

MEAT PLANT ASSISTANCE PROGRAM PROGRAM GUIDELINES

- 1.0 Purpose:** The purpose of the Meat Plant Assistance Program is to provide assistance to Operators of non-federally registered Slaughter Plants and Free-standing Meat Plants in Ontario for expenditures required to comply with the requirements under the Meat Regulation (Ontario Regulation 31/05) under the *Food Safety and Quality Act, 2001*.
- 2.0 Definitions:**
- 2.1 **Program:** The *Meat Plant Assistance Program*.
 - 2.2 **Minister:** The Ontario Minister of Agriculture Food and Rural Affairs and the Minister's authorized representative(s).
 - 2.3 **Program Administrator:** A representative of the Ontario Ministry of Agriculture Food and Rural Affairs designated by the Minister to administer the *Meat Plant Assistance Program*.
 - 2.4 **Meat Regulation:** Ontario Regulation 31/05 under the *Food Safety and Quality Act, 2001*.
 - 2.5 **Slaughter Plant (abattoir):** A premises where food animals are slaughtered as defined in the Meat Regulation.
 - 2.6 **Free-standing Meat Plant:** A premises, other than a Slaughter Plant, where a meat product is processed as defined in the Meat Regulation.
 - 2.7 **Meat Plant:** A Slaughter Plant or a Free-standing Meat Plant (FSMP), as they are defined in the Meat Regulation.
 - 2.8 **Eligible Costs:** Expenditures that are eligible for cost-shared payment under the Program. Eligible capital and non-capital costs are listed in Schedules A and B, respectively. For further clarification, ineligible costs are listed in Schedule C.
- 3.0 Applicants:** To apply for assistance under the Program, an applicant must be one of the following:
- 3.1 A Slaughter Plant that is or will be subject to the requirements of the Meat Regulation.
 - 3.2 A Free-standing Meat Plant in Ontario that has been continuously in the business of processing meat (including seasonal operations) since February 10, 2005 and is or will be subject to the requirements of the Meat Regulation.
- 4.0 Eligible Costs:** The Program will cover a portion of an eligible applicant's Eligible Costs, as set out in Schedule A and B as per section 9, that are related to expenditures required to comply with the Meat Regulation.
- 4.1 **Receipts/Documentation Deadline:** All Eligible Costs must be incurred and receipts/documentation submitted to the Program Administrator by the deadline outlined in your MPAP eligibility letter.
 - 4.2 Without prior notification to applicants, Eligible Costs listed in Schedules A and B may be added to or deleted from the schedules by the Program Administrator over the course of the Program to better reflect the objectives of the Program. Items previously approved will be honoured as per outlined in an applicant's eligibility letter.

5.0 Ineligible Costs: Costs that will not be covered by the Program include:

- 5.1 The list of ineligible costs in Schedule C.
- 5.2 Costs that have been or are eligible to be covered by another provincial, federal or municipal cost-sharing or grant program.
- 5.3 Costs or items not related to expenditures required to comply with the Meat Regulation.
- 5.4 Costs related to the expansion of a Meat Plant’s processing capacity.
- 5.5 Without prior notification to applicants, Ineligible Costs listed in Schedule C may be added to or deleted from the schedule by the Program Administrator over the course of the Program to better reflect the objectives of the Program.

6.0 Application Forms:

- 6.1 Applications must be completed by applicants as defined in Section 3.0.
- 6.2 Applications will be accepted up to the dates outlined in the following table:

Plant Category	MPAP Application Deadline
Abattoirs and large Freestanding meat plants (FSMPs) producing more than 1 million kg annually*	June 1, 2006
FSMPs producing between 500,000 and 1 million kg annually*	October 1, 2007
FSMPs carrying out <u>Category 2</u> activities and producing less than 500,000 kg annually*	October 1, 2008
FSMPs carrying out only <u>Category 1</u> activities and producing less than 500,000 kg annually*	October 1, 2009

*2004 production volume

<p>Category 1 activities include:</p> <ul style="list-style-type: none"> • aging or breaking a carcass or part of a carcass • aging, boning, comminution, cutting, fabrication, marinating, slicing or tenderizing of a meat product • packaging a meat product for wholesale, other sale, or distribution 		<ul style="list-style-type: none"> • prepackaging a meat product • cooking a ready-to-serve meat product • conducting any other “low risk” meat processing activity
<p>Category 2 activities include:</p> <ul style="list-style-type: none"> • canning, curing or dehydrating, emulsifying, fermenting or smoking of a meat product • manufacturing a ready-to-eat meat product • processing specified items, e.g. unfinished tripe, burnt heads or feet of cattle or sheep 		<ul style="list-style-type: none"> • preparing mechanically separated meat • conducting any other “medium to high risk” meat processing activity

- 6.3 Applicants can apply to the Program more than once. Eligible applicants will be limited to the Payment limits on a per Meat Plant basis as outlined in Section 9.

7.0 Signatures:

- 7.1 For a sole proprietorship, section D must be complete and section J must be signed by the owner.
- 7.2 For partnerships and other forms of joint ownership, section E must be complete and section J must be signed by all partners or owners.
- 7.3 For corporations, section F must be complete with required authorized officer(s) information and section J must be signed by the authorized officer(s) required to legally bind the corporation.
- 7.4 Designates are not permitted to sign application forms unless they have duly authorized powers of attorney, the proof of which must be submitted with the application.

8.0 Eligibility Letters: Following receipt of a completed application form by the MPAP application deadline dates, applicants will be advised in writing of their eligibility to receive payments under the Program. If eligible, prior to any payments being made, the applicant will receive an eligibility letter which will outline the terms and conditions of the payment for Eligible Costs, including events of default under which the applicant would be required to repay all, or a portion of, the payment. Prior to any payments being made, applicants will be required to return a signed copy of the eligibility letter to the Program Administrator.

9.0 Payments: Payments under the Program may be provided to eligible applicants for a portion of Eligible Costs incurred as follows (see schedule D for examples):

- 9.1 A total maximum provincial contribution of \$25,000 per Meat Plant for upgrades to comply with the Meat Regulation, shall be allocated as follows:
 - 9.1.1 A maximum provincial cost-share level of 50% of Eligible Capital Costs up to \$25,000 per Meat Plant for expenditures to comply with the plant and equipment requirements of the Meat Regulation, and
 - 9.1.2 A maximum provincial cost-share level of 75% of Eligible Non-Capital Costs up to \$10,000 per Meat Plant for expenditures to comply with the non-capital requirements of the Meat Regulation.
- 9.2 Eligible costs incurred from February 10, 2005 up to the deadlines indicated in section 4.0 will be considered for cost-sharing.
- 9.3 Payments may be provided to eligible applicants after Eligible Costs have been incurred and appropriate sufficient documentation for proof of payment (such as receipts, copies of cancelled cheques, bank records, etc.), has been received to establish the sufficiency of the payment. (see section 4.0)
- 9.4 Eligible applicants will provide estimated costs in the Application Form. Payments for cost-sharing may be made based on the actual costs incurred, subject to the maximum amounts identified in section 9.1.
- 9.5 Prior to any Payment being made, the Program Administrator may require a review/audit of the application and the Meat Plant for eligibility of costs incurred and applied for under the Program.
- 9.6 Applicants who receive Payments under the Program must be licensed as required by the Meat Regulation under the *Food Safety and Quality Act, 2001*, otherwise, they will be required to refund any payment(s) received under the Program.
- 9.7 Eligible applicants may assign any Payments to which they are entitled under this Program.

10.0 Substantiation, Verification, Audit and Enforcement:

- 10.1 Applicants will be required to sign a declaration authorizing the Program Administrator to obtain information from or disclose information to any municipal corporation, federal or provincial government, or any agency, board, or commission thereof, or other governmental or non governmental body for the purposes of evaluating, verifying, auditing and enforcing the application and payments made under the Program. This information may be contained in the application or may be other information necessary and relevant to the application.
- 10.2 Applicants will be required to agree to give the Program Administrator access to examine their business operations and physical facilities and make available to the Program Administrator all business records, books of account, receipts, invoices, and income tax returns necessary to audit the operation of the Program and facility and/or to verify any information provided in their application under this Program. This may include, but is not limited to, copies of all business records, books of account and income tax returns of persons who are partners, shareholders, others who act on behalf of the applicant, or persons who are involved in non-arm's length relationships as defined by the Income Tax Act.
- 10.3 The Program Administrator may require the applicant to provide additional information as appropriate and necessary to complete the evaluation of the application.

11.0 Other Program Requirements: Eligible applicants who receive payments under this Program must ensure that all work is done in accordance with the laws of Ontario, in particular the *Food Safety and Quality Act, 2001*, otherwise the eligible applicant is liable to repay any or all payments received. Until such payment is made, it will create a debt owing to the Crown in Right of Ontario, that can be set off against any money the Crown owes to the applicant.

12.0 Request for Reconsideration: An eligible applicant may request reconsideration of the Program Administrator's decision regarding their application within 30 calendar days of notification of the status of their application. The request for reconsideration should be made in writing to the Program Administrator and include the reasons for the request. Requests should be submitted to: Program Administrator, Meat Plant Assistance Program, 1 Stone Road West, Guelph ON N1G 4Y2

13.0 Termination of Program: The Minister may terminate this Program at any time without notice to applicants.

14.0 False or Misleading Information: Applicants who provide false or misleading information under this Program forgo all rights to any benefit for which the applicants would otherwise be eligible from this Program, are liable to repay any or all payments received, and may be subject to prosecution.

15.0 Default: If an applicant fails to provide any requested records within a reasonable time, that applicant shall be deemed in default of the Program Guidelines and the Program Administrator may require the applicant to repay all or part of the funds received by the applicant in relation to this application. Failure of an applicant to make a repayment as

required by the Program Administrator creates a debt owing to the Crown in Right of Ontario, that can be set off against any money the Crown owes to the applicant now and in the future.

- 16.0 Refunds:** Applicants will be required to refund any or all payments received under this Program that are not in accordance with the Program Guidelines, and the laws of Ontario, in particular, the *Food Safety and Quality Act, 2001*, within 30 calendar days of notice being provided to them by the Program Administrator.
- 17.0 Confidentiality:** The Program will be administered by the Food Safety Programs Branch of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). Any information supplied further to this Program may be disclosed by OMAFRA where it is obligated to do so under the Freedom of Information and Protection of Privacy Act (FIPPA), by an order of a court, tribunal or pursuant to a legal proceeding.

Applicants will also be required to provide consent to OMAFRA to allow the Program Administrator to obtain information from municipal corporations, federal and provincial governments, or any agency, board, or commission thereof, and any non-government organizations, as appropriate, which is necessary to the assessment, evaluation, verification, audit and enforcement of applications and payments.

The Program Administrator may disclose information contained in the application or relevant to it and obtained by the Program Administrator in the course of verifying, evaluating or auditing the application, to any other municipal corporation, federal or provincial government, or any agency, board, or commission thereof, as appropriate, which is necessary to the assessment, evaluation, verification, audit and enforcement of applications and payments.

Questions about the application process may be directed to: Meat Plant Assistance Program, OMAFRA, 1 Stone Road West, Guelph, ON, N1G 4Y2, 1-866-641-3663

- 18.0 Ministerial Discretion:** No Applicant is entitled to any payment as a matter of right. The Minister has the absolute discretion to determine any Payments under this Program notwithstanding the Program Guidelines. The Minister has absolute discretion to administer this Program; to make, amend, or revoke rules concerning administration of this Program; to amend, revoke, replace, or add any other Program Guidelines; and to interpret any word, sentence or phrase contained in the Program Guidelines and Application Form, including the ability to make, extend, or waive timelines. The Minister may designate a Program Administrator and may make any such designation retroactive.
- 19.0 Debts to Government:** The Minister has the right to deduct from the eligible applicant's Payment any amount due and owing to the Province of Ontario.
- 20.0 No Liability:** The applicant will be required to acknowledge that Her Majesty the Queen in right of Ontario is not liable to the applicant, the applicant's heirs, administrators and assigns for any injury including personal injury, property damage, or any other damage, injury, claim or loss whatsoever arising out of this Program and the applicant's participation in it.

Schedule A

Eligible Labour Costs:

One-time (not on-going) labour costs associated with non-capital Eligible Costs, that are performed under contract by a third party (such as hired consultants or pest control companies), are eligible if they relate to the requirements of the Meat Regulation.

Labour costs directly related to the construction, installation and/or set-up of eligible capital costs, that are to be performed under contract by a third party, are eligible if they relate to the requirements of the Meat Regulation.

Labour costs directly related to the construction, installation and/or set-up of eligible capital costs that are to be done by the applicant (in-kind labour) are also eligible, if they relate to the requirements of the Meat Regulation. In this case, the applicant must submit three (3) written quotes or tenders from third-party contractors that quote costs for labour for the specific construction, installation and/or set-up in question. The lowest amount of the claim amount and the lowest quote will be used to set the value of the in-kind labour, which will be considered as an Eligible Cost if it is deemed reasonable by the Program Administrator.

List of Eligible Capital Costs:

OMAFRA has identified the following capital items as eligible for cost-share funding. To assist in categorizing the items, they are listed under the general headings of the Meat Regulation (O. Reg. 31/05).

Premises, Facilities and Equipment of Meat Plants:

Construction Materials (s.16)

- Leak-proof, coved joints between floors and walls in rooms or areas of the Slaughter Plants or Free-standing Meat Plants where animals are slaughtered, carcasses are dressed and carcasses, parts of carcasses, meat products or ingredients are received, processed, packaged, labeled, shipped, handled or stored (except rooms or areas where only dry products are stored)
- Floors, ceilings, door and walls of rooms or areas in Free-standing Meat Plants that are made of hard, corrosion-resistant and smooth material that is constructed to enable effective cleaning

Lighting (s.17)

- Light bulbs and fixtures, which are in areas of the plant where carcasses, parts of carcasses, meat products, ingredients or packaging materials are exposed, that do not cause contamination of exposed items during their normal operation and can be readily and effectively cleaned

Temperature, ventilation and plumbing systems (s.18)

- Heating, ventilation, cooling, and plumbing systems
- Heating and ventilation systems in Slaughter Plants to allow inspectors at inspection stations in the killing room to work in a comfortable environment

Drainage and sewage systems (s.19)

- Sewage upgrades

Receiving and shipping facilities (s.20)

- Receiving and shipping facilities that allow for the hygienic handling of carcasses, meat products, ingredients and packaging materials
- Separate facilities for Slaughter Plants for shipping inedible materials, including a separate shipping door in the inedible materials room

Facilities for inspectors (s.21)

- Washroom facilities for the exclusive use of inspectors in Slaughter Plants that require post mortem or ante mortem inspections on five days per week in a normal work week, that are equipped with a toilet and in compliance with section 27 of the regulation
- A workstation and telephone line (except on-going telephone charges) for inspectors, that are acceptable to a regional veterinarian
- A locker or cabinet for each inspector in Free-standing Meat Plants, which is capable of being locked, has a minimum volume of 0.62 cubic metres, and is suitable for the protection and storage of the inspector's equipment and supplies
- Other facilities for inspectors that are needed to allow for the effective performance of the inspection activities carried on at the plant

Storage facilities (s.22)

- Separate dry storage room for Slaughter Plants
- Separate room and facilities for Slaughter Plants for processing, packaging, labeling or storing inedible material, including a separate room for inedible material that is intended for pharmaceutical, research or therapeutic purposes, if there is a risk of contaminating meat products at the plant or material intended for use in pet food
- Separate room or area for Free-standing Meat Plants for processing, packaging, labeling or storing inedible material

Cleaning and sanitizing facilities (s.23)

- Cleaning and sanitizing facilities and equipment, including knife sanitation facilities, hoses, pumps, continuous flow sanitizers, piping, foamers and power washers
- Lockable cage, cabinet or area for cleaning materials

Slaughter facilities for Slaughter Plants (s.24-26)

- Receiving facilities for food animals
- Water spray equipment with sufficient water pressure to clean carcasses
- Rail for holding carcasses

Washroom and other facilities (s.27)

- Direct drainage upgrades for hand washing facilities
- Washroom facilities, if additional facilities are required by the Meat Regulation
- Remote functioning or timed hand-washing equipment (excluding sinks) for Free-standing Meat Plants

Dressing areas (s.28)

- A dressing room or area for employees who are required to work with carcasses, parts of carcasses or meat products
- A dressing room or area for the exclusive use of persons who work with food animals at the Slaughter Plant

Animal pens and crates for Slaughter Plants (s.29)

- Equipment to facilitate the humane handling of animals, such as “slappers”, restraint devices, moveable partitions for animal flow, and equipment to convey injured or disabled food animals

Refrigeration facilities (s.30)

- Refrigeration equipment, units, coolers and freezers (e.g., coils, compressor and shelving) to
 - separate ready-to-eat product from other product, and/or
 - aid in the cooling of carcasses and meat products (not eligible if unit is too small due to volume of product), and/or
 - separate carcasses, parts of carcasses and meat products that are detained or held from other product
- Recording thermometers for refrigerator, freezer, incubation room, incubation equipment or retort used in meat processing

Equipment (s.31)

- Replacement equipment and utensils that are constructed of corrosion resistant, non-toxic materials and free of constituents that are likely to contaminate carcasses, parts of carcasses or meat products, including equipment related to meat processing such as smokehouses or meat smoking units
- Replacement or covering of food contact surfaces (e.g., replacement or covering of permeable surfaces of tables) for Free-standing Meat Plants that are:
 - non absorbent, unaffected by food and free of constituents that are likely to contaminate or otherwise adversely affect the quality of carcasses, parts of carcasses, meat products and ingredients, and
 - designed and constructed in a manner and using materials that minimize the adherence of food, and
 - smooth and free from pitting, cracks or chipping, and
 - free of sharp internal angles, corners in which a meat product or part of a meat product could be trapped, crevices and unnecessary ridges or indentations, and
 - capable of withstanding repeated cleaning and sanitizing

Water Used in Meat Plants

- Water treatment equipment
- A water-sampling tap installed in an accessible location in the plumbing of the plant at or near where the water from the drinking-water system enters the plant; upstream from all other plumbing fixtures; and acceptable to an inspector
- A back-flow prevention device installed immediately downstream of the water-sampling tap, if needed, to prevent water from the plant’s plumbing from re-entering the drinking-water system, and back-flow prevention devices for taps at chilling tanks

Operation of Meat Plants

- Recording thermometers for rooms, coolers or freezers
- In-plant transport containers and materials segregation equipment

Slaughter of Food Animals

- Equipment for the humane slaughter of food animals, such as penetrating captive bolt pistols and electrical stunning equipment for Slaughter Plants

Inedible Materials

- Inedible materials room or area (see Storage Facilities, s.22)

Inspection Legend, Labelling and Packaging

- Equipment to reproduce newly designed labels (e.g., new plates or dies)

Other

- Standardized software for the development of written processes/procedures related to preventive maintenance, sanitation, pest control or recall programs, or the safe manufacture, processing or preparation of meat product lines (i.e., process control plans)
- Structures, equipment and facilities related to food safety or regulatory requirements under the Meat Regulation and approved by the Program Administrator.

Schedule B

List of Eligible Non-Capital Costs:

OMAFRA has identified the following non-capital items as eligible for cost-share funding. To assist in categorizing the items, they are listed under the general headings of the Meat Regulation (O. Reg. 31/05).

Operation of Meat Plants

- Consulting fees or training of operator or employees for the development of a:
 - written maintenance program for the premises, equipment and utensils of the plant;
 - written sanitation program for the premises, equipment and utensils of the plant;
 - written pest control program for the premises of the plant

Personnel at Meat Plants

- Training of supervisors in hygienic food handling in an approved formal course or program
- Consulting fees for the review and correction of employee movement patterns and product flow to minimize the potential for contamination of carcasses, parts of carcasses and meat products

Meat Products—Process Controls

- Consulting fees or training of operator or employees for the development of written procedures for the manufacture, processing or preparation of meat products (i.e., process control plans)

Inspection Legend, Labeling and Packaging

- Consulting/Designer fees for the revising or creating of label design(s) to meet the new requirements

Distribution Records, Recall Procedure and Notice to the Public

- Consulting fees or training of operator or employees for the development of a written procedure that, when followed, would ensure the timely and effective recall of any carcass or meat product shipped from the plant

Other items and costs related to

- Other non-capital costs identified by the Program Administrator as eligible under the program objectives

Schedule C

List of Ineligible Costs:

OMAFRA has identified the following items as **ineligible** for cost-share funding:

Capital items related to

- Personnel at Meat Plants
- Meat Products—Process Controls
- Meat Product Standards
- Transportation Standards
- Distribution Records, Recall Procedure and Notice to the Public

Non-capital items related to

- Premises, Facilities and Equipment of Meat Plants
- Water Used in Meat Plants
- Slaughter of Food Animals
- Product development
- Inedible Materials
- Meat Product Standards
- Transportation Standards

Other items and costs related to

- Licensing fees required under the Meat Regulation
- Building permits
- Certificates of Approval
- Land purchase
- Legal fees
- Opportunity costs associated with compliance
- Computer equipment and hardware
- Development and implementation of detailed training sessions, workshops or courses
- Firearms
- Practices, structures, equipment, facilities and services:
 - covered by any other provincial or federal grant or cost-share program, or
 - considered to be on-going operational or maintenance costs, or
 - to increase production capacity, or
 - related to retail, food service and non-meat equipment and areas of Meat Plants (including area for Pharmaceutical, Research and Therapeutic (PRT) processing), or
 - not related to the Meat Regulation
- Practices, structures, equipment, facilities and services in place or costs incurred prior to the filing date of the Meat Regulation
- Other costs identified by the Program Administrator as ineligible under the program objectives

Schedule D

Examples:

Examples of How \$25,000 Can Be Allocated

Operator A spent \$15,000 on eligible non-capital costs after February 10, 2005. He can apply for 75% of this amount up to \$10,000. He later spent \$22,000 on eligible capital costs and applied for 50% of this, or \$11,000. The total payment he would receive is \$21,000. (\$10,000+\$11,000=\$21,000)

Operator B has several capital upgrades to make. He spent \$55,000 on eligible capital costs after February 10, 2005, and can apply for 50% of this up to the maximum of \$25,000. The total payment he would receive is \$25,000.

Operator C spent \$12,000 on eligible non-capital costs after February 10, 2005. He can apply for 75% or \$9,000 of these expenditures. He plans to spend \$55,000 on eligible capital costs before the deadline date. He can submit an application for 50% of eligible capital costs up to the maximum payment. The most he would be reimbursed for eligible capital costs is \$16,000 because the total maximum is \$25,000 per plant. (\$9,000+\$16,000=\$25,000)

Operator C Worksheet Example**Estimated Eligible Non-capital Costs**

- | | |
|--|--|
| (a) Total estimated Eligible Non-capital Costs | (a) = <u>\$12,000</u> |
| (b) = (a) multiplied by 75% | (b) = \$12,000 x 0.75 = <u>\$9,000</u> |
| (c) = (b) or \$10,000, whichever is less | (c) <u>\$9,000</u> |

Estimated Eligible Capital Costs

- | | |
|--|---|
| (d) Total estimated Eligible Capital Costs | (d) = <u>\$55,000</u> |
| (e) = (d) x 50% | (e) = \$55,000 x 0.50 = <u>\$27,500</u> |
| (f) = (e) or \$25,000, whichever is less | (f) = <u>\$25,000</u> |

Total Estimated Costs from Eligible Items

- | | |
|------------------------------|--|
| (g) = Add lines (c) and (f): | (g) = \$9,000 + \$25,000 = <u>\$34,000</u> |
|------------------------------|--|

Total Amount Operator C Estimated for Program Payment

- | | |
|--|------------------------|
| (h) = (g) or \$25,000, whichever is less | (h) = <u>\$ 25,000</u> |
|--|------------------------|

Operator C is eligible for the maximum payment of \$25,000, of which \$9,000 would be for eligible non-capital costs, and \$16,000 would be for eligible capital costs.