



**Funded by the Irish Government under the
National Development Plan 2007-2013**

**SCHEME OF INVESTMENT AID FOR THE
DEVELOPMENT OF THE COMMERCIAL
HORTICULTURE SECTOR**

Terms and Conditions

5th Round (2012)



TERMS AND CONDITIONS FOR THE 5TH ROUND OF THE SCHEME OF INVESTMENT AID FOR THE DEVELOPMENT OF THE COMMERCIAL HORTICULTURE SECTOR

General

This scheme is intended to assist in the development of the horticulture sector, including beekeeping, by grant aiding capital investments in specialised plant and equipment as well as emerging technologies specific to commercial horticulture production.

The scheme aims to facilitate environmentally friendly practices; promote the diversification of on-farm activities; improve the quality of products and improve working conditions.

Under this scheme and subject to conditions 1-30 beneath, aid at a rate of 40% (or a maximum rate of 50% in the case of young farmers – see also section 9 of the terms and conditions) will be payable on the accepted cost (excluding VAT, discounts and allowances) of capital investments approved and completed to the satisfaction of the Department.

The scheme is primarily aimed at those engaging in commercial horticultural production and/or beekeeping. Non-production investments, which are directly associated with primary production, may also be considered.

As the funds available under the Scheme of Investment Aid for the Development of the Commercial Horticulture Sector are limited, investments will be in competition for grant-aid. The funding is for investments completed and claimed for not later than **12th October 2012**. Payment claims will be accepted prior to this date.

Application forms may be obtained from:

**Crop Policy, Production and Safety Division, NDP Grants Section,
Department of Agriculture, Food and the Marine,
Administration Building,
Backweston Campus,
Young's Cross,
Celbridge,
Co. Kildare.**

**Phone: 01 5058886
E-mail: NDPHorticulture@agriculture.gov.ie**

**TERMS AND CONDITIONS FOR THE 5TH ROUND OF THE SCHEME OF
INVESTMENT AID FOR THE DEVELOPMENT OF THE COMMERCIAL
HORTICULTURE SECTOR**

Definitions

For the purpose of this scheme:-

“**the Department**” shall mean the Department of Agriculture, Food and the Marine.

“horticulture” means that branch of agriculture that relates to the cultivation, production and preparation for the market of -

- (a) fruit,
- (b) vegetables (excluding potatoes and seed potatoes),
- (c) herbs,
- (d) edible fungi,
- (e) nuts,
- (f) cut flowers,
- (g) foliage plants,
- (h) hops,
- (i) sports turf,
- (j) honey,
- (k) pot plants, bedding plants and herbaceous plants,
- (l) nursery stock and Christmas trees,
- (m) fruit trees, fruit bushes and fruit plants,
- (n) bulbs, corms and tubers.

“**investment**” means an investment in a commercial horticultural enterprise.

TERMS AND CONDITIONS FOR THE 5TH ROUND OF THE SCHEME OF INVESTMENT AID FOR THE DEVELOPMENT OF THE COMMERCIAL HORTICULTURE SECTOR

1. Applications

- (a) Applications should be made on an official application form. Sections 1–11 of the application form should be completed by the applicant, who should then arrange to have Section 12 completed by Teagasc or an approved adviser.
- (b) The required supporting documentation, e.g., business plan, latest set of accounts and up-to-date and fully descriptive quotations showing net cost should accompany the application which must be returned to the address as listed on page 1 not later than **Friday 10th February 2012**.
- (c) All quotations submitted must be fully descriptive and, if possible, original. They should be in printed format and on company headed paper.
- (d) Only fully completed applications, with all supporting documentation, will be accepted by the Department of Agriculture, Food and the Marine. Incomplete applications will not be considered for grant aid.
- (e) Applications may be submitted by individual applicants or on behalf of groups and other legal entities. In cases of joint or group enterprises, one person should be nominated to apply on behalf of the enterprise. In such cases at least one member of the enterprise must meet the eligibility requirements. If the nominee is not a Director in the enterprise applying for grant aid, a letter signed by each Director or Partner in the enterprise must be submitted with the application to confirm the identity of the person nominated to deal with the Department on behalf of the enterprise with respect to the current round of the Scheme of Investment Aid for the Development of the Commercial Horticulture Sector.
- (f) Applicants must demonstrate that they have the necessary skill and competence to run the business. In the case of group or joint enterprises, at least one member of the enterprise will be required to demonstrate that they have the necessary skill and competence.

2. Eligible investments

The scheme will be confined to new investments specifically related to horticulture.

Applicants must declare where any relationship exists between the applicant and the quoting company/supplier. The nature of this relationship must be declared fully on the application form and on the claim for payment forms.

3. Commencement of Work
Work on a project must not commence until after the issue of letter of approval by the Department.

Items invoiced, delivered or purchased, or payments made before issue of the approval letter by the Department, are not eligible for grant aid under this scheme.

The following preparatory measures will not be deemed to constitute commencement of work and may be undertaken whenever appropriate:

- Administrative procedures aimed at obtaining planning permission.
- Preparatory/feasibility studies specifically carried out for the proposed investment by, for instance, a consultant or a registered architect.
- Site clearance and fencing.

4. Viability

The horticultural enterprise must be shown to be viable on a commercial scale. To enable viability to be assessed, investment proposals must be supported by a satisfactory business plan covering a minimum of two years and the most recent set of accounts.

Applications must contain a comprehensive profile of the current and proposed enterprises, outlets, employment etc. Each project will be assessed on a case-by-case basis, taking into account the business plan, the latest set of accounts and the project profile submitted with the application.

5. Resale of approved equipment

Applicants will be required to keep in their ownership/possession, for a period of 5 years, such items in respect of which grant aid has been paid.

These items must be used for horticultural purposes only.

All items grant aided must be held within the State.

6. Financing of approved items

Leasing Agreements and Hire Purchase Agreements will be limited to a maximum period of 5 years.

7. Proofs of Payment of relevant invoices

It will be a requirement for all applicants to submit proofs of payment that are acceptable to the Department. These proofs will consist of original bank statements and copies of encashed cheques.

Alternatively, on-line bank statements (only high quality colour printouts with bank logo) with copies of encashed cheques will be acceptable, or if payment is made by direct credit transfer an original bank statement or on-line bank statement listing payments to the supplier must be submitted.

Amounts listed on bank statements must be clearly linked to the relevant item on which grant aid is claimed.

8. **Scale of Investments**

The minimum investment which will be considered for grant aid is €10,000, except in the following specific cases:

- In the case of beekeeping, a minimum investment of €2,000 applies.
- In the case of an applicant who qualifies for the higher rate of aid on the basis of being a young farmer, a minimum investment of €4,000 applies.

The upper cumulative limit for investments per applicant over the period of the scheme 2007-2013 is €5m.

Aid for each investment will be decided based on the availability of funds and on the ongoing priorities for each sector within the industry as well as the quality and scale of the proposals. Account will also be taken of whether grants awarded to the applicant under previous rounds of this scheme were drawn down in full. ***In some cases, only part of an investment may be approved for aid.***

9. **Rate of Grant**

Aid will be payable at the maximum rate of 40% (at a maximum rate of 50% in the case of young farmers) on the accepted net cost of investments approved and completed to the satisfaction of the Department. The amount on which the grant is calculated will not, however, exceed the actual net expenditure incurred (excl. VAT, discounts and allowances), and paid for by the applicant.

To qualify for **the higher rate of grant aid on the basis of being a young farmer**, the applicant must be under 35 years of age on the date of receipt of a valid application by the Department. Each such applicant must submit an original birth certificate with his/her application and must be in a position to demonstrate, by the date of application for payment of aid, that he or she is in control of financial management of the enterprise, for which the grant aid is sought.

In the case of applications made by people operating in partnership or where more than one person has joint interest in the business, the higher rate of aid will only be payable where all parties are under 35 years on the date of receipt of valid application.

A company or corporate body will not qualify for the higher rate of aid.

10. **Limitations**

- (a) Only new materials and/or new specialised horticultural plant/equipment will be grant aided. Aid will not be paid for secondhand equipment, materials or replacements.
- (b) Aid will not be paid for repair and maintenance.
- (c) No aid will be paid for projects which commence before the date of issue of letter of approval by the Department.
- (d) In the case of investments relating to buildings, fixed structures or the purchase of planting material, the applicant must show details

of ownership of the site or its long-term lease for a period of at least 5 years from 1st January 2012.

- (e) In the case of investments relating to the establishment of cut foliage/other types of plantations, part of the grant aid may be deferred pending an inspection by the Department that verifies satisfactory establishment of the plantation.
- (f) Projects which aim to increase production for which no sales outlets can be found will not be grant aided.
- (g) Own labour costs will only be eligible under the scheme if the applicant has accurately documented the costs and the Department is satisfied that the costs are appropriate.

11. Aid from Other Sources

If any contribution towards the cost of approved works has been or may be made from public funds, other than under this scheme, the amount of aid under the scheme may, where the Department so determines, be reduced accordingly.

Investments relating to **mushroom production** which are eligible for consideration for aid under the Scheme of Aid for Producer Organisations in the Fruit and Vegetables Sector will not be grant aided under this scheme.

An applicant must notify the Department if he or she has raised funds under the Business Expansion scheme (BES), the Employment and Investment Incentive Scheme (EII) or the Seed Capital scheme (SCS), giving details of the application, the amount(s), whether a decision has been communicated to them, whether any funds have been raised since 1 January 2007, and if so, the total amount received to date. Where funds have been raised or allocated to the applicant under any of these schemes, the grant aid payable under this scheme will be reduced by 50% in general and by 20% in the case of applicants located in assisted areas and up to the total amount of the BES, EII and/or SCS investment received during the first three years of the BES, EII and/or SCS investment.

12. Competitiveness of applications

Projects will be assessed for aid on a priority basis and the fact that a project is aided does not create entitlement for similar projects in this or any future round of the scheme. Priorities may change with time or circumstances.

13. Completion of Investments/Deadline for submission of claim for payment

Approved investments must be completed and a claim for grant aid made within the period stipulated by the Department.

*Fully completed claims for payment should be submitted as soon as possible but must, unless the Department accepts that force majeure applies, be received in the Department **not later than 12th October 2012.***

Claims for payment will be accepted prior to this date.

Payment of aid cannot be guaranteed for approved investments, completed and otherwise eligible, if the claim for payment is received after 12/10/2012.

14. Legal Provisions, Consents, etc.

All applicants must undertake to comply with all National and EU Community standards in respect of the investments approved under the scheme.

It is the applicant's responsibility to ensure that all works shall be carried out in accordance with the provisions of all relevant statutes, regulations, byelaws and duty of care.

The onus of obtaining all consents, permissions, etc. including planning permission, consent to entry on, or interference with, land, other property or right of any other persons, rests on the applicant.

An application for planning permission or for an exemption from planning, where appropriate, must be lodged with the relevant Local Authority prior to submission of an application for this scheme that proposes investment in buildings or fixed structures (including polytunnels). Alternatively, an original written confirmation of exemption on headed paper signed by a Chartered Engineer or a Registered Architect must be submitted at the time of application.

Confirmation of the grant of planning permission or confirmation from the relevant Local Authority of exemption from planning permission requirements may be requested by the Department for investments relating to buildings or fixed structures (including polytunnels). If this information is not provided within the timeframe allowed by the Department, the investment will be deemed ineligible for aid.

It will be a requirement for an applicant, who is a producer in the food chain, to register with this Department under EU Regulations, i.e. Regulation (EC) No 853/2004 of the European Parliament and of the Council on the hygiene of foodstuffs.

Payment of grant aid is subject to compliance with statutory requirements in relation to the pay and working conditions of employees.

Payment of grant aid by the Department should not be taken as evidence of compliance with the above legal provisions, consents, etc.

15. Contractors Tax Clearance Requirements

In conformity with general practice, the payment of financial aid, as provided for in this scheme, is subject to the condition that, where a contractor is employed to carry out construction work, that contractor must have a current C2 certificate or tax clearance certificate from the Revenue Commissioners. To ensure compliance with this condition, each contractor's C2 or tax clearance certificate must be submitted to the Department.

In the case of a non-resident contractor, a general tax clearance certificate will be required. This provision applies whether or not the non-resident contractor has a registered office in this country.

16. Payment of Tax by Applicant

In the case of grant awards in excess of €10,000, the applicant must submit a current Tax Clearance Certificate. This certificate should be submitted as soon as possible but not later than the date of application for payment of grant aid.

17. Unsuccessful Projects

Where eligible projects have not been approved for grant aid and have not commenced, applicants may re-apply for consideration in the event of a future round of applications under the scheme, subject to the terms and conditions of the scheme at that time. However, it is important to note that the continuance of the scheme is contingent on sufficient Exchequer funds being made available.

18. Information

Applicants must provide any information required by the Department for the control, monitoring and evaluation of the scheme and any other information requested in support of their claim.

19. Justification for Granting Aid

Aid for investment will, at all times, be subject to the condition that, in the opinion of the Department, the investment is justified. However, the approval for, or payment of aid, does not imply any endorsement by the Department of a project's safety, technical feasibility and/or economic viability.

20. Right of Entry

The Department reserves the right to arrange for an inspection, at all reasonable times, of any land, premises, plant, equipment and records of participants or applicants for participation in this scheme.

The applicant, or a person nominated by the applicant, must make himself or herself available to the Department Inspector in order to carry out the necessary inspections.

21. Responsibility of Applicant

The approval or payment of aid under the scheme does not imply the acceptance by the Department of any responsibility as regards the stability of any structure, or the soundness of any materials used or adequacy for its purposes of any investment, which is the subject of such approval or payment. This is the applicant's responsibility in the first instance and the onus is on him/her to comply with current requirements as regards Health and Safety.

The Department may require certification of quality of work and design.

22. Protection of the Environment

To ensure protection of the environment, applicants:

- (a) must agree to farm in accordance with the criteria for Good Agricultural and Environmental Condition (GAEC). They must also participate in the appropriate Bord Bia Quality Programmes or recognised equivalent, including the environment and hygiene standards set out therein;
- (b) may be required to make investments or to carry out additional requirements over and above that covered in their initial applications e.g. investment in hygiene or pollution control. Such additional works will not be grant aided; and/or
- (c) may, without prejudice to paragraphs 17 & 19 be refused grant aid where the Department is of the opinion that the works proposed to be carried out would cause damage to the environment – in particular to environmentally sensitive areas or to a structure or area of historical or archaeological importance.

23. False Statements

Without prejudice to penalties applicable under national law, if, when applying for aid under this scheme, a person knowingly makes a false statement or withholds essential information, all or such portion of the aid given or to be given as the Department may determine shall be reimbursed or withheld. The Department reserves the right to exclude such a person from further participation in the scheme for such a period as it shall determine.

24. Withdrawal of Aid

The Department may withdraw approval of aid if the applicant fails to abide by the conditions of the scheme. In such event, all or such portion of aid given or to be given shall be reimbursed or withheld as the Department may determine.

25. Recovery of Aid

The Department reserves the right to recover any grant aid paid where the investment aided does not continue to be used for horticultural purposes for a period of at least 5 years.

26. Review of Financial Aids

The Department reserves the right to vary, where occasion so demands, the amount of financial aid specified in the scheme subject, at all times, to the provision of any relevant European Union legislation.

27. Conditions of Approval

Every approval of development works and purchases under this scheme shall be subject to all conditions laid down by the Department being complied with, in full, by the applicant.

28. Charges for Visits and Services

The Department reserves the right to impose a charge for visits made, and services provided, by its officials in connection with the scheme.

29. Decision of the Department

The decision of the Department on any matter relating to this scheme or to any works thereunder shall be final.

30. Additional Conditions

The Department may, at any time, lay down additional conditions for the implementation of this scheme.