



Lake Erie Agriculture Demonstrating Sustainability

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 will focus on achieving key outcomes related to Economic Development, Environmental Stewardship, and Protection and Assurance.

Canadian Agricultural Partnership and Lake Erie

The Great Lakes are vitally important to the health, quality of life and prosperity of Ontario's farmers, families and communities. The complex ecosystem that is the Great Lakes is being challenged by many factors, including climate change, population growth, invasive species and land management practices.

Recognizing the shared responsibility for this collective resource, Ontario – with partners from the United States and Canada – has committed to continuing to improve the health of the Great Lakes through various water quality agreements and partnerships, including the Canada-Ontario Lake Erie Action Plan.

Declining water quality has been a significant concern in Lake Erie, the shallowest of the Great Lakes. To support water quality improvements in Lake Erie, Ontario has committed to actions supporting phosphorus loss reductions across the basin, including adopting a target of 40 per cent phosphorus load reduction by 2025, using an adaptive management approach, for the Ontario portion of the western and central basins of Lake Erie.

In February of 2018, the Canada-Ontario Lake Erie Action Plan was released. This plan was developed in collaboration with a diversity of stakeholders and will guide the implementation of action to work towards the reduction targets. Many sectors, including agriculture and agri-food, are already working together to take action towards achieving the necessary reductions.

Lake Erie Agriculture Demonstrating Sustainability Program

The Lake Erie Agriculture Demonstrating Sustainability (LEADS) program will support the implementation of Best Management Practices (BMPs) on farms within the Lake Erie and Lake St. Clair watersheds. In particular, LEADS will support BMPs that improve soil health and address nutrient reduction targets. These projects will help to improve soil health, the health of our waterways, and support Ontario's commitments to phosphorus loss reductions in these priority areas.

Producer Participation in LEADS

The Ontario Soil and Crop Improvement Association (OSCIA) is responsible for administering LEADS cost-share funding to producers in the Lake Erie and Lake St. Clair watersheds. An interactive map showing these watersheds is available on the OSCIA website. Application guidelines and details about eligible BMPs are included in this *Program Guide*.

Applications will be accepted beginning March 22, 2019. Applications will continue to be accepted until the available funding is fully allocated. Program information is also available:

- Online at: ontariosoilcrop.org
- By email at: LEADS@ontariosoilcrop.org
- By phone at: 1-800-265-9751

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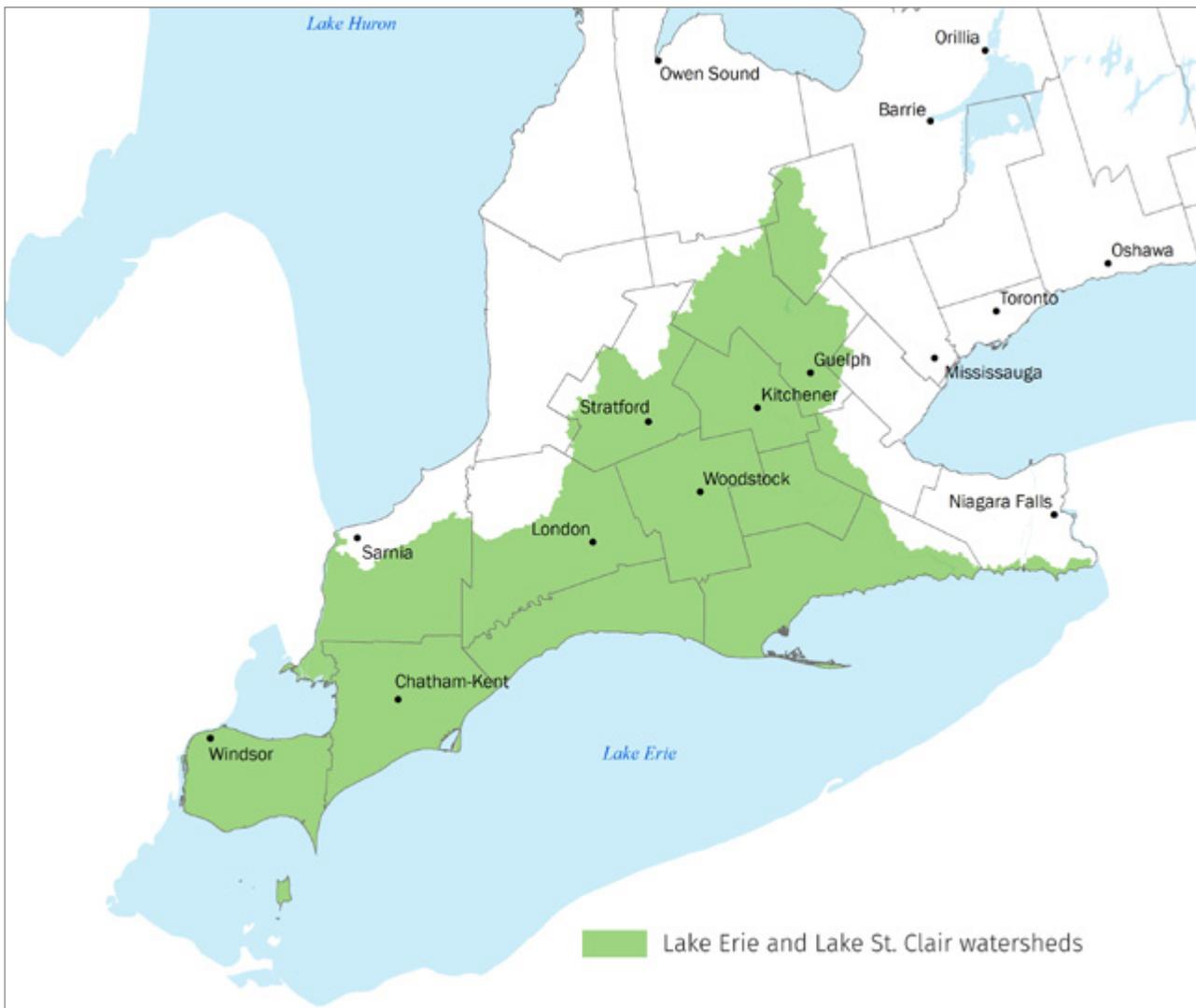
Opportunities for New Producers

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 LEADS@ontariosoilcrop.org for a list of applicable Project Categories, and to request a copy of the New Producer Application Form.

Applying for LEADS Cost-share Funding



Am I eligible?

Any established farm business that is a legal entity and produces agricultural commodities in the Lake Erie and/or the Lake St. Clair watersheds under a valid Farm Business Registration Number (FBRN) *, or an allowable exemption, is eligible to apply for cost-share funding under LEADS— provided that your farm business meets all of the requirements set out in this *Program Guide*. You must also have a Farmland Health Check-Up, a current Environmental Farm Plan, and a valid and up-to-date Premises Identification 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.

You must also be undertaking an eligible project that is located within the Lake Erie or Lake St. Clair watersheds. To determine if your farm business, where the project will be undertaken, is located within the Lake Erie or Lake St. Clair watersheds please use the interactive map hosted on the OSCIA website.

*To register for an FBRN, visit Agricorp at www.farmbusreg.com. To register for a Premises Identification Number (Premises ID), visit the Provincial Premises Registry (PPR) at ontariopid.com.

Farmland Health Check-Up

LEADS is a merit-based cost-share program. The funding level for each project is determined by the level of risk identified through the Farmland Health Check-Up. Cost-share funding is available for the implementation of a BMP or suite of BMPs that address that risk.

The Farmland Health Check-Up offers producers a unique opportunity to work with a participating Ontario Certified Crop Advisor (CCA) or Ontario Professional Agrologist (P.Ags.) to assess the soil type, nutrient levels, soil erosion risk levels, and land management practices of up to three fields, and develop BMPs tailored to the specific in-field challenges.

For more information and a list of eligible CCAs and P.Ags., visit the Farmland Health Check-Up webpage, or email LEADS@ontariosoilcrop.org.

Environmental Farm Plan

Applicants must have a verified complete 4th Edition EFP to apply to LEADS.

For more information about the EFP, please visit the OSCIA website, or contact your local Workshop Leader.

Multi-year applications may be supported in specific cases. If you think your project may require a multi-year application, contact OSCIA at LEADS@ontariosoilcrop.org for assistance with completing the application.

What types of projects are ineligible?

Projects that are not eligible for cost-share funding under LEADS, include those that:

- Are not located in the eligible geographical area of the Lake Erie and Lake St. Clair watersheds
- 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)

How often can I apply?

A farm business may submit up to three applications to LEADS for consideration at one time for the 2019-2020 program year. A farm business may have up to three 2019-20 approved LEADS cost-share projects underway at one time. Applications will continue to be accepted until the funds for the 2019-2020 year are fully allocated. Eligible projects must be new to the farm business, unless otherwise indicated in the project category description. A separate application must be submitted for each project.

Projects submitted to LEADS cannot receive funding from any other Partnership program.

How will my application be assessed?

LEADS supports a merit-based allocation of funding. Eligible projects will be awarded a level of funding that reflects the priority identified by the Farmland Health Check-Up.

Applications will be processed in the order in which they are received until the available funding is fully allocated. 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.

What funding levels are available?

Cost-share levels are determined by the risk rating identified within your completed Farmland Health Check-Up.

Cost-share Levels

HIGH FUNDING LEVEL (65%)
Farmland Health Check-Up Rating: **Poor**

MODERATE FUNDING LEVEL (55%)
Farmland Health Check-Up Rating: **Fair**

BASE FUNDING LEVEL (45%)
Farmland Health Check-Up Rating: **Good or Best, or a project on an unassessed field**

Projects being implemented on multiple fields are evaluated on a field-by-field basis. Each field may receive a different level of cost-share based on the risks and priorities identified in your Farmland Health Check-Up.

The maximum LEADS funding available is **\$20,000** per application. Please note that equipment purchases are limited to the moderate funding level (55%), or base funding level (45%), regardless of risk rating. This includes all projects under the following categories:

- Equipment Modifications to Improve Manure Application
- Tillage and Nutrient Application Equipment Modifications
- Equipment Modifications to Reduce Soil Compaction

How do I submit my application?

Applications for LEADS will be accepted on a continuous basis beginning March 22, 2019.

Applications are submitted electronically*. You can apply and submit all required documentation at 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 LEADS@ontariosoilcrop.org. Copies of Application Forms are available at ontarioprogramguides.net.

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

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

You will be notified by mail once your application has been reviewed and a decision has been made—approximately 20 business days from the date that your completed application is received by OSCIA. There are three possible outcomes:

- **Application is approved**—you will receive a letter confirming the amount of funding allocated to your project, as well as information about any specific requirement of this funding.
- **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 this 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?

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 their Approval Letters. Once an approved project is complete and operational, you can submit your complete claim package to OSCIA. 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
- Proof of payment
- Copies of all paid invoices
- Completed Final Report survey
- In-Kind Claim Declaration Form (if claiming funding for in-kind contributions)

OSCIA reserves the right to request additional information about the project from the applicant (e.g., copies of any Crop Nutrient Plans). OSCIA reserves the right to perform a project inspection at a mutually agreeable time, prior to the claim being processed.

This material can be submitted to OSCIA by:
Post or courier to 1 Stone Road W, Guelph ON N1G 4Y2
Email to LEADS@ontariosoilcrop.org

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 the 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.

Is cost-share funding taxable?

All cost-share funding that you receive through LEADS 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 a project is not complete and operational, or if a 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 BMP and are listed in the BMP Description. This includes in-kind contributions, where eligible. 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 all BMPs, with the exception of Crop Nutrient Planning. Eligible in-kind contributions will be considered equivalent to cash payments for purchased goods and services. As such, the cost-share level and maximum LEADS funding level for the project 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.
- In-kind contributions may only be invested by the applicant, his/her dependents and business partners only.

What costs are NOT eligible for cost-share funding across all BMPs?

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 BMP 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
- Normal commercial expansion costs
- Costs of ongoing activities
- Costs for rental of facilities, equipment or machinery for projects under the Crop Nutrient Planning BMP
- 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 BMP Description)
- Typical farm equipment (e.g., tractors, skid steers, combines, livestock trailers) and related accessories or attachments (unless otherwise specified in the BMP Description)
- Tile drainage systems
- Production quota
- Crop storage facilities
- Mentoring or coaching services (unless otherwise specified in the BMP Description)
- 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 their attachments
- Maintenance costs or extended warranties
- Multi-use items (e.g., that can reach beyond the scope of the project such as computers, printers, etc.)
- Costs related to Ontario government promotional campaigns or branding
- Costs for projects funded under other Partnership programs

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 LEADS. Stacking of LEADS cost-share funding from one or more applicants towards the same project is not permitted, nor is stacking funding from other sources of the Partnership funding.

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) 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.

Will someone visit my farm business to inspect the project?

Projects that have received LEADS 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

Approval Letter: An Approval Letter is sent from the 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* 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.

BMP: Best Management Practice

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

CCA: Certified Crop Advisor

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.

Premises Identification Number (Premises ID): A Premises ID 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 Premises ID, go to ontariopid.com.

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*.
- 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 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 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.
- 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.

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.

This is the Guide and Guidelines for the Lake Erie Agriculture Demonstrating Sustainability (LEADS) cost-share program, an initiative under *the Partnership*.

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



**CANADIAN
AGRICULTURAL
PARTNERSHIP**

Innovate. Grow. Prosper.

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 2.0

