



Businesses in rural England are to benefit from a new £60 million grant scheme that will turn ambitious business plans into reality, Environment Secretary Caroline Spelman announced today.

Grants, which could be worth more than £1 million each, will enable entrepreneurs in rural areas to take life-changing opportunities to grow their businesses through the Rural Economy Grant scheme, increasing both their competitiveness and profits.

Successful applicants will receive up to 40% of the cost of projects in the five business areas of farm competitiveness, agri-food, tourism, forestry, and micro enterprise support.

Mrs Spelman said:

“Businesses in rural England can play a significant part in helping to rebuild the nation’s finances. From today, they have the chance to turn their most ambitious and innovative business plans into a reality – boosting profits, supporting a thriving rural economy and improving the natural environment.

“Our £60 million investment will give farmers and rural entrepreneurs life-changing opportunities to transform their business prospects for the long term. It’s part of a £165 million package of initiatives to unlock the economic potential of our rural areas, which have been overlooked for too long.”

The Rural Economy Grant scheme will enable businesses to maximise opportunities from the increasing global demand for food. For instance, grants may be available to help companies buy new processing and packing equipment, allowing them to target new markets.

Farmers will be able to apply for grants to improve animal health and welfare and improve soil nutrients and water management. To help rural and farming businesses take up new opportunities in the growing tourism industry, they can also apply for funding for accommodation and visitor services and activities. Grant support is also available to improve the competitiveness, productivity and environmental efficiency of the forestry sector.

The Rural Economy Grant scheme will prioritise support for small businesses in Rural Growth Networks, a £15 million pilot project to help rural areas overcome barriers to growth, such as a lack of suitable premises, and poor provision of infrastructure such as superfast broadband and mobile networks.

This scheme is part of Defra's £100 million investment in the Rural Development Programme for England, which was announced in the Rural Economy Growth Review in November 2011. Defra has already allocated £20 million to the Farming and Forestry Improvement Scheme, and the £20 million Skills and Knowledge Transfer Network will be open for applications later this year.

Notes

The Rural Economy Grant scheme opened for applications today, with the first round running until the end of April. A second round of applications is expected in autumn.

For information about how to apply visit:

<http://rdpenetwork.defra.gov.uk/funding-sources/rural-economy-grant>.

The Rural Development Programme for England aims to improve competitiveness in the agriculture and forestry sector; safeguard and enhance the rural environment and foster competitive, sustainable rural businesses and thriving rural communities.

The Rural Economy Growth Review can be found at: <http://www.defra.gov.uk/rural/economy>.