



Application

Provincial Agrifoods Assistance Program 2005/2006

All applications and supporting documentation must be submitted to the Agricultural Representative in the applicants area.



GOVERNMENT OF NEWFOUNDLAND
AND LABRADOR
Department of Natural Resources

Program Conditions

Objectives

The Provincial Agrifoods Assistance Program (AAP) provides financial assistance to eligible applicants involved in primary or secondary processing activities which improve the economic viability of the agrifoods industry; promote commercialization and growth in the sector; and enhance the competitive capability of the industry. The program may also provide selective assistance to agricultural associations and non-agricultural groups for initiatives supporting the priorities of the program.

In 2005-2006, a total of \$1.5 million has been provided primarily for:

- **Land Development and Improvement**

However, other eligible activities may also include:

- On-farm Diversification and Commercialization;
- Secondary Processing and Value-added;
- Technology Adoption;
- Environmental Stewardship;

Funding priority will be placed on those projects that:

- increase the productivity of existing agricultural land through enhancement activities or rough clearing and improvement of new agricultural land;
- benefit the greatest number of farms, such as cooperative purchases and projects undertaken by three or more farmers;
- address an identified need of the farm and/or the agrifoods industry;
- improve the profitability of the farm(s); and
- are ineligible for funding under other financial assistance programs such as the Agricultural Policy Framework (APF).

Eligible Activities

Eligible activities must support the objectives of the program, including opportunities for land development and improvement; secondary processing and diversification; environmental stewardship; technology adoption; and farm infrastructure required to enhance the commercialization and the competitive capability of the Newfoundland and Labrador agrifoods industry.

Eligible Applicants

Eligible applicants include agricultural producers, partnerships, corporations, farm cooperatives and agricultural groups representing three or more farms. Agricultural associations and not-for-profit organizations may be eligible for financial assistance.

Eligible farm applicants must have reported a minimum of **\$10,000** in gross sales to Canada Custom and Revenue Agency in one of the last three years.

New Entrants may be considered for funding based upon their on-farm work experience, demonstrated commercial farm viability and have made a significant financial investment in their farm business.

Eligible Costs

Eligible costs may include equipment purchase; facility construction; third party labour; professional, technical and analytical support; land development and enhancement, and any other projects costs approved by the Management Committee supporting the objectives of the program.

Assistance may be provided up to 50% of eligible costs to a maximum of \$10,000 for applicants with more than \$50,000 in gross farm sales, and up to a maximum of \$5,000 for applicants with gross farm sales between \$10,000 and \$49,999. At the discretion of the Management Committee funding offers may vary based on program demand and the project's reach and impact on the growth of the agricultural industry.

Gross farm sales for the purpose of this program are defined as sales of agricultural products which includes crops, livestock, bedding plants, sods, ranch fur, and also includes income received from crop insurance payments. It does not include income received from grants, wage subsidies, or sales of non-agricultural products or services.

Funding offers for agricultural groups and associations, not-for-profit organizations will be based on the identified need of the project, the project's benefit to the provincial agrifoods industry, and the expected impact, reach and results of the project.

Rough clearing of new agricultural land is limited to a maximum of \$500 per acre. This activity includes removal of trees, rocks, stumps and roots from virgin land. Land enhancement activity is eligible for assistance to a maximum of \$500 per acre. This includes rock removal, minor drainage, land leveling, and the initial application of limestone, fertilizer and seed. The total assistance available for land development, including rough clearing and enhancement, is \$1000 per acre.

Funding will not be provided for land development activities on land that was previously improved

with assistance from other government programs. Applicants must have clear title or a long-term lease on the land to be eligible for funding. Where reasonable, the existing land base will have to be up to environmental standards and full production potential before further land activity is approved. Drainage or peatland development work funded by the APF and performed by the Department of Natural Resources is not eligible for further assistance from AAP.

Application Process

The Department of Natural Resources will accept project applications which meet the objectives of the program outlined above. Applications must:

- ✓ demonstrate how the project meets the program objectives;
- ✓ identify the need for the project;
- ✓ outline the expected benefit and reach to the applicant and the agrifoods industry;
- ✓ identify all funding sources for the project, both cash and in-kind sources;
- ✓ demonstrate the viability of the project; and
- ✓ demonstrate how project benefits exceed project costs.

Applications will be evaluated based on various criteria, including the following:

- eligibility of the applicant and project activities;
- the commercial viability of the project;
- the identified need of the project; and
- the expected impact, reach, and results of the project.

Applicants who are approved for funding will be required to enter into a contribution agreement with the Department of Natural Resources detailing the funding offer and project conditions

Application Deadline

All applications and supporting documentation must be submitted to the Agricultural Representative on or before **June 15, 2005** for projects funded in 2005-06.

Payment Conditions

Once the approved project is complete, the applicant must submit a Project Claim Form provided by the Department of Natural Resources. All projects must be supported by invoices for purchased goods and services, and canceled cheques for third party labour. The value of in-kind resources is ineligible for reimbursement under this program. HST/GST is not an eligible project cost and will not be reimbursed to the applicant, with the exception of not-for-profit organizations who are eligible for the non-reimbursable portion of the HST/GST.

If the applicant is required to submit a project report, it must be submitted with the Project Claim Form. Program Managers have the right to withhold payment until the report is submitted and all other project requirements have been met. On-site inspections of completed activities will be required prior to payment of invoices.

Further information may be obtained by contacting:

Program Manager
Provincial Agrifoods Assistance Program
Department of Natural Resources
Agriculture Business Development Division
P.O. Box 2006
Corner Brook, NL, A2H 6J8
709-637-2077

APPLICATION FORM

SECTION 1

Agribusiness Name: _____

Contact Name: _____

Mailing Address: _____

E-Mail Address: _____

Phone Number: _____

Fax Number: _____

Date: _____

SECTION 11

1. What is the business structure of your farm? Please check one of the following:

____ Sole Proprietorship ____ Partnership ____ Corporation ____ Other

2a. If proprietorship or partnership, what is your Social Insurance Number?

____ - ____ - ____

2b. What is your Canada Customs and Revenue Agency Business number?

3. Please attach your statement of farming activity T2042 form for non NISA participants; or Statement A-NISA Account Information and Statement of Farming Activity for Individuals T1163 form for NISA participants. For an incorporated entity, Financial Statements for 2004 is required.

Indicate your gross farm sales of agricultural products for 2004. \$ _____

SECTION III: LAND MANAGEMENT

This section must be completed by applicants who are applying for funding for land development and/or land improvement.

1. Demonstrate requirement for additional land development.

Land enhancement:

2. Quantify future benefits of land development and improvement to your farm operation, ie. Increase in forage production, increase in feed production etc.

3. The following two tables must be completed by all applicants requesting funding for land development and improvement.

Table I

Only include land that YOU farm. Do NOT include land rented or leased to others.

Property Number	Location	Property Type Grant/Lease/Deed Licence to Occupy/ Rented	Property ID Number	Owner (If Rented)	Total Acres
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Table II

Farmland Development Summary

Year	Year 2005	
LAND USE	ACREAGE ON MINERAL SOILS	ACREAGE ON PEAT SOILS
Corn Silage		
Grains		
Forage		
Pasture		
Fruits		
Vegetables		
Christmas Trees		
Sods/turf		
Horticultural Peat Products		
Fallow		
Idle (improved land)		
Rough Cleared		
Undeveloped but suitable		
Undeveloped and not suitable		
Total Acreage		

SECTION IV

All applicants must complete the following questions with detailed information.

1. How will your project meet the program objectives?

2. Specify the need for your project.

3. Outline the expected benefit and reach to your farm operation and the agrifoods industry such as increases in sales, reduced feed costs, enhanced storage capacity, etc. For example, if you are increasing vegetable production from 12 acres to 16 acres, indicate how this will increase sales volume. If you are choosing to produce on-farm forage versus off-farm forage purchases, indicate the cost savings resulting from this change.

4. Identify all funding requests including both cash and in-kind sources and identify all project costs.

Funding Requested		Total Project Costs	
<u>Contributor</u>	<u>Amount</u>	<u>Land, Equip., Bldg.,</u>	<u>Amount</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Funds Requested	_____	Total Project Costs	_____

Please attach price quotes for building construction and equipment purchases where available.

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5. Indicate the viability of the project and demonstrate how the project benefits exceed project costs. Projected Revenue and Expense Statements for two years will assist you in providing this information.

Please complete the Revenue and Expense Statement on the next page.

STATEMENT OF INCOME AND EXPENSES

INCOME	PROJECTED YEAR 1	PROJECTED YEAR 2
Crops	_____	_____
Livestock	_____	_____
Livestock Products	_____	_____
Other	_____	_____
GROSS FARM INCOME	_____	_____
EXPENSES		
Feed	_____	_____
Veterinary Medicine & Breeding	_____	_____
Seeds & Plants	_____	_____
Fertilizer & Lime	_____	_____
Chemicals, Sprays	_____	_____
Packaging, Twine	_____	_____
Trucking, Haulage	_____	_____
Levy	_____	_____
Machinery & Truck (Repairs & Fuel)	_____	_____
Building & Fence (Repairs & Maint.)	_____	_____
Labour (Inc. Benefits)	_____	_____
Insurance	_____	_____
Livestock Purchases	_____	_____
Interest expense	_____	_____
Custom Work Fees	_____	_____
Telephone	_____	_____
Electricity	_____	_____
Small Tools/Hardware	_____	_____
Professional Fees (Acct., Office)	_____	_____
Other	_____	_____
TOTAL EXPENSES	_____	_____
NET FARM INCOME/LOSS	_____	_____
Depreciation Expense:		
Machinery (10% original cost)	_____	_____
Buildings (5% original cost)	_____	_____
TOTAL DEPRECIATION EXPENSE	_____	_____

Your application must be completed in full and submitted through your local Area Agricultural Office.

Any payments made by the Department are subject to the right of Government, under the Financial Administration Act, to set off any amounts owing to it by the applicant. Additionally, the amount of assistance made available to you under this Program may be released as public information under the Freedom of Information Act.

I certify that the information provided in this document is complete and accurate.

Applicant's Signature

Date