

# Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient.

## Program Guide

Newfoundland and Labrador



These guidelines are subject to change from time to time without notice. Consult our website at [www.gov.nl.ca/ffa/SustainableCAP](http://www.gov.nl.ca/ffa/SustainableCAP) for the most up-to-date information on Sustainable Canadian Agricultural Partnership opportunities or contact us by phone at 709-637-2378, or by email at [SCAP@gov.nl.ca](mailto:SCAP@gov.nl.ca).

**Information provided on submitted applications may be used for other analysis within the Department of Fisheries, Forestry and Agriculture. The information provided is subject to the Access to Information and Protection of Privacy Act of the Government of Newfoundland and Labrador. Under the authority of section 61(c) of the Access to Information and Protection of Privacy Act, 2015, personal information will be collected for the purpose of assessing the applicant's eligibility for funding under the Sustainable Canadian Agricultural Partnership in Newfoundland and Labrador. Information provided on this application may be used for other analysis within the Department of Fisheries, Forestry and Agriculture. Information provided may be shared with third parties for the purpose of project assessment, program audit and/or evaluation. Payments made by the Department are subject to the right of Government, under the Financial Administration Act, to set off any amounts owing to it by the applicant. For further information on privacy issues under the Sustainable Canadian Agricultural Partnership in Newfoundland and Labrador, please contact (709) 637-2378.**

# Table of Contents

Sustainable Canadian Agricultural Partnership .....	1
Vision.....	1
Collective Outcomes and Targets.....	1
Priority Areas.....	2
Underrepresented Groups .....	3
Overview of Newfoundland and Labrador Programs.....	4
Cost-shared Programs .....	5
Business Risk Management .....	6
On-line Resource: AgPal.....	6
Basic Eligibility Requirements .....	7
False or Misleading Information .....	7
Existing Producers and Processors.....	8
New Entrants.....	9
Returning Farmers .....	10
Regional Pastures .....	10
Not-for-Profit Organizations or Groups .....	10
Program Overview and Eligible Recipients .....	11
How Applications Will Be Assessed .....	13
Merit-based Application Evaluation Criteria .....	13
General Eligibility Criteria.....	14
Important Considerations for Applicants.....	14
Ineligible Commodities .....	15
Indigenous Agriculture Development Initiative .....	15
Regional Collaboration .....	15
Northern Agriculture Development Initiative .....	16
Submitting an Application .....	16
Cost-shared Funding Levels.....	18
Eligible Costs .....	19
Funding Programs.....	20

1. Environmental Sustainability and Climate Change Program ..... 20

    1.1 Resilient Agricultural Landscape Program (RALP) ..... 20

    1.2 Climate Change and Environmental Outreach ..... 21

2. Agriculture Research Program..... 24

    2.1 On-Farm Agriculture Research..... 24

    2.2 Knowledge Transfer and Information Sharing..... 25

3. Agriculture Marketing Program ..... 27

    3.1 Restrictions to Branding and Marketing Campaigns ..... 28

4. Agriculture Growth and Secondary Processing Program ..... 30

    4.1 Agriculture Growth and Food Self-Sufficiency ..... 30

    4.2 Agricultural Land Development ..... 34

    4.3 Industry Development and Knowledge Transfer..... 40

    4.4 Secondary Processing Enhancement ..... 43

5. Mitigating Agricultural Risks Program..... 47

6. Advancing Public Trust Program ..... 55

Conflict of Interest Guidelines ..... 57

Related Parties and Companies ..... 57

Environmental Assessment and Permits..... 58

Travel Policy..... 59

In-kind Contributions ..... 59

Stacking Policy ..... 59

Agriculture Land Title Policy ..... 60

Project Reimbursement..... 60

Appendix 1: Business Plan Minimum Requirements..... 64

Appendix 2: Succession Planning Guidelines ..... 68

Appendix 3: Agri-business Financial Assessment Guidelines ..... 71



# Sustainable Canadian Agricultural Partnership

The Sustainable Canadian Agricultural Partnership (Sustainable CAP) is a \$3.5-billion, five-year, Federal-Provincial-Territorial (FPT) Framework Agreement commencing on April 01, 2023 and expiring on March 31, 2028. Sustainable CAP will provide:

- \$1 billion in federal programs and activities;
- \$2.5 billion in cost-shared programs and activities funded by federal, provincial and territorial governments; and
- 25 per cent funding increase in the new partnership for cost-shared programs that support strategic initiatives.

In Newfoundland and Labrador, Sustainable CAP will provide \$42.64 million in funding for the agriculture, agri-foods, and agri-products sector to support economic growth, innovation, climate change and environmental sustainability, secondary processing, inclusivity and food self-sufficiency.

## Vision

Canada is recognized as a world leader in sustainable agriculture and agri-food production and drives forward to 2028 from a solid foundation of regional strengths and diversity, as well as the strong leadership of the Provinces and Territories, in order to rise to the climate change challenge, to expand new markets and trade while meeting the expectations of consumers, and to feed Canadians and a growing global population.

## Collective Outcomes and Targets

The Sustainable CAP Reporting Strategy will allow the Province to demonstrate progress toward achieving the Collective Outcomes as set out below:

- Improved sector environmental performance, adaptation to climate change and reduction of GHG emissions;
- Increased sector capacity and growth across the entire agri-food value chain; and
- Enhanced sector resiliency, diversity, equity and inclusion, and public trust.

The following national targets will measure the progress towards achieving the Collective Outcomes:

- Contribute to reducing Canada's greenhouse gas (GHG) emissions by three to five megatonnes by 2028; and
- Contribute to:
  - \$250 billion in sector revenues by 2028, an increase from approximately \$230 billion from 2023; and
  - \$95 billion in sector export revenues by 2028, an increase from approximately \$85 billion from 2023; and

- Contribute to an additional two – three per cent increase in the proportion of funded Ultimate Recipients that are women, youth and/or Indigenous peoples, compared to total funded Ultimate Recipients.

## Priority Areas

Based on consultations with industry stakeholders, FPT governments developed five priority areas that will support the vision and collective outcomes over the next five years of Sustainable CAP. The five priority areas will enable the sector to become more competitive, resilient, innovative, profitable and environmentally sustainable:

1. **Climate Change and Environment:** Investment to support the sector to reduce GHG emissions and adapt to the impacts of climate change is vital to the sector's long-term viability. Increased frequency and likelihood of extreme climate events are severely impacting agricultural production, threatening food security, and impacting the economic and emotional wellbeing of producers and rural communities.
2. **Science, Research, and Innovation:** Investment to support science and innovation between FPT governments, academia, and industry are critical to support the other four priority areas and create opportunities to further improve the sustainability, resiliency, and competitiveness of the sector in the medium and long term.
3. **Market Development and Trade:** Investment to support the sector to expand both domestic and international market development opportunities and to meet the evolving challenges of the interconnected, globalized marketplace.
4. **Building Sector Capacity, Growth and Competitiveness:** Investment to increase capacity and competitiveness to expand economic growth, drive domestic market and export activity, and enhance food self-sufficiency and local food capacity.
5. **Resiliency and Public Trust:** Investment to support the sector as it continues to face significant risks such as climate change and weather events, disease/pests, resistance to antimicrobials, labour shortages, and market and supply chain volatility. These risks can lead to heavy losses to production and income, and threaten the commercial viability of the sector, as well as the physical and mental health of those operating within it. The sector must continue to anticipate, mitigate and adapt to these risks and changing consumer demands to build public trust in the Newfoundland and Labrador agriculture and agri-foods industry to maintain market access and capture new market opportunities.

## Underrepresented Groups

Sustainable CAP should be accessible to all who are eligible to participate. The Province will work to address barriers to participation in programming and consider the unique and diverse needs of Indigenous peoples and other underrepresented and marginalized groups, such as youth and women, to achieve greater equity, diversity, and inclusion in the sector. This will be accomplished through a gender-based analysis plus (GBA+) approach.

### Definitions:

**Indigenous peoples:** Individuals who self-report an Indigenous identity, either First Nations, Métis, and/or Inuit, or a combination of those.

**Woman/Women:** Refers to all people, including transgender people, who identify as women. Note: the terms "woman/women" are related to a person's gender identity, which differs from sex. Note: Gender identity refers to an individuals' personal and social identity as a man, woman, or non-binary person.

**Youth:** Refers to people 40 years old and younger.

**Gender-based Analysis Plus (GBA+):** GBA+ is a tool that assesses the potential impact that government decisions may have on individuals from various backgrounds and abilities. GBA+ examines how an issue impacts an individual based on their sex, gender, and other intersecting identity factors. The goal of GBA+ is achieving a society in which all people are equally valued, and in which one's life choices are not limited because of their gender, ethnicity, social position and/or any other characteristics.



## Overview of Newfoundland and Labrador Programs

Designed to advance Sustainable CAP priority areas, the Department of Fisheries, Forestry and Agriculture will offer six programs to improve environmental performance, adaptation to climate change and reduction of GHG emissions; support innovation, secondary processing, and public trust; promote marketing of agriculture products and increase sector capacity and growth across the entire agri-food value chain; and enhance sector resiliency, diversity, equity and inclusion.

1. **Environmental Sustainability and Climate Change Program** – This program will contribute to solutions that promote environmentally responsible agriculture, address agriculture’s impacts on natural resources, and prepare for and respond to a changing climate by supporting Beneficial Management Practices (BMPs). This program will also accelerate technology adoption; reduce GHG emissions; improve carbon sequestration; protect and regenerate soil, water and air quality; improve biodiversity; protect sensitive habitats; manage agricultural risks; and mitigate the anticipated impacts of climate change.
2. **Agriculture Research Program** – This program will provide support for creating opportunities to further improve the sustainability, resiliency, and competitiveness of the sector in the medium and long term. The program will focus mainly on supporting research in primary agriculture, processing, and value-added food and industrial products, including bridging Indigenous and conventional science knowledge systems to enhance research outcomes; address climate change and other environmental issues; and strengthen the long-term resilience of the sector, including through the use of a One Health perspective.
3. **Agriculture Marketing Program** – This program will enable the sector to build on market strengths; invest in methods to solve market access challenges in wholesale, retail and direct marketing such as meeting buyer preferences; awareness and promotion to consumers for both new opportunities and existing markets; and strengthen efforts to advance market diversification. Investments will enhance the domestic and international market capacity of the sector as well as improve competitiveness of the sector. The program will enable the sector to develop and access market opportunities; address market challenges, competition and regulatory hurdles; and assist with evolving consumer demands across the value chain.
4. **Agriculture Growth and Secondary Processing Program** – This program will build sector capacity, enhance local food systems, and improve provincial food self-sufficiency in the primary agriculture and secondary processing sector in Newfoundland and Labrador. The agriculture, agri-food and agri-based products sector is positioned to capitalize on potential areas of economic growth and benefit from transformative technologies. Investments in production systems,

processing systems, business improvement and land development will grow the sector, enhance food self-sufficiency and local food capacity in Newfoundland and Labrador.

5. **Mitigating Agricultural Risks Program** – This program will enable the Newfoundland and Labrador agriculture and agri-foods industry to identify and respond to risks, and to implement risk prevention and risk mitigation measures. Investments will support risk assessments; risk and emergency preparedness and planning; proactive risk mitigation measures; farm safety awareness, education, and implementation measures; on-farm and post-farm food safety programs and advisory services; biosecurity and traceability measures; plant health; animal health and welfare systems; and mental health initiatives. The program will provide risk management tools such as early identification of emerging risks, risk assessments and effective business management practices.
6. **Advancing Public Trust Program** – This program will build trust and confidence in the Newfoundland and Labrador agriculture, agri-foods and agri-products industry. Building trust with consumers is important to maintain market access and capture new market opportunities. Consumers increasingly want to know where their food comes from and how it is produced. Agriculture awareness initiatives will highlight the agriculture sector in Newfoundland and Labrador, educate the public on farming practices and promote the high standards of food safety, environmental stewardship as well as animal and plant production standards utilized in the sector.

## Cost-shared Programs

Whether you are just starting out or have been in business a long time, Sustainable CAP offers cost-share funding assistance that can help you reach your business goals. Program participants can access program resources at:

**URL:** [www.gov.nl.ca/ffa/SustainableCAP](http://www.gov.nl.ca/ffa/SustainableCAP)

**Mailing Address:** Attn: Sustainable Canadian Agricultural Partnership  
Department of Fisheries, Forestry and Agriculture  
Agriculture Business Development Division  
PO Box 2006  
Corner Brook, NL A2H 6J8

**Telephone:** 709-637-2378

**Email:** [SCAP@gov.nl.ca](mailto:SCAP@gov.nl.ca)

## Business Risk Management

Under Sustainable CAP, Newfoundland and Labrador producers will continue to have access to a comprehensive suite of Business Risk Management programs including AgriInsurance, AgriInvest and AgriStability. These programs offer protection to producers who experience small and large declines in farm income, as well as provide coverage for crop losses due to uncontrollable natural perils.

Program	Contact Information
<b>AgriInsurance</b> is designed as a business risk management tool to provide producers with income protection against uncontrollable natural perils.	Please contact the Newfoundland and Labrador Crop Insurance Agency at 709-637-2077 or 709-637-2473 or visit <a href="http://www.gov.nl.ca/ffa">www.gov.nl.ca/ffa</a>
<b>AgriInvest</b> helps producers manage small income declines and provides support for investments to mitigate risks or improve market income.	Please contact 1-866-367-8506 or visit <a href="http://www.agriculture.canada.ca">www.agriculture.canada.ca</a>
<b>AgriStability</b> provides support when producers experience a large margin decline.	Please contact 1-866-367-8506 or visit <a href="http://www.agriculture.canada.ca">www.agriculture.canada.ca</a>

## On-line Resource: AgPal



**AGPAL**  
Program and  
Service Finder

AgPal is a one-stop, web-based discovery tool designed to provide clients with agricultural information on all federal and provincial programs and services.

[www.agpal.ca](http://www.agpal.ca)

## Basic Eligibility Requirements

All applicants must meet the following eligibility requirements:

- Must be at least 19 years of age;
- Must be operating or have ownership in a commercial farm, agricultural processing facility, and/or agri-business or is planning to actively farm within the province of Newfoundland and Labrador;
- Must be an individual or recognized legal entity capable of entering into a contractual agreement with the Government of Newfoundland and Labrador;
- Must participate in the national premise identification program. However, prior to farm establishment a premise identification number is not required to apply for funding for business planning or legal land survey expenses. To register or update your premises information, visit the Newfoundland and Labrador Premises Identification Program website at [www.gov.nl.ca/ffa](http://www.gov.nl.ca/ffa), call 709-637-2088 or email [nlpid@gov.nl.ca](mailto:nlpid@gov.nl.ca); and
- **NEW for Sustainable CAP:** all individuals or recognized legal entities including sole proprietorships and partnerships must have a Canadian Revenue Agency (CRA) Business Number. To obtain a CRA business number, contact 1-800-959-5525 or visit the website at <https://www.canada.ca/en/services/taxes/business-number.html>

## False or Misleading Information

- An applicant who provides false or misleading information under Sustainable CAP foregoes all rights to program payments and any other benefits for which they would be otherwise eligible; and
- The provision of false or misleading information under Sustainable CAP may be taken into account in determining eligibility under the Provincial Agrifoods Assistance Program as well.

## Existing Producers and Processors

- Producers must have a minimum of \$15,000 in annual gross farm sales reported to the Canada Revenue Agency within the three years prior to application date;
- Processors must have a minimum of \$15,000 in eligible annual gross sales;
- Incorporated entities must operate an agri-business with a minimum of \$15,000 in annual gross farm sales;
- In extenuating circumstances, the Sustainable CAP Implementation Committee (IC) may consider applications from producers that report less than \$15,000 in annual gross agricultural sales or processors that are reporting less than \$15,000 in eligible annual gross sales;
- Producers must have completed or updated an Environmental Farm Plan or Agri-environmental Risk Assessment within the past five years. Processors may be required to have completed or updated an Environmental Farm Plan or Agri-environmental Risk Assessment within the past five years subject to program requirements. An Agri-environmental Risk Assessment is a process or product that supports a producer in assessing relevant environmental risks and mitigating measures, and includes an Environmental Farm Plan;
- Registration for environmental assessment (EA) may be required for the establishment, operation, expansion or modification of a farm, and is required for food and feed manufacturing for animals, meat and poultry product manufacturing including animal slaughtering, and an abattoir or a meat, poultry fat or oil processing facility. Applicants must contact the Department of Environment and Climate Change by email at [EAProjectComments@gov.nl.ca](mailto:EAProjectComments@gov.nl.ca) to discuss EA registration requirements prior to commencing construction, expansion, and modification activities; and/or
- Land development projects funded under Sustainable CAP will need to have the necessary permitting in place as required under the Water Resources Act. New agricultural development in areas designated as protected public water supply areas should be avoided.

**Note:** Producers who had reported in excess of \$15,000 in annual agricultural sales in the past and have exited the industry entirely or downsized operations, and now intend to re-establish a new commercial agri-business involving either primary or secondary production, are also considered an existing producer.

## New Entrants

- Must have been operating an agri-business for less than six years or intending to establish an agri-business in the province of Newfoundland and Labrador;
- Farms that specialize in certain commodities that take longer to establish commercial production, such as Christmas trees or fruit orchards, may be considered new entrants for an extended period of time;
- Required to submit a business plan with their application;
- Must be able to demonstrate they have acquired on-farm work experience, agricultural training and/or education, can demonstrate commercial viability and have made a significant financial investment in their farm operation;
- New entrants to operate an abattoir must acquire a provincial license to operate the abattoir prior to final payment of project claim; and
- New entrants must have completed or updated an Environmental Farm Plan or Agri-environmental Risk Assessment within the past five years unless the new entrant does not yet have title to land. Processors may be required to have completed or updated an Environmental Farm Plan or Agri-environmental Risk Assessment within the past five years subject to program requirements. An Agri-environmental Risk Assessment is a process or product that supports a producer in assessing relevant environmental risks and mitigating measures and includes an Environmental Farm Plan.

Table 1: New Entrant Status by Fiscal Year<sup>1</sup>

Year 1 of Funding	Year 2 of Funding	Year 3 of Funding	Year 4 of Funding	Year 5 of Funding	No Longer Eligible
2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
2022-23	2023-24	2024-25	2025-26	2026-27	2027-28

1. Fiscal year begins April 1 and ends March 31 of the following year. For example, the fiscal year for 2018-19 begins April 1, 2018 and ends March 31, 2019.

**Example:** If the applicant's first year of funding (Provincial Agrifoods Assistance Program and/or Canadian Agricultural Partnership and/or Sustainable Canadian Agricultural Partnership) occurred during the 2018-19 fiscal year (April 1, 2018 to March 31, 2019), the applicant's last year as a new entrant would be the 2022-23 fiscal year (April 1, 2022 to March 31, 2023). The applicant will no longer be eligible as a new entrant in the 2023-24 fiscal year (April 1, 2023 to March 31, 2024) and onward.

## **Returning Farmers**

- Defined as producers that have reported agricultural sales in the past in any commodity but ceased all farming activity for an extended period before wishing to re-enter the agriculture industry specializing in a different commodity; and
- Returning farmers must submit a business plan with their application.

## **Regional Pastures**

- Must be a legally incorporated regional pasture operated by a not-for-profit organization, or a legally incorporated community pasture operated by an individual, corporation, or municipality;
- Must be operating within the province of Newfoundland and Labrador and capable of entering into a contractual agreement with the Government of Newfoundland and Labrador;
- Must have a valid License to Occupy or clear title to land; and
- Must have completed or updated an Environmental Farm Plan or Agri-environmental Risk Assessment within the past five years.

## **Not-for-Profit Organizations or Groups**

The Implementation Committee will consider eligibility of other groups, organizations, or institutions based on project submission. Eligible groups may include:

- A legally incorporated agricultural entity operating within the province of Newfoundland and Labrador and capable of entering into a contractual agreement with the Government of Newfoundland and Labrador;
- Educational institutions undertaking graduate research training;
- Development associations undertaking agricultural development projects;
- Groups or value chain partnerships;
- Commodity boards;
- Agricultural organizations; and/or
- Other groups at the discretion of the Implementation Committee.

<b>Program Overview and Eligible Recipients</b>	
<b>Sustainable Canadian Agricultural Partnership Programs</b>	<b>Eligible Recipients</b>
<p>Environmental Sustainability and Climate Change Program</p> <p>Resilient Agricultural Landscape Program (RALP)</p>	<p>Regional pastures; primary producers and food processors including women, youth and Indigenous peoples; producer organizations; processor organizations; not-for-profit organizations or groups; other industry organizations; research bodies/educational institutions; other developmental groups undertaking agricultural initiatives; Indigenous government/community/groups; Provincial Government</p> <p>RALP - Regional pastures; primary producers including women, youth and Indigenous peoples; producer organizations; other developmental groups and Provincial Government undertaking RALP activities.</p>
Agriculture Research Program	Primary producers including women, youth and Indigenous peoples; producer organizations; processor organizations; not-for-profit organizations or groups; other industry organizations; research bodies/educational institutions; other development groups undertaking agricultural initiatives; Indigenous government/community/groups; Provincial Government*
Agriculture Marketing Program	Primary producers and food processors including women, youth and Indigenous peoples; producer organizations; processor organizations; not-for-profit organizations or groups; other industry organizations; research bodies; other development groups undertaking agricultural initiatives; Indigenous government/community/groups; Provincial Government
Agriculture Growth and Secondary Processing Program	Primary producers and food processors including women, youth and Indigenous peoples; regional pastures; producer organizations; processor organizations; not-for-profit organizations or groups; other industry organizations; research bodies/educational institutions; other development groups undertaking agricultural initiatives; Indigenous government/community/groups



Mitigating Agricultural Risks Program	Regional pastures; primary producers and food processors including women, youth and Indigenous peoples; producer organizations; processor organizations; not-for-profit organizations or groups; other industry organizations; research bodies/educational institutions; other development groups undertaking agricultural initiatives; Indigenous government/community/groups; Provincial Government
Advancing Public Trust Program	Producer organizations; processor organizations; not-for-profit organizations or groups; other industry organizations; research bodies/educational institutions; other development groups undertaking agricultural initiatives; Indigenous government/community/groups; Provincial Government

\*The Department of Fisheries, Forestry and Agriculture may organize and deliver agriculture research symposia to enhance collaboration with industry, promote and disseminate research findings, and promote knowledge transfer to farmers, Indigenous peoples, women, youth, and industry groups.

## How Applications Will Be Assessed

When an application is received:

- It is registered and the applicant is notified in writing;
- The application will then be reviewed for completeness prior to assessment;
- Complete applications for eligible projects must meet General Eligibility Criteria before they are assessed against the Merit-based Application Evaluation Criteria; and
- Applications that do not meet the General Eligibility Criteria will be rejected.

When submitting a RALP application, due to the variability of landscapes on farms across the province, individual RALP projects will be tailored to the applicant, which will require assistance with planning and implementation. Recipients will enter into a three-year land use agreement based on the BMP activity and the level of investment. The BMP will require regular maintenance to be eligible for a RALP payment. Acreage payments under RALP will vary depending on the activity and will be released as a lump sum at the beginning of the land use agreement with stipulation that repayment of funding will be required if agreement activities are not fulfilled. The intake periods for RALP will be announced on an annual basis.

If an application is considered by the Administration to be incomplete, it will be rejected and the applicant will be notified. If the applicant wishes to address the missing information, they may choose to re-submit the full application, including any missing information for consideration.

## Merit-based Application Evaluation Criteria

Applications will be evaluated based on the following criteria:

- Project/applicant eligibility;
- Commercial and technical feasibility of the project;
- How the project fits within program priority areas;
- Increases Newfoundland and Labrador's food self-sufficiency;
- Contributes to equality and inclusion of underrepresented groups such as women, youth and Indigenous people;
- Increases secondary processing capacity for food commodities and the production of food products;
- Supports sustainable development; and/or
- Promotes growth of the agriculture industry in Newfoundland and Labrador.

It is important that the applicant clearly states how the project meets the evaluation criteria to be given priority for funding in a very competitive pool of applicants. Applicants will be notified whether the project application has been approved or denied. An applicant whose project has been approved will receive a Contribution Agreement. Unsuccessful applicants will receive a letter stating reasons for funding rejections.

## General Eligibility Criteria

- The application is complete, all required conditions are met and all required documentation is attached;
- The applicant shall comply with requirements and obtain all necessary permits under relevant Federal, Provincial, and Municipal laws and regulations;
- The project does not support normal operating costs associated with carrying out a business;
- All Basic Eligibility Requirements have been met; and
- Applicant has acknowledged their agreement with the terms and conditions of Sustainable CAP cost-shared funding assistance (declaration on the application form).

## Important Considerations for Applicants

Funding requests from not-for-profit organizations for infrastructure such as, but not limited to, physical structures, equipment and machinery to be permanently placed on a privately operated farm or agribusiness are ineligible under Sustainable CAP.

Infrastructure for not-for-profit organizations may be considered subject to program eligibility. The Implementation Committee will ensure program funding limits are adhered to and the related parties' policy is being applied effectively.

Eligible not-for-profit organizations are not required to complete an Environmental Farm Plan and/or be the subject of an arrears check to participate in Sustainable CAP. Regional pastures must complete an Environmental Farm Plan to participate in Sustainable CAP.

Applicants who received funding under Canadian Agricultural Partnership for farm equipment and machinery will not be eligible for funding for similar or functionally equivalent farm equipment or machinery unless the applicant is able to demonstrate a significant innovative means to increase production capacity, improve labour efficiency, or promote environmentally responsible agriculture activities.

Activities that do not provide a direct benefit to the sector will not be considered for funding.

The Implementation Committee may not process applications for projects that are concurrently submitted to other funding programs delivered by the Department of Fisheries, Forestry and Agriculture.

The Implementation Committee will not process applications or project amendments requesting funding of less than \$1,000.

To avoid duplication of government investment in assets purchased by applicants, Sustainable CAP will not reimburse purchase costs for used equipment previously funded by the Provincial Agrifoods Assistance Program and the Canadian Agricultural Partnership. While used equipment, no older than five years, may be eligible under Sustainable CAP, it will be given lower priority compared to new innovative technologies, equipment and systems.

## **Ineligible Commodities**

The following commodities are ineligible for Sustainable CAP funding in Newfoundland and Labrador:

- Wild harvested products such as wild mushrooms, wild tree products, and wild berries;
- Horses or ponies including riding stables, horse racing, recreational riding activities;
- Aquaculture, aquaponic food production, seaweed, fish and seafood production, marketing, and processing;
- Cannabis production and marketing; and
- Other commodities that may be identified as ineligible by the administration.

## **Indigenous Agriculture Development Initiative**

Sustainable CAP funding is available to support Indigenous communities, individuals or organizations interested in advancing the Newfoundland and Labrador agriculture, agri-food and agri-products industry. Funding supports sector participation and the revitalization of Indigenous food systems by providing financial assistance to eligible Indigenous applicants. Applications will be assessed based on the feasibility of the project, how the project addresses program objectives and priorities, and the benefit to Indigenous peoples and communities. Higher levels of funding and stacking limit considerations may be provided for Indigenous agriculture development projects which demonstrate profitable business opportunities and support Indigenous food systems.

Applicants may self-identify as Indigenous to support diversity and inclusivity in the sector and ensure equitable participation by underrepresented groups. Eligible applicants can avail of the programs outlined in the Program Guide. Project activities must be consistent with program guidelines; however, special consideration will be given for Indigenous projects. The Indigenous Agriculture Development Initiative may support capital expenditures, including infrastructure and equipment purchase, for projects that enhance Indigenous food systems, local food capacity and agricultural growth for recognized Indigenous communities, governments or eligible Indigenous applicants.

## **Regional Collaboration**

Provinces and Territories (PTs) may work collaboratively with each other, and with sector stakeholders as appropriate, on initiatives to address common and regional challenges and/or priorities under Sustainable CAP to enhance the sector.

## Northern Agriculture Development Initiative

Federal and Provincial Governments will provide a Sustainable CAP funding allocation to producers, processors, agri-businesses and agricultural organizations to promote and encourage northern agriculture development. Governments recognize the challenges faced by the agriculture and agri-foods industry in Labrador and will allocate a minimum of \$500,000 annually over the life of Sustainable CAP to support northern agricultural activities.

Eligible applicants can avail of the programs outlined in the Sustainable CAP Program Guide. Project activities must be consistent with program guidelines; however, consideration will be given based on the unique challenges, economic opportunities, and the early stage of agricultural development in Labrador. Sustainable CAP investments will further encourage the development and commercialization of a northern agriculture and agri-foods industry, and support food self-sufficiency in northern communities.

## Submitting an Application

Check the website at [www.gov.nl.ca/ffa/SustainableCAP](http://www.gov.nl.ca/ffa/SustainableCAP) for the current versions of the Application Forms and information on submission details. Before submitting the application, ensure that:

- The application is complete;
- All conditions have been met; and
- All required documentation is attached.

Additional documentation to complete an application may include:

- Financial statements;
- Business plan;
- Land title documents;
- Sub-surface drainage plans;
- Site maps;
- Quotes for eligible activities;
- Quotes for goods or services provided by a non-arm's length related entity will require a competitive quote; and/or
- Registration for environmental assessment (EA) may be required for the establishment, operation, expansion or modification of a farm and is required for food and feed manufacturing for animals, meat, and poultry product manufacturing including animal slaughtering, and an abattoir or a meat, poultry fat or oil processing facility. Applicants must contact the Department of Environment and Climate Change by email at [EAProjectComments@gov.nl.ca](mailto:EAProjectComments@gov.nl.ca) to discuss EA registration requirements prior to commencing construction, expansion, and modification activities.

Applications to the RALP program must include financial statements, land title documents, and a map that shows the location of the BMP on the farm to be considered for funding.

RALP applications will be accepted during an intake period determined by the Department of Fisheries, Forestry and Agriculture. Please visit the Department website for more information on application deadlines. Depending on program demand, additional RALP intake periods may be offered.

Applications can be submitted by email at [SCAP@gov.nl.ca](mailto:SCAP@gov.nl.ca), or mailed to the following address:

Attn: Sustainable Canadian Agricultural Partnership  
Department of Fisheries, Forestry and Agriculture  
Agriculture Business Development Division  
PO Box 2006  
Corner Brook, NL A2H 6J8

It is the responsibility of the applicant to ensure the application is complete, all required documentation is included, and that the application has been received by Sustainable CAP Administration in Corner Brook by calling (709) 637-2378. The applicant is also responsible for ensuring that the project description includes details as to how the project meets Sustainable CAP priority areas.

Applications will be received on a continuous basis for all programs, excluding RALP, and are available on the Department of Fisheries, Forestry and Agriculture website at [www.gov.nl.ca/ffa/SustainableCAP](http://www.gov.nl.ca/ffa/SustainableCAP). Funding availability is subject to program demand.

Sustainable CAP applications may be held until all conditions for previous projects funded under programs administered by the Department of Fisheries, Forestry and Agriculture have been met, including submission of project reports.

## Cost-shared Funding Levels

For-profit applicants, including individuals, agri-businesses, partnerships, corporations, and limited companies, will be eligible for consideration for non-repayable reimbursements up to a maximum of \$400,000 over the five years of Sustainable CAP, from April 1, 2023 to March 31, 2028. The program funding limit of \$400,000 may be utilized in any one year, or over the five-year life of the program. Other applicants including not-for-profit groups and government are not restricted to the \$400,000 funding limit where the project has industry-wide benefit. In addition to the Sustainable CAP applicant funding limit of \$400,000, applicants also may qualify for RALP funding. RALP will make available a minimum of \$737,928 annually to the Newfoundland and Labrador agriculture sector to support eligible activities and funding will be allocated based on program priorities and industry demand.

The \$400,000 funding cap can be raised at the discretion of the Implementation Committee for projects that demonstrate strong/significant economic impact to the provincial agriculture and agrifoods industry.

<b>Eligible Applicants</b>		Existing Agriculture Producers and Processors; New Entrants; Returning Farmers; Research Bodies/Educational Institutions; Regional Pastures; Not-for-Profit Organizations or Groups; Indigenous Government/Community/Groups; Indigenous peoples, Women and Youth; Provincial Government and Development Groups undertaking Agriculture Initiatives.
<b>Funding Limits:</b>		\$400,000 over the five years from 2023-24 to 2027-28 exclusive of RALP funding.
<b>Funding Levels:</b>	<b>For-profit Applicants:</b>	Up to 75 per cent of eligible expenses.
	<b>Not-for-Profit Groups and Governments:</b>	Up to 100 per cent of eligible expenses and up to 75 per cent of eligible capital expenditures.
<b>Exception:</b>		Land development and RALP project reimbursement is based upon acreage payments. RALP funding allocations are not included in the \$400,000 applicant funding limit.

Eligible activities and unused project funding may not be carried forward from one fiscal year to the next.

Sustainable CAP is subject to annual budget appropriation by both the federal and provincial governments.

## Eligible Costs

Eligible costs are one-time incremental costs of goods, services, supplies; rental of facilities, equipment or machinery; communication materials; travel and meals; and capital costs provided that those costs are directly related to the project.

In order to be eligible, costs must be:

- Incurred by the applicant within the invoice eligibility timeframe specified in the Contribution Agreement;
- Directly attributable to the execution of an approved project;
- Third party freight and other shipping/transportation expenses may be eligible for reimbursement upon approval by the Implementation Committee and submission of proof of payment. In-kind transportation and freight (or freight paid to a related company) is not an eligible expense with the exception of prior approval from the Implementation Committee, submission of a competitive bid, and proof of payment; and
- Proof of payment can be any of the following: cancelled cheques, bank drafts, money orders, credit card or bank statements, e-transfers, e-payments, or financing agreements from a recognized lending agency.



## **Funding Programs**

### **1. Environmental Sustainability and Climate Change Program**

The Environmental Sustainability and Climate Change Program will be separated into two initiatives: the Resilient Agricultural Landscape Program (RALP), and Climate Change and Environmental Outreach. The objective of the Environmental Sustainability and Climate Change Program is to contribute to solutions that promote environmentally responsible agriculture, address agriculture's impacts on natural resources, and prepare for and respond to a changing climate by supporting Beneficial Management Practices (BMPs). This program will also accelerate technology adoption; reduce GHG emissions; improve carbon sequestration; protect and regenerate soil, water and air quality; improve biodiversity; protect sensitive habitats; manage agricultural risks; and mitigate the anticipated impacts of climate change.

The program will focus on the economic, social and environmental areas of sustainable development.

The program will enable the sector to advance climate change and environmental sustainability priorities in Newfoundland and Labrador.

#### **1.1 Resilient Agricultural Landscape Program (RALP)**

The objective of RALP is to support producers to conserve and enhance the resiliency of agricultural landscapes by accelerating the adoption of on-farm land use and management practices that maximize provision of multiple ecological goods and services (EG&S). RALP will use an EG&S payment approach to support on-farm adoption.

EG&S are the benefits society derives from healthy functioning ecosystems and includes the maintenance and provision of healthy soil and water resources, wildlife habitat and biodiversity, as well as adapting to the impacts of climate change.

Agri-environmental BMPs can increase and enhance EG&S and are important to improving the overall sustainability of farms. However, some practices can have limited private benefit and return on investment for producers, and/or can have substantial on-going maintenance costs.

RALP will help to address these specific situations and perceived barriers to adoption experienced by other traditional program approaches. RALP will therefore support the implementation of higher public value projects on agricultural lands such as rotational grazing and increasing legumes in pasture and hay; maintaining existing high value natural on-farm assets such as maintenance of existing windbreaks/shelterbelts; and other provincially relevant practices.

The program will focus on providing support for:

- Efforts that decrease the amount of marginal and fragile lands used for cropping;

## Environmental Sustainability and Climate Change Program

- Activities that maintain healthy, strong soils while naturally mitigating the impacts of climate change on farm production;
- Agri-environmental BMPs that seek to increase and enhance multiple EG&S; and
- Awareness and knowledge transfer, extension services, program development, and product development related to eligible RALP activities and outreach.

Producers can apply for an acreage payment under RALP if they plan to engage in any of the activities listed in the RALP Program Guide.

BMP activities may require regular maintenance to be eligible for RALP payments. Acreage payments under RALP will vary depending on the activity and will be three year lump sum payments at the beginning of the term with stipulation that repayment of funding will be required if agreement activities are not fulfilled.

Investment will focus on the adoption of RALP BMPs as identified in the RALP Program Guide. RALP BMPs that are a priority for Newfoundland and Labrador include but are not limited to:

- Rotational grazing of tame pasture – eligible activities could include cross-fencing and mobile water systems;
- Increasing the use of alfalfa or other locally-adapted and persistent N-fixing perennial legumes in pasture and hay; and
- Establishment of pollinator strips or other perennial cover for pollinator habitat or other biodiversity purposes in fields or field margins of existing cropland.

Please refer the Newfoundland and Labrador Resilient Agricultural Landscape Program Guide document available at [www.gov.nl.ca/ffa/SustainableCAP](http://www.gov.nl.ca/ffa/SustainableCAP) for full details.

### **1.2 Climate Change and Environmental Outreach**

Climate change impacts on the Newfoundland and Labrador agriculture sector may result in higher temperatures, increased precipitation and more variable and extreme weather patterns. Investment will be made through outreach activities and BMP activities that address climate change and advance environmental sustainability to enable the agriculture and agri-processing sector to enhance productivity, manage risks, reduce GHG emissions, build public confidence and contribute to clean growth opportunities.

Eligible costs for BMP implementation may include, but are not limited to, infrastructure, equipment purchase and modification, project supplies and materials, and labour.

The program will focus on providing support to:

- Develop, update, implement, and promote targeted climate change and environmental strategies, risk assessments, and decision tools for increased awareness of climate risks and available mitigation and adaptation practices;
- Respond to environmental and climate-related emergencies;
- Adopt infrastructure and equipment that will reduce GHG emissions and/or carbon footprint of a farming operation;
- Provide environmental outreach activities including Environmental Farm Planning; and
- Provide infrastructure and/or equipment necessary to implement RALP projects.

Priority BMP adoption for Newfoundland and Labrador include, but are not limited to:

- Anaerobic digestion of liquid manure or farm waste, which may include on-farm or off-farm organics, conversion of biogas into electricity, heat or renewable natural gas;
- Fertigation (including perennial and annual crops);
- On-farm energy source switching and storage (wind generation, geothermal, solar);
- Building envelope, lighting, and ventilation energy efficiency upgrades (includes heating, refrigeration, cooling, and water heating upgrades, installing energy monitoring controls and equipment); and
- Precision farming applications which result in reductions in synthetic fertilizer use: GPS information collection, GPS guidance, manual controllers for variable rate fertilizer application, variable rate mapping, and/or sectional controls on seeder.

See the Climate Change and Environment BMP list for additional BMPs eligible for funding.

### **Environmental Farm Planning**

Environmental Farm Planning includes the development of on-farm and regional environmental farm plans and scans to identify economic and environmental challenges that can be addressed to ensure long-term sustainability and identify climate change solutions. The Environmental Farm Planning process provides an effective means to identify risks and provide potential solutions to mitigate impacts on the environment by implementing environmental stewardship practices. Environmental risk assessments for agri-processors ensure that the agri-foods and agri-products sector can identify environmental challenges and develop mitigation measures to ensure sustainability. The Department of Fisheries, Forestry and Agriculture will provide environmental farm planning, environmental risk assessments, workshops and advisory services.

Contact Information:            Environmental Farm Planning  
   Provincial Agriculture Building - 2nd Floor  
   204 Brookfield Road

Environmental Sustainability and Climate Change Program

PO Box 8700  
St. John's, NL, A1B 4J6  
Phone: 709-729-1107

**Examples of Ineligible Expenses**

<b>Ineligible Expenses</b>	
<ul style="list-style-type: none"><li>• Review or audits by unqualified personnel</li><li>• Activities such as on-going inspection services</li><li>• Extended warranties and subscription services</li><li>• Multi-use storage</li><li>• Pesticides and herbicides</li><li>• Normal operational or ongoing maintenance costs incurred by eligible recipients.</li></ul>	<ul style="list-style-type: none"><li>• Repairs and maintenance</li><li>• In-kind contributions</li><li>• Tax credits or rebates</li><li>• Activities related to aquaponic food production, and to aquaculture, seaweed, fish and seafood production, marketing and processing</li><li>• Activities that do not provide a direct benefit to the agriculture, agri-food and/or agri-based products industry</li></ul>

## 2. Agriculture Research Program

The objective of the Agriculture Research Program is to provide support for creating opportunities to further improve the sustainability, resiliency, and competitiveness of the sector in the medium and long term.

Agriculture research is key to developing practices, processes, and technologies that improve agricultural sustainability, performance, and impact of the sector. The program will focus mainly on:

- Supporting research in primary agriculture, processing, and value-added food and industrial products, including bridging Indigenous and conventional science knowledge systems to enhance research outcomes; address climate change and other environmental issues; and
- Strengthen the long-term resilience of the sector, including through the use of a One Health perspective.

Eligible projects include, but are not limited to:

### 2.1 On-Farm Agriculture Research

Investment in basic and applied agricultural research that focuses on inclusive economic growth opportunities, improves sustainability, and strengthens the long-term resilience of agriculture in Newfoundland and Labrador. Eligible activities include support of public-private collaborations and partnerships between research bodies, industry and individuals for on-farm agriculture research and include, but are not limited to the following activities:

- Support research in evaluating crop varieties to advance sustainable production systems and increase economic opportunities;
- Support the research and development of innovative technologies, products and processes of pre-commercial technologies;
- Support research activities to evaluate environmental impacts from agricultural activities that enable farms to better adapt to climate change, reduce GHG emissions, protect and regenerate soil resources, improve water and air quality, improve biodiversity, and protect sensitive habitats;
- Support for cooperative research between producer or producer organizations with post-secondary institutions or other research groups for projects that demonstrate and evaluate agricultural and food production practices and technologies, such as, but not limited to, greenhouse and other controlled environment agriculture production, hydroponic production, vertical growing systems, crop production, and livestock production;
- Support investments in research of data-driven digital and precision agriculture technologies and practices to improve food production and processing efficiencies; and/or
- Strategic investments in research for the development of clean and sustainable technologies and processes, including reducing, recovering, and reusing agricultural wastes through a circular agri-food economy.

## 2.2 Knowledge Transfer and Information Sharing

Support for increased and better accessibility of agriculture research and knowledge to producers, producer organizations, processors, and industry is considered to be a critical component in the development of agriculture and includes, but is not limited to, the following activities:

- Support for the development of highly qualified personnel such as graduate, doctoral, and post-doctoral research costs, including travel, stipends, and project supplies that relate to the development of production and sustainable agricultural and processing practices through a post-secondary institution;
- Research in the Newfoundland and Labrador agriculture, agri-foods and agri-products sector to support the development of agriculture production, promotion of environmentally sustainable practices, and contribute to growth opportunities in the sector;
- Support for agri-environmental climate change on-farm demonstrations to document the benefits of implementing agri-environmental BMPs;
- Collaborative research studies with sector or regionally specific agriculture research groups to conduct research to implement innovative, environmentally sustainable and efficient agriculture practices;
- Support knowledge and technology transfer activities and tools such as demonstrations, workshops, symposia, and digital communication;
- Innovation forums and research conferences to encourage collaboration among industry, researchers, academia, and government to identify and work towards innovative solutions to challenges and opportunities in the Newfoundland and Labrador agriculture, agri-foods and agri-products industry;
- Support for improved accessibility to agricultural research and knowledge transfer supports for Indigenous peoples and other underrepresented and marginalized groups; and/or
- Pilot projects, on-farm and post-farm demonstration activities, and commercialization of food, livestock, crop, and small fruit production systems, with priority on agri-environmental sustainability practices.

Research results and recommendations are to be shared with industry and producers.

The Department of Fisheries, Forestry and Agriculture may organize and deliver agriculture research symposia to enhance collaboration with industry, promote dissemination of research findings, and promote knowledge transfer to farmers, Indigenous peoples, and industry groups.

### Examples of Eligible and Ineligible Expenses

#### Eligible Expenses

- Third-party labour;
- Consultation services including professional engineering design work;
- Infrastructure for pilot projects, on-farm and post-farm demonstration activities;
- Graduate research costs such as research travel, analysis costs and project field equipment, and supplies;
- Graduate student stipends;
- Innovative forums and research conferences dedicated to collaboration among industry, research, academia, and government including speaker fees, travel, meals, and accommodations at Provincial Treasury Board rates, meeting room rentals and audio-visual equipment rental, conference resource materials, promotion, advertising, and participant meals and nutrition breaks;
- Conference funding for graduate students and researchers; and
- Other costs deemed eligible by the Implementation Committee to meet program objectives.

#### Ineligible Expenses

- Research laboratory or analytical equipment including computers and software;
- Research salaries other than student stipends;
- Legal and accounting costs;
- In-kind resources;
- Costs for the development of course curriculum for educational institutions and research bodies;
- Activities that do not provide a direct benefit to agriculture, agri-food and/or agri-based processing;
- Repairs and maintenance;
- Core provincial government activities such as inspection and enforcement costs; and
- Purchases of land, quota, or buildings.

### 3. Agriculture Marketing Program

The objective of the Agriculture Marketing Program is to support the expansion of both domestic and international market development opportunities, and to meet the evolving challenges of the marketplace.

The Agriculture Marketing Program will enable the sector to build on market strengths; invest in methods to solve market access challenges in the wholesale, retail, and direct markets such as meeting buyer preferences (labelling); awareness and promotion to consumers for both new opportunities and existing markets; and strengthen efforts to advance market diversification. Investments will enhance the domestic and international market capacity of the sector, and improve competitiveness of the sector. The program will enable the sector to develop and access market opportunities both domestically and internationally; address increasing market challenges, competition and regulatory hurdles; and assist with evolving consumer demands across the value chain.

The Newfoundland and Labrador agriculture, agri-foods, and agri-products industry will be able to address various market related challenges to pursue and capitalize on new opportunities and maintain access to existing markets. This will be accomplished by helping industry develop capacity to promote products domestically and globally.

Market Access and Development activities include but are not limited to:

- Networking, relationship building, and sharing market information within the agriculture and agri-food processing sector;
- Assistance to the sector to develop, implement, and evaluate business plans to take on new or expanded market opportunities;
- Actions that foster more inclusive economic growth in the sector through market development and trade activities, taking into account the needs of Indigenous peoples and other underrepresented and marginalized groups;
- Activities related to expanding market development opportunities, including activities required for audit and certification, such as organic, or other special certification;
- Advisory services and investments to acquire recognized national or international environmental/sustainability certifications or assurance systems;
- Assistance to help the sector analyze, prepare for, and respond to, new and emerging market trends and opportunities; including, but not limited to, market intelligence gathering and dissemination; market research, analysis and planning; and changes in cycles critical to the sector;
- Planning, implementation, delivery, and evaluation of branding, marketing, and awareness-building to improve recognition of the quality and sustainability of the sector and the visibility and competitiveness of Newfoundland and Labrador products domestically and in international markets including the design of advertisements, labels, signage and other promotional items; adhering to the Canada Brand where appropriate;



- Domestic and export market development activities;
- Investment in on-farm market infrastructure, including on-farm markets to enhance farm market capacity in the province including signage, infrastructure investments, mobile marketing infrastructure, and/or marketing venues that meet required food safety standards;
- Support for market development infrastructure and capital items required to promote the marketing of local products and capture new market opportunities. Infrastructure may include, but not be limited to, building construction, expansion and/or enhancements; and equipment purchases such as coolers, booths, and/or food display equipment;
- Investments in the development and implementation of export capacity building activities;
- Planning, development, and creation of e-commerce platforms that will facilitate online marketing activities for the provincial agriculture and agrifoods sector;
- Planning, development, and implementation of industry or sector market strategies and marketing campaigns. Marketing campaigns will be led by industry or provincial government to promote awareness of the agriculture industry in the province and support domestic market growth in the sector; and
- Activities that support local marketing, branding, promotion, and consumer awareness, such as marketing at the provincial, regional or local level that is not detrimental to another province, territory, or Canada, and does not make direct comparisons with other jurisdictions or promote Newfoundland and Labrador products in other jurisdictions.

### **3.1 Restrictions to Branding and Marketing Campaigns**

Sustainable CAP will restrict funding for branding and marketing campaigns that are detrimental to the agri-food exports, sales, or production of another province or territory, such as:

- An initiative that is deemed to be detrimental to another province or territory based on consideration of the initiative's target audience, size, implementing jurisdiction size, product/output competitor(s) and intent or message; or
- Any initiative that results in or could lead to competition between jurisdictions, and/or is delivered beyond the jurisdiction of Newfoundland and Labrador, will be ineligible.

Activities that support local marketing (those carried out at a level below the provincial level) will generally not be considered to be detrimental. As long as the activity is not linked to branding or marketing that is detrimental to another province, territory or Canada, and does not make direct comparisons with other jurisdictions or promote itself over another jurisdiction. For example, local marketing activities, such as promoting a regional product at a local farmer's market (or other regional or local level) would not be considered detrimental.

### Examples of Eligible and Ineligible Expenses

#### Eligible Expenses

- Consultant fees;
- Industry meetings to develop sector marketing strategies and campaigns;
- Meeting room rentals, audio visual equipment rentals, and nutrition breaks;
- Speaker fees;
- Website development and e-commerce platforms;
- Farm signage, marketing booths, promotional banners, and promotional products;
- Market research;
- Activities required for export market development;
- Pre-campaign and post-campaign consumer surveys;
- Planning, development, design, and implementation costs such as advertisement placements for agriculture sector-wide marketing campaigns;
- On-farm market infrastructure and equipment including new building construction and expansion/enhancement of existing on-farm marketing facilities;
- Purchase of on-farm market equipment such as coolers, display units, and shelving;
- Professional engineer design work;
- Professional design, set up, and minimum first run of new promotional items, labelling, and packaging material;
- Initial audit and certification costs for organic production or other special certification;
- Costs associated with new specialty marketing, including audit fees;
- Minor agri-tourism infrastructure such as: shelters and shades, comfort huts, picnic tables, wagons, safety barriers and fencing, information boards and signage, demonstration areas;
- Replacement equipment may be considered if the applicant is able to demonstrate a significant innovative means to increase production capacity, improve labour efficiency or promote environmentally responsible agriculture activities;
- Travel and attendance at trade shows including booth fees; and
- Other costs deemed eligible by the Implementation Committee to meet program objectives.

#### Ineligible Expenses

- Large-scale agri-tourism infrastructure;
- Costs associated with on-going organic certification or other special certifications, including audit fees;
- Cost of product samples for trade shows;
- Core provincial government activities such as on-going inspection services and enforcement of regulations;
- Tax credits or rebates;
- Marketing activities related to aquaponics food production, aquaculture, seaweed, fish and seafood production;
- Activities that do not provide a direct benefit to agriculture, agri-food and/or agri-based products industry;
- Repairs and maintenance;
- On-going operational costs;
- Community and municipal farmers' markets; and
- In-kind resources

## 4. Agriculture Growth and Secondary Processing Program

The objective of the Agriculture Growth and Secondary Processing Program is to build sector capacity, enhance local food systems, and improve provincial food self-sufficiency in the primary agriculture and secondary processing sector in Newfoundland and Labrador. The agriculture, agri-food and agri-based products sector is positioned to capitalize on potential areas of economic growth and benefit from transformative technologies. Investments in production systems, processing systems, business improvement and land development will grow the sector, enhance food self-sufficiency and local food capacity in Newfoundland and Labrador.

### 4.1 Agriculture Growth and Food Self-Sufficiency

The objective of the Agriculture Growth and Food Self-Sufficiency Initiative is to provide strategic investments to the agriculture sector that will increase economic growth, strengthen food self-sufficiency, and improve local food capacity. In addition, the initiative supports growth in the agriculture and agrifoods sector through the development of new agricultural land, commercialization supports, and the adoption of technologies that foster sustainable expansion of the sector. Activities supported through this initiative include but are not limited to production equipment, infrastructure, and land development equipment.

Eligible activities under the Agriculture Growth and Food Self-Sufficiency Initiative include, but are not limited to:

#### **Controlled Environment Agriculture Production Systems**

Implementation and expansion of controlled environment and season extension technologies for the production of small fruit, vegetable, floriculture, and horticulture products. Eligible activities include funding of physical infrastructure and equipment that reduce input costs, increase industry capacity and promote efficiency and include, but are not limited to the following production technologies and systems:

- Season extension technologies such as caterpillar tunnels, high tunnels, low tunnels, cold frames and associated equipment, and similar technologies that provide protection and favourable growing conditions to increase crop yield per unit area;
- Support use of innovative greenhouse technologies including heating, ventilation, lighting and irrigation systems, including climate control and monitoring technology and clean growth systems;
- Accelerated adoption of new advances in soil-less growth systems for controlled environment such as vertical growing systems, grow towers, hydroponic, and aeroponics-based production systems within greenhouses or facilities;
- Adoption of new advances in technology to encourage the implementation of energy generation and energy efficiency; automated systems to improve labour management and efficiency; and technology that supports waste reduction; and
- Investment in labour saving technology.

### **Field Crop Production Systems and Technologies**

Implementation of innovative field crop management systems, including infrastructure and equipment that reduce input costs and increase production capacity while advancing sustainable farming practices. This includes, but is not limited to:

- Vegetable crop planting, harvesting, and handling systems that enhance field crop production and increase efficiency;
- Efficient nutrient and water use technology such as drip irrigation and fertigation as well as sustainable crop protection methods that reduce pesticide use such as plastic mulch and row covers;
- Field production systems for promotion of sustainable soil and field production including, but not limited to nutrient application and irrigation systems;
- Support for infrastructure and equipment necessary to implement RALP projects; and
- Investment in labour saving technology.

### **Fruit Production Systems and Technologies**

Implementation of innovative production management systems, including physical infrastructure and equipment, that reduce input costs, support clean growth, increase industry capacity and efficiencies, or enhance competitiveness. This includes, but is not limited to:

- Establishment of orchards and/or vineyards including site development, wildlife fencing, and initial orchard plant material limited to trees and shrubs. Replanting of orchards will not be eligible;
- Investment in orchards and perennial crop production systems of fruit and berries with associated crop planting, harvesting, and handling equipment such as mechanical planting and harvesting systems; plasticulture systems; and trellis and training systems for perennial and tree fruit; and
- Pilot projects, on-farm demonstration activities, and commercialization of fruit production systems and technologies.

### **Harvesting and Post-Harvest Storage Systems**

Implementation of innovative harvesting and post-harvest systems, including physical infrastructure and equipment, that improve crop and feed storage facilities, enhance labour efficiencies, reduce crop and feed spoilage, or increase industry storage capacity and efficiencies to enhance local food self-sufficiency and industry competitiveness. This includes, but is not limited to:

- Investment in crop and feed storage systems including storage infrastructure, handling equipment, and atmosphere control systems that reduce spoilage of field crops;
- Crop harvesting and storage systems;
- Investment in climatically controlled post harvest technology and infrastructure;
- Storage infrastructure for forage and feed grains, livestock bedding and other farm inputs including associated handling equipment; and
- Investment in labour saving technology.

### **Apiculture Production Systems and Technologies**

Implementation of activities to support the growth of current commercial apiculture operations, the growth of small-scale beekeeping to commercial volumes, and start up beekeeping operations in Newfoundland and Labrador. Specifically, the implementation of innovative apiculture production systems that increase the number of healthy, disease-free honey bee colonies raised commercially in Newfoundland and Labrador. Funding support for the expansion of the Newfoundland and Labrador honey bee sector includes new beekeeping equipment and modifications to hive management systems. Eligible items include:

- New beekeeping equipment and modifications to hive management systems;
- Beekeeping infrastructure that will protect Newfoundland and Labrador hives, such as pest exclusion (fencing/barriers), winter covers, wind breaks;
- Purchase of disease-free queens, bee packages, new hives and nucs from Newfoundland and Labrador Beekeepers or other suppliers approved by the Department of Fisheries, Forestry and Agriculture;
- Queen-rearing equipment;
- Purchase and/or construction costs of honey bee equipment per new colony purchased or split/produced: brood boxes, bottom board, inner and outer covers, supers, queen excluder, feeder, frames with foundation; and
- Apiculture equipment to support expansion and increased production for honey production, pollination services, and other apiculture products including the purchase of hives and hive systems from disease free suppliers in Newfoundland and Labrador.

### **Livestock and Poultry Production Systems and Technologies**

Implementation of innovative livestock management systems, including on-farm infrastructure and equipment, that reduce input costs, create efficiencies, support clean growth or increase industry capacity and productivity to support economic growth and/or improve food self-sufficiency and security. This includes, but is not limited to:

- Livestock and poultry housing and handling systems such as heifer rearing facilities, robotic milkers, hatcheries, pullet raising facilities, and confinement rearing systems for other livestock;
- Forage seeding, harvesting, and handling that optimize feed production and feed self-sufficiency;
- Effective livestock and poultry waste management, storage and handling systems, for livestock and poultry mortalities, offal and manure;
- Feed and water systems for livestock and poultry; and
- Investment in labour saving technology.

### Examples of Eligible and Ineligible Expenses

#### Eligible Expenses

- Third-party labour;
- Professional engineer design work;
- Horticultural equipment including crop seeders, transplanters, harvesters, handling and storage equipment, and control systems;
- Fruit and vegetable storage systems;
- Season extension technology such as high tunnels, caterpillar tunnels, cold frames, and season extension systems;
- Controlled environment agriculture production systems including free standing greenhouses, hydroponics systems, grow bag production, and vertical production systems;
- Climate control systems for heating, lighting and ventilation systems;
- Fertilization and irrigation systems including automated and drip systems for greenhouse, hydroponic, and field crop production;
- Fruit orchards and vineyards including wildlife fencing, tree, and vine supports and bird netting;
- One-time plantings of orchard material of perennial fruit and berry crops;
- Apicultural development including expansion of hive capacity, wildlife exclusion, over wintering facilities and equipment, barriers and wind breaks;
- Purchase of hives from a supplier approved by the Department of Fisheries, Forestry and Agriculture;
- Bee genetic enhancement including queen rearing equipment and acquisition of new genetic material;
- Apiculture processing equipment for honey and wax production;
- Livestock production including forage production equipment, automated feeding systems, feed processing and mixing systems, feed storage, milking systems, livestock handling systems including chutes and gates, and animal health monitoring systems;
- Livestock facility construction for commercial level production including confinement rearing systems;
- Equipment for manure and waste removal, handling and distribution including consideration of equipment that may not be considered eligible for general agriculture production (e.g. skid steer loader);
- Replacement equipment may be considered if the applicant is able to demonstrate a significant innovative means to increase production capacity, improve labour efficiency or promote environmentally responsible agriculture activities; and
- Other costs deemed eligible by the Implementation Committee to meet program objectives.

### Ineligible Expenses

- Operational expenses including fertilizers, pesticides, and fuel;
- Non-agricultural or non-commercial systems such as general work sheds, equipment storage facilities, small non-commercial scale greenhouses and other food production systems;
- Operational clothing for apiculture operations such as hoods, gloves and suits;
- Equipment floats, general purpose trailers including dump trailers;
- General farming equipment in which funding under a previous program was used to purchase similar or functionally equivalent equipment;
- Tractors, forklifts, loaders, excavators;
- General small tools;
- Replanting of orchards and replacement of crops;
- Purchase of farms, land, quota and other properties including buildings or other notable structures;
- Replacement of winter killed bee colonies;
- Activities that do not provide a direct benefit to agriculture, agri-food, and/or agri-based products industry;
- Tax credits and rebates; and
- Repairs and maintenance for equipment and facilities.

## 4.2 Agricultural Land Development

The objective of the Agricultural Land Development Initiative is to enhance the productive capacity of agricultural land in the province and to increase the utilization of agricultural land resources to address food self-sufficiency, domestic market development, and environmentally sustainable crop management practices.

New agricultural land is required to increase food self-sufficiency and realize economic opportunities and agricultural growth. Development of agricultural land will foster economic growth in rural areas, while ensuring environmental sustainability and clean growth practices. Investment in agricultural land development will support Sustainable CAP collective outcomes to improve sector environmental performance, increase sector capacity and growth, and enhance sector resiliency. This initiative will increase the competitiveness, productivity, and profitability of the Newfoundland and Labrador agriculture sector, including expansion in fruit and vegetable production, and enhancements in livestock feed self-sufficiency.

Agriculture land development investment will support environmental sustainability practices and climate change actions. Sustainable growth of land resources, primarily on Crown Land leases, can be accomplished while addressing priority environmental issues related to water quality, air quality, soil health, and biodiversity. Implementation of beneficial management practices for land

## Agriculture Growth and Secondary Processing Program

development will ensure enhanced crop rotation practices and reduced soil erosion and improved land drainage, while protecting sensitive areas such as wetlands, buffer zones, and steep slopes.

Applicants should refer to page 59 for details on the Agriculture Land Title Policy.

### Land Development: Mineral Soils

Rough clearing of new agricultural land to enhance the productive capacity of land resources: this includes removal of trees, stumps, and large rocks from undeveloped arable land. Rough clearing is eligible for reimbursement up to \$1,500 per acre.

Enhancement of new agricultural land to improve the productive capacity and efficient use of land resources: this includes rock removal, land levelling, minor field profiling, and the initial application of limestone and fertilizer. Land enhancement is eligible for reimbursement up to \$1,500 per acre.

Rough clearing and enhancement of new agricultural land is only permitted on agricultural land not previously in production.

Regional pastures will be eligible for funding for the rough clearing of new pastureland with reimbursement up to \$1,500 per acre and reimbursement of \$1,500 per acre for land enhancement of new pastureland. For other eligible activities on regional pastures, refer to the RALP Program Guide.

### Land Development: Peat Soils

Development of new peatland (peatland not previously in agricultural production) to enhance the productive capacity of this underutilized land resource is eligible for reimbursement up to \$3,000 per acre.

- For peatland, funding will be available up to 75 per cent of eligible costs for professional consultative and/or engineering costs; and
- The following activities are included in peatland development:
  - **Brush Cutting:** Tall grasses/weeds and small trees are cut close to the peat surface;
  - **Limestone Spreading:** Spreading of limestone using a spreader which has been adapted for peatland use;
  - **Ditching:** Completed using ditcher or excavator/backhoe, ditches recommended 1.0m - 1.2m deep, with intervals of 15m for the majority of sites;
  - **Rotovation:** Rotovation of the top 15cm of peat. This incorporates the limestone into the peat and prepares the field for profiling; and
  - **Profiling:** This equipment spreads the rotovated loose peat evenly and crowns the field in the center over the length of the field for surface water runoff.



Important considerations before you start new peatland development:

- Applicants must submit a site design that is approved by the Land Management Division of the Department of Fisheries, Forestry and Agriculture with their application. A site design approved by a qualified engineer may be required. Site design must include:
  - Type of peatland development (brush cutting, ditching, excavation, rotovation, profiling);
  - General site location map;
  - Site specific location map;
  - Drawing of proposed ditches on map;
  - Spacing of ditches;
  - Length of ditches;
  - Depth of ditches;
  - Location, length, width and depth of sediment pond;
  - Total area (hectares or acres) of proposed activity; and
  - Proposed dates of development.

### Land Development: Blueberry Production

New land development for blueberry production is eligible for funding and must be inspected by a specialist with the Department of Fisheries, Forestry and Agriculture prior to approving any project to determine if there is sufficient blueberry plant cover to establish production and for previous management of blueberry fields.

<b>Blueberry Land Rough Clearing Activity (from forested land)</b>	<b>Maximum Payment \$1,500 per acre</b>
Trees need to be removed and brush and debris needs to be moved to edge of fields or mulched	\$500
Small stumps and rocks need to be removed, holes can be filled (excavator recommended since tracks cause less damage) large stumps should not be removed for a minimum of five years after trees are cut. The land can be tracked in with the excavator to level. Herbicides such as 2,4-D or Garlon in oil can be applied to stumps to make them decompose faster.	\$750
Herbicides should also be used for woody weed control to enable better rhizome establishment	\$250

## Agriculture Growth and Secondary Processing Program

<b>Blueberry Land Enhancement Activity</b>	<b>Maximum Payment \$1,500 per acre</b>
Initial pruning of the new site by burning to encourage blueberry rhizome growth	\$500
Herbaceous weed control on the new site to reduce weeds that will compete with blueberries for space, light, and nutrients	\$500
Application of fertilizer on the new site to enhance blueberry yields	\$500

### **Agricultural Land Development Equipment**

Funding will be available for purchase and/or modifications of agricultural land development equipment for land clearing, renovation, rock removal, and drainage activities on mineral soils and peatland. Eligible projects would maximize soil retention in the land clearing process, enhance the productivity of agricultural soils to reduce environmental impact, increase crop yields and ensure more efficient utilization of land resources. Examples may include rock and root rakes, stone forks, rock pickers and extractors, land levelling equipment, ditching equipment, limestone and fertilizer spreaders, brush cutters, rotovators, profilers, and equipment modifications such as wide tracks to reduce soil compaction. The eligibility of equipment will be evaluated based on the suitability and size of the land base.

### **Legal Land Survey**

Funding is available to assist new entrants, Indigenous peoples, Indigenous Governments, and Indigenous Communities with survey costs associated with acquiring new agricultural Crown Land leases to increase the productive capacity of the Newfoundland and Labrador agriculture industry, and encourage and assist new entrants, women, youth and Indigenous groups to develop agriculture land.

Assistance is available towards the cost of a legal land survey completed by a registered member of the Association of Newfoundland and Labrador Surveyors, as well as the cost to cut survey lines.

Applicants must meet new entrant requirements and have been approved for a Crown Land Agricultural Lease of not less than 15 acres, awaiting survey, and/or have their survey completed in the current fiscal year. The Implementation Committee may consider funding survey costs for agriculture land leases of less than 15 acres in projects where the proposed agricultural lease is deemed to be sufficient for a commercially viable farm. This includes projects where the applicant has additional agricultural leases or land available for a viable farm unit or the proposed commodity requires less than 15 acres for viable commercial production, such as greenhouse operations, intensive cropping systems or confined livestock production.

## **Sub-Surface Drainage**

Funding will be available for the acquisition and installation of sub-surface drainage services to improve the productive capacity of newly developed and existing agricultural land and optimize drainage systems to mitigate environmental impacts. Eligible expenses include engineering design, excavation, topographic site surveys, and materials such as tile, tile fittings, associated piping, equipment rental, and third-party labour. Sub-surface drainage activities will be considered for reimbursement up to 75 per cent of actual costs to drain the affected land.

Funding for professional consultative and/or engineering costs is eligible for reimbursement up to 75 per cent of actual costs.

Important considerations before you start sub-surface drainage:

Applicants must have a representative from the Department of Fisheries, Forestry and Agriculture inspect the sub-surface drainage site while drainage infrastructure is installed and visible.

Applicants must submit a site design that is approved by the Land Management Division of the Department of Fisheries, Forestry and Agriculture with their application. A site design approved by a qualified engineer may be required. Site design must include:

- General site location map;
- Site-specific location map;
- Drawing of proposed tile location on map;
- Spacing of tile;
- Length of tile;
- Diameter of tile;
- Depth of tile;
- Location, size and depth of sediment pond;
- Total area (ha or acres) of proposed activity; and
- Proposed dates of construction

## **Organic Land Development**

Funding is available up to 75 per cent of eligible costs for organic soil amendments on new land to enhance the productive capacity of land resources, enable the industry to respond to organic market opportunities, and support environmentally sustainable crop management practices.

Eligible costs include the initial application of organic soil amendments such as animal manure, compost, fish products, kelp and kelp products, composted manure, micronutrients, mulch, peat moss, plant by-products, sawdust and wood chips, trace elements and any other soil amendments listed in the Organic Productions Systems Permitted Substances Lists of the Canadian Organic Standards with the exception of limestone. Applicants must be certified by a nationally recognized body such as the Atlantic Certified Organic Co-Operative Limited (ACO), Organic Crop Improvement Association (OCIA), or Ecocert Canada, or must be in transition to organic certification.

### Examples of Eligible and Ineligible Expenses

#### Eligible Expenses

##### Land Development Activities:

- Rough land clearing;
- Land enhancement;
- Subsurface drainage, including excavation, topographical site surveys, tile and fittings, equipment rental, and engineering designs;
- Equipment Rental;
- Engineering design fees; and
- Legal Land Survey costs

##### Land Development Equipment:

- Equipment modifications such as wide tracks;
- Choppers;
- Rotary tillers;
- Ploughs;
- Rotary ditchers;
- Brush cutters;
- Rotovators;
- Spring-tooth harrows;
- Land levelers;
- Land rollers and packers;
- Disc/rotary/power harrows;
- Limestone spreaders;
- Fertilizer spreaders;
- Rock rakes;
- Rock windrowers;
- Profilers;
- Excavator Rakes;
- Excavator thumbs;
- Rock crushers;
- Rock pickers;
- Stone forks;
- Root rakes;
- Other costs deemed eligible by the Implementation Committee to meet program objectives; and
- Replacement equipment may be considered if the applicant is able to demonstrate a significant innovative means to increase production capacity, improve labour efficiency, or promote environmentally responsible agriculture activities.

**All equipment must be used exclusively for agricultural purposes**

### Ineligible Expenses

- Site preparation for building construction, landings and parking lots;
- On-farm and off-farm access roads;
- Normal land operation, land renovation or on-going land management costs (e.g. annual rock picking, equipment repairs, annual pH adjustment, etc.);
- Excavators and mini excavators/excavator buckets/backhoes;
- Tractors, dozers, dump trailers, and skid steers;
- Annual application of limestone and fertilizer;
- Peatland and mineral soil renovation;
- Used equipment and machinery greater than five years of age;
- Normal operational or ongoing maintenance costs;
- Core provincial government activities such as on-going inspection services and enforcement of regulations;
- Tax credits or rebates;
- Land purchases;
- Activities related to aquaponic food production, and to aquaculture, seaweed, fish and seafood production, marketing and processing;
- Activities that do not provide a direct benefit to agriculture, agri-food and/or agri-based products industry;
- Repairs and maintenance;
- Legal and accounting costs;
- In-kind resources; and
- Motorized vehicles including All Terrain Vehicles (ATVs) and Recreational/Utility Vehicles (RTVs).

### 4.3 Industry Development and Knowledge Transfer

The objective of the Industry Development and Knowledge Transfer Initiative is to improve the day-to-day operations of agribusinesses by providing the opportunity to engage in knowledge transfer activities, business planning, mentoring services, and skills development and engage young farmers and new entrants to invest in the industry. In addition, the Initiative will support investigating, developing, and implementing methods to address labour shortages, supply chain challenges, and logistical problems in the sector.

Eligible activities under the Industry Development and Knowledge Transfer Initiative include but are not limited to:

#### Knowledge and Skills Development

Industry specific training opportunities including:

- Innovative product and process technology training, and risk management;
- Environmental sustainability and climate change;

## Agriculture Growth and Secondary Processing Program

- Human resource development travel and exchanges, conferences and workshops necessary to increase competitiveness, productivity, profitability and support the establishment of agri-businesses in Newfoundland and Labrador;
- Primary producers, secondary processors, agri-business operators and their employees, as well as groups managing regional agricultural initiatives may be considered for knowledge transfer and skills development funding. Annual funding caps will be applied and may include stipends with set amounts for local, national and international travel;
- Agriculture related training, skills, and business development initiatives that support the strengthening of farm and agri-business management practices; and
- Human resource activities to support the continued development of management, governance and strategic planning capacity in the sector.

The Implementation Committee may consider specialized training opportunities that meet objectives of this program. These activities include, but are not limited to, mentoring that may assist women, youth and Indigenous and Labrador residents in implementing Northern Agriculture initiatives; new farmer groups that may fall outside currently offered groups (i.e. women in agriculture); and awareness and training programs assisting those outside currently established programs for young and new farmers.

Travel costs claimed for contributions from Sustainable CAP programming will be reimbursed at Provincial Treasury Board rates for meals and private vehicle mileage unless otherwise approved by the Implementation Committee. Applicants must select the most economical mode of transportation.

It is strongly recommended that applications are submitted to Financial Officers a minimum of ten weeks in advance of the project start date to ensure that there is sufficient time for review of the application. Applications received less than ten weeks prior to the project start date may not be considered for funding.

**Reimbursement Considerations:** Conference, course, or trade show evaluation form may be required to be submitted with project claim reimbursement.

### **Business Planning**

Investment will be provided to assist the agriculture, agri-food and agri-products industry to better understand and manage their financial performance and/or identify and adapt to new and changing market opportunities through business planning, feasibility studies and cost of production analysis. Please refer to Appendix 1: Business Plan Minimum Requirements. Business plans must meet the minimum requirements to qualify for reimbursement.

- One producer/processor: Up to a maximum of \$12,000
- Two producers/processors: Up to a maximum of \$24,000
- Three producers/processors: Up to a maximum of \$36,000
- Four or more producers/processors: Up to a maximum of \$60,000

## **Succession Planning**

Succession planning is a process by which the knowledge, skills, labour, management and control of ownership of an existing agri-business is transferred from the founder/owner to the next generation of ownership. Funding may be provided for professional services including succession planning facilitators, accountants and lawyers required to develop a comprehensive farm succession plan. Please refer to Appendix 2: Succession Planning Guidelines. Succession plans must meet the minimum requirements to qualify for reimbursement.

## **Strategic Planning**

Planning and development of industry or sector strategies to support economic growth, identify new business opportunities, provide direction for strategic development, and/or improve food security and self-sufficiency in Newfoundland and Labrador. Strategic planning may also include economic research; consumer trends; market opportunities; and SWOT, financial and industry analysis.

## **Agri-business Financial Assessments**

Conducted by qualified consultants or accountants to enable the applicant to assess the financial health of their agribusiness. Please refer to Appendix 3: Agri-business Financial Assessment Guidelines. Financial assessments must meet the minimum requirements to qualify for reimbursement.

## **Young and Future Farmers**

Contributions toward initiatives developed and implemented by the Newfoundland and Labrador Young Farmers Forum, youth organizations such as 4-H, and other eligible organizations which enable youth, young farmers and potential future farmers to acquire knowledge and skills in the industry. Eligible activities may include the development and implementation of new entrant guides, social media campaigns, career days and human resource development activities.

## **Mentoring Programs**

Funding for agricultural associations and groups to develop and implement mentoring programs for new entrants. This will enable beginning farmers to acquire the knowledge, skills, and on-farm experience required to ensure future profitability and success in the sector. Eligible activities may include costs associated to deliver and implement mentoring programs designed to match experienced farm managers with beginning farmers, Indigenous peoples, women or youth interested in a career in the agriculture and agri-foods industry.

### Examples of Eligible and Ineligible Expenses

<b>Eligible Expenses</b>
<ul style="list-style-type: none"> <li>• Consulting fees for business plans, succession plans, financial assessments and project management, and development plans associated with agriculture projects;</li> <li>• Costs associated with training opportunities including forums, workshops and conferences and mentoring programs;</li> <li>• Consultant fees and industry meeting costs to develop sector strategies;</li> <li>• Workshop and conference training materials and resources, training promotional materials and advertising;</li> <li>• Workshop and conference eligible expenses include meeting room rentals, nutrition breaks, registration fees, audio visual equipment rental, speaker fees and speaker travel costs, and hotel accommodations;</li> <li>• Travel for human resource development activities, including airfare, meals, and ground transportation at most economical rate;</li> <li>• Honorariums for mentors and mentees where applicable;</li> <li>• Training costs;</li> <li>• Young Farmers Forum project delivery costs including project coordinator salary;</li> <li>• Website development costs;</li> <li>• Project promotion costs;</li> <li>• Business consulting costs including agriculture engineering, agronomic consulting services, farm audits, operational plans, and production plans; and</li> <li>• Other costs deemed eligible by the Implementation Committee to meet program objectives.</li> </ul>
<b>Ineligible Expenses</b>
<ul style="list-style-type: none"> <li>• In-kind resources;</li> <li>• Legal and accounting fees and costs;</li> <li>• On-going operational and salary costs;</li> <li>• Educational institutions/research bodies main course curriculum development;</li> <li>• Activities that do not provide a direct benefit to agriculture, agri-food, and/or agri-based products industry;</li> <li>• Private accommodations; and</li> <li>• Incidentals.</li> </ul>

## 4.4 Secondary Processing Enhancement

The objective of the Secondary Processing Enhancement Initiative is to support the processing sector in Newfoundland and Labrador, to promote the utilization of agriculture products, to increase primary production, and to expand food self-sufficiency in Newfoundland and Labrador.



## Agriculture Growth and Secondary Processing Program

The Initiative will support advancements in secondary processing capacity resulting in a diverse range of processed foods, improving product availability, and enhancing local food capacity.

The Initiative will provide funding for secondary processing agribusinesses, abattoirs, and agriculture operations engaged in value added activities that support the primary agriculture sector with eligible activities including, but not limited to:

- Capital costs for processing equipment and building infrastructure to encourage new agribusinesses and expand existing processing capacity, adopt new food manufacturing technologies or support processing efficiencies;
- Capital costs for abattoirs including site development; septic systems; waste handling, storage and disposal; building infrastructure; refrigeration; carcass handling equipment; and meat processing equipment;
- Capital costs related to secondary processing systems including waste handling, storage and disposal;
- Capital costs for value-added activities including equipment and infrastructure for washing, grading, bagging and/or packaging systems;
- Investments in labour saving technology in the food processing sector;
- Food product quality testing, recipe development and nutritional analysis;
- Design, development, and equipment costs of labeling and packaging for new and existing products;
- Non-capital costs that support expansion and growth in the agri-processing sector, including training for employees on new agri-foods and agri-products processing technologies and systems;
- Professional fees including engineering fees and consultant fees related to product/process planning and development;
- Investments in infrastructure and equipment to bring new products to market readiness; and
- Secondary processing and value-added product development and commercialization costs for fresh/frozen fruits and vegetables, preserves, sausages and other meat and poultry products, wines, cheeses and other dairy products.

Applicants must demonstrate the economic benefits to the Newfoundland and Labrador primary agriculture industry. Projects that increase secondary processing of food products, particularly industrial milk, industrial eggs, fruits, vegetables, and meat will be given priority.

Eligible applicants include agri-processors with a physical processing presence in the province or intending to establish a processing facility; abattoirs involved in further processing or value-added; and farmers wanting to further process their primary products or value-add.

Applicants must utilize Newfoundland and Labrador agricultural products where commercial volumes are available (dairy, eggs, and chicken); and may utilize Canadian agricultural products where primary agricultural production is limited within the province.

## Agriculture Growth and Secondary Processing Program

Ineligible applicants include retail food services, in-store bakeries, restaurants, and in-home processing.

### Examples of Eligible and Ineligible Expenses

<b>Eligible Expenses</b>
<ul style="list-style-type: none"><li>• Processing equipment;</li><li>• Building infrastructure;</li><li>• Construction or expansion of existing livestock abattoirs to enhance meat processing capacity in the province including infrastructure costs, site development, septic and waste management systems, exsanguination equipment, handling systems, cooling rooms, and meat packaging equipment;</li><li>• Purchase of mobile abattoir facilities;</li><li>• Professional fees including engineering fees and consultant fees;</li><li>• Product quality testing, recipe development and nutritional analyses;</li><li>• Design and development of labeling and packaging for new products;</li><li>• Product development and commercialization;</li><li>• Equipment costs for processing, packaging and labelling of agricultural products;</li><li>• Investments in infrastructure and equipment to bring new products to market readiness;</li><li>• Infrastructure and equipment required for value-added products including washing, grading, and packaging systems;</li><li>• Secondary processing and value-added product development costs;</li><li>• Training for employees on new agri-foods and agri-products processing technologies and systems;</li><li>• Replacement equipment may be considered if the applicant is able to demonstrate a significant innovative means to increase processing capacity, improve labour efficiency or promote environmentally responsible agri-processing activities;</li><li>• Product storage and shelf-life extension technologies such as cooling units and specialized storage containers;</li><li>• Building, electrical and other service permits required for the successful completion of the project; and</li><li>• Other costs deemed eligible by the Implementation Committee to meet program objectives.</li></ul>
<b>Ineligible Expenses</b>

- Tax credits or rebates;
- Purchase of farms, land, quota and other properties including buildings or other notable structures;
- Activities related to aquaponic food production, and to aquaculture, seaweed, fish and seafood production, marketing and processing;
- Activities that do not provide a direct benefit to agriculture, agri-food and/or agri-based products industry;
- Repairs and maintenance costs to existing infrastructure;
- Processing equipment and infrastructure for non-agriculture or non-agrifood products;
- Legal and accounting expenses;
- Ongoing operational costs including sample analysis and product testing; and
- Vehicles including forklifts, loaders, transport vehicles.

## 5. Mitigating Agricultural Risks Program

The objective of the Mitigating Agricultural Risks Program is to enable the Newfoundland and Labrador agriculture and agri-foods industry to identify and respond to risks and to implement risk prevention and risk mitigation measures. Investments will support risk assessments; risk and emergency preparedness and planning; proactive risk mitigation measures; farm safety awareness, education, and implementation measures; on-farm and post-farm food safety programs and advisory services; biosecurity and traceability measures; plant health; animal health and welfare systems; and mental health initiatives. The program will provide risk management tools such as early identification of emerging risks, risk assessments, and effective business management practices.

The sector continues to face significant risks, such as climate change; loss of agricultural resources; disease/pests; workforce shortages; and market and supply-chain volatility. These risks can lead to heavy losses and threaten the commercial viability of companies in the sector as well as the physical and mental health of stakeholders. In addition, consumers have become more interested in how their food is produced, with increased concern for the environment, animal welfare, and health and safety considerations related to agriculture and agri-food products. The sector must continue to anticipate, mitigate, and respond to these risks and changing consumer conditions while continuing to strengthen provincial food capacity.

The program will focus on the following:

- Encourage the widespread adoption, development, communication, and enhancement of assurance systems that enable the sector to adapt to emerging challenges and opportunities and demonstrate the quality, safety, and sustainability of provincial agriculture and agri-food products;
- Support for the development, implementation and continuous improvement of on-farm and post-farm food safety, biosecurity and traceability systems;
- Develop and implement tools to support proactive identification, timely control, and continued monitoring of risks and threats, such as those from pests, antimicrobial and pesticide resistance, and diseases to plants and animals;
- Enhance surveillance, knowledge, education and management initiatives and activities to strengthen plant and animal health; and
- Enhance the sector's ability to respond to risks, including severe weather events; enhance resiliency; and provide mental health resources.

### Food Safety

To enable industry to respond to challenges to the safety and security of the food system. Funding will be available to facilitate the implementation of Food Safety programs such as CanadaGAP, ProAction, Start Clean Stay Clean and others. Activities eligible for contributions include:

- Food safety advisory services provided by the Department of Fisheries, Forestry and Agriculture including food safety awareness activities and knowledge transfer;
- Third party audit services for certification;
- Evaluation and development of food safety action plans; and
- Implementation of action items including infrastructure necessary to meet recognized food safety program standards.

To meet challenges to the safety and security of the food system, funding will be available to facilitate the implementation of recognized Post-Farm Food Safety programs by agri-food processors including provincially licensed abattoirs. Activities eligible for contributions include:

- Food safety advisory services provided by the Department of Fisheries, Forestry and Agriculture, including awareness activities and knowledge transfer;
- Evaluation and development of food safety process control systems; and
- Implementation of action items including infrastructure necessary to meet the requirements of a recognized food safety process control system.

<b>Food Safety Beneficial Management Practices (BMPs)</b>	
<b>BMP Category Description</b>	<b>Beneficial Management Practice Description</b>
Improved Premises	<ul style="list-style-type: none"> <li>• Construction of or modification to food production or processing facilities to ensure a safe and secure food supply;</li> <li>• Surface improvements to improve drainage around premises and shipping and receiving areas; and</li> <li>• Engineer design work</li> </ul>
Improved Sanitation	<ul style="list-style-type: none"> <li>• Improved features to facilitate sanitation practices (installation of washable surfaces, i.e., white vinyl coated sheeting);</li> <li>• Investments in sanitation equipment (wash down equipment, knife sanitizers, foot scrubs, etc.);</li> <li>• On-site water treatment equipment;</li> <li>• Development and implementation of written policies and procedures for the sanitation of equipment and/or facilities; and</li> <li>• Investments in personal hygiene facilities/practices including washroom facilities, and hand cleaning stations</li> </ul>
Pest Control	<ul style="list-style-type: none"> <li>• Investments in pest control infrastructure;</li> <li>• Investments in or modifications to facilities to improve pest control; and</li> <li>• Development of pest control protocol to ensure safe storage, use and handling of pesticides to ensure safe and secure food supply</li> </ul>
Personnel	<ul style="list-style-type: none"> <li>• Training of personnel in food safety protocols, practices and procedures;</li> <li>• Development of written procedures for personnel; and</li> <li>• Signage</li> </ul>
Transportation & Receiving	<ul style="list-style-type: none"> <li>• Development and/or implementation of shipping and/or receiving practices and procedures (standard food safety practices and commodity specific) that ensures the safety and security of the food supply; and</li> <li>• Infrastructure improvements to ensure raw materials, ingredients, inputs, etc. are received and handled to ensure a safe and secure food supply</li> </ul>

## Mitigating Agricultural Risks Program

Improved Food Storage	<ul style="list-style-type: none"><li>• Purchase of or modification to equipment for improved cooling, e.g., bulk tanks, climate control, mobile and fixed refrigeration/cooler units;</li><li>• Purchase of or modification to equipment to increase the rate and efficiency of cooling of food, e.g., plate coolers, monitoring equipment; and</li><li>• Back-up power systems</li></ul>
Record Keeping	<ul style="list-style-type: none"><li>• Purchase and installation of electronic record keeping equipment, i.e., time-temperature recorders; and</li><li>• Development and/or implementation of on-site record keeping protocols, practices and procedures</li></ul>
On-Farm Food Safety Program Development	<ul style="list-style-type: none"><li>• Creation and/or implementation of on-farm food safety protocols (common food safety practices and commodity specific) to implement national standards; and</li><li>• Creation and/or implementation of post-farm food safety protocols (common food safety practices and commodity specific) to implement recognized standards for process control systems</li></ul>

### **Biosecurity Assurance Systems**

Funding will be available for implementation of on-farm and industry wide biosecurity plans that follow biosecurity standards (developed by industry and the Canadian Food Inspection Agency where they exist), including infrastructure that reduce the spread of livestock, poultry and plant diseases on farms, between farms, regional pastures, slaughterhouses and other locations. Investments will be made to enable the adoption of processes, practices, knowledge, and skills that enhance the ability of individual producers and industry to meet plant, animal, and poultry health standards such as minimum standards for import, export, and local trade of live plants, animals, poultry, and their products (transportation and humane slaughter).

### **Traceability Assurance Systems**

Funding will be available for the implementation of traceability systems that assist in tracking the movement of plants and animals through the food system, including animal identification, premise identification and movement reporting to contribute to the development and implementation of a National Agriculture and Food Traceability System. This includes, but is not limited to:

- Premise identification awareness, promotion and programs provided by the Department of Fisheries, Forestry and Agriculture;
- Infrastructure for plants, livestock, and agri-based products such as the purchase and installation of traceability infrastructure, including supporting software and livestock handling systems necessary to implement traceability systems;
- The implementation of national traceability systems, including infrastructure and equipment, that assist in tracking the movement of plants and animals through the food system, including animal identification, premises identification and movement reporting to contribute to the implementation of a national traceability system; and

- Training of staff to implement traceability systems for plants, animals, and agri-based products.

### **Plant Health/Animal Health and Welfare**

Funding will be available for the implementation of plant health/animal health and welfare activities including, but not limited to:

- Investments that enhance the ability of individual producers and industry to meet the requirements in accordance with national animal care codes of practice, protocols or standards for animal and poultry care and welfare on farms such as investments in housing, provision of feed and water, lighting, air quality, health and welfare, monitoring systems, transport of animals and poultry, awareness and training, and livestock and poultry vaccination required for provincial/national emergency health purposes not including normal vaccination programs. Applicants will be required to identify the national code of practice that will be addressed; and
- Implementation of systems that enhance industry capacity to mitigate crop, livestock and poultry losses such as irrigation, shades, sprinklers, snow shelters, wind breaks, floating row covers, flood and drainage management, frost control systems, weather monitoring systems, wildlife damage controls, and ventilation and cooling systems for livestock and poultry.

### **Mental Health and Farm Safety**

Funding will be available for the development and implementation of mental health and farm safety activities including, but not limited to:

- Public health emergency response equipment and systems for food processing operations and farms including, but not limited to safety equipment, retrofit or adjustments to existing infrastructure to allow proper safety measures and physical distancing, and disposable and non-disposable personal protective equipment that are incremental to normal operations;
- Mental health initiatives including programs delivered in province or regionally including, but not limited to mental health awareness, support lines, and training of mental health advocates in the agriculture sector;
- Support for the sector to continue to offer safe working environments and promote awareness, education and training on farm safety issues, physical and mental wellness assistance, and initiatives that enhance the equity, health and safety of agricultural workers including Temporary Foreign Workers;
- Farm safety awareness and training, including tractor operator safety, equipment operator safety training, first aid training and accident prevention;
- Farm safety demonstrations and development of educational resources including videos, brochures, manuals and signage;
- Development of safety plans, manuals and safety procedures;
- Investment will be made to enhance safety in the agriculture and agri-foods sector including funding for personal protective gear and equipment (ear and eye protection), protective clothing, safety hats and vests, eyewash stations and respiratory protection; and
- Investment will be made to identify and mitigate on-farm safety risks including, but not limited to confined spaces, fall protection, premise and building safety, hazardous materials, occupational health and safety, mechanical safety, equipment guards and shields, safety

## Mitigating Agricultural Risks Program

signage, fire safety and prevention (heat shields, fire detectors, and fire extinguishers), methane gas and carbon monoxide detectors.

### **Risk Assessments**

Funding will be available for the development and implementation of agricultural risk assessment activities including, but not limited to:

- Development and implementation of strategies to effectively plan for, prevent, and mitigate production risks and potential disruptions in the supply chain;
- Research and identification of risks impacting the agriculture, agri-foods and agri-products sector; and the development of risk mitigation measures and responses to strengthen the resiliency of the sector; and
- Development of risk management strategies and tools to enhance the sustainability and profitability of the sector.

### **Emergency Preparedness and Prevention**

Funding will be available for the development and implementation of emergency preparedness and prevention activities including, but not limited to:

- Support activities to plan and prepare for plant or animal health emergencies and severe weather events, including implementation activities;
- Development of, or update to, emergency preparedness plans for the agriculture sector to enhance the industry's ability to respond to emergency situations;
- Awareness, development, and adoption of emergency preparedness plans to address emergencies that pose biosecurity risks to the agriculture, agri-foods and agri-products industry;
- Training to support the development of emergency preparedness plans; and
- Testing and simulation exercises of emergency preparedness plans.



## Examples of Eligible and Ineligible Expenses

### Eligible Expenses

#### Food Safety

- Costs associated with implementation of food safety Beneficial Management Practices;
- Cooling equipment;
- Food safety audit and certification fees;
- Sanitizing equipment;
- Washing equipment;
- Milk monitoring;
- Boot Washes;
- Back-up power systems;
- Hand washing units;
- Sanitation controls;
- Washable bulk food containers;
- Hygiene and washing facilities;
- Third party labour;
- Metal Detectors; and
- Water filtration system.

#### Biosecurity

- Biosecurity sanitation equipment, signage, and systems including boot washes;
- Biosecurity plans - awareness and development;
- Wildlife/bird repellent and exclusion systems, such as wild bird exclusion screens in poultry housing, and biosecurity fencing;
- Consultant fees to develop biosecurity plans;
- Biosecurity camera system; and
- Development of on-farm quarantine sites.

#### Traceability

- Radio frequency identification readers (e.g. ear tag readers) and software;
- Infrastructure and/or equipment, awareness and/or training necessary to implement recommended traceability systems; and
- Traceability equipment and software.

#### Plant/Animal Health and Welfare

- Infrastructure and/or equipment, awareness and/or training necessary to upgrade existing facilities or construct new facilities to meet standards of animal and poultry care (e.g. bedding and litter management, ventilation systems, heating systems, lighting systems, alarm system, water meters, back-up power system, traction milling, pasture mats, e-brush units, livestock handling system, euthanasia system, livestock trailers, enrichments to livestock pens);

- Infrastructure and/or equipment necessary to upgrade existing facilities or construct new facilities to meet standards for import, export and local trade of plants, animals and poultry;
- Animal health monitoring systems;
- Plant health monitoring systems to mitigate plant health risks and/or plant diseases;
- Equipment to monitor soil moisture and fertility;
- Implementation of pest and disease prevention systems such as pest exclusion fencing and row crop covers;
- Software and hardware exclusively used to monitor and mitigate agricultural risks; and
- Implementation of systems that enhance industry capacity to mitigate crop, livestock and poultry losses such as irrigation, shades, sprinklers, snow shelters, wind breaks, floating row covers, flood and drainage management, frost control systems, weather monitoring systems, wildlife damage controls including exclusion fencing, and ventilation and cooling systems for livestock and poultry.

### **Risk Assessment**

- Costs associated with risk assessments including research and identification of risks and the development of risk management strategies.

### **Emergency Preparedness and Prevention**

- Costs associated with the development, update, and implementation of on-farm, post-farm and industry-wide Emergency Preparedness Plans and Prevention, including training, testing, simulation exercises, and mock disasters;
- Professional engineer design work;
- Consultant fees and meeting costs;
- Training and associated travel costs and speaker costs; and
- Activities to plan and prepare for plant and/or animal health emergencies and severe weather events including implementation activities such as flood controls, back-up power systems, depopulation equipment, and quarantine facilities.

### **Mental Health and Farm Safety**

- Consultant costs and professional fees;
- Development and implementation costs for mental health initiatives including programs delivered in province or regionally including, but not limited to mental health awareness, support lines, and training of mental health advocates in the agriculture sector;
- Public health emergency response equipment and systems for food processing operations and farms including but not limited to safety equipment, retrofit or adjustments to existing infrastructure to allow proper safety measures and physical distancing, and disposable and non-disposable personal protective equipment that are incremental to normal operations;
- Support the sector to continue to offer safe working environments and promote awareness, education and training on farm safety issues, physical and mental wellness assistance, and initiatives that enhance the equity, health and safety of agriculture workers including Temporary Foreign Workers;

- Personal protective gear and equipment (including ear and eye protection, protective clothing, safety hats and vests, eye wash stations and respiratory protection);
- Identification and mitigation of on-farm food safety risks including confined spaces, fall protection, premise and building safety, hazardous materials, occupational health and safety, mechanical safety, equipment guards and shields, safety signage, fire and safety prevention (heat shields, fire detectors, fire extinguishers), methane gas, and carbon monoxide detectors);
- Construction of facilities and/or purchase of equipment required to meet on-farm and post-farm food safety, biosecurity and traceability initiatives; and
- Costs associated with farm safety including safety awareness and training, demonstrations and development of educational resources, development of safety plans, manuals and safety procedures.

Note: Replacement equipment may be considered if the applicant is able to demonstrate that the equipment significantly enhances risk mitigation.

### **Ineligible Expenses**

- Normal operational or ongoing maintenance costs incurred by eligible recipients (e.g. ongoing certification costs, motorized vehicles, tractors, excavators, repairs and maintenance, legal and accounting costs, site preparation, regulated identification tags, and in-kind resources.);
- Core provincial government activities such as on-going inspection services and enforcement of regulations;
- Tax credits or rebates;
- Activities related to aquaponic food production, and to aquaculture, seaweed, fish and seafood production, marketing, and processing;
- Educational institutions/research bodies main course curriculum development; and
- Activities that do not provide a direct benefit to agriculture, agri-food and/or agri-based products industry.

## 6. Advancing Public Trust Program

The objective of the Advancing Public Trust Program is to build trust and confidence in the Newfoundland and Labrador agriculture, agri-foods and agri-products system. Building trust with consumers is important to maintain market access and capture new market opportunities. Consumers increasingly want to know where their food comes from and how it is produced. Agriculture awareness initiatives will highlight the agriculture sector in Newfoundland and Labrador, educate the public on farming practices and promote the high standards of food safety, environmental stewardship as well as animal and plant production standards utilized in the sector.

Eligible activities to advance public trust include, but are not limited to:

- Funding to enhance agriculture awareness activities in the province, including agricultural fairs, Open Farm Day celebrations, promotional campaigns, and other agricultural events. This investment will create a greater understanding of the local agriculture sector among the public, and build consumer confidence in the food system, while highlighting the safety, sustainability and quality of local food and agri-products;
- Funding to develop and strengthen public trust messaging to educate consumers and improve public perception of modern agriculture and food practices;
- Agriculture in the Classroom activities to educate youth about the importance of the food system, healthy food choices, sustainable agriculture practices, climate change and the environment, and the agriculture sector in Newfoundland and Labrador. Investment provided to continue with Little Green Thumbs, Little Green Sprouts, agricultural career days, harvest celebrations in schools, Canada's Agriculture Day, Canadian Agriculture Literacy Month, educational resources, opportunities for agriculture careers and other activities to engage youth in agriculture;
- Research and implementation of agricultural awareness and public trust initiatives to increase consumer confidence; and assess the effectiveness of public trust activities, including consumer surveys;
- Development and implementation of public trust strategies for the agriculture, agri-foods and agri-products sector to enhance transparency, awareness, communication and inclusive engagement related to emerging public trust issues; and
- Supporting increased visibility within the sector through marketing and communications efforts that build in diversity, equity and inclusion messaging such as the women in agriculture video series, and targeted communications initiatives to underrepresented groups such as Indigenous peoples, youth and women.

### Examples of Eligible and Ineligible Expenses

<b>Eligible Expenses</b>
<ul style="list-style-type: none"> <li>• Consultant fees including costs for pre and post consumer surveys;</li> <li>• Industry meeting costs;</li> <li>• Website development;</li> <li>• Advertising and promotion;</li> <li>• Design and development costs for awareness and public trust related materials and resources such as posters, advertisements, social media and other promotional materials;</li> <li>• Administration costs and resource materials for delivery and implementation of Agriculture in the Classroom;</li> <li>• Travel related expenses to attend trade shows and events including booth fees;</li> <li>• Incremental labour, materials and supplies for the delivery of awareness and public trust programs;</li> <li>• Accounting and legal fees related to specific public trust projects (not-for-profit organizations only);</li> <li>• Fees and related expenses for hired speakers, educators, and demonstrators;</li> <li>• Training related travel expenses for teachers and mentors involved with the Little Green Thumbs program;</li> <li>• Resources for delivery and implementation of public trust initiatives; and</li> <li>• Other eligible costs as approved by the Implementation Committee.</li> </ul>
<b>Ineligible Expenses</b>
<ul style="list-style-type: none"> <li>• Core provincial government activities such as on-going inspection services and enforcement of regulations;</li> <li>• Tax credits or rebates;</li> <li>• Educational institutions/research bodies main course curriculum development;</li> <li>• Activities that do not provide a direct benefit to agriculture, agri-food and/or agri-based products industry;</li> <li>• In-kind resources;</li> <li>• Non-incremental administration;</li> <li>• Non-incremental materials and supplies;</li> <li>• Private accommodations;</li> <li>• Fees and travel related expenses for government employees unless otherwise approved by the Implementation Committee; and</li> <li>• Incidentals.</li> </ul>

## **Conflict of Interest Guidelines**

Current or former federal public office holders or federal public servants to whom the Conflict of Interest Act, the Conflict of Interest Code for Members of the House of Commons, or the Values and Ethics Code for the Public Sector and the Policy on Conflict of Interest and Post-Employment applies, shall not derive any advantage or direct benefit from Sustainable CAP unless the provision or receipt of such advantage or benefit is in compliance with such legislation, codes and policies. Current or former federal public office holders or federal public servants will have to provide supporting documentation verifying that they are not in a conflict of interest.

Additionally, no member of the House of Commons or of the Senate shall be allowed to derive any financial advantage resulting from Canada's Contribution under Sustainable CAP that would not be permitted under the Parliament of Canada Act.

No member of the House of Assembly of Newfoundland and Labrador shall be permitted to obtain any share or part of Sustainable CAP programs or be entitled to receive any financial benefit arising there from.

Provincial government employees must adhere to the guidelines of the Government of Newfoundland and Labrador Conflict of Interest Act, 1995.

## **Related Parties and Companies**

The following policy will be applied to all parties applying under Sustainable CAP.

For the purposes of Sustainable CAP, sole proprietors, agriculture businesses, partnerships, corporations, and co-operatives (of less than 20 members) will be considered related if common ownership exists between parties. Common ownership exists where there are:

1. Common individuals, partners and/or shareholders; and
2. Spouses and common-law spouses of individuals, partners, and/or shareholders.

If common ownership exists as defined above, funding will be limited to the maximum funding limit for Sustainable CAP for the businesses combined.

### **Example 1:**

- Producer A owns 100% of Company X and 100% of Company Y; therefore Company X and Company Y are defined as related companies. The maximum funding eligibility both companies combined will be \$400,000 regardless of how project proposals are divided between the companies X & Y.

## Example 2:

- Producers A and Producer B co-own Company X and the spouses of Producer A and Producer B are partners in Company Y. Therefore, Company X and Company Y are related because the owners are spouses. The maximum funding eligibility for both companies combined will be \$400,000 regardless of how project proposals are divided between the companies X & Y.

When there are other, additional shareholders/partners (not included in 1 or 2 above) funding to the company or business will be limited by the amount held by the common owners.

## Example 3:

- Producer A and Producer B co-own Company X. Also, Company Y is co-owned by Producer A (40%), Producer B (40%), and one of their sons, Partner C (20%). Company X is related to Company Y. If Company X has already received the maximum funding of \$400,000, then Company Y would be eligible for maximum funding of \$80,000.00 or 20% of \$400,000.00 which reflects the 20% ownership of Partner C.

Additionally, the Implementation Committee will take into consideration factors such as the availability of existing funds, industry benefit from the project, and amount of funding that common shareholders have received from Sustainable CAP through previous projects.

The Related Parties Policy will be applied on RALP projects on a case by case basis at the discretion of the Implementation Committee.

## Environmental Assessment and Permits

Projects approved for assistance under Sustainable CAP must be environmentally sound. If it is determined that the project could have significant environmental impact, an environmental assessment may be required prior to project approval and the applicant should contact the Environmental Assessment Division at [EAPProjectComments@gov.nl.ca](mailto:EAPProjectComments@gov.nl.ca).

For a complete list of activities that require Environmental Assessment please refer to <http://gov.nl.ca/ecc/env-assessment/>.

It is the applicant's responsibility to research regulatory requirements in advance of submitting an application, to obtain permits and ensure environmental compliance.

Applicants are responsible to contact their local Government Service Centre, municipality, and any other federal or provincial permitting agency to obtain the required permits and licenses for activities such as, but not limited to, public health and safety, labour codes and standards, wildlife habitat, and environmental protection. Applicants will be required, upon request, to submit all necessary municipal, provincial and federal permits for compliance audit purposes.

## **Travel Policy**

Travel costs will be reimbursed at provincial Treasury Board rates less applicable HST. Please refer to the website for current travel rates for meals, and private vehicle mileage. Private accommodations are not eligible for reimbursement.

For meal rates please visit: <http://www.gov.nl.ca/exec/tbs/working-with-us/meal-rates/>

For mileage rates please visit: <http://www.gov.nl.ca/exec/tbs/working-with-us/auto-reimbursement/>

## **In-kind Contributions**

In-kind contributions, other than for land development, are not eligible for reimbursement. Only third-party freight and other shipping/transportation expenses will be eligible for reimbursement. In-kind transportation and freight (or freight paid to a related company) is not an eligible expense with the exception of prior approval of the Implementation Committee, submission of a competitive bid, and proof of payment.

## **Stacking Policy**

Stacking of Government funding is limited to a maximum of 75 per cent of eligible project costs for commercial for-profit applicants. This includes funding from all federal, provincial and municipal government sources. Applicants must contribute at least 25 per cent of the total eligible project costs, exclusive of any government funding.

Funding for not-for-profit organizations must not exceed 100 per cent of total eligible project expenses from all federal, provincial and municipal government funding sources.

Only 50 per cent of an actual loan amount is included in the funding formula (stacking formula) from Federal and Provincial Departments or Agencies that provide non-interest-bearing loans.



# **Agriculture Land Title Policy**

The following Agricultural Land Title Policy applies to applicants seeking Sustainable CAP funding.

## **Physical Structures**

Applicants must have clear title to the land to which the funding application applies or an interest satisfactory to the Implementation Committee. This policy pertains to funding applications that involve the construction of permanent physical structures including barns, greenhouses, storages and equipment buildings, manure storages and manure pits.

For example and program purposes only, the Implementation Committee may consider situations where the:

- Applicant is a sole proprietor and is the spouse, parent or child of the landowner; or
- Applicant is a corporation or partnership and the landowner is a shareholder or partner; or the land owner is a spouse, parent or child of a shareholder or partner.

## **Land Clearing and Enhancement**

To be eligible for land clearing and enhancement funding, applicants must have one of the following in relation to the land intended to be cleared or enhanced: (i) clear title; (ii) a lease for a minimum of ten years; or (iii) an interest satisfactory to the Implementation Committee that shows the;

- Applicant is a sole proprietor and is the spouse, parent or child of the landowner;
- Applicant is a corporation or partnership and the landowner is a shareholder or partner; or the land owner is a spouse, parent or child of a shareholder or partner; or
- Considerations such as:
  - Land title documentation from owner;
  - Lease between parties; and
  - Documentation necessary to support a satisfactory interest.

## **Project Reimbursement**

Once project conditions have been met, the applicant must prepare the project Reimbursement Form (Appendix 2 of the Contribution Agreement) and submit it to the assigned Financial Officer with required documentation. Claims will not be processed for reimbursement without the completed Reimbursement Form.

## **Interim Claim Payments**

An applicant may request interim payments when a substantial amount of the project has been completed. Interim payments require the applicant to provide eligible invoices and will require proof of payment. A 25 per cent holdback will be applied to all interim payments for projects yet to be completed. A larger holdback may be applied at the discretion of the Implementation Committee. Holdbacks will be released following completion of the entire project. Failure to complete the project

within the required time period may result in the proponent being required to repay any amounts received from the Government of Newfoundland and Labrador.

### **Advance Payment on Approved Projects**

An advance contribution may be available upon request and approval by Sustainable CAP administration. A successful applicant may request up to 50 per cent of the Maximum Contribution Amount as set out in Appendix 1 of the Contribution Agreement to be used toward Eligible Expenses in accordance with the Agreement upon completion and submission of Appendix 3 of the Contribution Agreement – Advance Contribution Request Form. Failure to complete the project to the satisfaction of the Minister by the project claim deadline will require the recipient to repay the total amount of the advance contribution received by the project claim deadline. Otherwise, interest from the date the initial advance contribution was issued to the date of repayment at Prime Rate plus two per cent compounded annually will be applied. Failing repayment, the recipient will be placed on the government's arrears list and full collections efforts will be pursued by the Department of Finance's Collections Unit. Also, the recipient will be considered ineligible for future program funding until the debt is settled. The Minister may recover any amount owing including annual interest at prime rate on the day the advance contribution was paid plus two per cent compounded annually as a debt owing to His Majesty the King in Right of Newfoundland and Labrador.

Failing repayment of an outstanding advance prior to the project claim deadline will result in the recipient being ineligible for future Sustainable CAP and Provincial Agrifoods Assistance Program advance payments for a period of five years.

### **Requirements if Financing Projects**

In the case of third-party financing, an advance contribution must be shown in financing documents to have been fully used as a down payment on the approved project as described in the Contribution Agreement in order for further reimbursement of the project to occur. Interim project payments may still be available; however, project invoices and proof of payment must be utilized toward an advance contribution first. When the balance of the advance is fully used, interim payments may be issued on the balance of paid invoices with a twenty-five per cent holdback until project completion.

### **Purchase Agreement versus Lease or Rental Agreements**

Equipment and machinery lease or rental agreements are not eligible for Sustainable CAP reimbursement; ownership of the property is required in order to qualify for project funding.

### **Requirements for Submitted Project Claims**

In addition, all project claims must be supported by invoices and proof of payment for purchased goods and services, as well as cancelled cheques, bank drafts, money orders, credit card or bank statements, e-transfers, e-payments, financing agreements from a recognized lending agency, and remittances for third party labour. With the exception of the land development projects and RALP projects, the value of in-kind resources, such as unpaid labour and supplies, is ineligible for reimbursement under Sustainable CAP.

Projects that require licencing upon completion of the project may be eligible for interim payments with holdback applied. Licencing must be obtained before final payment of project claim.

The completed Project Reimbursement Form (Appendix 2 of the Contribution Agreement) and all requested documents must be submitted by the deadline specified in the Contribution Agreement. Invoices received after the specified deadline may not be processed for payment.

HST/GST is not an eligible project cost for commercial agricultural producers and processors and will not be reimbursed to the applicant. With the exception of not-for-profit organizations (i.e., for those organizations that get partial reimbursement of HST expenditures), the non-reimbursable portion of the HST is an eligible expense when appropriate documentation is provided by the applicant.

If the applicant is required to submit a project report, it must be submitted with the invoices and Project Reimbursement Form. Final reimbursement may be withheld until all project conditions are met.

Skills development and knowledge transfer projects will require the completion of an evaluation form to be provided with the Contribution Agreement and to be submitted with the final claim. Claims will not be processed for payment until the evaluation form is received by the Financial Officer.

Infrastructure projects for commercial for-profit applicants will require on-site inspections of completed activities prior to payment of project claim. In addition, all projects funded may be subject to compliance audits to verify that project requirements have been met.

Projects that have received interim reimbursement and have been subjected to a 25 per cent holdback will require an inspection by a representative of the Department of Fisheries, Forestry and Agriculture and the signing of a declaration by the proponent once the project is complete and all project conditions have been met.

The maximum Contribution Agreement amount is a maximum only and does not create a right or entitlement on part of the recipient to that amount.

Transactions not made at arm's length may not be acceptable to the Minister or his or her designate and contribution may not be provided to the recipient. Non-arm's length transaction requires prior approval of the Implementation Committee.

All invoices submitted must be issued in the recipient's name as identified in the Contribution Agreement unless otherwise approved by the Implementation Committee or administration.

All invoices submitted must clearly show the vendor's or third-party labourer's name and contact information, unless otherwise approved by the Implementation Committee. The Minister or any person authorized by the Implementation Committee may inspect any facility or property associated with the project and the recipient shall allow such inspections and render all reasonable assistance to any such person notwithstanding the termination of the Contribution Agreement.

When an asset or agricultural land, developed, acquired, constructed, or modified under Sustainable CAP, is within five years after its development, acquisition, construction or modification;

- Converted to non-agriculture use;
- Changed to a use incompatible with the intent of the project;
- Sold, leased or otherwise disposed of; or
- Not used for the intended purpose of the project;

then the recipient shall provide notice to the Minister of the change in asset status and repay the total amount of all contributions received in respect of that asset by the recipient under Sustainable CAP with interest from the date of the change in asset status to the date of payment at the Prime Rate plus two per cent compounded annually. Failing repayment, the Minister may recover any amount owing including annual interest at the Prime Rate on the day the payment is paid plus two per cent compounded annually as a debt owing to His Majesty the King in Right of Newfoundland and Labrador.

The amount of assistance made available to the recipient and project description under Sustainable CAP may be released as public information and information provided will be subject to applicable privacy and access legislation.

If the recipient becomes aware of any adverse environmental impact of the project not previously known to the Implementation Committee, these impacts must be reported to the Implementation Committee without delay. The project will then be subject to an environmental impact assessment and the project Contribution Agreement may be cancelled or postponed, at the direction of the Implementation Committee. Eligible expenses that have been properly incurred to date will be reimbursed in accordance with the Contribution Agreement.

Sustainable CAP contributions are subject to tax under the Income Tax Act (Canada), as amended from time to time, and must be declared as income for the year in which the contribution is received. The recipient agrees that contributions received pursuant to this Agreement must be accounted for in accordance with Generally Accepted Accounting Principles.

Cash purchases over \$1,000 in aggregate will not be reimbursed.

Project expenses funded through other Provincial Departmental programs such as the Provincial Agrifoods Assistance Program and research investments are not eligible for further reimbursement under Sustainable CAP.

If costs relating to the creation of a business plan, succession plan, marketing plan or strategic plan are approved as eligible expenses, this does not signify approval of costs associated with the plan implementation and does not bind the Minister to further funding of any activities indicated within the plan.

# Appendix 1: Business Plan Minimum Requirements

A business plan is an essential tool whether you are expanding your existing farm or considering a new venture. Business plans are developed for internal and external purposes.

Internally, the business plan provides details on how you plan to reach your goals and objectives. The plan exposes opportunities and risks involved, allowing you to clearly evaluate your operation over the next few years.

Externally, your business plan will be required by financial institutions, business partners, investors, and other stakeholders.

The plan explains exactly what your objectives are and how you plan to achieve them. There is no substitute for a thorough, well designed business planning document and all farm business managers should invest the time to develop and regularly update their business plan.

All business plans will differ, depending on the type, size and future plans of the farm business operation. The information presented should serve as a guideline for you to plan and complete a business plan for your farm operation.

Why do business plans?

- Planning guide for marketing, production, finance, and human resources;
- Proof of management skills and credibility of operation and manager;
- Guide to the managing of the farm operation;
- Communications tool for owner, investors and farm employees;
- Complete cost calculation with hands-on information;
- Assessment of strengths, weaknesses, opportunities and threats within the farm operation;
- Aid to estate planning and succession planning; and
- A written business plan for presentation to financial institutions and government agencies when seeking financial assistance.

**You may wish to include additional information in your specialized plan; however, the sections listed below must appear as a minimum.**

## **Business overview**

### **Cover page**

- Provide the business/client name, address, telephone, and fax numbers;
- Explain the time period for business plan, and provide the preparation date; and
- Provide a list of key contacts, including the consultant who prepared the plan.

### **Table of contents**

- List chapter headings of the plan for reader reference and convenience.

## **Executive summary**

- Provide a one to two-page summary that describes the overall plan and highlights the action points; and
- Include information on the purpose of the business, the market, unique advantages, financial highlights, management strengths, and purpose of the plan.

## **Purpose of plan**

- Provide an outline of why the plan has been developed, (e.g., to obtain financing, attract equity capital, enter a new market, diversify the business, start a new business, expand an existing business, or assist in succession).

## **Business description**

- List all aspects of the current and proposed state of the business, including business history and major events impacting business, and
- Provide information on legal structure, type, and size of enterprise, as well as any physical resources available to the business.

## **Management description**

- Describe the management team, their skills, and how skill gaps will be filled, and
- Provide information on professionals assisting the business.

## **Strategic plan**

- Identify the long-term view of the business;
- Outline business strengths, weaknesses, opportunities, and threats;
- Outline the business and what it is doing (mission);
- Outline where you want the business to be five to 10 years from now (vision);
- Outline the steps to get there (strategies and goals); and
- Identify key performance indicators (objectives, their measurement, and follow-up).

## **Industry and market analysis**

- Identify the characteristics of the industry and the markets;
- Describe the industry and its history, its size, and major players;
- Describe long- and short-term trends and seasonal factors affecting the industry;
- Outline the impact of economic, social, technological, and political change, and any other significant factors that could have an influence on the business within the industry,
- Describe food safety, quality, and traceability issues and related regulations;
- Identify customer needs not being met, and potential sales; and
- Identify critical success factors for the industry.

## Marketing

- Explain how you expect to market your production, considering the five Ps: product, place, price, promotion, and people;
- Provide information on the target market, including established and potential market opportunities or niche markets, customer characteristics and demographics, customer segmentation, market performance, growth trends, factors affecting purchaser decisions, and market geographic area;
- Describe the competition, including the number of competitors, their strengths and weaknesses, their costs and prices, potential competitor reaction to new market entry, the potential for substitutes, and barriers to entry;
- Describe the product/service being offered, its selling features, key product attributes, differentiating factors and quality, storage life, selling arrangements, contracts, potential alliances, service policies, and warranties;
- Describe how the product will be distributed (e.g., direct marketing, wholesaler, Web site, sales representative);
- Provide information on packaging, labeling, storage, controls, inventories, delivery guarantees, and return policy;
- Outline the advertising and promotion strategy to support the sales and profit objectives, cost/benefit of the strategy including product/service testing, advertising, how advertising will be generated for the business, and promotion budget;
- Describe how product/service price is established; warranties/ guarantees, discounts/incentives, contribution margin, and break-even price;
- Outline licensing and permit requirements; and
- Explain your state of export readiness (if appropriate).

## Operations

- Outline the production capacity of the business: for farms, include buildings, machinery, livestock, and land; for value-added businesses, describe plant and its capacity;
- Outline standardized quality-management systems, such as HACCP and ISO; and
- Outline how the everyday activities will be managed, including supplier and production contracts, inventories, quality-control measures, production targets, distribution, and the regulatory environment.

## Human resources

- Describe any human-resource issues facing the business, and how they will be addressed;
- Outline the people required to operate the business, their skills, their availability, and any training programs needed or in place; and
- Summarize attraction, retention, and compensation strategies.

## Financial

- Identify the financial requirements and projections to implement the plan;

- Outline business assumptions on which the financial plan is based, including quantities sold, price, cost of goods sold, operating expenses, salaries, interest rates, depreciation, income taxes, and regulatory costs,
- Provide past, present, and future (three- to five-year horizon) balance sheets, income statements, source and application of funds, and ratio analysis,
- Provide a cash-flow statement, a break-even analysis, and an expenditure plan, including start-up costs as appropriate;
- Provide a financing schedule, including source of capital (family or external), amount, timing, type, and terms;
- Provide an exit strategy for equity capital; and
- Provide a most likely scenario and a sensitivity analysis.

### **Environmental**

- Outline environmental concerns, how they will be addressed, and at what cost;
- Outline the environmental approvals that are required for the business, and when they will be obtained;
- Describe the strategies in place, such as insurance and disaster plans, to prevent environmental disaster; and
- Describe consultation and community support for business and business-site selection.

### **Risk Management**

- Identify the risks inherent in the business, and outline plans to manage these risks;
- Describe all risk factors (e.g., regulatory, legal, environmental, political), and how these risks will be mitigated;
- Prepare a risk assessment, including insurance considerations;
- Address production, marketing, export, vendor, legal, environmental, human-resource (death/disability), and financial risks, as well as the possible impact of government policy;
- Describe management's tolerance/aversion to risk; and
- Outline contingency and disaster plans, where needed.



## Appendix 2: Succession Planning Guidelines

A succession plan is a business continuity plan. It is essential to ensure the continuity of a farm business through to subsequent generations. The transfer of a farm business contains three elements, all of which are usually included in a farm business succession plan:

- Transfer of management and control;
- Transfer of assets and ownership; and
- Transfer of labour.

Listed below are the minimum details which must be included in a farm business succession plan:

### Cover/Summary Page

- Provide the business/client names (retirees, successors and non-farming members), addresses, and telephone and fax numbers; and
- Provide a list of key contacts, including the consultant who prepared the plan.

### Table of Contents

- List the major chapters of the plan for reader reference and convenience.

### Executive Summary

- Provide a summary that describes the overall plan and highlights the action points on which the family must act to implement the plan.

### Description of the Farm Business

- Provide an outline and description of the current farm business, including what is produced, where it is located, who is involved, and the type of business arrangements (e.g., partnership, corporation, joint venture).

### Description of Business, Personal Goals, and Expectations

- Provide an outline and description of the goals and expectation of both the “founders/retirees” and the “successors,” with specific reference to the farm business and to their own personal aspirations.

### Retirement Plan

- Provide an outline of what is going to happen in retirement, and how it will be financed (i.e., goals, expectations, and desired activities for retirees, including how the “founders/retirees” will or will not be involved in the farm business in the future);
- Provide the address where everyone is going to live;
- Include a financial plan outlining where money will come from and how it will be spent, both for annual living and relocation (if necessary); and
- Explain any retirement-income planning (e.g., RRSPs, RRIFs, CPP, OAS).

## **Training and Development Plan for Successor**

- Outline what skills are needed to successfully manage the farm, and how they will be obtained;
- Provide a skills profile for a fully qualified farm manager;
- Provide a skills profile for the successor;
- Identify skill gaps and an action plan on how they will be met (e.g., hiring to fill gaps, additional training), if both generations are staying involved, having them attend the same training courses could be beneficial; and
- Provide an outline of a performance review process and mechanism to provide the “successor” with feedback on progress.

## **Farm Business Plan**

- Provide an outline of how the farm business will meet the needs of both the successor(s) and retiree(s);
- Analyze the current farm business (if necessary); and
- Outline the plan for the future direction of the farm business (e.g., maintenance, contraction, expansion, diversification, value-added), and provide a description of how this will affect the business, along with projected financial statements.

## **Operating Plan**

- Provide an outline of how everyday activities will be managed;
- List roles, responsibilities, and authorities for managing the business on a daily basis;
- Explain if it will be a multi-generational farm with two or three generations co-operating, and/or how it will change over time; and
- Provide a description and plan regarding family business meetings to discuss such issues as the progress of the transfer process, and necessary changes (e.g., how they will function, who is responsible for what and where it will take place, the involvement of non-farming family members, what they will and will not have a voice in, and how they will be involved) whereby the end product will be a "user's" manual.

## **Management, Control, and Labour Transfer Plan**

- Provide an outline of how the transfer of labour and management will take place, including a timetable for transition to the successor(s).

## **Ownership Transfer Plan**

- Provide an outline of how the farm business is currently structured (referenced back to the description of the farm business) and how this will be changed during the transfer process;
- Explain how the transfer of ownership of the assets will be handled;
- Include an inventory and valuation of assets and liabilities;
- Identify what the business arrangement is going to be (e.g., sole proprietorship, corporation, partnership);
- Identify the transfer mechanism (e.g., purchase, gift, and rental);
- Include a prenuptial agreement (if necessary);
- Explain the tax implications and how to address them;
- Explain the financing required, and its sources;
- Explain the treatment of non-farming children;
- Outline the insurance requirements (e.g., death, disability);

- If required, provide a copy of the will to the consultant or an overall description of the intent to assist with ownership transfer plan; and
- Provide a description of any other legal agreements (e.g., employment contracts, partnership agreements, shareholder agreements, and buy-sell agreements).

### **Implementation Timetable**

- Provide a summary of the overall timetable for when key activities start and finish—include time frames that allow progress to be monitored, measured, and amended if necessary.

### **Communications Plan**

- Define the process by which the family communicates and makes decisions (i.e., regularly scheduled family meetings); and
- Determine how disputes and conflict will be managed and resolved (e.g., family voting, third-party mediation assistance).

### **Contingency Plan**

- Explain what will happen and who will ensure implementation in such situations as death, illness, divorce, disability, business downturn, or failure.

## Appendix 3: Agri-business Financial Assessment Guidelines

A Financial Assessment is an analysis of the financial position of an agri-business. The basis of an Assessment is your business's financial statements, primarily your balance sheet and income statement.

To be eligible for Sustainable CAP funding, the Assessment must be completed by a qualified accountant or consultant. The criteria for a qualified accountant or consultant are:

- be a member in good standing of a recognized professional organization or have related post-secondary education in financial analysis;
- have experience in preparing financial statements or financial statement analysis; and
- provide a minimum of two references from previous clients (names and telephone numbers) who can endorse past work of a similar nature.

Your accountant/consultant must provide the following indicators and must also provide an interpretation of each of these indicators to give you a better understanding of your financial performance.

### Profitability

Operating Profit Margin: 
$$\frac{\text{Net Farm Income} + \text{Interest Expense} - \text{Family Living and Income Taxes}}{\text{Gross revenues}}$$

Return on Assets (ROA): 
$$\frac{\text{Net Income} + \text{Interest Expense}}{\text{Total Assets}}$$

Return on Equity (ROE): 
$$\frac{\text{Net Income}}{\text{Total Equity}}$$

### Liquidity

Current Ratio: 
$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

### Solvency

Debt-to-Asset Ratio: 
$$\frac{\text{Total Liabilities}}{\text{Total Assets}}$$

### Financial Efficiency

Asset Turnover Ratio: 
$$\frac{\text{Gross Revenue}}{\text{Total Assets}}$$

Operating Expense Ratio: 
$$\frac{\text{Total Operating Expenses} - \text{Depreciation}}{\text{Gross Revenue}}$$

Amortization Expense Ratio: 
$$\frac{\text{Amortization Expense}}{\text{Gross Revenue}}$$

Interest Expense Ratio:  $\frac{\text{Total Farm Interest Expense}}{\text{Gross Revenue}}$

Net Farm Income Ratio:  $\frac{\text{Net Farm Income}}{\text{Gross Revenue}}$

### Debt Repayment Capacity

Current Ratio (as above):  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Working Capital: Current Assets – Current Liabilities

Debt Coverage Ratio:  $\frac{\text{Net Farm Income} + \text{Interest} + \text{Amortization} - \text{Living Expenses} - \text{Income Tax}}{\text{Debt Principal} + \text{Interest Payments}}$

Debt Repayment Capacity:  $\frac{\text{Net Farm Income} + \text{Interest} + \text{Amortization} - \text{Living Expenses} - \text{Cash used for Capital Replacement}}{\text{Debt Principal} + \text{Interest Payments}}$

Debt Repayment Margin:  $\frac{\text{Net Farm Income} + \text{Interest} + \text{Amortization} - \text{Living Expenses} - \text{Cash Used for Capital Replacement}}{\text{Debt Principal} + \text{Interest Payments}}$

### Cash Flow Analysis

A three-year historical cash flow analysis.

A two-year cash flow projection.

### Summary

A summary will include all the analysis and an interpretation of the financial position of your agribusiness.