



Provincial Agrifoods Assistance Program 2008/2009

Deadline for Application is February 29, 2008.

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

**Approval of all projects subject to funding being made available in the
2008/09 provincial budget.**

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 will improve the economic viability of the agriculture and agrifoods industry; promote commercialization and growth in the sector; and enhance the competitive capability of the agriculture and agrifoods industry. The program may also provide selective assistance to agricultural associations and non-agricultural groups for initiatives that support the priorities of the program.

In 2008/2009 funding will be provided primarily for:

- **Land Development and Improvement**

Priority will be given to those projects involving land development activities. **Approvals for land development projects will not be amended to non-land development activities.** Any remaining funds may be allocated to other eligible activities including:

- 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 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

Eligible Activities

Eligible activities must support the objectives of the program, primarily opportunities for land development and improvement, but including; 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 agriculture and agrifoods industry.

Eligible Applicants

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

Eligible farm applicants must have reported a minimum of **\$15,000** in gross sales of eligible agricultural products to the Canada 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. Funding for New Entrants will be evaluated based on size and scope of the project, including the financial contribution by the applicant to the project.

Applicants must be able to demonstrate sound financial status to be considered for funding.

Applicants who are found to be in arrears with any Department of the Government of Newfoundland and Labrador will not be eligible for funding until acceptable repayment arrangements have been negotiated.

Eligible Costs

Eligible costs may include: land development and enhancement, equipment purchase; facility construction; third party labour; professional, technical and analytical support; 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** as indicated in the table below:

| Gross Sales | Eligibility |
|--------------------|----------------------------|
| New Entrant | Up to a maximum of \$5,000 |
| \$15-24,999 | \$2,500 |
| \$25-49,999 | \$5,000 |
| \$50-74,999 | \$10,000 |
| \$75-99,999 | \$15,000 |
| \$100-149,999 | \$20,000 |
| \$150,000+ | \$30,000 |

Regional pastures may be eligible for assistance up to 100% of eligible project expenses up to a maximum of \$15,000. Funding may be limited based on the number of animals placed on the pasture and/or the number of patrons utilizing the pasture. Regional pastures may be required to submit a Pasture Management Plan if required by the Department, and may be required to work with Department staff to develop a Pasture Management Plan.

Agricultural associations and not-for-profit organizations may be eligible for up to 100% funding depending on project activity.

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. All funding offers are subject to the availability of program funds.

Rough clearing of new agricultural land is limited to a maximum of **\$1,000 per acre**. Activities include removal of trees, rocks, stumps and roots from virgin land. Land enhancement activity is eligible for assistance to a maximum of **\$1,000 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 up to a maximum of **\$2,000 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.

Producers may be eligible for additional funding above original approvals, subject to availability of program funds. Decisions on additional funding are based on eligibility criteria, amount of funds already received in current year's program and amount of additional funding received in previous years of the program. All decisions for additional funding are made at the discretion of the Management Committee.

Application Process

The Department of Natural Resources will accept project applications that meet the objectives of the program outlined above. Applicants 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 project claims must be supported by:

- **invoices for purchased goods and services clearly showing vendor's name and contact information,**
- non-arm's length transactions must be accompanied by proof of payment.
- **cancelled cheques for all third party labour.**
- in-kind resources are ineligible for reimbursement under this program
- Transportation costs for supplies and equipment will only be reimbursed if the costs are actual cash costs and included on a third-party invoice.
- **Proof of payment must be shown by cancelled cheque, money order, or bank draft for all used equipment purchases. Cash purchases over \$1,000 will not be reimbursed.**
- HST/GST is not an eligible project cost and will not be reimbursed with the exception of not-for-profit organizations who may claim the non-reimbursable portion of HST
- **invoices submitted for payment must be issued to the same entity that is named in the contribution agreement.**
- Any project reports that are required by the Contribution Agreement must be submitted with the Project Claim Form. Program Managers have the right to withhold payment until a satisfactory report is submitted and all other project requirements have been met.

Application Deadline

All applications and supporting documentation must be submitted to the Agricultural Representative on or before **February 29, 2008**.

Further information may be obtained by contacting:

Program Manager
Provincial Agrifoods Assistance Program
Department of Natural Resources
Agricultural Business Development Division
P.O. Box 2006
Corner Brook, NL, A2H 6J8
709-637-2474

APPLICATION FORM

SECTION I

Name of Legal Entity: _____

Contact Name: _____

Mailing Address: _____

Email address: _____

Phone Number: _____ Cell Number: _____

Fax Number: _____

SECTION II

This section must be completed in order to receive payments.

1. What is the business structure of your farm? Please check one of the following:
 _____ Sole Proprietorship _____ Partnership _____ Corporation _____ Other
2. If proprietorship or partnership, what is your Social Insurance Number?
 _____ - _____ - _____
3. What is your Canada Revenue Agency Business Number?

4. If your farm is incorporated, please provide the names of all shareholders:

| Shareholder Name | _____ | % ownership | _____ |
|---------------------|-------|-------------|-------|
| | _____ | | _____ |

5. Please provide the names of any other companies all shareholders have shares in:

| | | | |
|--------------|-------|---------------|-------|
| Shareholder: | _____ | Company Name: | _____ |
| | _____ | | _____ |
| | _____ | | _____ |

6. Have you or any of your corporations had a loan or other debt written off by the Government of Newfoundland and Labrador in the past 6 years? _____

If Yes, please include details with your application.

SECTION III: Land Use

Please indicate the acreage by category for your farm in 2006.

| Land Use | Acreage | Land Use | Acreage |
|----------------------|---------|------------------------------|---------|
| Corn Silage | | Sods/turf | |
| Grains | | Horticultural Peat Products | |
| Pasture | | Idle (improved land) | |
| Forage | | Rough cleared | |
| Fruits | | Undeveloped but suitable | |
| Vegetables | | Undeveloped and not suitable | |
| Christmas Trees | | | |
| Total Acreage | | | |

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

1. Please detail your requirement for additional land development based upon your current agricultural production and future land needs.

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

3. Please provide details on land ownership for the parcel of land you wish to develop in the table below. **Applicants will be required to show proof of title to any land which is approved for development or improvement** prior to a contribution agreement being drafted.

| Property Number | Location | Property Type Grant/Lease/Deed/Lic . to Occupy/Rented | Property ID Number | Owner (if rented) | Total Acres |
|-----------------|----------|---|-----------------------|----------------------|----------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |

By placing a checkmark in the box below and signing the completed application form, you are verifying that the following statement is correct.

- The legal entity, as identified on p. 6, has clear title to the land being used and being developed for production.

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

SECTION V continued

- Outline the expected benefit to your farm operation and the reach to the agrifoods industry such as increases in sales, reduced feed costs, enhanced storage capacity, etc. Please be specific, quantifying the benefits (eg. Cost savings, increased sales, etc.) as much as possible.

SECTION VI: To be completed by ALL applicants.

- 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 VII: 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. This section must be completed by ALL applicants in order to be considered for funding.

SECTION VII: Continued

REVENUE AND EXPENSE STATEMENT

| 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 | _____ | _____ |

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

To complete your application, 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, Financial Statements prepared by a licensed public accountant for your most recent complete year are required. If internally prepared statements are submitted, they must be supported by the Corporate Income Tax form, T2, or applicable CAIS Program Information forms**
- **Community Pastures must complete and submit the Pasture Information Form and the Pasture Management Plan (if complete) with the completed application form. Community pastures must also submit a copy of the most recent financial statements and/or Income Tax Return.**
- **Applicants may be requested to submit a Notice of Assessment from the Canada Revenue Agency as supporting documentation for their application.**
- **Applicants seeking to be approved as a New Entrant must submit the 'New Entrant Package' in addition to the application form.**