
Ag Action Manitoba Program for Agri-Processors

One Program. Built With You in Mind.



A Program Guide to the Terms and Conditions

2018-2023

Version 1

Ag Action Manitoba

One Program. Built With You in Mind.

Effective April 1, 2018, the Canadian Agricultural Partnership will consolidate its Manitoba funding into one program - **Ag Action Manitoba** - a five-year, \$176 million, all-encompassing program offered to farmers, agri-processors, industry organizations, researchers and industry service providers.

Ag Action Manitoba supports a wide variety of activities and strategic investments. This guide focuses on program activities directed towards **agri-processors**.

Agri-processors can apply for funding aimed at:

- new product development
- domestic and international market research
- value-added processing productivity improvements
- skill development associated with new production processes
- risk mitigation strategies
- innovative technologies
- maintaining public trust
- basic and applied research

Ag Action Manitoba is administered by Manitoba Agriculture. Manitoba Agriculture staff are available to advise, support and work with applicants to help them reach their goals and to help the agricultural sector become more profitable, competitive and innovative.

Canadian Agricultural Partnership

The Canadian Agricultural Partnership (Partnership) is a \$3 billion, five-year investment by federal, provincial and territorial governments to help Canada's agriculture and agri-food sectors innovate, grow and prosper.

This investment is cost shared, with 60 per cent of funding provided by the federal government and 40 per cent by the provinces and territories. The provinces and territories deliver the partnership's programs to ensure they meet regional needs.

About This Guide

This guide provides applicants with further details related to Ag Action Manitoba's cost-share funding assistance.

Manitoba Agriculture will update the guide regularly, and it is subject to change without notice. New opportunities may be made available during the term of the Ag Action Manitoba program.

For more information, contact Manitoba Agriculture at:

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- **agaction@gov.mb.ca**
- **manitoba.ca/agriculture**

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SECTION 1

Program Description

The Ag Action Manitoba program provides financial assistance to agri-processors engaged in:

- pre-commercialization, commercialization and expansion activities that move innovation to market
- adoption of targeted assurance systems and practices that reduce risk factors related to food safety, traceability, animal welfare and biosecurity
- investment in capital equipment that will expand and enhance the competitiveness and sustainability of Manitoba's agriculture, agri-food and agri-product industry

It offers an intensified focus on:

- new product development
- domestic and international market research
- value-added processing productivity improvements
- skill development associated with new production processes
- risk mitigation strategies
- innovative technologies
- maintaining public trust
- basic and applied research

SECTION 2

Program Eligibility

Ag Action Manitoba supports a wide variety of activities and strategic investments. This guide focuses on program activities directed towards agri-processors. Each activity contains details about the types of clients that can apply to program activities.

Eligible agri-processors include:

- agri-food processors
- agri-product processors
- abattoirs

Agri-processors:

- should be involved in the transformation of agri-products into end products. This includes value-added activities that result in products for direct sales to consumers, or as ingredients for additional value added processing, or for cleaning or packaging of agri-products into market ready materials or goods

- that do not have a permit to operate a food handling establishment, may still apply for assurance funding, however, a permit must be obtained before submission of the claim form
- can be from inside or outside of Manitoba, as long as the activities related to the application occur in Manitoba or have a positive outcome for Manitoba
- provide a copy of the balance sheet and income statement from the previous year, as requirements of the Market Development and Capital Asset Equipment activities
- that are abattoirs are required to have a **Manitoba Premises Identification Number**
- must ensure that they meet all eligibility requirements, as detailed for each activity

An organization with multiple divisions, operating names or units, will count as one organization.

Federal government employees are ineligible to apply for funding.

Government employees, who are the majority shareholder in a business or operation are not eligible to apply for funding. A business or operation, which includes a provincial government employee as a minority shareholder, will be eligible to apply for funding.

Additional factors may be considered in determining the eligibility of the applicant, including:

- the provision of false or misleading information by the applicant under other Canadian Agricultural Partnership (Partnership) programs
- amounts due and owing by the applicant under other Partnership and Manitoba programs

Be sure to refer each Ag Action Manitoba program activity for specific eligibility requirements.

SECTION 3

Program Activities

Eligible agri-processors can apply to four activities under the Ag Action Manitoba program:

- **Assurance**
- **Capital Assets and Equipment**

- **Market Development**
- **Research and Innovation**

See sections 5 through 8 for more details of each activity.

SECTION 4

Cost-Share Funding

Activities are cost shared between government (the program) and the applicant. Cost share ratios and funding caps vary for each activity and focus area.

Applicants may be able to include in-kind contributions as part of their cost share for Research and Innovation. See Section 8 of this guide.

Eligible costs

Eligible costs are expenses directly related to the execution of an approved project and incurred and paid by the applicant, after the project has been approved in writing through a funding decision letter for each application.

The applicant must provide detailed costs for each activity and focus area as part of the application.

The applicant is solely responsible for all costs and expenses of the project, including all ineligible costs and any project deficits or cost over-runs.

Provincial Sales Tax (PST) and the **non-recoverable** portion of the Goods and Services Tax (GST) are eligible costs.

Other funding from government

When including funds from other government sources to meet the applicant's share, a stacking limit will apply and must be adhered to.

A stacking limit refers to the maximum level of total Canadian government funding (federal, provincial/territorial and municipal) that a successful applicant can receive towards the total eligible costs of a project.

The maximum level of total government funding must not exceed:

- 75 per cent of total approved project costs for non-profit organizations
- 50 per cent of total approved project costs for all other applicants

Ineligible costs

The **recoverable** Goods and Services Tax is an ineligible cost.

Any expenses incurred before the project's approval is received in writing, are ineligible, unless and except where otherwise expressly authorized in writing by the program administrator.

Even where a project is approved, no eligible expenses will be reimbursed unless a funding decision letter or contribution agreement is signed.

Refer to each activity for a complete list of eligible and ineligible costs under Ag Action Manitoba.

SECTION 5

Assurance

Safe food production is increasingly becoming a customer and regulatory requirement. Companies of all sizes continue to adopt food safety practices that meet these expectations and demonstrate their commitment to safe food production.

Ag Action Manitoba will support the adoption of risk mitigation strategies, best practices and assurance systems that improve food safety, traceability, animal welfare and biosecurity practices. As a result, the Assurance activity consists of four specific focus areas:

- **food safety**
- **traceability**
- **animal welfare**
- **biosecurity**

Funding assistance may be provided to the food processing industry to reduce risks related to food safety and biosecurity, and to enhance animal welfare, traceability, and public trust.

Food Safety and Traceability

Food safety systems reduce or prevent risks by eliminating potential hazards. Ag Action Manitoba supports the development of food safety plans, programs and training, as well as the purchase of identified food safety equipment and instruments, both for detection and testing.

Effective **traceability systems** allow the processor to follow ingredients and products through all stages of production and their movement through locations.

The Assurance activity supports the following items under Ag Action Manitoba:

- **Food safety: Foreign Material Detection Equipment**
- **Food safety: Program Development and Implementation**
- **Food Safety: Training**
- **Food Safety: Calibration and Monitoring Equipment**
- **Food Safety: Testing Equipment**
- **Traceability**
- **Additional Traceability items for Abattoirs**

Cost share ratio and funding caps

Overall, there is a 50:50 cost share and a funding cap of \$25,000 for food safety and traceability. Consultant fees are capped at \$15,000.

There is a \$25,000 funding cap for food safety and traceability to **agri-food processors and abattoirs** over the duration of the Ag Action Manitoba program. Multiple items may be selected.

Eligible costs

The following costs are **eligible** for funding:

Food Safety: Foreign Material Detection Equipment

- metal detector
- sieve/sifter
- magnet
- x-ray detector

Food Safety: Program Development and Implementation

- consultant fees
- first food safety audit
- validation studies (lab testing)
- computer software for food safety program development
- pre-assessment fees
- gap analysis fees

Food Safety: Training

- registration fees

Food Safety: Calibration and Monitoring Equipment

- certified weights
- certified reference thermometer
- magnet pull test kit

Food Safety: Testing Equipment

- pH meter
- water activity meter
- thermometers
- ATP testing equipment
- allergen testing equipment
- food safety ingredient scale
- moisture meter
- data loggers

Traceability

- traceability software
- installation costs
- specific hardware (must be pre-approved)

Traceability items for Abattoirs

- livestock tag readers (hand held and panel)
- reader installation
- related traceability software
- related equipment training
- livestock identification applicator

Ineligible costs

The following costs are **ineligible** for funding:

- in-kind contributions
- support for normal expansion
- normal, current or ongoing operation and maintenance costs
- direct incentive funding for adoption of a **Manitoba Premises Identification Number** to report animal movements
- emergency response recovery costs
- implementation of training and general workplace safety beneficial practices
- travel related expenses, such as accommodations, airfare, mileage and meals
- disposable and consumable items
- firearms
- ammunitions
- knives
- computers
- ear tags
- load bars
- mobile phones
- equipment repair
- any other expenses that at the discretion of the program administrator are deemed to be ineligible

Animal Welfare

Ethically sound treatment of animals is a priority of consumers and society as a whole. It is also a good business practice and an essential part of food processing.

Abattoirs could be eligible for funding that will support the adoption of monitoring, training, equipment and facility upgrades that support improved animal care.

Cost share ratio and funding caps

There is a cost share of 50:50 and a funding cap of \$10,000 for both the Animal Welfare and Biosecurity focus areas combined.

Eligible costs

The following costs are **eligible** for funding:

- humane stunning and euthanasia equipment
- purchase and installation of watering system in holding facilities
- non-slip flooring or surfaces in animal handling areas
- purchase and installation of heating, cooling, or ventilation systems in holding facilities
- improvements to animal handling systems to facilitate low-stress handling
- video cameras for monitoring animal welfare
- staff training (e.g., humane euthanasia, low-stress handling and humane stunning)

Ineligible costs

The following costs are **ineligible** for funding:

- in-kind contributions
- support for normal expansion
- normal, current or ongoing operation and maintenance costs
- direct incentive funding for adoption of a **Manitoba Premises Identification Number** to report animal movements
- emergency response recovery costs
- implementation of training and general workplace safety beneficial practices
- travel related expenses such as accommodations, airfare, mileage and meals
- disposable and consumable items
- firearms
- ammunitions
- knives
- computers
- ear tags
- load bars
- mobile phones
- equipment repair
- any other expenses that at the discretion of the program administrator are deemed to be ineligible

Biosecurity

This focus area supports abattoirs to adopt or improve biosecurity practices and install equipment to reduce the movement of disease-causing agents, including environmental contamination.

Cost share ratio and funding caps

There is a cost share of 50:50 and a funding cap of \$10,000 for both the Biosecurity and Animal Welfare focus areas combined.

Eligible costs

The following costs are **eligible** for funding:

- hand and boot wash stations
- signage
- sanitation equipment
- facility upgrades to improve sanitation practices - this requires preapproval
- biosecurity assessment (third party)
- staff training

Ineligible costs

The following costs are **ineligible** for funding:

- in-kind contributions
- support for normal expansion
- normal, current or ongoing operation and/or maintenance costs

- direct incentive funding for adoption of a **Manitoba Premises Identification Number** to report animal movements
- emergency response recovery costs
- implementation of training and general workplace safety beneficial practices
- travel related expenses, such as accommodations, airfare, mileage and meals
- disposable and consumable items
- firearms
- ammunitions
- knives
- computers
- ear tags
- load bars
- mobile phones
- equipment repair
- any other expenses that at the discretion of the program administrator are deemed to be ineligible

Application Assessment

Applications under the Assurance activity for food safety, traceability, animal welfare and biosecurity will be reviewed and assessed on a first come, first served basis, until funds are fully allocated.

SECTION 6

Market Development

Market development will create opportunities for agri-food and agri-product processors to increase innovation and business capacity to maintain existing markets and capture emerging market opportunities in the sector, expanding their market presence locally, nationally or internationally.

Ag Action Manitoba will support small, medium and large-scale agri-processors in the following seven focus areas:

- **Market research:** supports increasing marketplace knowledge and identifies the potential for successful entry into new markets.
- **Market access training:** addresses barriers such as language, translation needs or the development of marketing content tailored to an individual market place.
- **Tradeshow:** provides processors an opportunity to meet new customers and make sales.
- **Product development:** capturing unique opportunities to expand markets by adapting an existing product to suit the needs of a new market.
- **Scale up production:** increase the production of an existing or new product and meet the demands of the current and expanding market.
- **Labelling and packaging:** supports applicants in adapting existing packaging or product labels to appeal to a new market.
- **Sensory and shelf life studies:** supports identifying product adaptability and functionality in meeting the needs of a new market.

Cost share ratio and funding caps

There is a cost share ratio of 50:50 and an annual \$20,000 funding cap for this activity.

The minimum project size that will be accepted for Market Development activities is \$3,000, which may be eligible for funding of up to \$1,500.

Eligible costs

The following costs are **eligible** for funding:

Market research

- eligible professional fees for consultants, agencies or firms for:
 - research and development of market intelligence reports
 - long term strategic marketing and export planning

Market access training

- registration cost of relevant training event
- purchase of educational materials which are in direct association with a training event
- extension of website capacity for the purpose of accessing new markets, such as language translation, or the addition of content applicable to a new market

Tradeshow

- participation at a trade show or trade/buyer mission outside Manitoba
- exploratory visit to a Manitoba-sponsored trade show that is new to a client

Product development

- professional fee for consultants, agencies or firms for studies related to product development as well as the implementation of such a study
- implementation of accreditation other than food safety or assurance

Scale-up production

- professional fees for consultants, agencies or firms for studies related to scale-up and one time test run of scale-up plan

Labelling and packaging

- professional fees for consultants, agencies or firms for services related to package or label design and nutritional analysis

Sensory and shelf life studies

- professional fees for consultants, agencies or firms for studies related to sensory and shelf-life studies for existing products to access new markets

Ineligible costs

The following costs are **ineligible** for funding:

- regular and ongoing technical and consulting services availed by the organization
- existing salaries related to the overall functions of the organization
- difference between the hotel charge and the standard hotel rate, as per administrative guidelines
- alcoholic beverages
- travel expenses incurred by service providers related to primary research, market intelligence reports and export training
- regular web maintenance fees
- electronic devices that can be used for multiple purposes (e.g., digital cameras and smart phones)
- purchase of capital equipment associated with attending or participating in a trade show
- recoverable portion of the Goods and Services Tax
- ingredients, semi-finished, or finished product provided by the client for product development, scale-up production, or sensory and shelf life studies
- salaries or wages for labourers provided by applicant towards a one time test run of a scale-up plan

Application Assessment

Applications will be assessed according to the following criteria:

- project deliverables and outcomes
- alignment with Manitoba government objectives, such as:
 - the creation of new jobs or increased payroll value
 - an incremental increase in processing value and volume
 - an increased use of Manitoba agri-inputs
 - production that displaces goods imported from outside Canada
 - increased exports outside Manitoba
 - increased value or volume of production of animal proteins, plant-based proteins or dairy
- production capacity
- market plan

SECTION 7

Capital Assets and Equipment

This Ag Action Manitoba program activity will assist with capital investment for modernization activities that enhance efficiency, productivity and environmental sustainability. This can include equipment purchases that support the transformation of raw inputs into value-added goods that bring new technologies or products into the production process; capture value from waste products; and address the treatment and purification of wastewater.

Capital funding is available to agri-processors based on two separate funding levels:

- **Investment under \$1 million:** supports the growth and expansion of small to medium-sized enterprises. These projects create opportunity for scaling up production and improving productivity in the sector, through the introduction of new and innovative technology, or through the addition of equipment incremental to current operations that is similar to that which is already being used, or by increasing workforce development capacity in the sector through skill development and training.
- **Investment over \$1 million:** supports major expansion projects, addressing environmental sustainability initiatives, such as wastewater treatment and meeting regulations and legislative requirements for operation in Manitoba. These projects will create increased employment opportunities in the province, both during the construction and implementation phase, as well as long-term employment.

Cost share ratios and funding caps

Capital asset and equipment investment under \$1 million: a cost share ratio of 25:75, with a funding cap of \$50,000 per project.

Capital asset and equipment investments over \$1 million: a cost share ratio of 25:75 on the first \$100,000, then on a 10:90 cost share per dollar thereafter, to a maximum contribution of \$2.5 million.

Minimum project size that will be accepted for Capital Asset and Equipment activities is \$10,000, which would be eligible for a grant up to \$2,500.

Eligible costs

The following costs are **eligible** for funding:

- equipment that supports the transformation of raw inputs by physical or chemical means into a higher value food, beverage or agri-product
- equipment used for preparing, producing or packaging a product, or for package forming, fractionating or decorticating
- equipment that contributes to the commercialization and adoption of new products, technologies, practices or processes
- equipment that contributes to the creation of new value from waste products, by-products, or co-products
- ancillary components of eligible equipment (necessary software, transportation, physical installation, professional installation, and training directly related to operating new equipment)
- company-scale wastewater treatment equipment or systems

Ineligible costs

The following costs are **ineligible** for funding:

- in-kind contributions
- upgrades to existing plumbing or electrical systems
- training that is not directly related to the acquisition of new equipment or technologies
- equipment that is leased or rented, where ownership is not immediately transferred to the applicant
- facility construction and upgrades

Application Assessment

Applications will be assessed according to the following criteria:

- project description
- project deliverables and outcomes
- alignment with Manitoba government objectives, such as:
 - the creation of new jobs or increased payroll value
 - incremental increases in processing value and volume
 - increased use of Manitoba agri-inputs
 - will lead to production that displaces goods imported from outside Canada
- will lead to increased exports outside Manitoba
- increased value or volume of production of animal proteins, plant-based proteins or dairy
- support compliance with provincial and municipal wastewater regulations
- lead to the creation of value from waste products, bi-products or co-products
- capital and financial capacity
- management capacity
- production capacity
- market plan

SECTION 8

Research and Innovation

The objective of this activity is to advance the growth and sustainability of the agriculture industry by fast tracking the pace of innovation through industry-led discovery and applied research, development and knowledge transfer projects.

This can include the development of new technologies and practices, new products, and the advancement of knowledge and understanding of things like risk, market intelligence, industry benchmarking, economic impact and consumer behaviour.

Financial assistance is available across two funding streams:

- **basic and applied research and development**
- **investment related to capacity building**

Within each of the two streams, proposed projects must focus on one or more of the following focus areas:

- **grain innovation:** innovation in Manitoba's grain sector (cereals, oilseeds, pulses and special crops), including:
 - crop breeding, production and handling technologies and practices to increase productivity and reduce production risk
 - grain utilization innovations that increase the value and expand demand for Manitoba grain
- **livestock production:** improved productivity, containment and solutions to emerging threats and new and improved product attributes in livestock industries

- **agri-resource management:** climate change resilience through investments in new technologies and practices
- **processing and value added:** primary research projects that contribute to the advancement of the food and agri-product processing sector through the development of new products, co-stream utilization and improved productivity
- **economic and market analysis:** research that mitigates risk for the agriculture, agri-food and agri-product sector and aids in market development by advancing knowledge in risk mitigation, market intelligence, industry benchmarking, economic impact, labour markets and consumer behaviour
- **other:** research and development projects that enhance the growth, competitiveness and sustainability of the agriculture sector

Cost share ratio and funding caps

There is a cost share ratio of 50:50 and there is no funding cap for this activity.

Modifications to the cost share formula and the applicant's required contribution towards approved costs may occur.

Applications that align with program criteria, that do not have a check-off or cannot meet the matching funding requirement, may contact the program administrator to discuss alternative funding options.

In-kind contributions

In-kind contributions are non-monetary goods and services considered as part of the total project valuation. In-kind contributions are not reimbursable by the program, but may be considered by the program administrator as part of the applicant contribution requirement to Research and Innovation. Applicants will be required to maintain documentation that verifies financial expenses for all in-kind contributions.

They are subject to the following conditions:

- In-kind contributions are subject to the same financial review procedures as other eligible expenses and must be adequately documented.
 - The program administrator reserves the right to reduce or reject any in-kind contribution, if not satisfied that the contribution is reasonable and properly verified.
- The applicant's contribution towards approved costs may be in the form of cash, in-kind contribution or a combination of both.
- The total value of in-kind contributions must not exceed 50 per cent of the applicant's contribution.
 - Hours of labour invested by the applicant, co-applicants and research teams may be claimed as in-kind.
 - Lead researcher labour hours will be deemed an ineligible expense and are not eligible as an in-kind contribution.
- The maximum allowable labour rate is \$25 per hour. The program administrator will determine a rate for the number of hours claimed, based on the best management practices being used and the nature of the work performed.
 - The maximum allowable in-kind heavy field equipment (e.g., tractors, combines, sprayers, seeders and excavators) rate will be determined by the **Farm Machinery Custom and Rental Rate Guide**.
 - In-kind operator charges may be claimed as in-kind labour, along with the in-kind equipment rate.
 - The maximum allowable in-kind lab equipment rate will be determined on a case-by-case basis by the program administrator, based on the justification supplied by the applicant.
 - Equipment must be owned by the applicant, and must be required for the successful completion of the project. The program administrator will make a final determination on what a reasonable rate is for the number of hours claimed, based on the type of equipment used.
 - Inventory items are considered eligible expenses, and cannot be claimed as an in-kind contribution.
 - The program administrator reserves the right to reduce or reject any in-kind contribution, if not satisfied that the contribution is reasonable and properly verified. See the reimbursement requirements in the table below.

TYPE OF IN-KIND CONTRIBUTION	DEFINITION	REQUIRED DOCUMENTS FOR REIMBURSEMENT
Salaries, wages and benefits	<p>This may include the actual salary expense for employing highly qualified personnel to contribute directly to the project, and a portion of the salary of a project manager or support staff person assigned to fulfill duties specifically related to the project.</p> <p>Wages and benefits associated with the lead researcher (applicant) will be considered ineligible.</p>	<ul style="list-style-type: none"> • signed timesheets with supervisory approval • payroll register • personnel file with salary and wage information • employment contract • cancelled cheques and direct deposit schedule
Use of land, equipment and facilities	<p>This includes land, equipment and facilities (including meeting room and other spaces), for which a fee is usually charged.</p> <p>Equipment related to normal manufacturing processes and the opportunity cost associated with that equipment, will be considered not eligible as in-kind contribution.</p> <p>Land, equipment and facilities must be owned by a direct partner.</p>	<ul style="list-style-type: none"> • estimate of the fair market value for use of the land, equipment or facility

Eligible costs

The following costs are **eligible** for funding:

- salaries, wages and benefits
- subcontracted services
- professional fees
- overhead costs up to eight per cent of total eligible costs
- capital assets and equipment*
- communications and promotions
- facility and equipment rental

- materials and supplies
- seminar, conferences and workshop registration fees
- travel expenses
- in-kind contributions will be subject to the same financial review procedures as costs, and must be adequately documented
- eligible in-kind contributions must be reasonably contributed by the applicant

* For basic and applied research and development, capital purchases are ineligible, but the incremental laboratory equipment costs of owned equipment will be considered.

See Appendix B for types of eligible costs.

Ineligible costs

The following costs are **ineligible** for funding:

- lead researcher salaries, wages and benefits
- any expenses incurred and paid after the project completion date
- any expenses not set out as an eligible cost and expenditure
- any expenses not specifically required for the execution of the project
- normal operating expenses associated with carrying out business operations
- extended warranties
- spare parts not used as part of the project
- expenses associated with lobbying
- any cost, including a tax, which is eligible for a rebate, credit or refund (e.g., the recoverable portion of the Goods and Services Tax)
- financing charges, loan interest payments, bank fees and charges
- any expenses incurred for the adoption of the **Manitoba Premises Identification Number**
- any compensation to any government employee for organizing or delivering parts of the project
- purchase of land, buildings and facilities, and associated taxes and fees (e.g., land transfer tax)
- any additions to new or existing buildings and facilities, and associated taxes and fees (e.g., land transfer tax)
- purchase of typical farm equipment (e.g., tractors, skid steers, combines) and related accessories and attachments
- normal, current or ongoing maintenance expenses
- cost of establishing a commercial operation
- cost of office space, office rental and office renovations
- cost of sponsorship of conferences and learning events or initiatives
- multi-use items (e.g., items that are not directly related to the project activities, such as computers, printers and pressure washers)
- any project-related activity that generates profit
- expenses incurred for other Canadian Agricultural Partnership projects
- expenses related to Manitoba government promotional campaigns and branding
- any other expenses deemed ineligible by the program administrator

Application Assessment

Applications will be reviewed and assessed by the Manitoba Agriculture Research and Innovation Committee (MARIC), according to the following criteria (as applicable):

- scientific merit and originality
- research approach and methodology
- communication plan and knowledge transfer
- potential impact of project on sector
- capability on research team
- financial and delivery risk

Preference will be given to applications for basic and applied research.

Following its review and assessment, MARIC will make funding recommendations to the minister. The minister has absolute discretion to decline MARIC's recommendations and approve different projects for program funding.

The minister has absolute discretion to determine the manner in which program funding will be distributed, where the total dollars requested during a single application deadline exceed available funds.

SECTION 9

How to Apply for Funding

For Assurance, Market Development, Capital Assets and Equipment

Applications are available on the Manitoba Agriculture website by downloading the fillable PDF application. Go to www.manitoba.ca/agriculture and click on Canadian Agricultural Partnership, Ag Action Manitoba for Agri-processors.

Manitoba Agriculture will publish deadline dates through our **newsletter**, website and social media channels.

Applications must be submitted to the program administrator no later than the application deadline.

Applications and required documentation can be submitted to your local Manitoba Agriculture office or emailed to Manitoba Agriculture.

For Research and Innovation

The Research and Innovation activity will require applicants to submit a **letter of intent** (LOI) when there is a call for applications to Manitoba Agriculture for review.

Once the document has been assessed for technical merit and program requirements, eligible applicants will be invited to submit a full application.

Manitoba Agriculture will advise the industry on calls for LOI through our newsletter, website and social media channels, and through limited advertising.

The LOI must be submitted to the program administrator no later than the deadline and can be emailed to Manitoba Agriculture.

Co-applicant information will be required for all projects where more than one individuals or businesses are partnering to submit a joint application. If the applicant is a researcher, the co-applicant must be either:

- a farmer
- an agri-processor
- an industry organization
- a non-research industry service provider

The value of the financial contribution by the co-applicant must be provided. The applicant must include a letter of support from every co-applicant with its application.

The applicant must include a letter of confirmation for each funding source, indicating the value of the financial contribution, in-kind contribution and any donated equipment. The letter must be from the person who is supplying the funding and not from the applicant.

The applicant must provide a communications plan that addresses knowledge transfer (meaning the transfer of expertise, learning and skills between parties) at the time of application. The contribution agreement will specify communication activities that are approved to proceed and also, the applicant's obligations with respect to those communication activities.

General

One application must be submitted for each activity.

Applicants must acknowledge and agree to any terms and conditions contained in the application.

No person, other than the applicant, may sign the program application or other program documents.

Applicants must comply with all Manitoba and federal government laws and regulations applicable to their project and to their business or organization's operations. Applicants must also accept and agree to all of the terms and conditions of the program.

In the case of corporations, partnerships and other business organizations, a designated person with legal authorization must sign the application and other program documents. The program administrator may require proof of authorization.

The project duration may be single or multi-year. However, if project activities will not be completed on or before December 31, 2022, no payment will be issued.

Each program activity must be completed within the following timelines:

ACTIVITY	FOCUS AREA	PROJECT DURATION
Assurance	Food Safety-Program Development and Implementation	Up to 18 months
Assurance	All other focus areas	Up to 12 months
Capital Assets and Equipment	Investment under \$1 million	Up to 12 months
Capital Assets and Equipment	Investment over \$1 million	Up to 24 months
Market Development		Up to 12 months

Funding for multi-year projects will be subject to the appropriation of funds by the Government of Canada and the Manitoba government.

Funding amounts received from all sources must be declared on the application. Failure to disclose all financial sources for a project may nullify the application.

SECTION 10

Funding Decisions

The applicant will receive a funding decision letter from the program administrator. The funding decision letter may state that only part of the applicant’s proposed project or activity is approved for program funding, or that only specific eligible costs are approved for program funding.

Successful applicants may be required to further enter into a contribution agreement with the Manitoba government, as deemed appropriate by the program administrator.

NOTE: You must receive a funding decision letter or a contribution agreement before you start any work on your project. Applications for projects that were started before you received notification will not be accepted. Only costs paid out after the date on the funding decision letter will be reimbursed.

SECTION 11

Appeals

The minister may establish an appeal body and a program appeal process.

SECTION 12

Payments

Payments are issued in accordance with the funding decision letter or the terms of the contribution agreement.

When your project is complete, submit a final report, including itemized receipts or other acceptable proof of payments to:

Manitoba Agriculture
Ag Action Manitoba Program Administrator
810 Phillips Street, Portage la Prairie MB R1N 3JN

If the funds for any particular reporting period are not spent, the program administrator will adjust future payments, based on unexpended funds. This will not include the Training activity.

The applicant must incur all expenses associated with the project. The applicant will receive funding for approved and paid eligible project costs, provided the applicant is in compliance with program requirements.

The calculation of eligible costs will be based on the actual out-of-pocket cost to the applicant, less any rebates, discounts, incentives and credits, whether provided at the time of purchase or a later date.

Any payment to be made under this program is subject:

- to an appropriation of funds by the Parliament of Canada and Legislature of Manitoba in the fiscal year in which the payment is due

- to cancelled or reduced payments if departmental funding levels are changed by the Parliament of Canada or the Legislature of Manitoba

The program administrator does not assume any responsibility for the tax implications of financial support under the program. Any payments made under this program may have income tax implications for the applicant. The applicant is advised to consult their tax advisor as to the income tax consequences of participation in this program.

The contribution agreement will detail program funding requirements, including the payment process, the budget, performance and financial reporting requirements.

For Research and Innovation

For single-year projects, upon contract signing, the program may advance up to 33 per cent of the project's funding. The program will pay the remainder upon receipt of acceptable financial and progress reports.

For multi-year projects, upon the signing of a contribution agreement, the program administrator may advance up to 50 per cent of the project's funding in each year, based on a schedule included in the contribution agreement.

SECTION 13

Overpayments

The program administrator shall be entitled to demand immediate repayment from the applicant of the amount of any overpayment, and the applicant shall pay the amount demanded within 30 days of such demand. Any overpayment that is not paid in full, when due, shall be deemed to be a debt due and owing by the applicant to the Manitoba government.

The term overpayment means any one or more of the following:

- any amount of program funding provided to the applicant that exceeds the amount the applicant was entitled to receive
- any program funds used or applied for by the applicant on account of costs or expenses that are not eligible costs under the program
- any program funds advanced to the applicant that are not actually expended on account of eligible costs within the fiscal year for which such program funds were appropriated
- any program funds received contrary to these program terms and conditions, or that are otherwise returnable or repayable to the Manitoba government under these program terms and conditions, or the terms of a contribution agreement

SECTION 14

Reporting and Project Communication

Any communication plans, products and activities developed by the applicant for the program must be submitted for approval by the program administrator.

Communications products and activities may include news releases, pamphlets, papers, posters, bulletins, newsletters and social media.

The program administrator will ensure that the Canadian Agricultural Partnership graphic standard is applied, and that Manitoba and Canada are identified equally.

The contribution agreement will detail the applicant's obligations with respect to communications, publications, advertising and news releases that refer to the project.

The Government of Canada and the Manitoba government may make public announcements or otherwise publicly release the applicant's name, the amount of funding received under the program, and the general nature of the project or activity.

SECTION 15

Collection, Use and Disclosure of Personal Information and Protection of Privacy

The applicant's personal information is being collected under the authority of section 36(1) (b) of The Freedom of Information and Protection of Privacy Act (FIPPA), as it is directly related to and necessary for the purpose of determining eligibility for the program.

The applicant's information will be disclosed to Agriculture and Agri-Food Canada (AAFC), and the program administrator for program administration.

The applicant's personal information is protected under the privacy provisions of FIPPA. If you have questions concerning the collection, use or disclosure of applicant information, please contact Manitoba Agriculture at 204-945-3439.

The collection of personal information is limited to only as much personal information as is reasonably necessary to accomplish the purpose for which it is collected. Only those employees and agents who need to know the information to carry out the purpose for which it was collected, can use personal information.

The applicant's personal information will be used to verify eligibility for Canadian Agricultural Partnership programs, to contact you for further information or clarification, or to communicate any future programs that may be of interest.

By submitting an application under the program, the applicant has consented:

- to supply any other relevant and required documentation to confirm eligibility
- to disclose information to the Manitoba Agriculture Research and Innovation Committee (MARIC) for review and assessment under the Research and Innovation program activity
- to participate in any surveys, focus groups, interviews or other methods of program evaluation
- to on-site requests to verify program eligibility and monitor the applicant's progress under the program
- to the public release by the Government of Canada or the Manitoba government of the applicant's name, the amount of funding received under the program, and the general nature of the project or activity that is receiving funding
- to authorize indirect collection of personal information from someone other than the applicant to verify program eligibility, or for verification or audit purposes
- to the applicant's information being used and disclosed for the purpose of analyzing program effectiveness

SECTION 16

False or Misleading Information

An applicant who provides false or misleading information under the program:

- foregoes all rights to program payments and any other benefits under the program for which they would be otherwise eligible
- is liable to repay all program payments received
- may be subject to prosecution

The provision of false or misleading information under the program may be taken into account in determining eligibility for other Canadian Agricultural Partnership programs.

SECTION 17

Right of Set-off

In addition to any rights of set-off the Manitoba government may have at law, the minister may set-off any amount payable to the applicant under the program against:

- any amount due and owing by the applicant under the program
- any amount due and owing by the applicant under any other Canadian Agricultural Partnership program

- any other amount due and owing by the applicant to the Government of Canada, the Manitoba government or a government agency

Amounts due and owing by the applicant under the program, may be taken into account in determining eligibility under other Canadian Agricultural Partnership programs.

SECTION 18

Ownership of Intellectual Property

Ownership of intellectual property created by the applicant under the program shall vest in the applicant.

The contribution agreement may include additional terms regarding intellectual property.

SECTION 19

Changes to the Program Terms and Conditions

The minister may revise, alter or amend these program terms and conditions at any time by posting the revised program terms and conditions on the Manitoba Agriculture website. The applicant is responsible to monitor the Manitoba Agriculture website for any such revisions, alterations or amendments.

Applications shall be administered and governed by the program terms and conditions posted on the Manitoba Agriculture website on the date the application is received.

SECTION 20

No Liability of Governments, Indemnification by Applicant

The Government of Canada, the Manitoba government, and their respective ministers, officers, employees and agents shall not be liable for any injury to or loss or damage suffered by the applicant, the directors, officers, employees or agents of the applicant, or any other party, including, without limitation, any injury to persons (including death), damage to or loss or destruction of property, economic loss, consequential damages or infringement of rights caused by or related, either directly or indirectly, to the activities of the applicant under the program or the applicant's participation in the program.

The applicant shall, at all times during and following the applicant's participation in the program, be solely responsible for, and shall save harmless and indemnify the Government of Canada, the Manitoba government, and their respective ministers, officers, employees and agents from and against all claims, liabilities and demands with respect to any injury to persons (including, without limitation, death), damage to or loss or destruction of property, economic loss, consequential damages or infringement of rights caused by, or related, either directly or indirectly, to the activities of the applicant under the program or the applicant's participation in the program.

SECTION 21

Liability Insurance

Applicants are encouraged to discuss insurance requirements that relate to their participation in this program, with a licensed insurance broker.

SECTION 22

Conflict of Interest

No member of the House of Commons or of the Senate shall be allowed to derive any financial advantage under the program that would not be permitted under the Parliament of Canada Act.

No current or former federal public office holder or federal public servant 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 derive any advantage or benefit from the program, unless the provision or receipt of such advantage or benefit is in compliance with such legislation, codes and policies.

No civil service employee shall be allowed to derive any financial advantage or benefit under the program, unless the provision or receipt of such advantage or benefit is in compliance with these program terms and conditions and all applicable conflict of interest policies.

No current or former member of the Legislative Assembly of Manitoba, current or former member of the Executive Council, or current or former senior public servant to whom The Legislative Assembly and Executive Council Conflict of Interest Act applies, shall derive any advantage or benefit from the program, unless the provision or receipt of such advantage or benefit is in compliance with such legislation.

SECTION 23

Representations, Warranties, Obligations, Joint and Several Liability

The applicant's participation in the program does not create a partnership, agency, joint venture or similar relationship between the governments of Canada or Manitoba and the applicant, and the applicant will not represent itself as such, including in any agreement with a third party.

The individual(s) signing the application must indicate his/her/their official position with the applicant, or their relationship to the applicant. By signing and submitting an application, the individual(s) signing the application represent and warrant that:

- The execution and delivery of the application and such other agreements and documents required in connection with the applicant's participation in the program, are within the proper powers and capacities of the applicant. Also, they have been duly and validly authorized by the applicant, and constitute binding legal obligations of the applicant.
- The applicant has granted them all necessary authority to commit the applicant to the obligations and undertakings in the application, as well as such other agreements and documents that are required in connection with the applicant's participation in the program.

The applicant is solely responsible to ensure that:

- the applicant's activities under the program are completed and performed in compliance with all applicable laws
- the applicant obtains all required environmental and other approvals, licences and permits (whether federal, provincial or municipal), with respect to the applicant's activities under the program

If the applicant is an unincorporated business or a partnership, all owners of the business and all partners of the partnership, as the case may be, will be jointly and severally liable for all the undertakings and obligations of the applicant, under the application and all other agreements and documents related to the program. If the applicant consists of more than one person, each person will be jointly and severally liable for all the undertakings and obligations of the applicant, under the application and all other agreements and documents related to the program.

SECTION 24

Ministerial Discretion

Notwithstanding these program terms and conditions, the minister has the absolute discretion to determine any matter related to the program, including, without limitation, the amount of payments under the program.

SECTION 25

Termination of the Program

The minister has the absolute discretion to terminate the program at any time.

SECTION 26

Definitions

Abattoir: a facility where live animals are processed and dressed for further processing.

Academic institution: an educational institution dedicated to education and research, which grants academic degrees or diplomas (e.g., the University of Manitoba and Assiniboine Community College).

Agri-business: a person or entity involved in for-profit commercial activity in the agricultural sector, other than an agri-processor or a farmer.

Agri-food processor: person or entity that transforms agricultural commodities or ingredients into value added goods that are food or ingredients. These goods may be for direct consumption or sold as ingredients for further value-added processing.

Agri-product processor: person or entity that transforms agricultural commodities into value added goods that are not food or ingredients. These goods may include bio-products created from primary commodities, waste products from production or waste products from processing.

Agri-processor: a person or entity actively engaged in agri-food or agri-product processing.

Applicant: a person or entity who satisfies all the eligibility requirements set out in the terms and conditions and who submits an application under this program.

Basic and applied research: one or both of the following:

- applied research, meaning the methodology used to solve a specific, practical problem of an individual or group
- basic research, meaning experimental or theoretical work, undertaken primarily to acquire new knowledge, without a specific or recognized need

Canadian Agricultural Partnership: is a five-year agricultural policy framework by Canada's federal, provincial and territorial governments to encourage market development, innovation and research, environmental sustainability, value added processing, improved public trust and risk management across Canada's agriculture, agri-food and agri-product sectors.

Capacity building: the process where farmers, agri-processors, industry organizations and industry service providers obtain, improve and retain skills and knowledge through research and innovation.

Co-applicant: is a mention of a project research group applying for a team grant. If the applicant is a researcher, the co-applicant must be an agri-processor, farmer, industry organization or a non-research industry service provider.

Contribution agreement: the articles of agreement and annexes, as well as their amendments, and the general terms and conditions applicable on the effective date of agreement.

Farmer: an individual grower, producer or rancher, partnership, corporation, co-operative or any other association of people who is actively engaged in farming.

Funding decision letter: a letter issued to applicants indicating an application decision and the next steps required for project implementation.

Government employee: any full time, regular, part-time or term individual employed by the federal or provincial government, including any special operating agency or Crown corporation. Examples include any members of the House of Commons; the Senate; current or former federal public office holders; federal public servants; members of the Legislative Assembly of Manitoba; members of the Executive Council and senior public servants; and civil service employees.

Government funding: Any financial assistance in the form of provincial or federal grants, loans or other assistance.

Incremental expenses: expenditures, including cash, labour and in-kind contributions that can be directly attributed to the project outlined in the application and are over and above normal business operational expenses.

Industry organization: a non-profit organization (e.g., a commodity organization) that is actively engaged in representing farmers, agri-processors, or agri-business members' interests and working to further the competitiveness of Manitoba's agriculture sector. Industry organizations must be a legally recognized entity, duly registered with the Manitoba Companies Office to carry on business in the province of Manitoba (where required by law).

Industry service provider: an individual, agri-business or organization that provides services to support the agricultural industry.

In-kind contributions: non-monetary goods and services that are not reimbursable by the program, but may be considered by the program administrator as part of the applicant's contribution requirement.

Intellectual property: all materials, concepts, know-hows, formulae, inventions, improvements, industrial designs, processes, patterns, machines, manufactures, compositions of matter, compilations of information, patents and patent applications, copyrights, trade secrets, technology, technical information, software, prototypes and specifications, including any right to apply for protections under statutory proceedings available for those purposes, provided they are capable of protection at law.

Licensed commercial kitchen: A facility that has been inspected by either Manitoba Health, Healthy Living and Seniors or Manitoba Agriculture and has been issued a Permit to Operate a Food Handling Establishment. It can be a private for-profit entity or a not-for-profit entity.

Knowledge transfer: the transfer of expertise, learning and skills between parties.

Manitoba Agriculture Research and Innovation Committee (MARIC): a minister-appointed committee that will review and assess program applications and make funding recommendations to the minister.

Minister: refers to the Minister of Agriculture for the Manitoba government, and includes any person authorized to act on the minister's behalf.

Non-profit: a type of organization that does not earn profits for its owners. All money earned by, or donated to, a non-profit organization is used to pursue the organization's objectives and support its operations.

Person: includes an individual, partnership, association or corporate body (entity).

Program: refers to the Ag Action Manitoba program.

Program activity: a specific action under the Ag Action Manitoba program where applicants can apply for funding. Activities may have one or several focus areas.

Program administrator: Manitoba Agriculture, or where applicable, any person engaged by the Manitoba government, to carry out administrative activities in connection with the program.

Pre-commercialization and pre-adoption: Pre-commercial innovations are those in the phases of research and development before commercialization and adoption. Pre-commercial innovations are developed, but have not been produced in quantity. They may have been sold on a limited basis for testing and demonstration, but they are not readily available in the marketplace. Pre-commercialization or pre-adoption activities may include solution exploration, design and prototyping, up to the original development of a limited volume of goods or services in the form of a test series.

Research institution: any institution conducting basic and applied research related to agriculture, agri-food and agri-products.

Research team: is a person or persons, whose role in the proposed activity is to provide a specific service or financial assistance (i.e., access to equipment or expertise, provision of specific reagents, training in a specialized technique, statistical analysis, and access to a specific population) to complete a common research goal.

Researcher: is an academic institution, research institution or any person who conducts research or provides research services to support the agricultural, agri-food and agri-products industries.

Terms and conditions: the Ag Action Manitoba program rules that applicants accept and agree to follow as conditions for receiving funding. Terms and conditions can be revised, altered or amended from time to time.

APPENDIX A

Ag Action Manitoba Program for Agri-Processors: Cost-Share Overview

ACTIVITY	FOCUS AREA	ELIGIBLE APPLICANT	COST SHARE RATIO (GOVERNMENT: APPLICANT)	FUNDING CAP
	Food Safety: Program Development and Implementation	Agri-Food Processor Abattoir	50:50	\$25,000 Consultant fees are capped at \$15,000
Assurance	Food Safety: Foreign Material Detection	Agri-Food Processor Abattoir	50:50	\$25,000
	Food Safety: Training			
	Food Safety: Calibration and Monitoring Equipment			
	Food Safety: Testing Equipment			
	Traceability			
	Animal Welfare Biosecurity	Abattoir	50:50	\$10,000
	Investment under \$1M	Agri-Processors	25:75	\$50,000
Capital Assets and Equipment	Investment \$1M and over	Agri-Processors	On a sliding scale 25:75 on the first \$100,000 of project value then 10:90 per dollar thereafter to a maximum contribution	\$2,500,000

APPENDIX A

Ag Action Manitoba Program for Agri-Processors: Cost-Share Overview (continued)

ACTIVITY	FOCUS AREA	ELIGIBLE APPLICANT	COST SHARE RATIO (GOVERNMENT: APPLICANT)	FUNDING CAP
Market Development	Market Research	Agri-Processors	50:50	\$20,000
	Market Access Training			
	Tradeshow			
	Product Development			
	Scale-up Production			
	Labelling and Packaging			
	Sensory and Shelf-life Studies			
Research and Innovation	Grain Innovation	Agri-Processors	50:50	No Cap
	Livestock Production			
	Agri-Resource Management			
	Processing and Value Added			
	Economic and Market Analysis			

APPENDIX B

Research and Innovation: Examples of Eligible Costs

ELIGIBLE COSTS	TYPES OF ELIGIBLE COSTS
Salaries, wages and benefits	<ul style="list-style-type: none">• graduate students wages• fellowships• technician wages and benefits• summer student wages• incremental time for specific activities related to the project, prorated at usual annual salary rates, only for investigators not employed by the institution or collaborating institution conducting the project• incremental salaries of scientific and technical personnel required for the specific research project
Subcontracted services	<ul style="list-style-type: none">• custom work• casual labour
Professional fees	<ul style="list-style-type: none">• outside consultants justified as essential to the project, but must be hired specifically to ensure the project is delivered (e.g., project manager, accountant, legal firm, engineering fees)
Overhead costs* (up to 8 per cent of total eligible costs)	<ul style="list-style-type: none">• accounting and legal expenses• administrative wages and benefits• depreciation• insurance• licence fees• property taxes• office space rental• utilities• brokerage fees• computer and software rental <p>* those expenses required to run a business, which cannot be directly attributed to any specific business activity, product or service</p>
Capital assets/equipment	<ul style="list-style-type: none">• medium and large scale equipment and installation expenses• incremental lab equipment expenses

APPENDIX B

Research and Innovation: Examples of Eligible Costs (continued)

ELIGIBLE COSTS	TYPES OF ELIGIBLE COSTS
Communications and promotions	<ul style="list-style-type: none">• communication materials• advertising• postage and envelopes• printing• website development• extension events (e.g., facility rental, audio and video equipment rentals)
Facility and equipment rental	<ul style="list-style-type: none">• facility rental• land rental• small equipment rental
Materials and supplies	<ul style="list-style-type: none">• office supplies• lab supplies• chemicals• consumables• small equipment (less than \$10,000 in total)
Seminar, conferences and workshop registration fees	<ul style="list-style-type: none">• registration fees to attend seminars, conferences and workshops related to science, research and innovation
Travel expenses	<ul style="list-style-type: none">• accommodation• airfare• meals• transportation (non-airfare)• mileage (for own vehicle)



Contact us

- Go to manitoba.ca/agriculture
- Toll free at 1-844-769-6224
- Email us at agaction@gov.mb.ca
- Follow us on Twitter @MBGovAg
- Join the #AgActionMB conversation on social media
- Visit your local Manitoba Agriculture office