



Agriculture & Horticulture
DEVELOPMENT BOARD

Economic Consultancy for Dairy Farmers scheme

- 1 Under this Economic Consultancy for Dairy Farmers scheme, the Agriculture and Horticulture Development Board ('AHDB'), acting through its DairyCo division, will provide consultancy services to dairy farmers in Great Britain.
- 2 This scheme is open to dairy farmers in England, Scotland or Wales who are significantly impacted by the potential cash-flow challenges from the market situation as it exists in January 2015 and as it may develop.

The Scheme

- 3 If you are a dairy farmer in England, Scotland or Wales, ie you produce milk in these countries and pay milk levy to AHDB, this scheme will provide you with consultancy services if you satisfy the following conditions:
 - You are, or are about to, experience a sudden reduction in total revenue/income to your business;
 - and*
 - You satisfy any of the following three conditions:
 - You are at risk of being unable to pay bills that are due to come in;
 - You are about to breach your borrowing limit; *or*
 - You have no idea of your current position because you don't know your cash-flow or any budgeting.
- 4 You will receive:
 - 4.1 A half-day's consultancy from a consultant appointed by AHDB, on a one-to-one basis. This will:
 - Start a cash-flow forecast, looking immediately at the major income and expenditure, applying a milk forecast, based on your calving pattern;
 - Assess if and when your borrowing limits will be exceeded, and the peak amount that you will need to borrow;
 - Establish what measures can be taken immediately to alleviate the pressure on the cash demands of your business;
 - Provide signposts to tools and organisations that could help you in these areas; *and*
 - Leave you with a list of creditors to call and/or immediate changes for you to make over the next couple of days.

- 4.2 Off-farm, the consultant will:
- Prepare a full cash-flow for you with profit and loss account, and a balance sheet;
 - Compare this with your latest accounts to check the robustness of your cash-flow budget;
 - Produce a short written report with a summary, recommendations and budget assumptions for you to use with lenders;
 - Make a follow-up telephone call to you, to discuss your next steps.
- 5 The total amount of money available under this scheme is £300,000. The maximum amount of money it will use to support your business by providing you with the above consultancy services is £800.
- 6 This scheme is initially open for applications from 19 January 2015 until 30 April 2015. It may be extended.

- 7 **To apply to participate in this scheme, please complete and send the appended application form to:**

**Barbara Dunn, AHDB (DairyCo division),
Stoneleigh Park, Kenilworth, Warwickshire CV8 2TL**

- 7.1 Barbara is available to assist you by email (barbara.dunn@dairyco.ahdb.org.uk) or telephone (☎ 024 7647 8684).
- 8 This scheme will be published in the form of this document on the internet at: <http://www.ahdb.org.uk/about/Procurement.aspx> .

Further Information

- 9 AHDB has appointed a number of consultants covering all areas of Great Britain. When you have applied and DairyCo has checked that you are eligible, you will be provided with a list of consultants covering your area from which you can choose your preferred consultant.
- 10 In order for the consultant to complete this work in the time scales set, you should have the following information available before the meeting:
- Latest farm tax accounts
 - Latest bank statement
 - Loan balances & payments
 - Hire Purchase payments
 - Stocking & cropping
 - Dairy costings
 - Cash book or latest computer accounts reports
 - Past & future calvings
 - Milk buyer payment details
- 11 This is not a whole farm review and if time is needed to look at the future cost structure and direction of the business in order to build robustness for coming years, additional time with a consultant will have to be sought separately. This will not be funded by AHDB.

Legal details:

- 12 This scheme will enable AHDB to provide the above services to you using parafiscal money derived from compulsory levies paid by the dairy industry in Great Britain in compliance with the Agriculture and Horticulture Development Board Order 2008. No payment will be made to you, the farmer. The consultant will be paid directly by AHDB.
- 13 This scheme will run from 19 January 2015 until 30 September 2015, and will be limited to a maximum total payment of £300,000, and a maximum payment to each producer of £800.
- 13.1 The aid intensity will not exceed 100% of the eligible costs.
- 14 The award of a grant under this Economic Consultancy for Dairy Farmers Scheme will constitute 'State aid'. The aid will be provided as agricultural *de minimis* aid under Commission Regulation (EU) 1408/2013¹, which prohibits any undertaking from receiving more than €15,000 of agricultural *de minimis* aid over a rolling three year period. Any agricultural *de minimis* aid granted over the €15,000 limit may be subject to repayment with interest. The scheme reference is DMA 001/2015.
- 15 AHDB must check whether an award under this scheme will breach that limit. The application form in Appendix 2 therefore requires you to inform AHDB if you have received any agricultural *de minimis* aid over the last three years (from any source). You would have been told that the aid was *de minimis* aid granted under Regulation (EU) 1408/2013 or Regulation (EC) 1998/2006. No other type of funding counts towards this maximum.
- 16 The Department for Environment, Food & Rural Affairs ('Defra') requires AHDB to record and provide Defra with the identity of recipients of agricultural *de minimis* aid, together with the amounts granted and date(s) of grant. The data may be provided to any organisation granting *de minimis* aid and will be passed to UK or Union authorities on request. AHDB and Defra may be required to release information, including personal data and commercial information, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004².

¹ Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector;
OJ L352, 24 December 2013, p.9.

² This document is available at <http://www.ahdb.org.uk/procurement/>.

Application form
Economic Consultancy for Dairy Farmers Scheme

Please complete and sign the following form, and send it to:
Barbara Dunn, AHDB (DairyCo division), Stoneleigh Park, Kenilworth, Warwickshire CV8 2TL
The completed form must be received no later than 30 April 2015

Name of Applicant:
(of company or sole trader)

Trading Name:
(for sole traders)

VAT number:

CRN number:

Business address *(registered office for companies):*

Post Town: **Post Code:**

Telephone:

Mobile:

Fax:

E-Mail:

State aid eligibility:

If you have already received agricultural *de minimis* aid, this will have been mentioned specifically in the grant letter.

Have you received any agricultural aid described as *de minimis* aid in the past three years?
 Yes No

If the answer is 'Yes', please provide details of all such agricultural *de minimis* aid.

I am a dairy farmer in Great Britain and I apply for consultancy services to help me to deal with the cash-flow challenges described in the scheme.

Signed: **Date:**2015

For AHDB-DairyCo use only:

Received: 2015

Does the applicant meet the *de minimis* criteria? Yes No

Grant Yes No Awarded: 2015