

AgriProcessing Initiative (API)

What is it?

The AgriProcessing Initiative (API), part of the federal Agricultural Flexibility Fund, is a five year, \$50 million initiative designed to enhance the competitiveness of the agri-processing sector in Canada. This discretionary program, announced on September 11, 2009, is delivered nationally by Agriculture and Agri-Food Canada. It ends on March 31, 2014.

What is the benefit to your company?



You could receive a repayable contribution of 50% of eligible project costs to a maximum of \$2 million per project, for:

- new (novel to facility) machinery and equipment (including the commissioning) that enables the adoption of new manufacturing technologies and processes
- consultation, design and advice on new technologies, processes and products which are new to your facility

**Knowledge,
Connections
& Resources
for your
Business**

The contributions are non-interest bearing and unsecured. Once your project is complete, you have eight years to pay back the contribution. The first payment isn't due until one year after your project is completed.



Federal government contributions can't exceed 50% of eligible costs, and total government funding (federal, provincial, territorial, and municipal) can't exceed 75% of eligible costs.

Who Qualifies?

You qualify to apply if your company or co-operative:

- is incorporated in Canada,
- operates a manufacturing facility in Canada,
- engages predominantly in the physical or chemical transformation of raw agricultural commodities or ingredients, and
- has reported employment expenses for at least one year immediately prior to application.

As well, all applicants must be in compliance with the Lobbying Act.

What Qualifies?

Projects that involve the adoption of new technologies and processes essential to sustaining and improving the sector's position in today's global marketplace qualify for API.

Eligible Project Activities

- the purchase and installation of new (new to facility) machinery and equipment in Canadian facilities in order to adopt new manufacturing technologies and processes; and
- the contracting of external expertise for services related to equipment installation, and consultation, design, and advice regarding new (new to facility) manufacturing technologies, processes and products.

In addition to the above, the new manufacturing technology or process must:

- be proven and available in the marketplace;
- be for a facility that utilizes raw agricultural commodities or agri-based ingredients;
- contribute to at least one of the following competitiveness factors:
 - ◇ increased operational efficiency through, for example, improved productivity and reduced operating costs;
 - ◇ improved environmental sustainability through, for example, lower energy use, less product packaging, and improved waste management;
 - ◇ introduction of a new product or improvement to an existing product in demand by the market;
 - ◇ access to new markets and/or increased market share;
- Provide one or more of the following benefits:
 - ◇ increased number of jobs, or retention of jobs that would otherwise be lost without the adoption of the new manufacturing technology or process;
 - ◇ increased demand for primary agricultural products or agri-based ingredients; and/or
 - ◇ increased production and sales.

Projects are not eligible for API funding if the funding for project costs is available from another Agriculture and Agri-Food Canada (AAFC) program.

Eligible Costs

The following costs are eligible under API if they are incurred by the recipient, reasonable, and directly related to the project:

- costs for purchasing and installing new (new to facility) machinery and equipment in Canadian facilities;
- costs related to the contracting of external expertise for services related to equipment installation, and consultation, design, and advice regarding new (to facility) manufacturing technologies, processes and products; and
- costs incurred by the recipient for the development and provision of information necessary for Agriculture and Agri-Food Canada (AAFC) to meet its obligations under the *Canadian Environmental Assessment Act*.

Any costs incurred prior to project approval and the signing of a contribution agreement would not be eligible for inclusion in the contribution amount.

Also note that total government funding (federal, provincial, territorial, and municipal) cannot exceed 75% of eligible costs.

How do I apply?

Applications will be accepted on an ongoing basis for the duration of the program. However, you should apply as soon as possible, since these types of programs are often fully subscribed before the end date.

Funded projects must be completed by March 31, 2014, therefore, the timing of applications must allow for this condition to be met.

The application process has two steps: submission of an API Project Summary and Screening Form, for initial screening purposes, followed by submission of an API Funding Proposal.

An electronic or paper copy of the AgriProcessing Project Summary and Screening Form may be accessed by contacting API at 1-877-246-4682, or API@agr.gc.ca.

More detailed API information will be available on the AAFC Web site soon.

Where can I find more information?

Here's where you can get more info on the AgriProcessing Initiative.

E-mail: API@agr.gc.ca

Phone: 1-877-246-4682

Fax: 1-866-309-4255

We're here to help!

To find out how the Business Development Branch at OMAFRA can provide you with knowledge, connections, and resources to help you grow your business, call toll-free at 1-888-466-2372 extension 63486 or e-mail at foodinvest@ontario.ca. For information about this program and others, as well as our branch, visit www.omafr.gov.on.ca/english/food.