

The Rural Development Program 2007-2013

General

The Rural Development Program for England and Wales is available on the DEFRA website; <http://www.defra.gov.uk/rural/rdpe/index.htm>. The program has been prepared in accordance with the European Union Regulations. The Rural Development Program has a budget of 3.9 billion euro.

Axis 1 Measures

“Axis” 1 measures are to be delivered by the eight English Rural Development Agencies. The measures include support for vocational training and information actions; support for advisory service for farmers and forest holders, support for setting up farm management, farm relief and advisory services and support for modernisation.

The objective is to improve the economic prospects of holdings through better use of production factors, as well as improving environmental factors, occupational safety, energy efficiency, developing energy products, alternative agriculture, hygiene, animal welfare status of the holding. Particular mention is given to perennial energy crops, which can provide renewable energy.

Vocational Training and Advisory Schemes

This measure includes support for individual trainees and providers of training information services. The funding of individual trainees is to be targeted on certain priorities bases. The applicant is required to demonstrate a gap in existing knowledge. Eligible activities include management skills, business skills, practical and technical livestock crop and non food crop skills, animal health and welfare benchmarking, supply chain efficiency, supply chain application, resource use, bio-energy, environmental land management,.

Advisory services are available from DEFRA and the Rural Payment Agencies website. Momenta (www.momenta.co.uk) provides farm advisory services, under contract from DEFRA. The program contemplates additional advisory services.

Modernisation of Agricultural Holdings and other measures

Aid is to be given for certain targeted measures. The aid will be paid at a rate of 40% of the total eligible costs. Possible measures include:

1. Supporting renewable energy and energy conservation technologies
2. Alternative agriculture such as diversification into non food markets e.g. raw energy products, bio energy crops
3. Improved crop storage in order to facilitate the quality of the product
4. Improved farm nutrient management
5. Improving of the economic value of forests
6. Adding value to agricultural and forest products; Eligible activities include processing and marketing certain products, developing new products, processing and marketing forestry products, especially for wood fuel, developing new products
7. Cooperation on the development of certain new products and processes in all sectors of agriculture, forestry and food industries. Potential partners include farmers, food manufacturers processors, retailers. Eligible beneficiaries include primary producers in agriculture and forestry and partners in corporation projects
8. Infrastructure related to the adaptation and development of Agriculture and forestry. Eligible activities include development of reservoirs, improvement of existing irrigation and drainage networks, water recycling, water harvesting, construction, improvement and restoration of certain infrastructure

Axis 2 Measures

Axis 2 measures are aimed at improving the environment and the countryside. Natural England and Forestry Commissioners deliver the measures under Axis 2 of the England program.

Assistance for upland areas designated as less favoured areas (LFA) and severely disadvantaged areas (STA) are undertaken through the Hill Farming Allowance (HFA) at present. Area payments will be made to farmers using eligible land to graze sheep, breed flocks and subject houses for production in the LFAs. From 2010, it is proposed to integrate LFA into Environmental Stewardship.

Since the 1980s, efforts have been made in England to halt and reverse the widespread loss of habitats and degradation of the farm environment through Agri-environment schemes. The previous Environmental Sensitive Area and Countryside Stewardship Scheme closed in 2004 and have been replaced by a new single scheme; Environmental Stewardship. This is three levels, namely, Entry Level Stewardship, Organic Entry Level Stewardship and Higher Level Stewardship.

Measures to support afforestation are supported by English Woodland Grants Scheme (EBGWS). This policy promotes the expansion of woodlands in England in order to provide a wide range of public benefits. The EBGWS includes forest and environmental payments in an area based grant paid in by annual instalments and called Woodland Management Grant.

Axis 3

Axis 3 measures include measures to improve rural life and support diversification. These measures are undertaken by the Regional Development Agencies. Eligible activities include village renewal and development, culture and leisure activities, development of community buildings, development of community buildings, developing community enterprises for key services, energy services.

Implementation is through the “LEADER” approach. Key features of the LEADER approach include area based local development strategies and local public private partnership.

Diversification may be supported into retailing or services, including self made products, recreational equestrian services, environmental services (including traditional trades) and renewable energy. Support may be provided through grant aid, market research and payment towards certain start up costs.

Preference is given to the development of microenterprises. These might include retail manufacture and service industries including hand made products, recreation, equestrian, and creative industries. Support is contemplated for small scale infrastructure, tourism activities, information centres, recreational infrastructure, small capacity accommodation provision and marketing.

This Guide is intended as an overview and broad outline of the matters covered in it. Its purpose is to inform and raise awareness. We are happy to offer specific legal advice on particular circumstances.

This Guide should not be relied on as a substitute for comprehensive legal advice with reference to the particular circumstances.

While we have taken due care in the preparation of this publication, we do not accept legal liability as a result of any reliance placed on anything in this Guide. The reader should rely only on specific legal or taxation advice.