**Northern Ireland Rural Development Programme 2014-2020**

**Farm Business Improvement Scheme - Capital – FBIS – C, Tranche 1, Tier 2**

**Guidance to aid completion of narrative section of business plan template**

**Section 1 – Farm Business**

Q1. Provide full details of the farm business making the application. It is important that the six digit Category 1 Farm Business number is included correctly. Please ensure it is the name and address recorded against this business. This will be used to ensure that all parts of your application are associated together.

Q2. Provide details of the size of your business (for example land owned and land taken in conacre). Also include the current enterprise mix on your farm and the scale of each enterprise. Outline the labour that is currently available on the farm and if there is a succession plan in place on your farm.

Q3. From the list provided indicate the main objectives of the farm business in the short term (2 – 5 years) and the medium term (5 – 10 years) and the barriers to their achievement. Rank each of the options in all columns as high (H), medium (M) or low (L).

Q4. Use this question to tell us more about the barriers the business is facing in meeting its main objectives. For example, if buildings are inadequate give more detail on their age and condition and why they are no longer fit for the purpose of modern agriculture.

Q5. In answering this question provide the performance indicators applicable to the enterprises farmed.

**Overall farm metrics**

1. **Farm stocking rate (cow equivalents per hectare)**

**Stocking rate only applies to those farms that have grazing livestock as part of their farm business.**

Using the following coefficients:

* dairy cows & bulls = 1;
* suckler cows = 0.8;
* cattle over 2 years = 0.8
* cattle 1-2 years = 0.6;
* cattle under 1 year = 0.4
* sheep = 0.2;
* lambs over 6 months = 0.1.

Average stock numbers for the last full calendar year. Area used for calculation is total area of forage crops for the last full calendar year. However, the stocking rate calculation year should as far as possible match up with the same 12 months on which the gross margins were calculated.

If you have hill land, count 8 hectares as equivalent to 1 hectare of lowland. For ‘in bye’ land, count 4 hectares for 1 hectare of lowland.

In ‘bye land’ has traditionally meant the enclosed grass and arable fields close to the house and farmyard and below the ‘hill’ it is quite possible to have an area of 'in-bye' land on the hill. In this case the enclosed area will be improved or unimproved grassland once reclaimed from the hill.

Hill land is generally taken to mean an area of open hill or mountain land where only hill sheep are likely to thrive throughout the year. Vegetation will include a range of grass species but may also include heather and bracken.

1. **Total overheads per hectare**

To include paid labour, conacre paid and interest on all farm borrowings, including machinery finance agreements. If you have pigs, poultry or a horticulture enterprise a, per hectare, figure may not be appropriate. In these cases a total overheads figure should be given. Overheads should be broken down into the following categories:

* Machinery depreciation
* Machinery running costs
* Fuel costs
* Contractor charges
* Building depreciation
* Property repairs
* Electricity
* Water and rates
* Business administration costs
* Miscellaneous costs
* Paid labour
* Conacre
* Finance
* Total overheads

**Dairy cows – should be completed for most recent year up to March**

Financial metrics

* Gross margin (£ per cow)
* Margin over concentrate (£ per cow)
* Milk price (pence per litre) as calculated by weighted average price net of transport
* Break-even milk price (pence per litre) milk price required over the next five years if your FBIS-C project goes ahead to ensure overall cashflow is zero over that period

Physical metrics

* Yield per cow (litres/year) as calculated by total milk produced (including milk sold, milk to calves/house) per cow in the herd per year
* Concentrates per cow per year (kg)
* Replacement rate (%)
* Butterfat (%)
* Protein (%)

**Dairy replacements**

Financial metrics

* Gross margin (£ cow equivalent or per head – state the unit you are using)
* Heifer Price (£ per head) as calculated by the average of heifers sold and the price of heifers transferred

Physical metrics

* Concentrates per cow equivalent (kg)
* Age atfirst calving in days

**Suckler cows - sold as weanlings/stores**

Financial metrics

* Gross margin (£ per cow)
* Calf price (£ per kg liveweight)

Physical metrics

* Calves reared per cow
* Concentrates per cow (kg)
* Replacement rate (%)
* Calf weight (kg liveweight)
* Age at sale
* kg/ha (liveweight)

**Suckler cows - birth to beef**

Financial metrics

* Gross margin (£ per cow)
* Calf price (£ per head)
* Animal purchase/transfer price (£/head)

Physical metrics

* Calves reared per cow
* Concentrates per cow (kg)
* Replacement rate (%)
* Carcase weight
* Carcase grading (% EUR and fat class 2, 3 or 4L)
* kg /ha (carcase or liveweight equivalent)
* Age at sale

**Beef finishing** – **weanling/stores to beef**

Financial metrics

* Gross margin (£ per head)
* Beef price (£ per kg)

Physical metrics

* Concentrates kg per head
* Carcase grading (% EUR and fat class 2,3 or 4L)
* Carcase weight (kg deadweight)
* Age at sale
* kg/ha (carcase or liveweight equivalent)

**Calf to beef**

Financial metrics

* Gross margin (£ per head or cow equivalent) state which
* Beef price (£ per kilo)
* Animal purchase/transfer price (£/head)

Physical metrics

* Concentrates per cow equivalent (kg per head or cow equivalent) state which
* Carcase grading (% EUR and fat class 2, 3 or 4L)
* Carcase weight (kg deadweight)
* Age at sale
* kg/ha (carcase or liveweight equivalent)

**Sheep – breeding flock**

Financial metrics

* Gross margin (£ per ewe)
* Lamb price (£ per head)

Physical metrics

* Lambing percentage
* Lambs reared per 100 ewes
* Concentrates per ewe (kg)
* Production (kg liveweight per ewe)
* Replacement rate (%)
* Carcase grading (% EUR)
* Carcase weight

**Sheep – store lamb finishing**

Financial metrics

* Gross margin (£ per lamb sold)
* Lamb price sold (£ per head)
* Lamb price purchased (£ per head)

Physical metrics

* Concentrates per lamb (kg)
* Carcase weight (kg/head)
* Carcase grading (% EUR)

**Broilers**

Financial metrics

* Gross margin (£ per 1,000 birds)
* Bird price (price/kg)

Physical metrics

* Feed conversion ratio (kg feed per kg gain)
* Percentage downgrades
* Bird weight (kg/bird)
* Feed usage (kg/bird)

**Layers**

Financial metrics

* Gross margin (£ per 1,000 birds)
* Egg price (pence per dozen eggs)

Physical metrics

* Concentrates per bird (kg)
* Yield (eggs/bird)
* Egg grading (% non class A)

**Pigs**

Financial metrics

* Gross margin (£ per sow)
* Pig price (£ per kilo)

Physical metrics

* Meal equivalent per fat pig (kg)
* Feed conversion ratio
* Litters per sow per year
* Pigs weaned per sow per year
* Carcase grading
* Carcase weight (kg/head)

**Cereals**

Financial metrics

* Gross margin (£ per hectare)
* Grain price (£ per tonne)
* Straw price (£ per tonne)

Physical metrics

* Grain yield (tonnes/ha)
* Straw yield (tonnes/ha)
* Fertilisers (tonnes/ha)

**Potatoes**

Financial metrics

* Gross margin (£per hectare)
* Potato price (£ per tonne)

Physical metrics

* Crop yield (tonnes/ha)
* Fertiliser (tonnes/ha)

**Apples**

Financial metrics

* Gross margin (£ per hectare)
* Apple price (£ per tonne)

Physical metrics

* Yield (tonnes/ha)
* Fertiliser (tonnes/ha)

**Mushrooms**

Financial metrics

* Gross margin (£ per tonne compost)
* Mushroom price (price/lb)

Physical metrics

* Yield (kg per tonne compost)

Q6. Outline the requirements that the main customer for your produce sets for you for each of the enterprises you have stated in Q2 - such as quality standards and timing of supply as well as the bonuses/penalties that you may incur as a result of not supplying produce above/below that expected.

**Section 2 – The Project**

Q7. Project Description

1. Provide a short title that best summaries the project. This will be the type of building you plan to construct, for example, dairy cow cubicle house, or the piece of equipment that you wish to apply for as part of your project.
2. In the space provided summarise the nature and purpose of the project including a description of how it will transform the farm business - particularly in terms of scale of operation or efficiency of production.
3. From the three options provided select the one option that best describes the project. For example, if the project is the construction of a new building (e.g. cattle shed) and the purchase of equipment (e.g. cubicles) select the “equipment and construction” option.

d-f. Provide details of the dimensions of building(s), slurry tanks, description of any equipment, key design features, and environmental improvement features. Please be as specific as possible.

g. Estimate how long it will take to complete the project. This should be a realistic estimate from the time an offer of grant is received until completion of the project. Please build in realistic timescales to appoint contractors, have them commence work and the time that it will take to construct the building. It should also include contingencies for poor weather conditions and other similar unforeseen circumstances. If the project is the purchase of equipment only, it is likely you will complete it in a much shorter timeframe. For the Scheme, projects should be completed within 24 months from the date of an offer of grant.

Q8. Project Objectives

1. List the main objectives for the project. It is important that these are Specific, Measurable, Achievable, Realistic and Time bound objectives (SMART). This will allow you to measure and evaluate the success of the project, for example, to increase kilograms of beef produced per hectare per year by 20% before the end of 2018. It is recommended that you have several objectives to cover both the physical financial performance of the farm business. However, financial measures are sometimes more difficult to define due to the volatility in output price of agricultural commodities.
2. The FBIS-C Tier 2 project could be part of a long term, strategic development for the farm business. Normally, you will only be allowed to make one successful application to FBIS-C Tier 2. You should provide details of any other investment plans that you have which may follow on from your FBIS-C Tier 2 project.

Q9. Permissions and environmental considerations

**There are a number of permissions that may apply if the project involves construction works.** Applicants are responsible for securing all relevant approvals for the project.

For example:

* Valid and appropriate planning permission. Applicants must have at least applied for planning permission for the project by the Tier 2, Tranche 1 closing date. Applicants must provide a copy of the planning application as part of their overall application.
* A Certificate of Lawfulness to prove that the project does not require planning permission. Some construction projects may fall within the scope of 'permitted development' and therefore don’t require planning permission. Project applications will be subject to an environmental assessment by DAERA and if this confirms that planning permission is required the project application will be rejected. Although it isn’t a Scheme requirement, applicants whose project appears to fall within permitted development rights, may choose to apply for a Certificate of Lawfulness at their own expense.
* Discharge consent.
* Pollution Prevention Control (PPC) – either a new application for a permit or an application for an amendment. This will apply to pig and poultry farms.
* Consent to remove hedgerows – if new build is to be located where an existing hedgerow is removed.
* NIEA approval where construction of a new slurry storage facility or silo is within 10m of an existing water course or 50m from a well.

Include a realistic estimate of when you will have all the relevant permissions in place to commence the project.

Q10. **This question is applicable to projects involving construction**.

Applicants should outline how the farm business will be managed while implementing any construction works. There may be interim arrangements for existing livestock that will be needed during the transition phase. You may also take steps to ensure that management levels are maintained for the existing enterprises when construction is taking place. If the project will lead to an increase in production capacity estimate when full capacity is likely to be reached. No additional cost incurred with any proposed temporary measures can be grant aided.

**Please note:** A farm investment planner map is an online tool designed to assist farmers with mapping existing and potential capital investment on their farm. It can be used to label existing or proposed new buildings. The approximate dimensions of buildings are displayed including the length of each wall and the area of the building. The tool doesn't replace planning permission drawings, architectural or engineer drawings, costs or measurements taken on the ground but it will assist with scoping the general layout.

Applicants can access the Farm Investment Planner map at <https://www.daera-ni.gov.uk/services/daera-online-services>

**Please be advised:** A Government Gateway ID is required to access it. Guidance on how to apply for a Government Gateway ID is provided on the DAERA website. For projects involving construction provision of a completed farm investment planner map (and engineers drawings) is required as part of the overall FBIS – C application.

Q11. This question comprises two parts.

It is applicable to the following scenarios:

* Stock numbers are planned to increase within the business plan
* You are increasing the capacity of the farm so that additional livestock can be carried
* The project includes additional livestock manure storage capacity

From the drop down list select the option(s) that best summarise(s) how you plan to manage the livestock manure nitrogen loading on the farm in the future – or select ‘not applicable’ if this question is not applicable.

If applicable, provide more detailed information on how you will manage additional livestock capacity on the farm. If you have secured additional land to be farmed by you, or have agreements with other farmers to import your slurry, provide details of these. Applicants should note that short term solutions will attract fewer points in the selection criteria against the ‘Environment’ theme of FBIS-C.

Applicants must provide nitrates calculations for before and after the project, as part of their application. Interactive calculators are available from the DAERA website at <https://www.daera-ni.gov.uk/services/daera-online-services>

A Government Gateway ID is required to access the calculators. Guidance on how to apply for a Gateway ID is provided on the DAERA website.

Q12. This question has two parts and applies to the same scenarios outlined in Q12.

From the drop down list select the option(s) that best summarises how you plan to store and spread any additional slurry produced on the farm in the future – or select ‘not applicable’ if this question is not applicable.

If applicable, provide more detailed information on how you will manage additional slurry produced on the farm in the future. This should include details of how this slurry will be stored (including design features to minimise the release of greenhouse gases and ammonia) and spread on land. A project which considers the production of slurry, its removal into suitable storage and the spreading of that slurry, by alternative spreading methods, will attract more points in the selection criteria of ‘Environment’ theme of FBIS-C.

Applicants must provide slurry capacity calculations for before and after the project, as part of their overall application. A Manure Storage Calculator is a tool for calculating weekly slurry, dirty water, manure production and current storage capacity for a farm and checks if it has the required 22 or 26 weeks capacity. Calculators are available online on the DAERA website at <https://www.daera-ni.gov.uk/services/daera-online-services>

A Government Gateway ID is required to access the calculators. Guidance on how to apply for a Gateway ID is provided on the DAERA website.

Q13. Estimated Project Costs

This question requires applicants to provide a detailed breakdown of the estimated project costs using the following headings:

1. New buildings - costs for construction including site groundworks, superstructure, CE marked steelwork, floors, walls, labour etc.
2. Fit out of building with equipment listed on the FBIS – C, Tranche 1, Tier 1 List of Eligible Items
3. Fit out of building with equipment not listed on the FBIS – C Tranche 1, Tier 1 List of Eligible Items
4. Standalone equipment
5. Provision of slurry capacity
6. Professional expertise requirements
7. Total estimated project cost
8. Estimated grant requirement
9. Details of existing buildings to be used as part of the project

An indicative list of capital expenditure is provided as a guide but not all will be applicable to every project application, equally others may be more applicable. Applicants can tailor the capital expenditure list to reflect the items and services required for their specific project.

Unlike FBIS - C Tier 1 there is no specific list of eligible items of expenditure for Tier 2, however, items of equipment from the Tier 1 List of Eligible Items can be purchased under Tier 2 if they are integral to the project.

Applicants should be mindful that certain expenditure cannot be grant aided, for example, costs incurred prior to a written grant offer are not eligible for funding. Annex B of the FBIS - C Tier 2 Explanatory Booklet provides an indicative list of ineligible expenditure.

Applicants must provide two quotes for each item of proposed expenditure (including construction costs). This is required to help determine reasonableness of costs as per Article 48 of EU Implementing Regulation (EU) 809/2014. The regulation states that that this should be done by using a suitable evaluation system, such as a comparison of different offers (e.g. quotes). **The lowest quote should be used to compile your estimated project costs.**

Quotations are not required for the items specified at Q13 b. as the reference price for each item as specified in the FBIS - C Tranche 1, Tier 1 List of Eligible Items will be used as a means of demonstrating reasonableness of cost. The list (including reference prices for each item) is available from DAERA website at <https://www.daera-ni.gov.uk>

Quotations must: be recent (i.e. not more than six months old); be on the suppliers headed paper; be dated and include the supplier details (e.g. name, address, contact number, email address etc) and itemised cost and description for goods and services included in the quoted price.

If there is only one potential supplier of equipment applicants will be required to demonstrate that there is only one supplier. This will be checked by DAERA.

Quotations from family members or relatives are not allowed.

Unless parts of the construction are ‘specialised’ the work should not be sub-contracted and you should work with your engineer to ensure quotations meet the requirements as set out in the business plan template.

For the purposes of the Scheme quotes in foreign currencies should be converted to Sterling using European Central Bank exchange rates for the date of the quote - <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>

1. New buildings

If applicable, labour costs should be listed as a separate cost.

e) Provision of slurry capacity

It is a legal requirement to have 22 weeks of slurry storage capacity for livestock (26 weeks for pigs and poultry). Grant is not available to increase current storage capacity to meet these requirements. If you wish to invest in below ground storage, grant will be limited to the costs of the above ground storage equivalent, unless you can demonstrate that above ground storage is not a viable option. In such a case, the below ground costs may be eligible for grant. If you wish to invest in below ground storage, two quotes for below ground storage and above ground storage are required. These quotes should be broken down to show the costs for ground work (excavation) and all types of coverings (slats, solid passage covers, mixing points, roof over above ground store etc.) separately.

f) Professional costs

The maximum amount that can be approved for related professional costs is 10% of the approved eligible costs of the project.

g) Total Estimated Project Cost

This requires applicants to calculate the total estimated cost of the project and

h) The amount of FBIS - C Tier 2 grant being applied for.

In some cases the project could include items that aren’t eligible for grant but they are integral to the overall success of the project. Applicants should list these as costs and state ‘N’ in the last column. It is important that the business plan cash flow projections include these items as it is the full farm cash flow that should be considered for the farm.

The minimum project expenditure for FBIS-C Tier 2 is £30,001 net of VAT (i.e. at a 40% flat rate of grant this equates to £12,001).

The maximum amount of grant available per farm business over the lifetime of the Rural Development Programme (RDP) 2014-20 is £250,000. Further information is provided in the FBIS-C Tier 2 Explanatory Booklet.

If the farm business is not VAT registered applicants may seek grant on the VAT element of eligible project costs. Successful applicants will be expected to provide a signed declaration confirming that the business is not registered with HM Revenue and Customs for reimbursement of VAT. If the farm business is VAT registered the Total Estimated Project Costs (g) and Estimated Grant Requirement (h) should exclude VAT costs.

1. Details of existing buildings to be used as part of the project

No grant aid is available on buildings already constructed. However, if grant aided equipment is to be located in an existing building, a structural engineer’s assessment of the building is required. It must state that the remaining useable life of the building is greater than the life of the equipment. No grant aid is available to improve the building to meet this standard.

Q14. FBIS - C Themes

The focus of Tier 2 of FBIS – C is on larger scale, whole farm investments to encourage a significant change in the agriculture and horticulture sectors, and drive sustainable growth through transformational investment in future proofed, fit for purpose, modern infrastructure and equipment.

It has five main themes:

1. Contribute to sustainable growth
2. Environment, resilience to adverse weather events and climate change
3. Animal and plant health
4. Health and safety on farms
5. Production and Resource Efficiency

This is a selection criterion for Tier 2 so it is important that applicants demonstrate how the proposed capital expenditure listed at Q13 will deliver benefits in line with as many of the FBIS-C themes as possible. Applicants should answer these questions as fully as possible. The onus is on the applicant to make the best case possible for the proposed project.

Projects that score well against a single criterion and poorly against the remaining criteria are unlikely to score well overall.

Q15. Health and Safety

This question comprises two parts.

It is important to maintain high health and safety standards throughout the construction phase of the project. This is a time when there is an increased risk of accidents occurring on the farm.

From the dropdown options, select all the options that summarise how you will ensure health and safety standards will be maintained on the farm during the completion of the project.

In the space provided applicants can explain in more detail the actions that will be taken to maintain and/or improve health and safety standards on the farm, both during and after completion of the project. Include details of how you will manage the existing business when the construction project is in progress. Also outline what the contractor will do to manage health and safety on the construction site (if the project includes an element of construction).

Applicants should note that completion of a ‘Making it Safer’ self assessment is a Scheme requirement. It is an online facility which requires applicants to answer questions relating to their farm on key risk areas such as Slurry, Animals, Falls and Equipment (SAFE). It provides an opportunity to review the way you work and take steps towards safer farm practices. A Farm Safety Action Plan certificate will be issued after completion of the self assessment. This certificate must then be ‘uploaded’ as part of the online application process. **It is essential that the name of the applicant on the DAERA Category 1 Farm Business ID Number is entered onto the ‘Making it Safer’ Certificate** or it will not be accepted and the application will be **deemed ineligible.** Applicants can meet this eligibility criterion by completing the online self assessment at the following link: <http://www.farmsafenet.org/Safer>

Q16. Alternatives to project

In appraising a large investment within your business it is important that you have considered other options. Other options may have been cheaper or could have delivered more benefits. Your answer to this question should detail the other options you have considered, your reasons for ruling them out for further consideration and the reasons for choosing the project.

Q17. Labour, skills and expertise

This question comprises three parts and seeks information about the labour, skills and expertise required to complete the project and manage the farm business in the future.

From the dropdown options select all the options that summarise how the project will impact on the employed labour required for the farm business.

The drop down options include:

* No change in labour
* Increased labour due to expansion
* Reduced labour due to technology on farm
* Reduced labour due to improved on farm efficiency
* Other

The second part of this question asks applicants to provide more detailed information about the estimated change in labour after completion of the project, compared to existing levels. In some cases, expansion will necessitate the employment of more labour. Applicants should detail the approximate number of staff required and whether they will be full or part-time. In other cases, the purchase of new technology or construction of a new building will improve efficiency and reduce labour requirements. This may also be the case within a family run business where more output can be produced from the same labour input.

The third part of this question requires applicants to explain the skills and expertise that will be available to complete the project and manage the farm business in the long term.

A business investment often requires a new set of skills both to cope with managing the transition phase and perhaps also operating new technology that has been purchased. It is important that applicants demonstrate that they have access to the necessary skills and expertise to deliver the business plan. Applicants should answer this question, as fully as possible, as the onus is on the applicant to make the best case possible for the proposed project.

The skills and expertise can be internal or external to the business - include relevant experience, qualifications etc. For example, if you have a farm business related qualification this is one method of proving competence. Other family members may also be involved in ensuring that the project is successful. If they have relevant qualifications, please provide details. If you have managed other similar projects in the past, please provide details.

Q18. Risks

List the main risks to the successful completion of the business plan, for example, increased input costs, animal disease outbreak, extreme weather, succession issues, reduction in price output etc. Importantly, you should give consideration to and provide details of how you plan to minimise the impact of the identified risks. This could include options to minimise the impact of a volatile cash flow within the business.

Q19. Management Information System

Describe the existing and planned information management facilities (including information technology) that will be used to help manage the business’ finances and enable the business to monitor and evaluate the success of the project.

Q20. Markets

**It is important that applicants demonstrate that there is a market for their produce.**

Explain the current and planned markets for the main commodities produced on farm including, for example, details of main customers (current and planned), estimated amount of produce supplied, price guarantee etc.

If increasing the amount of produce it is important to explain how this additional produce will be marketed.

Provide relevant supporting evidence (if available), for example, letters of interest,

written contract(s) etc. A project will be more secure in the long term if a contract exists for the produce. Applicants applying on line via the [www.eugrants.org](http://www.eugrants.org) website will be able to upload this supporting evidence as part of their overall application.

There are a small number of selection criteria points allocated to demonstration of supply chain integration.

Q21. Production

This question comprises two parts.

From the dropdown options, select all the options that summarise how the level of production will change on the farm as a result of the project. The drop down options include:

* Production increased
* Production unchanged but costs reduced
* Production unchanged but quality improved
* Production decreased but efficiency improved
* Production decreased but labour saved
* Other

In the space provided provide more detail on expected changes to production levels as a result of the project. If the production capacity is increasing, detail how long it will take to reach full production capacity. This may not always be immediately after the completion of the project. If there is an expected delay, explain the reason for the delay, for example, production cycle, increase in stock numbers coming from within the farm only, or production increased in line with market opportunities.

Financials

Q22. This question can only be answered when you have completed your forward cash flow projections. In the projection where you have included capital expenditure and grant aid, you should try various options in terms of output price to see where your project will break even in terms of cash flow over a five year period. In other words, at what output price does the opening cash flow at the beginning of your projection stay the same as the cash flow at the end of your projection. This will show the price you need for your produce at a minimum for your project to allow a steady cash flow to be maintained.

Q23. Cash flow projections should be based on the recent performance of your farm. The ‘base’ five year projection in particular should reflect the cash flow you expect from your farm business without any transformational farm investment.

In order to demonstrate that your cash flow is based on sound information, you will be asked to provide a copy of one of the following documents:

1. CAFRE benchmarking results
2. Accountant’s report showing a profit and loss account
3. Full set of farm management accounts

You should use the dropdown box at question 23 to indicate which of these options you will be using in the completion of your business plan.

Q24. In forward projecting cash flows, the prices used in the projections have a major influence on the outcome of the projection. At this question, you should detail what input and output prices you have used in your cash flow (consider the key ones only) and why you have used them.

If you have used increased figures for prices/output in your post spend projection, you should detail the increases you are assuming and why you expect to get these increases.

Q25. Financing the project

Provide details of how the total estimated project cost (Q13 g.) will be financed. Applicants should note that the FBIS - C Tier 2 grant cannot be co-financed with other public funds.

**‘Indication of Support’ Letter**

All applicants must provide an ‘Indication of Support’ letter completed by their bank or lending institution – this is required as part of the overall application. A blank ‘Indication of Support’ template letter for the Scheme can be found on the DAERA website. It has been designed to encourage applicants to carefully consider the needs and circumstances of their farm business before proceeding with a project and will provide some assurance that the applicant can access funds to complete the project. A completed ‘Indication of Support’ letter is required for all applications irrespective of whether or not you actually need to borrow funds. Banks or other lending institutions will first want to consider your business plan. You should bring your completed business plan to your bank or lending institution when you request the letter. Depending on the scale and nature of the project the process of obtaining a completed letter from your bank or lending institution could take several weeks, or in some cases longer.

Some banks and lending institutions may wish to use an alternative letter format which will be accepted, provided the following information is provided:

* Name, address of client and six digit DAERA Category 1 Farm Business ID number (to be used by DAERA to cross reference the application);
* Confirmation that the client has managed their account effectively and/or complied with the terms and conditions of the account;
* Future funding requirements of the client have been discussed in relation to purchase of items under the FBIS – C;
* Confirmation that, at present, the client has access to sufficient funds, or could have access to sufficient funds, to purchase equipment (including VAT) under the Scheme – prior to a grant being paid by DAERA (should the client be successful in obtaining an offer of grant).

The bank or lending institution letter does not have to be in the name of the applicant but it should be in the name of a person named on the DAERA Category 1 Farm Business ID.

Q26. Need for funding

Public funds should 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 etc. Explain what other sources of funding (other than the grant) have been considered and ruled out, and provide evidence, if available.

Q27. Other grants and support

There are other grants and support available both within the FBIS and Northern Ireland Rural Development Programme. Please indicate if you plan to avail of any of them, and an estimated timeframe.