

Priority 2 – Support for micro and small businesses (non-agricultural) and farm diversification

What the grants are for

Funds under this priority will be used to provide grants for:

- developing or starting rural micro and small businesses
- farm diversification projects for example
 - agricultural contracting services using technologies eligible under priority 1a or 1b
 - farm shops

Who can apply

These grants are for:

- people who want to start a business in the LAG area
- farming or horticultural businesses that want to diversify into non-farming or non-horticultural activities
- micro and small businesses including social enterprises, in the LAG area.

Who can't apply

The following are not eligible for the grants:

- non-departmental public bodies
- crown bodies

How much funding is available

In this priority grants to commercial projects intended to make a surplus are awarded under industrial de minimis state aid rules* and to a maximum of 40% of the project's eligible costs. The minimum grant is £2,500 and the maximum grant that REAL Devon LAG will offer is €200,000.

***Industrial de minimis state aid regulations** mean that a maximum of €200,000 (currently around £170,000) of public funds is available to an undertaking in any rolling period of 3 financial years. If you have had other public funding this may count towards the industrial de minimis aid amount and reduce the amount of money you can apply for from LEADER. Any industrial de minimis state aid received by linked businesses will count towards the industrial de minimis amount.

Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the industrial de minimis limit.

Grant funding can help pay for:

- starting a new business
- developing an existing business
- diversifying into non-agricultural or non-horticultural activities

Costs could include:

- constructing and/or improving buildings
- buying new and second hand equipment and machinery

The following costs are also eligible, if they form part of a larger project being funded:

- architect, engineer or consultant fees related to the project (as long as these don't add up to more than 15% of the project's total eligible costs)
- buying or developing a dedicated piece of computer software (but not an off-the-shelf piece of software like Microsoft Office)
- patents, licences, copyrights or trademarks
 - landscaping, when it is 'making good' as part of a larger construction project
 - development of marketing materials, but not their production or distribution

What isn't covered

See [the general list of costs which can't be claimed](#).