



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



**PROCESSOR
PROGRAM GUIDE**



*Working together
for the 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 will focus on achieving key outcomes related to **Economic Development, Environmental Stewardship**, and **Protection and Assurance**.

Cost-share Funding for Processors

This *Guide* provides information about cost-share funding for processors to support:

- **Economic Development** in the agri-food and agri-products sectors
- **Protection and Assurance** to reinforce the foundation for public trust in the sector through improved assurance systems in food safety and plant and animal health

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) administers cost-share funding to processors. Application Intakes will be scheduled by OMAFRA between April 3, 2018 to March 31, 2023. Not all Project Categories will be open in every Application Intake.

Businesses can access cost-share funding for projects to make new 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.

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

- Online at ontario.ca/agpartnership
- By email at agpartnership@ontario.ca
- By phone at 1-877-424-1300

Get up-to-date Information about the Partnership

Visit the Online Program Guide at ontarioprogramguides.net for current information about cost-share funding for processors. It also provides current information about cost-share funding for producers and other businesses.

Visit adaptcouncil.org for information about funding for organizations and collaborations.

Information in this *Guide* is subject to change without notice.

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Applying for Cost-share Funding

What businesses are eligible?

Any established company that is a manufacturer and is currently directly involved in the transformation of agricultural commodities, food, beverage or agri-based bio-products in Ontario may meet the eligibility criteria.

Transformation means physically or chemically changing an agricultural commodity, food, beverage or bio-product.

This includes processors of:

- Tobacco-based bio-pharmaceuticals or other bio-products
- Health or nutrition supplements
- Pet food products

The applicant must:

- Be in compliance with all Requirements of Law and agree to remain in compliance with all Requirements of Law for the duration of the project
- Have a valid and up-to-date Premises Identification (PID) Number* for the business location where the project is to take place
- Provide a Canada Revenue Agency Business Number as part of the application process, if applicable

The following businesses are not eligible for processor cost-share funding:

- Restaurants and food services, including catering services
- Retail food services
- Packaging material manufacturers

- Businesses that only wash/clean, polish (with the exception of quinoa), primary postharvest process (including but not limited to trimming and re-sizing), sort, package and/or warehouse agricultural and/or food products
- Businesses that process household waste or household waste bi-products
- Cigarette manufacturers
- Any other entity deemed by the Minister to be ineligible

Aquaculture sector

In general, processors in the aquaculture sector are not eligible for cost-share funding under the Partnership, with the exception of projects in international marketing or traceability for fish and seafood products.

Brand or intellectual property owners

Owners of an established brand or intellectual property that do not meet the eligibility criteria as a processor, but that are located in Ontario, and who have an agreement or arrangement for the transformation of their product(s) with processors who are actively engaged in the transformation of agricultural commodities, food, beverages or agri-based bioproducts in Ontario may apply for the following Project Categories:

- Marketing Plans
- Develop New Products or Processes (excluding capital costs)
- Market Products in Canada
- Market Products Internationally

If you are interested in applying as a brand or intellectual property owner, contact OMAFRA at 1-877-424-1300 or agpartnership@ontario.ca.

*To register for a PID Number, visit the Provincial Premises Registry (PPR) at ontariopid.com.

New processor businesses (new entrants)

New processor businesses (new entrants) may apply for the following Project Categories:

- Business Assessments
- Business Plans
- Marketing Plans
- Market Products in Canada
- Market Products Internationally
- Develop New Products and Processes
- Education, Training, Assessment and Planning (Animal Health)
- Education, Training, Assessment and Planning (Plant Health)
- Food Safety Training
- Food Safety Gap Assessment and Pre-Audit

Provided they:

- Constitute a legal person
- Are new to the food and agri-product processing industry, and have business projections that demonstrate potential annual gross business income of \$30,000 or more within three years of applying
- File personal income taxes in Ontario
- Have not filed taxes of \$30,000 or more in annual gross business revenue as a food or agri-product processing business in the two years prior to applying for funding
- Have a valid Premises Identification (PID) Number (if a processing facility is established)

If you are interested in applying as a new entrant processor, contact OMAFRA at 1-877-424-1300 or agpartnership@ontario.ca.

What types of projects are ineligible?

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

- Promote Ontario products explicitly over those of another province or territory
- Involve directly influencing or lobbying any level of government
- Support normal operating costs associated with carrying out a business or increasing production capacity
- 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)
- Are located outside of Ontario

How often can a business apply?

A processor 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 processor can complete over the five-year span of the Partnership.

How is an application assessed?

All complete applications received in a given Application Intake are evaluated after the Intake closes. (Exceptions may be noted in the applicable 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 are specific to each Project Category. A merit-based application review process is used to allocate cost-share funds to projects that best meet Merit Assessment Criteria. Only applications that best meet the Merit Assessment Criteria will be approved.

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 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
6. Submit your completed Application Form, along with required documentation, by the Application Intake deadline

How do I submit an application?

Applications are submitted electronically.* You can apply and submit all required documentation at ontarioprograms.net.

You can also complete the electronic Application Form for the Project Category you are applying under and submit the completed application and all required documentation by email to agpartnership@ontario.ca. Copies of electronic Application Forms are available at ontario.ca/agpartnership. If you submit an application by email but do not receive an acknowledgement within two business days, contact OMAFRA at 1-877-424-1300.

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

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

You will be notified by email once applications have been reviewed and decisions have been made—approximately 60 business days from the date that a given Application Intake closes. (If there is an exception to this, it may be noted in the Project Category Description.) There are two possible outcomes:

- **Application is approved**—you will receive an Approval Letter with details (e.g., value of cost-share approved, earliest project start date) and be required to enter into a Contribution Agreement with the Province of Ontario and follow all of its terms and conditions. You will also receive confirmation of claim procedures and submission deadlines, and a questionnaire that must be completed at the completion of the project. You will be required to register your business information through the Province of Ontario's Transfer Payment Common Registration (TPCR) system, an online registration tool.
- **Application is declined**—you will receive a brief explanation for the decision.

When do projects start and finish?

A project cannot start prior to the date that OMAFRA approves the project. This date will be communicated in the Approval Letter to the successful applicant. Eligible costs can only be incurred, invoiced and paid for by the applicant on or after the start date.

Projects must be implemented and completed according to the terms and conditions of the contribution agreement between the Province of Ontario and the successful applicant.

Claiming Cost-share Funding for Approved Projects

When is cost-share funding paid?

Approved cost-share funding is paid once you have incurred and paid for expenses, and your submitted claim package has met all the requirements and been approved by OMAFRA. Eligible costs are reimbursed at the percentage indicated in the Available Cost-share section of the Project Category Description.

How is a claim submitted?

Claims should be submitted to OMAFRA no later than the claim deadline date given in the Contribution Agreement.

There will be a 10 per cent holdback of reimbursement until a Final Report for the project is received and approved by OMAFRA. The Final Report submitted for the project must include a certification that the project has been completed within the project timelines stated in the Contribution Agreement, and the project must fulfill all other requirements stated in the Contribution Agreement.

OMAFRA may request any additional information from the applicant that is deemed necessary (e.g., copies of any permits obtained by the applicant in conducting the project, photos).

Your claim package must contain:

- Completed Claim Form
- Proofs of payment
- Copies of all paid invoices
- In-Kind Claim Declaration Form (if applicable)

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 or statement 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.

What costs are eligible for cost-share funding?

Eligible costs are specific to each Project Category and are listed in the Project Category Description. This includes in-kind contributions, where eligible. When incurring eligible costs, applicants 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 OMAFRA at 1-877-424-1300 or agpartnership@ontario.ca.

Are in-kind contributions eligible for cost-share funding?

In-kind contributions may be eligible for cost-share funding for some projects. Each Project Category Description will indicate whether or not in-kind contributions may be eligible. In-kind contributions must be identified and approved as such in the application for an approved project.

This table reflects allowable in-kind contributions and the documentation required when making a claim.

CATEGORY	DEFINITION	REIMBURSEMENT REQUIREMENT
Salaries	<ul style="list-style-type: none"> Actual salary cost for employing experts to contribute directly to the project Portion of the salary of a project manager or support staff person assigned to fulfill duties specifically related to the project 	<ul style="list-style-type: none"> Signed timesheets with supervisory approval Payroll register Personnel file with salary/wage information Employment contract Cancelled cheques/direct deposit schedule
Use of equipment	<ul style="list-style-type: none"> Equipment necessary to conduct the project and for which a fee is usually charged 	<ul style="list-style-type: none"> Estimate of the fair market value for use of the equipment
Materials and supplies	<ul style="list-style-type: none"> Materials and supplies, at fair market value or company book value 	<ul style="list-style-type: none"> Consultant/trainer agreement Paid invoices and receipts Purchase orders Packing slips Paid receipts and invoices
Use of land and facilities	<ul style="list-style-type: none"> Meeting rooms, space or facilities for which a fee is usually charged 	<ul style="list-style-type: none"> Estimate of the fair market value for use of the land/space

Are travel and meal expenses eligible for cost-share funding?

Travel and meal expenses may be eligible for cost-share funding for some projects. Each Project Category Description indicates whether or not travel and meal costs may be eligible. Travel and meal costs must be identified and approved as such in the application for an approved project.

Eligible cost-share funding for travel and meal expenses for an approved project may be claimed when the most economical transportation and accommodation (i.e., single accommodation in a standard room) is chosen.

- **Travel** – the maximum eligible costs for personal vehicles driven within Ontario are:

NUMBER OF KILOMETRES	SOUTHERN ONTARIO (\$/KM)	NORTHERN ONTARIO (\$/KM)
0-4,000 km	0.40	0.41
4,001-10,700 km	0.35	0.36
10,701-24,000 km	0.29	0.30
More than 24,000 km	0.24	0.25

- **Meals** – Reimbursement for meal expenses is subject to the maximum eligible cost value set out in the tables below. Original, itemized receipts are required, and the eligible cost value will not exceed the actual amount spent. Taxes and gratuities are included in the maximum eligible cost value. Reimbursement is for restaurant/prepared food only and not available for alcohol purchases.

Maximum eligible costs for meals in Canada:

MEAL TYPE	MAXIMUM ELIGIBLE COSTS
Breakfast	\$10.00
Lunch	\$12.50
Dinner	\$22.50

Maximum eligible costs for meals outside of Canada (CAD):

MEAL TYPE	MAXIMUM ELIGIBLE COSTS
Breakfast	\$20.25
Lunch	\$19.85
Dinner	\$50.00

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

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

- Costs incurred before the approval of the project by OMAFRA or after the project completion date identified in the Contribution Agreement between the applicant and the Province of Ontario
- Costs incurred in preparing an application
- Any cost not specifically required for implementation of the project
- Normal costs of establishing, expanding or operating a business
- Normal costs of implementation of a facility expansion
- Deposits (prepayments) for which goods or services are not yet fully received
- Costs for training and skills development projects that fulfill any academic requirements towards completion of a diploma or degree
- Mentoring and coaching, unless otherwise indicated in a Project Category Description
- Sponsorship of conferences and learning events or initiatives
- Honorariums
- Membership costs
- Any travel costs beyond those provided for in this *Guide*
- Consultant and other contractor expenses for any hospitality (e.g., provision of food or beverages at events), incidentals or food

- Hospitality (e.g., venue rental, food, beverages, AV, etc.)
- Purchase or lease of land, building or facilities
- Costs of vehicles, transportation equipment, mobile material handling equipment (powered or unpowered), and construction and agriculture machinery (e.g., farm equipment)
- Financing charges, loan and lease interest payments, bank fees and charges as well as debt restructuring or fundraising
- Gifts and incentives
- Permits and approvals
- 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
- Taxes, including Harmonized Sales Tax
- Any refund or rebate the applicant receives or is eligible to receive
- Any capital item that is funded by government sources at 75 per cent or more

Can I stack cost-share funding for the same project?

Applicants can only access one funding source under the Partnership for a single project. However, applicants may access other government funding as long as those other programs also allow stacking. The maximum level of total assistance provided from all sources is 100 per cent of the total eligible costs. All funding for a project, including from additional sources, must be listed on the application.

Frequently Asked Questions

What are my obligations regarding equipment purchases made using cost-share funding?

Businesses must retain ownership of any asset purchased or created with the funds from the Partnership for at least two (2) years from the expiration date of the Contribution Agreement unless otherwise provided under the Contribution Agreement.

Businesses must not lease or otherwise encumber any asset purchased or created with cost-share funding or toward which cost-share funding was provided for at least two (2) years from the expiration date of the Contribution Agreement, unless otherwise provided under the Contribution Agreement or as OMAFRA directs in writing.

Will someone visit my business to inspect the project?

Projects that have received cost-share funding are routinely inspected.

Is the cost of leasing equipment eligible?

Lease payments made toward principal value may be eligible costs. Lease payments made toward financing costs are not eligible.

Can I make a deposit on equipment prior to project approval?

A deposit on its own is not an eligible expense. A deposit may be eligible for reimbursement as a component of a claim for the full cost of eligible goods, when goods are received or delivered, as long as the goods are received or delivered within timelines for project completion indicated in the Contribution Agreement. Costs will only be reimbursed after proof of payment is submitted.

Deposits that are made six months or more prior to the opening of the intake in which the applicant's application is submitted and approved are not eligible for reimbursement under any circumstances.

How do I determine the number of employees I should report?

You must report all employees who receive a T4 slip from your business, either business-wide or at a specific facility (as corresponds to the question/instructions).

Definitions

Application Intake: The Canadian Agricultural Partnership is a five-year program, which runs from April 3, 2018 to March 31, 2023. Application Intakes will be scheduled by OMAFRA at intervals between those dates.

Approval Letter: A letter, sent by email from OMAFRA, that is a notification of a conditional approval and stipulates the amount of approved cost-share funding.

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 OMAFRA at 1-877-424-1300.

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.

Claim: A report submitted by the business to the Province of Ontario to provide the Province of Ontario with information on which to base a reimbursement payment. Claims must meet all of the requirements stated in the Contribution Agreement between the Province of Ontario and the applicant for the project.

Contribution Agreement: A legal agreement that applicants must enter into with the Province of Ontario if the project is approved. The legal agreement contains the terms and conditions that the applicant must follow to receive cost-share funding.

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.

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.

Processor: An established company that is a manufacturer that is currently directly involved in the transformation of agricultural commodities, food, beverage or agri-based bio-products in Ontario. Transformation means physically or chemically changing an agricultural commodity, food, beverage or bio-product.

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 Processors.

The applicant must be a legal entity that is eligible under the Partnership Cost-share Funding for Processors. 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 Processors. This Guide sets out the Terms and Conditions for the Partnership Cost-share Funding for Processors, 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.
- 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.
- 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 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

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 Guideline for Processors, 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

