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(but please call the Carbon Trust
helpline on 01865 885846 / 885850
if you have questions about this
scheme)

The Carbon Trust interest-free loan scheme

Following the publication of the government's Low Carbon Transition Plan White Paper in July 2009, the NFU and its partners have been working with the Carbon Trust and Defra to make farm businesses eligible for the Carbon Trust 0% business loan scheme - new funding which has been provided to help the farming sector to meet the carbon reduction aims laid out the White Paper. The 2010 target is to distribute up to £12 million of loans to as many as 1000 farmers and growers, saving them some £4 million per year in energy costs.

From 1st February 2010, farmers and growers in England can apply to the Carbon Trust for these unsecured, interest-free loans of between £3,000 and £20,000, to upgrade to more energy efficient equipment. The loans, provided over one to four years, are designed to pay for themselves through direct energy savings. Once the loan is repaid, agricultural businesses will continue to benefit from savings on their energy costs, as well as a reduced carbon footprint.

Download the Carbon Trust general information leaflet (PDF) - "Transform your farm with a 0% Loan":

<http://www.carbontrust.co.uk/publications/pages/publicationdetail.aspx?id=LNS073>

Sector-specific case studies are also available, for the dairy sector (milk cooling and water heating), arable (crop drying), field crops (insulated storage), pigs (creep heating) and horticulture (thermal screens). Search the Carbon Trust web site for "agriculture case study", or click the following link:

<http://www.carbontrust.co.uk/pages/searchresults.aspx?q=case+study+agriculture&pn=0&ps=10>

How to apply for a loan

At present, not all of the information on the Carbon Trust web site is tailored specifically to the needs of farmers and growers. This briefing will help you to navigate your way through the Carbon Trust web pages and the loan application process.

Note that (at present) only farmers and growers in ENGLAND are eligible. Note also that there is a £20,000 limit (non-agricultural businesses can apply for up to £100,000) although you can always use this as part-funding for a larger investment together with a commercial loan. You must also not have received the limit of €7,500 (approximately £6,500) of De Minimis State Aid over the last three years (see the following Defra web page):

<http://www.defra.gov.uk/foodfarm/policy/farm/state-aid/types/deminimis.htm>

Begin the Carbon Trust application process at this page:

<http://www.carbontrust.co.uk/cut-carbon-reduce-costs/products-services/business-loans/pages/loans.aspx>

The loan application form is available through this page:

<https://www.carbontrust-online.co.uk/Pages/login.aspx?ReturnUrl=/Default.aspx>

Note that you can save changes to the online Loan Application Form at any time (the SAVE CHANGES button is at the bottom of the page), so you can start by just filling in your business details – and then add the details of the equipment, supplier and energy calculations after discussion with your professional advisers.

Further information:

<http://www.nfuonline.com/news/Green-funding-boost-from-Carbon-Trust/>

<http://www.defra.gov.uk/foodfarm/landmanage/climate/>

General information from the Carbon Trust for agriculture and horticulture:

<http://www.carbontrust.co.uk/cut-carbon-reduce-costs/products-services/sector-advice/Pages/agriculture-horticulture-2.aspx>