



**CANADIAN  
AGRICULTURAL  
PARTNERSHIP**  
Innovate. Grow. Prosper.



**ENVIRONMENTAL  
STEWARDSHIP  
PRODUCER  
PROGRAM GUIDE**

# *Working together for your farm's future*



# Introducing the Canadian Agricultural Partnership

The Canadian Agricultural Partnership (the Partnership) is a five-year federal-provincial-territorial initiative to strengthen the agriculture, agri-food and agri-based products sector and increase its competitiveness, prosperity and sustainability.

In Ontario, strategic initiatives under the Partnership focus on achieving key outcomes related to **Economic Development, Environmental Stewardship**, and **Protection and Assurance**.

## Producer Participation in the Partnership

The Ontario Soil and Crop Improvement Association (OSCIA) administers the Partnership's cost-share funding to producers. Application Intakes are held between April 3, 2018 and March 31, 2023. Not all Project Categories will be open in every Application Intake.

Upcoming Application Intake dates for Project Categories that will be accepting applications are available from OSCIA:

- Online at [ontariosoilcrop.org](http://ontariosoilcrop.org)
- By email at [CAP@ontariosoilcrop.org](mailto:CAP@ontariosoilcrop.org)
- By phone at 1-800-265-9751

Program information, including Enrolment and Application Forms, can be accessed at [ontarioprogramguides.net](http://ontarioprogramguides.net).

**Businesses can access cost-share funding for projects to make improvements and adopt new practices. A project and its expected outcomes must be distinct and can only be funded once through a single cost-share allocation from the Partnership.**

# Table of Contents

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<b>Applying for Cost-share Funding</b>	<b>4</b>
Am I eligible?	4
What types of projects are ineligible?	4
How often can I apply?	4
How will my application be assessed?	5
Application tips	5
How do I submit my application?	6
How will I be notified of cost-share funding decisions?	6
When do projects start and finish?	6
<b>Claiming Cost-share Funding for Approved Projects</b>	<b>7</b>
How will I receive my cost-share funding?	7
How do I submit a claim?	7
What are acceptable proofs of payment?	7
Is cost-share funding taxable?	8
What if I miss a deadline?	8
What costs are eligible for cost-share funding?	8
What in-kind contributions are eligible for cost-share funding?	8
What costs are not eligible for cost-share funding across all Project Categories?	9
<b>Frequently Asked Questions</b>	<b>11</b>
<b>Definitions</b>	<b>11</b>
<b>Application Declaration</b>	<b>12</b>

# Applying for Cost-share Funding

## Am I eligible?

Any established farm business that is a legal entity and produces agricultural commodities in Ontario under a valid Farm Business Registration Number (FBRN)\*, or an allowable exemption, is eligible to apply for cost-share funding under the Partnership—provided that the farm business meets all of the requirements set out in this *Program Guide*. You must also have a valid and up-to-date Premises Identification (PID) Number\* for the farm property where the project is to take place. In addition, you are required to be in compliance with all Requirements of the Law and remain in compliance for the duration of the project.

## What types of projects are ineligible?

Projects that are not eligible for cost-share funding under the Partnership include those that:

- Promote Ontario products explicitly over those of another province or territory
- Involve directly influencing or lobbying any level of government
- Have the sole purpose of coming into or maintaining compliance with Requirements of the Law that pertain to current business operations
- Support basic research (experimental or theoretical work undertaken primarily to acquire new knowledge without a commercial or other specific application in view)

**Multi-year projects may be supported in specific cases. If you think your project may require a multi-year application, contact OSCIA at [CAP@ontariosoilcrop.org](mailto:CAP@ontariosoilcrop.org).**

## How often can I apply?

A farm business may have up to two (2) applications under consideration at one time. A separate application must be submitted for each project.

There is no limit to the number of cost-share projects that a farm business can complete over the five-year span of the Partnership. There is also no limit to the number of approved cost-share projects that a farm business can have underway at one time.

## Opportunities for Aquaculture

**Activities related to aquaponic food production, and to aquaculture, seaweed, fish and seafood production and processing are ineligible for Partnership cost-share funding, with the following exceptions:**

- **International marketing for fish and seafood products**
- **Traceability for fish and seafood products**

**For a current list of Project Categories that meet these criteria, please contact OSCIA at 1-800-265-9751.**

\*To register for an FBRN, visit Agricorp at [www.farmbusreg.com](http://www.farmbusreg.com). To register for a Premises Identification (PID) Number, visit the Provincial Premises Registry (PPR) at [ontariopid.com](http://ontariopid.com).

## Opportunities for New Producers

New producers are new entrants to the agricultural production industry who:

- File personal income taxes in Ontario
- Have proof of ownership or control of productive agricultural assets to generate farm income
- Have a valid and up-to-date Premises Identification Number for the farm property where the proposed project is to take place
- Have not had more than \$7,000 in gross farm income two and three years prior to enrolling in the Partnership
- Have business projections that demonstrate potential annual gross business income of \$7,000 or more within three years of applying

If you are a new producer, contact OSCIA at 1-800-265-9751 or [CAP@ontariosoilcrop.org](mailto:CAP@ontariosoilcrop.org) for a list of applicable Project Categories, and to request a copy of the New Producer Application Form.

## How will my application be assessed?

All completed applications received in a given Application Intake are evaluated after the Intake closes. (Exceptions may be noted in the Project Category Description.) Applications are evaluated based only on the information submitted and will not be considered if they do not meet eligibility criteria or if they are incomplete.

Complete applications that meet eligibility criteria are assessed using Merit Assessment Criteria, which is specific to each Project Category. A merit-based application review process is used to allocate cost-share funds to projects.

Conditional approval for funding may be granted for complete applications with high merit that require confirmation of additional information before project approval.

## Application tips

Here are some suggestions that may help improve the chances of your application being approved:

1. Read and understand all of the information in the Project Category Description
2. Ensure you meet the eligibility criteria
3. Know the results you want to achieve and demonstrate how they line up with the objectives of the Project Category you are applying for
4. Provide all required documentation
5. Review the Merit Assessment Criteria for your Project Category

## How do I submit my application?

Applications are submitted electronically.\* You can apply and submit all required documentation at [ontarioprograms.net](http://ontarioprograms.net).

You can also complete the Application Form for the Project Category you are applying under, and submit with all required documentation by email to [CAP@ontariosoilcrop.org](mailto:CAP@ontariosoilcrop.org). Copies of Application Forms are available at [ontarioprogramguides.net](http://ontarioprogramguides.net).

\*If you cannot apply online or by email, you may send hard copy applications and all required documentation to OSCIA by post or courier to 1 Stone Road W, Guelph ON N1G 4Y2.

## How will I be notified of cost-share funding decisions?

Applications will be reviewed, and cost-share funding decisions will be made after the Application Intake has closed. You will be notified by mail and/or email approximately 45 business days from the date a given Application Intake closes. (If there is an exception to this, it may be noted in the Project Category Description.) There are three possible outcomes:

- **Application is approved** – you will receive confirmation of claim procedures and submission deadlines, and a questionnaire that must be completed at the end of the project.
- **Application is conditionally approved** – you will be notified about what additional information is required to finalize approval of your project.
- **Application is declined** – you will receive a brief explanation for the decision.

## When do projects start and finish?

The **start date** for your project is the date on the Approval or Conditional Approval Letter issued by OSCIA for each successful project. Projects cannot be started before that date. Eligible costs can only be incurred, invoiced and paid for by the applicant after the date on which the Letter is issued.

The **completion date** for your project will be specified in the Approval Letter issued by OSCIA for the successful project. Eligible costs must be incurred, invoiced and paid for by the applicant on or before this completion date.

# Claiming Cost-share Funding for Approved Projects

## How will I receive my cost-share funding?

Eligible costs for approved projects are reimbursed at the percentage stated in the Available Cost-share section in each Project Category Description.

Cost-share funding is paid once an approved project is complete and operational, and your submitted claim package has met all the requirements and been approved by OSCIA. Payment will be made by cheque or electronic funds transfer (EFT) in the name of the individual or legal farm business.

## How do I submit a claim?

Claim Forms and information about submitting claims is provided to successful applicants with Approval Letters. Once an approved project is complete and operational, you can submit your complete claim package to OSCIA no later than the claim deadline identified in your Approval Letter. Claims can be submitted at any time between the completion of your project and the claim deadline.

Only one claim can be submitted per project per program year, and only one payment will be made per claim.

### Your claim package must contain:

- Completed Claim Form
- Copies of all paid invoices
- Proofs of payment
- Completed Final Report Questionnaire
- In-Kind Claim Declaration Form (if claiming funding for in-kind contributions)

### What are acceptable proofs of payment?

#### Proof of payment must verify:

- Who paid
- Who received payment
- The amount of payment
- The date of payment

#### Proof of payment may be any one of the following:

- Copy of front and back of cancelled cheque
- Electronic image of processed cheque
- Statement from banking institution indicating to whom the processed cheque was written, or electronic payment made, and for what amount
- Credit card or debit card receipt clearly identifying amount and to whom the payment was made. Credit card or debit card numbers and other information, including costs that are unrelated to the project, should be blacked out.

OSCIA may request any additional information from the applicant that OSCIA deems necessary (e.g., copies of any audit reports, plans or permits obtained by the applicant in conducting the project).

This material can be submitted to OSCIA by:

- Post or courier to 1 Stone Road W, Guelph ON N1G 4Y2
- Email to [CAP@ontariosoilcrop.org](mailto:CAP@ontariosoilcrop.org)

## **Is cost-share funding taxable?**

All cost-share funding that you receive is considered income to the farm business for tax purposes. OSCIA will issue a tax form (AGR-1) and report the amount paid to the Canada Revenue Agency (CRA). This is one of the reasons why your CRA number is collected, and it is the reason why an applicant's Social Insurance Number (SIN) is collected if the applicant does not have a CRA Business Number.

## **What if I miss a deadline?**

If your project is not complete and operational, or if your complete claim is not submitted for the project to OSCIA by the claim deadline, all cost-share allocated for the project may be forfeited. If meeting the claim deadline becomes problematic, contact OSCIA as soon as possible (before the claim deadline).

## **What costs are eligible for cost-share funding?**

Eligible costs are specific to each Project Category and are listed in the Project Category Description. When incurring eligible costs, you must follow a process that is transparent, fair and promotes the best value for the money.

All businesses from which goods or services are purchased must be at Arm's Length from the applicant, meaning not related to the applicant, not affiliated with the applicant, or controlled in any way by the applicant. If you have any questions about whether a supplier meets this requirement, please contact OSCIA at 1-800-265-9751.

## **What in-kind contributions are eligible for cost-share funding?**

In-kind contributions may be eligible for cost-share funding for some Project Categories, as indicated in the Project Category Description. Eligible in-kind contributions will be considered equivalent to cash payments for purchased goods and services. As such, the cost-share level and maximum funding level for the Project Category apply to eligible in-kind contributions.

Claims for in-kind contributions must be supported by an In-Kind Claim Declaration Form, which details specific hours worked, who performed the work, dates the work was performed, and the hourly rate(s) charged. Costs associated with education, project planning, supervision, or administration are not eligible for funding as in-kind costs.

Eligible in-kind contributions are invested in the project in the form of unpaid labour and/or use of farm business equipment and may be claimed as follows:

- The maximum eligible labour rate is \$20 per hour. OSCIA will make a final determination on what a reasonable number of hours claimed is based on the project and the nature of the work performed.
- The maximum eligible in-kind equipment rate for a tractor and implement is \$50 per hour of operation. This rate cannot be increased for heavy excavation equipment. Applicable in-kind operator charges may be claimed along with the in-kind equipment rate, at up to the accepted maximum hourly labour rate.
- The maximum amount of in-kind payment for labour and equipment is \$2,000.



## **What costs are NOT eligible for cost-share funding across all Project Categories?**

There are ineligible costs specific to each Project Category. These are listed in the Project Category Description for each Project Category. Ineligible costs across all Project Categories include, but are not limited to:

- Any cost not set out as an eligible cost and expenditure in the Project Category Description
- Any cost not specifically required for the execution of a project
- Normal operating costs associated with carrying out or expanding a business's current operations
- Legal fees
- Costs related to activities that promote Ontario products explicitly over those of another province or territory
- Costs related to activities that directly influence or lobby any level of government
- Costs of basic research
- Costs of ongoing activities
- Normal commercial expansion costs
- Costs for rental of facilities, equipment or machinery for projects under the assessment, audit, planning or skills development and training Project Categories
- Costs of training and skills development that fulfill any academic requirements towards completion of a professional certificate, diploma or degree program
- Costs of sponsorship of conferences and learning events or initiatives
- Costs of travel, meals and accommodations
- Consultant and other contractor expenses for any hospitality (e.g., provision of food or beverage at events), incidental or food
- Permits and approvals
- Purchase or sale of land, buildings or facilities or associated taxes or fees (e.g., land transfer tax)
- Lease of land, buildings and facilities for the purpose of starting up a new business or as part of normal operation
- Fertilizer or crop protection costs
- New building construction (unless otherwise specified in the Project Category Description)
- Typical farm equipment (e.g., tractors, skid steers, combines, livestock trailers) and related accessories or attachments (unless otherwise specified in the Project Category Description)
- Tile drainage systems
- Production quota
- Crop storage facilities
- Mentoring or coaching services (unless otherwise specified in the Project Category Description)
- Global Positioning Systems (GPS) and associated components
- Robotic milking systems, TMR mixers, feed pushers and automated feeding systems
- Financing charges, loan interest payments, bank fees and charges
- Any cost, including a tax, that is eligible for a rebate, credit or refund (e.g., a refundable portion of the Harmonized Sales Tax)
- Gifts and incentives
- Hand or power tools or attachments
- Maintenance or extended warranties
- Multi-use items (e.g., items that can reach beyond the scope of the project such as computers, printers, etc.)
- Costs related to Ontario government promotional campaigns or branding
- Any capital item that is funded by government sources at 75 per cent or more

## Frequently Asked Questions

### What if my business receives funding for the project from additional off-farm sources?

An individual project can only receive a single allocation of cost-share funding from the Partnership. Stacking of cost-share funding from one or more applicants towards the same project is not permitted.

However, applicants may access more than one source of government funding to cover a single project, up to 100 per cent of eligible costs, as long as the other program(s) also allows stacking.

All funding for a project, including from additional off-farm sources, excluding financing, must be listed on the claim form for the project.

### How may I use facilities that my business received funding to develop?

Facilities developed with cost-share funding may not be used for anything other than the purpose set out in the application. For example, relying on covered manure storage periodically for housing livestock, feed storage or machinery is not permitted.

### Will someone visit my farm business to inspect the project?

Projects that have received cost-share funding are routinely inspected. The decision to inspect may be based on project type, project value, or any other criteria selected by OSCIA. Projects may also be inspected randomly.

Inspections are carried out after a claim is received and before the claim is paid. Biosecurity protocols are followed by all representatives of OSCIA.

## Definitions

**Application Intake:** The Canadian Agricultural Partnership is a five-year program, which runs from April 3, 2018 to March 31, 2023. Application Intakes for farm businesses will be scheduled by OSCIA at intervals between those dates. A list of Application Intake dates is available from OSCIA.

**Approval Letter:** An Approval Letter is sent from OSCIA to successful applicants. The Approval Letter stipulates any requirements of cost-share funding that businesses must follow.

**Arm's Length:** An entity is considered Arm's Length if they are not related, not affiliated persons or otherwise controlled by another member or members. Refer to Section 251 of the *Income Tax Act* (Canada) for the detailed statutory provision for determining arm's length relationships. If you have any questions about whether a supplier meets this requirement, please contact: 1-800-265-9751.

**Available Cost-share:** Applicants can apply to receive up to the maximum amount of Available Cost-share that is stated in each Project Category Description. Eligible costs for approved projects are reimbursed at the percentage stated.

**CRA Business Number:** The CRA Business Number is a unique number the Canada Revenue Agency (CRA) assigns your business as a tax ID. It is a nine-digit identifier that is used when dealing with federal, provincial or local governments.

**Farm Business Registration Number (FBRN):** All farm businesses in Ontario that gross \$7,000 or more annually are required by law to register their farm business with Agricorp. More information on the FBRN and allowable exemptions is available from Agricorp.

**Incurred (Cost):** A cost for which a business has become liable to pay.

**Merit Assessment Criteria:** Applications are assessed using Merit Assessment Criteria, which are specific to each Project Category and which are linked to project objectives. A merit-based application review process is used to allocate cost-share funds to projects that best meet the Merit Assessment Criteria.

**Premises Identification (PID) Number:** A PID Number is a unique identifying number assigned to a parcel of land that is associated with agri-food activities. In Ontario, premises are identified and registered in the Provincial Premises Registry. For more information on applying for a PID Number, go to [ontariopid.com](http://ontariopid.com).

**Project Category:** Cost-share funding is made available under specific Project Categories, which each have their own parameters, criteria and terms and conditions.

**Project Category Description:** Each Project Category Description provides the parameters, criteria, and terms and conditions specific to a Project Category under which cost-share funding is made available.

**Requirements of Law:** All applicable Requirements of Law, as may be set out in statutes, regulations, by-laws, codes, rules, ordinances, official plans, approvals, permits, licenses, authorizations, decrees, injunctions, orders and declarations, or any other similar Requirement of Law.

# Application Declaration

To apply, you must agree to be bound by the Terms and Conditions of Canadian Agricultural Partnership (“the Partnership”) Cost-share Funding for Producers.

The applicant must be a legal entity that is eligible under the Partnership Cost-share Funding for Producers. The individual who signs the application form must be a person who is authorized by the applicant to sign the form on behalf of the applicant and to bind the applicant to the contents therein. This person is referred to as “you” below.

You must certify on the application that:

- You have read, understand, and agree to abide by all requirements of the Partnership Cost-share Funding for Producers. This Guide sets out the Terms and Conditions for the Partnership Cost-share Funding for Producers, and the Project Category Descriptions.
- All information submitted on the application is true and complete, to the best of your knowledge, belief and understanding.
- All sources of funding for the proposed project, other than your own, have been disclosed in this application, including sources and amounts from federal, provincial and municipal governments, and such funds do not, and will, not exceed 100 per cent of total project costs.
- You do not currently owe any money to Ontario, or you have attached a description of the applicant’s debt to Ontario to this application.
- You are not, nor is any officer, director or employee of the applicant (if any) a current or former federal public office holder or federal public servant, or, if you, or any officer, director or employee of the applicant (if any) are a current or former federal public officer holder or federal public servant, you or that officer, director or employee of the applicant (if any) are in compliance with the Conflict of Interest Act, the Conflict of Interest Code for Members of the House of Commons, the Values and Ethics Code for the Public Sector and the Policy on Conflict of Interest and Post-employment, as applicable.
- You are not, nor is any officer, director or employee of the applicant (if any), a member of the House of Commons or of the Senate, or if you, or any officer, director or employee of the applicant (if any) are, you or the officer, director or employee of the applicant (if any) are permitted under the Parliament of Canada Act to receive funding from Canada under the Partnership.
- Any payments made to the applicant may be subject to recovery or offset against the applicant’s pre-existing debts to the Crown in Right of Ontario or Canada.
- Ontario, Ontario’s program administrator (if any) or Canada, including, their respective Ministers, directors, officers, agents, employees or representatives (as applicable) shall not be liable for any damage or loss whatsoever, or howsoever arising, including damage or loss arising from any advice, opinions, representations, warranties or the provision of information under the Partnership.
- The information provided for the Partnership may be disclosed by Ontario or Ontario’s program administrator (if any) on behalf of Ontario to verify compliance with other provincial and federal funding initiatives administered by Ontario or another program administrator on behalf of Ontario or by Ontario in order to confirm the information provided, to verify eligibility and to ensure there is no duplication of funding.
- The information provided for the Partnership may be subject to disclosure under the Freedom of Information and Protection of Privacy Act (Ontario), the Access to Information Act (Canada) or Privacy Act (Canada).

You must consent to the following on behalf of the applicant:

- To provide accurate, timely and full information, including supporting documentation, to Ontario or Ontario’s program administrator (if any) and will notify Ontario or Ontario’s program administrator (if any) immediately in the event that there are any changes to information provided.
- To provide Canada, Ontario and Ontario’s program administrator (if any), as well as their authorized representatives, with any information or access to a person, place or thing within ten (10) business days of any request, field verification or audit.
- To comply with onsite field inspections and/or audits by Ontario or Ontario program administrator (if any) upon notice, and during normal business hours, to verify eligibility, and to evaluate compliance with the requirements of the Partnership.
- To comply with reviews by Ontario of information related to other programs and initiatives delivered by, or for, Ontario in which the applicant is enrolled or has applied.
- The use of the applicant’s name and contact information by Ontario, Ontario’s program administrator (if any) and/or Canada to contact the applicant for the purpose of evaluating the effectiveness and efficiency of the Partnership programming, or for any other similar purpose.

You must further certify on the Application, that the applicant:

- Shall retain all records relating to any payments made to the applicant under the Partnership, including all invoices and proof of payment for at least seven (7) years from the date on which payment was received by the applicant.
- Shall consent to Ontario, Ontario’s program administrator (if any) or Canada publishing information about the project/activities funded including the amount of funding the applicant has been approved to receive and/or has received under the Partnership, the nature and results of any project/activities funded, along with the applicant’s name.

You must further acknowledge and accept that:

- The Partnership is a discretionary, non-entitlement program and that you are not entitled to funding merely as a consequence of having submitted an application. Payment is subject to Ontario receiving all the necessary appropriations from the Ontario Legislature, Ontario receiving all the necessary monies from Canada, eligible activities criteria, eligible expenses criteria, ineligible activities criteria, ineligible expenses criteria, and priorities and target audiences, as well as the applicant’s compliance with all terms and conditions of the Partnership.
- If it is determined that the applicant has received a payment the applicant was not eligible to receive, through administrative error or otherwise, the applicant will repay any and all payments that the applicant was not eligible to receive as well as any surplus funding.

This is the Guide and Guideline for Producers, an initiative under the Partnership.

In the event of a conflict between anything set out in Guides, Guidebooks, Guidelines and the Minister’s Order, the Minister’s Order will prevail.

Errors and Omissions Excepted.



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The Canadian Agricultural Partnership is a five-year commitment by Canada's federal, provincial and territorial governments to encourage innovation, competitiveness and sustainability in Canada's agriculture industry.

Version 3.0

