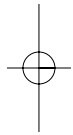
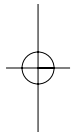


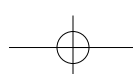
## Foreword

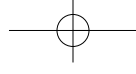
The Department of Agriculture and Rural Development (DARD) has developed the New Entrants Scheme (NES) for Northern Ireland<sup>1</sup> in accordance with the EU Rural Development Regulation (EC 1257/99).

This Regulation makes provision for assisting the start up of young farmers under the age of 40 who possess adequate skills and competences and are established as head of a holding for the first time. The holding must be economically viable and must comply with environmental, hygiene and animal welfare standards.

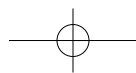
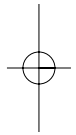


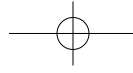
<sup>1</sup>Young Farmers with holdings in Great Britain or the Republic of Ireland will be considered under the Scheme provided the main base of their agricultural business is in Northern Ireland.





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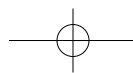
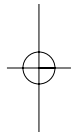
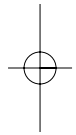
## Contents Page

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Annex A Standard Labour Requirements for  
Farm Enterprises

Annex B List of Agriculture Development Centres



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## Glossary of Terms

For the purpose of this document the following definitions apply:

- the Department  
the Department of Agriculture and Rural Development;
- agriculture  
horticulture, fruit growing, seed growing, dairy farming and livestock breeding and keeping, the use of land as grazing land, meadow land, market gardens and nursery grounds, and the use of land for woodlands where that use is ancillary to the farming of land for other agricultural purposes, and 'agricultural' shall be construed accordingly;
- head of holding  
the owner, co-owner or tenant of the farm and who is registered on the Integrated Administrative Control System/Single Application Form (where relevant) and is named on all bank accounts relating to the farm business;
- viable holding  
a holding with a Standard Labour Requirement (SLR) size of 0.5 Full-Time Equivalents (FTE) or greater and which is economically sustainable taking into account all sources of income available to the owner and his/her spouse. One Full-Time Equivalent (FTE) consists of 1900 Standard Labour Requirements (SLR's) (see Annex A to calculate size of holding);
- personal development plan  
a plan setting out how the applicant proposes to meet the competency and skill requirements as laid out in Section 2.3 Occupational skills and competences;
- lending institution  
an authorised deposit taker and includes all main high street banks and building societies. Applicants can check with the Financial Services Authority if they are unsure if their lender qualifies as an authorised deposit taker.



## 1 Scheme Outline

Young farmers represent a key factor in the development of rural areas and the Department considers support to this category of farmers a priority. Consequently, this Scheme provides aid to facilitate the establishment of young farmers (under 40 years old) who possess adequate skills and competences and are setting up as head of the holding for the first time.

The assistance, in the form of an interest rate subsidy, is for an **agricultural** purpose on the holding for which the loan is obtained, with a view to promoting additional farm investment which will generate new activities or add value to existing activities in farming in Northern Ireland.

Applicants will be required to submit a business development plan, including a specific project proposal, and a personal development plan indicating how competence requirements will be met (if unable to demonstrate adequate skills and competences at the outset) when seeking the loan.

Full details of eligibility, application and payment processes are set out in the remainder of this booklet.

Successful applicants who can satisfy all the eligibility requirements will receive aid payable (in arrears) over a maximum of five years.

Aid received must not be used for capital payments. It must only be used to offset the interest paid on the loan linked to the business plan.

The Scheme opens on Monday 6 June 2005 and will close for applications on **Thursday 5 June 2008** or when all available funds have been committed, whichever is sooner. Only one application per farm business will be accepted.

## 2 Eligibility Criteria

### 2.1 Ownership

Applicants under 40 years of age (confirmed by original birth certificate) at the time of making the application for aid.

Applicants who have been established as head of holding for the first time during the twelve month period prior to the date of initial application form NES 2 (confirmed by evidence such as a letter from solicitor /accountant/bank or if tenant, a written lease agreement).

The Department may in certain circumstances subject the business to a separation test including:

- Legal status
- Economic structure
- Commercial management
- Operational management

### 2.2 Viability

The holding must be viable or applicants will be required to submit a business development plan, including financial estimates for the proposed project, which shall make the holding viable within five years after entry into the Scheme.

### 2.3 Occupational skills and competences

Applicants must;

- hold a minimum of a National Vocational Qualification (NVQ) Level 2 in Agriculture or subject deemed closely related by the Department; or
- demonstrate five years practical agricultural experience and submit a personal development plan including an objective to achieve an appropriate NVQ Level 2 or higher qualification in Agriculture or subject deemed closely related by the Department within three years after entry into the Scheme;

- have completed a minimum of four modules/courses of the Department's Good Farming Practice Programme and/or Environmental Training Programme; or
- submit a personal development plan including an objective to complete at least four modules/course of the Department's Good Farming Practice and/or Environmental Training Programme within three years after entry into the Scheme;
- have membership of a Quality Assurance Scheme deemed relevant by the Department to the proposed project; or
- submit a personal development plan including an objective to obtain membership of a relevant Quality Assurance Scheme within three years after entry into the Scheme.

### 3 Business Project

Applicants must submit a business plan detailing the project for which the capital loan is to be obtained. To qualify for this Scheme the loan must:

- be used for an agricultural purpose; or
- generate new activities or add value to existing activities.

This loan does not cover the purchase of land, Single Farm Payment Entitlements and/or farm machinery to be used for contracting activities.

Any changes to the original approved business plan must be notified in writing to and approved by both the Department and the lending institution.



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## 4 Scheme Requirements

Applicants must open a separate account in a lending institution held solely to service the project for which the grant has been approved.

Applicants must keep a copy of all relevant records for a period of ten years from the date of the final payment under this scheme.

Applicants must comply with animal health and welfare legislation and retain copies of the Codes of Good Agricultural and Environmental Conditions.

Successful applicants must give an undertaking to pursue the objectives of the approved business and personal development plans.

## 5 Aid Available

Financial assistance will take the form of an interest rate subsidy on loans taken out in pursuance of an agreed project as detailed in the applicant's business plan. The maximum amount of aid available is £17,000 and the maximum duration of subsidised interest payment is five years. There is no restriction on the amount of loan or on the term of the loan. **The applicant and their lending institution will determine this.**

The interest rate for which subsidy is payable is capped at 3.5% above the Bank of England Base Rate. Applicants who agree a fixed rate of interest with their lending institution should be aware that in the event of the Bank of England Base Rate plus the 3.5% being less than the amount agreed under a fixed term rate, the Department will only pay the lesser. Applicants who secure loans above the capped rate are liable for excess interest payment.

## 6 Application Process

The application process is divided into three separate stages:

### Stage 1 NES 2

Applicants will fill in a pro-forma NES 2 to establish their age and head of holding status (with supporting evidence provided). Applicants also have to provide a brief overview of their proposal.

Completed pro-formas should be sent to DARD, Orchard House, 40 Foyle Street, Derry/Londonderry, BT48 6AT.

Applications will be acknowledged within 10 working days of receipt. If an acknowledgement is not received within this time scale, applicants should contact the Department at the above address. If the Department is then satisfied that the eligibility conditions regarding age and head of holding status are met, and that the loan is to be used for the purposes set out in Section 3, applicants will be invited to proceed to the next stage of the application process.

Advice from College of Agriculture Food and Rural Enterprise (CAFRE) (see Annex B for list of Agriculture Development Centres) is available for those proceeding with detailed proposals for the lending institution, who will work with participants to put together detailed business proposals and personal development plans (where applicable) and in making assessments of farm viability. Applicants may of course obtain such assistance from other sources if they so wish.

### Stage 2 Liaising with Lending Institutions

Applicants who meet the eligibility criteria of Stage 1 apply to a lending institution with a detailed business proposal.

The lending institution will focus on the commercial decision behind applications. The applicant and lending institution will negotiate the terms and conditions of any loan and agree a final business plan with an approved term loan relating only to the proposed project.



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### Stage 3 NES 3

Applicants who have completed Stages 1 and 2, and have satisfied all other eligibility criteria set out previously in Sections 3 and 4, will complete a final application form (NES 3) and forward to DARD, Orchard House, 40 Foyle Street, Derry/Londonderry, BT48 6AT with:

- a copy of business plan agreed and endorsed by the lending institution;
- a letter of approval from lending institution;
- details of bank account; and
- Qualification Certificates and/or a personal development plan.

Applicants will be acknowledged within 10 working days of receipt. If an acknowledgement is not received within this time scale, applicants should contact the Department at the above address.

If the project agreed in the business plan differs substantially from that provided at Stage 1, the Department may reject the application or seek further clarification on the project. Failure to supply necessary information may lead to the application being delayed/rejected.

The Department may decide to inspect the project at any time over the period of the Scheme. Applicants will be required to render all reasonable assistance to authorised officers in the making of the inspection.



## 7 Successful Applications

All successful applicants will be notified in writing within four weeks of date of receipt of the final application (NES 3) by the Department.

## 8 Procedures for Payment of Interest

Claim forms for repayment of interest will be issued one month before the annual anniversary of the Department's approval date. Successful applicants will be required to declare that interest repayments on the loan linked to the business plan have been paid up to the claim date. Applicants will also be required to submit a copy of their most recent certified accounts or evidence that the net worth of their business has increased. The lending institution's authorised representative will also be required to confirm that they have received agreed repayments, in respect of the loan. Failure to make payments in accordance with agreed timetables may result in aid being withdrawn/withheld.

Claim forms must be returned to the Department within two months of the anniversary date of the approval. Claims received outside of this period may be rejected.

The Department will endeavour to pay claims within 12 weeks of receipt provided they are completed correctly with all the necessary documentation included. No payment will be made until the Department is satisfied that conditions of the loan have been fulfilled and any necessary validations have been completed.

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## 9 Unsuccessful Applications

Unsuccessful applicants will be notified in writing within four weeks of date of receipt by the Department outlining the reason for non-acceptance.

## 10 Appeal Procedures

Where an application has been rejected or an approval in whole or in part is revoked the Department:

- shall give to the person whose application has been refused or to whom any payment by way of aid would be payable, or from whom any such amount would be recoverable, as the case may be, a written notification of the reasons for the actions proposed to be taken by the Department;
- shall afford that person an opportunity of appearing before and being heard by a person appointed for that purpose by the Department; and
- shall consider the report by a person so appointed and supply a copy of the report to whom the action proposed to be taken by the Department relates.

## 11 Revocation/Clawback

If at any time after the Department has approved any aid under this scheme it appears that;

- any condition subject to which approval was given or the payment has been made has not been complied with; or
- any work in respect of expenditure on which the approval was given has been badly done, or has been or is being unreasonably delayed, or is unlikely to be completed; or
- the person by whom the application for that approval or for the making of any payment was made gave information on any matter relevant to the giving of the approval or the making of the payment which was false or misleading in a material respect,

the Department may revoke the approval in respect of the whole or part of the expenditure, and where any expenditure has been made, the Department may on demand recover:

- an amount equal to the payment which has been so made or such part thereof as the Department may specify; and
- any interest, determined in accordance with the Scheme, on that amount.

## 12 Fraud

The Department has a zero tolerance approach to fraud and when detected it will pursue it rigorously, and if necessary, prosecuted to deter re-occurrence and act as a lesson to others.

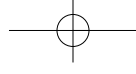
## 13 Further Information

Further information in relation to this Scheme may be obtained from DARD Agriculture Development Centres (see Annex B for a list of Agriculture Development Centres) or Grants and Subsidies (Payments) Branch Orchard House, 40 Foyle Street, Derry/Londonderry, BT48 6AT Tel: 028 7131 9900.

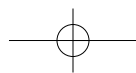
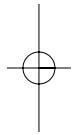
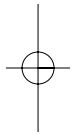
The Departments Website address is [www.dardni.gov.uk](http://www.dardni.gov.uk).

Scheme documents will be made available in alternative formats on request, for example, Braille, large print, audio cassette, minority ethnic languages. Please contact Grants and Subsidies (Payments Branch), Orchard House, 40 Foyle Street, Derry/Londonderry, BT48 6AT.





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## Annex A

### STANDARD LABOUR REQUIREMENTS FOR FARM ENTERPRISES

Enterprise	Unit	SLR per Unit <sup>1</sup>	Units per 1 FTE
Cereals	Ha	30	63
Oilseeds	Ha	22.5	84
Potatoes	Ha	135	14
Outdoor veg	Ha	150	12.6
Fruit	Ha	450	4.2
Ornamentals	Ha	1,500	1.3
Glasshouse veg	Ha	5,000	0.4
Other glasshouse	Ha	25,000	0.1
Mushrooms	House	1,050	1.8
Set aside	Ha	1.5	1,055
Forage crops	Ha	9	211
Grass	Ha	6	317
Rough grazing	Ha	2.25	844
Dairy cows	Head	39	45
Beef cows	Head	12	160
Other cattle	Head	9	210
Ewes & rams: Low	Head	5.2	365
Ewes & rams: LFA	Head	4.2	450
Other sheep: Low	Head	3.3	575
Other sheep: LFA	Head	2.6	730
Sows & gilts	Head	16	120
Piglets	Head	1.0	1,900
Other pigs	Head	1.3	1,460
Laying hens	Head	0.3	6,330
Pullets	Head	0.12	15,800
Broilers	Head	0.03	63,300
Turkey, ducks, etc	Head	0.045	42,200
Goats	Head	20	95
Deer	Head	15	125

<sup>1</sup>Units Include allowances for overheads

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## Annex B

### LIST OF AGRICULTURE DEVELOPMENT CENTRES

2 Newry Road,  
Armagh, BT60 1EN  
Tel: 028 3751 5659

Enniskillen Campus,  
Levagh,  
Enniskillen, BT74 4GF  
Tel: 028 6634 4800

18 The Square,  
Ballyclare, BT39 9BB  
Tel: 028 9332 2399

4 – 6 Killane Road,  
Limavady, BT49 0DS  
Tel: 028 7776 2521

Kilpatrick House,  
High Street,  
Ballymena, BT43 6DT  
Tel: 028 2566 2800

31 Station Road,  
Magherafelt, BT44 5DN  
Tel: 028 7930 2112

Crown Buildings,  
John Street,  
Ballymoney, BT53 6DS  
Tel: 028 2766 0160

1 Cecil Street,  
Newry, BT35 6AH  
Tel: 028 3025 3310

Rathkeltair House,  
Market Street,  
Downpatrick, BT30 6LZ  
Tel: 028 4461 2211

2b, Portaferry Road,  
Newtownards, BT23 3NT  
Tel: 028 9181 3570

Crown Buildings,  
Thomas Street,  
Dungannon, BT70 1HR  
Tel: 028 8775 4777

Sperrin House,  
Sedan Avenue,  
Omagh, BT79 7AQ  
Tel: 028 8225 1020

