



2006/2007

**Provincial Agrifoods
Assistance Program**

**Fruit and Vegetable
Storage Assistance
Program**

Deadline for Application is May 15, 2006

All applications and supporting documentation must be submitted to the Agricultural Representative in the applicant's area.

Additional copies of this application may be found at www.gov.nl.ca/agric .

Department of Natural Resources
Forestry and Agrifoods Branch

PROVINCIAL AGRIFOODS ASSISTANCE PROGRAM

Program 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 2006-2007, a total of \$2.0 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 and demonstrated commercial farm viability and must 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, associations and 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.

FRUIT AND VEGETABLE STORAGE ASSISTANCE PROGRAM

Program Objectives

The purpose of this program is to enhance the economic viability of horticultural producers through the expansion, upgrade and construction of fruit and vegetable storage facilities including the purchase of cleaning and grading equipment. This program is also available to regional producer associations for the upgrade, expansion or construction of a regional fruit and/or vegetable storage facility.

Eligible Activities

Eligible activities must support the objectives of the program with regards to the construction, expansion or upgrade of buildings and equipment relevant to the storage of fruit and vegetables as well as equipment used in the cleaning, grading and packaging of fruits and vegetables. Repairs to buildings and equipment are not eligible.

Eligible Applicants

This program is available only to horticultural producers, including producer co-ops in Newfoundland and Labrador. Government departments and/or agencies as well as not-for-profit organizations are ineligible for funding assistance under this program. An exception is provided for nor-for-profit organizations that offer fruit and/or vegetable storage services to local producers.

Applicants for on-farm storage facilities must have reported a minimum of \$10,000 in gross farm sales, from fruit/vegetable production, to Canada Custom and Revenue Agency in one of the last three years.

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

Applicants for a regional storage facility must:

- i. be a legal entity comprised of three (3) or more regional fruit and/or vegetable producers. Member producers of this entity must have reported Income Tax as farmers and must have had at least \$10,000 in sales in one of the last three years. Not-for-profit associations offering fruit and/or vegetable storage services to local producers are exempt from this requirement.
- ii. Applicants for the development of a new regional storage facility should also:
 - a. Demonstrate that they have the financial capacity and management ability to operate and maintain the facility;
 - b. Demonstrate that a need for such a facility exists within the region;

- c. Demonstrate a commitment to fully utilize the facility for vegetable storage;
- d. Commit at least a 25% equity share in the facility.

New Entrants may be considered for funding based upon their on-farm work experience and demonstrated commercial farm viability and must 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; and any other project costs approved by the Management Committee supporting the objectives of the program.

All assistance offers are subject to the availability of program funds with maximum contributions as follows:

On Farm Storage Facility

Assistance is in the form of a non-repayable contribution and is available to the lesser of 50% of approved costs or \$10,000.

Regional Storage Facility

Assistance is in the form of a non-repayable contribution and is available up to 75% of approved costs. Assistance is limited based upon the scope, reach (e.g number of farms) and benefit of the facility to the regional producers as well as the availability of program funds.

Application Process

The Department of Natural Resources will accept project applications which meet the objectives of the program(s) 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

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 cancelled 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.

Application Deadline

All applications and supporting documentation must be submitted to the Agricultural Representative on or before **May 15, 2006** for projects funded in 2006-07.

Further information may be obtained by contacting:

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

APPLICATION FORM

SECTION I

Please the program you are applying for assistance:

- Provincial Agrifoods Assistance Program
 Fruit & Vegetable Storage Assistance Program

Agribusiness Name: _____

Contact Name: _____

Mailing Address: _____

E-Mail Address: _____

Phone Number: _____ Cell Number: _____

Fax Number: _____

Date: _____

SECTION II

1. What is the business structure of your farm? Please 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 Number?

3. Please attach your Statement of Farming Activity T2042 form for non-CAIS participants; or T1273 Statement A- Harmonized CAIS Program Information and Statement of Farming Activity for Individuals for CAIS participants; or T1274 Statement B - Harmonized CAIS Program Information and Statement of Farming Activity for Additional Farming Operations. For incorporated entities, audited Financial Statements for 2005 are required.

4. Indicate your gross farm sales of agricultural products for 2005. \$ _____

SECTION III: LAND USE

Please indicate the acreage by category for your farm in 2005.

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

SECTION IV: To be completed by applicants for funding for land development and/or land improvement.

1. Demonstrate requirement for additional land development.

2. Quantify future benefits of land development and improvement to your farm operation. Please be specific as possible. (E.g. Increase in forage production by 10 acres at 3 tons per acre = 30 tons of forage = cost savings vs buying forage).

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

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					

If you are also requesting funding assistance for non-land development activities then please proceed to Section V, otherwise proceed to Section VI on page 6.

SECTION V

To be completed by all applicants requesting funding assistance for non-land development activities.

- How will your project meet the program objectives?

- Specify the need for your project.

SECTION V continued

- 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. Please be specific, quantifying the benefits (e.g. cost savings, increased sales, etc) as much as possible.

- 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.

SECTION VI: To be completed by ALL applicants

- 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.

SECTION VI continued

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

Reminder:

Please attach your:

- **Statement of Farming Activity T2042 form for non-CAIS participants or**
- **T1273 Statement A- Harmonized CAIS Program Information and Statement of Farming Activity for Individuals for CAIS participants or**
- **T1274 Statement B - Harmonized CAIS Program Information and Statement of Farming Activity for Additional Farming Operations.**
- **For incorporated entities, audited Financial Statements for 2005 are required.**