Growing Forward 2

A federal-provincial-territorial initiative

Cost-share Funding Assistance Processor Guide

Version 1.2

2015-16 Program Year

Ontario

Canada

Growing Forward 2

Growing Forward 2 (GF2) is a five-year commitment by Canada's federal, provincial and territorial governments to encourage innovation, competitiveness and market development, adaptability and industry sustainability in Canada's agri-food and agri-based bioproducts sector. *GF2* builds on the successes of Growing Forward and the Agricultural Policy Framework.

In Ontario, *GF2* will help agri-food and agri-based bioproducts producers, processors, organizations and collaborations expand markets, manage shared risks and grow their profits through cost-share programs for projects in key areas.

Through *GF2*, the federal and provincial governments invest in other initiatives that support Ontario's agri-food and agri-based bioproducts sector. See Appendix 9 for more information on services and information available to Ontario processors.

Cost-share programs

Whether you are just starting out, or have been in business a long time, *GF2* offers practical and flexible cost-share funding assistance that can help you reach your business goals.

Strong partnerships ensure that *GF2* provides the tools you need to succeed

- The **Ontario Soil and Crop Improvement Association (OSCIA)** administers *GF2* cost-share funding assistance to producers across the province
- The **Agricultural Adaptation Council (AAC)** administers *GF2* cost-share funding assistance to organizations and collaborations across the province
- The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) administers *GF2* cost-share funding assistance to processors across the province

Getting started

Processors must enrol for *GF2* cost-share funding through the *GF2* Client Portal (www.ontarioprograms.net).

> *These Guidelines are subject to change from time to time without notice, in the sole and absolute discretion of the Ontario Ministry of Agriculture and Food and Rural Affairs. Consult our website at www.ontario.ca/growingforward2 for the most up-to-date information on GF2 opportunities for processors and to find out more about what GF2 offers to collaborations and organizations and agricultural producers; or contact us by phone toll free: 1-877-424-1300, or by email:growingforward2@ontario.ca.*

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Important information before you start

Training and skills development are important. *GF2* encourages processors to take advantage of cost-share opportunities to improve their education and skills.

Assessment and planning is the foundation for success. To successfully operate in today's business environment, processors need to anticipate the opportunities, understand the risks, and plan for the future. *GF2* supports assessment and planning as best practices.

GF2 **is a merit-based program.** Applicants need to be specific about the results they plan to achieve and demonstrate the knowledge, analysis and planning that will lead to a successful project. *GF2* is intended to drive positive change; therefore, only the most impactful proposals will be funded. See Appendix 2 for information on the assessment criteria for all project categories.

Innovation is key. Accelerating the pace of innovation and encouraging the adoption of new technologies will help create a more competitive and innovative agri-food and agri-based bioproducts sector. Projects that demonstrate a high level of innovation may be eligible for 50 per cent cost share. See Appendix 3: Checklist for Innovation Funding for more information.

GF2 **is results-oriented.** *GF2* is designed to help businesses expand markets, manage shared risks, and grow profits. *GF2* will support projects that help industry work towards achieving the following results.

• Use best business and leadership practices

• Use energy, water and other inputs efficiently

• Be better able to adapt to climate change

• Maximize labour productivity

• Access new and emerging markets

• Retain and expand existing markets

• Market products that meet buyer demand through adoption of assurance systems and/or adding value, such as agri-products and food for health

• Respond quickly and effectively to risks

• Reduce key risks

All projects must achieve one or more of these results.

Basic eligibility requirements

All projects must meet these basic eligibility criteria

• The applicant is eligible under *GF2* (see Appendix 1: Who can apply)

• Required permits and approvals for the proposed project are in place

Projects that are considered ineligible

• The project's sole purpose is to come into compliance or maintain compliance with Requirements of Law that pertain to the current business operation

• The project supports normal operating costs associated with carrying out a business

• The project supports activities that promote Ontario products explicitly over those of another province or territory

• The project and the activities directly influence and/or lobby any level of government

For further information on eligibility, please see Appendix 1: Who Can Apply and Appendix 4 and 5 for eligible and ineligible costs.

Note that OMAFRA reserves the right to require verification.

Project information: An overview

GF2 cost-share funding assistance supports projects that fall under the following six focus areas.

1. Environment and climate change adaptation

Environment and climate change adaptation challenges can impact the sustainability and profitability of the industry. Through funding to support assessments and audits, training and benchmarking, as well as equipment and technology upgrades, processors can reduce waste and manage inputs, such as water and energy, more efficiently. This will help processors improve their overall operational, economic and environmental performance.

2. Animal and plant health

Animal and plant disease and pest outbreaks can affect profitability of an individual business, and potentially close markets to trade, resulting in serious economic hardship to the entire sector. *GF2* is intended to help processors reduce the spread of disease and pests, and to assist businesses in addressing national or industry standards for biosecurity.

3. Assurance systems (traceability, animal welfare, food safety)

The assurance systems focus area is designed to ensure processor businesses use recognized standards and put systems in place to effectively manage risk, access new markets, and retain and expand existing markets. Assurance systems include traceability, animal welfare and food safety.

4. Market development

Accessing new and emerging markets, and expanding existing markets represents a tremendous growth opportunity for Ontario's industry. *GF2* supports projects related to market assessments or audits, planning, training and skills development, meeting industry standards or practices, implementation of a marketing plan for a new or existing global or domestic market, and new product or process development. It is expected that processors will access new or expanded sales channels within Ontario or across Canada, and to export markets in the U.S., and other countries.

5. Labour productivity enhancement

Improvements in labour productivity occur when the costs of labour inputs are reduced, or the value of outputs is increased, while maintaining labour productivity costs. *GF2* funding enables businesses to increase their understanding and planning related to resource use, supply chain optimization, human resources and production efficiencies, and to make improvements that increase automation in their facility, streamline processes and procedures, integrate systems across multiple business processes, and improve overall resource management.

6. Business and leadership development

Investing in business and leadership development can help a business to anticipate, adapt and thrive in a rapidly changing business environment. *GF2* provides funding to processor businesses for business assessment and performance benchmarking, training and skills development, and strategic feasibility, succession, expansion and overall business planning. Completion of projects will improve a business's understanding of their operations and position them to make informed decisions related to financial and risk management, business growth, leadership and governance, and production efficiencies.

See Appendix 2 for more information.

Cost-share funding

Under *GF2*, individual businesses can apply for cost-share funding. The Province of Ontario may provide

- 50 per cent cost-share funding, up to a pre-determined cost-share cap, for projects under the assessment or audit, planning, skills development, and training project categories (project categories 0.1, 0.2, 0.3, 0.4, 0.5 and 0.6)

- up to 35 per cent, up to a pre-determined cost-share cap, for remaining project categories

Individual businesses are responsible to secure additional funding sources for the project, over-and-above the reimbursement provided by the Province of Ontario. Applicants will be reimbursed at the approved per-cent cost-share funding for each eligible cost incurred and paid.

Specific cost-share caps for each project category are identified in Appendix 2 and Appendix 6.

Program cost-share funding cap

GF2 runs from April 1, 2013 to March 31, 2018. The maximum cost-share funding that a single processor business can receive over the five-year time frame of *GF2* is $350,000.

Eligible costs

Eligible costs may include one-time costs of goods; services; supplies; labour costs of salaries and benefits; rental of facilities, processing equipment or machinery; communication materials; travel and meals; and capital costs that are directly related to the project.

Cost-share funding is based on eligible costs. In order to be eligible, costs must be

- <u>Incurred and paid by the applicant after the project has been approved</u> (i.e. the date OMAFRA communicates the approval to the applicant) and within the timelines identified in the contribution agreement

- In accordance with the requirements indicated in Appendix 4: Eligible costs

- Directly attributable to the execution of an approved project

See Appendix 2 and 4 for more information.

Capital costs

Eligible capital costs must be directly related to the project and may include equipment and its installation; construction costs including for building modifications; primary and further processing infrastructure and plant upgrades; and software and software development (see Appendix 4 for more information). The maximum cost-share funding for capital costs awarded to a single approved project cannot exceed $100,000.

In-kind contributions

Allowable in-kind contributions must be contributed by the applicant and

- Be essential to the project's success

- Reflect fair market value

- Not exceed 15 per cent of the approved eligible costs

- Have a defined rate (per hour, per day, per item, etc.)

- Be auditable (documentation is required to validate in-kind expenses)

In-kind contributions are not eligible for projects under the assessment or audit, planning, or skills development and training project categories (i.e. 0.1 to 0.6). In-kind contributions may be eligible for projects in all other project categories.

Allowable in-kind contributions will not be considered for reimbursement until the project has been completed and all eligible costs have been submitted and approved. OMAFRA, in its sole and absolute discretion, may reject any in-kind contribution claim with which it is not satisfied.

See Appendix 4 for more information on in-kind contributions.

Multi-year projects

Multi-year projects may be funded. The application for a multi-year project must clearly identify annual project activities by fiscal year. Annual funding allocations are to be claimed for completed work, supported by invoices and proofs of payment. If a processor fails to perform the activity within the timelines identified in the multi-year contribution agreement with the Province of Ontario, the allocation for that project activity will be forfeited. The application for a multi-year project must be made no more than one year before construction or development is to begin.

Number of projects

A processor may submit up to two applications in each intake provided

- One application is for a project from the assessment or audit, planning, or skills development and training project categories (i.e. 0.1 to 0.6)

- One application is for a project under the remaining project categories (e.g. A.1 Measure and benchmark resource and waste management efficiency, or A.2 Equipment or technology upgrades)

A processor cannot have more than three projects open at one time. (Note: For a project to be considered closed, final claims and a final report have to be submitted and approved by OMAFRA.) Any applications that exceed these limits will not be considered for funding.

Final project completion dates

GF2 projects must be completed within the timelines identified in the contribution agreement and cannot extend beyond December 1, 2017. Claims (including all required paid invoices and proofs of payment) and a final report must be submitted by January 15, 2018.

Innovation

GF2 encourages projects that will introduce new, leading edge technologies, processes and products that can dramatically impact the agri-food and agri-based bioproducts sectors in Ontario. The innovations supported will have the potential to open the doors to significant domestic and global markets that are not currently accessed. Such innovations can also provide value to other Ontario industry participants. Over time and where practical, innovation projects will include activities that transfer knowledge gained through the project.

Where a project presents a significant innovation to the sector or to Ontario, *GF2* may provide 50 per cent cost-share funding, recognizing the project involves higher risk. This does not refer to projects under the assessment or audit, planning, or skills development and training project categories (i.e. 0.1 to 0.6).

Projects considered for innovation funding must meet the general *GF2* assessment criteria and the merit assessment criteria for the specific project category. An additional assessment process will be applied to determine if the proposed project is eligible for the enhanced innovation cost-share funding.

Applicants are strongly encouraged to provide independent support from industry, academia or other credible, non-biased sources to prove that the project is, indeed, innovative and has the potential to benefit the sector. Independent support letters should not be from sources with a direct financial stake in, or other close connection to the project (i.e. from a member of the company's board of directors, an employee of a company supplying a new piece of equipment for the project, or a collaborator in the project).

Support letters should address the criteria found in Appendix 3. Name and contact information should be included with the independent support sources, in case reviewers have questions.

OMAFRA staff will not provide letters of support for any applications.

See Appendix 3 for more information.

Completing an application

A processor must submit one application for each project (as defined by a single project category in Appendix 2).

Make sure each section of the Processor Application Form is completed, and the Project Information Form is attached, if required. Additional sheets may be attached, as necessary, for any section.

Some project categories have prerequisites as a required condition that must be completed before an applicant can apply for cost-share funding in that project category. In most cases, where there is a prerequisite, documentation will be required as evidence that this has been met. See the project category descriptions in Appendix 2 for more information on the specific prerequisites and required documentation.

Step 1 – Enrolment

Before submitting an application form, a *Growing Forward 2* (*GF2*) enrolment form must be completed or updated, either online at www.ontarioprograms.net, or in hard copy format, by a person who is authorized to sign the application form on behalf of the applicant and bind the applicant. For more information, visit our website at www.ontario.ca/growingforward2, or call 1-877-424-1300.

Step 2 – Basic eligibility requirements

All these conditions must be met for the application to be considered. See page 4 of this *GF2* Processor Guide.

Step 3 – Business contact information

Complete the business contact information.

Step 4 – Project location

Only complete this section for the project if it is different from the information provided in Step 3.

A Premises Identification Number is a unique identifying number assigned to a parcel of land where agri-food and agri-based bioproducts activities occur. An applicant needs a valid and updated Premises Identification Number to apply for *GF2* funding. In Ontario, premises are identified and registered in the Provincial Premises Registry (PPR). It is important that the information in PPR is current and updated annually. To register or update the premises information, visit the PPR website at www.ontarioppr.com or call 1-855-697-7743.

Step 5 – Business and products

In 50 words or less, describe the applicant's business and all of the agri-food and agri-based bioproducts that the applicant's business manufactures that are relevant to the application.

Step 6 – Project category

GF2 supports specific projects under six identified focus areas. Review the eligible activities and costs for the project category the applicant is applying for to see if the project aligns. (See Project Information: An Overview and Appendix 2: Project categories.) Only proposed projects that fit within one of the project categories will be considered for review.

Step 7 – Project title

In 10 words or less, set out the title of the project.

Step 8 – Project description

Answers to the questions below should clearly describe what the project is about. Attach additional sheets, if necessary.

i. What project is the applicant doing? (Refer to the list of eligible activities for the project category the applicant is applying for, and describe what the applicant is going to do with the funding being requested.)

ii. What is the issue, challenge or opportunity for the applicant's business that is being addressed through the project?

iii. Describe the improvements to the applicant's business and the overall impacts the applicant hopes to achieve by completing the project

Step 9 – Resources and skills

In 100 words or less, outline the resources and skills the applicant will use to successfully manage and complete this project. These may include resources or skills within the applicant's business, project consultants, or other professionals retained for this project. Describe the applicant's experience in implementing or undertaking projects of similar scope and scale.

If the applicant is applying for training or skills development, please include the following information in Step 9

- The name of the training or skills development being applied for
- The type of training or skills development that will be undertaken
   o Workshop or seminar
   o In-class course with multiple sessions
   o On-line course or webinar
   o On-site
   o Other type of training, please describe
- The number of staff attending the training or skills development, and their roles within the organization

Step 10 – Work plan

List each activity necessary to complete the applicant's project in chronological order of estimated completion date.

Attach additional sheets, if necessary.

Step 11 – Eligible costs

List only eligible costs in the quarter, in which goods or services are expected to be received, regardless when payments are made. Attach additional sheets, if necessary. See Appendix 2 for a list of eligible costs for each project category. See Appendix 4 for additional information about eligible costs.

Only eligible costs incurred and paid after the approval of the project by OMAFRA will be considered.

Under the assessment and audit, planning, skills development and training project categories (i.e. 0.1 to 0.6), processors can access 50 per cent cost share, up to a pre-determined cost-share cap. Under all other project categories, processors can access up to 35 per cent cost share, up to a pre-determined cost-share cap. The table included in Step 11 will assist with the calculation of the maximum cost-share funding (i.e. reimbursement) that the applicant may receive. See Appendix 7 for an example of this calculation.

Step 12 – Expected sources of funding

Expected sources of funds include cash from applicant, in-kind contributions (see Appendix 4 for more information on in-kind contributions), *GF2* cost-share funding, funding from other sources, etc. Total expected sources of funding must add up to total eligible costs.

Step 13 – Project Information Form

Project Information Form requests supplemental information that is unique to each project category. Appendix 2 indicates when a project information form is required. These forms are available online.

Step 14 – Request for innovation funding

Only complete this section if the applicant is applying for the enhanced innovation funding assistance.

See Appendix 3: Checklist for *GF2* innovation funding.

Step 15 – Terms and conditions

To apply, you must certify on the application that

- You have read, understand, and agree to abide by all the requirements set out in this Guide
- All information you have submitted in the application and Project Information Form is true and complete, to the best of your knowledge, belief and understanding
- You have disclosed all proposed sources of funding for the proposed project, including but not limited to, sources and amounts from federal, provincial and municipal governments; and that such funds do not or will not exceed 100 per cent of the total project costs

- The applicant does not currently owe any money to Ontario; or, you have attached a description to the application of what is owed

- You are not, nor is any directing mind of the applicant (if any), a current, or former, federal public office holder, or federal public servant; you are in compliance, as well as any other directing mind of the applicant (if any), with the Conflict of Interest Act, the Conflict of Interest Code for Members of the House of Commons, the Values and Ethics Code for the Public Sector, and the Policy on Conflict of Interest and Post-employment, as applicable

- You are not, nor is any directing mind of the applicant (if any), a member of the House of Commons, or of the Senate; or you are permitted, and any directing mind of the applicant (if any), is permitted under the Parliament of Canada Act to receive funding from Canada under *GF2*

You must acknowledge that

- *GF2* is a discretionary, non-entitlement program. Payment is subject to Ontario receiving all the necessary appropriations from the Ontario Legislature; Ontario receiving all the necessary monies from Canada; and the applicant's compliance with the terms and conditions of the agreement that the applicant must enter into with Ontario for the project

- If it is determined that the applicant has received a payment that the applicant was not eligible to receive, through administrative error or otherwise, the applicant will be required to repay any and all payments that the applicant was not eligible to receive, as determined by Ontario

- Any payments made to the applicant may be subject to recovery or offset against the applicant's pre-existing debts to the Crown in Right of Ontario or Canada

- Neither Ontario nor Canada, nor any of their respective ministers, directors, officers, agents, employees or representatives shall be liable for any damage or loss whatsoever, or howsoever arising, including but not limited to, damage or loss arising from any advice, opinions, representations, warranties or the provision of information under *GF2*

- The information provided for *GF2* may be disclosed by Ontario, or any program administrator on behalf of Ontario, to verify compliance with other provincial and federal funding initiatives administered by Ontario, or another program administrator on behalf of Ontario, or by Ontario in order to confirm the information provided, to verify eligibility, and to ensure there is no duplication of funding

- The information contained in the application in connection with the funding may be subject to disclosure under the Freedom of Information and Protection of Privacy Act (Ontario) or the Access to Information Act (Canada)

You consent to the following on behalf of the applicant

- Retain all records relating to any payments made to the applicant, including but not limited to, all invoices and proof of payment for at least seven (7) years from the date on which payment was received by the applicant

- Provide accurate, timely and full information, including supporting documentation, to Ontario, and will notify Ontario immediately in the event that there are any changes to the information provided

- Provide Canada and Ontario, as well as their authorized representatives, with any information or access to a person, place or thing within five (5) business days of any request, field verification, or audit

- On-site field verification visits and/or audits, by Ontario, upon notice, and during normal business hours, to verify eligibility, and to evaluate compliance with the requirements of *GF2*

- Reviews by Ontario of information related to other programs and initiatives delivered by, or for, Ontario in which the applicant is enrolled or has applied

- Ontario or Canada publishing the amount of funding received under *GF2*, and the nature of any project or activity funded, along with the applicant's name

- Applicant's name and contact information to be used by Ontario and/or Canada, and/or their authorized representatives to contact the applicant for the purpose of evaluating the effectiveness and efficiency of *GF2* programming, etc.

In order to receive funding for an approved project, a successful applicant must enter into a contribution agreement with the Province of Ontario and comply with all the terms and conditions in that agreement, which include but are not limited to:

Claim and final report submission

Projects receiving funding must be completed. Successful applicants must submit claims for approved eligible costs that have been incurred and paid for in order to receive reimbursement. Claims must be submitted to OMAFRA's Rural Programs Branch in accordance with the timelines stated in the contribution agreement between the applicant and the Province of Ontario.

Claims for eligible costs must be supported by invoices and proof of payment. Acceptable proofs of payments are

- Copies of cancelled (cashed) cheques

- Copies of bank statements indicating cheques that have cleared

- Credit card statements indicating payment has been made (client to black out credit card numbers and other information, including costs that are unrelated to the project)

- Credit card and debit card receipts

There will be a 10 per cent holdback of reimbursement until a final report for the project is received and approved by OMAFRA. The final report must include a certification that the project has been completed within the project timelines stated in the contribution agreement between the applicant and Province of Ontario, and fulfill all other requirements stated in the contribution agreement.

If a processor fails to perform the activity within the timelines identified in the contribution agreement with the Province of Ontario, the allocation for that project activity will be forfeited.

Necessary Liability Insurance

Applicants signing agreements with the Province of Ontario for their project are required to have, and maintain throughout the term of the agreement, comprehensive general liability insurance with coverage for at least $2 million per occurrence. This insurance must show the Province (Her Majesty the Queen in right of Ontario) as an additional insured on the policy and contain a cross-liability clause, contractual liability coverage, and a thirty (30) day written notice of cancellation of provision.

Requirements of Law

All applicants must remain in compliance with all Requirements of Law for the term of their contribution agreement with the Province of Ontario. "Requirements of Law" means all applicable requirements of law, as may be set out in statutes, regulations, by-laws, codes, rules, ordinances, official plans, approvals, permits, licences, authorizations, decrees, injunctions, orders and declarations, or any other similar requirement of law.

Submitting an application

Check the website at ontario.ca/growingforward2 for information on submission deadlines.

Before you submit the application ensure that

- The application is complete (Note: Incomplete applications will not be considered for funding.)

- All prerequisites have been addressed

- Required documentation, including the Project Information Form relevant to the project, is attached

Relevant letters of support may be included as an attachment with the application.

OMAFRA staff will not provide letters of support for any applications.

Applications can be submitted on-line by using the link found at ontario.ca/growingforward2. Applicants must enrol in the *GF2* online portal at ontarioprograms.net or by mail prior to completing an application. Applicants are encouraged to submit on-line where possible.

To request a hard copy Processor Application form, contact:
1-877-424-1300, or email to growingforward2@ontario.ca

How an application will be assessed

Once the application is submitted and the intake period closes, OMAFRA will assess all submitted applications.

There are two assessment steps for applications

1. General Assessment Criteria

2. Merit Assessment Criteria

A project must meet all the General Assessment Criteria to be considered for merit assessment. Projects that do not meet the General Assessment Criteria will be excluded from Stage 2 merit assessment.

1. General assessment criteria

- Applicant has completed or updated a *GF2* Enrolment

- All Basic Eligibility Requirements have been met (Step 2 of the Processor Application form)

- The business information and necessary fields are complete (Steps 3, 4 and 5 of the Processor Application form)

- The project clearly aligns with one of the *GF2* project categories (Step 6 of the Processor Application form)

- The project description, resources and skills, work plan, eligible costs and expected sources of funding sections (Steps 7 to 12 of the Processor Application form) are completed and provide sufficient details to complete a merit-based assessment

- All required documentation, including Project Information Forms (if applicable), are attached or have been submitted (Step 13 of the Processor Application form)

- Applicant has acknowledged her/his agreement with the terms and conditions of the *GF2* cost-share funding assistance (Step 15 of the Processor Application form)

2. Merit assessment criteria

- The application demonstrates that the need, improvement and overall impact that will result from the project is relevant to the intended results of *GF2* (see page 4 of this Guide for intended *GF2* results). (Step 8 of the Processor Application form)

- The application demonstrates that the resources, experience and skills necessary to carry out and oversee the activities proposed within the project, are planned for (Step 9 of the Processor Application form)

- Project work plans and eligible costs are clearly defined and aligned to project goals (Steps 10 and 11 of the Processor Application form)

- Project costs are reasonable and eligible, and expected sources of funding for the project have been identified (Step 11 and 12 of the Processor Application form)

- Other criteria, specific to each project category as set out in Appendix 2

Applicants will be notified as funding decisions are reached, usually within 60 business days from the posted intake closure date. Successful applicants must enter into a contribution agreement with the Province of Ontario.

For more information:

Visit our web site at ontario.ca/growingforward2 for the most up-to-date information on *GF2* opportunities for processors. You may also contact us by phone toll free: 1-877-424-1300, or by email: growingforward2@ontario.ca.

Appendix 1: Who can apply

Established Ontario agri-food and agri-based bioproduct processor businesses can apply for cost-share funding under *GF2*. Eligible processors are businesses that

- Constitute a legal person

- Are in compliance with all Requirements of Law and agree to remain in compliance for the term of the contribution agreement (if the project is approved)

- Are a manufacturer and currently directly involved in the transformation of agricultural commodities, food, beverage or agri-based bioproducts in Ontario
  - This also includes processors of
    - Tobacco-based pharmaceuticals or other bio-products
    - Ornamentals; (flowers, shrubs, sod, etc., both land-based and greenhouse)
    - Health and/or nutrition supplements
    - Pet food products

- File business and/or farm income/loss taxes in Ontario

- Have a valid and updated Premises Identification Number

- Have provided a Canada Revenue Agency (CRA) nine-digit business number as part of the *GF2* enrolment process

New Entrant Processors are eligible to apply only to <u>assessment, audit, planning or skills development and training project categories </u>(i.e. 0.1 to 0.6) under *GF2*. New Entrant Processors

- Constitute a legal person

- Are a new entrant to the food and agri-product processing industry and have business projections that demonstrate potential annual gross business income of $30,000 or more within three years of applying

- File personal income taxes in Ontario

- Have not filed taxes as a food or agri-product processing business in the two years previous to applying for *GF2* funding

- Have a valid Premises Identification Number (if a processing facility is established)

First Nation businesses that meet the above criteria are also eligible.

The following businesses are not eligible for *GF2* processor cost-share funding

- Restaurants and food services, including catering services

- Retail food services

- Packaging material manufacturers

- Cigarette manufacturers

- Any other entity deemed by the Minister to be ineligible

A note about the aquaculture sector

In general, processors in the aquaculture sector are not eligible for cost-share funding under *GF2*, with the exception of projects in international marketing or traceability for fish and seafood products (project categories under Market Development (D1 and D2), and Assurance Systems Traceability (C.0.1 and C.0.2).

Appendix 2: Project categories

A processor must submit one application for each project.

A. Environment and climate change adaptation

Projects will focus on improving the use of energy and water resources, and reducing wastewater and solid waste output, through assessment and audit, prioritization and planning, skills development, and equipment or technology upgrades.

Tools and Resources

See Appendix 9 for additional resources and tools available, at no cost that may help you with your project.

A.0.1 Assessment or audit

Projects will focus on improving the use of energy and water resources, and reducing wastewater and solid waste output.

Eligible activities and costs

- Resource use assessment (i.e. monitoring and assessing energy use for efficiency opportunities)
- Utility audit
- Waste management audit

Ineligible activities and costs

- Costs covered by other utility audit programs, e.g. OPA Save-On Energy, Enbridge or Union Gas programs, municipal water or wastewater programs
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $5,000

Assessment criteria (address in Step 8 of the Processor Application form)

- Relevance of the project to the focus area
- Impact of the project in addressing identified business need that will lead to improved resource use and/or reduced wastewater and solid waste output

A.0.2 Planning

Projects will focus on the prioritization of energy, water, wastewater and solid waste management activities.

To apply, you must have:

- Completed audit or assessment (completed either internally or by a third party), or proof of market requirement (e.g. Retail Sustainability Reporting participation).

Eligible activities and costs

- Development of a sustainability plan, including baseline of current status from assessments of facilities and outline of actions to address identified risk areas
- Utility Management Plan
- Enterprise Resource Plan
- Carbon Foot Print Plan

Ineligible activities and costs

- Planning activities not related to sustainability
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $5,000

Required documentation

- Completed audit or assessment (completed either internally or by a third party) or proof of market requirement (e.g. Retail Sustainability Reporting participation)

Assessment Criteria (address in Step 8 of the Processor Application form)

- Relevance of the project to the focus area
- Impact of the project in addressing an identified business need that will lead to improvements to resources usage, and/or reduced wastewater and solid waste

A.0.3 Skills development and training

Projects will focus on development of skills required to actively manage energy, water, wastewater and solid waste to achieve maximum cost recovery and efficiency.

Eligible activities and costs

- Courses, training and material from a third party organization or consultant on topics related to the environment and climate change in the processing industry

Ineligible activities and costs

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $5,000

Required documentation

- Course outline detailing training to be provided, outcomes and costs

Assessment criteria (address in Step 8 of the Processor Application form)

- Relevance of the project to the focus area
- Impact of the training or skills development on identified business need or opportunity

A.1 Measure and benchmark resource and waste management efficiency

Projects will focus on the installation and integration of intelligent metering systems to support utility and process efficiency.

To apply, you must have

- Baseline annual costs for energy, water, wastewater and solid waste, and percentage of operating costs represented by these costs
- Completed utility audit or assessment, sustainability audit or productivity assessment showing the need for the project (completed either internally or by a third party)
- Skilled or qualified staff available to monitor and collect data

Eligible activities and costs

- Costs of production monitoring, metering and tracking equipment (permanent systems intended to be left in place), including modification and improvements to existing systems

- Costs of software and reporting systems directly related to functionality of monitoring, metering and tracking equipment. For example
    - Integrated Energy Management Information Systems (EMIS)
    - Electronic Resource Planning (ERP)

- System installation, calibration and optimization of monitoring, metering and tracking equipment

- First-time activities and advisory services for
    - First-time Key Performance Indicator (KPI) analysis
    - Development of baseline and benchmark of utilities (water and energy)
    - Development of environmental and productivity performance reports/report cards
    - Integration of KPI feedback data with product costing models (management and controller decision making processes)

- One-time training of lead staff responsible for monitoring, metering and tracking equipment and system integration (e.g. train the trainer)

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment or machinery required specifically for the project

Ineligible activities and costs

- Technology and equipment (e.g. computers, terminals, tablets) not directly essential to the core operation of monitoring, metering, and tracking equipment

- Expansion of facility capacity or output without improving resource management and waste stream efficiency, increasing environmental and/or productivity performance

- Ongoing costs associated with workforce training, maintenance or repair of monitoring, metering and tracking equipment

- Ongoing advisory service costs associated with data analysis and reporting

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $20,000

Required documentation

- Completed utility audit or assessment, sustainability audit or productivity assessment (completed either internally or by a third party) showing the need for the project

- Baseline annual costs for energy, water, wastewater and solid waste and percentage of operating costs represented by those costs

- Quote detailing costs of software and reporting systems (if applicable)

- Quote for equipment

- Quote or proposal from a third party organization or consultant, detailing services to be provided, outcomes and costs (if applicable)

- Identification of skilled or qualified staff available to monitor and collect data

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified deficiencies, challenges and opportunities

- Project demonstrates improved ability to accurately capture resource performance data leading to measurable improvements to resource usage and/or reduced water, wastewater and/or solid waste outputs (e.g. values, volume and costs)

- Project demonstrates capacity to interpret results to plan future resource management projects

A.2 Equipment or technology upgrades

Projects will focus on improving resource management and increasing input efficiency.

To apply, you must have:

- Completed audit or assessment (completed either internally or by a third party), showing the need for the project

- Baseline annual costs for energy, water, wastewater and solid waste and percentage of operating costs represented by these costs

Eligible activities and costs

- Software systems and capital expenses related to retrofitting, upgrading, modifying and acquiring new equipment, technology and processes associated with implementing projects that will lead to increased resource management efficiencies, such as: compressed air systems, hot water heaters and boilers, pumps, cooling and refrigeration, compressed air balance tanks, freezer de-humidification systems, air curtains, new high efficiency replacement motors, fans/blowers, variable speed drives on large motors, heating, ventilation and air conditioning, roofing modifications to reduce thermal gain

- Engineering, installation and calibration costs associated with retrofitting, upgrading, modifying and acquiring new equipment, technology and processes that will lead to increased resource management efficiencies

- Pilot or demonstration project

  o Capital expenses to pilot and demonstrate retrofits, upgrades and acquisitions of new technology (and costs associated with installation and configuration) with the objective to increase resource efficiency (must demonstrate that the particular solution or application has not been fully validated in Ontario (e.g. novel subsector application of a technology proven in another subsector))

  o Development and communication of a knowledge sharing plan linked to a pilot and demonstration project

- One-time training of key personnel on project-related new equipment, technology and processes (e.g. train the trainer)

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Direct costs associated with water discharge (e.g. utility bills)

- Environmental remediation costs

- Costs associated with primary research activities

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $80,000

Required documentation

- Completed audit or assessment (completed either internally or by a third party), showing the need for the project

- Baseline annual costs for energy, water, wastewater and solid waste and percentage of operating costs represented by these costs

- Knowledge sharing plan, outlining how results will be shared, if project is a pilot or demonstration project

- Quote detailing costs of software and reporting systems (if applicable)

- Quote for equipment

- Quote or proposal from a third party organization or consultant, detailing services to be provided, costs and outcomes (if applicable)

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified deficiencies, challenges and/or opportunities

- Project quantifies anticipated improvements to resource management efficiencies and capabilities for inputs, including utilities, water, wastewater and solid waste (include all relevant anticipated improvements the project will have on the resources and provide estimated values, where applicable, e.g. percentage decrease in energy input)

- Project demonstrates employee skill development and technological improvements

- Demonstration and pilot projects have the following criteria

  o Project incorporates sharing and/or collaboration for benefit of supply chain partners or other processing industry stakeholders

  o Demonstration that the particular solution or application has not been fully validated in Ontario (e.g. novel subsector application of a technology proven in another subsector)

  o The impact of the proposed activities (e.g. the potential number of businesses or individuals reached, economic impact, etc.)

  o Explanation of expected outcomes of the communication and knowledge transfer Agreement to participate in aggregated case studies

A.3 Waste stream equipment or technology upgrades

Projects will focus on mitigating or managing risks to surface and ground water and will give priority to companies adopting a zero water or direct discharge system.

To apply, you must have

- Completed audit or assessment showing the need for the project (completed either internally or by a third party)

- Baseline annual costs for energy, water, wastewater and solid waste and percentage of operating costs represented by these costs

Eligible activities and costs

- Software systems and capital expenses related to retrofitting, upgrading, modifying and acquiring new equipment, technology and processes associated with implementing projects that will improve waste stream management (by-product processing) and reduce risks to surface and ground water, such as: treatment to reduce effluent load, water re-use, reduction to sewer discharge, and grease interception

- Engineering, installation and calibration costs associated with retrofitting, upgrading, modifying and acquiring new equipment, technology and processes that will lead to improved waste stream management (by-product processing) and reduction of risks to surface and ground water

- Pilot and demonstration projects

  o Capital expenses to pilot and demonstrate retrofits, upgrades and acquisitions of new technology (and costs associated with installation and configuration) with the objective to improve waste stream management, by-product processing and reduce risks to surface and ground water

    o Development and communication of a knowledge sharing plan linked to a pilot and demonstration project

- One-time training of key personnel on project-related new equipment, technology and processes (train the trainer)

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Direct costs associated with water discharge (e.g. utility bills)

- Environmental remediation costs

- Costs associated with primary research activities

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $100,000

Required documentation

- Completed audit or assessment (completed either internally or by a third party) showing need for the project

- Baseline annual costs for energy, water, wastewater and solid waste, and percentage of operating costs represented by these costs

- Quote detailing costs of software and reporting systems (if applicable)

- Quote for equipment

- Quote or proposal from a third party organization or consultant, detailing services to be provided, costs and outcomes (if applicable)

- Knowledge sharing plan if project is a Pilot or Demonstration Project

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified deficiencies, challenges and/or opportunities

- Project demonstrates quantifiable waste stream improvements and mitigation of risks to surface and ground water (include all relevant expected improvements the project will have (e.g. per cent decrease of the biological oxygen demand/bio-chemical oxygen demand)

- Priority will be given to companies that demonstrate adoption of a zero water or direct discharge system

- Project addresses both employee skill development and technological improvements

- Pilot and demonstration projects will be assessed on the following criteria

    o Demonstration that the particular solution or application has not been fully validated in Ontario (e.g. novel subsector application of a technology proven in another subsector)

    o Sharing and/or collaboration for benefit of supply chain partners or other processing industry stakeholders (a reasonable level of disclosure to be determined if proprietary processes are involved)

    o Outline the impact of the proposed activities (e.g. the potential number of businesses or individuals reached, environmental impact, etc.)

    o Explanation of expected outcomes of the communication and knowledge transfer Agreement to participate in aggregated case studies

B. Animal and plant health

GF2 cost-share funding is intended to help processors reduce the introduction and spread of disease and pests and assist the business in addressing national or industry standards for biosecurity.

B.0.1 Education, planning, assessment and training

Projects under this category will focus on education on disease and pest identification and health status, assessment of biosecurity risks, and development of plans to mitigate those risks.

Eligible activities and costs

- Audit or assessment carried out by a veterinarian or an industry advisor
- Courses, training and material from a third party organization or consultant

Ineligible activities and costs

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $2,000

Required documentation

- Course outline detailing training to be provided and outcomes (if applicable)

Assessment criteria (address in Step 8 of the Processor Application form)
- Impact of the project in addressing identified business need or opportunity
- Relevance of the project to the focus area

B.1 Improvements to manage access and traffic onto and within the operation

Projects under this category will focus on reducing the risk of the introduction and spread of diseases and pests through clearly defining zones and effectively managing the movement of people and vehicles.

Eligible activities and costs
- Clearly defining zones (e.g. Controlled Access Zone, Restricted Access Zone) and access points through signage, fencing, barriers, grading, and landscaping
- Improving the efficiency of traffic flow to reduce contamination through establishing new or rerouting existing laneways, access routes, and vehicle turning areas
- Controlling access to operation and buildings through gates, fencing, signage, locks, barriers and security monitoring equipment
- Modifications to existing structures to facilitate more efficient movement of animals and people to reduce biosecurity risks
- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)
- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs
- Fencing or demarcation of non-biosecure zones
- New construction
- Modifications related to increasing production, health and safety requirements, or reasons not relevant to improving biosecurity
- Ongoing consumables (e.g. disinfectant, soap)

- Modifications and repairs as part of routine maintenance (e.g. replacing old surfaces with the same material)
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $25,000

Required documentation

- Plan and associated risk assessment or evaluation showing the need for the project
- Site plan or sketch detailing any proposed modifications
- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project on
  - o Addressing identified deficiencies, risk and/or opportunities
  - o The risk of pathogen or pest introduction or spread
  - o Benefit to broader agriculture sector
- Preference will be given to projects that are part of a complete plan developed in conjunction with, and resulting from an assessment or evaluation performed by a veterinarian or industry advisor

B.2 Vehicle and equipment cleaning and disinfection

Projects under this category will focus on reducing the risk of the introduction and spread of diseases and pests through effective cleaning and disinfection capacity and processes.

Eligible activities and costs

- Construction of hard surface (e.g. concrete) pad or wash bay or facility for cleaning and disinfecting vehicles and equipment within the Controlled Access Zone or at a Controlled Access Point, including associated runoff management
- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)
- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Ongoing consumables (e.g. disinfectant, soap)
- Modifications and repairs as part of routine maintenance (e.g. replacing old surfaces with the same material)
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $50,000

Required documentation

- Plan an associated risk assessment or evaluation showing the need for the project
- Site plan or sketch detailing any proposed modifications
- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project on
  o Addressing identified deficiencies, risk and/or opportunities
  o The risk of pathogen or pest introduction or spread
  o Benefit to broader agriculture sector

- Preference will be given to projects that are part of a complete plan developed in conjunction with, and resulting from, an assessment or evaluation performed by a veterinarian or industry advisor

B.3 Improve drainage and runoff

Projects under this category will focus on preventing standing water in operational area (Controlled Access Zone) to reduce the risk of pathogen spread.

Eligible activities and costs

- Re-grading laneway or yard

- Application of gravel or hard surface (asphalt, concrete)

- Installation of drainage system within Controlled Access Zone

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Drainage system costs beyond boundary of Controlled Access Zone

- Structural repairs or modifications (e.g. roof, eavestroughs) to mitigate standing water

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $25,000

Required documentation

- Plan and associated risk assessment or evaluation showing the need for the project

- Site plan or sketch detailing any proposed modifications

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project on
  o Addressing identified deficiencies, risk and/or opportunities
  o The risk of pathogen/pest introduction/spread
  o Benefit to broader agriculture sector

- Preference will be given to projects that are part of a complete plan developed in conjunction with, and resulting from, an assessment or evaluation performed by a veterinarian or industry advisor

B.4 Improve manure handling and storage

Projects under this category will focus on reducing contamination, runoff and wildlife access related to manure.

Eligible activities and costs

- Construction of a concrete pad or bunker for temporary placement of manure outside holding facility, including associated runoff management

- Modifications to manure storage to prevent access by wildlife

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Construction of permanent manure storage

- Manure removal systems (e.g. conveyors)

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $25,000

Required documentation

- Plan and associated risk assessment or evaluation showing the need for the project

- Site plan or sketch detailing any proposed modifications

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project on
  - Addressing identified deficiencies, risk and/or opportunities
  - The risk of pathogen/pest introduction/spread
  - Benefit to broader agriculture sector

- Preference will be given to projects that are part of a complete plan developed in conjunction with, and resulting from an assessment or evaluation performed by a veterinarian or industry advisor

B.5 Animal segregation

Projects will focus on establishing designated quarantine, isolation or segregation facilities for sick animals pending ante mortem examination.

Eligible activities and costs

- Construction or modification of existing structures to create an isolation or quarantine facility

- Modification of existing structures to create animal treatment or work area for service personnel

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- New construction other than for an isolation or quarantine facility

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $50,000

Required documentation

- Plan and associated risk assessment or evaluation showing the need for the project

- Site plan or sketch detailing any proposed modifications

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project on
    - Addressing identified deficiencies, risk and/or opportunities
    - The risk of pathogen/pest introduction/spread
    - Benefit to broader agriculture sector

- Preference will be given to projects that are part of a complete plan developed in conjunction with, and resulting from an assessment or evaluation performed by a veterinarian, or industry advisor

C. Assurance systems (traceability, animal welfare, food safety)

The Assurance Systems' focus area is designed to ensure processor businesses use recognized standards and put systems in place to effectively manage risk, access new markets, and retain and expand existing markets. Assurance systems include traceability, animal welfare and food safety.

Assurance systems – traceability

Traceability is the ability to follow products through all stages of the agri-food chain, from production to retail, by providing an effective way to track an identified product (and its attributes) as it moves between locations. It is important

- To help you meet your market requirements and access new market opportunities
- For effective product recall
- For planning, preparing, response and recovery efforts in the event of an animal disease outbreak
- To ensure confidence in your products
- For protection of your business and your customers

Effective traceability requires the collection, storage and sharing of three key pieces of information

- Premises identification
- Product identification
- Movement recording

Under the Assurance Systems: Traceability, cost share funding assistance is available for traceability audits and assessments, planning and training.

Implementation projects (such as traceability hardware and software solutions) may be completed as eligible activity components of broader projects under the Market Development (D1) and Labour Productivity Enhancements (E1 and E2) focus areas.

Traceability tools

To assist applicants with identifying traceability gaps and opportunities in their operations and prioritizing risks, the following tools are available, at no cost, and may help you determine an impactful project

- Traceability Workshops www.ontario.ca/traceability
- Traceability Self-Assessment for Food Processors www.ontario.ca/traceability

C.0.1 Traceability assessments, testing, planning and mock recalls

Projects under this category will focus on conducting assessments, testing and planning to identify traceability needs, opportunities and establishing plans to advance traceability for your business. This category also supports recall plan development and costs associated with conducting first-time mock recalls.

Eligible activities and costs

- Business readiness assessment or market assessment to identify market-driven traceability needs or opportunities
- Advisory costs related to developing an action plan for future implementation of a traceability system, including prioritization of opportunities and possible activities to guide later planning or implementation activities
- Performing a detailed analysis of existing system(s) and information and establish future traceability system requirements
  - o Develop specifications for the functional requirements that will define any necessary customization for new systems and software
  - o Process-flow plan/assessment for movement tracking
  - o Assessment of required information for effective traceability
  - o Assessment of existing traceability system to plan for the development and implementation of system upgrades

- Testing and evaluation of a new traceability system to enable integration of multiple business processes (e.g. receiving/shipping, production and inventory, sales/marketing, procurement, food safety records, resource management)

- Recall plan development and costs associated with conducting a first time mock recall

Ineligible activities and costs

- Costs to perform ongoing mock recalls and related improvements to recall capabilities

- Recovery of costs from a voluntary or Canadian Food Inspection Agency recall

- Any in-kind contributions

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $7,500

Required documentation

- Project Information Form

For first-time recall system testing projects

Attach existing recall plan (or program), which must include the following three required components

1. Product identification: system for identifying products and separating them by production lots (batches)

2. People: overview of recall team (roles and responsibilities)

3. Procedures (instructions and methods) for

   - Identifying and controlling affected product

   - Contacting authorities and customers

   - Conducting a mock recall and ensuring its effectiveness

   - Record-keeping of all actions taken during the course of a recall or mock recall

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified business need or opportunity

- Relevance of project to the focus area

C.0.2 Traceability training

Projects under this category will focus on increasing traceability-related knowledge to help you reach your business goals.

Eligible activities and costs

- Courses, training and material from a third-party organization or consultant that will increase agri-food traceability-related knowledge

Ineligible activities and costs

- Applicant and consultant costs to complete OMAFRA self-assessment tool for traceability

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $7,500

Required documentation

- Course outline detailing training to be provided and outcomes, including a cost summary or quote from a training provider

Assessment criteria (address in Step 8 of the Processor Application form)

- Learning objectives, gaps, challenges or opportunities you wish to address as they relate to specific business goals and/or opportunities

- Expected results as they relate to specific business goals and/or opportunities

Assurance systems - animal welfare

Animal welfare programs are becoming increasingly important for domestic and foreign market access. Consumers are driving the retail demand to source products from farms that follow National Animal Welfare Codes of Practice. Adopting these codes or other industry standards can help with the implementation of market-driven management (e.g. handling and housing) to meet buyer demands and consumer expectations. Animal welfare programs help strengthen and keep Ontario's agri-food businesses competitive.

C.0.3 Animal welfare education, planning, assessment and training

Projects under this category will focus on assessment of animal welfare practices to meet consumer or trade requirements, training staff on humane animal handling methods or new or existing techniques or technologies for procedures, such as euthanasia.

Eligible activities and costs

- Courses, training and material from a third-party organization or consultant

- Veterinary/certified auditor (e.g. Professional Animal Auditor Certification Organization (PAACO)) auditor) fees to audit facilities and provide first-time audit report of deficiencies

Ineligible activities and costs

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $5,000

Documentation required

- Course outline detailing training to be provided, outcomes and costs (education/training only)

Assessment criteria (address in Step 8 of Processor Application form)

- Impact of the training or skills development on business need or opportunity

- Relevance of the training to the focus area

- Preference will be given to projects that are based on a recognized assessment or audit process

- Expected results as they relate to specific business goals and/or opportunities

C.1 Improvements to animal housing and handling facilities

This category will focus on projects that are based on a recognized assessment or audit process, and that result in improved product quality, or meet code of practice requirements or marketplace animal welfare standards.

Eligible activities and costs

- Modifications to existing structures to facilitate animal movement to reduce stress and improve product quality to meet industry standards

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- New construction
- Modifications not relevant to improving animal welfare
- Modifications and repairs as part of routine maintenance (e.g. replacing old surfaces with the same material)
- Ongoing consumables (e.g. bedding materials, straw, shavings, needles)
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum funding per project

- $50,000

Documentation required

- Detailed plan for implementation
- Site sketch for structural modifications
- Quote or proposal to support costs
- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Preference will be given to projects that are based on a recognized assessment or audit process, and that result in improved product quality, or meet code of practice requirements or marketplace animal welfare standards
- Impact of the project in addressing identified deficiencies and/or risks leading to improvements to animal welfare

C.2 Animal handling procedures and practices

Projects under this category will focus on improvements to animal handling procedures and practices.

Eligible activities and costs

- Modifications to existing handling facilities
- Equipment to meet animal welfare standards, such as the American Meat Institute Guidelines for animal welfare (e.g. stunning equipment)
- Equipment to facilitate humane handling methods or treatment procedures (e.g. chutes, head gates, herding or catching gates, paddles)
- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)
- One-time costs for rental of facilities, processing equipment or machinery required specifically for the project

Ineligible activities and costs

- New construction
- Modifications not relevant to improving animal welfare
- Modifications and repairs as part of routine maintenance (e.g. replacing old surfaces with the same material)
- Ongoing consumables (e.g. bedding materials, straw, shavings, needles)
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $50,000

Documentation required

- Detailed plan for implementation

- Site sketch for structural modifications

- Quote or proposal to supports costs

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Preference will be given to projects that are based on a recognized assessment or audit process, and that result in improved product quality, or meet code of practice requirements or marketplace animal welfare standards

- Impact of the project in addressing identified deficiencies and/or risks leading to improvements to animal welfare

Assurance systems: food safety

Assurance Systems: Food Safety controls risks by preventing, reducing or eliminating potential food safety hazards. *GF2* is a highly competitive program with only the very best projects receiving funding; therefore, applicants need to be clear and specific about the food safety results their projects will achieve.

Under the Assurance System: Food Safety, cost-share funding assistance is available for

- Food safety assessments and audits

- Training and education

- Equipment and facility modifications

- Scientific analysis

- Development of written food safety programs

Food safety priority ranking for processors

In funding projects under food safety for *GF2*, priority will be given to those commodities that possess the greatest food safety risk. Below is a table outlining the level of priority given to various commodities, based on their level of food safety risk. If you are not sure what priority your food product falls into, contact OMAFRA at 1-877-424-1300 or foodsafety@ontario.ca.

Food products

High priority

Ready-to-eat (RTE) minimally-processed fruit and vegetables (e.g. peeled, cut, washed, dried, packaged)

RTE bagged salads or greens (e.g. salad mix, spinach)

RTE meat products (e.g. pate, meat spreads, frankfurters, deli meats, beef or poultry jerky, etc.)

Un-ripened or fresh soft cheese (e.g. cottage cheese, cream cheese, feta, ricotta, etc.)

Unpasteurized fruit/vegetable juice (e.g. apple cider)

Poultry or beef slaughter or processing

Dry/semi-dry fermented sausages

Medium priority

Sprouted seeds

Swine slaughter or processing

Sheep and other milk (e.g. water buffalo, mare, etc.)

RTE spreads and dips (e.g. hummus, tahini, etc.)

Shelf-stable canned products

Low Priority

Oilseeds (e.g. soyabean, corn) and grains (e.g. wheat, pea and bean, rice) for processing

Fresh fruits and vegetables that are frozen, or cooked

Peanuts and tree nuts (e.g. hazelnuts, walnuts)

Maple syrup and honey

Beverages (e.g. pasteurized fruit juices, carbonated soft drinks, bottled water, alcohol)

Pickled meat

Baked goods

Semi-hard cheese (e.g. cheddar, brick, Gouda)

Hard cheese (e.g., Asiago, Parmesan)

Processed cheese

Ice cream, fluid milk (e.g. cow, goat) and high fat and other dairy products

Other cultured milk products (e.g. yogurt, kefir)

Ready-to-serve meat products (e.g. meat pies, pizza, etc.)

Health and/or nutrition supplements

Pet food products

Projects may be completed as eligible activity components of broader projects under the Market Development focus areas (D.0.1 or D.1).

Food safety tools

To assist applicants with identifying food safety gaps in their operations and prioritizing risks, the following tools are available, at no cost, and may help you develop an impactful project

• Food Safety Workshops www.gftc.ca/courses-and-training/growing-forward-2.aspx

• Food Safety Self-Assessment for Food Processors www.omafra.gov.on.ca/english/food/foodsafety/processors/Processors_Topic_Selection/index.html

C.0.4 Food safety assessment

Projects under this category will focus on obtaining an assessment or gap analysis of the food safety risks in your operation, by a third party (e.g. consultant, auditor or industry expert), to identify opportunities for food safety improvements.

Eligible activities and costs

- Costs for a first-time assessment or gap analysis by a third party (e.g. consultant, auditor or industry expert) to identify opportunities for food safety improvements in your operation

Ineligible activities and costs

- Non-food safety-related assessments or gap analysis (e.g. gluten-free, halal, organic)
- Writing, development, implementation or audit of a food safety program
- Capital expenses or costs of equipment required to put a food safety program in place
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $3,800

Required documentation

- Project Information Form

Assessment criteria

- Food safety priority (high, medium or low) of the food product processed
- How the project will improve food safety and control risks
- Reason for the project
- Additional merit may be assigned for
  - Proof of food safety training to support the project
  - Submission of a food safety assessment that identifies the need for the project
  - Ability of project to increase market access

C.0.5 Food safety certification or audit

Projects under this category will focus on first-time audits or certification to a food safety program.

To apply, you must have:

- A complete food safety program implemented in your operation

Eligible activities and costs

- First-time audit or certification and pre-audit by a third party to the following food safety programs
  - GMP and HACCP
  - Global Food Safety Initiative (GFSI) Schemes (e.g. SQF, BRC, FSSC 22000)

Ineligible activities and costs

- Time or services to perform ongoing monitoring or verification activities
- Recertification of an existing food safety program
- Writing, development or implementation of a food safety or other program
- Capital expenses or cost of equipment required to put a food safety program in place

- Non-food safety related audits/certifications (e.g. gluten-free, halal, organic)
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $7,500

Required documentation:

- Project Information Form

Assessment criteria

- Food safety priority (high, medium or low) of the food product processed
- Reason for the project
- Additional merit may be assigned for
  - Proof of food safety training to support the project
  - Submission of a food safety assessment that identifies the need for the project
  - Ability of project to increase market access

C.0.6 Food safety training or skills development

Projects under this category will focus on increasing knowledge of food safety risks, risk prevention, and food safety programs by taking education or training related to food safety.

Eligible activities and costs

- Courses, training and materials from a third party organization or consultant related to food safety

Ineligible activities and costs

- Writing, development or implementation of a food safety or other program
- Capital expenses or cost of equipment required to put a food safety program in place
- Training of staff on newly developed or updated procedures, policies or practices related to food safety
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $3,800

Required documentation

- Project Information Form

Assessment criteria

- Food safety priority (high, medium or low) of the food product processed
- Reason for the project
- How the project will improve food safety and control risks
- Additional merit may be assigned for
  - Submission of a food safety assessment that identifies the need for the project
  - Ability of project to increase market access

C.3 Manage food safety risks

Projects under this category will focus on developing and implementing written food safety programs, purchasing equipment, making facility upgrades, and conducting laboratory testing specifically required to reduce food safety risks. High quality projects that demonstrate the highest impact on reducing food safety risk will be given priority.

Eligible activities and costs

- Third party costs or in-kind staff time to develop food safety policies, procedures, schedules, and records, including

  o Personnel and handling

  o Cleaning and sanitizing

  o Water

  o Pest control

  o Preventative maintenance and calibration

  o Facility interior and exterior (e.g. facility environment)

  o Shipping/receiving

  o Hazard Analysis Critical Control Points (HACCP) or Preventative Control Plan (PCP)

  o Process controls (e.g. procedures that indicate the minimum internal product temperature and the minimum holding time that produce lethality)

  o Other food safety practices (e.g. management commitment, food defense)

- Validation studies

  o Time or fees for contracted experts to develop validation studies

  o Validation of control measures outlined in HACCP plans/CCPs

  o Validation of cleaning and sanitizing, water treatment, and allergen programs

  o Validation of food safety process control measures (e.g. fermented sausage)

  o Shelf life studies

  o Cost of acquiring scientific and technical documentation to demonstrate that the control measures can control the identified hazard to a specified outcome. Examples include: scientific journal articles or other published scientific literature, Health Canada guidelines, processing authority documents, instructions, or research, written information from industry experts or consultants, university extension publications

  o In-plant studies, research or historical data

  o Reference to legally defined critical control points (e.g. thermal processing for the pasteurization of milk)

  o Testing performed by an accredited laboratory to obtain validation results

- One-time training of staff on newly developed or updated procedures, policies or practices related to food safety

- Equipment needed for Critical Control Points (e.g. metal detector, magnets, pasteurizer, chlorinator, physical water treatment methods UV, ozonation, filtering systems, thermometers, monitoring devices required by HACCP Plans/CCPs: e.g. temperature probes, pH meters)

- Modifications to existing written food safety programs (e.g. HACCP to a GFSI benchmarked scheme)

- Equipment to support the implementation of written programs

  o Handwashing sinks, soap and paper towel dispensers, hand sanitizing stations, footbath/door foamers, sanitizing stations, storage facilities for work clothing (hooks, lockers, cupboards) and street clothing (lockers, cupboards), re-useable protective clothing, purchase of signage, designated utensils (scoops, pails, containers, brushes, brooms, shovels, bins, totes)

  o Cleaning equipment (hoses, nozzles, bin washers), cleaning utensils to support the development of a utensil control system (colour-coded brushes, squeegees), cleaning and sanitizing verification (ATP luminometer, microbial rapid detection kits), containers suitable for chemical application/use, pre-mixing unit/automated chemical dispenser, foam systems

- Chlorinator, physical water treatment methods (e.g. ultraviolet, ozonation, filtering systems), equipment/tools for testing chemical levels in water (e.g. ORP meter/automated system), methods for water re-circulation treatment system)
      - Upgrading to food safety materials (non-toxic, smooth and non-absorbent), equipment designed for effective cleaning and sanitizing, pest control devices, reference thermometer, back flow preventers, lighting to meet operational requirements, monitoring devices for environmental control, ventilation to maintain positive air pressure where required, initial set up and calibration of new equipment with direct impact on food safety
      - Posters or signage depicting/explaining HACCP procedures

- Capital Costs (including building upgrades) to meet requirements of written programs
      - Lunchrooms, changing rooms/areas, designated smoking areas, storage areas for utensils, methods to control access to the facility (locks), methods to designate proper traffic patterns
      - Upgrading interior surfaces to cleanable materials (non-toxic, smooth and non-absorbent), separate storage area for chemicals (room, chemical cabinet) shatterproof lighting, gravel perimeter around buildings where food is handled and stored, grading of area around food handling and storage buildings, drainage to prevent pooling water around the facility, facility modifications so food handling areas do not open directly outside, installing self- closing doors, replacement of glass windows in food handling areas to shatterproof material, upgrading to food safety materials (non-toxic, smooth and non-absorbent), sloping floors, adding coving, dedicated lunch room, dedicated personal storage facilities

- First-time audit and pre-audit by a third party (e.g. consultant, auditor or industry expert) to the following food safety programs
      - GMP and HACCP
      - GFSI Schemes (e.g. SQF, BRC, FSSC 22000)

Ineligible activities and costs

- Development of traceability programs, recall system testing or conducting mock recalls

- Development of a recall and traceability program

- Traceability equipment

- Structural modifications and equipment that are not directly related to food safety or managing food safety risks (e.g. modifications to increase processing capacity)

- Ongoing routine maintenance and costs associated with regular business activities (e.g. disposable items, consumables, staff time for ongoing record keeping)

- Multi-use items (e.g. washing machine, dryer, computers, laptops, portable pressure washer, water heater)

- Implementation of requirements and costs associated with expanding your business (e.g. new products and/or processing line)

- Consultant costs to complete the Food Safety Self-Assessments for Processors

- Program assessments (e.g. gluten-free, halal, organic)

- Time or services to preform ongoing monitoring or verification activities

- Recertification of an existing food safety program

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $75,000

Required documentation

- Project Information Form

Assessment criteria

- Food safety priority (high, medium or low) of the food product processed

- Reason for the project

- How the project will improve food safety and control risks

- Additional merit may be assigned for
    - Proof of food safety training to support the project
    - Submission of a food safety assessment that identifies the need for the project
    - Ability of project to increase market access

D. Market development

Projects will focus on developing domestic and global market share.

D.0.1 Assessment or audit
Projects will focus on obtaining an assessment or audit of your program (e.g., HACCP, organic) by a third party (e.g., consultant, auditor, industry expert) to retain existing markets or access new ones.

Eligible activities and costs

- First-time assessments or audits to reveal program gaps by a third party. Eligible assessments or audits include
  - Product attribute verification (e.g. halal, gluten-free, organic)
  - GMP and HACCP
  - Global Food Safety Initiative (GFSI) schemes (e.g. SQF, BRC, FSSC 22-000)

- First-time pre-audit by a third party
- Feasibility studies
- Market readiness audit
- Operations and process audit
- Cost of production audit

Ineligible activities and costs

- Maintenance of an existing third party certification
- Recertification of an existing food safety program already in place
- Writing, development or implementation of a food safety or other program
- Capital expenses or cost of equipment required to put a food safety program in place
- Developing product prototype samples
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $7,500

Required documentation

- Quote or proposal from a third party organization or consultant, detailing services to be provided, cost and outcomes

Assessment criteria (address in Step 8 of Processor Application Form)

- Relevance of the project to the focus area
- Impact of the project in addressing identified business needs to retain or access a new domestic or global market

D.0.2 Planning

Projects will focus on creating plans to develop new domestic or export markets.

To apply you must have

- Market assessment outlining why the specific planning is required

Eligible activities and costs

- Market analysis or research

- Business, marketing and strategic plans for developing a new market

- Export planning

- Production expansion planning to expand market share and/or implement a new process

- Investigation into the regulatory or certification standards or requirements needed to access a new market (e.g. food product labels, preparation of nutritional panels, and other required label information for domestic and international markets, trade issues, quota applications, customs and trade regulatory issues)

Ineligible activities and costs

- Developing product prototypes samples

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $20,000

Required documentation

- Marketing assessment

- Quote or proposal from a third party organization or consultant, detailing services to be provided, costs and outcomes

Assessment criteria (address in Step 8 of Processor Application Form)

- Relevance of the project to the focus area

- Impact of the project in addressing identified business needs to retain or access a new domestic or global market

D.0.3 Skills development and training

Projects will focus on the development of skills required to develop or access markets.

Eligible activities and costs

- Courses, training and materials from a third party organization or consultant on topics related to the marketing, product and process development, and GFSI scheme requirement in the food processing industry

Ineligible activities and costs

- Export marketing events offered by OMAFRA including PROFIT workshops

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $1,500

Required documentation

- Course outline detailing training to be provided and outcomes

Assessment criteria (address in Step 8 of Processor Application Form)

- Impact of the training/skills development on identified business need or opportunity

- Relevance of the project to the focus area

D.1 Meeting industry standards or practices

Projects will focus on technology, equipment, and practices improvements to meet industry standards or certification requirements to gain access to new markets.

To apply, you must have

- Business plan or assessment that supports the business needs for the standard or practice to retain existing markets or access a new market

Eligible activities and costs

- Adoption of new practices to meet established standards, certifications or market requirements including writing, development or implementation of a food safety or other programs:
    - Product attribute verification (e.g. halal, gluten-free, organic)
    - Food safety (e.g. GFSI schemes, GMP, HACCP)
    - Traceability
- Capital expenses and installation costs related to acquiring new processing equipment and technology, retrofitting or modifications of existing equipment and technology, process, or procedure, and/or software systems in support of meeting specific standards, and/or requirements, to access new markets, including:
    - Product attribute verification (e.g. halal, gluten-free, organic)
    - Food safety
    - Traceability implementation, development, customization and procurement of a new traceability system to fulfill a specific market and/or buyer requirement (e.g., adoption of global data standards, capability to validate product attributes, first-time software licensing fees and training costs) can also include:
        - Service provider costs (e.g. technical costs) for traceability systems, limited to the duration of the project only
        - Costs related to supporting/managing information sharing networks (e.g. cloud-based subscription costs, one-time dedicated project staff), limited to the duration of the project only
        - Initial GS1 Canada costs, limited to one-time company Prefix Licence expense, initial activation and one-time annual fee with national product registry (does not include initial individual product registrations)
        - Costs related to obtaining barcoding systems, automated product identification systems
- First-time shelf life determination to meet specific requirements
- One-time testing of products to meet specific requirements
- One-time costs for training staff on newly developed or updated procedures, policies related to the program or equipment
- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)
- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Ongoing testing of products
- Ongoing every-day business and program maintenance (e.g. pest control services, cleaning supplies, hair nets)
- Capital expenses not directly related to meeting established standards, and/or requirements
- Service provider costs related to supporting/managing information sharing networks (e.g. cloud-based subscription costs, one-time dedicated project staff) that go beyond the duration of the project
- Ongoing GS1 Canada costs, subscriptions and fees, including initial individual product registrations.
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $100,000

Required documentation

- Business plan or assessment outlining the business need for the standard and/or practice to retain existing markets or access a new market

- Quote detailing costs of equipment, retrofitting, technology (if applicable)

- Quote or proposal from third party organization or consultant, detailing services to be provided, outcomes and costs (if applicable)

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified business need or opportunity that will lead to meeting industry standards or certification requirements to retain existing markets or gain access to new markets

- Project demonstrates all relevant and quantified business impacts anticipated, such as
  - o Reduced identified risks (e.g. food safety risk, brand equity risk, product recall duration and effectiveness, etc.)
  - o Job creation/retention
  - o Increased sales/revenue from new or retained markets (estimated values, where applicable e.g. percentage increase in sales post project)
  - o Increased profitability (estimated values, where applicable)
  - o Other business impacts, as identified by applicant

D.2 New export market sales and marketing activities, tools and resources

Projects will focus on developing new global markets and expanding existing global market share.

To apply, you must have

- Export marketing plan that includes (can be conducted internally)
  - o Market research analysis that supports entry into the specific global market
  - o Sales targets
  - o Implementation strategy

Eligible activities and costs

- Implementation of a marketing plan for a new global market or new product with existing global market
  - o Brand development
  - o Focus group and or consumer studies
  - o In-store or in-market product demonstrations
  - o Promotional material development
  - o Website and social media development
  - o Planning, organizing and participating in trade events
  - o Sales, marketing and promotional activities
  - o Specially produced product samples (not from normal production) for market research, tradeshow and/or specific events (e.g. lab or pilot plant samples made specifically for marketing purposes)
  - o Packaging design

- Shipping cost for tradeshow product samples that are not intended for re-sale

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

- One-time costs of travel and meals that are directly related to the project and within the Travel and Meal Guidelines (see Appendix 8)

Ineligible activities and costs

- Product samples not related to a new product launch or a promotional event (tradeshow).

- Product samples produced from normal production

- Retail or food services listing fees

- Cost of acquiring production or processing quota permits

- Activities currently being conducted for existing products/market

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $75,000

Required documentation

- Export marketing plan that includes (can be conducted internally):
  o Market research analysis that supports entry into the specific global market
  o Sales targets
  o Implementation strategy

- Quote or proposal from a third party organization or consultant detailing services to be provided, outcomes and costs (if applicable)

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified business needs or opportunity that will lead to increased ability to access new global markets and/or expand existing global markets

- Project demonstrates all relevant and quantified business impacts anticipated, such as

  o Reduced identified risks
  o Job creation/retention
  o Increased sales/revenue from new or retained markets (estimated values, where applicable, e.g. per cent increase in sales post- project)
  o Increased profitability (estimated values, where applicable)
  o Other business impacts, as identified by applicant

D.3 New sales and marketing activities, tools and resources for the domestic market

Projects will focus on developing new domestic markets and expanding existing domestic market share.

To apply, you must have

- Domestic marketing plan that includes (can be conducted internally):
  o Market research analysis that supports entry into the specific domestic market
  o Sales targets
  o Implementation strategy

Eligible activities and costs

- Implementation of a sales and marketing plan for a new domestic market or new product in an existing market
    - Brand development
    - Focus group and or consumer studies
    - In-store or in-market product demonstrations
    - Promotional material development
    - Product introductory campaigns for domestic markets
    - Sales, marketing and promotional activities
    - Specially produced product samples (not from normal production) for market research, tradeshow and/or specific events (e.g. lab or pilot plant samples made specifically for marketing purposes)
    - Packaging design

- Shipping cost for tradeshow product samples that are not intended for re-sale

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

- One-time costs of travel and meals that are directly related to the project and within the Travel and Meal Guidelines (see Appendix 8)

Ineligible activities and costs

- Product samples not related to a new product launch or a promotional event (tradeshow)

- Product samples produced from normal production

- Retail or food services listing fees

- Cost of acquiring production or processing quota permits

- Activities currently being conducted for existing products/market

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $50,000

Required documentation

- Domestic marketing plan that includes (can be conducted internally):
    - Market analysis that supports entry into the specific domestic market
    - Sales targets
    - Implementation strategy

- Quote or proposal from a third party organization or consultant, detailing services to be provided, outcomes and costs (if applicable)

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified business needs or opportunity that will lead to increased ability to access new domestic markets and/or expand existing domestic markets

- Project demonstrates all relevant and quantified business impacts anticipated, such as
    - Reduced identified risks

- o Job creation/retention
- o Increased sales/revenue from new or retained markets (estimated values, where applicable e.g. percentage increase in sales post-project)
- o Increased profitability (estimated values, where applicable)
- o Other business impacts, as identified by applicant

D.4 New product or process development

Projects will focus on the development of new products or processes to expand domestic and global markets.

To apply, you must have

- Export or domestic marketing plan or business plan (can be conducted internally), as appropriate, that includes market analysis supporting the development of the new product or process and the potential impact on the business or market.

Eligible activities and costs

- New product and process development activities or optimization for a new market

  - o Ingredient/material/packaging sourcing
  - o Formulation development
  - o Process development
  - o Scale-up trials
  - o Shelf life determination

- Product testing/analysis to verify and complement development process

  - o Nutritional, microbial, chemical, allergen
  - o Sensory/consumer
  - o Product physical testing

- Packaging-related activities
  - o Package testing to ensure compatibility with product
  - o Labelling development and design for marketing purposes
  - o Labelling development to meet established standards, certifications or market requirements (e.g. halal, gluten-free, organic)

- Capital expenses and installation/configuration costs related to acquiring new processing equipment and technology, retrofitting or modifications of existing equipment and technology, process, or procedure, and/or software systems in support of the development of value-added new products or processes (includes equipment to package and label products)

- One-time costs associated with training of key personnel on project-related new equipment, technology and processes (e.g. train the trainer)

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Development of product optimizations and reformulation for existing products and/or existing markets
- Any activity, testing or capital expense for existing products and existing markets
- Ongoing packaging material costs for finished products intended to be sold
- Ongoing input costs (ingredient) for finished products intended to be sold
- Product testing to respond to existing product complaints, recalls or quality defects, and litigation
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $75,000

Required documentation

- Export or domestic marketing plan or business plan (can be conducted internally), as appropriate, that includes market analysis supporting the development of the new product or process and the potential impact on the business or market

- Quote detailing costs of equipment, retrofitting, technology (if applicable)

- Quote or proposal from third party organization or consultant, detailing services to be provided, outcomes and costs (if applicable)

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing identified business need or opportunity that will lead to increased ability to expand domestic and global markets

- Project demonstrates all relevant and quantified business impacts anticipated, such as

  o Reduced identified risks

  o Job creation/retention

  o Increased sales /revenue from new or retained markets (estimated values, where applicable. e.g. percentage increase in sales post-project)

  o Increased profitability (estimated values, where applicable)

  o Other business impacts, as identified by applicant

E. Labour productivity enhancement

GF2 cost-share funding can assist the industry to maximize profitability by encouraging the development of a highly skilled workforce, adopting new technologies, implementing new business practices, as well as re-designing facilities, sites and manufacturing lines.

Tools and resources

See Appendix 9 for additional resources and tools, available at no cost that may help you with your project.

E.0.1 Assessment or audit

Projects will focus on improving labour and productivity by establishing productivity-costing models or undertaking automation and technology acquisition studies.

Eligible activities and costs

- First-time assessment or audit by business advisor or a third party consultant, including:
  - o Productivity-costing models
  - o Automation and technology acquisitions study
  - o Productivity audit or assessment
  - o Manufacturing and competitiveness audit
  - o Operations and process audit

Ineligible activities and costs

- Ongoing audits or assessments that are part of standard business practice
- Product verification audits or assessments
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $10,000

Required documentation

- Quote or proposal from a third party organization or consultant, detailing services to be provided, outcomes and costs

Assessment criteria (address in Step 8 of Processor Application form)

- Relevance of the project to the focus area
- Impact of the project in addressing identified business needs or opportunity that will lead to improved labour or productivity

E.0.2 Planning

Projects will focus on creating plans to improve planning as it relates to Enterprise Resource Planning, supply chain management, and labour resources.

To apply, you must have

- Audit or assessment (may be conducted internally or by a third party) showing the need for the project

Eligible activities and costs

- Enterprise Resource Planning
- Supply chain optimization planning

- Expansion or reconfiguration planning related to production efficiencies
- Labour resource planning

Ineligible activities and costs

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $20,000

Required documentation

- Audit or assessment showing need for project
- Quote or proposal from a third party organization or consultant, detailing services to be provided, outcomes and costs

Assessment criteria (address in Step 8 of Processor Application form)

- Relevance of the project to the focus area
- Impact of the project in addressing identified business needs or opportunity that will lead to improved labour or productivity

E.0.3 Skills development and training

Projects will focus on development of skills required to improve labour productivity.

Eligible activities and costs

- Courses, training and materials from a third party organization or consultant on topics related to:
  o Labour productivity
  o LEAN manufacturing

Ineligible activities and costs

- Training for normal production or business operations
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $10,000

Required documentation

- Course outline detailing training to be provided, outcomes and costs

Assessment criteria (address in Step 8 of Processor Application form)

- Relevance of the project to the focus area
- Impact of the project in addressing training or skills development on identified business needs or opportunity

E.1 Technology, equipment and software systems upgrades

Projects will focus on increasing automation, labour productivity, sustainability and production output to meet established market demand.

To apply, you must have

- Audit, assessment or productivity implementation plan conducted either internally or by a third party showing the need for the project

Eligible activities and costs

- Capital expenses related to new processing equipment, or retrofitting existing equipment, technology, and software systems to increase automation and labour productivity (includes equipment to package and label products) and costs associated with installation and configuration

- Modifications to existing equipment or technology for optimization and/or to enable installation of automation and labour saving equipment and technology

- Development of new or translation of existing manufacturing policies, feedback systems, preventative maintenance procedures, and standard operational procedures (SOPs), such as
  - Processing standards (time, temperature, speed, etc.), proactive, preventative maintenance routines, and employee scheduling systems

- Pilot and Demonstration Projects
  - Capital expenses to pilot and demonstrate retrofits, upgrades and acquisitions of new processing equipment and technology (including equipment to package and label products), or software systems and costs associated with installation and configuration. The objective of pilot and demonstration projects is to investigate methods of increasing labour productivity that have not been fully validated in Ontario and/or in the particular application (e.g. the specific proposed sector or sub-sector)
  - Communication-related costs associated with disseminating outcomes and learnings derived from research, pilot projects, validation studies, or demonstrations (e.g. developing online or printed case study, hosting tour of processing facility)

- One-time costs associated with training key personnel on project-related new equipment, technology and software systems (e.g. train the trainer)

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant`s existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Building structure modifications

- Costs and activities associated with expanding facility capacity or output, without increasing the degree of automation or level of productivity

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $100,000

Required documentation

- Audit, assessment or productivity implementation plan conducted either internally or by a third party, showing the need for the project

- Quote or proposal from a third party organization or consultant, detailing services to be provided, costs and outcomes

- Quote detailing costs of equipment, retrofitting or technology

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing current deficiencies, opportunities, risks supported by the audit, assessment or productivity implementation plan

- Project demonstrates all relevant and quantified anticipated business impacts, such as

  o Increased labour productivity

  o Increased production output

  o Reduced identified risks

  o Job creation or retention

  o Increased sales or revenue

  o Increased profitability

  o Reduced downtime

  o Reduced waste

  o Competitive advantage for new and emerging markets

  o Technical skills development and improved performance of personnel

  o Other business impacts, as identified by the applicant

- Pilot and demonstration projects must meet the following assessment criteria

  o Project incorporates sharing and/or collaboration for benefit of supply chain partners or other processing industry stakeholders

  o Demonstrations that the particular solution or application has not been fully validated in Ontario (e.g. novel subsector application of a technology proven in another subsector)

  o Outline the impact of the proposed activities (e.g. the potential number of businesses or individuals reached, economic impact, etc.)

  o Explanation of expected outcomes of the communication and knowledge transfer

E.2 Enterprise Resource Planning (ERP) and supply chain management

Projects will focus on optimizing best practices.

To apply, you must have

- Enterprise Resource Planning or supply chain audit or assessment, showing need for project (conducted internally or by a consultant or business advisor)

Eligible activities and costs

- Resource management plan implementation that involves evaluation, procurement, development and customization of new Enterprise Resource Planning or supply chain optimization systems; including directly related advisory services, software and hardware involved with installation and customization

- First-time development of reports or dashboards that integrate meaningful metrics and benchmarks related to resource management, supply chain and productivity performance, which can include but not limited to

  o Product shipping, distribution and routing across different transportation modes (e.g. trucking, intermodal, rail, marine)

  o Border requirement integration

  o Supply and demand forecasting, management performance reports

  o Inventory and input management

  o Order fulfillment benchmarking Product quality management

- First-time costs to implement a supply chain optimization that improves compatibility and interface with trading partners, such as

  o Electronic Data Interface (EDI) systems, including Advanced Shipping Notices (ASN) for improved customer/supplier interface

o Integrating products into national standardized product registry for synchronized data exchange (e.g. national product registry (GS1 Canada ECCnet), automating product attribute communication)

- One-time costs associated with training personnel on new project-related systems (e.g. train the trainer)

- One-time labour costs specifically required for the project, such as contract salaries, benefits and specific per diem fees (not applicant's existing full- or part-time staff)

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project

Ineligible activities and costs

- Ongoing software licencing costs or fees

- Direct supply chain and logistics costs (e.g. freight and storage bills, trucking costs)

- Ongoing advisory service costs or expenses associated with data analysis and reporting

- Ongoing costs associated with third party logistics services and/or contracts

- Ongoing training and re-training costs linked to existing systems

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- Up to 35 per cent

Maximum available cost-share

- $100,000

Required documentation

- Enterprise Resource Planning or supply chain audit or assessment showing need for project (conducted internally or by a consultant or business advisor)

- Quote or proposal from third party organization or consultant, detailing services to be provided, costs and outcomes

- Quote detailing costs of equipment, retrofitting or technology

- Project Information Form

Assessment criteria (address in Step 8 of the Processor Application form)

- Impact of the project in addressing current deficiencies, opportunities and risks that will lead to optimization of best practices

- Project demonstrates all relevant and quantified business impacts anticipated, such as

  o Increased labour productivity

  o Increased production output

  o Reduced identified risks

  o Job creation or retention

  o Increased sales or revenue

  o Increased profitability

  o Reduced downtime

  o Reduced waste

  o Competitive advantage for new and emerging markets

  o Technical skills development and improved performance of personnel

  o Other business impacts, as identified by the applicant

F. Business and leadership development

GF2 provides cost-share funding to processor businesses to help improve their understanding of their business operations and position them to make informed decisions related to financial and risk management, business growth, leadership and governance, and production efficiencies.

Tools and resources

See Appendix 9 for additional resources and tools available, at no cost that may help you with your project.

F.0.1 Assessment or audit

Projects will focus on developing benchmark data.

Eligible activities and costs

- Advisory services for the development of business assessment and performance benchmarking to provide information on current status

Ineligible activities and costs

- Ongoing audits or assessments that are a part of standard business practise
- Food safety audits/assessments
- Product verification audits/assessments
- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $15,000

Required documentation

- Quote or proposal from a third party organization or consultant, detailing services to be provided, outcomes and costs

Assessment criteria (address in Step 8 of Processor Application form)

- Relevance of the project to the focus area
- Impact of the project in addressing identified business needs or opportunity

F.0.2 Planning

Projects will focus on developing plans to address strategic direction, succession and business growth needs.

To apply, you must have

- Audit or assessment (may be conducted internally or by a third party) showing the need for the project

Eligible activities and costs

- One-time advisory services for
  - o Strategic planning
  - o Feasibility planning
  - o Succession planning
  - o Expansion planning
  - o Business development planning

Ineligible activities and costs

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $15,000

Required documentation

- Audit or assessment showing need for project
- Quote or proposal from a third party organization or consultant, detailing services to be provided, outcomes and costs

Assessment criteria (address in Step 8 of Processor Application Form)

- Relevance of the project to the focus area
- Impact of the plan in addressing identified business need or opportunity

F.0.3 Skills development and training

Projects will focus on development of skills required to maintain or grow your business.

Eligible activities and costs

- Courses, training and materials from a third party organization or consultant on topics related to development of business and leadership skills

Ineligible activities and costs

- Ineligible activities and costs as outlined in Appendix 5

Per cent cost-share

- 50 per cent

Maximum available cost-share

- $15,000

Required documentation

- Course outline detailing training to be provided, outcomes and costs

Assessment criteria (address in Step 8 of Processor Application Form)

- Relevance of the project to the focus area
- Impact of the training/skills development in addressing identified business needs or opportunity

Appendix 3: Checklist for *GF2* innovation funding

In order to qualify for a significant increase in *GF2* cost-share funding (from 35 per cent to 50 per cent cost-share), projects must be highly innovative and clearly meet or exceed the following criteria.

Novelty

• The project will introduce a new and distinctive product, process or technology to North America

• The project could also transfer a technology or a process from a non-agricultural sector (e.g. automotive) to the agri-food and agri-based bioproducts sector

Benefits

• The project will provide significant benefits to the sector

• This could include a combination of private economic benefits resulting from greater productivity or efficiency and/or public good benefits, such as a reduced environmental footprint or enhanced animal welfare. Preference would be given to projects providing both economic and public good benefits. However, projects providing only one or the other would also be acceptable, if all other criteria are met

Level of risk

• The project is not an installation of an off-the-shelf technology that has already been proven in a similar setting under parallel conditions

• Because innovations may not have been widely tested under conditions similar to those found in Ontario, these projects generally carry a higher level of uncertainty or risk

Knowledge transfer

• The project will allow for knowledge that can benefit other Ontario participants in the sector and the value chain beyond the project applicant to be shared

• Where possible, this will be through direct knowledge- transfer activities, which may include presentations, articles, videos, tours, etc.

• In some cases, direct-knowledge sharing may not be appropriate. For example, a food processor may not want to share all details about a project with a direct competitor; however, the other participants in the sector should be able to learn about the innovation and gain benefits from it. The innovator will have the benefit of being first on the market, but Ontario competitors will not be blocked from adopting the innovation. In this way, the innovation has the potential to raise the bar for the entire Ontario sector

• *GF2* will not provide innovation cost-share levels for projects that would provide benefits solely to one Ontario business and would block other Ontario sector participants from following

Drives competitiveness

• The project would allow Ontario businesses to move ahead of global competitors and, in a best case scenario, would move Ontario into a position of global leadership

• The project would help Ontario businesses to significantly reduce their costs and/or increase their value-added to enable them to outperform competitors in both domestic and global markets

If you have applied for *GF2* innovation funding and are successful, you will receive additional cost-share funding, to a maximum of 50 per cent cost-share. The manner in which the increased cost-share funding will be applied to the project budget will be determined in consultation with the applicant and will be reflected in the contribution agreement entered into with the Province of Ontario.

Independent confirmation of innovation is not required but letters of support will be considered favorably through the assessment process. This may take the form of

• Letters from credible industry and/or academic sources that support the innovative nature of the project

• Unbiased studies or market analysis from sources not connected to the project

• The sources, referred to above, are not involved and do not have a stake in the project

OMAFRA staff will not provide letters of support for any project proposals.

Appendix 4: Eligible costs

Eligible costs are costs directly attributable to the execution of an approved project and incurred by the applicant <u>after the project has been approved</u> (i.e. the date OMAFRA communicates the approval to the applicant). Applicants must follow a process that is transparent and fair, and promotes the best value for the money expended, and at competitive prices that are no greater than the fair market value when purchasing goods or services, including consultants and contractors, for the project. All businesses from which goods or services are purchased must be at arm's length to the applicant.

An entity is considered arm's length if they are not related, affiliated persons, or otherwise controlled by another member or members. Refer to Section 251 of the Income Tax Act for the detailed statutory provision for determining arm's length relationships.

Eligible costs must be incurred and paid by the applicant after the project has been approved by OMAFRA and prior to the project completion date (to be identified in the contribution agreement). Note: cost incurred should reflect when goods and services are expected to be received, regardless when payments are made.

Eligible costs are as follows

- One-time costs of goods, services, supplies, and all related shipping or transportation costs specifically required for the execution of an approved project

- One-time labour costs of salaries and benefits specifically required for the project (not applicant's existing full- or part-time staff) with the exception of projects under the assessment, audit, planning, skills development and training project categories

- One-time costs for rental of facilities, processing equipment, or machinery required specifically for the project, with the exception of projects under the assessment, audit, planning, skills development and training project categories

- One-time costs for communication materials, including design, printing, translation, etc. that are directly related to the project

- One-time costs of travel and meals that are directly related to the project and within the Travel and Meal Guidelines (see Appendix 8) with the exception of projects under the assessment, audit, planning, skills development and training project categories

Eligible capital costs

- Where eligible, capital costs are noted in specific project categories.

- Eligible capital costs are costs that are directly related to the project, including equipment and its installation (associated labour and consulting services), construction costs for building modifications, primary and further processing infrastructure and plant upgrades, software and software development (implementation and customization, however, not licencing and services) with the exception of projects under the assessment, audit, planning, skills development and training project categories. In case of eligible capital costs

    o The applicant must contribute at least 25 per cent in cash (from non-government sourced funds) of the total costs of the capital items

    o Capital reimbursement is capped at $100,000 per project

    o Assets are not intended for sale in the ordinary course of business

- Additional information on eligible costs under specific project categories is included in Appendix 2.

Eligible in-kind contributions

Funding is available for an applicant's in-kind contributions that are essential to the success of an approved project, to a maximum value of 15 percent of the approved eligible costs. (Note: in-kind contributions for projects under assessment, audit, planning, skills development and training are not eligible costs (i.e. 0.1 to 0.6 project categories)).

Allowable in-kind contributions will not be considered for reimbursement until the project has been completed and all eligible costs have been incurred, paid, submitted and approved.

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 contributed by the applicant and

• Be essential to the project's success

• Reflect fair market value

• Not exceed 15 per cent of the approved eligible cost

• Have a defined rate (per hour, per day, per item, etc.)

• Based upon the receipt of paid eligible invoices along with proof of payments and be auditable

OMAFRA reserves the right to reduce or reject an in-kind contribution claim outright if not satisfied the claim is reasonable and properly substantiated.

Table below reflects allowable in-kind contributions and necessary documentation.

Category	Definition	Reimbursement requirement
Salaries and volunteers	Actual salary cost for employing experts to contribute directly to the project Portion of the salary of a project manager or support staff person assigned to fulfill duties specifically related to the project	Signed timesheets with supervisory approval Payroll register Personnel file with salary/wage information Employment contract Cancelled cheques/direct deposit schedule
Courses and training	Courses and training required and directly related to the success of the funded project	Agenda Course outline, outcomes and costs, sign-in sheet Consultant/trainer agreement Paid invoices and receipts
Materials and supplies	Materials and supplies, at • Fair market value • Company book value	Purchase orders Packing slips Paid receipts and invoices
Use of land and facilities	Meeting rooms, space or facilities for which a fee is usually charged Equipment related to normal manufacturing processes and the opportunity cost associated with that equipment is not eligible for in-kind contribution	Estimate of the fair market value for use of the land/space

If you have a question about whether any expenditure is eligible, you should contact OMAFRA.

Appendix 5: Ineligible costs

Ineligible costs include, but are not limited to, the following

• Any cost not specifically required for the execution of a project

• Normal operating costs associated with carrying out a business, such as salaries and benefits of non-contract staff (e.g. full-time and part-time staff), office space, ongoing rental of facilities, equipment and machinery, utilities, phone, materials, labour, board, committee and annual meetings, etc.

• Normal costs of establishing or maintaining a commercial operation, including costs to maintain compliance with Requirements of Law that pertain to the current business operations

• One-time labour costs for projects under the assessment, audit, planning, skills development and training project categories

• One-time costs for rental of facilities, equipment and machinery for projects under the assessment, audit, planning, skills development and training project categories

• Costs for training and skills development projects that fulfill any academic requirements towards completion of a diploma or degree

• Mentoring and coaching

• Sponsorship of conferences and learning events or initiatives

• Costs of travel and meals, if related to projects under the assessment, audit, planning, skills development and training project categories

• Any travel costs beyond those provided for in the Travel and Meal Guidelines (Appendix 8)

• Consultants and other contractors' expenses for any hospitality (e.g. provision of food or beverages at events), incidentals or food

• In-kind contributions for projects under the assessment, audit, planning, skills development and training project categories

• Purchase of land, building and facilities

• Lease of land, buildings and facilities for the purpose of starting up a new business or as part of normal operations

• Financing charges, loan interest payments, bank fees, and charges

• Any cost, including a tax that is eligible for a rebate, credit or refund (including a refundable portion of the Harmonized Sales Tax)

• Gifts and incentives

• Permits and approvals

• Legal fees

• Expenses incurred for other approved *GF2* projects

• Costs incurred before the approval of the project by OMAFRA or after the project completion date identified in the contribution agreement between the applicant and the Province of Ontario

• Costs related to activities that promote Ontario products explicitly over those of another province or territory

• Costs related to activities that directly influence or lobby any level of government

Additional information on ineligible costs under specific project categories is included in Appendix 2.

Appendix 6: *GF2* Processor cost-share overview (2015)

Project category	Per cent cost-share	Maximum available cost-share
A. Environment and climate change adaptation		
A.0.1 Assessment or audit	50%	$5,000
A.0.2 Planning	50%	$5,000
A.0.3 Skills development and training	50%	$5,000
A.1 Measure and benchmark resource and waste management efficiency	Up to 35%	$20,000
A.2 Equipment or technology upgrades	Up to 35%	$80,000
A.3 Waste stream equipment or technology upgrades	Up to 35%	$100,000
B. Animal and plant health		
B.0.1 Education, planning, assessment and training	50%	$2,000
B.1 Improvements to manage access and traffic onto and within the operation	Up to 35%	$25,000
B.2 Vehicle and equipment cleaning and disinfection	Up to 35%	$50,000
B.3 Improve drainage and runoff	Up to 35%	$25,000
B.4 Improve manure handling and storage	Up to 35%	$25,000
B.5 Animal segregation	Up to 35%	$50,000
C. Assurance systems:		
Assurance systems: traceability		
C.0.1 Traceability assessments, testing, planning and mock recalls	50%	$7,500
C.0.2 Traceability training	50%	$7,500
Assurance systems: animal welfare		
C.0.3 Animal welfare education, planning, assessment and training	50%	$5,000
C.1 Improvements to animal housing and handling facilities	Up to 35%	$50,000
C.2 Animal handling procedures and practices	Up to 35%	$50,000
Assurance systems: food safety		
C.0.4 Food safety assessment	50%	$3,800
C.0.5 Food safety certification or audit	50%	$7,500
C.0.6 Food safety training or skills development	50%	$3,800
C.3 Manage food safety risks	Up to 35%	$75,000
D. Market development		
D.0.1 Assessment or audit	50%	$7,500
D.0.2 Planning	50%	$20,000
D.0.3 Skills development and training	50%	$1,500
D.1 Meeting industry standards or practices	Up to 35%	$100,000
D.2 New export market sales and marketing activities, tools and resources	Up to 35%	$75,000
D.3 New sales and marketing activities, tools and resources for the domestic market	Up to 35%	$50,000
D.4 New product or process development	Up to 35%	$75,000
E. Labour and productivity enhancement		
E.0.1 Assessment or audit	50%	$10,000
E.0.2 Planning	50%	$20,000
E.0.3 Skills development and training	50%	$10,000
E.1 Technology, equipment and software systems upgrades	Up to 35%	$100,000
E.2 Enterprise Resources Planning (ERP) and supply chain management	Up to 35%	$100,000
F. Business and leadership development		
F.0.1 Assessment or audit	50%	$15,000
F.0.2 Planning	50%	$15,000
F.0.3 Skills development and training	50%	$15,000

Appendix 7: Cost-share funding example

calculation *For illustrative purposes only*

Example #1

Project title:	Utility audit for bakery facility
Project category:	A.0.1 Assessment or audit
Total eligible costs:	$9,000

Processor Application Form - Step 11 – Eligible Costs

Eligible Items Only	Costs by Quarter										Sub-total
	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2016	
Utility audit		9,000	—	—	—	—	—	—	—	—	—	9,000
										Total Eligible Costs	9,000

Line A: Total eligible costs (enter from above)	9,000
Line B: Per cent cost-share (enter 35% or 50% based on project category – see Appendix 6)	50%
Line C: Calculate cost-share funding (line A x line B)	4,500
Line D: Cost-share cap ($ amount based on project category – see Appendix 6)	5,000
Line E: Maximum cost-share funding (i.e. reimbursement) (lesser of lines C and D)	4,500

Example #2

Project title:	Market expansion of snack food products into Asia
Project category:	D.2 New export market sales and marketing activities, tools and resources
Total eligible costs:	$220,000

Processor Application Form - Step 11 – Eligible costs

Eligible Items Only	Costs by Quarter										Sub-total
	Jul-Sep 2015	Oct-Dec 2015	Jan-Mar 2016	Apr-Jun 2016	Jul-Sep 2016	Oct-Dec 2016	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2016	
Focus group studies	—	70,000	—	—	—	—	—	—	—	—	70,000
Promotional material development	—	—	—	80,000	—	—	—	—	—	—	80,000
Participation at tradeshows	—	—	—	—	—	70,000	—	—	—	—	70,000
										Total Eligible Costs	220,000

Line A: Total eligible costs (enter from above)	220,000
Line B: Per cent cost- share (enter 35% or 50% based on project category – see Appendix 6)	35%
Line C: Calculate cost-share funding (line A x line B)	77,000
Line D: Cost-share cap ($ amount based on project category – see Appendix 6)	75,000
Line E: Maximum cost-share funding (i.e. reimbursement) (lesser of lines C and D)	75,000

Appendix 8: Travel and meal guidelines

Vehicle

When road transportation is the most practical, economical way to travel, the order of preference is rental vehicle, then personal vehicle, if it is more economical than a rental vehicle.

• Necessary and reasonable costs for parking, tolls for bridges, ferries and highways are eligible

Rental vehicles

• Compact model or its equivalent is required. Exceptions to this are guided by the principle that the vehicle is the most economical and practical size, taking into account the business purpose, number of occupants, and safety (including weather) considerations

• Luxury and sports vehicles are prohibited

• Gasoline charges are an eligible expense

Personal vehicles: Mileage - reimbursement and rates

• If using a personal vehicle, daily logs must be kept to track the project-related business use, with distances calculated in kilometers

• The table below reflects reimbursement rates for personal vehicles driven in Ontario

• Reimbursement rates for personal vehicles driven outside Ontario are at the rates for southern Ontario

Total kilometres driven per fiscal year	Southern Ontario ($ per km)	Northern Ontario ($ per km)
0 – 4000 km	0.40	0.41
4001 – 10, 700 km	0.35	0.36
10, 701 – 24, 000 km	0.29	0.30
More than 24, 000 km	0.24	0.25

Public transit

Local public transportation, including hotel/airport shuttles, should be used wherever possible.

Air and rail travel

• Air and rail travel is permitted, if it is the most practical and economical way to travel

• Economy (coach) class is the standard option for ticket purchase

• International train travel must be at the Canadian equivalent to coach class

Accommodations

• Reimbursement will only be made for single accommodation in a standard room

Meals

• Reasonable and appropriate meal expenses may be reimbursed

• Reimbursement is for restaurant/prepared food only

• Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense

• Reimbursement for meal expenses incurred in Canada is subject to the maximum rates set out in the table below. Original, itemized receipts are required, and reimbursement must not exceed the actual amount spent. Taxes and gratuities must be included in the meal rates

Meals	Maximum Amount
Breakfast	$8.75
Lunch	$11.25
Dinner	$20.00

- Information on reimbursement for meal expenses incurred in U.S. can be found at
  www.njc-cnm.gc.ca/directive/index.php?sid=98&hl=1&lang=eng

- Information on reimbursement for meal expenses incurred outside Canada and continental U.S. can be found at
  www.njc-cnm.gc.ca/directive/app_d.php?lang=eng

Appendix 9: *GF2* Resources and support for processors

Through *GF2*, the federal and provincial governments are providing funding over five years to develop resources and provide training and education at no cost for the agri-food and agri-based bioproducts processing sector in Ontario.

Ontario Ministry of Agriculture, Food and Rural Affairs

- **Enhanced Facility Level Traceability Self-Assessment Tool for Processors:** This self-assessment is designed to help you determine focused outcomes (operational efficiencies, market access, information sharing, and value chain opportunities) using traceability and information sharing systems to achieve a competitive advantage. Completing this self-assessment is an important step when applying for *GF2* cost-share funding assisstance

- **Food Safety Self-Assessments for Processors:** These web-based self-assessments will help determine gaps and opportunities that exist in your facility. Completing this self-assessment is an important step when applying for *GF2* cost-share funding assistance.
(http://www.omafra.gov.on.ca/english/about/growingforward/gf2-assurance-fs-pcSAP.htm)

Provision Coalition

Provision's Online Sustainability Portal offers innovative, web-based tools and resources to help you assess, monitor and improve your sustainability performance. Making use of the portal, you can benefit from lower production costs, a reduced environmental impact, improved employee morale, and a thriving bottom line. All food and beverage manufacturers (regardless of location or size) can register and use the portal at no charge.
www.provisioncoalition.com

BLOOM Centre for Sustainability

BLOOM is delivering a water innovation program with food and beverage companies to understand their water and wastewater issues, and to identify practical and business case-driven solutions. This includes conducting pilot projects to test and assess the performance of technologies and equipment under actual operating conditions.
www.bloomcentre.com

Excellence in Manufacturing Consortium (EMC)

EMC provides diagnostic tools and resources, providing education, training and outreach programming at no charge to help you improve their labour productivity capabilities. www.emccanada.org/group_spaces/foodsector

NSF – Guelph Food Technology Centre (NSF-GFTC)

NSF-GFTC offers food safety and traceability training workshops at no charge. www.gftc.ca

- **Traceability workshops:** Focused on enhancing existing traceability systems and capabilities to gain a competitive advantage and achieve operational efficiencies

- **Food safety workshops:** Under *GF2*, NSF-GFTC offers one-day food safety and traceability workshops in English and French. You will gain essential skills from industry leaders about the latest food safety practices, and ways to improve or leverage their traceability systems. Training modules include

  o Developing a HACCP plan

  o Personnel, handling and sanitation

  o Personnel, handling and water

  o Facility, pest control, preventative maintenance, and calibration

  o Recall and traceability

  o Sanitation and water

  o Profiting from traceability

You can register on-line at www.gftc.ca/courses-and-training/growing-forward-2.aspx

Agri-Food Management Institute (AMI)

The AMI Business Score Card can help you gain a greater understanding of your business strengths and weaknesses; help assess current systems, knowledge and skills; and prioritize areas for improvement; develop an action plan to address gaps; identify resources to help meet goals; and achieve better efficiency and profitability.
www.takeanewapproach.ca/

Agri-Tech Commercialization Centre (ATCC)

ATCC provides services and supports to Ontario entrepreneurs and businesses that facilitate the development and market introduction of innovative new products, processes and technologies. www.agritechcentre.ca

Ontario Agri-Food Technologies Inc (OAFT)

OAFT coordinates the Rapid Response Program to provide funding to Ontario businesses in the agri-food and agri-based bioproducts sectors, so they can respond quickly to global market opportunities, meet with clients where there is high potential to "close a deal," or to access expertise to quickly address a specific, small research issue that presents a hurdle to commercialization. www.oaft.org/funding/oaft-programs.aspx