAFRD for grants in the Growth Programme. These grants are available for:

- funding and developing micro, small and medium-sized rural businesses including food processing
- funding for small scale tourism infrastructure and tourism co-operation

1.2 Local Enterprise Partnerships

Local Enterprise Partnerships (LEPs) are private sector-led partnerships between local authorities and businesses. Each LEP has set out in its ESIF strategy the local priorities for this funding the aim of which is to achieve economic growth in its area. There are 39 LEPs covering England, 37 have an allocation of rural development funding. To apply for this funding the project must be located in a rural area in England.

1.3 Other Rural Development Funding

Other rural development support for agricultural and forestry businesses will be available through LEADER Local Action Groups (LAGs), the Countryside Productivity Scheme and Countryside Stewardship.

1.4 Local Context

This call invites applications for investments in micro, small and medium-sized food and drink processing businesses.

A priority of the Buckinghamshire Themes Valley (BTV) LEP [ESIF strategy](#) is to help micro, small and medium sized businesses be more competitive. The strategy proposes to support businesses seeking to:

- develop new or higher quality products
- target new markets including export markets
- implement new technologies and processes
- introduce shorter supply chains

Food and drink businesses account for 7.7% of the manufacturing businesses in the BTV LEP area. The LEP ESIF strategy shows that businesses in the food and drink sector are a priority for support. BTV LEP wants to support growth of this sector through the creation of new businesses and expansion of existing ones.

Businesses can apply for this grant if they process [Annex 1 agricultural and horticultural products](#). The exception is fisheries products, which are not eligible for these grants. Examples of Annex 1 products are meat, milk and vegetables. For this call, the output of the processing must also be an Annex 1 product.

Applications can be from farmers and growers wanting to diversify into food processing using their own produce. Applications from non-farming businesses must show how the farmer and grower suppliers will benefit economically from the project.

2. Call Overview

2.1 Purpose of the Call

Theme – Food Processing

This call seeks applications that support micro, small and medium businesses.

The Government wants to see a thriving rural economy. This call provides support for:

- micro, small and medium-sized businesses seeking to expand and create jobs in the agri-food processing sector

By providing EAFRD investment support for new and expanding businesses, Buckinghamshire Thames Valley LEP wants to see an increase in jobs, particularly in higher paid, more highly skilled jobs; and in Gross Value Added to the rural economy.

2.2 Support Available

This call seeks applications from micro, small and medium businesses in both rural and urban areas. Grants are available for investments in the processing of Annex 1 agricultural and horticultural products.

The aim of this call is to help food and drink processing businesses develop and grow through investment in infrastructure, equipment and machinery. The call invites applications from on and off farm processing businesses that add value to Annex 1 products. Examples of Annex 1 products are meat, milk and vegetables. This call encourages projects that include farmers and growers in the supply chain. Projects must show how the farmer and grower suppliers will benefit economically from the project.

The applicant business must be processing an Annex 1 agricultural or horticultural product. The output must be an Annex 1 agricultural or horticultural product.

Examples of support include:

- investment in equipment, technologies or processes to develop new or higher quality products
- construction or conversion of buildings to be used for processing activities

Applications that can demonstrate the following criteria, in order of importance, are a priority for this call:

- create new jobs at [level 3](#) and above
- develop new products or processes
- target export markets
- reduce the need for imports

Applications demonstrating two or more of these will be a higher priority.

2.3 Size of grants available

Grants will be available for this call from £50,000 up to £150,000. State aid rules will apply which may affect the amount of grant offered. Further details on state aid rules are available from gov.uk.

Applicants can apply for a grant to cover up to 40% of the project's total eligible costs. The minimum total eligible cost of a project for this call would therefore be £125,000

Applicants must pay for any costs not covered by the grant with private funding, such as savings or a bank loan, not other public funds. If private funding isn't used, Rural Payments Agency (RPA) may ask the applicant to repay any grant money already paid and may cancel any future payments.

2.4 Total Funding Available

The total grant funding available for this call is **£300,000**. Funding will be offered to a maximum of 6 projects, but the actual number of projects supported may be lower, dependent upon the scale and range of the projects coming forward. All applications are competitive and for this specific call applications will be assessed after the close of the deadline.

3. Outputs to be delivered

Applicants need to show how their project will contribute to the achievement of the following total outputs for the call:

- create 12 new full time equivalent jobs
- increase in the wage bill of the applicant business
- the number of new products generated
- the number of new processes or techniques introduced
- the value of the economic benefits to farmers and growers

Applicants will need to be able to demonstrate how they will deliver the outputs, committed to within the proposal along with any methodology used. Further details on the evidence requirements for each output will be available at full application stage.

Applicants will also need to ensure robust project management systems are in place, that will capture and record the outputs. A detailed description of the systems will need to be provided at full application stage. All projects will be required to collect evidence to show that outputs have been achieved and report progress with each claim.

4. How to apply

There are two stages to the application process. Applications will be assessed at both stages and only the strongest will be successful. The 2 stages are:

- Stage 1: an outline application
- Stage 2: a full application

Further details on how to apply for a grant and an outline application form are available from gov.uk. The applicant will only be invited to submit a full application if their outline application is successful.

Work must not start on any part of a proposed project before the applicant has received and signed a grant funding agreement from the RPA. This includes ordering or paying a deposit on materials or equipment.

5. Information to consider before making an application

5.1 Eligibility

There will be standard eligibility requirements for each type of grant offered. Applicants will need to refer to gov.uk for further information on each of the types of grants available.

5.2 Register with Rural Payments

Before applicants can submit an application for a grant from the Growth Programme, they will need to register on [Rural Payments](#). If the applicant is already registered on Rural Payments, they will not need to do this again.

5.3 Cross Cutting Themes

All applications received under this call must demonstrate how the Cross Cutting Themes have been addressed in the project design and development. The cross cutting themes for all projects are sustainable development and equality and diversity. Further details on these can be found in the Outline Application form.

5.4 Quotes

Applicants must ensure that they obtain best value for money when buying goods or services. Important information on the number and format of the quotes required to demonstrate best value are available from gov.uk. Applicants will be required to submit these if invited to develop a full application.

5.5 Publicising the Grant

When a project is successful in obtaining rural development funding through Growth Programme, the grant beneficiary will be required to publicise the grant. The RPA will provide beneficiaries with further information with the grant funding agreement but they may expect beneficiaries to:

- mention it in any press releases or when communicating with customers, for example in newsletters and on their website (if applicable); and
- display a poster, plaque, or billboard, including EU logos, depending on the amount of funding received and the type of investment.

If the applicant does not do this, the RPA may apply a penalty by deducting payment from the grant.

6. Support

Guidance on how to apply for a Growth Programme grant is available at www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy. Applicants can call the Rural Payments helpline on 0300 0200 301 or Email GPEnquiries@rpa.gsi.gov.uk for further support if required.

7. Submitting applications

Send the completed outline application form to growthapps@rpa.gsi.gov.uk. The RPA will email to confirm that they've received it.