

# Investments in Physical Assets of Agricultural Holdings

## Milk (101-1)

### *General Objectives*

- To contribute to Turkey's preparation for the implementation of the *acquis communautaire* concerning the Common Agricultural Policy and related policies for the country's accession to the EU.
- To support economic, social and territorial development, with a view to a smart, sustainable and inclusive growth, through the development of physical capital.
- To promote the efficient use of resources and expansion of utilisation of renewable energy.

### *Specific Objectives*

- To improve the overall performance of agricultural holdings in the production of primary agricultural products and increase their competitiveness including their marketing capabilities.
- To comply with the relevant EU standards as regards environmental protection and animal welfare.

### *Final recipients*

Recipients of the measure are those natural persons and legal entities, with the exception of public legal entities, recognised by the national law who are registered at

- the National Farm Registry System or
- the National Animal Registry System.

### *Common eligibility criteria*

- Applicants should be registered at the National Animal Registry System by the time of final payment claim.
- Investments should be in the production of one of the products defined in Annex I to the Treaty.
- The applicant should submit a business plan in accordance with the format to be developed by the IPARD Agency. For small investments, a simplified business plan will be submitted. The business plan should demonstrate the economic viability of the agricultural holding at the end of the realisation of the investment. The economic viability of the investment will be verified against the criteria listed in Annex IV.
- The applicant (in the case of a natural person himself/herself, in the case of legal entities the person who has the authority to represent and bind the legal entity) should prove his/her capability with an agricultural vocational school or college or university degree (including masters or doctorate) in agriculture, veterinary medicine or any other relevant speciality or with minimum three years of working experience in agriculture or any other relevant speciality as can be documented by the relevant national registration systems.

- By the time of the final payment claim, agricultural holdings should fulfil the minimum national requirements on environmental protection and animal welfare listed in Annex III. At the end of the investment period, the investments supported shall achieve compliance with the relevant EU standards on animal welfare and environmental protection that apply to the scope of the investment. The certificates issued by the relevant national authorities will be used to verify the fulfilment of these conditions.
- The applicants who will have 30 points or above in accordance with the ranking criteria applying for this measure are considered to be eligible.

### **Specific eligibility criteria (per sector)**

In addition to the common eligibility criteria, the investments shall be located in the eligible provinces and at the end of the investment shall attain the capacity limits stated below. The total capacity of the agricultural holdings owned by the applicant, which operate in the same sector with the investment and are located in the same district with the investment area, including the capacity of the investment should not exceed the capacity limits stated below at the end of the investment. Existing agricultural holdings as well as new ones (except laying hen holdings) are eligible under this measure.

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Minimum 10, maximum 120 milking cows, or  
 Minimum 5, maximum 50 milking water buffaloes, or  
 Minimum 50, maximum 500 milking sheep, or  
 Minimum 50, maximum 500 milking goats.

<i>Min. Budget :</i>	<i>5.000 Euros</i>
<i>Max Budget :</i>	<i>1.000.000 Euros</i>

### **Eligible expenditure**

- Construction or improvement (but not acquisition) of immovable property (details for each sector are given below)
- Purchase of new machinery and equipment (details for each sector are given below)
- Investments in biogas and solar energy facilities for farm activities. The capacity of the renewable energy installation cannot exceed the energy requirements of the agricultural holding at the end of the investment.
- General costs linked to expenditures referred in previous points, such as architects', engineers' and other consultation fees, feasibility studies, the acquisition of patent rights and licences up to a ceiling of 12% of the costs referred to under the previous points, and of which the costs for business plan preparation are at maximum 4% of the eligible expenditure value, not exceeding 6,000 Euro.

In addition to the above mentioned general expenditures, the following expenditures for each sector shall be eligible:

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- Construction/extension/modernisation of closed, open and semi-open stables/ barns,
- Construction and/or renovation of other agricultural buildings, limited to storage buildings, machine sheds, milking room, milk storage room

- Silage handling equipment and machinery, on-farm animal feed preparation, handling, distribution systems and storage,
- Milking room facilities, milk cooling and storage as well as on-farm milk transportation equipment,
- Expenditures on waste and wastewater processing facilities for farms using water for cleaning their milking systems
- Investments made for manure handling, storage and treatment facilities,
- Animal handling equipment and facilities (e.g. weighing, disinfection),
- Watering systems,
- Purchase of specialised technological equipment including IT and software (herd management, milk registry, general farm management)

### **Aid Intensity**

The basic rate of public aid under this measure shall be 40% of the total eligible cost of the investment.

Extra 5% public aid will be given to any project if the applicant is under 40 years of age at the time when the decision to grant support is taken or if the investment is on a mountainous area as defined in Section 8.1. If the applicant is both under 40 years of age at the time when the decision to grant support is taken and the investment is in a mountainous area as defined in Section 8.1, extra 10% public aid will be given.

For projects in modernization of existing agricultural holdings, the basic rate of the public aid shall be 50% of the total eligible cost of the investment.

### **Administrative procedure**

Applicants shall submit their application to the Provincial Coordination Units (PCU) of ARDSI within the specified time period. Administrative checks and on-the-spot controls of the project shall be performed by ARDSI. Business plans of applications which passed the administrative checks and on-the-spot controls will be evaluated. The applications which are determined as viable after the business plan evaluation shall be scored on the basis of the “Ranking Criteria for Project Selection” as stated in the IPARD programme. Contracts will be signed with selected applicants.

Payments will be made to recipients upon completion of a project or part of it. The payments can be made in instalments upon the request of the recipient in the application form and shall be reflected accordingly in the business plan. The contract and/or its annexes shall define all related details including the identification at which stage in the implementation of the project the instalments are to be paid. The request for payment in instalments shall be made according to the eligible investments as below:

- Investments of which the total value of eligible expenditures is up to and including 500,000 TL: 1 instalment
- Investments of which the total value of eligible expenditures is more than 500,000 TL : 2 instalments. If the investment includes construction works and can be divided into instalments according to the amounts of eligible expenditures as mentioned above, construction work expenditures regarding each individual building/structure must be requested in a single instalment.

## Ranking Criteria

Following ranking criteria will be used under this measure.

Small agricultural holdings whose final capacity at the end of the investment is lower than the threshold values defined below:		Point
The total amount of eligible expenditure;		
For milk,	more than 3 million TL:	0
	between 2 and 3 million (included) TL	10
	between 1 million and 2 million (included) TL	20
	equal or less than 1 million TL	30
If the application includes modernization of active existing agricultural holdings		20
If the applicant is the owner of investment implementation area.		10
If the applicant has not signed a contract under IPARD Programme.		10
If the applicant or its legal representative (for legal entities) is woman.		10
If the applicant is a natural person.		20