



Growing Forward 2

A federal-provincial-territorial initiative

Cost-Share Funding Assistance Organizations and Collaborations

PROGRAM GUIDE

Version 7 – October 2016

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Growing Forward 2 



Canada 

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A. Growing Forward 2 Introduction

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 agriculture, agri-food and agri-based bioproducts sector.

B. 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 the *GF2* cost-share funding assistance to producers across the province.
- The [Agricultural Adaptation Council \(AAC\)](#) administers the *GF2* cost-share funding assistance to organizations and collaborations across the province.
- The [Ontario Ministry of Agriculture, Food and Rural Affairs \(OMAFRA\)](#) administers the *GF2* cost-share funding assistance to processors across the province.

This document is intended to provide applicants with further details related to *GF2* cost-share funding assistance for organizations and collaborations. If you have any questions please contact an AAC staff member today at 519-822-7554.

These guidelines are subject to change from time to time without notice. Please consult the AAC [website](#) for any guideline updates.

C. Important Information Before You Start

Training and skills development are important: *GF2* encourages organizations and collaborations to take advantage of cost-share opportunities to improve their knowledge and skills.

Assessment and planning is the foundation for success: To successfully operate in today's business environments, organizations and collaborations 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.

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 more than a 50 per cent cost-share. See [Section N](#): Checklist for Innovation Funding for more information.

Nine *GF2* Outcomes: *GF2* is results-oriented and 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 outcomes:

- 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 outcomes.

D. 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 training and benchmarking, as well as improvements in equipment and technology, organizations and collaborations can reduce the potential for off-site impacts from operations by improving nutrient use efficiency, nutrient application, resource management and management of water. Organizations and collaborations can also undertake projects to reduce waste and manage inputs, such as water and energy, more efficiently. This will help Ontario organizations and collaborations 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 organizations and collaborations reduce the spread of disease and pests, and to assist the industry 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 the industry uses 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.

Food safety programs control risks by preventing, reducing or eliminating hazards. Organizations and collaborations can ensure industry competitiveness by aligning training materials, strategies, program schemes, group certification, etc. with National and International food safety standards.

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
- 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: 1) Premises identification 2) Product identification and 3) Movement recording

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 systems to meet buyer demands and consumer expectations. Animal welfare programs help strengthen and keep Ontario's agri-food businesses competitive.

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:

- markets assessment 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
- new product or process development

It is expected that organizations and collaborations will work to 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 organizations and collaborations to increase their understanding and planning related to:

- resource use
- supply chain optimization
- human resources and production efficiencies
- make improvements that increase automation in their facility
- streamline processes and procedures
- integrate systems across multiple business processes
- improve overall resource management

6. Business and Leadership Development

Investing in business and leadership development can help organizations and collaborations to anticipate, adapt and thrive in a rapidly changing business environment. *GF2* provides funding for:

- business assessment and performance benchmarking
- training and skills development
- strategic feasibility, succession, expansion
- overall business planning

Completion of projects will improve 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 [Section M](#) for more information.

E. Enrolment

Before submitting an application form, organizations and collaborations, must register in the [GF2 Client Portal](#), by a person who is authorized to sign the application form on behalf of the applicant and bind the applicant. Collaborations must identify a lead applicant and the [lead applicant](#) must be enrolled in the [GF2 Client Portal](#). For more information, visit the OMAFRA website at www.ontario.ca/growingforward2, or call 1-877-424-1300.

F. Who Can Apply?

Organizations

Organizations are any not-for-profit, Ontario-based (located in Ontario and, where applicable, have a membership composed primarily of Ontario residents/businesses/organizations) legally recognized entities that are involved in the agriculture, agri-food and agri-based bioproducts sector and are capable of entering into a contract.

Federal, provincial, territorial government departments or agencies, and academic/research institutions are not eligible to apply as organizations.

When an organization is the applicant, cash and in-kind contributions can be contributed by both the organization and its partner(s) in the project. A project partner is a legally recognized entity contributing cash or in-kind towards the project. Project partners must have an arm's length relationship* (see details below) from the organization. Project partners are required to provide a letter of support to AAC confirming their contribution towards the project.

Collaborations

Collaborations are combinations of two, or more, legally recognized entities in the agriculture, agri-food or agri-based bioproducts sector that are primarily located in Ontario. Entities may include, but are not limited to: for-profit businesses, not-for-profit associations/organizations, and/or academic/research institutions.

Collaborations must have a lead applicant, and all collaboration members must be actively and directly engaged in the project and have a vested interest (i.e. financial investment, resources, project oversight, expertise, outcomes, etc.) in the project.

Collaboration funding is intended for projects that support the competitiveness and resiliency of the agri-food industry in the province.

Lead Applicant

Responsibilities of the lead applicant include:

- be an organization or business located in Ontario
- be the primary point of contact with the AAC
- enter into a legal agreement with the AAC on behalf of the other collaboration members
- manage the project
- cash flow all project expenditures (note: this includes collecting cash contributions from collaboration members/partners and incurring all costs)
- provide the required documentation to the AAC for reimbursement funding
- prepare progress and final reports
- be in receipt of the *GF2* funding for the collaboration and receive a T4A for the total funds issued
- share project information with all collaboration members

Collaboration Members

Responsibilities of the collaboration members include:

- having an arm's length relationship* (see details below) from the lead applicant and from the other collaboration members.
- be actively and directly engaged in the project
- having a vested interest (i.e. financial investment, resources, project oversight, expertise, outcomes, etc.) in the project
- sign and submit an attestation form (Part 9 of the application)

Collaboration members cannot provide third party services on the project.

Organizations and other entities located outside of Ontario and national organizations may be a collaboration member, as long as the supply/value chain is primarily located in Ontario. The project outcomes must demonstrate benefit to the Ontario agriculture, agri-food and agri-based bioproducts sector.

***Arm's Length Relationship Details for Collaboration Members**

Collaboration members are at arm's length if they are not related, affiliated persons or otherwise controlled by another member or members. Two, or more, collaboration members are related if they are controlled by individuals who are related, such as by blood, marriage, adoption, common-law partnership, or in a relationship of some permanence if they are the natural or adoptive parents of a child, or where they are business partners within the meaning of the Partnerships Act.

A collaboration member, that is a corporation, is controlled by another person who is a member if:

- a) that person holds voting securities of the corporation to which are attached more than 50 per cent of the votes for the election of directors of the corporation, other than by way of security only, or that person is otherwise entitled to elect or appoint more than 50 per cent of the directors of that corporation;
- b) that person otherwise is entitled by contract or under the articles or letters patent of the corporation to elect or appoint a majority of the members of the board of directors; or
- c) that corporation is a subsidiary of a corporation that is controlled by that person within the meaning of clause a) or b).

A collaboration member, that is a corporation, is affiliated with another member that is a corporation if: one of them is the subsidiary of the other;

- both are subsidiaries of the same body corporate; or
- each of them are controlled by the same person.

In order to be eligible, each applicant must be in compliance with all Requirements of Law and agree to remain in compliance with all Requirements of Law for the duration of the project. "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.

See [Section Q](#) eligibility for the Aquaculture, Horse, Tobacco, and Broader Agri-Business Sectors for further information about eligibility.

G. Cost-share Funding

Under *GF2*, organizations and collaborations can apply for cost-share funding.

GF2 may provide:

- up to 50 per cent funding of total eligible costs
- funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in [Section N](#), and may receive up to 75 per cent funding of total eligible costs

Organizations and collaborations are responsible to secure funding sources for the project, over-and-above reimbursement provided through *GF2*, and:

- applicants must demonstrate that they have leveraged as much non-governmental assistance as possible
- priority will be given to applicants with industry-leveraged cash contributions
- the non-government contribution to each project can be cash, or a combination of both cash and a maximum of 15 per cent in-kind
- successful applicants will be reimbursed at the approved per cent cost-share funding for each eligible cost incurred and paid

Program Cost-Share Funding Cap

- the amount of funding for any one applicant over the life of *GF2* will not exceed a cumulative total of \$3 million for all projects approved under organizations and collaborations
- on a case-by-case basis, applicants may be eligible for a higher cost share based on determined financial need. Funding greater than the cumulative total of \$3 million may also be considered on a case-by-case basis if demonstrated by significant broad benefit
- all project expenses must be incurred no later than October 31, 2017
- all project reporting must be submitted to AAC no later than December 1, 2017

H. Eligible Costs

Eligible costs are costs necessary for the execution of an approved project and incurred by the applicant after the project has been approved (i.e. the date the AAC board of directors approved the project) and within the timelines identified in the project agreement.

Note: costs incurred must reflect when goods and services are expected to be received, regardless of when payments are made. Applicants must follow a process that is transparent, fair and promotes the best value for the money expended and at competitive prices that are no greater than fair market value after deducting trade discounts and/or any other discounts available to the applicant; and must comply with all Requirements of Law that may be applicable to how the Recipient acquires goods, services or both.

All businesses from which goods or services are purchased must be at arm's length to the applicant and collaboration members/partners.

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

Costs are:

- one-time costs of goods (including supplies), services and all related shipping or transportation costs
- one-time labour costs such as contract salaries, benefits, and specific per diem fees
- one-time costs of land rental for research purposes
- one-time costs for rental of facilities, equipment or machinery
- one-time costs of communication materials including design, printing, translation, etc.
- travel, meal and catering costs within the Travel and Meal Expense Guidelines. For further information, see [Section P](#) Travel and Meal Expense Guidelines.
- one-time costs as noted in each [GF2 focus area](#)

One-time costs refer to eligible *GF2* activity costs that are required to complete a project.

Eligible Capital Costs

Capital costs must be directly related to the project and must follow these parameters:

- capital reimbursement is capped at \$100,000 per project
- if the applicant and/or collaboration members are a for-profit business, the applicant and/or collaboration members must contribute at least 25 per cent in cash (from non-government sourced funds) of the total costs of the capital items
- capital items include:
 - software and software development (implementation and customization, however, not licensing and services)
 - computers, office equipment, equipment and construction costs for buildings, on-farm and further processing infrastructure and plant upgrades
 - assets which have been acquired, constructed or developed (including any associated delivery and installation costs) and are not intended for sale in the ordinary course of business
 - 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

Eligible In-kind Contributions

Eligible in-kind contributions are goods and services that are contributed to a project that would otherwise have to be purchased or contracted in order to complete the project. Contributions will be subject to the same financial review procedures as cash expenditures and must be supported with appropriate documentation.

Eligible in-kind contributions must be contributed by the applicant and/or collaboration/partner members, if applicable, and:

- be essential to the project's success
- reflect fair market value
- not exceed 15 per cent of the total eligible project cost
- have a defined rate (per hour, per day, per item, etc.)
- be auditable (documentation is required to validate in-kind expenses)

The AAC, in its sole and absolute discretion, may reject any in-kind contribution claim with which it is not satisfied. A signed in-kind contribution form (AAC template) must be submitted as part of the claims process to track all in-kind contributions.

Category	Definition	Documentation-required with claim	Additional documentation required upon request*
Paid Positions	Actual salary cost or per diem assigned to fulfill duties specifically related to the project	Payroll register to validate hourly/daily rate Director per diem rate	Personnel file with salary/wage information Employment contract Cancelled cheques/direct deposit schedule
Unpaid Volunteers	Unpaid time contributed by a volunteer assigned to fulfill duties specifically related to the project	Estimate of fair market value of services provided to validate hourly/daily rate	Meeting minutes Sign-in sheets Letter from volunteer verifying contribution
Equipment	Loaned equipment valued at current market rental value	Rental estimate from retailer	Letter from contributor verifying contribution
Materials and Supplies	Donated materials and supplies valued at fair market or company book value	Letter confirming value from contributor	Paid receipts/invoices Bill of materials
Use of land / facilities	Donated meeting rooms, space or facilities for which a fee is usually charged Donated land for research plots	Rental fees outlined by contributor Estimate of the fair market value for use of the land / facilities	Letter from contributor

*documentation must exist and be available to AAC and/or its auditors for review upon request

I. Ineligible Costs

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

- cost associated with the preparation of the *GF2* funding application
- costs not specifically required for the execution of the project
- normal operating costs associated with carrying out the applicant or collaboration member's business, such as costs to maintain compliance of the business' current operations with Requirements of Law, salaries and benefits of non-contract staff, office space, utilities, phone, materials, labour, board, committee and annual meetings, etc.
- normal costs of establishing a commercial operation
- costs associated with bringing current operations into compliance with applicable regulations
- training and skills development that fulfill any academic requirements towards completion of a diploma or degree of a program
- costs of participating in mentoring and coaching training programs
- sponsorship of conferences and learning events or initiatives
- travel, meal and catering costs beyond those provided in [Section P](#) - Travel and Meal Expense Guidelines
- consultant and other contractors expenses for catering, incidental or food
- purchase or lease of land, buildings and facilities
- purchase of a vehicle
- financing charges, loan interest payments, bank fees and charges
- any cost, including a tax, that is eligible for a rebate, credit or refund (e.g. a refundable portion of the Harmonized Sales Tax)
- gifts and incentives
- permits and approvals
- legal fees associated with creating a new entity
- direct income support related to direct payments to producers to offset their loss of income due to production fluctuations
- communications products that are not approved through the AAC's communications product review process
- expenses incurred for other approved *GF2* projects
- expenses incurred prior to the project approval date (i.e. AAC board of directors approval date)

Ineligible Activities

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

- activities for the sole purpose of coming into compliance, or maintaining compliance, with Requirements of Law that pertain to current business operations
- activities intended to directly influence and/or lobby any level of government
- activities that promote Ontario products explicitly over those of another province or territory
- activities that include Ontario specific promotional campaign or branding (including the use of Foodland Ontario logo)
- activities deemed to be part of normal operations of organizations/businesses and commercial expansion
- basic research, meaning experimental or theoretical work which is undertaken primarily to acquire new knowledge without a commercial or other specific application in view

- activities which are not in compliance with all applicable requirements of law, including environmental legislation and public health and safety requirements, by-laws, ordinances, approvals and permits
- activities which are already receiving funding assistance from *GF2* under either the producer or processor level programs

See [Section Q](#) - Eligibility for the Aquaculture, Horse, Tobacco, and Broader Agri-Business Sectors for further information about ineligible activities.

J. Application, Review, Claims and Reporting

Step 1: Submit a pre-proposal prior to completing an application form (not required, but strongly encouraged)

- this will provide the AAC an opportunity to review the project and provide feedback
- the AAC requires five to ten business days to respond to pre-proposals
- pre-proposal forms can be found at www.adaptcouncil.org

Step 2: Enrolment

- applicants must enroll in the [GF2 Client Portal](#), as an organization or a collaboration, prior to submitting an application

Step 3: Submit the application. For an application to be considered complete, the applicant must submit to the AAC:

- the application in Word, and the project work plan, total sources of funding, budget, and forecast in Excel to info@adaptcouncil.org (PDF versions not accepted)
 - applicants are required to forecast when they expect to incur expenses as outlined in the project work plan, funding sources, budget and forecast templates
- application forms, instructions and submission deadlines can be found at www.adaptcouncil.org
- all items outlined on the Application Checklist (as provided in the application form), including the signed Declaration for the Applicant and Collaboration Members (if applicable), via email, mail or fax

AAC will confirm receipt of the application within one business day of the intake deadline

Step 4: Project review. The AAC board of directors reviews all applications and makes all final funding decisions, terms, conditions, and levels of funding using the program assessment criteria. In addition:

- applications will be assigned to an AAC staff member who will be in contact with the applicant prior to the review by the AAC board of directors
- applications will be reviewed by the AAC and by external third party reviewers, and partners or advisors that are governed by confidentiality processes, as part of the technical review/due diligence process
- AAC board of director review is expected to occur within 45 normal business days from the application intake deadline

- applicants will be notified as funding decisions are reached, usually within five business days from the posted board meeting date, following which successful applicants must enter into an agreement with AAC
- if the project will impact an Aboriginal Group (defined as First Nation, Inuit or Metis group), the successful applicant may be subject to a duty to consult process

Step 5: Agreement. In order to receive funding for an approved project, a successful applicant must enter into an agreement with the AAC and comply with its terms and conditions for the project.

- funding will be provided as reimbursement payments throughout the project, upon the applicant providing AAC with claim documentation and progress/final reports
- funding is project based and will be provided for a limited period
 - all project expenses must be incurred no later than October 31, 2017
 - all project reporting must be submitted to AAC no later than December 1, 2017

Step 6: Claim and report submission.

- claim and reporting templates will be provided by the AAC
- applicants are required to submit claims to the AAC no later than June 30th for expenses incurred in the previous fiscal year (April 1 to March 31)
- the claim must include documentation (i.e. listing of expenses, in-kind contributions, copies of invoices, copies of cancelled cheques, payroll ledgers, catering tracking form, etc.) to support expenses that have been incurred to date
- reimbursement can only be provided for invoices that have been paid
- all expenses and in-kind contributions must be substantiated by auditable documentation
- all incremental contract labour must be supported by time sheets
- the AAC must be notified in writing, and approve of, any proposed changes to a project
- if project funding is not accessed according to the forecast provided, the AAC cannot guarantee that funds will be available for reimbursement
 - costs incurred should reflect when goods and services are expected to be received, regardless of when payments are made
- progress reporting must be completed at minimum every six months for the duration of the project funding

K. Assessment Criteria

In order for a project to be assessed, the applicant must be enrolled in the *GF2* portal, and the project must meet all basic eligibility requirements. All projects will be evaluated based on the following criteria:

- alignment with one of the [six *GF2* focus areas](#)
- alignment with one or more of the [nine *GF2* outcomes](#)
- demonstrated need/benefits/rationale for the project
- demonstrated project governance outlining roles and responsibilities of applicant and, if applicable, collaboration members
- demonstrated adequate resources, experience and skills to successfully complete the project
- demonstrated financial capacity to cash flow project expenses
- project costs appear reasonable
- demonstrated cost vs. benefit of the project
- a well-defined budget that is aligned to the work plan
- demonstrated plan to sustain the project beyond *GF2* funding, if applicable
- extent to which there will be broad impact/benefit across the organization, collaboration and industry
- demonstrates an appropriate plan for information sharing regarding the project
- documented industry support and partnerships/alliances with others

L. Applicant Insurance Requirements

Applicants signing agreements with the AAC for their project are required to have comprehensive general liability insurance with coverage for at least \$2 million per occurrence. This insurance must show the AAC as an additional insured on the policy and contain the endorsements specified in the agreement and is required to be maintained throughout the term of the agreement.

M. Six *GF2* Focus Areas

The following sections provide an overview of each of the six *GF2* focus areas, and project categories.

Please refer to the [AAC website](#) for project examples.

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 training and benchmarking, as well as improvements in equipment and technology, organizations and collaborations can reduce the potential for off-site impacts from operations by improving nutrient use efficiency, nutrient application, resource management and management of water. Organizations and collaborations can also undertake projects to reduce waste and manage inputs, such as water and energy, more efficiently. This will help Ontario organizations and collaborations improve their overall operational, economic and environmental performance.

The project categories for Environment and Climate Change Adaptation are:

1.0.1 Assessment, Audit and Planning	
Eligible Projects	<ul style="list-style-type: none"> • Developing sector-level plans • Conducting assessments • Conducting audits or analysis
Eligible Activities	<ul style="list-style-type: none"> • Planning and decision support tools, technologies, and software • Data collection, materials, sampling and analysis • Measuring and benchmarking resource use and efficiency • Activities improving the use of nutrients, energy, water, wastewater and solid waste reduction
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Capital and equipment costs
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • Projects must clearly demonstrate relevance to environment and climate change areas (e.g. water quality, soil health, air quality, biodiversity) • Priority will be given to projects: <ul style="list-style-type: none"> • Supporting a broad impact across a sector or across a geographical area to address an identified agri-environmental risk
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

Environment and Climate Change Adaptation

1.0.2 Skills Development and Training

Eligible Projects	<ul style="list-style-type: none">• Outreach strategies• Skills development and training• Knowledge acquisition and knowledge sharing• Workshops
Eligible Activities	<ul style="list-style-type: none">• Developing course materials, delivery of skills development and training courses, and outreach strategies• Activities related to the development of skills required to actively manage the use of nutrients, energy, water, wastewater and solid waste to reduce the potential for off-site impacts from operations and to achieve maximum cost recovery and efficiency
Eligible Costs	<ul style="list-style-type: none">• Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none">• See a list of general ineligible costs and activities in Section I• Capital and equipment costs
Maximum Available Cost-share	<ul style="list-style-type: none">• Up to 50 per cent funding of total eligible costs• Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none">• Projects must clearly demonstrate relevance to environment and climate change priority areas (e.g. water quality, soil health, air quality, biodiversity)• Priority will be given to projects:<ul style="list-style-type: none">○ Supporting a broad impact across a sector or across a geographical area to address an identified agri-environmental risk
Additional Criteria	<ul style="list-style-type: none">• Demonstrated needs assessment• Demonstrated clear rationale/impact of the project• Demonstrated knowledge translation and transfer plan

Environment and Climate Change Adaptation	
1.2 Applied Research, Pilot Projects and Demonstrations	
Eligible Projects	<ul style="list-style-type: none"> • Applied research and testing of new technologies • Pilot projects • Demonstration projects
Eligible Activities	<ul style="list-style-type: none"> • Evaluating methods to improve water quality and soil health, and to reduce soil erosion or to improve other agri-environmental issue • Measuring and benchmarking resource and waste management efficiency • Applied research and testing of new technologies, processes, practices or systems • Undertaking lifecycle analysis • Promoting increased efficiency in the use of water, energy or other inputs (e.g. fertilizer, pesticides) to positively impact economic competitiveness, lower costs and reduce environmental impacts • Benchmarking or analysis of environmental performance of best management practices, sectors or operations • First time development, implementation and promotion of environmental sustainability systems • Activities that focus on improving resource management, increasing input efficiency, mitigating or managing risks to surface and ground water, and sustainability systems
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • Priority will be given to projects: <ul style="list-style-type: none"> ○ Supporting a broad impact across a sector or across a geographical area to address an identified agri-environmental risk ○ Supporting action in a priority area (areas currently under more stress from environmental concerns including Lake Erie, Lake St. Clair, Lake Huron watersheds, Environment Canada designated Areas of Concern and designated source water protection areas). • Priority will be given to projects that address one of these topics: <ul style="list-style-type: none"> ○ efficient use of inputs to reduce potential for environmental impacts ○ adapting to climate change ○ innovation in outreach and delivery techniques to accelerate adoption of best management practices to address agri-environmental risks ○ monitoring and tracking systems to improve resource management ○ development and adaptation of technology and equipment
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated knowledge translation and transfer plan

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 organizations and collaborations reduce the spread of disease and pests, and to assist the industry in addressing national or industry standards for biosecurity.

The project categories for Animal and Plant Health are:

2.0.1 Skills Development and Training	
Eligible Projects	<ul style="list-style-type: none"> • Outreach strategies • Skills development and training • Knowledge acquisition and knowledge sharing • Workshops
Eligible Activities	<ul style="list-style-type: none"> • Improving or supporting general awareness, and knowledge of, animal or plant health, or related public health, pest management and biosecurity risks • Enhance or support the implementation of national biosecurity standards through education and awareness • Activities related to training on disease and pest identification and health status, assessment of biosecurity risks, and development of plans to mitigate those risks.
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Activities related to the use of funding for services to international only (non-Canadian) companies/laboratories • Capital and equipment costs
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • Priority will be given to projects: <ul style="list-style-type: none"> ○ with impact and benefits beyond their specific commodity ○ that involve more than one commodity or sector ○ that promote antimicrobial stewardship and reduction of antimicrobial usage in agriculture ○ that address pest and weed surveillance and management practices
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

Animal and Plant Health	
2.1 Applied Research, Pilot Projects and Demonstrations	
Eligible Projects	<ul style="list-style-type: none"> • Applied research and testing of new technologies • Pilot projects • Demonstration projects
Eligible Activities	<ul style="list-style-type: none"> • Encouraging the adoption of emergency management systems based on the Incident Command System approach used by the Government of Ontario and the Government of Canada; or activities that test or enhance emergency management systems in multiple sectors or commodities based on an established Emergency Management Plan, using the Incident Command System • Supporting animal or plant health, or related public health, pest management and biosecurity surveillance systems, and that demonstrate benefit to the sector or society at large • Enhance or support the implementation of national biosecurity standards through applied research, pilot projects and demonstrations • Activities that improve the ability and capacity to prepare for, prevent, detect and respond effectively to infectious animal or plant disease, or pest situations, that can impact the broader sector or society at large
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Activities not related to improving animal or plant health or public health • Activities related to the use of funding for services to non-Canadian companies/laboratories
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • Priority will be given to projects: <ul style="list-style-type: none"> ○ with impact and benefits beyond their specific commodity ○ that involve more than one commodity or sector ○ that promote antimicrobial stewardship and reduction of antimicrobial usage in agriculture ○ that address pest and weed surveillance and management practices
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated knowledge translation and transfer plan

3. Assurance Systems (Traceability, Animal welfare and Food safety)

The assurance systems focus area is designed to ensure the industry uses 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.

Food safety programs control risks by preventing, reducing or eliminating hazards. Organizations and collaborations can ensure industry competitiveness by aligning training materials, strategies, program schemes, group certification, etc. with National and International food safety standards.

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
- 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: 1) Premises identification 2) Product identification and 3) Movement recording.

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 systems to meet buyer demands and consumer expectations. Animal welfare programs help strengthen and keep Ontario's agri-food businesses competitive.

The project categories for Assurance Systems are:

3.0.1 Skills development and training	
Eligible Projects	<p>Projects can encompass one or more of the following: Food Safety, Traceability, and/or Animal Welfare:</p> <ul style="list-style-type: none"> • Outreach strategies • Skills development and training • Knowledge acquisition and knowledge sharing • Needs assessments • Workshops
Eligible Activities	<ul style="list-style-type: none"> • Improving or supporting general awareness, and knowledge about reducing food safety risks, implementing traceability systems and animal welfare codes of practice • Developing education and training materials which align with National/ International programs or Codes of Practice • Developing/conducting a needs assessment or strategy for the creation of education and training materials or for sector outreach
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H

Assurance Systems (Traceability, Animal welfare and Food safety)

3.0.1 Skills development and training (continued)

Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Developing and delivering training and materials that address non-government recognized systems or materials not in alignment with Codes of Practice, or National/International food safety programs • Training on systems or approaches that do not align with national/international standards • Creation of new food safety standards • Capital and equipment costs
Maximum Available Cost Share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<p>Priority will be given to:</p> <ul style="list-style-type: none"> • Training program or material development that addresses a gap/need in the sector, where training program/materials do not currently exist • Projects with industry leveraged cash contributions • Projects with clearly defined outreach plans <p>For Food Safety projects, priority will be given to those commodities that possess the greatest food safety risk, including but not limited to:</p> <ul style="list-style-type: none"> • Ready-to-eat (RTE) lettuce and leafy greens eaten raw (arugula, spinach, baby salad greens, other mixed lettuces) • Broad-leaf herbs (basil, cilantro, parsley) • RTE minimally-processed fruit and vegetables (e.g., peeled, cut, washed, dried, packaged) • 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 <p>For Traceability projects, priority will be given to:</p> <ul style="list-style-type: none"> • Organizations and/or collaborations preparing for upcoming regulatory requirements that need sector outreach to encourage uptake • Projects that involve national traceability priority sectors (e.g. Cattle, bison, sheep, goats, cervids, and their downstream further processed supply chains)
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

Assurance Systems (Traceability, Animal welfare and Food safety)

3.1 Applied Research, Pilot Projects and Demonstrations

Eligible Projects	<p>Projects can encompass one or more of the following: Food safety, Traceability and/or Animal welfare:</p> <ul style="list-style-type: none"> • Validation studies/Proof of concept • Pilot projects • Demonstrations • Applied Research
Eligible Activities	<ul style="list-style-type: none"> • Demonstrate market benefits, risk mitigation or enhanced competitiveness as a direct result of project implementation • Investigating methods, processes or applications to mitigate food safety risks • Enhanced efficiencies and new technologies to capture and share data related to traceability • New technologies or equipment to facilitate humane handling and care of animals • Disseminating best practices, outcomes and learnings derived from pilot projects, validation studies or demonstrations
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Piloting and demonstrating solutions or systems that are not in alignment with Codes of Practice, or National/International programs.
Maximum Available Cost Share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<p>Priority will be given to:</p> <ul style="list-style-type: none"> • Projects that address a specific new market opportunity or mitigate risks that require additional data or validation prior to implementation <p>For Food Safety projects priority will be given to those commodities that possess the greatest food safety risk, including but not limited to:</p> <ul style="list-style-type: none"> • Ready-to-eat (RTE) lettuce and leafy greens eaten raw (arugula, spinach, baby salad greens, other mixed lettuces) • Broad-leaf herbs (basil, cilantro, parsley) • RTE minimally-processed fruit and vegetables (e.g., peeled, cut, washed, dried, packaged) • RTE meat products (e.g., pate, meat spreads, frankfurters, deli meats, beef/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 <p>For Traceability projects, priority will be given to:</p> <ul style="list-style-type: none"> • Organizations and/or collaborations preparing for upcoming regulatory requirements that need sector outreach to encourage uptake • Projects that involve national traceability priority sectors (e.g. Cattle, bison, sheep, goats, cervids and their downstream further processed supply chains) <p>For Animal Welfare projects, priority will be given to:</p> <ul style="list-style-type: none"> • Organizations and/or collaborations preparing for upcoming market requirements that need sector outreach to encourage uptake • Projects that address a requirement in a national Code of Practice (e.g. housing systems)
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

Assurance Systems (Traceability, Animal welfare and Food safety)	
3.2 Food Safety Audits	
Eligible Projects	<ul style="list-style-type: none"> • Food safety group audit/certification against existing national or international programs
Eligible Activities	<ul style="list-style-type: none"> • First time group audit/certification to national or international program standards
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H • Auditor fees, travel time for auditor and internal audit training costs
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Re-certification audits or re-verification of existing programs • Implementation of non-government recognized systems, or programs that do not have a group certification option • Development of food safety programs for individual businesses
Maximum Available Cost Share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<p>Priority will be given to those commodities that possess the greatest food safety risk, including but not limited to:</p> <ul style="list-style-type: none"> • Ready-to-eat (RTE) lettuce and leafy greens eaten raw (arugula, spinach, baby salad greens, other mixed lettuces) • Broad-leaf herbs (basil, cilantro, parsley) • RTE minimally-processed fruit and vegetables (e.g., peeled, cut, washed, dried, packaged) • 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
Additional Criteria	<ul style="list-style-type: none"> • N/A

Assurance Systems (Traceability, Animal welfare and Food safety)	
3.3 Traceability Solution Implementation; Information Management and Sharing	
Eligible Projects	<ul style="list-style-type: none"> Implementing traceability solutions that support information management and sharing across groups, supply chains or at the organization level
Eligible Activities	<ul style="list-style-type: none"> Implementation, development, customization, procurement and training related to electronic information sharing systems This can include: <ul style="list-style-type: none"> Adoption of industry recognized data standards Verification of product attributes Integration of interoperable data systems Integration of existing product or animal tracking systems infrastructure and software with traceability systems across the supply chain Technology systems that enable enhanced information sharing for businesses and/or industry decision making (e.g. benchmarks, performance indicators and best management practices) Project Management costs related to coordinating the implementation and integration of a traceability system across a sector or organization
Eligible Costs	<ul style="list-style-type: none"> Costs directly related to the activities noted above that are also consistent with Section H Service provider costs (specifically implementation, advisory and training) 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 License expense, initial activation and one-time annual fee with national product registry (does not include initial individual product registrations)
Ineligible Activities and Costs	<ul style="list-style-type: none"> See a list of general ineligible costs and activities in Section I Costs and activities that result in facility level recording/storage of information without providing the ability for further information sharing along the value chain (e.g. paper-based traceability systems) Ongoing costs/activities deemed to be part of normal organization/business operations including employee time for data entry and tag application
Maximum Available Cost Share	<ul style="list-style-type: none"> Up to 50 per cent funding of total eligible costs Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<p>Priority will be given to:</p> <ul style="list-style-type: none"> Projects that involve national traceability priority sectors (e.g. Cattle, bison, sheep, goats, cervids, and their downstream further processed supply chains) Projects that have the ability to impact multiple industry stakeholders and/or projects that will span a complete supply chain Projects that will result in economic benefits to those involved in the project Projects that deliver improved capabilities for responding to an emergency and/or ability to mitigate risks through increased supply chain visibility and recall Projects that will result in clearly identified new market opportunities or retention of existing markets
Additional Criteria	<ul style="list-style-type: none"> Demonstrated needs assessment Demonstrated clear rationale/impact of the project Demonstrated knowledge translation and transfer plan

Assurance Systems (Traceability, Animal welfare and Food safety)

3.4 Animal Welfare Best Practices

Eligible Projects	<ul style="list-style-type: none"> • Development of animal welfare best practices or industry standards • Evaluation of animal welfare best practices or industry standards
Eligible Activities	<ul style="list-style-type: none"> • Activities not mandated under national assurance systems, that improve animal welfare • Activities that demonstrate market benefits or enhanced assurance systems as a direct result of their implementation • Implementation of nationally developed animal welfare assurance programs • Development of an auditable animal welfare assurance program where no national commodity or code of practice exists • Implementation of new technologies or equipment to facilitate humane handling methods or treatment procedures • Transportation, handling and housing changes to meet societal/buyer animal welfare standards or requirements
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Development and implementation of non-government recognized systems, or programs that lack credible, scientific backing
Maximum Available Cost Share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<p>Priority will be given to:</p> <ul style="list-style-type: none"> • Projects that advance animal welfare programs in commodities not being addressed through existing national programs or funding processes • Projects that have the ability to impact multiple industry stakeholders
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

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 markets assessment 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 organizations and collaborations will work to access new or expanded sales channels within Ontario or across Canada, and to export markets in the U.S., and other countries.

The project categories for Market Development are:

4.0.1 Assessment, Audit and Planning	
Eligible Projects	<ul style="list-style-type: none"> • Developing plans to access new domestic or export markets • Assessments • Conducting audits or analysis
Eligible Activities	<ul style="list-style-type: none"> • Market analysis, research, assessment, trend monitoring for existing, modified or new products or markets • Business, marketing strategic, and export plans for developing a new market • Feasibility studies • Investigation into regulatory requirements, or standards, linked to expanding to new export markets • Operations, cost of production and process audit/assessment • Commercialization plan for a product that has never been previously sold
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Maintenance of an existing third party certification • Developing product prototype samples • Projects that include Ontario specific promotional campaign or branding (including the use of Foodland Ontario logo) • Capital and equipment costs
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<p>Priority will be given to projects:</p> <ul style="list-style-type: none"> • that focus on export markets
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

Market Development	
4.2 Accessing Markets and Development of Products or Processes	
Eligible Projects	<ul style="list-style-type: none"> • Implementation of marketing plans • Pilot projects • Demonstrations • New product and process development • Skills development and training
Eligible Activities	<ul style="list-style-type: none"> • Activities related to technology, new products, new processes, equipment, developing new global and domestic markets to expand existing market share, or enter new markets • First time implementation of a marketing plan, including (but not limited to): <ul style="list-style-type: none"> • Brand development, focus groups or consumer studies • In-store product demonstration • First time planning, organizing and/or participating in trade shows (beyond normal business) and other marketing events in Canada and internationally • Sales, marketing and promotional activities • Investigative travel for the purpose of assessing new or emerging markets • 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) • Shipping product samples for tradeshow and not intended for re-sale • Adoption of best management practices, processes, technologies, or systems to meet established standards certifications for the purposes of accessing, or expanding a market • New product formulation, reformulation and process development • External technical-scientific resources to undertake improved nutritional value, or added health value • Labeling and packaging development and production for a trial run, excluding the cost of the actual production run of the packaging • One-time testing of products to meet established standards, certifications or market requirements, including analytical and quality testing • Training key personnel on project related new equipment, technology and processes • Understanding the logistics of delivery to new markets, including, but not limited to, components such as freight costs, feasibility, travel time, transportation modes, etc. • Pilots or demonstrations of innovative technologies, processes, practices, and systems
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Projects that include Ontario specific promotional campaign or branding (including the use of Foodland Ontario logo) • Product samples for in-store or in-market product demonstration produced from normal production • Ongoing production of product packaging • Legal costs associated to the creation of a new entity
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<p>Priority will be given to projects:</p> <ul style="list-style-type: none"> • that focus on export markets

Market Development	
4.2 Accessing Markets and Development of Products or Processes (continued)	
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated clear rationale/impact of the project • Demonstrated marketing/business plan that includes market analysis and research that supports development of the market, product and or process

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 organizations and collaborations 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.

The project categories for Labour Productivity Enhancement are:

5.0.1 Skills Development and Training	
Eligible Projects	<ul style="list-style-type: none"> • Outreach strategies • Skills development and training • Knowledge acquisition and knowledge sharing • Workshops
Eligible Activities	<ul style="list-style-type: none"> • Development of course materials • Delivery of skills development and training courses • Skills gap/shortage training and human resource development • Knowledge sharing • Development of knowledge transfer products
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Full-time and part-time tuition • Capital and equipment costs
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • N/A
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

Labour Productivity Enhancement	
5.1 Pilot Projects, Demonstrations, and Technology	
Eligible Projects	<ul style="list-style-type: none"> • Pilot projects • Demonstrations • Technology
Eligible Activities	<ul style="list-style-type: none"> • New technologies and software systems to increase automation and labour productivity to meet market demand • Adoption of labour productivity best management practices • Development of new or translation of existing manufacturing policies, feedback systems, preventative maintenance procedures and standard operational procedures (SOPs) such as: <ul style="list-style-type: none"> • processing standards (time, temperature, speed, etc.), proactive preventative maintenance routines, and employee scheduling systems • Piloting and demonstrating technology, equipment or processes that have the potential to increase labour productivity, that have not been fully validated in Ontario • Training key personnel on new project related equipment, technology and software systems
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • N/A
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

6. Business and Leadership Development

Investing in business and leadership development can help organizations and collaborations to anticipate, adapt and thrive in a rapidly changing business environment. *GF2* provides funding for business assessment and performance benchmarking, training and skills development, and strategic feasibility, succession, expansion and overall business planning. Completion of projects will improve 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.

The project categories for Business and Leadership Development are:

6.0.1 Assessment, Audit and Planning	
Eligible Projects	<ul style="list-style-type: none"> • Developing plans • Assessments • Conducting audits or analysis
Eligible Activities	<ul style="list-style-type: none"> • Developing plans to address strategic direction, succession and business growth needs or benchmark data • Strategic plans • Feasibility plans • Conducting sector-level assessments or audits • Planning and decision support tools • Developing action plans to encourage the adoption of beneficial business management processes that include, assessments and planning activities
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Projects that relate directly to regulatory requirements • Renewal of an existing plan, audit or assessment • Capital and equipment costs
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • N/A
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

Business and Leadership Development	
6.0.2 Skills Development and Training	
Eligible Projects	<ul style="list-style-type: none"> • Outreach strategies • Skills development and training • Knowledge acquisition and knowledge sharing • Workshops
Eligible Activities	<ul style="list-style-type: none"> • Development of course materials for skills development or training sessions • Delivery of training and/or workshops to support knowledge acquisition • Development of an outreach strategy and/or knowledge transfer products
Eligible Costs	<ul style="list-style-type: none"> • Costs directly related to the activities noted above that are also consistent with Section H
Ineligible Activities and Costs	<ul style="list-style-type: none"> • See a list of general ineligible costs and activities in Section I • Full-time, or part-time student tuition fees • Capital and equipment costs
Maximum Available Cost-share	<ul style="list-style-type: none"> • Up to 50 per cent funding of total eligible costs • Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria in Section N, and may receive up to 75 per cent funding of total eligible costs
Other Considerations	<ul style="list-style-type: none"> • N/A
Additional Criteria	<ul style="list-style-type: none"> • Demonstrated needs assessment • Demonstrated clear rationale/impact of the project • Demonstrated knowledge translation and transfer plan

N. GF2 Innovation Funding Checklist

Funding requests above 50 per cent must demonstrate how the project is innovative, according to the innovation criteria below, and may receive up to 75 per cent funding of total eligible costs.

Under GF2 innovation is defined as the application of new ideas (new processes, products, services and methods of delivery) to solve problems and address challenges. Innovation is embedded throughout all areas of focus.

Criteria	High	Medium	Low/ Not Eligible (for Innovation Cost Share)
Novelty (Originality, Uniqueness, Newness)	New to the province; or North America, not generally available or widely adopted Could be innovation developed in Ontario or could be sourced from another jurisdiction	New for the sector but may be in use in another sector Not tested under regional conditions (climate, soil type, market acceptance)	New to my location but currently in use in other parts of the province New to my business but used by many others
Benefits	Significant benefits compared to current practice and Significant societal benefits (environmental or social benefits) Higher ranking based on number of people or businesses to benefit.	Significant benefits compared to current practice or Significant societal benefits (environmental or social benefits)	Benefits exclusively for a single business. Other Ontario businesses could not adopt this innovation Limited benefits compared to alternatives that are currently in common use
Level of Risk	Some level of uncertainty. The innovation has been tested in other jurisdictions or under lab or small scale conditions. Could be either technological risk or market risk or both	Lower level of uncertainty. The innovation has had limited testing and results have been positive. Additional demonstrations will increase industry confidence for adoption	No uncertainty. This is a best practice that has been extensively tested in Ontario and shown to provide benefits
Knowledge Transfer	The project includes a sound knowledge transfer plan that engages potential users throughout the project and will share knowledge and results broadly with the Ontario industry. Multiple communication products will ensure widespread availability of information for potential users of the innovation	The project includes a knowledge transfer plan that will share some knowledge with the Ontario industry however some intellectual property may be retained by the applicant The project may provide an initial advantage to one business but the innovation could be duplicated by other companies and would raise the bar for innovation in the sector	All knowledge gained from the project will be for the benefit of the applicant. Others in the Ontario industry would not be able to adopt this innovation Intellectual property protection will hamper knowledge transfer and uptake of the innovation
Drives Competitiveness	The innovation will allow an Ontario company or companies to move ahead of global competitors Ontario could move into a global leadership position in this sector.	The innovation will allow an Ontario company or companies to introduce innovation being utilized by their global competitors. Other Ontario businesses could be motivated and have the ability to adopt this innovation, raising the overall competitiveness of the Ontario sector	The innovation would provide benefits to only one Ontario company. The innovation could not be copied by existing Ontario businesses in the sector and would provide an unfair market advantage over those Ontario competitors

An independent letter confirming the level of innovation may be requested at the discretion of AAC.

O. Intellectual Property (IP)

The concept of IP includes, but is not limited to, all technical information and all inventions, drawings, methods, products, improvements, processes, discoveries, varieties, germplasms, cultivars, genetic materials, genetic constructions, mutants, micro-organisms, specimens, and progeny, whether or not they qualify for legal protection, including any know-how, demonstration, trade secret, research plan/priorities, computerized model or related report, any commercial interest or product idea, and any patent, patent application or copyright.

The title to any IP created during the course of project activities will remain the property of the applicant.

P. Travel and Meal Expense 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:
 - If using a personal vehicle, daily logs must be kept to track the project-related business use, with distances calculated in kilometers (km)
 - Reimbursement rates for personal vehicles driven outside Ontario are at the rates for southern Ontario
 - Mileage ranges will be applied for an individual, per project, per fiscal year
 - Reimbursement rates for vehicles driven outside of Ontario, within Canada can be found [here](#).
 - The table below reflects reimbursement rates for personal vehicles driven in Ontario:

Total km 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

- Leased Vehicles:
 - Vehicles may be leased when they are specifically required to complete project related travel for a limited time period, and the use of rental vehicles and/or personal vehicles is not practical.
 - Daily logs must be kept to track the project-related business use, with distances calculated in kilometers (km)
 - 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, when accompanied by a daily log
 - Expenses that are not eligible for leased vehicles will not be reimbursed. Examples of such expenses would include, but are not limited to: leasing and/or finance related charges, insurance, non-project related leases, and the use of leased vehicles for normal business and/or personal use.

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

- Reimbursement is for restaurant/prepared food only
- Alcohol cannot be claimed and will not be reimbursed as part of a travel or meal expense
- Consultants and other contractors will not be reimbursed for any catering, incidental or food expenses
- Copies of original itemized receipts are required
- Information on reimbursement for meal expenses incurred in USA can be found [here](#).
- Information on reimbursement for meal expenses incurred outside Canada and continental USA can be found [here](#).
- Reimbursement for meal expenses incurred in Canada is subject to the maximum rates set out in the table below (taxes and gratuities are included in the meal rates):

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

Catering

- Catering consists of the provision of meals, beverages or refreshments to persons at events and meetings
- Catering may be extended when:
 - hosting an event directly related to project activities that occur during a meal time or include refreshments
 - completing project specific activities, and have catering /meals included in your approved budget
- A catering tracking form must be completed for all catering expenses
- Copies of the original, itemized receipts are required
- Meal rates cannot exceed the rates outlined above (taxes and gratuities are included in the meal rates)
- Expenses that do not fit the definition of catering will not be reimbursed. Examples of such expenses would include, but are not limited to: office social events, retirement parties, holiday lunches, etc.
- Catering cannot be provided for government employees (provincial or federal) or paid consultants

International Travel

- All travel outside of Canada must be clearly outlined in the budget and approved by the AAC board
- Federal reimbursement rates will be used for meal expenses outside Canada as set out in the appendices of the most current Treasury Board of Canada Travel Directive
- Information on reimbursement for meal expenses incurred in U.S. can be found [here](#).
- Information on reimbursement for meal expenses incurred outside Canada and continental U.S. can be found [here](#).

Q. Eligibility for the Aquaculture, Horse, Tobacco, and Broader Agri-Business Sectors

These program rules apply across producer, processor and organizations/collaborations *GF2* programming.

Aquaculture Sector

Activities related to aquaponic food production, and to aquaculture, seaweed, fish and seafood production and processing are ineligible for *GF2* funding with the following exceptions:

- international marketing for fish and seafood products is eligible for *GF2* funding
- traceability for fish and seafood products is eligible for *GF2* funding

Horse Sector

- Horse Breeding Producer Businesses that file business and/or farm income/loss taxes in Ontario are eligible for all *GF2* programming
- Horse racing stable businesses and horse boarding stable businesses are eligible to apply for all *GF2* education and capacity building programming
- Horse sector organizations are eligible for *GF2* Organization and Collaboration funding

Tobacco Sector

- Producers of tobacco crops are eligible to apply for all *GF2* programming, except for research and Collaborations as listed below
- Processors of tobacco-based pharmaceuticals or other bio products are eligible for all *GF2* programming
- Processors of cigarettes are not eligible to apply for any *GF2* programming
- Applications for tobacco research into:
 - Pest control methods that apply to crops including tobacco are eligible
 - Pest control methods that apply only to tobacco are not eligible
 - Use of tobacco for pharmaceuticals and other bio products are eligible
 - Use of tobacco for cigarette production are not eligible
- Organizations and Collaborations that apply for projects that use tobacco for pharmaceuticals and other bio products are eligible

Ornamentals, Health/Nutrition Supplements, Pet Food Sectors

Producers, Processors, and Organizations/Collaborations of the following sectors are eligible for all *GF2* programming:

- Ornamentals (flowers, shrubs, sod, etc. both land-based and greenhouse)
- Health and /or nutrition supplements
- Pet food products

The Broader Agri-Business Sector

Businesses that are part of the broader agri-business sector are defined as those that support the value and sales of Ontario's agriculture, agri-food and agri-based bioproducts sector but are neither producer or processor businesses (e.g. livestock transporters, grain dealers and elevators).

- Organizations representing businesses in the broader agri-business sector are eligible to apply for *GF2* funding as an Organization or as part of a Collaboration
- Individual businesses in the broader agri-business sector are eligible to apply for *GF2* funding as a part Collaboration only

R. Terms and Conditions

The applicant must certify on the Application that the applicant:

- has read, understands, and agrees to abide by all requirements of the *GF2* Program Guide for Organizations and Collaborations
- has submitted on the application information that is true and complete, to the best of its knowledge, belief and understanding
- has 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 such funds do not, or will, not exceed 100% of total project costs
- does not currently owe any money to Ontario or has attached a description to this application of what the applicant owes
- if any directing mind of the applicant is a current, or former, federal public office holder, or federal public servant, is in compliance 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
- does not have a directing mind that is a member of the House of Commons, or of the Senate, or such directing mind is permitted under the Parliament of Canada Act to receive funding from Canada under *GF2*

The applicant must further certify on the Application, that the applicant:

- shall 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
- shall consent to the Agricultural Adaptation Council, Ontario or Canada publishing the amount of funding the applicant has been approved to receive and/or has received under *GF2*, the nature of any project or activity funded, along with the applicant's name

The applicant must further 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 all terms and conditions
- 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
- 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
- not Ontario nor Canada nor the AAC, 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 submitted 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)
- the applicant is in compliance with all Requirements of Law and agrees to remain in compliance with all Requirements of Law for the duration of the project. “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, licenses, authorizations, decrees, injunctions, orders and declarations, or any other similar requirement of law

The applicant must consent to the following:

- to provide accurate, timely and full information, including supporting documentation, to the AAC and will notify the AAC immediately in the event that there are any changes to information provided
- to provide Canada, Ontario and the AAC, 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 inspections and/or audits, by Ontario or the AAC, 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
- 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, or for any other similar purpose