



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

Improving Farm Productivity Handbook



Deadline for applications: 3 December 2018

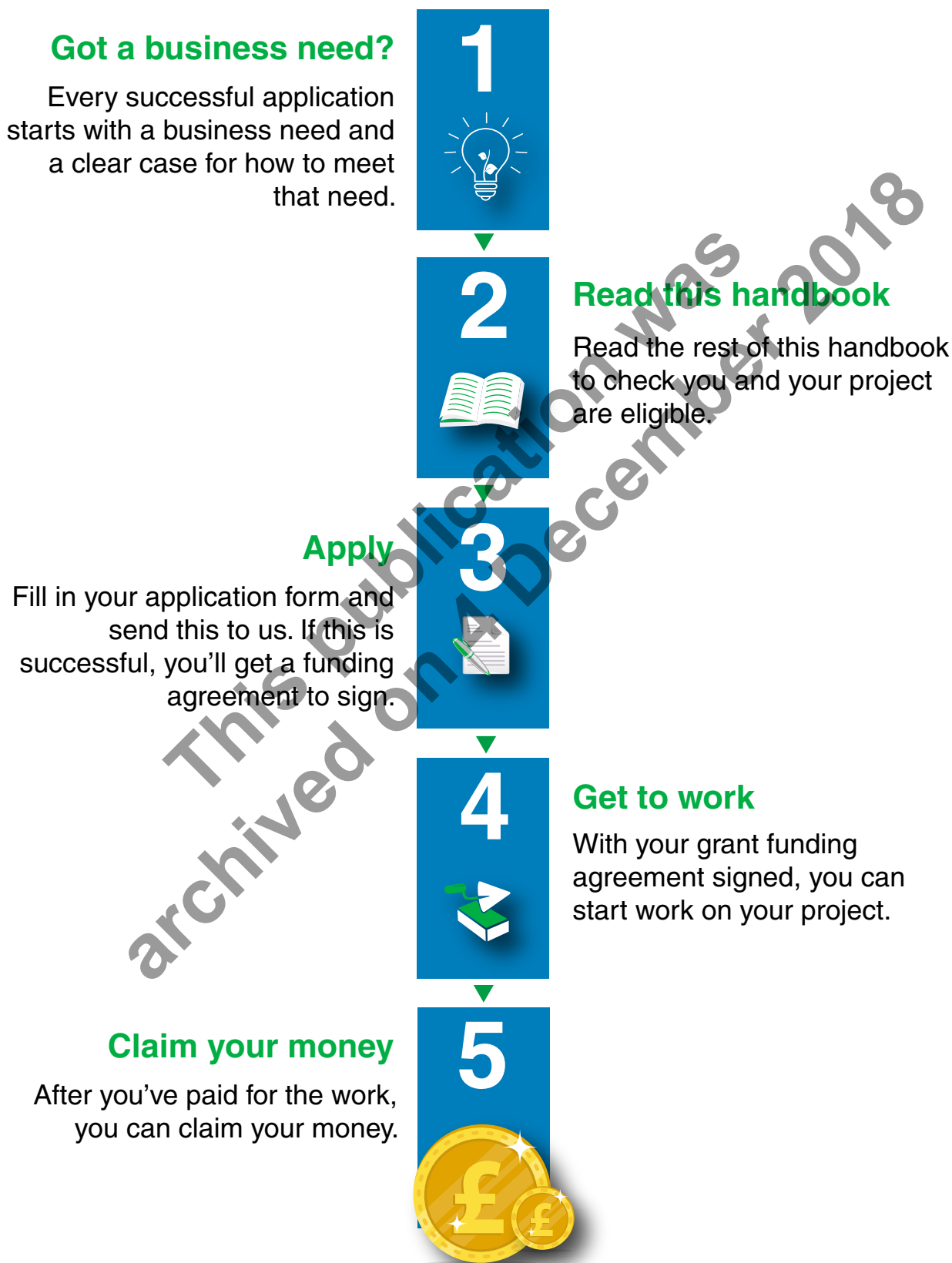
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With thanks to the following businesses for the images used in this document: Three Musketeers Ltd, Garford Farm Machinery Ltd.

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How the Countryside Productivity Scheme grants work



About the RDPE Countryside Productivity Scheme

Includes:

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

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 help 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 Scheme improving farm productivity grants. 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 agricultural or horticultural business, 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 improving farm productivity

Includes:

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

About the grants for improving farm productivity

An overview of the grants for improving farm productivity – who can apply, what the grants will fund and how much funding is available.

Who can apply

Farmers (including livestock, dairy, arable and horticultural sectors)

What the grants are for

These grants are to improve farm productivity through

- the use of robotic equipment to aid crop and livestock production
- increasing the use of renewable energy produced on farm by improving energy storage and distribution
- the use of LED wavelength controlled lighting to aid crop production
- more efficient use of livestock slurries and manures, and digestate

See examples of the kinds of projects which may be eligible for a grant on page 11.

Grant funding can help pay for buying and installing machinery and equipment.

What the grants are not for

The grants can't be used to

- generate renewable energy
- buy irrigation equipment
- fund equipment used in the processing and packing of fruit or vegetables
- crop storage
- fund anaerobic digesters

For grant support for crop storage and processing fruit and vegetables see Adding Value under the Countryside Productivity Scheme. For irrigation projects see Water Resource Management under the Countryside Productivity Scheme.

How much money can you apply for

The grants are for a minimum of £35,000.

Grants can cover up to 40% of the eligible costs of a project. If the minimum grant is £35,000, the minimum total eligible cost of a project would therefore be £87,500. See page 21 for the full list of eligible costs.

You won't automatically get a grant.

When you apply for a grant, you're competing with other applicants.

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

Read pages 17 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.

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Examples of projects

Here are some examples of the kinds of project which may be eligible for a grant for improving farm productivity.

Improving efficiency

A dairy business will invest in 2 milking robots, and a robotic silage pusher. The milking robots include sensors to collect data on the health of each cow including milk composition. The new robots will improve monitoring of cow health, labour efficiency, and yield which will improve overall farm efficiency and productivity.



Introducing innovation

A horticultural business is investing in a robotic weeder to carry out intra-row weeding. The machine uses camera images to distinguish vegetable plants from weeds, then calculates the position of plants and accurately guides hoes to remove the weeds. This reduces the need for chemical treatment and for manual hoeing.



Examples of projects (continued)

Improving slurry application

A large-scale dairy farmer will purchase slurry application equipment including inline, real-time nutrient sensor, flow meters and a trailing shoe application system to fit to an existing slurry tanker. This will deliver significant savings on fertiliser, reduce ammonia emissions and mean that cattle can graze treated grassland earlier than with previous, low-trajectory splash plate.



Introducing Innovative technology

A large-scale pig farmer with an anaerobic digester will install an advanced digestate processing system, including a separator, pumps, centrifuges and filters. This will deliver the ability to separate the fibre fraction and produce a concentrated liquid fertiliser, reducing the need to purchase fertiliser and improving productivity.



Examples of projects (continued)

Making better use of renewable heat generated on farm

A poultry farmer will install a heat distribution main, heat exchangers and an innovative ventilation system. This will distribute renewable heat from boilers powered by poultry litter. The project will deliver cost savings by reducing liquid petroleum gas usage by over 50% and will also improve animal health and welfare.



Making better use of renewable electricity produced on farm

A horticultural grower will purchase a battery storage facility. The grower already has a solar panel installation and this will allow the business to store excess electricity produced during the day and use it through the night to power cold stores rather than importing electricity from the grid. This will deliver significant savings on electricity costs.



Who can apply

Includes:

- **Who can apply**
- **Who can't apply**

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Who can apply

Who can apply

Farmers (including livestock, dairy, arable and horticultural sectors) can apply for the improving farm productivity grants.

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 the grants:

- agricultural and horticultural contracting businesses
- non departmental public bodies including local authorities
- 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

Not sure if you're eligible?

Contact the RPA helpline on 03000 200301 or email CPEnquiries@rpa.gsi.gov.uk

Preparing an application

Includes:

- **Priorities for funding**
- **How we assess applications**
- **Applications - what we look for**

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.

When you apply for a grant, you're competing with other applicants.

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.

Improve productivity	Introduces new processes, techniques or equipment to improve productivity or resource management
Enhance resilience	Makes your farming operation more resilient to climate change and reduces its environmental impact
Improve efficiency	Improves nutrient management or optimises field and livestock operations
Introduce innovation	Adopts innovative farm technologies
Grow your business	Increases turnover or profitability, or creates new jobs
Encourage collaboration and partnerships	Creates new links between businesses and shares resources

How we assess applications

The application is a single stage process. We'll use the information on the application form and the supporting documents you provide to check that both you and your project are eligible.

Then we assess how well your project meets the selection criteria set out in the table on page 18. To do this, we'll score and rank your application against others submitted for these grants. Only the highest scoring applications will be successful.

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

Applications – what we look for

This table will give you an overview of what we assess.

Strategic fit	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.
Value for money	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.
Need and demand	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.
Financial viability	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.
Delivery and sustainability	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 improving farm productivity grants this maximum is 40%. 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 must be paid for with money from private sources like savings or a bank loan.

The maximum grant per project is normally £1,000,000. Please contact us if you wish to apply for more than this.

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've 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:

Robotic equipment:

- which can undertake activities within the normal growing cycle of a crop or normal husbandry of livestock. For example driverless vehicles, robotic harvesting, robotic weeding, robotic milking and robotic handling of manures and slurries.

For equipment to be considered robotic it must include all 3 of the following:

- a sensing system to measure physical and biological properties of the agricultural system
- decision-making capabilities for processing information from the sensor system to determine how the robotic system should be manipulated
- actuators to manipulate the robotic system

Eligible costs may include the costs of integrating the robotics into the business's existing systems.

Energy efficiency equipment:

- a heat distribution network and associated equipment for the use of renewable heat generated on the farm, such as in glass houses, pig or poultry buildings and for crop drying. Costs can include pipework, heat exchangers and pumps but not the heat source (for example biomass boiler).
- installation of electrical battery storage system to enable better use of renewable electricity produced on the farm. The electrical storage capacity may not exceed the lowest of:
 - the amount of energy produced in a 24 hour cycle,
 - the amount of energy used within the business in a 24 hour period,
 - total power output of battery storage system must not exceed 1 MW
- installation of automated thermal screens in glasshouses to aid climate control. All screens must be made of a fire retardant material. Costs can include automated control systems.
- installation of wavelength specific LED lighting to aid crop growth and pest control.

Eligible costs (continued)

Slurry and digestate management equipment to apply, monitor, control and record slurry/digestate:

- low emission precision application equipment. This may be either:
 - deep or shallow injection
 - trailing shoe
 - dribble bars

Low emission precision application equipment must include all 5 of the following (unless already in place):

- inline nutrient sensors
 - flow meters
 - adjustable flow control valves
 - GPS receiver
 - in cab display/control unit recording application rates/ volumes
- slurry/digestate umbilical systems which are fitted with all of the above 5 precision monitoring, control and recording pieces of equipment and use low emission application equipment listed above. This umbilical system must include a pump, macerator and reeler. A nurse tank is optional.
 - slurry/digestate tankers only where fitted with all of the above 5 precision monitoring, control and recording pieces of equipment and using low emission application equipment listed above.
 - slurry/ digestate storage bags to provide additional storage capacity over and above the statutory slurry storage requirement. This can include site preparation and associated pumps and stirrers.
 - mild acidification equipment. This must include mixing tank, acid storing and dosing equipment.
 - advanced digestate processing equipment such as multi-stage digestate separation.

If you are applying for slurry/ digestate umbilical systems or tankers you must have, or be applying for, precision and low emission application equipment. If you are already using any of these items you must provide evidence to show this.

Costs which are not eligible

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

Agricultural business costs:

- robotic equipment used for the packing and processing of fruit and vegetables (this is available through Adding Value – search for ‘Countryside Productivity Adding Value’ on GOV.UK)
- crop storage (this may be available through Adding Value – search for ‘Countryside Productivity Adding Value’ on GOV.UK)
- irrigation projects (this is available through Water Resource Management – search for ‘Countryside Productivity Water Resource Management on GOV.UK)
- buildings used for growing and harvesting agricultural and horticultural products
- normal agricultural equipment and inputs like animals and crops
- the cost of agricultural production rights and payment entitlements
- self-propelled platforms (vehicles that can have a range of bodies mounted upon them)
- slurry lagoons and above ground slurry stores
- manure storage
- photo voltaic panels
- solar thermal panels
- biomass boilers
- wind turbines
- gas engines
- the cost of agricultural production rights and payment entitlements

General costs:

- projects that are carried out only to meet a legal requirement
- any costs incurred 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 expansion
- costs associated with the provision of housing

Costs which are not eligible (continued)

- marketing and promotion
- general purpose lighting of buildings and yards

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
- 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)

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 CPEnquiries@rpa.gsi.gov.uk

How to apply

Includes:

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

How to apply

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

Separate guidance is available to help you complete your application form and to meet any specific requirements relating to your project. This is called 'How to fill in an improving farm productivity application' and can be downloaded from GOV.UK. Please make sure that you read this guidance before filling in the form.

The application form

You can find the application form on GOV.UK – search 'RDPE Countryside Productivity Scheme application form'.

There are 2 parts to the form:

- the Improving Farm Productivity application form which is a Word document
- the Countryside Productivity application appendix which is an Excel spreadsheet

Deadline

We must receive both parts of your electronic application before 3 December 2018 – if we receive an application after this deadline, we will reject it.

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

- a breakdown of project costs
- supplier details
- key dates and project milestones
- proposed project outputs

- cash flow forecasts
- an explanation of why you are proposing to do the project, how it will make your business more efficient and improve its productivity
- how your project fits with the priorities for funding
- the market demand for your project and its impact on similar businesses
- details of existing products and new products as a result of this investment
- details of previous public funding

You must have planning consent in place before you apply.

You'll need to send us supporting information or documents appropriate to the project including:

- financial accounts for the most recent 3 years of trading
- latest tax returns, management accounts or a statement of income and expenses from an accountant (if you are a new business or self-employed)
- financial and production projections for at least 2 years
- relevant permissions and consents such as planning consent
- 3 quotes, references to catalogue listings or formal tenders for each item to be purchased

- evidence of project funding
- confirmation from the supplier of any second hand items included in your project
- details and draft agreement between parties where a joint venture is proposed
- evidence that you are able to include irrecoverable VAT in your project costs, where applicable
- plans approved as part of your planning consent

Check the guidance on how to fill in the application form

This gives full details on all of the supporting information and documents listed above and what they need to show.

- saved in the correct format:
 - application form – Microsoft Word Document (.docx or .doc)
 - application appendix – Microsoft Excel 97-2003 Worksheet (XLS)

We can't accept these forms in any other format – including PDF documents, scanned copies or hand-written documents.

Email both parts of your application from the email address you specify in section 1 of the application form. If an agent sends the application on your behalf, that address must be copied into the email.

You'll also need to print off the completed application form, sign the declaration and send the whole copy to one of the offices shown below (the nearest to the location of your project):

Rural Payments Agency
Countryside Productivity Applications
c/o Environment Agency
Ghyll Mount
Gillan Way
Penrith
CA11 9BP

Rural Payments Agency
Countryside Productivity Applications
Rural Development
County Hall
Spetchley Road
Worcester
WR5 2NP

Rural Payments Agency
Countryside Productivity Applications
Rural Development
Sterling House
Dix's Field
Exeter
EX1 1QA

RPA will be holding webinars 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.

Before you send us your 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.

How to submit your application

Email your completed application form and appendix to CPApps@rpa.gsi.gov.uk

We can only accept forms that are:

- sent by email (as attachments)

You can send your supporting documents by email or by post with your electronic or hardcopy application form. We can't return any supporting documents so please send copies (not originals) with your application.

Provide an email address that you check regularly.

We will use the email address you put in section 1 of the form as our main way of contacting you.

more information and help with this if you are offered a grant.

If your application is unsuccessful

If your application is unsuccessful, RPA will send you a letter with 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.

What happens after you submit your application

After you submit the form, you'll get an automatic email to say we have received it. We'll then check your application for eligibility and completeness and will contact you if there is anything else needed. Your application will then be assessed against the scheme criteria.

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

If you are offered a grant

If you are 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 don't, we could end your agreement and reclaim any grant we've already paid. You'll get

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 productivity of your farm. Tell us how your project will help do this.

Sell us your idea

Explain really clearly what your project does and the benefits it will deliver. 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 are unlikely to get a grant.

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This document is also available on our website at
<http://www.gov.uk/rpa/countryside-productivity-scheme>

Any enquiries regarding this document should be sent to us at:
Webmaster.rpa@rpa.gsi.gov.uk
www.gov.uk/rural-payments
www.gov.uk/rpa