

Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient.

Agri-Tech Innovation Initiative Guidelines

March 2024



TABLE OF CONTENTS

1. Purpose of the Initiative	4
1.1. Operation of the Initiative.....	4
1.2. Source and Amount of Funding for Initiative.....	4
2. Initiative Timelines	5
3. STREAMS 1 AND 2 AGRI-TECH INNOVATION.....	5
3.1. Purpose (Streams 1 and 2)	5
3.2. Target Audience (Streams 1 and 2).....	6
3.3. Maximum Cost-Share Funding (Streams 1 and 2)	6
3.4. Eligible Activities and Supporting Activities (Streams 1 and 2)	6
3.4.1. Eligible Activities	7
3.4.2. Eligible Supporting Activities	7
3.5. Eligible Costs (Streams 1 and 2)	7
3.6. Ineligible Activities (Streams 1 and 2).....	8
3.7. Ineligible Costs (Streams 1 and 2).....	8
3.8. Merit Assessment Criteria (Streams 1 and 2)	10
4. STREAM 3 – AGRI-TECH ENERGY COSTS SAVINGS.....	12
4.1. Purpose	12
4.2. Target Audience (Stream 3)	12
4.3. Maximum Cost-Share Funding (Stream 3)	13
4.4. Eligible Activities and Supporting Activities (Stream 3).....	13
4.4.1. Eligible Activities	13
4.4.2. Eligible Supporting Activities	13
4.5. Eligible Costs (Stream 3).....	13
4.6. Ineligible Activities (Stream 3)	14
4.7. Ineligible Costs (Stream 3)	14
4.8. Merit Assessment Criteria (Stream 3).....	16
5. Initiative Applicant Eligibility and Responsibilities	16
5.1. Applicant Eligibility Requirements.....	16
5.2. Responsibilities of the Applicant	17
6. Initiative Application Process.....	17
6.1. Application Submission	17

6.2. Online Registration	18
6.3. Online Submission.....	18
6.4. Applying to Multiple Funding Programs	18
7. Initiative Application Review Process	19
7.1. Application Eligibility	19
7.2. Funding Decision Notifications	20
8. Initiative Claims and Reporting	20
8.1. Claim Submission.....	20
8.2. Claim Review.....	21
8.3. Claim Payment	22
9. Loss of Eligibility	22
9.1. Willful submission of false or misleading information.....	22
9.2. Negligent submission of false or misleading information	22
9.3. Abusive toward AAC staff	22
9.4. Debt owing to Ontario or Canada	23
9.5. Failure to comply with additional terms and conditions of the Initiative.....	23
10. Additional terms and conditions	23
10.1. No conflict of interest	23
10.2. Compliance with Funding Agreement.....	23
10.3. Compliance with requirements of law	23
10.4. Retention of assets.....	24
10.5. Insurance.....	24
10.6. Indemnification	25
10.7. Provision of information	25
10.8. Audit	25
10.9. Communications.....	26
10.10. Notice regarding change of ownership or control.....	26
11. Initiative Application Declaration.....	26
12. Initiative Definitions.....	29
13. Initiative Interpretation Of Guidelines.....	32
Schedule A - NAICS Codes for Application	34

1. PURPOSE OF THE INITIATIVE

1.1. OPERATION OF THE INITIATIVE

The purpose of the Agri-Tech Innovation Initiative (the Initiative) is to support growth and productivity through innovation, advanced manufacturing, improved food safety and enhanced cyber security, and energy efficiency within the agri-food sector.

Projects will enhance and increase processing capacity and agri-food production and reduce greenhouse gas emissions in Ontario through investments in production expansions and modernization.

The Initiative will be delivered under three streams, as follows:

- **Stream 1 – Agri-Tech Innovation (total Eligible Costs per Project less than \$100,000)**, up to 50 per cent (50%) of the total Eligible Costs to a maximum \$49,999 in cost-share funding for commercially available equipment and technology to support growth and productivity.
- **Stream 2 – Agri-Tech Innovation (total Eligible Costs per Project \$100,000 and greater)**, up to 35 per cent (35%) of total Eligible Costs to a maximum of \$100,000 in cost-share funding for commercially available equipment and technology to support growth and productivity.
- **Stream 3 – Agri-Tech Energy Costs Savings**, up to 35 per cent (35%) of total Eligible Costs to a maximum of \$100,000 in cost-share funding for energy (greenhouse gas) cost saving equipment and technology.

1.2. SOURCE AND AMOUNT OF FUNDING FOR INITIATIVE

Funding for the Initiative comes from the Sustainable Canadian Agricultural Partnership (Sustainable CAP). Up to twenty five million dollars (\$25,000,000) has been allocated for the Initiative. Sustainable CAP is a five-year (2023-2028), \$3.5-billion investment by federal-provincial and territorial governments to strengthen competitiveness, innovation, and resiliency of the agriculture, agri-food and agri-based products sector.

The Agricultural Adaptation Council (AAC) is delivering the Initiative on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs.

Definitions

Read the definitions in Section 12 to help you understand the terms used in these guidelines.

2. INITIATIVE TIMELINES

Intake Dates

- Intake open – February 15, 2024
- Intake close – March 28, 2024 at 11:00 a.m. (EST)

Eligible Project Start Date

- Earliest Project start date – Day the funding notification is provided to the Applicant (Funding decisions are expected within 60 Business Days of the intake close date)

Eligible Project Completion Date

- September 30, 2027

3. STREAMS 1 AND 2 AGRI-TECH INNOVATION

3.1. PURPOSE (STREAMS 1 AND 2)

The purpose of Streams 1 and 2 is to support growth and productivity for Ontario Producers and Processors through the acquisition and implementation of new or modified commercially available equipment, technology, or machinery that is Innovative or Advances Manufacturing.

For the purpose of the Initiative:

- **Growth** is expanding your business and/or changing how you do business in one or more ways – including investing in new technology, increasing business income, adding employees, expanding customer base, diversification of products or services, and/or increasing production of products or services.
- **Productivity** is increased through the production of goods or services in a more efficient manner – including using technology and automation, increasing the amount of goods and services produced (output) while reducing the amount of inputs, enhancing

labour productivity, enhancing service quality without increasing resources, and/or producing more from the same land base by changing your production system.

- **Innovation or Innovative** means the application of new equipment, technology, or machinery or improvement through the modification of an existing equipment, technology, or machinery in the operation for efficiency, effectiveness, and increased growth and productivity. At the Producer level, this could be interpreted as: currently, less than 10% of the industry has implemented the equipment, technology, or machinery. See Innovation Rating Criteria for full criteria.
- **Advanced Manufacturing or Advances Manufacturing** means technology that enhances manufacturing processes through automation, robotics, or digitization.

3.2. TARGET AUDIENCE (STREAMS 1 AND 2)

Eligible Applicants under Streams 1 and 2 include:

- Producers
- Processors

See Section 5.1 for full Applicant Eligibility Requirements and Section 12 for Definitions.

3.3. MAXIMUM COST-SHARE FUNDING (STREAMS 1 AND 2)

The maximum cost-share funding assistance available for a Project is:

- **Stream 1** (Under \$100,000 total Eligible Costs per Project): up to 50 per cent (50%) of the total Eligible Costs to a maximum of **\$49,999**. The total Eligible Costs per Project must be less than \$100,000.
- **Stream 2** (\$100,000 total Eligible Costs per Project and over): up to 35 per cent (35%) of total Eligible Costs to a maximum of **\$100,000**. To receive maximum funding, total Eligible Costs per Project must be at least \$285,715.

Producers and Processors can be approved for a maximum of one Project under the Agri-Tech Innovation streams.

3.4. ELIGIBLE ACTIVITIES AND SUPPORTING ACTIVITIES (STREAMS 1 AND 2)

3.4.1. ELIGIBLE ACTIVITIES

The following activities are eligible under Streams 1 and 2 of the Initiative:

- Implementing new equipment, or modification of equipment, technology, and machinery for production and/or manufacturing that is Innovative, or
- Implementing new equipment, technology, and machinery or modification of equipment, technology, and machinery for advanced manufacturing (i.e., through automation, robotics, or digitization)

3.4.2. ELIGIBLE SUPPORTING ACTIVITIES

The following Eligible Supporting Activities cannot be a standalone Project and must support the Eligible Activities in 3.4.1. Eligible Supporting Activities for the Project may include:

- Purchasing equipment, technology, and machinery that advances food safety and traceability including;
 - Food safety equipment;
 - Barcoding and product identification systems; and,
 - Testing equipment for monitoring and analysis.
- Facility or cyber security changes, upgrades, or modifications;
- Purchasing software or upgrades; and,
- Hiring third-party expertise/services including engineering services, cyber security assessments, software development, training, installation, and management.

3.5. ELIGIBLE COSTS (STREAMS 1 AND 2)

Eligible Costs are those costs that are directly necessary to carry out the Project, reasonable in nature, and incremental as well as Incurred by the Recipient.

When purchasing goods or services, a Recipient 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 Recipient; and must comply with all Requirements of Law applicable to how the Recipient acquires goods, services or both.

All suppliers from which goods or services are purchased must be at Arm's Length from the Applicant. If you have any questions about whether a supplier meets this requirement, please contact the AAC at info@adaptcouncil.org.

The following costs are eligible for the purposes of the Initiative, provided they were reasonably Incurred and necessary to complete the Recipient's Project:

- Costs that were Incurred after notice of Project approval and before September 30, 2027;
- Deposits that were invoiced and paid for after notice of Project approval and submitted for reimbursement after the Eligible Cost is Incurred (before September 30, 2027);
- Costs that reflect the actual costs to the Recipient, less any costs, including taxes, for which the Recipient has received, will receive or is eligible to receive, a rebate, credit or refund;
- New or modified equipment, technology, and machinery that is commercially available and Innovative or Advances Manufacturing;
- Supporting costs for a Project may include:
 - Costs for food safety and traceability including;
 - i. Food safety equipment;
 - ii. Barcoding and product identification systems; and,
 - iii. Testing equipment for monitoring and analysis.
 - One-time purchasing cost of software or upgrades as part of the Project.
 - Costs for facility or cyber security changes, upgrades, or modifications or that are required for the Project; and,
 - One-time costs of third-party expertise/services required for the Project including engineering services, cyber security assessments, software development, training, installation, and management.

Note: Eligible equipment must be for installation in facilities located in Ontario.

3.6. INELIGIBLE ACTIVITIES (STREAMS 1 AND 2)

Ineligible activities include the following:

- Any activity that is not set out under Section 3.4 Eligible Activities and Supporting Eligible Activities is an ineligible activity.

3.7. INELIGIBLE COSTS (STREAMS 1 AND 2)

Ineligible Costs are any other costs that are not set out under Section 3.5 Eligible Costs and include, but are not limited to the following:

- a) Costs that were Incurred before notice of Project approval or after September 30, 2027;
- b) Deposits that were invoiced and paid for prior to notice of Project approval, regardless of when Eligible Cost is Incurred;
- c) Any cost that the Recipient Incurs without first obtaining the AAC's prior written consent where the AAC's prior written consent is required;
- d) Costs associated with preparing an application and/or reporting materials for the Initiative;
- e) Any cost associated with lobbying the Province, including other Ministries, agencies and organizations of the Government of Ontario or Canada, including other departments, agencies and organizations of the Government of Canada;
- f) Any cost that was, in the AAC's opinion, unreasonably Incurred or is not necessary for the successful completion of the Project;
- g) Any costs associated with new premise/site (green site) development;
- h) Costs to purchase or lease land or buildings;
- i) Ongoing software fees, licensing, subscriptions, extended warranties, or service costs for the continued operation of the equipment post Project end date;
- j) Equipment acquired via capital leases;
- k) Normal, ongoing operation and/or maintenance costs, including employee accommodations;
- l) Common items that can be used for multiple purposes (e.g., shovels, smartphones, measuring tape);
- m) Costs of vehicles, construction, and general agriculture machinery (e.g., tractors, skid steers, combines, livestock trailers);
- n) Any cost for goods or services provided by Canada, including other departments and agencies of the Government of Canada;
- o) Cost of goods, services or both acquired directly or indirectly from other persons that are not Arm's Length from the Recipient unless approved by the AAC in writing prior to those costs being Incurred.
- p) Any costs Incurred, including taxes, for which the Recipient has received, will receive or is eligible to receive, a rebate, credit, or refund;
- q) Salaries, wages, or in-kind costs of the Recipient;
- r) Travel, meals, hotel costs; and,
- s) Any portion of any cost that, in AAC's opinion, exceeds the fair market value for that cost item, such as amortization that would not result in a direct, out-of-pocket expense for the Recipient.

3.8. MERIT ASSESSMENT CRITERIA (STREAMS 1 AND 2)

Eligible Applications will be evaluated based on **EACH** of the following criteria:

- Project and outcomes are well-described (5 points);
- Demonstrated need and rationale for the Project (15 points);
- Extent to which the Project quantifies increased growth and productivity for the Applicant (15 points);
- Resources, experience, skills, and knowledge necessary for implementation and ongoing successful use of the technology and/or processes are identified (5 points);
- Demonstrated Advanced Manufacturing technology (i.e., through automation, robotics, or digitization) (30 points); and,
- Demonstrated Innovation (see below)
 - Innovation Evidence provided (10 points);
 - Alignment with the Innovation Rating Criteria below (20 points).

DEMONSTRATED INNOVATION

Innovation Evidence

Stream 1 and 2 Applicants are expected to provide credible, objective and independently verifiable evidence demonstrating that the Project meets the definition of Innovation and the Innovation Rating Criteria outlined below. This may take the form of:

- Documentation from credible industry or academic sources that confirm the Innovation of the Project. Names and contact information of independent sources should be included
- Objective, third-party studies and/or market analysis.

Documentation cannot be from sources with a direct financial stake in, or other close connection to, the Project (e.g., a member of the company's board of directors, an employee of a company supplying a new piece of equipment for the Project, or a collaborator in the Project). Staff from the Province cannot provide letters of support for any applications.

Innovation Rating Criteria

Innovation has the meaning prescribed in Section 3.1 and can mean new equipment, technology, or machinery that is not currently implemented in the Ontario marketplace and/or significant modifications to existing equipment, technology, or machinery in order to expand the

application of equipment, technology, or machinery for use in a new sector. Applicants will demonstrate Innovation through the criteria outlined below.

Criteria	High	Medium	Low/Not Eligible
Novelty (Originality, Uniqueness, Newness)	<p>New to the province; or North America, not generally available or widely adopted</p> <p>Could be Innovation developed in Ontario or could be sourced from another jurisdiction</p>	<p>New for the sector but may be in use in another sector</p> <p>Not tested under regional conditions (climate, soil type, market acceptance)</p>	<p>New to my location but currently in use in other parts of the province</p> <p>New to my business but used by many others</p>
Broader benefits	<p>Significant societal benefits (environmental or social benefits).</p> <p>Higher ranking based on potential for number of people or businesses to benefit.</p> <p>Significant sector benefits compared to current practice. 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.</p>	<p>Material societal benefits (environmental or social benefits).</p> <p>Material sector benefits compared to current practice.</p>	<p>Benefits exclusively for a single business. Other Ontario businesses could not adopt this Innovation.</p> <p>Limited benefits compared to alternatives that are currently in common use.</p>

Criteria	High	Medium	Low/Not Eligible
Level of Risk	Some level of risk/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 risk/uncertainty. The Innovation has had limited testing and results have been positive. Additional demonstrations will increase industry confidence for adoption.	No risk/uncertainty. This is a best practice that has been extensively tested in Ontario and shown to provide benefits.
Drives Competitive ness	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.

For full Initiative Application Review Process and Application Eligibility see Section 7.

4. STREAM 3 – AGRI-TECH ENERGY COSTS SAVINGS

4.1. PURPOSE

The purpose of Stream 3 is to support Processors across Ontario through the implementation of energy cost saving equipment and technology that reduce greenhouse gas emissions.

4.2. TARGET AUDIENCE (STREAM 3)

The following list includes all eligible Applicants under the Initiatives:

- Processors

See Section 5 for full Applicant Eligibility Requirements and Section 12 for Definitions.

4.3. MAXIMUM COST-SHARE FUNDING (STREAM 3)

The maximum cost-share funding assistance available for a Project is:

- up to 35 per cent of total Eligible Costs to a maximum of one hundred thousand dollars (\$100,000) in funding per Project (total project cost of \$285,715)

Processors can be approved for a maximum of one Project under Stream 3.

4.4. ELIGIBLE ACTIVITIES AND SUPPORTING ACTIVITIES (STREAM 3)

4.4.1. ELIGIBLE ACTIVITIES

The following activities are eligible under Stream 3 of the Initiative:

- Purchasing or installing new or refurbished equipment, parts, components and/or technology that improves energy efficiency;
- Purchasing, installing or modifying water use equipment and technology that improves energy efficiency (e.g., Clean in Place (CIP) systems that use cold water instead of hot water, equipment to recover and reuse waste heat from processing water); or
- Facility improvements related to building energy efficiency improvements (e.g., lighting, ventilation, heating, refrigeration).

4.4.2. ELIGIBLE SUPPORTING ACTIVITIES

The following Eligible Supporting Activities cannot be a standalone Project and must support the Eligible Activities in 4.4.1. Eligible Supporting Activities for the Project may include:

- Third-party expertise/services required for the Project including engineering services, staff training, and management of the Project.

4.5. ELIGIBLE COSTS (STREAM 3)

Eligible Costs are those costs that are directly necessary to carry out the Project, reasonable in nature, and incremental as well as Incurred by the Recipient.

When purchasing goods or services, a Recipient 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 Recipient; and must comply with all Requirements of Law applicable to how the Recipient acquires goods, services or both.

All suppliers from which goods or services are purchased must be at Arm's Length from the Applicant. If you have any questions about whether a supplier meets this requirement, please contact the AAC at info@adaptcouncil.org.

The following costs are eligible for the purposes of the Initiative, provided they were reasonably Incurred and necessary to complete the Recipient's Project:

- a) Costs that were Incurred after notice of Project approval and before September 30, 2027;
- b) Deposits that were invoiced and paid for after notice of Project approval and submitted for reimbursement after the Eligible Cost is Incurred (before September 30, 2027);
- c) Costs that reflect the actual costs to the Recipient, less any costs, including taxes, for which the Recipient has received, will receive or is eligible to receive, a rebate, credit or refund;
- d) Equipment costs related to the purchase and installation of new or refurbished equipment, parts, components and/or technology that improves energy efficiency;
- e) Water equipment costs related to the purchase, installation or modification of water use equipment and technology that improve energy efficiency (e.g., Clean in Place (CIP) systems that use cold water instead of hot water, equipment to recover and reuse waste heat from processing water);
- f) Facility improvement costs related to building energy efficiency improvements (e.g., lighting, ventilation, heating, refrigeration); and,
- g) One-time costs for third-party expertise/services required for the Project including engineering services, staff training, and management of the Project.

Note: Eligible equipment must be for installation in Ontario facilities.

4.6. INELIGIBLE ACTIVITIES (STREAM 3)

Ineligible activities include the following:

- Any activity that is not set out under Section 4.4 Eligible Activities and Supporting Activities is an ineligible activity.

4.7. INELIGIBLE COSTS (STREAM 3)

Ineligible Costs are any other costs that are not set out under Section 4.5 Eligible Costs and include, but are not limited to the following:

- a) Costs that were Incurred before notice of Project approval or after September 30, 2027;

- b) Deposits that were invoiced and paid for prior to notice of Project approval, regardless of when Eligible Cost is Incurred;
- c) Any cost that the Recipient Incurs without first obtaining the AAC's prior written consent where the AAC's prior written consent is required;
- d) Costs associated with preparing an application and/or reporting materials for the Initiative;
- e) Any cost associated with lobbying the Province, including other Ministries, agencies and organizations of the Government of Ontario or Canada, including other departments, agencies and organizations of the Government of Canada;
- f) Any cost that was, in the AAC's opinion, unreasonably Incurred or is not necessary for the successful completion of the Project;
- g) Any costs associated with new premise/site (green site) development;
- h) Costs to purchase or lease land or buildings;
- i) Ongoing software fees, licensing, subscriptions, extended warranties, or service costs for the continued operation of the equipment post Project end date;
- j) Equipment acquired via capital leases;
- k) Normal, ongoing operation and/or maintenance costs;
- l) Common items that can be used for multiple purposes (e.g., shovels, smartphones, measuring tape);
- m) Costs of vehicles, construction, and general agriculture machinery (e.g., tractors, skid steers, combines, livestock trailers);
- n) Any cost for goods or services provided by Canada, including other departments and agencies of the Government of Canada;
- o) Cost of goods, services or both acquired directly or indirectly from other persons that are not Arm's Length from the Recipient unless approved by the AAC in writing prior to those costs being Incurred.
- p) Any costs Incurred, including taxes, for which the Recipient has received, will receive or is eligible to receive, a rebate, credit, or refund;
- q) Salaries, wages, or in-kind costs of the Recipient;
- r) Travel, meals, hotel costs; and,
- s) Any portion of any cost that, in AAC's opinion, exceeds the fair market value for that cost item, such as amortization that would not result in a direct, out-of-pocket expense for the Recipient.

4.8. MERIT ASSESSMENT CRITERIA (STREAM 3)

Eligible Applications will be evaluated based on **EACH** of the following criteria:

- Project and outcomes are well-described (15 points);
- Demonstrated alignment with an energy audit, assessment, or plan for energy efficiency or Demonstrated need and rationale for the Project (25 points);
- Resources, experience, skills, and knowledge necessary for implementation and ongoing successful use of the technology and/or processes are identified (15 points);
- Extent to which the Project leads to improvements in energy efficiency for the Applicant; and (25 points),
- Extent to which the Project leads to operational cost saving for the Applicant (20 points)

For full Initiative Application Review Process and Application Eligibility see Section 7.

5. INITIATIVE APPLICANT ELIGIBILITY AND RESPONSIBILITIES

5.1. APPLICANT ELIGIBILITY REQUIREMENTS

To be eligible to participate in the Initiative, an Applicant will meet the following requirements:

- Be located in Ontario;
- Be a Person capable of entering into a legally binding agreement;
- Be one of the following:
 - a Producer (Stream 1 and 2); or,
 - a Processor (Stream 1, 2 and 3);
- Provide its CRA Business Number;
- Complete an approved Application to the AAC in accordance with what is set out under Section 6;
- Have a valid and up to date Premises ID Number for the business location(s) where the Project is to take place. (To register for or update a Premises ID Number, visit the Provincial Premises Registry at www.ontariopid.com);
- For Producers applying for Stream 1 or 2, have a:
 - Valid Farm Business Registration Number (FBRN) (unless a New Producer);
 - An Order from the Agriculture, Food and Rural Affairs Appeal Tribunal exempting the Person from having to have a FBRN; or,
 - A letter from the First Nations Agriculture & Finance Ontario (formerly known as the Indian Agriculture Program of Ontario), or

- An exemption from the income eligibility requirement of the Farm Property Class Tax Rate Program, received from Agricorp.

5.2. RESPONSIBILITIES OF THE APPLICANT

Responsibilities of the Applicant include:

- Be the primary point of contact with the AAC;
- Enter into a Funding Agreement with the AAC;
- Manage the Project;
- Provide the required Claim and reporting documentation to the AAC for reimbursement funding; and,
- Receive a T4A for the total funds issued.

6. INITIATIVE APPLICATION PROCESS

6.1. APPLICATION SUBMISSION

Applicants will apply through the AAC's Application Portal available online at <https://adaptcouncil.smartsimple.ca/>.

Applicants must apply to the Initiative using an approved Application available online. Applicants must ensure that their Application is fully completed. In addition to a complete Application, Applicants must provide quotes detailing proposed Eligible Costs related to the Project. Supporting documentation provided but not required under the Initiative, will not be reviewed.

The intake will close on 11:00 a.m. EST on **Thursday, March 28, 2024**. Applications submitted after the intake has closed **WILL NOT** be accepted.

- **Producers** can only submit one application under either Stream 1 or Stream 2 (one application in total).
- **Processors** can only submit one application under either Stream 1 or Stream 2 and one application under Stream 3 (two applications in total).

If the Applicant exceeds the allowable submissions noted above, only the first application submission will be reviewed.

Applicants cannot apply to the Initiative as both a Producer and Processor without having multiple businesses operating under different business numbers.

Applicants must select and enter in the Application the North American Industry Classification System Code (NAICS Code) that best describes the Project outcomes. If the Applicant is unable to find the suitable NAICS Code for the Project in the Application, please review NAICS codes in Schedule A, as the Project may be ineligible for funding under this Initiative.

6.2. ONLINE REGISTRATION

Applicants must create one account per Producer/Processor for AAC's online application system. Applicants must select one person to create the account and additional users (i.e., consultants, other staff members, bookkeepers, etc.) can be added after the initial account creation.

After the account is created, the application process must be started by the named applicant to the Initiative. If the applicant would like to authorize AAC to deal with another individual (such as a family member, business partner, accountant, consultant) as the agent and representative for the application, the applicant can invite an Authorized Representative to the application or revoke the authorization. This step will have to be completed for each Application submission.

6.3. ONLINE SUBMISSION

Applicants will follow the instructions in AAC's online application system to apply for:

- Stream 1 - Agri-Tech Innovation (total Eligible Costs per Project less than \$100,000)
- Stream 2 - Agri-Tech Innovation (total Eligible Costs per Project \$100,000 and greater)
- Stream 3 - Agri-Tech Energy Costs Savings

If you apply and do not receive a confirmation email within two Business Days, please contact the AAC at info@adaptcouncil.org or call 1-800-769-3272.

6.4. APPLYING TO MULTIPLE FUNDING PROGRAMS

Applicants must not submit an Application for a Project where the Applicant has already received Initiative Payment(s) for the Project through Sustainable CAP. Where Applicants have received funding for the Project through other sources, the total assistance provided from all funding sources cannot be greater than 100% of the total Eligible Costs. All funding for a Project, including from additional sources, must be listed on the Application.

7. INITIATIVE APPLICATION REVIEW PROCESS

Applications will be reviewed after the intake closes, not on a first-come, first-served basis.

The AAC will review complete applications to determine whether the Applicant is eligible to participate in the Initiative. Only complete applications will be reviewed. If an application submission is found to be incomplete, the application will not be accepted. Applications received are evaluated based only on the information submitted and will not be considered if they do not meet application eligibility criteria or if they are incomplete.

Eligible and complete applications will then be reviewed using a merit-based and Innovation rating criteria review process for Streams 1 and 2 (see Section 3.8) and a merit-based rating criteria for Stream 3 (see Section 4.8) to allocate available cost-share funding to Projects that best align with the merit assessment and Innovation criteria. An application must be strongly aligned to the merit assessment to be approved.

Eligible and complete Applications will be reviewed by the AAC staff and may be reviewed by external third-party reviewers, and partners or advisors that are governed by confidentiality processes, as part of the due diligence review process.

Funding decisions are expected within 60 Business Days of the intake close date; however, timing may vary.

7.1. APPLICATION ELIGIBILITY

Application eligibility criteria include, but are not limited to:

- Eligible Applicant;
- Eligible Activities;
- Demonstrated direct alignment with the intended outcomes of the Initiative:
 - Projects that support growth and productivity through the acquisition and implementation of new or modified commercially available equipment, technology, or machinery that is Innovative or Advances Manufacturing for Stream 1 and 2; or,
 - Projects that implement energy cost saving equipment and technology that reduce greenhouse gas emissions for Stream 3;
- Detailed work plan and budget outlining specific eligible activities that can be achieved within the Project timelines;
- Well-defined budget setting out reasonable Project costs that are necessary for the implementation of the Project, that align with defined eligible Project costs and do not include Ineligible Costs; and,

- Project costs are substantiated (e.g., quotes, cost breakdown, budget details, etc.).

7.2. FUNDING DECISION NOTIFICATIONS

The Applicant will be notified by email once an application has been reviewed and a decision has been made. There are two possible outcomes:

- **Application is approved** - the Applicant will be contacted by the AAC to inform them of the approval and will be required to enter into a Funding Agreement with the AAC and comply with its terms and conditions. The Applicant will also receive confirmation of Claim procedures and submission deadlines, and reporting that must be submitted for the Project.
- **Application is declined** - the Applicant will be contacted by the AAC and receive a brief explanation for the decision

8. INITIATIVE CLAIMS AND REPORTING

8.1. CLAIM SUBMISSION

All Projects must be completed no later than **September 30, 2027**. A Recipient must submit Claims to the AAC through the online application system. All Claims and reporting must be submitted no later than:

- **March 31, 2025** – For costs Incurred from the Project start date to March 31, 2025
- **March 31, 2026** – For costs Incurred from April 1, 2025 to March 31, 2026
- **March 31, 2027** – For costs Incurred from April 1, 2026 to March 31, 2027
- **November 16, 2027** – For costs Incurred April 1, 2027 to September 30, 2027

A minimum of one Claim **MUST** be submitted per Project per Fiscal Year. Claims submitted after the deadline will not be accepted for costs Incurred in the previous Fiscal Year.

What a Recipient's Claim package must contain:

- Copies of all paid invoices;
- Proof of payment;
- Completed reporting (interim reporting may be requested for Recipients submitting multiple Claims); and,
- Photos of completed activities, including infrastructure and/or capital purchased.

Proof of payment must verify:

- The Recipient paid for all costs;
- Who received the payment;
- The amount of payment; and,
- The date of payment.

Proof of payment may be any one of the following:

- Electronic image of processed cheque/Electronic Funds Transfer (EFT) transaction;
- Statement from banking institution indicating to whom the processed cheque was written, or electronic payment made, and for what amount; and,
- Credit card or debit card receipt or statement clearly identifying amount and to whom the payment was made. Credit card or debit card numbers and other information, including costs that are unrelated to the Project, should be blacked out.

The AAC may request any additional information from the Recipient that is considered necessary (e.g., copies of any permits obtained by the Recipient in conducting the Project, photos, additional reporting, etc.).

8.2. CLAIM REVIEW

The AAC will review all Claims submissions on a first-come, first-served basis.

The AAC may request additional information from the Recipient to verify the validity of a Claim. Where the AAC requests additional information, the Recipient will provide that additional information as soon as practicable and no later than any date set out in the request. Failure to meet the requested deadline will result in those costs for which additional information was requested being deemed to be Ineligible Costs.

The AAC will notify the Recipient regarding any Ineligible Costs/activities and provide a reason why those costs are ineligible under the Initiative.

The AAC reserves the right to complete a Recipient audit to assess if Initiative Funding is used in accordance with the terms and conditions of the Initiative Guidelines and the Applicant Funding Agreement.

8.3. CLAIM PAYMENT

Approved cost-share funding is paid after the successful Applicant has Incurred and paid for Eligible Costs and has submitted a Claim and report that meets all requirements and has been approved by the AAC. Each Eligible Cost is reimbursed at the approved cost share funding percentage. Cost-share payments are made by EFT to an account in the legal name of the Recipient. All cost-share funding is considered income to the business for tax purposes.

Once the review of the Claim is deemed successful and complete, the Recipient can expect to receive payment for Eligible Costs to the account information provided.

9. LOSS OF ELIGIBILITY

9.1. WILLFUL SUBMISSION OF FALSE OR MISLEADING INFORMATION

Any Applicant or Recipient that willfully submits false or misleading information under the Initiative will:

- a. not be eligible to participate in the Initiative or will have their eligibility to participate in the Initiative revoked
- b. repay any Initiative Payments received under the Initiative

9.2. NEGLIGENT SUBMISSION OF FALSE OR MISLEADING INFORMATION

Any Applicant or Recipient that acts in a negligent manner in allowing false or misleading information to be submitted under the Initiative:

- a. may not be eligible to participate in the Initiative or may have their eligibility to participate in the Initiative revoked
- b. will repay any Initiative Payment received because of that false or misleading information

9.3. ABUSIVE TOWARD AAC STAFF

Any Applicant or Recipient that is abusive toward any AAC staff responsible for administering the Initiative will receive one written warning regarding their conduct from the AAC. If the Applicant or Recipient continues with their abusive behaviour, the Applicant or Recipient will lose their eligibility to participate in the Initiative or will have their eligibility to participate in the Initiative revoked.

9.4. DEBT OWING TO ONTARIO OR CANADA

Any Applicant or Recipient may be found to be ineligible to participate in the Initiative or have their eligibility to participate in the Initiative revoked if the Applicant or Recipient:

- a. owes a debt to Ontario or Canada and does not have a repayment plan with Ontario or Canada, including any agents thereof, or
- b. is not in compliance with any repayment plan with Ontario or Canada, including any agents thereof

9.5. FAILURE TO COMPLY WITH ADDITIONAL TERMS AND CONDITIONS OF THE INITIATIVE

Any Recipient that fails to comply with the additional terms and conditions set out under section 10 of the Guidelines may have their eligibility to participate in the Initiative revoked and may be required to repay any Initiative Payments received under the Initiative.

10. ADDITIONAL TERMS AND CONDITIONS

10.1. NO CONFLICT OF INTEREST

A Recipient will carry out the Project and use any Initiative Payments without a Conflict Of Interest. In the event a Recipient has a Conflict Of Interest, they will report that Conflict Of Interest to the AAC as soon as practicable and will comply with any directions issued by the AAC to address the Conflict.

10.2. COMPLIANCE WITH FUNDING AGREEMENT

A Recipient will comply with all requirements set out in the Funding Agreement.

10.3. COMPLIANCE WITH REQUIREMENTS OF LAW

A Recipient must be in compliance with the following for its business operations while participating in the Initiative:

- a. environmental-related Requirements Of Law
- b. labour-related Requirements Of Law
- c. tax-related Requirements Of Law
- d. material compliance with all other Requirements Of Law

10.4. RETENTION OF ASSETS

A Recipient will retain any assets for which Initiative Payments will be made with a combined value of \$1,000 or more for **at least** two (2) years after the date of the Project completion, unless otherwise directed by the AAC. The Recipient will not, without the AAC or Ministry's prior written consent, lease or otherwise encumber the assets in which Initiative Payments were made for **at least two (2) years** after the Project completion date.

10.5. INSURANCE

A Recipient will have and maintain at its own expense until the date the Recipient's Project is required to be completed all necessary and appropriate insurance that a prudent person carrying out the Project would maintain with insurers having a secure A.M. Best rating of B+ or better, including commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage to an inclusive amount of **not less than** two million dollars (\$2,000,000) per occurrence. The insurance policy or policies will include the following:

- a. the Indemnified Parties as additional insured with respect to any liability arising in the course of the performance of the Recipient's carrying out the Project
- b. cross liability
- c. a contractual liability coverage endorsement
- d. a non-owned automobile coverage with blanket contractual endorsement
- e. an employer's liability coverage endorsement, if the Recipient is not subject to the *Workplace Safety Insurance Act, 1997*
- f. thirty (30) calendar days' notice to the Indemnified Parties of cancellation, termination or material change

The insurance required under this section 10.6 of the Guidelines will be in place as of the date set out in the Funding Agreement.

The Recipient will, upon the AAC or Ministry or Canada's request, provide to the AAC or Ministry or Canada, as the case may be, certificates of insurance that confirm the insurance coverage the Recipient is required to have under this section 10.6 of the Guidelines is in place or other proof that confirms the insurance coverage the Recipient is required to have under this section 10.6 of the Guidelines is in place.

10.6. INDEMNIFICATION

A Recipient will, at all times defend, indemnify and hold harmless the Indemnified Parties from and against any and all direct or indirect liability, loss, costs, damages and expenses (including legal, expert and consulting fees) in relation to any causes of actions, actions, Claims, demands or other proceedings by whomever made, sustained, Incurred, brought or prosecuted, arising out of, or in connection with anything done or omitted to be done by the Recipient or anyone employed by the Recipient, including subcontractors, in the course of the performance by the Recipient or anyone employed by the Recipient, including subcontractors, in carrying out the Project or otherwise in relation to the Project unless solely caused by the negligence or willful misconduct by the Indemnified Parties.

Notwithstanding anything else in these Guidelines, any agreement between AAC and the Applicant or Recipient, including any express or implied reference in any agreement, document or subcontract relating to the Initiative, which provides or purports to provide indemnity to the Applicant or Recipient, will be void and of no legal effect.

10.7. PROVISION OF INFORMATION

An Applicant or Recipient will provide, as the case may be, any information that is requested by AAC or Ontario or Canada as soon as practicable after the request has been made and no later than the date set out in the request.

10.8. AUDIT

AAC or Ontario or Canada, including any of their delegates, may, upon providing at least 24 hours' notice beforehand, conduct an audit of an Applicant or Recipient in relation to the Initiative. The Applicant or Recipient will provide reasonable assistance to Ontario or Canada, as the case may be, including:

- a. access to any Person, place or thing required for auditing purposes as soon as is practicable after the request is made and no later than the date set out in the request
- b. allowing for the inspection of any records that relate to the Initiative Payment
- c. allowing for the copying of any records that relate to the Initiative Payment; and
- d. the taking of pictures and other recordings

10.9. COMMUNICATIONS

A Recipient will not communicate about their Project or the Initiative unless the following has been met:

- a. it has obtained the AAC's prior written consent to communicate about the Project or the Initiative
- b. it follows the Communications Protocol set out in the Funding Agreement
- c. any communications about the Project or the Initiative includes a statement that the views set out in those communications are the Recipient's and do not necessarily reflect the views of Ontario or Canada

10.10. NOTICE REGARDING CHANGE OF OWNERSHIP OR CONTROL

A Recipient will provide notice to AAC within five (5) Business Days of any discussions the Recipient may, as the case may be, have where the Recipient may, as the case may be, merge with or be acquired by another Person while participating in the Initiative.

11. INITIATIVE APPLICATION DECLARATION

In order to be considered for approval, an Applicant must agree to be bound by certain terms and conditions, some of which are described below.

The Applicant must be a Person that is eligible under the Initiative. The individual who signs the Application on behalf of the Applicant must be a person who is authorized by the Applicant to sign the form on behalf of the Applicant and to bind the Applicant to the contents therein. This person is referred to as "you" below.

You will be asked to certify on the application that:

- You have read, understand, and agree to abide by all requirements of the Initiative, as set out in this Guidelines.
- All information submitted on the application is true and complete, to the best of your knowledge, belief and understanding.
- All sources of funding for the proposed Project, other than the Applicant's, have been disclosed in this application, including sources and amounts from federal, provincial and municipal governments, and such funds do not, and will, not exceed 100 per cent of total Eligible Costs.
- The Applicant does not currently owe any money to Ontario, or you have attached a description of the Applicant's debt to Ontario to this application.
- You are not, nor is any officer, director or employee of the Applicant (if any) a current or former federal public office holder or federal public servant, or, if you, or any officer, director or employee of the Applicant (if any) are a current or former federal public

officer holder or federal public servant, you or that officer, director or employee of the Applicant (if any) are 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 (Canada)*, as applicable and will remain in compliance during the term of the Funding Agreement.

- You are not, nor is any officer, director or employee of the Applicant (if any), a member of the House of Commons or the Senate, or if you, or any officer, director or employee of the Applicant (if any) are, you or the officer, director or employee of the Applicant (if any) are permitted under the *Parliament of Canada Act (Canada)* to receive funding from Canada under the this Initiative and will remain eligible to receive funding during the term of the Funding Agreement.
- You have completed an Environmental Assessment, if required to meet regulatory requirements for Project activities.

You must further certify on the Application, that the Applicant:

- Shall retain all records relating to any payments made to you under this Initiative including, 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 AAC, Ontario and Canada publishing information about the Recipient and its Project, including: the name of the Recipient; amount of funding the Recipient is eligible to receive under the Initiative; amount of Initiative Payments the Recipient received; and description of the Project.

You must further acknowledge and accept that:

- This Initiative is a discretionary, non-entitlement program and the Applicant is not entitled to funding merely as a consequence of submitting an application. Payment is subject to Ontario receiving all the necessary appropriations from the Ontario Legislature, Ontario receiving all the necessary monies from Canada, Ontario's program administrator receiving all the necessary appropriations from Ontario, the Applicant and the Applicant's Project (including all activities) satisfying eligibility criteria, eligible expenses criteria, as well as the Applicant's compliance with all terms and conditions of the Sustainable CAP.
- The Initiative may be terminated at any time without prior notice. Where the Initiative is terminated, the following will apply: a notice will be placed on the website that hosts the Guidelines setting out the date on which the Initiative is terminated; and, Any Claims submitted: (i) Prior to the day on which the Initiative is terminated will, if eligible, be paid, and, (ii) After the day on which the Initiative is terminated will not be paid.
- If it is determined the Applicant has received a payment the Applicant was not eligible to receive, through administrative error or otherwise, the Applicant will repay any and all payments that the Applicant was not eligible to receive as well as any surplus funding.
- 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.
- Canada, Ontario or, the AAC, including, their respective Ministers, directors, officers, agents, employees or representatives (as applicable) shall not be liable for any damage or loss whatsoever, or howsoever arising, including, damage or loss arising from any

advice, opinions, representations, warranties or the provision of information under the Sustainable CAP.

- The information provided under this Initiative may be disclosed by Ontario or the AAC 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 Applicant will be asked to provide certain demographic information, such as whether Indigenous Persons, women and/or youth (namely, forty years old or younger) have an ownership interest in the Applicant. Providing this information is voluntary. Should the Applicant decline to provide this information, they will still be eligible to participate in the Initiative. The responses to the questions will have no impact on the assessment of an application. An Applicant may withdraw their consent at any time and the Ministry will not share the demographic information after the consent has been withdrawn.
- The information provided under this Initiative may, with the exception of the Social Insurance Number, be subject to disclosure under the *Freedom of Information and Protection of Privacy Act* (Ontario), the *Access to Information Act* (Canada).
- Any Applicant that is abusive toward any AAC staff responsible for administering the Initiative will receive one written warning regarding their conduct from the AAC. If the Applicant continues with their abusive behaviour, the Applicant will lose their eligibility to participate in the Initiative or will have their eligibility to participate in the Initiative revoked.
- The rights and obligations under the Initiative will be governed by Ontario law and applicable federal laws of Canada.
- Ontario's courts will have exclusive jurisdiction over any dispute arising under the Initiative.

You must consent to the following on behalf of the Applicant:

- To provide accurate, timely and full information, including supporting documentation, to the AAC and will notify the AAC within five (5) Business Days in the event 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 as soon as practicable after any request, field verification or audit.
- To comply with and provide reasonable assistance to the AAC, Ontario or Canada, including any of their delegates, who may, upon providing at least 24 hours' notice beforehand, conduct an audit of an Applicant in relation to the Initiative. To comply with 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.
- The use of the Applicant's name and contact information by Canada, Ontario and/or the AAC to contact the Applicant for the purpose of evaluating the effectiveness and

efficiency of this Initiative or other Sustainable CAP programming, or for any other similar purpose.

- In the event of a conflict or omissions between the Application and Guidelines, the Guidelines will prevail. In the event of a conflict between the Guidelines and the Minister's Order, the Minister's Order will prevail.
- The AAC may amend the Guidelines at any time without prior notice. Any amendments to the Guidelines will be posted on the same website as where the Guidelines was originally posted. Any amendments to the Guidelines will not have a retroactive effect.
- The authority for the Initiative comes from the Sustainable CAP and Minister's Order.

12. INITIATIVE DEFINITIONS

For the purposes of the Guidelines, the terms set out in this section of the Guidelines will have the meanings herein, unless the context indicates otherwise.

“Agricultural Adaptation Council” or **“AAC”** means the program administrator

“Applicant” means a Person who has applied to participate in the Initiative.

“Application” or **“Application Form”** means the AAC document the Applicant submits to apply to the Initiative.

“Arm's Length” means an entity or person not related, affiliated, or otherwise controlled by the Applicant. Refer to section 251 of the *Income Tax Act* (Canada) for the detailed statutory provision for determining Arm's Length relationships.

“Business Days” means any working day, Monday to Friday, inclusive, but excluding statutory and other holidays and any other day in which the AAC has elected to be closed for business.

“Canada” means His Majesty the King in Right of Canada and includes any successor, whether it is His Majesty the King or Her Majesty the Queen.

“Claim” means a Recipient's request to receive an Initiative Payment.

“Conflict Of Interest” includes any situation or circumstance where other commitments, relationships or financial interests of the Recipient:

- a) Could or could be seen by a reasonable person to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgment; or
- b) Could or could be seen by a reasonable person to compromise, impair or be incompatible with the effective performance of the Recipient obligations under the

Application or the Administrator's Subcontractor's obligations under the Administrator Contract.

"CRA Business Number" means the Canada Revenue Agency Business Number the Canada Revenue Agency issues to businesses for tax purposes.

"Eligible Costs" means the costs set out under Section 3.5 and 4.5 of the Guidelines.

"Fiscal Year" means April 1 to March 31.

"Funding Agreement" means an agreement from the AAC outlining the terms and conditions the Recipient must comply with.

"Guidelines" means this document, as it may be amended from time to time.

"Incur" or Incurred" means an Eligible Cost that has been invoiced to, paid by and goods delivered and installed and services provided to the Recipient.

"Indigenous Person" includes:

- a. An individual who is:
 - i. Recognized as being an Indian in accordance with the *Indian Act* (Canada), or
 - ii. Recognized as being a Métis by a Métis Nation within Canada;
 - iii. An individual who identified as being an Indian or Inuit and is recognized as being an Indian or Inuit by their community;
- b. A corporation:
 - i. Where the majority of voting shares are owned by individuals that meet the requirements set out under paragraphs (a) or (b) of this definition,
 - ii. Where a majority of voting members on its board of directors are comprised of individuals that meet the requirements set out under paragraphs (a) or (b) of this definition, or
 - iii. Where a majority of shares are owned by a Band Council, as defined in the *Indian Act* (Canada) or a Métis Nation within Canada;
- c. A partnership where more than fifty percent (50%) of the profit or loss of the partnership is allocated to individuals that meet the requirements set out in paragraphs (a) or (b) of this definition;
- d. An unincorporated association where the majority of the decision-makers for that unincorporated association are comprised of individuals that meet the requirements set out under paragraphs (a) or (b) of this definition;
- e. A Band Council within the meaning of the *Indian Act* (Canada); or
- f. An organization whose primary objective is to represent entities set out in paragraphs (a) to (f) of this definition.

“Ineligible Costs” means the costs set out under Section 3.7 and 4.7 of the Guidelines.

“Initiative” means Agri-Tech Innovation Initiative.

“Initiative Payment” or “Payment” means the direct or indirect provision of money under the Initiative.

“Minister’s Order” means Minister’s Order 0005/2023, as it may be amended from time to time.

“Ministry” means the Ministry of Agriculture, Food and Rural Affairs.

“Ontario” means His Majesty the King in Right of Ontario and includes any successor, whether it is His Majesty the King or Her Majesty the Queen.

“Person” means, if the context allows, any individuals, firms, partnerships or corporations or any combination thereof.

“Personal Information” means as defined in section 2 of the *Freedom of Information and Protection of Privacy Act*.

“Primary Producer” or “Producer” means a Person that is a producer (crop or livestock) including: engaged in production in controlled environment agriculture (such as indoor agriculture, greenhouse, vertical farm); propagator (agricultural activities); owner of fruit tree nursery; maple syrup producers; beekeeper; and biomass producer. The following are excluded: agricultural landowner and/or renter that solely owns or rents land; employer that solely provides housing to international agricultural workers.

“New Producer” means a Person that is a new entrant to the agricultural production industry who:

- Files personal income taxes in Ontario
- Has proof of ownership or control of productive agricultural assets to generate farm income
- Has a valid and up-to-date Premises Identification Number for the farm property where the proposed Project is to take place
- Has not had more than \$7,000 in gross farm income two and three years prior to enrolling in the Partnership; and
- Has business projections that demonstrate potential annual gross business income of \$7,000 or more within three years of applying

“Processor” means a Person that is currently operating a business in the agri-food supply chain including: a slaughterhouse/abattoir; agri-food-processor (such as food, beverage); bio-processing company (such as food, industrial); owner of packing houses (washing, packing, chopping, irreversible actions to product); pet food; fertilizer (manure/compost products); and manufacturer brand owner.

“New Processor” means a Person that is not currently processing but who will be processing a commercial product within 18 months of Project completion.

“Owner of packing houses” means a Person that owns a packing house that washes, packs, chops or completes irreversible actions to RTE fruit and/or vegetables that have been commercially grown in Ontario and are commonly consumed without being processed, such as but not limited to, tender fruit, cantaloupe, tomatoes, lettuce, peppers, mushrooms, and apples.

To apply as a Processor as the Owner of packing houses, the Applicant must be operating independently from a Producer operation and have a different CRA Business Number. Applicants cannot apply to the Initiative as both a Producer and Processor without having multiple businesses operating under different business numbers.

“Project” means the undertaking the Recipient proposes to carry out under the Initiative, as described in the Recipient’s Application.

“Recipient” means an Applicant that has been approved to participate in the Initiative, has entered into a Funding Agreement with the AAC, and is eligible to receive or has received an Initiative Payment.

“Requirements Of Law” means statutes, regulations, by-laws, ordinances, codes, official plans, rules, approvals, permits, licenses, authorizations, orders, decrees, injunctions, directions and agreements.

“SIN” means Social Insurance Number.

“Sustainable CAP” means the Sustainable Canadian Agricultural Partnership.

13. INITIATIVE INTERPRETATION OF GUIDELINES

For the purposes of interpreting the Guidelines:

- Words in the singular include the plural and vice versa;
- The headings do not form part of the Guidelines – they are for reference purposes only and will not affect the interpretation of the Guidelines;
- Any reference to dollars or currency will be to Canadian dollars and currency, unless indicated otherwise;
- Any reference to a statute means a statute of the Province of Ontario, unless indicated otherwise;
- Any reference to a statute is to that statute and to the regulations made pursuant to that statute as they may be amended and to any statute or regulations that may be passed

or made that have the effect of supplanting or superseding that statute or regulation, unless indicated otherwise;

- Any reference to a Minister's Order is a reference to that Minister's Order as it may be amended and to any Minister's Order that has the effect of supplanting or superseding that Minister's Order, unless indicated otherwise;
- All accounting terms used herein will be interpreted in accordance with the Generally Accepted Accounting Principles used in Canada; and
- The words "include", "includes" and "including" denote that the subsequent list is not exhaustive.

SCHEDULE A - NAICS CODES FOR APPLICATION

Applicant's Business/Organization and Project

The Applicant must select the NAICS code from the list below that best describes the Applicant's business/organization and the NAICS code that best aligns with the outcomes of the Project to insert into the Application.

Producers

Class Title and Code	Class Definition
All other miscellaneous animal production - 112999	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in raising animals.
All other miscellaneous crop farming - 111999	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in growing crops.
All other poultry production - 112399	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in raising poultry.
Animal combination farming - 112991	This Canadian industry comprises establishments primarily engaged in raising a combination of animals, with no one predominating.
Apiculture - 112910	This Canadian industry comprises establishments primarily engaged in raising bees, collecting and gathering honey, and performing other apiculture activities.
Beef cattle ranching and farming, including feedlots - 112110	This Canadian industry comprises establishments primarily engaged in raising and fattening cattle.
Broiler and other meat-type chicken production - 112320	This Canadian industry comprises establishments primarily engaged in raising chickens for the production of meat.
Cannabis grown in open fields - 111995	This Canadian industry comprises establishments primarily engaged in growing cannabis in open fields.
Cannabis grown under cover - 111412	This Canadian industry comprises establishments primarily engaged in growing cannabis under glass or protective cover.
Chicken egg production - 112310	This Canadian industry comprises establishments primarily engaged in raising chickens for the production of eggs, including hatching eggs.
Citrus (except orange) groves - 111320	This Canadian industry comprises establishments primarily engaged in growing citrus fruit, except oranges.

Combination poultry and egg production - 112391	This Canadian industry comprises establishments primarily engaged in raising any combination of poultry for meat and egg production, with no one predominating.
Corn farming - 111150	This Canadian industry comprises establishments primarily engaged in growing corn.
Dairy cattle and milk production - 112120	This Canadian industry comprises establishments primarily engaged in milking dairy cattle.
Dry pea and bean farming - 111130	This Canadian industry comprises establishments primarily engaged in growing dry peas, beans and lentils.
Floriculture production - 111422	This Canadian industry comprises establishments primarily engaged in growing, under cover or in open fields, floriculture products and propagating materials.
Fur-bearing animal and rabbit production - 112930	This Canadian industry comprises establishments primarily engaged in raising fur-bearing animals, including rabbits.
Goat farming - 112420	This Canadian industry comprises establishments primarily engaged in raising goats.
Hay farming - 111940	This Canadian industry comprises establishments primarily engaged in growing hay, grasses and mixed hay.
Hog and pig farming - 112210	This Canadian industry comprises establishments primarily engaged in raising hogs and pigs.
Horse and other equine production - 112920	This Canadian industry comprises establishments primarily engaged in raising horses, mules, donkeys and other equines.
Maple syrup and products production - 111994	This Canadian industry comprises establishments primarily engaged in gathering maple sap and producing maple products.
Mushroom production - 111411	This Canadian industry comprises establishments primarily engaged in growing mushrooms under cover.
Non-citrus fruit and tree nut farming - 111330	This Canadian industry comprises establishments primarily engaged in growing tree nuts and non-citrus fruit.
Nursery and tree production - 111421	This Canadian industry comprises establishments primarily engaged in growing, under cover or in open fields, nursery products and trees, and short rotation woody crops, for pulp and tree stock, that have a typical growth cycle of less than ten years.
Oilseed (except soybean) farming - 111120	This Canadian industry comprises establishments primarily engaged in growing fibrous plants that produce oilseeds.
Other food crops grown under cover - 111419	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in growing food crops under glass or protective cover.
Other grain farming - 111190	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in growing grains.

Other vegetable (except potato) and melon farming - 111219	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in growing vegetables and melons.
Potato farming - 111211	This Canadian industry comprises establishments primarily engaged in growing potatoes, yams and seed potatoes.
Poultry hatcheries - 112340	This Canadian industry comprises establishments primarily engaged in hatching poultry of any kind.
Rice farming - 111160	This Canadian industry comprises establishments primarily engaged in growing rice, except wild rice.
Sheep farming - 112410	This Canadian industry comprises establishments primarily engaged in raising sheep and lambs, and feeding or fattening lambs.
Soybean farming - 111110	This Canadian industry comprises establishments primarily engaged in growing soybeans.
Tobacco farming - 111910	This Canadian industry comprises establishments primarily engaged in growing tobacco.
Turkey production - 112330	This Canadian industry comprises establishments primarily engaged in raising turkeys.
Wheat farming - 111140	This Canadian industry comprises establishments primarily engaged in growing wheat.

Processors

Class Title and NAICS Code	Class Definition
All other food manufacturing - 311990	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in manufacturing food.
Bakeries, manufacture of products for retail sale - 311811	This Canadian industry comprises establishments primarily engaged in manufacturing bakery products, for sale to the general public, for consumption off the premises. Establishments in this industry make bakery products from flour, not from prepared doughs.
Beef cattle slaughtering - 311616	This Canadian industry comprises establishments primarily engaged in slaughtering beef cattle.
Breakfast cereal manufacturing - 311230	This Canadian industry comprises establishments primarily engaged in manufacturing breakfast cereal foods.
Breweries - 312120	This Canadian industry comprises establishments primarily engaged in brewing beer, ale, malt liquors and non-alcoholic beer.
Butter, cheese, and dry and condensed dairy product manufacturing - 311515	This Canadian industry comprises establishments primarily engaged in manufacturing butter, cheese, and dry and condensed dairy products.

Cannabis product manufacturing - 312310	This Canadian industry comprises establishments primarily engaged in manufacturing products made from cannabis plants with a level of tetrahydrocannabinol (THC) greater than 0.3%.
Chemical fertilizer (except potash) manufacturing - 325313	This Canadian industry comprises establishments primarily engaged in manufacturing nitrogenous and phosphoric fertilizer materials and mixing these ingredients with other ingredients into fertilizers.
Chocolate and chocolate confectionery manufacturing from cacao beans - 311351	This Canadian industry comprises establishments primarily engaged in shelling, roasting and grinding cacao beans into chocolate cacao products and chocolate confectionery.
Coffee and tea manufacturing - 311920	This Canadian industry comprises establishments primarily engaged in roasting coffee; manufacturing coffee and tea extracts and concentrates, including instant and freeze dried; blending tea; or manufacturing herbal tea.
Commercial bakeries and frozen bakery product manufacturing - 311814	This Canadian industry comprises establishments primarily engaged in manufacturing bakery products, other than for sale to the general public. Establishments primarily engaged in manufacturing frozen baked products are included. Establishments in this industry make bakery products from flour, not from prepared doughs.
Confectionery manufacturing from purchased chocolate - 311352	This Canadian industry comprises establishments primarily engaged in manufacturing chocolate confectionery from purchased chocolate.
Cookie and cracker manufacturing - 311821	This Canadian industry comprises establishments primarily engaged in manufacturing cookies, crackers, biscuits and similar products.
Distilleries - 312140	This Canadian industry comprises establishments primarily engaged in distilling liquor, except brandy; blending liquor; or blending and mixing liquor and other ingredients.
Dog and cat food manufacturing - 311111	This Canadian industry comprises establishments primarily engaged in manufacturing dog and cat food.
Fat and oil refining and blending - 311225	This Canadian industry comprises establishments primarily engaged in manufacturing fats and oils by processing crude or partially refined oils, for example deodorizing them; or blending purchased fats and oils.
Flavouring syrup and concentrate manufacturing - 311930	This Canadian industry comprises establishments primarily engaged in manufacturing soft drink concentrates and syrup, and related products for soda fountain use or for making soft drinks.
Flour milling - 311211	This Canadian industry comprises establishments primarily engaged in grinding grains, fruits or vegetables, except rice.
Flour mixes, dough, and pasta manufacturing from purchased flour - 311824	This Canadian industry comprises establishments primarily engaged in manufacturing either dry pasta, prepared flour mixes or dough from purchased flour.

Fluid milk manufacturing - 311511	This Canadian industry comprises establishments primarily engaged in manufacturing milk and processed milk products.
Frozen food manufacturing - 311410	This Canadian industry comprises establishments primarily engaged in manufacturing frozen fruits and vegetables; and frozen dinners and side dishes of several ingredients, except seafood.
Fruit and vegetable canning, pickling and drying - 311420	This Canadian industry comprises establishments primarily engaged in preserving fruits and vegetables by canning, pickling, brining and dehydrating. Canning uses heat sterilization; pickling uses vinegar solutions and brining uses salt solutions.
Hog slaughtering - 311617	This Canadian industry comprises establishments primarily engaged in slaughtering hogs.
Ice cream and frozen dessert manufacturing - 311520	This Canadian industry comprises establishments primarily engaged in manufacturing ice cream and other frozen desserts.
Mixed fertilizer manufacturing - 325314	This Canadian industry comprises establishments primarily engaged in mixing ingredients produced elsewhere into fertilizers.
Non-chocolate confectionery manufacturing - 311340	This Canadian industry comprises establishments primarily engaged in manufacturing non-chocolate confectionery.
Oilseed processing - 311224	This Canadian industry comprises establishments primarily engaged in crushing oilseeds and tree nuts and extracting oils.
Other animal food manufacturing - 311119	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in manufacturing animal food.
Other animal slaughtering - 311619	This Canadian industry comprises establishments primarily engaged in slaughtering animals, except beef cattle, hogs, poultry and small game.
Other basic organic chemical manufacturing - 325190	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in manufacturing basic organic chemicals.
Other snack food manufacturing - 311919	This Canadian industry comprises establishments, not classified to any other Canadian industry, primarily engaged in manufacturing snack foods.
Poultry slaughtering and processing - 311615	This Canadian industry comprises establishments primarily engaged in slaughtering poultry and small game or preparing processed poultry and small game meat and meat by-products.
Rendering and meat processing from carcasses - 311614	This Canadian industry comprises establishments primarily engaged in rendering animal fat, bones and meat scraps; or preparing meat and meat by-products from carcasses.
Rice milling and malt manufacturing - 311214	This Canadian industry comprises establishments primarily engaged in milling rice; cleaning and polishing rice;

	manufacturing rice flour or meal; or manufacturing malt from barley, rye or other grains.
Roasted nut and peanut butter manufacturing - 311911	This Canadian industry comprises establishments primarily engaged in salting, roasting, drying, cooking or canning nuts; processing grains or seeds into snacks; or manufacturing peanut butter.
Seafood product preparation and packaging - 311710	This Canadian industry comprises establishments primarily engaged in canning seafood, including soup; smoking, salting and drying seafood; preparing fresh fish by removing heads, fins, scales, bones and entrails; shucking and packing fresh shellfish; processing marine fats and oils; and freezing seafood.
Seasoning and dressing manufacturing - 311940	This Canadian industry comprises establishments primarily engaged in manufacturing dressings and seasonings.
Soft drink and ice manufacturing - 312110	This Canadian industry comprises establishments primarily engaged in manufacturing soft drinks, ice or bottled water. Water-bottling establishments in this industry purify the water before bottling it.
Sugar manufacturing - 311310	This Canadian industry comprises establishments primarily engaged in manufacturing raw sugar, sugar syrup and refined sugar from sugar cane, raw cane sugar or sugar beets.
Support activities for crop production - 115110	This Canadian industry comprises establishments primarily engaged in providing support activities for growing crops. (Owners of Packing Houses)
Tobacco product manufacturing - 312220	This Canadian industry comprises establishments primarily engaged in manufacturing cigarettes and other tobacco products.
Tobacco stemming and redrying - 312210	This Canadian industry comprises establishments primarily engaged in stemming or redrying tobacco. These establishments perform the final sorting, grading, redrying, treating and packing of tobacco leaves, and they typically age the tobacco.
Tortilla manufacturing - 311830	This Canadian industry comprises establishments primarily engaged in manufacturing tortillas.
Wet corn milling - 311221	This Canadian industry comprises establishments primarily engaged in wet-milling corn and other vegetables.
Wineries - 312130	This Canadian industry comprises establishments primarily engaged in manufacturing wine or brandy, from grapes or other fruit.