

Canadian Agricultural Adaptation Program Sustainability Call for Proposals

Call for Proposals

As a catalyst for innovation, adaptation, and advancement for a profitable and sustainable agriculture and agri-business industry, the Agricultural Adaptation Council (AAC) is issuing a Call for Proposals (CFP) to encourage projects that address agricultural **sustainability** in Ontario.

Projects funded through this CFP must address the Canadian Agricultural Adaptation Program (CAAP) 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. Funding for CAAP is provided by Agriculture and Agri-Food Canada.

Sustainability is defined as follows for the purposes of this CFP:

- Economic sustainability – participants in the value chain have reasonable and equal opportunity to prosper
- Environmental sustainability – the industry conserves, protects and regenerates resources and is resilient to climate and ecological conditions
- Social sustainability – the industry generates goods and services reflecting demographic trends of the general population

Eligible Projects*

Eligible projects must be consistent with the objectives and principles of CAAP as outlined in the AAC CAAP Guide. Proposals submitted under the CFP will focus on one or more of the three defined areas of sustainability – economic, environmental and/or social.

Examples of eligible projects include, but are not limited to:

Economic Sustainability

- Advance the quality of Ontario produced/processed products
- Develop new specialized, niche market products or services
- Carry out feasibility studies, analysis and pilot projects in Ontario to seize new market opportunities, prior to commercialization
- Encourage value chain stakeholders to work in partnerships to improve efficiencies and equitable sharing of risks and opportunities
- Identify industry risks and opportunities, and pathfind and pilot projects to address them
- Address issues related to the declining agriculture and agri-food workforce in Ontario

Environmental Sustainability

- Address environmental footprints, such as carbon, water and energy, through feasibility studies, technological improvements, product development or energy substitution
- Encourage the use of by-products and residues from across the value chain as useable resources
- Research the development and use of renewable inputs and outputs while increasing yield and nutrient output

Social Sustainability

- Strengthen the connection between agriculture and the consumer, healthy and functional foods, the aging population, and the growing population
- Develop innovative agri-food products that maintain or improve the health of consumers
- Contribute to the general population's understanding of environmental footprints and animal welfare, without supporting education or awareness activities

Eligible Applicants*

Any individual/organization/company involved in a project benefiting the agriculture and agri-food industry in Ontario. Partnerships and value chain approaches to projects are highly encouraged.

Eligible applicants can represent any area(s) of the value chain, including, but not limited to:

- Primary production
- Input /services sector
- Processing (including inputs, food, energy, other manufacturing using agricultural output)
- Retail/distribution

Funding Assistance*

The following are general guidelines for funding assistance:

- Funding will be in the form of a non-repayable or repayable contribution, to a maximum of 85% of total project costs (repayable contributions will be provided when project benefits accrue to individuals or for-profit organizations rather than to the general public).
- Cash and applicant in-kind contributions signify a vested interest and commitment to the project by the applicant and project partners.
- Funding levels of \$100,000 to \$250,000 are encouraged. Higher levels of funding may be provided when projects involve partnerships of two or more organizations and result in significant benefits to the agriculture and agri-food industry.

Important Dates

Call for Proposals Issued	Thursday, December 1, 2011
Proposal Submission Deadline	Thursday, March 15, 2012 at 4:00 p.m.
Anticipated AAC Board Review	April, 2012
Earliest Project Start Date	Date complete submission is received by AAC
Latest Project End Date	October 31, 2013

Submission Requirements

Complete submissions will include:

- CAAP Sustainability Application Form (Word document)
- CAAP Project Work Plan and Budget Forms (Excel spreadsheets)
- Industry letters of support (if applicable)

All proposals submitted by the submission deadline will be reviewed by the AAC staff, the board of directors, and, where appropriate, third party references, partners or advisors as part of the review and due diligence process.

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 the opportunity to review your project idea and provide feedback on the fit of your project within the CAAP guidelines. Pre-proposal forms are available on the website.

All inquiries about the CAAP Sustainability CFP should be directed to AAC staff at:

Agricultural Adaptation Council

Ontario AgriCentre, Suite 103,100 Stone Road West

Guelph, ON N1G 5L3

Tel: 519-822-7554

Fax: 519-822-6248

info@adaptcouncil.org

www.adaptcouncil.org

*Eligible Projects, Eligible Applicants and Funding Assistance must meet the guidelines as set out in the AAC CAAP Guide (attached).



Canadian Agricultural Adaptation Program (CAAP) Guide

Version Five, December 2011

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

Website: <http://www.adaptcouncil.org/>
Email: info@adaptcouncil.org
Telephone: (519) 822-7554
Fax: (519) 822-6248

Mailing Address:

Agricultural Adaptation Council
Ontario AgriCentre
Suite 103, 100 Stone Road West
Guelph, ON N1G 5L3

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Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Agricultural Adaptation Council

Canadian Agricultural Adaptation Program (CAAP) 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 66 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 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.

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 long-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 31, 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, or
- A minimum of two CAAP Industry 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 (means experimental or theoretical work which is undertaken primarily to acquire new knowledge without a commercial or other specific application in view);
- 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).

5.5 Eligible Expenditures

Eligible Expenditures are costs relating to the execution or implementation of approved projects. Eligible Expenditures must be at arm's length (as defined by the Income Tax Act) to both the Eligible Applicant and project partners. Eligible Expenditures must be incurred by the Eligible Applicant. Eligible Expenditures include:

- Incremental¹ 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;
- Capital² 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;
- Direct incremental administrative costs as long as they are clearly outlined by cost item; and,

¹ Additional costs incurred by the recipient which are directly related to undertaking the activities.

² 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.

- Agriculture and Agri-Food Canada (AAFC) researchers/research facilities, if two separate bank accounts are set up by the applicant. One account will be used to pay for AAFC researchers/research facilities, using applicant and/or partner cash. The other account will be used to deposit CAAP reimbursement funding and to pay for all other Eligible Expenditures.

5.6 Ineligible Expenditures

The list of Ineligible Expenditures 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 HST, 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
- Any project costs incurred before the reception of a completed application form at AAC's office.

5.7 In-kind Contributions

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

In-kind contributions will only be considered for an Eligible Applicant and members of their organization, including producer members. The Eligible Applicant 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 Applicant'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

- Funding will be in the form of a non-repayable contribution or repayable contribution.
- The funding level will be considered on a case-by-case basis.
- Priority 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%.
- In-kind support is only eligible from the Eligible Applicant (see 5.7 In-kind Contributions for its definition).
- The industry contribution to each project can be cash, in-kind support from the Eligible Applicant only, or a combination of both.
- The amount of funding for any one Eligible Applicant over the five year term of CAAP shall not exceed a cumulative total of \$3 million for all projects approved.
- CAAP support to for-profit organizations and individuals will generally be provided as repayable contributions:
 - When the contribution exceeds \$100,000 or when project benefits accrue to individuals or corporations rather than to the general public, the Eligible Applicant shall be required to repay the contribution to Canada in installments over a set repayment period. AAC will make the determination of the public versus private benefit.
 - When the contribution is less than \$100,000, whether the project benefits accrue to individuals or corporations rather than to the general public, AAC has the discretion as to whether or not to make this a repayable contribution.

7.0 Application Process

- Forms and submission deadlines can be found at 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 version of the full application in Word and funding Project Work Plan and Budget Forms documents in Excel to info@adaptcouncil.org (PDF versions will not be accepted). All items outlined on the Supporting Documentation Checklist, including the signed Declaration, must be submitted via email, mail or fax to AAC. Complete 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 complete 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 all 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;
- Must be completed no later than October 31, 2013.
- 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;
- Demonstrates adequate human resources, experience and skills required to carry out or oversee the activities proposed within the project; and,
- Contributions over \$100,000 made to for-profit businesses that are intended to allow businesses to generate profits or increase the value of their businesses are to be repayable. However, non-repayable contributions may be permitted when the benefits from the contribution accrue broadly rather than to the recipient only.

9.0 Contact

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

Agricultural Adaptation Council
 Ontario AgriCentre, Suite 103, 100 Stone Road West
 Guelph, ON N1G 5L3
 Tel: 519-822-7554
 Fax: 519-822-6248
 Email: info@adaptcouncil.org