Northern Ireland Rural Development Programme 2014-2020

Farm Business Improvement Scheme - Capital (FBIS-C) - Tier 2 Tranche 2

Business Plan Narrative Template - EQUIPMENT ONLY

Guidance notes are available to assist with completion of this narrative section of the business plan. The Guidance Notes can be viewed, downloaded and or printed from the DAERA website -https://www.daera-ni.gov.uk/articles/farm-business-improvement-scheme-capital-scheme-fbis-c-tier-2-tranche-2. Your business plan is an important source of information about the proposed project and this template is designed to cover specific information required for the assessment and scoring of applications. Your plan should be clear, concise and complete. Additional information supplied in all documents (financial, technical and environmental) regarding your baseline and projected proposals must be consistent as inaccuracies or information gaps will delay the assessment of your application. The completed business plan will form part of your overall FBIS-C application and should be uploaded as part of your online application on the www.eugrantfundingni.org website. It must be accompanied by cashflow projections for 5 years. No additional information will be accepted after the application is submitted but DAERA staff may seek clarity on the information supplied as part of the assessment process. It must be uploaded as an Excel file, do not convert it to other file types.

All information will be treated in confidence.

Section 1: Background to farm business

Q1. Location, business id number etc.

First name and surname:	C Farmer	Mobile Telephone No:	07123456789
Farm business address line 1:	123 New Farm Road	County:	Armagh
Farm business address line 2:		Town:	Loughgall
Postcode:	BT2399Z	Email:	c.farmer@farm.com

6 Digit Category 1 Farm Business ID Number: (required) **612349**

Expression of Interest Ref Number: ANON-RTZ9 - 8 1 2 A - E

Q2. Provide an overview of the farm business - include details of the current level of production of all enterprises on the farm, land owned and land taken in conacre, main commodities farmed, labour, succession plan (if in place), whether the business is part of a co-operative, quality assurance scheme etc. (<250 words).

My current farm business has an arable cropping area of 150 ha, 80ha of which are owned. I grow a range of combinable crops including Winter Wheat, Winter Barley, Winter Oats, Winter Oilseed Rape, and Spring Barley. The gross margins for these crops for the 2020 harvest year are Winter Wheat: £1190.50, Winter Barley: £1160.20, Winter Oilseed Rape: £1267.30, Winter Oats: £1172.20 and Spring Barley: £807.33. Fertiliser costs are kept to a minimum by using excess manure from local livestock farmers. Currently there is one farm worker employed on the farm. My daughter is currently studying a Foundation Agricultural Degree at CAFRE Greenmount, her intentions are to return home after completing studies to join the farm business. The farm supplies Whites Oats with milling oats, and is a member of the Northern Ireland Farm Quality Assured Cereals Scheme.

Q3. Explain the business objectives and the barriers to achieving them.

The objective of my business is to improve resilience through reducing the cost of inputs by more targeted use. My aim is to maintain or improve yield per hectare while making more efficient use of inputs. Overlaps when applying chemical fertiliser and sprays can be as high as 10% which results in inefficient use of inputs. The small field structure in Northern Ireland magnifies this problem. Improving timeliness of application of inputs will also help improve efficient use of inputs, but the capacity of the current equipment is a barrier to achieving accurate timing given the limited weather windows in our climate.

Q4. List the performance indicators for the farm business as outlined in the accompanying guidance notes. These should be for the most recent 12 month period. Please state the year that they refer to. An example is provided.

	Performance Indicator	Year ending
	Example - Dairy Farm - Whole farm stocking rate 1.88CE/Ha.	*Mar-22*
1	Winter Wheat Gross Margin: £1190.50/ha	Dec-20
2	Winter Wheat Yield: 10.9t/ha	Dec-20
3	Winter Barley Gross Margin: £1160.20	Dec-20
4	Winter Barley Yield: 7.8t/ha	Dec-20
5	Winter Oilseed Rape Gross Margin: £1267.30	Dec-20
6	Winter Oilseed Rape Yield: 4.3t/ha	Dec-20
7	Spring Barley Gross Margin: £807/ha	Dec-20
8	Spring Barley Yield: 4.9t/ha	Dec-20
9	Winter Oats Gross Margin: £1170.20	Dec-20
10	Winter Oats Yield: 7.3t/ha	Dec-20
11		
12		

Section 2: The Project

Project description

Q5. Describe the proposed project using the following headings.

Q5a. Project Title *(e.g. New pig house, crop store, glasshouse, parlour building, slurry tank etc.)*

Installation of GPS equipment on tractors and combine, purchase of GPS compatible 24m Fertiliser Spreader and Sprayer.

Q5b. Bearing in mind the main objectives of the business, and barriers identified in question 3, summarise the nature and purpose of the proposed project.

Currently the farm is running a 1000 litre 15 metre sprayer and 1000kg capacity fertiliser sower. The proposal is to upgrade these pieces of equipment to larger, more efficient machines. To improve the efficiency of use of inputs, it is intended to purchase machines that are able to use GPS signal for precision application of inputs. The machines will also be 24 metre bout width which will reduce soil compaction, reduce wheelings in the crops, and improve work rates leading to more timely application of inputs. For the tractors to be compatible with the new fertiliser spreader and sprayer, these will need to be fitted with GPS equipment. Having this fitted will also lead to more accurate sowing of cereals and spreading of organic manures. It is also intended to install Yield Mapping Equipment to our combine which will provide Yield Maps to allow for more targeted application of P & K fertilisers based on off-takes. This software and equipment will provide better information for more targeted agronomy.

Q5c. Are you seeking grant funding for the: (Tick all that apply)

Upgrade of an existing enterprise	☑
Creation of a new additional enterprise	☐
Creation of a new replacement enterprise	☐

Q5d. Other than the proposed project what other options have you considered, why did you rule them out and why was the proposed project your preferred option?

The first option is to do nothing and continue with existing equipment. This has been ruled out as this equipment is near the end of it's useful life, maintenance costs are rising and increased downtime for repairs in increasing inefficiency while reducing accuracy of applications and impacting on timeliness. Other options would be to replace with similar equipment to the existing machines but this would not improve the timing of application of inputs or accuracy. To up scale the application machines without including the GPS control would be a missed opportunity as it would be more expensive to retro fit at a later date. Also increasing the working width will result in more overlap at headlands if GPS section control is not included.

Project Objectives

Q6. What do you expect to achieve from the project and how will progress be measured. Ideally, the objectives of the project investment should be Specific, Measurable, Achievable, Relevant and Time bound (SMART) and align with the objectives of the business noted in Q3. These may be used to evaluate the success of the project.

By purchasing this equipment we plan to be able to reduce variable inputs to the crops. Research has shown that overlap of inputs can be reduced by 5-10% by use of GPS guidance. In addition the use of GPS section control on Sprayers and fertiliser spreaders can reduce overlap at headlands by up to 9%. By having GPS enabled application equipment we plan to be able to immediately reduce our variable costs by 10%. Variable costs currently account for about 40% of the total growing cost so a 10% saving would result in a reduction of 4% in growing costs. The project will also result in labour saving through more efficient application of inputs and result in an environmental benefit. In the longer term within 4 years we aim to use the yield data from the Combine, combined with soil mapping for P and K to improve the targeting of fertiliser applications to where the most need is and avoid excess being applied where it is not.

Q7. Permissions and environmental considerations

For projects involving installation of equipment in an existing building - you must have planning permission/Certificate of Lawfulness in place before submission of your full application . A copy of the planning approval documentation must be uploaded as part of your on line application on the www.eugrantfundingni.org website. Even if you have planning permission or a Certificate of Lawful Development, it is important that an environmental assessment has been completed as part of this. DAERA may seek this separately.

Q7a. For grant funded equipment to be installed in a new construction (for which grant is not being sought) / or within an existing building constructed **within the last 5 years** :

Proposed purpose/description					
Area of proposed construction(s) (m2)					Application number
Planning permission been granted?	Yes	☐ No	☐ N/A	☑	LA
A Certificate of Lawfulness been granted?	Yes	☐ No	☐ N/A	☑	LA
IPPC been obtained (pigs and poultry)	Yes	☐ No	☐ N/A	☑	
Consent to discharge been granted?	Yes	☐ No	☐ N/A	☑	
An engineer's certificate been obtained?	Yes	☐ No	☐ N/A	☑	

Q7b. For grant funded equipment to be installed in within an existing building constructed **over 5 years** :

Current purpose/description				
Has engineers certificate been obtained?	Yes	☐ No	☐ N/A	☑

Q8. Estimated Project Costs (The Scheme's minimum project spend is £30,001 (net of VAT).

You must provide 2 quotes for each item of proposed expenditure for all questions. Record the lowest cost for each section cheapest overall component quote in the boxes below.

EQUIPMENT

Q8a. Equipment - 2 quotes required if claiming grant

Enter Equipment Item Description	Quantity	Lowest Quote provider	Cost exc VAT (£)	VAT (£)	Total Cost (inc VAT) (£)	Claim for grant Y/N
GPS equipment for the tractor	2	2	29840.00	5968.00	35808.00	Y
GPS equipment for the combine and adaption to be able to yield map	1	2	16845.00	3369.00	20214.00	Y
Trailed crop sprayer, 4000l, 24m boom GPS enabled	1	4	89750.00	17950.00	107700.00	Y
Fertiliser sower 24m spread width, GPS enabled	1	4	26500.00	5300.00	31800.00	Y
Equipment Items Total			**£162,935.00**	**£32,587.00**	**£195,522.00**	

Q8b. Professional Expertise - Post application (Engineering and CDM) - 2 quotes required if claiming grant

Description	Lowest Quote provider	Cost exc VAT (£)	VAT (£)	Total Cost (inc VAT) (£)	Claim for grant Y/N
Professional Expertise Total		**£0.00**	**£0.00**	**£0.00**	

Estimated equipment costs *(ex-VAT)*	£162,935.00		
Estimated professional costs *(ex-VAT)*	£0.00		
Total estimated project cost *(ex-VAT)*	**£162,935.00**	**Estimated grant requirement (cannot exceed £250,000)**	**£65,174.00**

Q8c. Financing the project - How will you fund the overall project? Applicants must provide written evidence that sufficient funds (Incl VAT) are, or will be available to complete the project. For the purpose of the Scheme applicants must provide an 'indication of support' letter as explained in the FBIS-C Tier 2, Tranche 2 Explanatory Booklet.

Own resources (i.e. own money) (£)	£115,174.00
Bank loan (£)	£80,348.00
Other - please state: _____ (£)	
Other - please state: _____ (£)	
Total	**£195,522.00**

Q9 Livestock and nutrient management . If you will not have livestock or slurry/manure on your farm after you project please proceed to Question 10

NUTRIENT MANAGEMENT

It is important that your Nutrient Management meets and where possible exceeds the statutory Nutrient Action Programme (NAP) Regulations (NI) 2019, including Livestock Manure Nitrogen Loading, Manure Storage and Fertilisation Plan requirements currently and following your project. Further information is available at www.daera-ni.gov.uk/nutrientsactionprogramme2019-2022.

For **all projects** evidence of Livestock Manure Nitrogen Loading and Manure Storage Calculations before project completion must be uploaded to the EU Grants website www.eugrantfundingni.org as part of the overall application.

For **projects that will increase livestock numbers**, evidence of Livestock Manure Nitrogen Loading and Manure Storage Calculations **after project completion** must also be uploaded to the EU Grants website as part of the overall application.

Interactive Calculators are available on the DAERA website www.daera-ni.gov.uk/onlineservices . A Government Gateway ID will be required to access the calculators. Guidance on how to apply for a Government Gateway ID is provided on the DAERA website.

It is important that livestock numbers in baseline and projections are accurate and consistent across all documents submitted. DAERA will check Departmental and NIEA records to verify your baseline Livestock Manure Nitrogen Loading and Manure Storage calculations.

A Fertilisation Plan is required if chemical phosphate (P_2O_5) fertiliser to grassland, high phosphorus (P) manures or digestate to any land. Derogated farms must prepare and maintain a more comprehensive Fertilisation Pan. Where a Fertilisation Plan is required, you may be asked to provide a copy prior to approval/payment.

Q9a. Did you export slurry / manure in 2021? Yes ☐ No ☑

Q9b. If yes to Q9a, have you submitted the relevant records to NIEA? Yes ☐ No ☐

Q9c. Is you farm currently operating under a NAP derogation? Yes ☐ No ☑

Q9d. Do you currently have a Fertilisation Plan ? Yes ☑ No ☐

Q9e. Will your farm require a Fertilisation Plan after completion of your project? Yes ☑ No ☐

Livestock

If you do not have livestock on the farm, proceed to Q9k.

Q9f. Does your project result in a change in the average number of days including partial days) that cattle will be kept at grass? Yes ☐ No ☐

If yes, please estimate the number of animals of each type and the average days **per year at grass** before and after your project.
If no, proceed to Q9g.

		At Grass Before Project		At Grass After Project	
		Number of animals	Days at grass	Number of animals	Days at grass
Cattle (Dairy / Beef)	Number of dairy cows				
	Beef cattle over 2 years old				
	Beef cattle between 1-2 years old				
	Beef cattle between 0-1 years old				

If you are proposing a type of project which could result in a decrease in the average number of days at grass, but you state above that it won't, please indicate how this will be verified

Q9g. If your project involves cattle, will there be a change in the number of days they are housed? Yes ☐ No ☐

If yes, please estimate the number of cattle of each type and the average days **per year housed** before and after your project.
If no, please move to Q9h.

		Housed Before Project		Housed After Project	
		Number of animals	Days Housed	Number of animals	Days Housed
Cattle (Dairy / Beef)	Number of dairy cows				
	Beef cattle over 2 years old				
	Beef cattle between 1-2 years old				
	Beef cattle between 0-1 years old				

If you are proposing a type of project which could result in an increase in the average number of days that animals are housed, please indicate the reasons for this increase

Increasing Livestock Numbers
If increasing livestock numbers complete Questions 9h, 9i and 9j.
If not increasing livestock numbers proceed to Q9k.

Q9h. **If increasing cattle, pigs or poultry numbers**, how many **additional** numbers of animals will you be on your farm after your project?

		Numbers Before Project	Numbers After project
Cattle (Dairy / Beef)	Number of dairy cows		
	Cattle over 2 years old		
	Cattle between 1-2 years old		
	Cattle between 0-1 years old		
Pigs	Sows		
	Farrowers		
	Weaners		
	Growers		
	Finishers		
	Boars		
Poultry	Broilers		
	Free range broilers		
	Broiler breeders		
	Layers		
	Free range layers		

Q9i. Livestock Manure Nitrogen Loading – If increasing livestock numbers, how to you propose to manage the Nitrogen Loading in the future? Please choose the options that apply.

Not applicable	☐
Livestock manure nitrogen exported to other farms	☐
Additional land taken	☐
Reducing livestock numbers	☐
Other (Specify)	

Explain in more detail how you will manage Livestock Manure Nitrogen Loading including details of additional land you intend to have access to and the names and addresses of landowners. Evidence of Livestock Manure Nitrogen Loading Calculation **after project completion** must also be uploaded to the EU Grants website as part of the overall application.

Q9j. Livestock Manure Storage – If increasing livestock numbers, how will you store slurry/manure produced on your farm in the future? Please choose the options that apply.

Not applicable	☐
Existing slurry tanks/above ground store/midden	☐
Slurry tank rental agreement signed	☐
New above ground slurry store with cover erected	☐
New below ground slurry storage installed	☐
New covered midden	☐
Uncovered midden	☐
Other (Specify)	

Explain in more detail how you will manage Manure Storage on the farm. Evidence of Livestock Manure Storage Calculation after project completion must also be uploaded to the EU Grants website as part of the overall application.

Slurry / manure management

Q9k. How will slurry be spread on your land after your project? Please choose the option(s) that apply.

Not applicable	☐
Dribble bar	☑
Trailing Shoe	☐
Direct or shallow injection	☐
Splash plate	☐
Other (Specify)	

Q9l. Explain in more detail how you will manage slurry on the farm in future, including storage, spreading systems, nutrient management planning, greenhouse and ammonia mitigation measures etc.

Slurry is imported from a neighbouring pig farm and spread directly using a dribble bar which will reduce ammnonia emissions.

FBIS-C Themes

Q10. Explain how the proposed capital expenditure outlined at Q9 will enable the farm business to meet its objectives and deliver benefits in line with the key themes of the FBIS-C.

Improved productivity and resource efficiency

e.g. Improve annual yield by 10% on current level in the year following completion of the project.

Aim to reduce variable inputs by 10% while maintaining or improving yields.

Contribution to sustainable growth in farm output

e.g. The project will increase farm output by 25% in the year following completion of the project - to be consistent with cash flow calculators

Having higher capacity equipment will lead to better timing of inputs which should lead to higher yield potential. Also having this machinery available would position the business well to take on additional acres should extra conacre or contract farming agreements become available in the future.

Describe how your project will improve the environmental performance of your farm business, in terms of air quality, water quality, soil health and biodiversity

e.g. alternative slurry spreading techniques, improvements to reduce water use, precision technology to reduce pesticides, GPS guided application to reduce soil compaction. Include actions that go further than minimum statutory requirements.

There is an immediate environmental benefit to using this equipment due to more accurate placement of fertiliser and sprays, this will have a direct positive impact on water and air quality as a result. Soil health also benefits due to the reduction in compaction, and input overlaps. GPS application and section control will also allow for easier adherence to buffer zones helping reduce environmental pollution. More accurate placement of P fertiliser according to off-takes based on yield maps and GPS soil sampling maps will result less Phosphate loss to the environment. Spreading slurry with a dribble bar will also help reduce ammonia emissions.

Describe how your project will work towards reducing carbon / GHG emissions

e.g. extended grazing for livestock, use of precision technology (to reduce energy, waste,), improvements in livestock breeding, diet and health, improved animal performance with reduced days to slaughter / calving, low energy automated or vertical production systems for horticulture
Include actions that go further than minimum statutory requirements.

As fertiliser is one of the major contributors to GHG emissions (around 70%), making sure it is used efficiently is a massive step in reducing the carbon footprint of combinable crop production. Better timing of all inputs will increase yields and prevent wastage. Fewer passes required in the completion of operations will reduce fuel consumption. Moving from 15m to 24m sprayer will require 37.5% less distance travelled to complete spraying. On 150Ha of crops, assuming 4 passes during the year, would be a reduction from 400km to 250km. Travelling time for refilling, will also be decreased with a larger capacity machine.Spreading slurry with a dribble bar will also help reduce ammonia emissions.

Improved animal and plant health

e.g. Cow mattresses used in cubicles to improve animal welfare.
Include actions that go further than minimum statutory requirements.

Accurately placing of fertiliser and spray have a major obvious benefit to plant health (e.g.. ensuring no untreated areas when turning off at headlands, and avoiding overlaps of fertiliser resulting in lodging and subsequent reduction in crop quality). Being able to increase timeliness of application of products to plants reduces the crops vulnerability to under/over nutrition, and yield suppression from weeds and disease.

Health and safety

e.g. The new building will have a cattle handling crush incorporated into it to allow safer handling of animals. Include actions that go beyond minimum statutory requirements

The new sprayer will be fitted with an induction hopper for adding chemical, this will improve the level of operator protection compared to the old machine which lacked this feature.

Skills

Q11. Explain what skills and expertise you will use to successfully manage and complete the project? Please indicate if the expertise is internal or external to the business, relevant qualifications and or experience of all involved etc.

Full training will be provided by the equipment supplier. My daughter has gained experience of working with this type of equipment whilst completing her placement year on an English arable farm. GPS soil mapping and variable rate application maps will be created by a specialist company.

Risks

Q12. List the main risks to the success of the business and project, for example, increased input costs, animal disease outbreak, extreme weather, succession issues, Basic Payment Scheme (BPS), reduction in price output, delays in obtaining construction materials and/or equipment. Importantly, explain how you plan to minimise the likelihood of them occurring and their potential impact.

Risk	How the risk will be managed
Fluctuation in grain price	I have availed of fixed price grain contracts to Whites Oats, and grow a range of crop types to help spread risk of price fluctuations.
Poor weather conditions	By increasing capacity of the equipment, we can make the best use of available weather windows to complete crop husbandry tasks at key timings.
Rising input costs	Adopting this technology will make most efficient use of inputs helping to reduce exposure to rising costs. This should boost the competitive advantage of the business.

Management Information System

Q13. What information management facilities (including information technology) will be used to manage the business to monitor and measure the success of the project.

The yield mapping capability of the Combine will be incorporated into existing management packages which will enable identification of underperforming areas of the fields, which can be identified for changes in management practices. The success of these changes can be monitored over time, and decisions can be made to take unprofitable areas of fields out of crop production. These areas can then be utilised for alternative uses such as forestry, wild bird cover or pollen & nectar mixes, to improve farm bio-diversity. The success of the change will also be monitored through participation in CAFRE financial and carbon benchmarking

Evidence of Supply Chain Integration

Q14. What are the current and planned market outlets for the main commodities produced on the farm? Indicate what they are, whether they are existing and or new customers etc. Importantly, highlight areas of supply chain integration. Provide any relevant ant supporting evidence you have, for example, farm's main customers and their requirements (e.g. quality standards), letters of interest from existing and or potential purchasers / processors, contracts secured and or any market research carried out. Provide details of the amount of produce covered, any price guarantee etc. You should submit this evidence (if you have it) as part of your overall application. Applicants applying on line via the www.eugrantfundingni.org website will be prompted to upload any supporting evidence.

We are currently a contracted supplier of grain to Whites Oats, and have been for the past three years. White's are looking to expand the contracted tonnage of grain, so there is opportunity to continue this link and increase output. We also supply grain to a local pig producer, excess slurry from this enterprise is used on our arable unit.

Production

Q15. How will the level of production change on farm as a result of the project?

- Production increased ☐
- Production unchanged but costs reduced ☑
- Production unchanged but quality improved ☑
- Production decreased but efficiency improved ☐
- Production decreased but labour saved ☐

Other (Specify):

Explain in more detail the expected change in the level of production post project completion including the time to reach full production capacity. If applicable provide an explanation for any delay.

We intend to see an immediate reduction in variable input costs of 10%. Over time the variable application of inputs will lead to more uniform crops, increased yield, and quality.

Financials

Q16. At what output price for the main commodity produced on the farm does the project breakeven in cash flow terms over the 5 year period of the financial projections? This will be the minimum price you need for your produce to allow a steady cash flow to be maintained. This should be consistent with figures in your completed Farm Business Planner/business plan Cash flow Calculator.

Based on farm average Winter Wheat yield of 8t/Ha and projected project costs, breakeven commodity (Wheat) price is £158/t

Q17. What information did you use to base your baseline projections on? Applicants must provide one of these documents to prove the baseline position via the www.eugrantfundingni.org website. Applicants will be prompted to upload this as part of their overall application.

- CAFRE benchmarking ☑
- Management accounts ☑
- Accountants report ☐
- Figures prepared by a consultant ☑

Other (Specify):

Q18. What key assumptions did you use to compile your cash flow estimates for the project and what information were these based on?

	Figure used and rationale for using
Output prices	We have assumed that grain prices will remain similar to what they have been trading at based on previous 4 years.
Input costs	Assumed fertiliser costs will be 20% higher, in 2022 than previous years.
Technical performance levels	Similar yields have been assumed, based on farm averages for the last 4 years.

Q19. Need for grant - Funding must only be directed to those projects that require it to proceed. Explain why funding is needed for the project and outline the implications for the business and project if grant is not received. For example, the project would not proceed at all, the project would proceed but over a longer timeframe or smaller scale, missed opportunities, slower growth of business etc... Explain what other sources of funding (other than the grant) have been considered and ruled out.

Due to the high capital cost, payback of this equipment would not be feasible without grant assistance. This would result in none of the environmental benefits of accurate application technology. The business would also be more exposed to rising costs going forward decreasing resilience.

Section 3: Declaration

Required for all applications: In submitting this business plan to DAERA, I, the applicant:

confirm that I have read and understood all related guidance including the FBIS-C Tier 2 Explanatory Booklet.

confirm that the information in the business plan (including all documents or associated materials) is accurate and true to the best of my knowledge.

accept that making a false or misleading statement or a fraudulent claim could lead to grant being refused or recovered and or prosecution.

allow access to the land and buildings to any authorised person for the purpose of carrying out an inspection in order to confirm the accuracy of the information.

will provide any further information as required including cooperating fully with monitoring and Post Project Evaluation procedures.

am aged 18 years or over.

accept that I must not start the project for which I am seeking grant prior to receipt of written approval from DAERA and any costs incurred outside of written approval from DAERA in a Letter of Offer, will not be eligible for funding.

accept that only viable projects that meet the eligibility criteria for the Scheme will be considered by DAERA.

confirm that only one application for the farm business will be submitted.

accept that the completion of an application (including business plan) does not mean that project will receive funding.

accept that mistakes, inconsistencies or incomplete information could render my application ineligible or delay assessment.

Business plan completed by:	C Farmer
Date:	21/10/2021
Signature (applicant)	C Farmer

Please tick what assistance you had with completing application (e.g. agent, accountant, engineer etc)

Agricultural consultant / Agent	☐		
Accountant	☐		
Financial adviser	☐		
Engineer	☐		
Architect	☐		
Other	☐	Specify:	

DAERA FRAUD HOTLINE: FREEPHONE 0808 1002716. Any person who knowingly or recklessly makes a false statement for the purposes of obtaining grant under this Scheme or assisting another to obtain grant may be prosecuted.

Data Disclosure - The Department takes data protection and freedom of information issues seriously. Your information and data will only be used for the purposes for which you give your specific permission or, in very limited circumstances, when required by law or where permitted under the terms of the Data Protection Act (2018) and the General Data Protection Regulations (2016). This means that any personal information you supply will be processed principally for the purpose for which it has been provided. However, the Department is under a duty to protect the public funds it administers, and to this end may use the information you have provided for this purpose.

Please confirm you have read the privacy notice in this link ☑

FBIS-C is part of the overarching FBIS and is one of a number of schemes included within the Northern Ireland Rural Development Programme 2014 – 2020. It is funded by the EU and the Department of Agriculture, Environment and Rural Affairs (DAERA) and is administered directly by DAERA.

Department of Agriculture, Environment and Rural Affairs

rural Development Programme

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

Northern Ireland Rural Development Programme 2014-2020
Farm Business Improvement Scheme – Capital(FBIS-C) Tier 2 Tranche 2
Farm Business Planner Assumptions

Please provide details of ALL the essential assumptions that you have used when compiling the business plan narrative and the Farm Business planner cash flows. These assumptions should explain and substantiate the values that you have recorded for your project baseline, and the projected position after your FBIS Tier 2 investment. The assumptions are essential to the assessment of your application and should be completed accurately as possible. All information will be treated in confidence.

This document must be uploaded along with the business plan in Excel, do not convert it to other file types.

1. General Farm Assumptions - *Examples could include details of; land owned, rented, machinery policy etc.*
~ 80 ha owned ~ 70 ha taken in conacre @ £450/ha/year on long term agreement ~ All work carried out using own machinery with exception of baling straw and hedge cutting ~ Replacement policy for machinery is mostly good second hand tractors/combine etc. and new equipment. All purchased on HP

2. General Assumptions associated with the enterprise - *Examples could include details of; sales prices, output weights, calving pattern, meal costs covered by egg packer, fertiliser cost/tonne, kgN/Ha, silage is made with own machinery, contract rearing costs, meal and medicines covered by pig/heifer supplier etc.*
Where there is more than one enterprise, record assumptions for each

Average Area for each crop:
~ Winter Wheat 40Ha

~ Winter Barley 40Ha

~ Winter Oats 20Ha

~ Winter Oilseed Rape 20Ha

~ Spring Barley 30Ha

Crop Performances:

	Current Yield	Projected yield (approx. 3% increase)
~ Winter Wheat	10.5t/Ha	10.8t/Ha
~ Winter Barley	7.4/Ha	7.6t/Ha
~ Winter Oats	7.0/Ha	7.2t/Ha
~ Winter Oilseed Rape	4.1/Ha	4.2t/Ha
~ Spring Barley	4.6/Ha	4.9t/Ha

~ Decrease in costs of approximately 10% for fertiliser and sprays are due to more precisions spreading.

~ Fertiliser cost – based on current 2021 prices.

~ Reduced in years 4 and 5 of projected cash flow as result of yield mapping and reducing amount by targeting application to yield

3. Other Income Assumptions - *Examples could include details of: land or buildings let out, Basic Payment Scheme, loan amounts, personal money introduced to the business, any other off-farm income such as way-leave, contract work carried out, renewable energy payments/income, sales of machinery/equipment etc.*
~ Contracting income will rise from £5000 to £8000 per year after new equipment is purchased as some additional spraying and fertiliser sowing for other farms will be carried out. ~ BPS to remain constant throughout, based on current payments. ~ Way-leave income of £1000 per year. ~ Other income Increased in 2022 projected year due to sale of old sprayer and fertiliser sower at auction – total amount received £7761. ~ Personal funds of £40,000 introduced in 2022 projected year

4. Overhead / fixed cost assumptions - *Examples could include any details to help explain the figures in the overhead section of the Farm Business Planner: Work carried out by contractor, conacre costs £/Ha, wage/labour details, drawings – does this cover general living expenses?, machinery and equipment purchased, building work, tax – all tax paid by the business should be explained and included etc*

Staff
~ 1 full time worker – cost £22,500/annum including all NIC etc.
~ Daughter intending to join the business in 2025 to offset staff member starting at £15,000 - staff member will be let go then.

~ Fuel usage will decrease by approximately 3% due to wider tramlines and use of GPS autosteer.
~ Contractor used to bale straw and also some hedge cutting.
~ Heating costs covers gas used by grain drier.

Drawings
~ Personal Drawings of £20,000 per year

Tax
~ £8,000 paid in tax each base year.
~ After consultation with accountant to estimate tax, Year 1 of Project there is no tax paid as equipment is eligible for Annual Investment Allowance. The loss in year 1 is rolled over into year 2 and therefore no tax is paid in 2023. From year 3, 2024 onwards tax is £11,000.
~ All other household bill including private mortgage paid from wife's wage.
~ Other Overhead costs to include accountancy fees, quality assurance scheme fees.
~ No agronomist fees, since the seed company provides technical advice for free.
~ Annual RTK fee of £1000 for GPS signal correction in each projected year cash flow.

Project Costs
~All to be purchased and paid for in year 1.

GPS equipment for tractor	£2,984.00
GPS equipment for combine	£16,845.00
Trailed crop sprayer	£89,750.00
Fertiliser sower	£26,500.00
	£162,935.00

~ This total amount is spent in 2022 in year 1 of Projected cash flow along with the £5000 therefore total expenditure for Capital Equipment is £167,935.

VAT totalling £32,587 is not included in the project costs above (but are shown in the Q8 answer on the previous tab) . The equipment is bought at a cost including VAT, however since all of this VAT will be claimed back in the same year as it is spent, the VAT will be cancelled out in the cash flow and therefore ignored in the Farm Business Planner figures. The outlay of £32,587 VAT is covered by personal finances.

5. Financial assumptions - *Examples could include any details to help explain the figures in the Finance section of the Farm Business Planner: existing loans and HP agreements, interest rates and term length, overdraft/charges. New loans for project - bridging loans, long term loan, term and interest rate, etc.*

Funding for project

Grant paid (assumed July 2023)	£65,174
Own resources	£47,761
Bank loan	£50,000

~ **Bridging loan** of £65,174 to cover the grant amount to be taken out for 12 months at interest of 7.5% meaning total repayment of £67,763. Grant received for £65,174 in year 2 pays off this loan. Interest cost covered from business.
~ **Bank Loan** of £50,000 taken out for 5 years at an interest rate of 6%, with repayments of £11,292 per year.

~ Rest of cost for the project covered by personal funds £47,761 introduced (including the sale of equipment).

~Therefore year 2022 Projected, the total **Long Term Loan** repayment is £ 94,055 (including the £15,000 for loan on grain store, detailed below).
From 2023 onwards the payment will be £26,292 (£11,292 + £15,000)

~ **Long Term loan** being paid off for a grain store erected in 2016. Last repayment of £15,000 to be made in 2026. This is a loan of £120,000 over 10 years at 4%.

~ **HP payments** of £20,000 per year to cover a tractor and combine. This amount of HP is assumed to be ongoing each year as there is continual replacement plan for tractors and equipment.

6. Stock Valuations Assumptions - *Provide explanation for any changes stock numbers or valuations etc.*

~ All straw sold from field, therefore no stock in store at beginning or end of year.

~ Majority of grain is sold shortly after harvest each year, however approximately 200 tonnes is stored over winter and sold the following year.