



Department  
for Environment  
Food & Rural Affairs



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

# Rural Development Programme for England (RDPE) Countryside Productivity Scheme

## Adding Value to Agri-food Handbook



Deadline for expressions of interest: 29 June 2018

This handbook was archived on 30 June 2018

With thanks to the following businesses for the images used in this document:

Garnetts Gardens, Camgrain, Trewithin Dairy, Thorpe Latimer Farm, Three Musketeers Ltd, Lakes Free Range Egg Co.

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# How Adding Value Countryside Productivity Scheme grants work

## Got a business need?

Every successful application starts with a business need and a clear case for how to meet that need.

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## Read this handbook

Read the rest of this handbook to check you and your project are eligible.

## Express an interest

Fill in an expression of interest (EOI) form and email it to RPA. Tell us about your project and how a grant will make it bigger and better.

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## Apply in full

If your EOI is approved, you can make a full application. If this is successful, you'll get a funding agreement to sign.

## Get to work

With your grant funding agreement signed, you can start work on your project.

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## Claim your money

After you've paid for the work, you can claim the grant.

# About the RDPE Countryside Productivity Scheme

**Includes:**

- **How the government manages these grants**
- **Government guarantees about funding after the UK leaves the EU**

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# About the RDPE Countryside Productivity Scheme

The RDPE Countryside Productivity Scheme provides funding for projects in England which improve productivity in the farming and forestry sectors and create jobs and growth in the rural economy.

The grants are funded by the European Agricultural Fund for Rural Development (EAFRD).

This handbook is about RDPE Countryside Productivity grants for adding value to Agri-food. It explains what the grants are for, who is eligible and how to apply.

To find information about the other Countryside Productivity grants, search 'RDPE Countryside Productivity' on GOV.UK.

**Planning a project that will improve productivity, help grow your business through adding value, create jobs or bring more money into the rural economy?**

You might be able to apply for a grant to help you fund it.



**You can only apply for one RDPE grant for each individual project.**

RDPE includes RDPE Growth Programme, LEADER, Countryside Productivity, Farming Recovery Fund, Cumbria Countryside Access Fund and Countryside Stewardship.

## How the government manages these grants

The Rural Payments Agency (RPA) delivers the grants.

RPA's role is to assess applications for grants and make offers for grant funding on behalf of Defra.

RPA may at any time and without further notice change the date these grants close to applications.



## Government guarantees about funding after the UK leaves the EU

The government has guaranteed funding for RDPE Countryside Productivity Scheme grants if these are agreed and signed before the UK's departure from the EU, even if the grant agreements continue after we have left the EU. This is subject to projects meeting the following conditions:

- they are good value for money
- they are in line with domestic strategic priorities

Defra has confirmed that projects approved through the RDPE Countryside Productivity process meet these conditions.

### Deadlines:

The RPA will agree a target end date with all successful applicants. The final date by which all projects must be finished, paid for and complete grant claims submitted, is 31 December 2020.

**Please read the priorities for funding on page 16.**



# About the grants for adding value to Agri-food

**Includes:**

- **Who can apply**
- **What the grants are for**
- **How much money you can apply for**
- **Examples of projects**



# About the grants for adding value to Agri-food

An overview of the grants for adding value to Agri-food – who can apply, what the grants will fund and how much funding is available.

## Who can apply

These grants are for processors of primary agricultural or horticultural products. This includes food and drink businesses and farmers (including livestock, dairy, arable and horticultural sectors) in rural or urban areas.

## What the grants are for

These grants are to improve the processing of primary agricultural products to shorten supply chains and deliver benefits to primary producers'.

Projects must be for the processing of Annex I (see page 29) products only, including meat, milk, grain, fruit and vegetables, but excluding fishery products. See examples of the kinds of projects which may be eligible for a grant on page 10.

Grant funding can help pay for:

- equipment and machinery
- constructing or improving buildings associated with all aspects of processing

## How much money can you apply for

The minimum grant you can apply for is £35,000.

**You won't automatically get a grant.**

All applications are assessed to see how well they fit the priorities for funding and which projects provide best value for taxpayers' money.

Read page 16 for more about the priorities for funding.

### **Smaller projects.**

You may be able to apply for grant support for smaller projects through LEADER. Search for 'LEADER funding' on GOV.UK.

## Examples of projects

Here are some examples of the kinds of project which may be eligible for a grant for adding value to Agri-food.

### Milk Processing

A regional dairy has secured a new contract to supply chilled dairy products with local provenance to a supermarket chain. The business will need to build an extension, buy new processing equipment and install extra refrigerated storage. The dairy will buy milk from additional local suppliers, and pay a premium for the milk needed for this contract. The project will also create new jobs.



### Meat processing

A meat processing business needs to expand its facilities and processing equipment to meet growing demand for its products. The business works with local suppliers and will offer five year rolling contracts to producers, paying a premium for locally reared livestock, to help them expand their production to meet the demand.



## Examples of projects (continued)

### Investment in grading and packing equipment

A farming business is looking to add value to the potatoes it grows. The business has secured agreement from a convenience store chain for a range of pre-packed potatoes. The farm will invest in potato grading and packing equipment including optical grading. This investment will increase the productivity and profitability of this farming business helping to make it more sustainable.



### Egg processing

An established egg processing business is creating a facility to process eggs to supply the growing market for liquid egg. The business has secured forward orders from producers of pre-packed ready-meals and bakery goods. This will give the business a better profit margin. The business has committed to paying a percentage of the increased profit to local egg producer suppliers.





## Examples of projects (continued)

### Investment in collaborative grain processing

A farmer controlled grain storage and trading business is investing in grain cleaning equipment, including an optical grader to remove ergot. The business will install a higher capacity and more efficient grain drier which will reduce fuel use per tonne dried and increase capacity. This will enable the business to provide grain cleaning and drying services to 25 local farm businesses. The project will also install a further 2,000 tonnes of cereal storage to store batches of grain for an additional 12 local farmers. This will increase the turnover and profitability of the business, benefit local farmers and create 1 new full time job.



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## Who can apply

**Includes:**

- **Check the size of your business**
- **What is a ‘full-time equivalent’ (FTE) employee?**
- **Who can’t apply**

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## Who can apply

Processors of primary agricultural or horticultural products can apply for the grants. This includes food and drink businesses and farmers (including livestock, dairy, arable and horticultural sectors). Projects can be located in rural or urban areas as long as they match the priorities for funding.

These grants are for the processing of Annex I products (see appendix on page 29). Examples including meat, milk, grain, fruit and vegetables. Fisheries projects are not eligible.

### Who can apply for a grain processing and storage project?

Only cooperatives, farmer controlled businesses and private businesses can apply for a grain processing and storage project, if the project will store and process grain for a number of farmers. An individual farmer only processing their own grain can't apply.

For adding value to Agri-food grants, any size business can apply, but we'll give priority to micro, small and medium-sized businesses.

### Check the size of your business

The size of the business depends on the number of full-time equivalent (FTE) employees it has and its financial performance.

The table below shows what qualifies as micro, small or medium business.

| Business size | Number of full-time equivalent employees |     | Annual turnover or balance sheet total  |
|---------------|--|-----|---|
| Micro         | fewer than 10                            | and | €2 million (about £1.7 million) or less   |
| Small         | fewer than 50                            | and | €10 million (about £8.5 million) or less  |
| Medium        | fewer than 250                           | and | € 50 million (about £42.5 million) or less annual turnover OR €43million (about £36.5 million) or less annual balance sheet total |

## What is a 'full-time equivalent' (FTE) employee?

Anyone who works a minimum of 30 hours per week counts as 1 FTE employee. A person working 30 hours a week for 3 months of the year would be 0.25 FTE employee.

FTEs include business partners and directors. If a business partner or director works more than 30 hours per week they still count as 1 FTE employee.

## Is your business 'linked' to other businesses?

If your business is linked to other businesses, this might mean you exceed the business size requirements and the funding limits.

The most common circumstances under which businesses are considered to be linked include:

- one business holds a majority of the shareholders' or members' voting rights in another business
- one business is entitled to appoint or remove a majority of the administrative, management or supervisory body of another
- a contract between the business, or a provision in the memorandum or articles of association of one of the businesses, enables one to exercise a dominant influence over the other
- one business is able, by agreement, to exercise sole control over a majority of shareholders' or members' voting rights in another

### New businesses can also apply.

If you have an idea and potential private funding for your project, you can apply for a grant.

## Who can't apply

The following are not eligible for adding value to Agri-food grants:

- non departmental public bodies
- Crown bodies
- members of Producer Organisations under the Fresh Fruit and Vegetables Aid Scheme if they have (or could get) a grant for the same project through their operational programme document.
- projects that process non-Annex I raw materials
- projects which entirely process products from outside the EU

### Not sure if you're eligible?

Contact the RPA helpline on 03000 200301 or email [CPEnquiries@rpa.gsi.gov.uk](mailto:CPEnquiries@rpa.gsi.gov.uk)

### Projects processing non-Annex I products

You may be able to apply for grant support for projects processing non-Annex I products through Growth Programme or LEADER. Search 'Growth Programme' or 'LEADER funding' on GOV.UK.

# Preparing an application

**Includes:**

- **Priorities for funding**
- **How we assess applications**
- **EOI – what we look for**
- **Full application - what we look for**

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# Preparing an application

RPA will assess all applications. We're looking for evidence of a sound business case and for projects that meet the priorities for funding.

We're looking for projects that best meet the priorities for funding and that are good value for taxpayers' money. If you can show this clearly in your application, you're more likely to get a grant.

## Priorities for funding

Your project must meet one of the priorities below or your application will be rejected. The more priorities your project meets the more likely you are to get a grant.

|   |   |
|---|---|
| <b>Benefit the supply chain</b>                 | Shortens supply chains and/ or provides direct benefits (for example higher prices or the ability to market higher volumes) to the farmers and growers who grow the Annex I materials |
| <b>Create higher value products</b>             | Improves the processing of Annex I products to add value  |
| <b>Improve productivity</b>                     | Introduces new processes, techniques or equipment to improve the productivity of your business  |
| <b>Introduce innovation</b>                     | Adopts innovative technologies  |
| <b>Grow your business</b>                       | Increases turnover and profitability, accesses new markets or creates new jobs  |
| <b>Encourage collaboration and partnerships</b> | Creates new supply chain links between businesses and shares resources  |

## How we assess applications

The application is a 2 stage process. First you must submit an 'expression of interest' form (EOI). If we approve your EOI, we will invite you to submit a full application.

We assess your application at both stages. Read 'How to apply', Chapter 6, for more information.

## EOI – What we look for

We use the information on the EOI form to check that both you and your project are eligible.

It will help your application if you explain your project clearly. Tell us exactly what you're planning to do, what your raw materials will be and where they will be grown, what your products are / will be, why it will be good for your business, how and where you're planning to do it and who will benefit from it.

## Full application – what we look for

If you're invited to submit a full application, we'll ask for more information to further assess your project and your business. This table will give you an overview of what we assess.

|                                    |   |
|------------------------------------|---|
| <b>Strategic fit</b>               | How well the project meets the priorities for funding.  |
|                                    | How the project will impact the environment including mitigating climate change.  |
|                                    | That the project will not disadvantage anybody in terms of characteristics such as ethnicity, disability, age and gender. |
| <b>Value for money</b>             | How the project costs represent value for money.  |
|                                    | The amount of grant required to deliver the outcomes and outputs.   |
|                                    | What difference grant funding will make, compared to what would happen without grant funding.                             |
| <b>Need and demand</b>             | Why grant funding is required for the project.  |
|                                    | There is a clearly identified market need for the project.  |
|                                    | The impact the project will have on other businesses, both positive and negative.   |
| <b>Financial viability</b>         | The current financial viability of your business.   |
|                                    | How the project may impact on your existing business operations.  |
|                                    | How you will fund the project until the grant is claimed.   |
|                                    | How the business will benefit from the project financially.   |
| <b>Delivery and sustainability</b> | How the project will be delivered in budget and on time.  |
|                                    | That risks to project delivery have been identified and how they will be mitigated.                                       |



# Funding and Costs

**Includes:**

- **How much funding is available**
- **Paying for the project**
- **Eligible costs**
- **Costs which are not eligible**

# Funding and costs

You can use grant funding to cover a certain percentage of some project costs – some costs aren't eligible.

## How much funding is available

The minimum grant you can apply for is £35,000.

The grants can only fund a certain percentage of eligible costs and there is a maximum percentage that applies. For adding value grants this maximum is 40% (50% in Cornwall and the Isles of Scilly). You can use other public money to pay for eligible costs – but only up to that maximum percentage, and this may reduce the grant that you can receive.

At least 60% of the project costs (or 50% in Cornwall and the Isles of Scilly) must be paid for with money from private sources like savings or a bank loan.

## If the end-products you'll produce are included in Annex I

If both your raw materials and end-products are on the Annex I list, (see page 26) you can apply for a grant of up to 40% of your eligible costs. (In Cornwall and the Isles of Scilly, this is 50%.) There is no maximum grant amount.

## If the end-products you'll produce are not included in Annex I

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

The grants will normally be awarded under industrial de minimis state aid. Larger projects might be able to use other state aid. If you're invited to submit a full application, we will discuss this with you.

## Grant rates if your end-products are not included in Annex I

Grant rates in England

| Business size                    | Grants awarded under industrial de minimis – maximum grant amount €200,000 | Grants awarded under other state aid  |
|----------------------------------|--|---|
| Micro and small sized businesses | Up to 40% of eligible costs  | Up to 20% of eligible costs, with no upper grant limit – but only if your project is on an agricultural holding |
| Medium sized businesses          | Up to 40% of eligible costs  | Up to 10% of eligible costs, with no upper grant limit – but only if your project is on an agricultural holding |
| Large business                   | Up to 40% of eligible costs  | N/A   |

Grant rates in Cornwall and the Isles of Scilly

| Business size                    | Grants awarded under industrial de minimis – maximum grant amount €200,000 | Grants awarded under other state aid   |
|----------------------------------|--|--|
| Micro and small sized businesses | N/A – grant awarded under other state aid                                  | Up to 45% of eligible costs  |
| Medium sized businesses          | Up to 40% of eligible costs  | Up to 35% of eligible costs  |
| Large business                   | Up to 40% of eligible costs  | Up to 25% of eligible costs (must be for new economic activity for the business) |

### Has your project already had some public funding?

When you apply, we'll ask you to tell us if you've had any funding from the EU or other public sources, and if it was awarded under industrial de minimis. If so, we might need to limit the amount of the funding you can get, to comply with the EU state aid industrial de minimis rules.

## Paying for the project

Grants are paid in stages, in arrears. They can only be claimed after the work being claimed for is finished and has been paid for. We expect you to make a maximum of 3 claims over the course of the project.

You must show that you have sufficient funds to pay for the project costs until you get the grant payments.

## Hire-purchase or leased items must be paid off before you claim

If you buy an item for the project using lease purchase or hire purchase, you must own this outright before you can claim any grant money towards it.

This means that before you claim the grant, you must:

- pay all of the instalments
- show that the title has passed to you

Otherwise you won't be able to include these costs in your claim.

**You must not start work, incur costs (including paying deposits) or place an order before your grant agreement has been signed.**

This will potentially make your whole project ineligible.

## Eligible costs

The grant can be used to pay for:

- buying equipment and machinery
- constructing or improving buildings associated with all stages of processing
- collaborative processing and storage of grain

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

- architects, engineer or consultant fees for 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
- energy-saving and resource efficiency equipment such as heat recovery

## Costs which are not eligible

The following are not eligible for grant funding (this list is not exhaustive).

### **Agricultural and Horticultural business costs:**

- standard agricultural equipment and inputs like animals and crops
- buildings, machinery and equipment used for growing and harvesting agricultural and horticultural products
- the cost of agricultural production rights and payment entitlements
- polytunnels
- personal protective clothing

### **General costs:**

- projects that are carried out only to meet a legal requirement
- any costs incurred from before the project start date shown in the grant funding agreement
- contingency costs
- the cost of getting any permissions, consents or statutory requirements, such as planning permission
- legal costs
- any items which you have already had EU or national funding for (or intend to get EU or national 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
- marketing and promotion

### **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)
- purchase of machinery or equipment that will not be on the asset register of the business 5 years after completion of the project
- the cost of moveable fittings
- purchase of land, whether or not this land is built on
- renewable heat and energy systems covered by the Renewable Heat Incentive (RHI) or Feed In Tariffs (FITs)



## Costs which are not eligible (continued)

### Business running costs:

- salaries and running costs of the business
- 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

### 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
- pension provision

To check if a cost is eligible call the Defra Rural Services helpline on 03000 200 301 or email [CPEinquiries@rpa.gsi.gov.uk](mailto:CPEinquiries@rpa.gsi.gov.uk)

This handbook was archived on 30 June 2018

# How to apply

**Includes:**

- **The EOI form**
- **What happens after you submit your EOI form**
- **Full application**
- **If you are offered a grant**
- **Top tips for applicants**

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# How to apply

What you need to do to begin your application and an overview of the information you must provide.

Application is in 2 stages. First, you must submit an 'expression of interest' (EOI) form. If we approve your EOI, we'll invite you to submit a full application.

RPA will assess your application at both stages. Only the highest scoring applications will be successful.

## Deadline

We must receive your EOI before 29 June 2018 – if we get it after this deadline, we will reject it.

## The expression of interest (EOI) form

You can find the EOI form and guidance on how to fill it in on GOV.UK – search 'Countryside Productivity Adding Value EOI'.

On the EOI, you'll need to give us some information about your business, including:

- whether it's linked to any other businesses
- turnover and balance sheet total from the most recent financial accounts
- details of any previous public funding your business has had

You'll also need to tell us about your project:

- what the objectives are and what the outputs will be
- an overview of the costs
- important dates for the project

- a list of all the products you will process and where they are grown
- a list of all the products that you will produce

## How to submit your form

Email your form to [CPApps@rpa.gsi.gov.uk](mailto:CPApps@rpa.gsi.gov.uk)

We can only accept forms that are:

- sent by email
- Microsoft Excel documents saved in the 1997-2003 XLS format

We cannot accept any other format – including PDF documents, scanned documents, hard copy printed applications or hand-written applications.

Email your EOI from the email address you specify in section 2 of the EOI form. If an agent sends the form on your behalf, that address must be copied into the email.

## Provide an email address that you check regularly.

We'll use the email address you put in section 2 of the form as our main way of contacting you.

## What happens after you submit your EOI

After you submit the form, you'll get an automatic email to say we've received it. We'll then assess your EOI and let you

know whether or not you'll be invited to submit a full application.

We aim to give you a decision within 30 working days.

## If an application is unsuccessful

If your EOI is unsuccessful, we will send you a letter giving the reasons.

To find out how to appeal against the decision, read the 'How to appeal' section of the RPA complaints procedure page on GOV.UK.

## Full application

If you're invited to submit a full application, we'll send you the relevant form and advice about how to fill this in.

The form asks for full details about you, your business and your project, including:

- final project costs
- key dates
- supplier details
- proposed project outputs

You'll need to send us:

- supporting documents appropriate to the project (such as market research, customer surveys, industry reports or tenancy agreement)
- business accounts for the last 3 financial years (unless you are a new business)
- relevant permissions and consents
- 3 quotes for each item to be purchased
- evidence that you can cover the project costs before claiming the grant in stages

There is potentially a lot of information, evidence and paperwork to collect.

It can take 2 to 3 months for you to prepare your full application, possibly longer if you need planning permission. You'll be given a named contact at RPA to support you and answer questions.

RPA will be holding webinars that you can attend where the application process will be explained in more detail and you can raise any initial questions you have. Search for 'Countryside Productivity' on GOV.UK for more information.

If you're invited to complete a full application, you'll need to be registered on RPA's Rural Payments service and have a single Business Identifier (SBI) number. We won't be able to process your application without this.

We aim to give you a decision on your full application within 60 working days.

## If you are offered a grant

If you're offered a grant, we'll send you a grant funding agreement for you to sign. This will set out the legal terms and conditions of the grant, including:

- the amount of the grant
- the outputs we've agreed for your project
- which suppliers you're using

If you need to change anything in the grant funding agreement over the course of the project, you need to get written agreement from RPA first. If you do not, we could end your agreement and reclaim any grant we've already paid.

You'll get more information and help with this if you're offered a grant.

## Top tips for applicants

Before you start your application, here are some important reminders...

### Productivity

The main aim of the RDPE Countryside Productivity scheme is to improve farming productivity and benefit the Agri-food supply chain. Tell us how your project will help do this.

### Sell us your idea

Explain really clearly what your project does and how it will benefit the Agri-food supply chain. It's hard for us to justify giving you a grant if we don't understand your project.

### Show us what the funding will mean to the success of your project

We're obliged to invest public money carefully. We're looking for viable, growing businesses. If you can show us that your project is good value for money, and that you are planning to use the grant money to improve your project, you're more likely to get the grant.

### Do your research

You have to show that there is real need for what you want to do, or you're unlikely to get a grant.



## Appendix: list of ‘Annex I’ products

LIST REFERRED TO IN ARTICLE III-226 OF THE CONSTITUTION

| Number in the Combined Nomenclature | Description of products  |
|-------------------------------------|--|
| CHAPTER 1                           | Live animals   |
| CHAPTER 2                           | Meat and edible meat offal   |
| CHAPTER 3                           | Fish, crustaceans and molluscs   |
| CHAPTER 4                           | Dairy produce; birds’ eggs; natural honey  |
| CHAPTER 5                           | 0504 Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof  |
|                                     | 0515 Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption        |
| CHAPTER 6                           | Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage   |
| CHAPTER 7                           | Edible vegetables and certain roots and tubers   |
| CHAPTER 8                           | Edible fruit and nuts; peel of melons or citrus fruit  |
| CHAPTER 9                           | Coffee, tea and spices, excluding maté (heading 0903)  |
| CHAPTER 10                          | Cereals  |
| CHAPTER 11                          | Products of the milling industry; malt and starches; gluten; inulin  |
| CHAPTER 12                          | Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder               |
| CHAPTER 13                          | ex 1303 Pectin   |
| CHAPTER 15                          | 1501 Lard and other rendered pig fat; rendered poultry FAT   |
|                                     | 1502 Unrendered fats of bovine cattle, sheep or goats; tallow (including ‘premier jus’) produced from those fats                     |
|                                     | 1503 Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way |
|                                     | 1504 Fats and oil, of fish and marine mammals, whether or not refined  |
|                                     | 1507 Fixed vegetable oils, fluid or solid, crude, refined or purified  |
|                                     | 1512 Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared                               |
|                                     | 1513 Margarine, imitation lard and other prepared edible fats  |
|                                     | 1517 Residues resulting from the treatment of fatty substances or animal or vegetable waxes  |

LIST REFERRED TO IN ARTICLE III-226 OF THE CONSTITUTION

| Number in the Combined Nomenclature | Description of products   |
|-------------------------------------|---|
| CHAPTER 16                          | Preparations of meat, of fish, of crustaceans or molluscs   |
| CHAPTER 17                          | 1701 Beet sugar and cane sugar, solid   |
|                                     | 1702 Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel  |
|                                     | 1703 Molasses, whether or not decolorised   |
|                                     | 1705 (*) Flavoured or coloured sugars, syrups and molasses, but not including fruit juices containing added sugar in any proportion   |
| CHAPTER 18                          | 1801 Cocoa beans, whole or broken, raw or roasted   |
|                                     | 1802 Cocoa shells, husks, skins and waste   |
| CHAPTER 20                          | Preparations of vegetables, fruit or other parts of plants  |
| CHAPTER 22                          | 2204 Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol  |
|                                     | 2205 Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol   |
|                                     | 2207 Other fermented beverages (for example, cider, perry and mead)   |
|                                     | ex2208 (*),<br>ex 2209(*)<br>Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in this Annex, excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages |
|                                     | ex 2210 (*) Vinegar and substitutes for vinegar   |
| CHAPTER 23                          | Residues and waste from the food industries; prepared animal fodder   |
| CHAPTER 24                          | 2401 Unmanufactured tobacco, tobacco refuse   |
| CHAPTER 45                          | 4501 Natural cork, unworked, crushed, granulated or ground; waste cork  |
| CHAPTER 54                          | 5401 Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)   |
| CHAPTER 57                          | 5701 True hemp ( <i>Cannabis sativa</i> ), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)  |

(\*) Heading added by Article 1 of Regulation No 7a of the Council of the European Economic Community of 18 December 1959 (OJ 7, 30.1.1961, p. 71. Special edition (English edition) 1959-1962, p.68).)

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