

## **Explanatory Memorandum to Tynwald Members**

Issued by the Department of Environment, Food and Agriculture

**To the Hon Clare Christian MLC, President of Tynwald, and the Hon. Council and Keys in Tynwald assembled,**

### **1. Title of measure**

Agriculture and Fisheries Grant Scheme 2016

### **2. Changes in policy**

There is no change in policy.

### **3. Effects of the measure**

To align current agriculture and fisheries capital grant schemes with the "Food Matters – Food Business Development Strategy" and the "Future Fisheries" Strategy approved by Tynwald in 2014 and 2015 respectively, introducing amended criteria and application processes with an aim to achieve the aims of those strategies as well as complement other cross-Government policies.

### **4. Reasons for the measure**

The Farm and Horticultural Improvement Scheme has been in existence since 1992 when it was originally entitled the "Farm Improvement Scheme" and has generally facilitated farm infrastructure improvements.

The Food Matters budget was established following Tynwald approval of the Food Matters Strategy in late 2015, with the aim of using the fund to achieve the aims set down in that Strategy.

The Fishing Vessels (Financial Assistance) Scheme has been around since 1990, though earlier than this in respect of herring industry support (1968) and has, historically, offered financial support for individuals operating in the Manx fishing industry to purchase second-hand vessels, fishing licences and the replacement of engines and winches. The latest Scheme (2003) focusses on support for safety provision and modernisation of vessels.

A renewed focus on local food producing industries, particularly in their sustainability through diversification and development of value-added produce has led to a review of current support Schemes with a view to ensuring that they fulfil the aims of the Strategies.

The overarching proposals in respect of the Scheme are to:

- align the application process with that currently operated by the Department for Economic Development in respect of business support;
- run the Scheme on an 'open year round' basis subject to funding availability, rather than discreet application periods as previously;
- seek a business plan for all applications over a specified sum; and
- award grants on the merit of the application as assessed by DEFA officers against validity and published assessment criteria.

The Scheme will provide for payments under four categories as follows:

1. Farm and Horticultural Improvement Grants – to provide on-farm capital investment to improve efficiency, safety and profitability. Focus will be on those projects that demonstrably add value to, or diversify farm outputs to improve overall business sustainability. Grants payable for this will vary from 20% to 50% of total cost;
2. Fisheries Grants – to provide capital support to encourage sustainable and diversified fisheries, improved productivity and safety and promote economic growth within the fishing and processing sectors. The focus will be on support associated with successful delivery of the priority areas defined within the Sea Fishery Strategy;
3. Food Business Development Grants – intended to support a wide range of initiatives in the development of food and drink businesses that will create additional jobs in the industry and add value to local primary produce; and
4. Knowledge and Innovation Grants – to support people in the agriculture and fishing industries who wish to travel off the Island in order to attend training sessions/courses, seminars, conferences or similar with a view to improving their understanding of the sector of the industry in which they practice as well as providing information on innovations which could be extended to Island operations.

The Scheme extends to agriculture and horticultural production businesses, agricultural contractors, commercial bee keepers, fishermen, fish processing businesses and food production businesses using locally produced primary produce and stipulates the eligibility criteria to be met for a claim to be valid. An additional 10% is available to individuals who are young farmers or young fishermen and wish to progress in the industry. In addition, payments may be made to groups of individuals who form specific industry bodies recognised by the Department.

A consultation on the proposed Scheme was undertaken during April and May. There was concern from the farming industry that agricultural support would be redirected towards fisheries. However, the only redirection of funds will be the 'Knowledge and Innovation' grants which will be open to all businesses and were previously only open to agriculture. The Food Business Development Grants were always intended to support the wider food industry as outlined in the 'Food Matters' strategy approved by Tynwald in November 2014.

**5. Resource implications**

There will be no additional resources required to operate the Scheme. The budget for the Scheme is to be approximately £500,000 per annum.

**6. Tynwald procedure**

Approval under section 3(7) of the Financial Provisions and Currency Act 2011.

**7. Change in Fees**

There is no change in fees, however, a charge of £300 is to be levied in respect of an appeal under the Scheme which is the amount levied under the Agricultural Development Scheme (ADS). Where an appeal is successful under the ADS the fee is returned to the appellant and the same provision exists in this Scheme.

Signed ..... on behalf of Department of Environment,  
Food and Agriculture