

# Agricultural Adaptation Council

## Canadian Agricultural Adaptation Program (CAAP)

### Program Guide Version Two, January 2010

If you have any question about the information in this Guide, please contact us.

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Agriculture and  
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Agriculture et  
Agroalimentaire Canada

# Canadian Agricultural Adaptation Program

## Agricultural Adaptation Council Program Guide

### 1.0 Background

The Canadian Agricultural Adaptation Program (CAAP) is a five-year (2009-2014), \$163 million program with the objective of facilitating the agriculture, agri-food, and agri-based products sector's ability to seize opportunities, to respond to new and emerging issues, and to pathfind and pilot solutions to new and ongoing issues in order to help it adapt and remain competitive.

Launched as a successor to the Advancing Canadian Agriculture and Agri-Food (ACAAF) program, CAAP will continue to support industry-led initiatives at the national, regional and multi-regional levels.

Regionally the Agricultural Adaptation Council (AAC) will receive \$28.1 million over the five years to deliver Ontario's CAAP funding. CAAP's goal is to support industry-led approaches and solutions that allow the sector to quickly adapt to changes, respond to emerging issues and capture new opportunities.

### 2.0 Agricultural Adaptation Council Background

The AAC is a non-profit coalition of more than 70 Ontario agricultural, agri-food and rural organizations. The diverse membership of the AAC represents the agriculture and agri-food industry both regionally and by sector.

The AAC was established by leaders from the agriculture and agri-food sector in 1995 to allocate federal government funding to support new, innovative projects to benefit the sector. Its mission is to source and effectively deliver funds on behalf of our agriculture and agri-business clients.

The AAC sources and provides efficient, flexible and accountable program delivery in partnership with funding sources with a primary focus on the Ontario agriculture and agri-food sector. The projects which are supported financially assist the sector in general to advance, innovate and improve profitability within a changing and diverse economy. All funding decisions are made by the 18 member Board of Directors representing various agricultural sectors.

Further information on the AAC, the Board of Directors, and other funding programs, can be obtained by visiting [www.adaptcouncil.org](http://www.adaptcouncil.org).

### 3.0 CAAP Objectives and Principles

#### 3.1 CAAP Objectives

CAAP will be guided by the following objectives:

- Facilitate the agriculture, agri-food, and agri-based products sector's ability to seize opportunities.
- Respond to new and emerging issues and to pathfind and pilot solutions to new and ongoing issues in order to help it adapt and remain competitive.

#### 3.2 Principles

- Be consistent with Government of Canada policy directions, including innovation, competitiveness, accountability and sustainable development;
- Fit within the mandate of Agriculture and Agri-Food Canada, as defined under the *Department of Agriculture and Agri-Food Act*;
- Demonstrate clearly the benefits to Canada's agriculture, agri-food and agri-based products sector and to Canadians;
- Be consistent with Canada's international trade commitments and minimize the exposure to countervail;
- Respect the need for equity among regions and stakeholders;
- Exclude those areas that are solely within provincial and territorial jurisdictions;
- Not replace funding from other federal, provincial, or territorial programs or other sources;
- Maximize an appropriate cash contribution from industry.

## **4.0 Program Criteria**

In addition to respecting the overall goal and principles of CAAP noted in sections 3.1 and 3.2, CAAP projects must meet the following criteria:

- Projects must seize opportunities, respond to new and emerging issues, or pathfind and pilot solutions to new and ongoing issues to help the sector adapt and remain competitive;
- Project proposals must clearly demonstrate the potential for economic viability and longer-term self-sufficiency, where the nature of the project warrants;
- Funding is project-based and will be provided for a limited period;
- Funding will not be provided for activities intended to directly influence / lobby any level of government;
- Funding will not be provided for advertisement, promotion and/or awareness activities that brand one region, commodity, and/or product over another;
- Funding will not be used as direct income support;
- Funding will not be provided for ongoing activities, normal operations of organizations/businesses, or normal commercial expansion;
- Funding will not be provided for basic research (experimental or theoretical work which is undertaken primarily to acquire new knowledge without a commercial or other specific application in view); and
- Funding is conditional on applicants/recipients meeting all program requirements, performance management and audit requirements.

## **5.0 CAAP Eligibility and Use of Funds**

### **5.1 Eligible Applicants**

Eligible applicants are any Canadian legal entity (as it relates to the legal jurisdiction of the entities) capable of entering into a contract, including but not limited to:

- Organizations and associations;
- Cooperatives;
- Marketing boards;
- Aboriginal groups;
- For-profit companies; and
- Individuals.

Federal, provincial, territorial government departments or agencies, and, universities and colleges are not eligible applicants under this program.

### **5.2 Eligible Projects**

CAAP funds projects that align with priorities identified by industry and/or government by focusing on the following:

**Seizing opportunities** is meant to take advantage of a situation or circumstance to develop a new idea, product, niche, or market opportunity to the benefit of the sector.

**Responding to new and emerging issues** is meant to address issues that were not of concern previously, or were not known about at all. Issues vary considerably throughout Canada because of soil conditions, climate and the level of development of the sector.

**Pathfinding and piloting solutions to new and ongoing issues** is meant to test ways of dealing with new issues, or find new ways to deal with existing issues. Under CAAP, this is done in two ways:

- **Pathfinding** means looking at different options to prepare the sector to face the future and remain competitive.
- **Piloting** means the testing of ideas or approaches to see if it is effective enough to use in everyday applications in the sector.

NOTE: CAAP projects must be completed no later than October, 2013.

### **5.3 Collective Outcomes**

The CAAP will encourage and support collaborative efforts or collective outcome projects which demonstrate greater industry collaboration amongst national, multi-regional and regional stakeholders. Collective Outcome projects could include the participation of:

- National organizations, working in collaboration with provincial/territorial groups; and
- A minimum of two provincial or territorial councils.

Collective Outcome project proposals must:

- Be consistent with CAAP objectives, principles and criteria;
- Address an issue that crosses beyond the boundaries of one province or territory;
- Involve as many collaborators/partners and related CAAP Industry Councils as possible and should encourage the involvement of a national organization, where applicable; and
- Disseminate the project results to a broadly-based targeted audience.

### **5.4 Ineligible Activities**

The list of ineligible activities includes, but is not limited to, the following:

- Project activities intended to directly influence/lobby governments;
- Advertisement, promotion and/or awareness activities that brand one region, commodity, and/or product over another;
- Information sharing and/or general awareness activities (such as symposiums, meetings, tradeshow or conferences) unless they are components of a broader project and are intended to contribute to and/or disseminate project results;
- Activities that are deemed to be part of normal business practice for any recipient;
- Normal commercial expansion (e.g., enlarging operational facilities);
- Basic research;
- Activities undertaken at the commercialization phase for a product, process or technology;
- Support for university or research chairs;
- Support for speakers at general meetings that do not address an issue related to the project;
- International marketing and promotion; and
- The testing of food or other agricultural product on humans (human clinical trials).

Any project costs incurred before the reception of a completed application form at AAC's office are not eligible for reimbursement.

### **5.5 Eligible Expenditures**

Eligible expenditures are costs relating to the execution or implementation of approved projects. Eligible expenditures include:

- Incremental<sup>1</sup> cost of goods, supplies, and all related shipping or transportation costs;
- Incremental labour costs such as salaries, benefits, and specific per diem fees (this is not applicable for full time staff of the eligible applicant or partners);
- Incremental costs for rental or lease of facilities, equipment or machinery;
- Hospitality and travel costs within Treasury Board Guidelines;
- Minor assets, such as computers, less than \$10,000 per item, if they are specifically required for the execution of a project and are approved in advance in writing by AAC;
- Production of materials required to complete the project including printing, translation and production of materials in the second official language, if required;
- Capital<sup>2</sup> expenditures that do not exceed 25% of the total project contribution which are specifically required for the execution and performance of the project and that are approved in advance in writing by AAC; and,
- Direct incremental administrative costs as long as they are clearly outlined by cost item.

<sup>1</sup> Additional costs incurred by the recipient which are directly related to undertaking the activities.

<sup>2</sup> Any asset which has been acquired, constructed or developed with the intention of being used on a continuous basis and is not intended for sale in the ordinary course of business. Capital assets also include betterments that are expenditures relating to the alteration and/or modernization of an asset that appreciably prolong the items period of usefulness or improve its functionality. Capital assets have a useful life in excess of one year and a per item cost of \$10,000 or greater.

## 5.6 Ineligible Expenditures

The list of ineligible project costs includes, but is not limited to, the following:

- Minor assets and capital items not specifically required for the execution of a project;
- Building and land purchases;
- Direct income support;
- Normal costs of establishing a commercial operation;
- Refundable portion of the GST, value-added taxes, or other items for which a refund or rebate is receivable;
- Hospitality and travel expenditures beyond Treasury Board Guidelines or gifts associated with the hosting of events;
- Overhead administrative costs (by percentage of project costs); and
- Other administration costs.

## 5.7 In-kind Contributions

In-kind contributions are resources provided by an Eligible Recipient in satisfying, in whole or in part, the Eligible Recipient's share of the project, not purchased specifically for the project and not reimbursable from CAAP Program funding. If the Eligible Recipient did not have access to these resources, a cash outlay would have been required by the Eligible Recipient to purchase and pay for them (e.g., labor, goods, equipment, use of buildings etc.).

For the CAAP program, only the Eligible Recipient organization's in-kind contributions to a project will be considered. The Eligible Recipient will be asked to provide sufficient detail to identify the specific in-kind contributions being provided to the project as a share of the project costs and to supply certification attesting to the provision of the in-kind contributions. Where financial audits are required on Eligible Recipient's projects at the end of such projects they should include a verification of the value of in-kind contributions reported for the project.

## 6.0 Funding Assistance

- The funding level will be considered on a case-by-case basis.
- Priority, on a first-come-first served basis, will be given to applicants with industry-leveraged cash funding. Applicants must demonstrate that they leverage as much non-governmental assistance as possible.
- The maximum level of total government funding (federal, provincial, territorial, and municipal funding) for projects under CAAP will generally not exceed 85%.
- The 15% industry contribution to each project can be cash, in-kind support from the eligible applicant only, or a combination of both.
- In-kind support is only eligible from not-for-profit organizations, who are the eligible applicant (see 5.7 In-kind Contributions for its definition).
- The amount of funding for any one Eligible Recipient over the five year term of CAAP shall not exceed a cumulative total of \$3 million for all Projects approved.

## 7.0 Application Process

- Forms and submission deadlines can be found at [www.adaptcouncil.org](http://www.adaptcouncil.org).
- It is recommended that all applicants complete and submit a pre-proposal prior to completing the full application form. This will allow AAC program staff to review your project idea and provide feedback on the fit of your project within the CAAP guidelines.
- For an application to be considered for review, the applicant must submit:
  - An electronic copy of the completed application form in Word and project work plan, total sources of funding and budget tables in Excel formats to [info@adaptcouncil.org](mailto:info@adaptcouncil.org). PDF versions will not be accepted. To be considered a valid proposal, all items outlined on the Supporting Documentation Checklist must be submitted via mail or fax, along with the Declaration signed by an authorized official of the organization submitting the proposal.
  - Valid proposals will be assigned to AAC program staff, who will be in contact with the applicant prior to the review by the AAC Board of Directors. ***Please allow 6 to 8 weeks for processing before your application is reviewed by the AAC Board of Directors.***

## **8.0 Proposal Assessment**

- All proposals will be reviewed by the AAC programs staff, and, where appropriate, by third party references, partners or advisors as part of the approval and due diligence process.
- The AAC Board of Directors reviews all applications and makes decisions on approvals, terms, conditions, and levels of funding. Funding decisions are based on the merits of proposals and needs of the industry.
- Applicants of approved projects will be required to sign an agreement with AAC outlining the project terms and conditions, and the manner and timing of funding.

### **8.1 Assessment criteria – The following criteria will be used in assessing individual projects:**

- Seize opportunities, respond to new and emerging issues, or pathfind or pilot solutions to new and ongoing issues to help the sector adapt and remain competitive;
- Demonstrates the potential for economic viability and longer-term self-sufficiency, where the nature of the project warrants;
- Support is requested for a limited period;
- Does not support activities intended to directly influence / lobby any level of government;
- Does not support advertisement, promotion and/or awareness activities that brand one region, commodity, and/or product over another;
- Support is not to be used as direct income support;
- Does not support ongoing activities, normal operations of organizations / businesses, nor normal commercial expansion;
- Does not support basic research (experimental or theoretical work which is undertaken primarily to acquire new knowledge without a commercial or other specific application in view);
- CAAP funds will not replace funding from other federal, provincial, or territorial programs or other sources;
- Funding is conditional on applicants/recipients meeting all program requirements, performance management and audit requirements;
- Demonstrates direct industry financial support and partnerships/alliances with others in the value chain;
- Benefits to the agriculture, agri-food and agri-based industry and the “public good” exceed the funding request;
- Supplies a reasonable and clear budget and achievable milestones, within the timeframe; and
- Demonstrates adequate human resources, experience and skills required to carry out or oversee the activities proposed within the project.

## **9.0 Contact**

All inquiries and questions concerning CAAP funding in Ontario should be directed to:

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