

## Priority 1 – Support to increase farm productivity

### What the grants are for

These grants are particularly for businesses investing in innovative practices and new technologies to become more productive, economically sustainable and to create jobs.

#### LEADER funding priority 1 is made up of 4 parts:

- 1) Support to increase farm productivity by
  - a) improving the overall performance and sustainability of an agricultural holding
  - b) improving animal health and welfare
  - c) processing of primary agricultural produce to add value
  - d) investing in reservoirs and irrigation systems

### Who can't apply

Members of Producer Organisations under the [Fresh Fruit and Vegetables Aid Scheme](#) who have a grant for the same project through their operational programme document

#### 1a) A project to improve the overall performance and sustainability of an agricultural holding

##### Grant funding can help pay for:

- equipment and machinery to improve the efficiency of the use of energy, water, fertiliser and other direct inputs
- equipment and machinery to reduce impacts on soils
- reducing greenhouse gas emissions
- investments to improve the management of slurry and manures to reduce the reliance on artificial fertilisers and improve the nutrient management of soils
- investments to mechanise production, increase productivity and help reduce harvest losses

## 1b) An investment in improving animal health and welfare

### Grant funding can help pay for:

- equipment to improve animal welfare and support the management and prevention of disease
- improving the early detection of diseases
- equipment and machinery to improve animal handling above 'standard equipment'

### Who can apply for LEADER funding under priority 1a) & 1b)

- farmers
- groups of farmers
- horticultural producers

### How much funding is available under priority 1a) & 1b)

The maximum grant rate is capped at 40% of the eligible project costs. The minimum grant is £5,000. The maximum grant amount will be £100,000 although a higher grant may be requested for projects that show exceptional value for money. An exceptional project must show high direct economic outputs or have a strong fit with Oxfordshire LEADER local priorities.

### Costs could include:

- the buying of new and second hand equipment
- costs related to the project such as engineer and consultant fees (as long as these don't add up to more than 15% of the project's total eligible costs)
- buying or developing a dedicated piece of computer software (but not an off-the-shelf piece of software like Microsoft Office)
- patents, licences, copyrights and trademarks

### What isn't covered: LEADER funding priority 1a) & 1b)

In addition to the list of costs which can't be claimed in Chapter 4, the tables below provide more information on whether items can be funded under 1a) and 1b).

Grants are not available for investments in usual agricultural or horticultural practices, buildings or equipment. If you are not certain whether the items that you are proposing to include in your project are usual practice in your area or sector, and they are not covered in the tables below, please contact the LAG, who will consider:

- Whether the proposed project is usual practice in the Oxfordshire LEADER area
- Whether the proposed project brings about innovation or improvements in productivity or delivers other key benefits as defined above

Items which are always ineligible because they are considered usual equipment
Material handlers including forklifts and tractors with fore end loaders
Trailers, including flatbed trailers, tipping trailers, grain trailers, silage trailers, livestock trailers
Combine harvesters
Grain handling equipment including grain buckets
Crop sprayers
Mowers and mowers with conditioners
Grass rakes and turners, balers, bale lifters and elevators and bale wrappers
Buck rake
Hedge cutting and trimming equipment
All fencing and gates, fencing equipment including post drivers
Drainage equipment including drain laying equipment, mole ploughs, excavation and earth moving equipment, loading shovels and backhoe loaders
General purpose buildings, workshops and sheds for maintenance or equipment
Buildings and structures used for storage of inputs such as fertiliser, fodder, silage or bedding
Cow tracks

Items which are not eligible because they are usually considered to be usual equipment	Examples where funding may be available
Tractors, quad bikes, all-terrain vehicles	Driverless automated tractors where no operator is needed, or drone tractors
Basic GPS systems	Where GPS equipment is part of a system which automatically controls application rates (including auto shut off), and which monitors and records the amount applied
Cultivation equipment including cultivators, subsoilers, ploughs, mole ploughs, harrows, rotavators, rollers soil aerators	Robotic hoeing where the equipment can identify the crop and hoe between individual plants in a crop-row thereby reducing pesticide use
Seed drills, planters (including potato planters )	Drills which require no pre-cultivation of the soil and can operate with high volumes of surface debris without blocking thereby reducing the disturbance of the soil
Fertiliser spreader	Fertiliser spreaders capable of automatically varying the application rate through GPS and field monitoring. They must be linked to GPS with auto shut off and built in weighing facilities to provide accurate recording of application

Items which are not eligible because they are usually considered to be usual equipment	Example items that could be eligible
Crop harvesting equipment including potato , sugar beet, vegetable, fruit and salad crop harvesting	Robotic harvesting where the equipment is able to recognise when individual plants or fruits have reached their optimum and harvest those automatically but leave other plants or fruit to continue to grow to reach their optimum
	Specialist harvesting machines for niche crops
Forage harvesters	Equipment fitted to forage harvesters to monitor and record yield via GPS
Soil sampling and crop sampling equipment	Equipment which determines nutrient levels in the field in real time
	Systems which control the application of fertiliser by determining nutrient levels in the growing crop as they pass through the crop
On farm grain store, on farm grain dryer including cleaning	A building or dryer used as a collective store as part of a collaborative venture where joint marketing of the crop is undertaken. This needs to either include adding value or improve crop storage for example using a dry air generator
	A grain dryer that only uses a renewable energy source to provide heat for the drying for example biomass
Crop storage, including temperature-controlled storage	Controlled atmosphere storage where CO <sub>2</sub> , nitrogen and oxygen are regulated as well as controlling temperature and humidity
Greenhouses and polytunnels	The installation of thermal screens in existing or new buildings to reduce heating costs
New livestock buildings including pig and poultry buildings or structural improvements to old buildings including installation of slatted floors, concrete grooving, extraction fans and ventilation	Alterations to livestock buildings to allow installation of air scrubbers, heat exchangers, LED lighting or positive pressure ventilation systems
Yard scrapers including automatic scrapers	Robotic scrapers
Manure/slurry spreaders, slurry tankers for application of manure	Dribble bars, trailing shoes shallow injection systems
	Slurry tankers if they include all of the following; inline sensors, flow meters, adjustable flow control valves, GPS receiver, in cab monitoring and recording unit to accurately record application rates

Items which are not eligible because they are usually considered to be usual equipment	Example items that could be eligible
Slurry stores, slurry reception pits, dirty water systems	Mechanical separation of slurry which allows separation of the solid fraction of slurry and so more effective use of existing storage facilities and better use of the slurry
Pumps and associated distribution pipework for handling of slurry and dirty water	
Milking parlour	The elements of a robotic milking parlour which are not found in a conventional milking parlour
Dairy equipment including bulk milk tank, milk pumps, milk jars, automatic cluster removers, teat sprays and teat dips	Automatic cluster flushes that assist in the control of mastitis and prevention of disease
	Plate coolers only where the warm water is used elsewhere on the farm
	Variable speed vacuum pumps that reduce energy use
In parlour recording and monitoring of milk production	Monitoring milk quality to provide early warning of disease
Upgrading of cubicles or installation of new cubicles	Cow mats. Mechanical sand separation / reclaiming systems to allow the reuse of sand in cubicles
Basic footbaths	Foot baths which automatically replenish chemicals and water to maintain dilution and volume; gait analysis systems.
Basic cattle crush	Mobile and non-standard crushes. Electronic weigh systems or shedding/drafting gates linked to EID
Basic livestock management equipment for example de-horners, castrators, calving jacks, injection and worming equipment	Electronic worming equipment linked to EID and a weighing system which ensures correct dose is given to each animal
EID ear tags; rumination monitoring boluses	Collar- or pedometer based heat detection systems; EID readers linked to monitoring productivity; bolus reader systems monitoring animal health and welfare
Livestock feed preparation and rationing equipment including feed mixer wagons, mill, pelleters, mixers, feed troughs and complete diet feeders, self-locking yokes	Robotic feed preparation and robotic feeding
	Real-time monitoring of food and water consumption in pig or poultry units
	Badger proof feed troughs
Milk feeding systems for calves	Systems which automatically monitor feed intake by individual calves, mix fresh milk for each calf-visit to the feed station and clean feeding station between calves
	Colostrum pasteurisers

## 1c) A project for processing primary agricultural produce to add value

### What the grants are for

These grants are for food and drink businesses to develop and grow through investment in infrastructure, equipment and machinery. These grants are for on-farm or off-farm processing businesses that add value to an Annex I product (such as milk, meat, vegetables, fruit, grapes or cereals). Fisheries projects are not eligible.

### Who can apply

- farmers
- horticultural producers
- landowners
- micro and small processing businesses
- someone who wants to start a processing business

### Who can't apply

The following are not eligible for the grants:

- non-departmental public bodies
- crown bodies
- local authorities

### How much funding is available

The minimum grant is £5,000. The maximum grant amount will be £100,000 although a higher grant may be requested for projects that show exceptional value for money. An exceptional project must show high direct economic outputs or have a strong fit with Oxfordshire LEADER local priorities.

**If you produce Annex I products** (as listed in Annex 1 of the treaty establishing the European Community)

If both your raw materials and end products are on the Annex I list, you can apply for a grant of up to 40% of your eligible costs. [http://eur-lex.europa.eu/resource.html?uri=cellar:07cc36e9-56a0-4008-ada4-08d640803855.0005.02/DOC\\_45&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:07cc36e9-56a0-4008-ada4-08d640803855.0005.02/DOC_45&format=PDF).

**If you don't produce Annex I products**

If your raw materials are on the Annex I list, but your end products are not, use the tables below to see how much grant funding you can apply for.

The grants will normally be awarded under industrial de minimis state aid.

## Other food processing businesses

If neither your raw materials nor your end products are on the Annex I list, you're only eligible to apply if you are a micro or small business in a rural area, or a farmer diversifying into non-agricultural activities. Please see priority 2 for details.

Raw materials in	Product out	Location of processing	Amount that can be applied for
Annex I product	Annex I product	n/a	up to 40%
Annex I product	<b>Not</b> an Annex I product	Processing on farm	<ul style="list-style-type: none"> <li>• Where total grant amount is less than €200,000 then max grant rate is 40%*.</li> <li>• Where grant amount is more than €200,000 then max grant rate is 20%</li> </ul>
		Processing takes place OFF an agricultural holding	<ul style="list-style-type: none"> <li>• Where grant amount is less than €200,000 then max grant rate is 40%*</li> <li>• Where grant amount is more than €200,000 then max grant rate is 10%.</li> </ul>

**\*Industrial de minimis state aid regulations** mean that a maximum of €200,000 (currently around £170,000) of public funds is available to an undertaking in any rolling period of 3 financial years. If you have had other public funding this may count towards the industrial de minimis aid amount and reduce the amount of money you can apply for from LEADER. Any industrial de minimis state aid received by linked businesses will count towards the industrial de minimis amount.

Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the industrial de minimis limit.

### Grant funding can help pay for:

- investment in equipment, technologies or processes to develop new or higher quality agri-food products
- construction or conversion of buildings to be used for processing activities
- investments in the production and processing of non-timber forest products, particularly wild venison, including on-holding cold storage and butchery facilities

- investments in collaborative grain processing facilities which benefit a number of farmers
- food processing projects investing in equipment, technologies or processes to reduce waste

### **Costs could include:**

- constructing and/or improving buildings
- buying new and second hand equipment and machinery

The following costs are also eligible, if they form part of a larger project being funded:

- architect, engineer or consultant fees related to the project (as long as these don't add up to more than 15% of the project's total eligible costs)
- buying or developing a dedicated piece of computer software (but not an off-the-shelf piece of software like Microsoft Office)
- patents, licences, copyrights or trademarks
- landscaping, when it is 'making good' as part of a larger construction project.
- development of marketing materials, but not their production or distribution

### **What isn't covered**

See Chapter 4 for the list of costs which can't be claimed.



## 1d) Investments in reservoirs and irrigation

The aim of this priority is to improve the management of water resources on farm through investments in reservoirs or improved irrigation.

### Who can apply

- farmers
- groups of farmers
- horticultural producers

### Who can't apply

The following are not eligible for the grants:

- non-departmental public bodies
- crown bodies

### How much funding is available

The minimum grant is £5,000. The maximum grant amount will be £100,000 although a higher grant may be requested for projects that show exceptional value for money. An exceptional project must show high direct economic outputs or have a strong fit with Oxfordshire LEADER local priorities.

### Projects which increase the irrigated area

If your project increases the area of land irrigated, then either:

- the water body that you will abstract water from must be classified as in 'Good' or 'High' condition, or
- the 'Reason for Not Attaining Good' status (RNAG) does not relate to the quantity of water available

Please contact the LAG for further information on how to find out the status of a water body.

### Grant funding can help pay for:

The grant can be used to pay for:

- constructing a water storage reservoir (above or below ground) for use in crop production including
  - construction of dam walls
  - synthetic liner, if needed
  - overflow / spillway
- associated infrastructure such as
  - abstraction point including pump
  - pipework to fill the reservoir
  - water meters
  - irrigation pump(s) and controls

- pumphouse
- underground water distribution main and hydrants
- filtration equipment including sand or screen filters and UV treatment
- fencing for synthetically lined reservoirs only
- best practice or innovative water application equipment such as
  - trickle irrigation
  - boom irrigators
  - software and sensors to optimise water application
- buying or developing a dedicated piece of computer software to monitor soil moisture levels and schedule irrigation (but not an off-the-shelf piece of software like Microsoft Office)
- construction engineer fees for the project (as long as these don't add up to more than 15% of the project's total eligible costs)

### **What isn't covered**

- costs of meeting legislative requirements – for example obtaining planning consent, archaeological investigations, flood risk mapping, abstraction licences
- gutters and downpipes for rainwater harvesting
- the cost of moveable fittings – like metal over ground irrigation pipes
- hose reels
- generators
- rain guns
- landscaping – unless it is part of 'making good'
- jetty, fishing stage

### **Are panel engineer fees eligible?**

Construction engineer fees (if incurred after a Grant Funding Agreement is signed) are potentially eligible but fees for supervising engineers and inspecting engineers are not eligible.

## Available grants

There are grants available for many different types of activity, but they each support at least one of the 6 LEADER funding priorities. How much funding the LAG will offer for these and details of each priority are set out in Chapter 5 of this handbook.

### **Costs which are not eligible for any projects**

The following are not eligible for the grants under any priority. This list is not exhaustive.

#### **General costs:**

- any costs incurred before the project start date shown in the grant funding agreement
- contingency costs
- the cost of getting any permissions or consents, such as planning permission
- any items which you have already had EU or other public funding for (or intend to get EU or other public funding for)
- relocation costs – if the business needs to relocate in order to expand, it can only apply for funding for the cost of the expansion
- costs associated with the provision of housing
- projects that are carried out only to meet a domestic legal requirement

#### **Buildings, land and equipment costs:**

- repairs and maintenance of existing buildings, equipment and machinery
- like-for-like replacement of existing items (such as buildings, equipment and machinery)
- machinery or equipment that will not be on the asset register of the business 5 years after payment of your last grant claim
- the cost of moveable fittings – like soft furnishings, beds, tables, chairs, cutlery and crockery, curtains, televisions and audio equipment, hand tools, small domestic kitchen equipment and utensils
- renewable heat and energy systems covered by the Renewable Heat Incentive (RHI) or Feed-In Tariffs (FITs)
- purchase of land<sup>1</sup>
- purchase of buildings for commercial projects

## Costs which are not eligible for any projects (continued)

### Business running costs:

- salaries and running costs for commercial projects<sup>2</sup>
- long term salaries and running costs for community or not for profit projects
- in-kind contributions (this means the value of donated work or services) such as the cost of using your own labour, vehicle and office space
- recurring licence fees, subscriptions and service charges
- computers, software and printers used in the general running of the business, like processing orders or accounts
- mobile phones
- the delivery of training activities
- consumables
- standard, non-specialised domestic vehicles, such as cars, motorbikes

### Agricultural business costs:

- standard buildings, machinery and equipment used for growing and harvesting agricultural and horticultural products
- standard agricultural or horticultural inputs like animals and crops
- the cost of agricultural production rights and payment entitlements
- setting up agricultural businesses

### Financial costs:

- bad debts
- advance payments
- insurance policy costs
- working capital
- financial charges, such as bank charges, fines and interest
- costs connected with a leasing contract, such as a lessor's margin, interest refinancing costs, overheads and insurance charges
- reclaimable VAT

<sup>1</sup>Purchase of buildings for community use **may** be eligible. In these cases, the purchase of the land on which the building stands may also be eligible, but the cost of the land cannot be more than 10% of the total project costs. Please talk to the LAG before submitting an EOI if your project involves the purchase of a building for community use.

<sup>2</sup>Some limited salary costs or running costs MAY be eligible in limited and specific circumstances. Eligibility of these costs will be considered on a case by case basis and will only be considered where the need is clear and linked to supporting rural jobs and growth. Please talk to the LAG before submitting an EOI if your project involves any salary costs or running costs.

To check if a cost is eligible contact Oxfordshire LEADER on 01235 422245 or [oxfordshire.leader@southandvale.gov.uk](mailto:oxfordshire.leader@southandvale.gov.uk).