



Growing Forward 2 In Newfoundland and Labrador

Program Guide
Version 1.0



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GROWING FORWARD 2

Overview

Growing Forward 2 is a five-year policy framework for Canada's agriculture and agri-foods sector designed to help position Canada as a world leader in agriculture and agri-foods. Federal, provincial, and territorial governments will deliver \$3 billion to the agriculture and agri-foods sector over five years. Funding is cost-shared on a 60:40 ratio (federal-provincial) basis. *Growing Forward 2 in Newfoundland and Labrador* will provide \$37 million to the agriculture and agri-foods industry to promote innovation, competitiveness and market development, and adaptability and industry capacity.

Intent of the Framework

The intent is to achieve a profitable, sustainable, competitive, and innovative agriculture, agri-foods, and agri-products industry that is market responsive, that anticipates and adapts to changing circumstances, and is a major contributor to the well-being of Canadians.

Priority Areas

The *Growing Forward 2* intent will be achieved through government investment into three priority areas to advance and strengthen the sector:

- Innovation
- Competitiveness and Market Development
- Adaptability and Industry Capacity

Growing Forward 2 Programs

Producers, processors, agricultural organizations and other entities and individuals that undertake eligible agricultural activities can avail of *Growing Forward 2* funding through three programs designed specifically to address the unique challenges and opportunities faced by the Newfoundland and Labrador agriculture, agri-foods, and agri-products sector. These programs will be delivered by the provincial Forestry and Agrifoods Agency.

Priority Area – Innovation

Advancing Innovation Program

The objective of the Advancing Innovation Program is to increase productivity; reduce costs; enhance innovation and technology adoption; and assist in the development and commercialization of new products, processes and practices to enhance the competitiveness of the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry through two initiatives.

- The **Agriculture Innovation Initiative** will facilitate the growth of a competitive and sustainable agriculture, agri-foods, and agri-products industry in Newfoundland and Labrador through the development or adoption of new or improved products, processes or practices that lead to improved productivity and/or commercialization, and through knowledge and information sharing.

- The **Future Farms Initiative** will enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry to attract new entrepreneurs and investment to improve and maintain its productive capacity, and will include the facilitation of farm and agri-business transfers between generations.

Priority Area – Competitiveness and Market Development

Agriculture Sustainability Program

The objective of the Agricultural Sustainability Program is to enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products sector to compete in domestic and international markets, enhance its ability to respond to society's demands and contribute to the well-being of Canadians through three initiatives.

- The **Environmental Sustainability Initiative** will contribute to solutions to environmental sustainability and climate change challenges.
- The **Food Safety, Biosecurity and Traceability Initiative** will enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry to contribute to challenges to the safety and security of the food system.
- The **Market Development Initiative** will enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry to access local, domestic and international markets through investments in: market development activities for fresh, value-added as well as agri-food products, by-products of agri-food production and bio-products. This initiative also includes activities that enable producers of agri-food and agri-based products to realize market-based opportunities.

Priority Area – Adaptability and Industry Capacity

Agriculture Opportunities Program

The objective of Agricultural Opportunities Program is to increase industry capacity and encourage the development of an adaptive and resilient agriculture, agri-foods, and agri-products industry in Newfoundland and Labrador through three initiatives.

- The **Agriculture Land Development Initiative** will enhance the productive capacity of agricultural land in the province and enhance the productive capacity and sustainable development of agricultural land resources to address food security, feed self-sufficiency and crop management practices.
- The **Human Resource Development Initiative** will contribute to the enhancement of the knowledge, skills and tools of participants in the agriculture, agri-foods, and agri-products industry in Newfoundland and Labrador.
- The **Business Development Initiative** will assist agriculture, agri-foods, and agri-products producers to better understand and manage their financial performance and/or identify and adapt to new and changing market opportunities through business planning, feasibility studies, farm financial assessment and analysis, cost of production analysis and industry/sector strategy development.

Business Risk Management

Under *Growing Forward 2*, Newfoundland and Labrador producers will continue to have access to a comprehensive suite of Business Risk Management programs including AgrilInsurance, AgrilInvest and AgriStability. These programs offer protection to producers who experience small and large declines in farm income, as well as provide coverage for crop losses due to uncontrollable natural perils. Further information on these programs can be obtained by contacting:

AgrilInsurance

Please contact the Newfoundland and Labrador Crop Insurance Agency at (709) 637-2077 or visit <http://www.faa.gov.nl.ca/agrifoods/plants/prodinsur.html>

AgrilInvest

Please contact 1-866-367-8506 or visit <http://www.agr.gc.ca/eng/?id=1291828779399#>

AgriStability

Please contact 1-866-367-8506 or visit www.agr.gc.ca/agristability

Eligibility Requirements

Existing producers and processors

- Must be a Canadian citizen or landed immigrant at least 19 years of age.
- Must be operating or have ownership in a commercial farm, agricultural processing facility, or agri-business within the province of Newfoundland and Labrador.
- Must be an individual or recognized legal entity capable of entering into a contractual agreement with the Minister responsible for the Forestry and Agrifoods Agency.
- Must have a minimum of \$15,000 in annual gross farm sales as reported to the Canada Revenue Agency within the three years prior to application date.
- Processors must have a minimum of \$15,000 in annual gross sales and must be processing a provincially produced agricultural product.
- In the case of an incorporated entity that has ownership in an agri-business; the agri-business must have a minimum of \$15,000 in annual gross farm sales.
- Producers who had reported in excess of \$15,000 in annual agricultural sales in the past and have exited the industry entirely or downsized operations, and now intend to re-establish a new commercial agri-business involving either primary or secondary production are also considered an existing producer.
- Must have completed an Environmental Farm Plan within the past five years.
- Slaughterhouse facilities must be provincially licensed to qualify for *Growing Forward 2* funding.

New Entrants

- Must be a Canadian citizen or landed immigrant at least 19 years of age.
- Must be an individual or recognized legal entity capable of entering into a contractual agreement with the Minister responsible for the Forestry and Agrifoods Agency.
- Must have been operating an agri-business for less than six years, or intending to establish an agri-business in the province of Newfoundland and Labrador.
- Must have less than \$15,000 in annual gross farm sales as reported to the Canada Revenue Agency.
- Must be able to demonstrate they have acquired on-farm work experience, agricultural training and/or education, can demonstrate commercial viability and have made a significant financial investment in their farm operation.
- Certain commodities, such as Christmas trees, where there is a longer establishment period, may be considered for new entrant eligibility for an extended period of time.
- New entrants are required to submit a business plan with their application.
- For new entrants to operate a slaughterhouse, they must acquire a provincial license to operate the slaughterhouse prior to payment of project claim.

Returning Farmers

- Must be a Canadian citizen or landed immigrant at least 19 years of age.
- Must be an individual or recognized legal entity capable of entering into a contractual agreement with the Minister responsible for the Forestry and Agrifoods Agency.
- Has reported agricultural sales in the past in any commodity and has ceased operations, but wishes to re-enter the agriculture industry in a different commodity.
- Will not be eligible for the Future Farms Initiative, but will not be required to meet the minimum sales requirement to be eligible.
- Returning farmers must meet all other program requirements to be eligible.
- Returning farmers must submit a business plan with their application.

Regional Pastures

- Must be a legally incorporated regional pasture operated by a not-for-profit organization, or a legally incorporated community pasture operated by an individual, corporation, or municipality.
- Must be operating within the province of Newfoundland and Labrador and capable of entering into a contractual agreement with the Minister responsible for the Forestry and Agrifoods Agency.
- Must have a License to Occupy or clear title to land.

Not-for-Profit Organizations or Groups

The Implementation Committee will consider eligibility of other groups, organizations, or institutions based on project submission. Eligible groups may include:

- A legally incorporated agricultural entity operating within the province of Newfoundland and Labrador and capable of entering into a contractual agreement with the Minister responsible for the Forestry and Agrifoods Agency.
- Educational institutions undertaking graduate research training.
- Development Associations undertaking agricultural development projects.
- Groups or value chain partnerships.
- Commodity boards.
- Agricultural organizations.
- Other groups at the discretion of the Implementation Committee.

Conflict of Interest Guidelines

Current or former federal public office holders or federal public servants to whom the *Conflict of Interest Act*, the Conflict of Interest Code for Members of the House of Commons, or the Values and Ethics Code for the Public Sector and the Policy on Conflict of Interest and Post-Employment applies, shall not derive any advantage or direct benefit from the *Growing Forward 2* programs unless the provision or receipt of such advantage or benefit is in compliance with such legislation, codes and policies. Current or former federal public office holders or federal public servants will have to provide supporting documentation verifying that they are not in a conflict of interest.

Additionally, no member of the House of Commons or of the Senate shall be allowed to derive any financial advantage resulting from Canada's Contribution under the *Growing Forward 2* programs that would not be permitted under the *Parliament of Canada Act*.

No member of the House of Assembly of Newfoundland and Labrador shall be permitted to obtain any share or part of the *Growing Forward 2* program or be entitled to receive any financial benefit arising there from.

Provincial government employees must adhere to the guidelines of the Government of Newfoundland and Labrador *Conflict of Interest Act, 1995*.

Funding Levels

Most projects approved for *Growing Forward 2* funding will be eligible for reimbursement of up to 75% of eligible expenses except where noted in the table below.

| Growing Forward 2 Programs | Producers, Secondary Processors, Agri-businesses | Not-for-profit Groups* |
|-------------------------------------|--|---|
| Advancing Innovation Program | Up to 75% of eligible expenses | Up to 100% of eligible expenses For capital expenditures: up to 75% of eligible expenses |
| Agricultural Sustainability Program | Up to 75% of eligible expenses | Up to 100% of eligible expenses For capital expenditures: up to 75% of eligible expenses |
| Agriculture Opportunities Program | Up to 75% of eligible expenses (exception: Agriculture Land Development Initiative - see program details pp. 34-37) | Up to 100% of eligible expenses For capital expenditures: up to 75% of eligible expenses |

*Not for profit groups include groups managing regional agricultural initiatives such as community pastures and regional fruit and vegetable storage facilities, agriculture organizations and commodity boards.

Growing Forward 2: Northern Agriculture Development

Federal and Provincial Governments will provide a *Growing Forward 2* funding allocation to producers, processors, agri-businesses and agricultural organizations to promote and encourage northern agriculture development. Both Governments recognize the challenges faced by the agriculture and agri-foods industry in Labrador and will allocate \$500,000 annually over the life of *Growing Forward 2* to support agricultural activities such as agriculture land development, innovation, food safety, market development, and environmental sustainability.

Eligible applicants can avail of the programs outlined in the *Growing Forward 2 in Newfoundland and Labrador Program Guide*. Project activities must be consistent with program guidelines; however, consideration will be given based on the unique challenges, economic opportunities and the early stage of agricultural development in Labrador. *Growing Forward 2* investments will further encourage the development and commercialization of a northern agriculture and agri-foods industry.

Program Funding Limits

Commercial applicants, including individuals, agri-businesses, partnerships, corporations, and limited companies, will be eligible for consideration for non-repayable contributions up to a maximum of \$400,000 over the 5 years of *Growing Forward 2*, from 2013-14 to 2017-18. The program funding limit of \$400,000 may be utilized in any one year, or over the five-year life of the program. Other applicants including not-for-profit groups and government are not restricted to the \$400,000 funding limit where the project has industry-wide benefit.

Applications for funding under *Growing Forward 2* will be subject to review and evaluation if similar to projects previously submitted by the applicant and funded under the previous *Growing Forward* agreement.

Eligible activities and unused project funding may not be carried forward from one fiscal year to the next.

Growing Forward 2 is subject to annual budget approval by both the federal and provincial governments. Completed applications will be reviewed by the Implementation Committee in sequence based upon the date that the application was deemed complete by program staff.

Incomplete applications will not be considered for funding. Applicants are strongly urged to submit complete applications.

Related Parties and Companies

The following policy will be applied to all parties applying under *Growing Forward 2* (GF2).

For the purposes of GF2, sole proprietors, agriculture businesses, partnerships, corporations, and co-operatives (of less than 20 members) will be considered **related** if common ownership exists between parties. **Common ownership** exists where there are:

1. common individuals, partners and/or shareholders;
2. spouses and common-law spouses of individuals, partners, and/or shareholders.

If common ownership exists as defined above, funding will be limited to the maximum funding limit for GF2 for the businesses combined.

Example 1:

- Producer A owns 100% of Company X and 100% of Company Y; therefore Company X and Company Y are defined as related companies. The maximum funding eligibility both companies combined will be \$400,000 regardless of how project proposals are divided between the companies X & Y.

Example 2:

- Producers A and Producer B co-own Company X and the spouses of Producer A and Producer B are partners in Company Y. Therefore, Company X and Company Y are related because the owners are spouses. The maximum funding eligibility for both companies combined will be \$400,000 regardless of how project proposals are divided between the companies X & Y.

When there are other, additional shareholders/partners (not included in 1 or 2 above) funding to the company or business will be limited by the amount held by the common owners.

Example 3:

- Producer A and Producer B co-own Company X. Also, Company Y is co-owned by Producer A (40%), Producer B (40%), and one of their sons, Partner C (20%). Company X is related to Company Y. If Company X has already received the maximum funding of \$400,000, then Company Y would be eligible for maximum funding of \$80,000.00 or 20% of \$400,000.00 which reflects the 20% ownership of Partner C.

Additionally, the Implementation Committee will take into consideration factors such as availability of existing funds, industry benefit from the project, and amount of funding that common shareholders have received from *Growing Forward 2* through previous projects.

Funding Criteria

Applications for commercial producers, processors, and/or agri-businesses will be evaluated based on the following criteria:

- Eligibility of the applicant and proposed project activities.
- The applicant's managerial ability and experience.
- Commercial and technical feasibility of the project.
- How well the project addresses program objectives and priorities.
- Overall benefit to the agri-business and sector or industry.

Applications for not-for-profit associations, legislated entities and regional economic development groups will be evaluated based on the following criteria:

- Commercial and technical feasibility of the project.
- How well the project addresses program objectives and priorities.
- Overall benefit to the sector or industry.
- Industry support for the project.
- Industry reach.

Project funding approvals for *Growing Forward 2* contributions will be subject to review of similar projects submitted by the applicant under the previous *Growing Forward* agreement.

Environmental Assessment and Permits

Projects approved for assistance under this program must be environmentally sound. If it is determined that the project could have significant environmental impact, an environmental assessment may be required prior to project approval. It is the applicant's responsibility to research regulatory requirements in advance of submitting an application, to obtain permits and ensure environmental compliance.

Applicants are responsible to contact their local Service NL office, municipality, and any other federal or provincial permitting agency to obtain the required permits and licenses for activities such as, but not limited to, public health and safety, labour codes and standards, care and use of animals in research, wildlife habitat, and environmental protection. Applicants will be required, upon request, to submit all necessary municipal, provincial and federal permits for compliance audit purposes.

In-kind Contributions

In-kind contributions, other than for the Land Development Program, are not eligible for reimbursement. Only third party freight and other shipping/transportation expenses will be eligible for reimbursement. In-kind transportation and freight (or freight paid to a related company) is not an eligible expense with the exception of prior approval of the Implementation Committee, submission of a competitive bid, and proof of payment.

Contribution Reporting

Contributions received under the *Growing Forward 2* program are subject to tax under the Income Tax Act (Canada), and must be recorded according to the appropriate accounting guidelines.

Stacking Policy

Stacking of government funding from various sources is limited to a maximum of 75% for commercial applicants. This includes funding from all federal, provincial and municipal sources. Only 50% of an actual loan amount is included in this stacking cap from federal and provincial departments or agencies that provide non-interest bearing loans.

Maximum levels of total government assistance for eligible expenses must not exceed 100% of total eligible expenses.

Agriculture Land Title Policy

The following Agricultural Land Title Policy applies to applicants seeking Growing Forward 2 funding.

Physical Structures

Applicants must have clear title to the land to which the funding application applies or an interest satisfactory to the Implementation Committee. This policy pertains to funding applications that involve the construction of permanent physical structures including barns, greenhouses, storages and equipment buildings, manure storages and manure pits.

For example and program purposes only, the Implementation Committee may consider situations where:

- the applicant is a sole proprietor and is the spouse, parent or child of the land owner; or
- the applicant is a corporation or partnership and the land owner is a shareholder or partner; or the land owner is a spouse, parent or child of a shareholder or partner.

Land Clearing and Enhancement

To be eligible for land clearing and enhancement funding Applicants must have one of the following in relation to the land intended to be cleared or enhanced: (i) clear title; (ii) a lease for a minimum of ten years; or (iii) an interest satisfactory to the Implementation Committee that shows;

- the applicant is a sole proprietor and is the spouse, parent or child of the land owner;
- the applicant is a corporation or partnership and the land owner is a shareholder or partner; or the land owner is a spouse, parent or child of a shareholder or partner; or
- considerations such as:
 - Land title documentation from owner.
 - Lease between parties.
 - Documentation necessary to support a satisfactory interest.

Application Process

Applications are available at all regional Agri-foods offices and at the Forestry and Agrifoods Agency website at http://www.faa.gov.nl.ca/programs/growingforward2/pdf/gf2_prog_guide.pdf

Applications may be held until such time as all project conditions have been met, including project reports, for other programs administered by the Agri-foods Development Branch such as Provincial Agri-foods Assistance Program, Agriculture and Agri-foods Development Fund, AgrilInsurance, Livestock Insurance, etc.

Payment Conditions

Project Claim Forms

Once project conditions have been met, the applicant must prepare the project claim form (Appendix 2 of the Contribution Agreement) and submit it to the appropriate Agricultural Development Officer with required documentation. Claims will not be processed for payment without the completed Project Claim Form.

A producer may request progress or milestone payments when a substantial amount of the project has been completed. Any payments processed for these claims will require the Recipient to provide eligible invoices and may require proof of payment. A 10% holdback will be applied to all progress payments. A larger holdback may be applied at the discretion of the Implementation Committee. Holdbacks will be released following completion of the entire project. Failure to complete the project within the required time period will result in the proponent being required to repay any amounts received from the Forestry and Agrifoods Agency.

In addition, all project claims must be supported by invoices for purchased goods and services, and cancelled cheques for third party labour. With the exception of the Land Development Program, the value of in-kind resources, such as unpaid labour and supplies, is ineligible for reimbursement under *Growing Forward 2*.

Projects that require licencing upon completion of the project will not be eligible for interim payments. Licencing must be obtained before payment of project claim.

Payment Terms

All payment documents must be submitted by the deadline specified in the Contribution Agreement. Invoices received after the specified deadline may not be processed for payment.

HST/GST is not an eligible project cost for commercial agricultural producers and processors and will not be reimbursed to the applicant. With the exception of not-for-profit organizations (i.e., for those organizations that get partial reimbursement of HST expenditures), the non-reimbursable portion of the HST is an eligible expense when appropriate documentation is provided.

If the applicant is required to submit a project report, it must be submitted with the invoices and project claim form. Final payment may be withheld until all project conditions are met.

Human Resource Development projects may require the completion of an evaluation form to be provided with the Contribution Agreement and to be submitted with the final claim. Claims will not be processed for payment until the evaluation form is received by the Program Manager.

On-site inspections of completed activities will be required prior to payment of project claim. In addition, all projects funded under these *Growing Forward 2* programs are subject to compliance audits to verify that project requirements have been met.

Projects that have received progress payments and have been subjected to a 10% holdback will require an inspection by the Agricultural Development Officer and the signing of a declaration by the proponent once the project is complete and all project conditions have been met.

Commencement Date

If a project is approved, the effective commencement date will be the date of receipt of a completed application received by the Agency. A completed application will be determined by program administration staff. **Costs incurred prior to the project commencement date will not be eligible for reimbursement.**

Travel Policy

Travel costs will be reimbursed at provincial Treasury Board rates less applicable HST. Please refer to the website for current travel rates for meals, and private vehicle mileage..

Private accommodations are not eligible for reimbursement.

For meal rates please visit:

http://www.exec.gov.nl.ca/exec/hrs/working_with_us/meal_rates.html

For mileage rates please visit:

http://www.exec.gov.nl.ca/exec/hrs/working_with_us/auto_reimbursement.html

GROWING FORWARD 2: ADVANCING INNOVATION PROGRAM

Agriculture Innovation Initiative

The objective of the Agriculture Innovation Initiative is to facilitate the growth of a competitive and sustainable agriculture, agri-foods, and agri-products industry in Newfoundland and Labrador through the development or adoption of new or improved products, processes or practices that lead to improved productivity and/or commercialization and through knowledge and information sharing. Investments will be made in the following priority areas:

Production Systems

Funding is available for the implementation of new or innovative production systems that enhance competitiveness and enhance industry capacity, reduce input costs, promote production efficiency, and support new and emerging sectors.

Livestock

- Implementation of innovative livestock management systems, including infrastructure, that reduce input costs and increase industry capacity to enhance local and global competitiveness. This includes, but is not limited to:
 - Livestock housing and handling systems such as new heifer rearing facilities, hatcheries, pullet raising facilities, and confinement rearing systems for other livestock.
 - Feed planting, harvesting, handling and storage systems that enable feed self-sufficiency.
 - Other food and/or feed crop production systems such as apiculture.

Crop

- Implementation of innovative crop management systems, including infrastructure, that reduce input costs and increase industry capacity and efficiencies to enhance local and global competitiveness. This includes, but is not limited to, investments for the development and adaptation of new or improved systems for:
 - Vegetable crop planting, harvesting, storage and handling systems.
 - Livestock feed crop planting, harvesting, storage and handling systems.
 - Production systems that enhance crop production capacity and efficiency by extending the growing season and promoting growing conditions such as high tunnels and floating row covers.
 - Other horticultural, tree fruit and vegetable crop planting, harvesting, storage and handling systems.
 - Other food and/or feed crop production systems.

Small Fruit

- Implementation of innovative production management systems, including physical infrastructure, that reduce input costs and increase industry capacity and efficiencies to enhance local and global competitiveness. This includes innovative planting, harvesting, handling, and storage systems for small fruit crops such as mechanical planting and harvesting systems and plasticulture systems.

Greenhouse Systems

- Implementation of fruit, vegetable and horticultural greenhouse production systems, including physical infrastructure, that reduce input costs, increase industry capacity and efficiency to meet customer requirements and enhance local and global competitiveness. This includes crop production, handling, climate control and monitoring systems that increase greenhouse capacity in the province.

Secondary Processing

Pre-commercial Product Development

- Funding is available for product and process development; brand development; analytical and quality testing, labelling, packaging and shipping protocols to increase commercialization of new products including investments in infrastructure to bring new products to market readiness. Funding is available for the development of secondary processing and value-added products such as fresh frozen fruits and vegetables, preserves, sausages and other meat products, wines, cheeses and other dairy products.

Commercialization

- Funding is available for the implementation of secondary processing and value-added products, systems and processes, including infrastructure, to improve and enhance the productive capacity of agri-foods and agri-products in Newfoundland and Labrador that are competitive on the basis of costs and attributes. This includes washing, grading, bagging and/or packaging systems for fruits, vegetables and meats, as well as secondary processing and value-added products such as fresh frozen fruits and vegetables, preserves, sausages and other meat products, wines, cheeses and other dairy products.
- Emphasis will be placed on product development and production on a commercial scale that demonstrates substantial benefit to primary agricultural production in the province.

Innovation and Information Sharing

Funding is available to encourage the development and sharing of new knowledge, processes and practices that advance innovative capacity in the province and region to increase the competitiveness, adaptability, and sustainability of the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry through:

Innovation Forums

- Funding is available for innovation forums to enhance and encourage collaboration among decision makers from industry, academia, and government to address and work towards innovative solutions to challenges and opportunities in the agriculture, agri-foods, and agri-products industry in one or more of the priority areas of Innovation; Competitiveness and Markets; and Adaptability and Industry Capacity.

Graduate Research Training

- Funding is available for agriculture and agri-food related graduate programs at a recognized post-secondary institution conducting research pertaining directly to the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry that contributes new knowledge in one or more of Innovation, Competitiveness and Markets, and/or Adaptability and Industry Capacity.
- For information on funding for Graduate Research Training, please contact the Program Manager.

Agriculture Innovation Initiative: examples of eligible and in-eligible expenses

| Eligible expenses | | In-eligible expenses |
|---|---|--|
| <ul style="list-style-type: none"> • Feed grain processors • Vegetable harvesters • Sod harvesters • Feed and grain handling equipment • Feed storage systems including bins, silos, bunkers • Feed mixing equipment • Feed analysis equipment • Forage and grain seeders • Forage harvesting and handling equipment • Vegetable seeders and transplanters • Professional engineer design work • Fruit and vegetable storage systems and climate control equipment • Fruit and vegetable washing and grading facilities and systems • Facility construction, including equipment purchase and installation, that adopt innovative practices and increase industry capacity • Laboratory analysis costs associated with product development • Graduate research costs such as travel and project supplies • Speaker fees, travel, meals and accommodations at Provincial Treasury Board rates • Meeting rooms • AV equipment rental • Other costs deemed eligible by the Implementation committee to meet program objectives | <ul style="list-style-type: none"> • Feeding systems • Third party labour • Sod mowers | <ul style="list-style-type: none"> • Tractors and/or loaders • Breeding stock • Excavators • Skid steer loaders • Replacement equipment • Repairs and maintenance • Legal and accounting costs • In-kind resources • Residential scale or non-commercial equipment • Motorized vehicles including All Terrain Vehicles (ATVs) and Recreational/Utility Vehicles (RTVs) • On-going operational costs including ongoing laboratory analysis |

Future Farms Initiative

The objective of the Future Farms Initiative is to enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry to attract new entrepreneurs and investment to improve and maintain its productive capacity, including the facilitation of farm and agri-business transfers between generations. Funding is available to eligible new entrants as per the definition for “new entrant” on page 7 of this program guide. Eligible applicants may also apply as new entrants to any of the other initiatives that best fit the scope on the intended project. Investments will be made in the following priority areas:

New Farm Investment

Funding is available for investments in new business, management and production systems, including infrastructure, which will enhance the competitiveness and ability of new entrants to gain access to capital to acquire and implement processes, practices, knowledge, and skills identified during business planning. Implementation of New Farm Investment project proposals will assist in attracting new entrepreneurs and enhance the productive capacity and efficiency of the province’s agriculture, agri-foods, and agri-products industry. Funding is available to eligible new entrants as per the definition on page 7 of this Program Guide.

Legal Land Survey

Funding is available to assist new entrants with survey costs associated with acquiring new agricultural lease land to improve and maintain the productive capacity of the Newfoundland and Labrador agriculture and agri-foods industry. This includes contributions toward the cost of a legal land survey completed by a registered member of the Association of Newfoundland and Labrador Surveyors. Surveys must be completed to Newfoundland and Labrador *Crown Land Survey Standards – 2009*: http://www.anls.ca/pdf/crown_lands2009.pdf

Applicants must meet new entrant requirements, as defined on page 7, and have been approved for a Crown Land Agricultural Lease of not less than 15 acres, awaiting survey, and/or have their survey completed in the current fiscal year.

Prior to funding, applicants must provide confirmation of submission and acceptance of the survey from the Lands Division, Department of Environment and Conservation. Survey lines must be cut clear through wooded and/or brush areas. The cost of clearing boundary lines is not an eligible item under this program.

Beginning Farmers

Funding is available to new entrants and to agricultural associations to enable members of future farm generations to acquire knowledge and skills associated with the agriculture, agri-foods, and agri-products industry. This includes, but is not limited to:

- Contributions toward incremental costs associated with participating in approved mentoring programs designed to match experienced farm managers with beginning farmers or young people interested in a career in the agriculture and agri-foods industry. For more information on funding for mentoring programs please contact the program manager. Please note that GF2 contributions cannot be used to duplicate funding through

existing mentoring programs. GF2 may supplement costs incurred through participation in existing mentoring programs at the discretion of the Implementation Committee.

- Contributions toward provincial Young Farmers Forum initiatives that enable members and potential future farmers to acquire knowledge and skills in the industry, including: promotion and implementation of agriculture awareness, career days, and human resource development activities. To apply for a Young Farmers Forum initiative, please contact the program manager.

Succession Planning

Succession planning is a process by which the knowledge, skills, labour, management and control of ownership of an existing agri-business is transferred from the founder/owner to the next generation of ownership. Funding may be provided for professional services including succession planning facilitators, accountants, and lawyers required to develop a comprehensive succession plan. Minimum requirements for Succession Plans are included in Appendix 1.

Future Farms Initiative: examples of eligible and in-eligible expenses

| Eligible expenses | In-eligible expenses |
|--|---|
| <ul style="list-style-type: none"> • Travel associated with mentoring programs • Honorariums for mentors and mentees when applicable • Professional and consultant fees for succession planning • Professional engineer design work • New farm assets necessary to establish commercially viable new farm enterprises • Survey costs | <ul style="list-style-type: none"> • Tractors • Excavators • In-kind resources • Replacement equipment • Land purchases • Repairs and maintenance • Breeding stock • On-going operational costs • Transfer of ownership of existing assets • Motorized vehicles including All Terrain Vehicles (ATVs) and Recreational/Utility Vehicles (RTVs) • Training programs funded by other sources such as Service Canada • Cost of clearing boundary lines |

GROWING FORWARD 2: AGRICULTURE SUSTAINABILITY PROGRAM

Environmental Sustainability Initiative

The objective of the Environmental Sustainability Initiative is to contribute to solutions that promote environmentally responsible agriculture including environmental farm planning and the implementation of environmental beneficial management practices. Efforts will focus on priority areas such as alternative energy sources and other activities that mitigate climate change and address its impact. Funding will be available for:

- Investment in Environmental Farm Planning and Beneficial Management Practices
 - Environmental Farm Planning will include the development of on-farm and regional environmental farm plans and scans to identify both economic and environmental challenges that can ensure long term sustainability. Environmental Farm Planning and advisory services will be provided by the Forestry and Agrifoods Agency.
 - On-farm and regional Beneficial Management Practices (BMPs) will be eligible for funding. The implementation of environmental Beneficial Management Practices in the five priority areas of:
 - 1.0 Water Resource Management
 - 2.0 Soil Conservation
 - 3.0 Nutrient Management
 - 4.0 Environmental Stewardship
 - 5.0 Climate Change
 - The Implementation Committee may consider BMPs not listed below if it is shown that the activity enhances environmental stewardship within the agri-business
- Investment in energy conservation measures for farms and agri-businesses including:
 - The implementation of sustainable and cost competitive alternative energy source systems to reduce energy costs and enhance profitability including solar, wind, wood pellets, or other alternative energy sources. The Implementation Committee may reject alternative energy projects if the project proposes use of a less-environmentally sustainable fuel source, such as waste oil or raw wood.
 - The implementation of energy conservation beneficial management practices including farm energy audits and on farm energy conservation measures.
- The implementation of products, processes, or practices, including infrastructure, that assist in mitigating the effects of climate change and address the impact of climate change on the agriculture, agri-foods, and agri-products industry in the province, including:
 - Implementation of systems that enhance industry capacity to reduce crop, livestock and poultry losses due to adverse weather conditions such as irrigation, shades, sprinklers, snow shelters, wind breaks, and floating row covers.

Environmental BMPs and examples of eligible and ineligible costs

| BMP Description and Eligible Costs | Ineligible Activities/Costs |
|---|--|
| 1.0 Water Resource Management | |
| <p>1.1 Agriculture water source development</p> <ul style="list-style-type: none"> • Construction and professional service costs for establishment of new surface and/or ground water supply for agricultural use including ponds, dugouts, drilled or dug wells, reservoirs • Initial water quality sampling and testing • Fencing and/or barriers to prevent access by livestock • Expansion of existing reservoirs, ponds, dugouts for agriculture water supply • Reservoir aeration systems | <ul style="list-style-type: none"> • Ponds primarily for recreation or fire control • Ponds/reservoirs smaller than needed to meet on-farm water requirements • Fish or aquaculture ponds • In kind contributions • Irrigation or distribution equipment • Rehabilitation or cleaning of existing water supplies • Wells used primarily for domestic purposes |
| <p>1.2 Agriculture water use efficiency</p> <ul style="list-style-type: none"> • Water saving systems for livestock facilities, greenhouses, milk houses, and irrigation systems including water used for sanitation and cleanout systems • Professional costs associated with technical assessment of current use, design, construction and installation of eligible technology | <ul style="list-style-type: none"> • In kind contributions • Repairs and maintenance of existing systems • Tractors with buckets, skid steers |
| <p>1.3 Agriculture water source protection and management</p> <ul style="list-style-type: none"> • Sealing and capping old wells • Protecting existing wells from contamination through upgrading/maintenance of sanitary seal, annular seal, cap replacement, flow control for artesian wells, installation of anti-backflow protection, grading and mounding to redirect surface flow • Professional assessment of on-farm, private water systems • Consultative services for water management planning including hydrological surveys and water supply expansion plan development | <ul style="list-style-type: none"> • Repairs and maintenance • In kind contributions • Wells used primarily for domestic purposes • Extended well monitoring or groundwater studies • Costs associated with municipal drainage/water supply |
| <p>1.4 Irrigation management</p> <ul style="list-style-type: none"> • Purchase of or modifications to irrigation equipment including piping and pumps • Monitoring equipment • Water meters • Equipment to prevent backflow of altered irrigation water • Improvements to infiltration galleries irrigation collection and intake systems | <ul style="list-style-type: none"> • In kind contributions • Repairs or maintenance of existing irrigation and/or back flow prevention systems • Tile or subsurface drainage • Water source development costs |
| 1.5 Runoff and drainage control and management | |

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| <ul style="list-style-type: none"> • Runoff control and drainage management for livestock, greenhouse, and container nursery operations includes upstream diversion, collection and downstream protection • Construction of impermeable bases and or roof for minimizing runoff from livestock pen and confinement areas • Professional consultative costs and engineer design costs | <ul style="list-style-type: none"> • Repairs and maintenance • In kind contributions • Roofing for container nursery yards • Tile or subsurface drainage systems |
| 2.0 Soil Conservation | |
| BMP Description and Eligible Costs | Ineligible Activities/Costs |
| <p>2.1 Consultative services to develop and implement soil erosion and salinity control plans, planning, and decision support tools</p> <ul style="list-style-type: none"> • Consultant fees to develop a soil erosion control plan, including report preparation • Design work | <ul style="list-style-type: none"> • In kind contributions • Professional services not directly related to erosion or salinity control planning • Field specific agronomic practices • Routine sampling and analysis • Repeat services on the same production area |
| <p>2.2 Erosion control measures in riparian and non-riparian areas</p> <ul style="list-style-type: none"> • Ditch bank stabilization • Shoreline stabilization – bank shaping, revetment, gabions, rip rap, crib walls, re-vegetation, erosion control blankets, bioengineering • Grade control structures – rock chute spillways, drop pipe inlet structures, in-channel control structures to reduce water velocity and erosive force • Grassed waterways • Contour terraces • Gully stabilization • Tile outlet structures to upgrade existing eroded ones. All structures must include rigid outlet pipe, rodent gate, proper rock protection with filter cloth underneath • Silt fencing • Sediment trap • Weirs • Constructed wind screens for small critical wind erosion areas | <ul style="list-style-type: none"> • Subsurface drainage activities eligible under Agriculture Land Development Initiative • Construction and land development activities not associated with erosion control • Tile outlet structures associated with new subsurface drainage installations • Converting open channels to closed drainage systems • Cost of new drainage channels or repairs to existing drainage systems • Repairs and maintenance of existing erosion control features • Land levelling |
| <p>2.3 Investments in or modifications to seeding and post-seeding implements for low disturbance placement of seed and fertilizer (i.e. no-till drill or planter)</p> <ul style="list-style-type: none"> • Single disk openers, residue clearance devices • Openers for fertilizer placement on specialized planters and drills • Cover crop crimper | <ul style="list-style-type: none"> • Low disturbance application of fertilizer before seeding • Equipment rental or custom |

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| <ul style="list-style-type: none"> • Liquid or dry fertilizer placement systems for high residue conditions | <p>work</p> <ul style="list-style-type: none"> • Repairs or maintenance • Primary and secondary tillage equipment • Scales on seeding equipment • Fertilizer tanks, hoppers, or pumps • Seed rate monitors • Tires |
| <p>2.4 Investment in or modification to equipment for mechanical weeding</p> <ul style="list-style-type: none"> • Eco-weeders | <ul style="list-style-type: none"> • Primary and secondary tillage equipment |
| <p>3.0 Nutrient Management</p> | |
| <p>BMP Description and Eligible Costs</p> | <p>Ineligible Activities/Costs</p> |
| <p>3.1 Consultative services to develop and implement Nutrient Management Plans (NMPs) including planning and decision support tools</p> <ul style="list-style-type: none"> • Certified consultant fees for field mapping and inventory work • Certified consultant services to develop NMPs | <ul style="list-style-type: none"> • In kind contributions • Laboratory analysis of soil and manure • Routine crop advice and scouting • Professional services not directly related to NMP • Field specific agronomic practices |
| <p>3.2 Dewatering, recycling, and nutrient recovery systems for manure</p> <ul style="list-style-type: none"> • On-farm solid-liquid separation • On-farm liquid concentration systems using flocculants, membranes, or other suitable technology | <ul style="list-style-type: none"> • Repairs and maintenance to existing systems • Design, construction, and installation costs not directly related to the recycling process |
| <p>3.3 Dewatering, recycling, and nutrient recovery systems for waste water from milk houses, fruit and vegetable washing, and greenhouses</p> <ul style="list-style-type: none"> • Treatment trench systems, separate storage, transfer systems, constructed wetlands, or vegetated filter strips designed by professional engineer • Greenhouse re-circulating equipment, collection, storage, transfer, and treatment systems • Design costs | <ul style="list-style-type: none"> • Repairs and maintenance to existing systems • Design, construction, and installation costs not directly related to the recycling process |

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|---|---|
| <p>3.4 Investment in or modification to equipment for improved manure application</p> <ul style="list-style-type: none"> • Investment in new, the conversion of existing application equipment, or the components of new equipment required to convert to direct injection, below canopy, incorporation, or pre-tillage methods • Injector openers, hoses, and delivery systems on injectors, support frame • Spreader tank agitators • Rate monitors, sensors and flow meters on liquid manure equipment • Scales if used to weigh solid manure spreading equipment • Modifications to allow existing spreading units to operate at lower rates as specified in the applicants NMP • Slurry guards on box spreaders • Modifications to spreaders to allow tire pressures to be adjusted at the field edge to minimize soil compaction | <ul style="list-style-type: none"> • Repairs and maintenance to manure application systems and equipment • Custom application • Transportation costs of manure • Tires • Separate pass cultivation unit or incorporation equipment that is not part of the injection unit |
| <p>3.5 Manure composting systems for nutrient management</p> <ul style="list-style-type: none"> • In vessel systems and turners • Pads, walls and containment structures for the compost area • Windrow turners, windrow covers and cover lifters • Professional design costs | <ul style="list-style-type: none"> • Repairs and maintenance • Manure storage additives • Tractors, loaders, skid steers • Incineration units • Packaging or bagging of composted manure • Feed and feed rations to reduce manure nutrient levels or improve feed efficiencies |
| <p>3.6 Precision farming systems</p> <ul style="list-style-type: none"> • GPS information collection and guidance systems • Manual and variable rate controllers and flow meters for nutrient applications | <ul style="list-style-type: none"> • Computer hardware ,e.g., desktop, laptop and PDA units • Handheld GPS units • Extended warranties • Subscription services for GPS equipment |
| <p>4.0 Environmental Stewardship</p> | |
| <p>BMP Description and Eligible Costs</p> | <p>Ineligible Activities/Costs</p> |
| <p>4.1 Composting of agricultural waste</p> <ul style="list-style-type: none"> • Infrastructure and specialized equipment required for composting agricultural waste i.e. fruit, vegetable waste • Composting systems • On-site special conveying equipment for handling raw waste or other feedstock into the compost area and taking finished compost to a storage area • Mixing/aeration equipment • Watering equipment • Monitoring equipment | <ul style="list-style-type: none"> • Packing or bagging of compost • Cost of transporting raw waste or finished product • Tractors, loaders, excavators, skid steers • Flat concrete pads without runoff containment • Purchase of additives or other feedstock to supplement raw agricultural by-products |

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| <p>4.2 Improved manure storage and handling</p> <ul style="list-style-type: none"> • Liquid manure storage including circular concrete or steel tanks, concrete rectangular including in-barn (below barn), separate runoff storages, combination liquid manure and runoff storages, storage component of manure treatment systems, safety measures i.e. fences, liners • Site investigation and consultative work including professional engineer assessment and design work • Manure transfer systems, manure handling systems, and manure handling equipment • Solid manure storage including, permanent covers, retention walls, roofs and supporting structures, floors and impermeable bases, safety features i.e. fences, 3-walled pad with runoff management • Solid manure storage with separate runoff control or management system including constructed wetlands and vegetated filter strip • Assessment of existing manure storage by professional engineer | <ul style="list-style-type: none"> • In-field temporary storage • Repairs and maintenance • Feed and feed rations to reduce manure nutrient levels or improve feed efficiencies • Manure storage additives • Tractors, loaders, excavators • Housing of livestock or storage of feedstuffs and/or machinery in manure storage facility |
| <p>4.3 Improved on-farm single use storage and handling of agricultural products</p> <ul style="list-style-type: none"> • Liquid or dry fertilizer storage including secondary containment berms, ventilation • Pesticide storage including secondary containment, ventilation, security and mixing/loading and clean up systems • Fuel storage for on-farm vehicles, barn/greenhouse heating including double wall tanks, pumps, gauges, dispensers and safety features i.e. secondary containment • Engineering design costs | <ul style="list-style-type: none"> • Pumps for fertilizer or pesticide storage • Heating fuel storage for domestic, office or bunkhouse use • Personal safety equipment • Portable storage tanks • Maintenance and repairs • Multi-use storage • Tractors, loaders, excavators, skid steers, All Terrain Vehicles (ATVs) and Recreational/Utility Vehicles (RTVs) |
| <p>4.4 Improved on-farm storage, handling and disposal of agricultural waste</p> <ul style="list-style-type: none"> • Modification to or construction of new storage and treatment facilities for fruit and vegetable cull/waste material • Permanent tarps/covers for pomace or other organic material storages • Refrigeration or freezing for storage and handling of agricultural waste | <ul style="list-style-type: none"> • Storage, handling disposal of plastic materials, containers and garbage • Flat concrete pads without runoff containment • Furnaces for burning wood or other waste products • Livestock mortality management |
| <p>4.5 Improved storage, handling and disposal of livestock mortalities</p> <ul style="list-style-type: none"> • Modification to or construction of new storage and treatment facilities for livestock mortalities • Refrigeration or freezing systems for livestock mortalities | <ul style="list-style-type: none"> • Flat concrete pads without runoff containment • Tractors, loaders, excavators, skid steers, All Terrain Vehicles (ATVs) and |

| | |
|--|--|
| <ul style="list-style-type: none"> • Disposal vessels • Infrastructure and specialized equipment for composting livestock mortalities including composting systems • Mixing/aeration equipment • Watering equipment • Monitoring equipment | <p>Recreational/Utility Vehicles (RTVs)</p> <ul style="list-style-type: none"> • Maintenance and repairs • Packing or bagging of compost • Cost of transporting raw waste or finished product • Purchase of additives or other feedstock to supplement raw agricultural by-products • Dead stock removal costs |
| <p>4.6 Investment in or modification to equipment for improved pesticide application</p> <ul style="list-style-type: none"> • Spray curtains • Canopy sensors • Air induction tips • Low drift nozzles • Pesticide injection systems • Spray towers • Rate controllers • Air assist systems • Foam marker systems • Automated spray boom height adjustment systems | <ul style="list-style-type: none"> • Repairs and maintenance • Tractors, skid steers, All Terrain Vehicles (ATVs) and Recreational/Utility Vehicles (RTVs) • Custom application • Tillage equipment • Leased or rented equipment • Custom fees • Tanks for non-agricultural use • Computer hardware • Operator safety equipment • Costs associated with normal farm practice |
| <p>4.7 Integrated pest management planning and practices</p> <ul style="list-style-type: none"> • Infrastructure to implement biological agents or cultural control practices as part of an integrated pest management plan • Initial implementation of biological agents or cultural control practices as part of an integrated pest management plan • Information collection and monitoring • Integrated pest management planning including planning and decision support tools, professional consultant fees to prepare plan | <ul style="list-style-type: none"> • Pesticides, herbicides • Repeat payments for the same biological control agents • Pollinators • In kind contributions • Professional services not directly related to IPM • Routine analysis and sampling |
| <p>4.8 Wildlife protection</p> <ul style="list-style-type: none"> • Fencing and netting to prevent losses or damage to stored feed, crops and livestock due to wildlife • Scaring and repellent systems and devices • Guard animals determined by the Forestry and Agrifoods Agency to effectively control predators | <ul style="list-style-type: none"> • Firearms/lethal traps/bird cannons • Falconers • Hiring of professional trappers • Rodent control • Poisons/baits • Veterinary or other animal care costs • Shelters for guard animals and birds |

| 5.0 Climate change | |
|--|--|
| BMP Description and Eligible Costs | Ineligible Activities/Costs |
| <p>5.1 Anaerobic digesters implemented for manure management</p> <ul style="list-style-type: none"> • Pads, walls, covers, bio filters and containment structures for the digester area • Specialized and dedicated digester equipment • Professional design, construction and installation fees | <ul style="list-style-type: none"> • Repairs and maintenance to existing systems • Feed and feed rations to reduce manure nutrient levels or improve feed efficiencies • Additives and related technology |
| <p>5.2 Energy efficiency audits and/or energy use assessments</p> <ul style="list-style-type: none"> • Professional Engineer advice and consultations including written assessments • Qualified technical services for monitoring and assessing energy use efficiency and alternatives • Implementation of recommendations of energy audit | <ul style="list-style-type: none"> • Reviews or audits by unqualified personnel • In kind contributions • Professional services not directly related to farm energy audits |
| <p>5.3 Slurry storage covers to reduce odours and greenhouse gas (GHG) emissions</p> | |
| <p>5.4 Implementation of products, processes, or practices that mitigate or address the effects of climate change.</p> <ul style="list-style-type: none"> • Activities that enhance industry capacity to reduce crop, livestock, and poultry losses due to adverse weather conditions such as irrigation, shades, sprinklers, snow shelters, wind breaks, and floating row covers. | <ul style="list-style-type: none"> • In kind contributions |

Food Safety, Biosecurity and Traceability Initiative

The objective of the Food Safety, Biosecurity, and Traceability Initiative is to enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry to address challenges to the safety, biosecurity, and traceability of agriculture, agri-foods, and agri-products industry and security of the food system. Investments will be made in the following priority areas:

On-Farm Food Safety

To enable the Newfoundland and Labrador agriculture and agri-foods industry to contribute to challenges to the safety and security of the food system, funding will be available to facilitate the implementation of existing national On-Farm Food Safety programs such as *CanadaGAP*, *Canada Quality Milk Program*, *Start Clean Stay Clean* and others. Activities eligible for contributions include:

- Food safety advisory services provided by the Forestry and Agrifoods Agency including food safety awareness activities.
- Third party audit for certification.
- Evaluation and development of food safety action plans.
- Implementation of action items including physical infrastructure necessary to meet recognized national food safety program standards.

Post-Farm Food Safety

To enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry to contribute to challenges to the safety and security of the food system, funding will be available to facilitate the implementation of recognized Post-Farm Food Safety programs by agri-food processors including provincially licenced slaughterhouses. Activities eligible for contributions include:

- Food safety advisory services provided by the Forestry and Agrifoods Agency including awareness activities.
- Evaluation and development of food safety process control systems.
- Implementation of action items including physical infrastructure necessary to meet the requirements of a recognized food safety process control system.

Applications for consideration for funding under the *Growing Forward 2* Agriculture Food Safety Initiative should reflect the requirements of commodity specific food safety programs based on the Food Safety Beneficial Management Practices included in the table below. The Implementation Committee may consider BMPs not listed below if it is shown that the activity enhances food safety within the agri-business

Food Safety Beneficial Management Practices (BMPs) for On-Farm and Post-Farm

| BMP Category Description | Beneficial Management Practice Description |
|--------------------------|--|
| Improved Premises | <ul style="list-style-type: none"> • Construction of or modification to food production or processing facilities to ensure a safe and secure food supply • Surface improvements to improve drainage around premises and shipping and receiving areas • Engineer design work |
| Improved Sanitation | <ul style="list-style-type: none"> • Improved features to facilitate sanitation practices (installation of washable surfaces, i.e., white vinyl coated sheeting) • Investments in sanitation equipment (wash down equipment, knife sanitizers, etc.) • On-site water treatment equipment • Development and implementation of written policies and procedures for the sanitation of equipment and/or facilities • Investments in personal hygiene facilities/practices including washroom facilities, “port-a-potties”, and hand cleaning stations |
| Pest Control | <ul style="list-style-type: none"> • Investments in pest control infrastructure • Investments in or modification to facilities to improve pest control • Development of pest control protocol to ensure safe storage, use and handling of pesticides to ensure safe and secure food supply |

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|---|--|
| Personnel | <ul style="list-style-type: none"> • Development of written procedures for personnel • Training of personnel in food safety protocols, practices and procedures • Signage |
| Transportation & Receiving | <ul style="list-style-type: none"> • Development and/or implementation of shipping and/or receiving practices and procedures (standard food safety practices and commodity specific) that ensures the safety and security of the food supply • Infrastructure improvements to ensure raw materials, ingredients, inputs, etc. are received and handled to ensure a safe and secure food supply |
| Improved Food Storage | <ul style="list-style-type: none"> • Purchase of or modification to equipment for improved cooling, e.g., bulk tanks, climate control, refrigeration units • Purchase of or modification to equipment to increase the rate and efficiency of cooling of food, e.g., plate coolers, monitoring equipment |
| Record Keeping | <ul style="list-style-type: none"> • Purchase and installation of electronic record keeping equipment, i.e., time-temperature recorders • Development and/or implementation of on-site record keeping protocols, practices and procedures |
| On-Farm Food Safety Program Development | <ul style="list-style-type: none"> • Creation and/or implementation of on-farm food safety protocols (common food safety practices and commodity specific) to implement national standards • Creation and/or implementation of post-farm food safety protocols (common food safety practices and commodity specific) to implement recognized standards for process control systems |

Biosecurity

Funding will be available for implementation of on-farm and industry wide biosecurity plans that follow biosecurity standards (developed by industry and the CFIA where they exist), measures, management systems and practices including infrastructure that reduce the spread of livestock, poultry, and plant diseases on farms, between farms, regional pastures, slaughterhouses, and other locations. Investments will be made to enable:

- The adoption of processes, practices, knowledge, and skills that enhance the ability of individual producers and industry to meet plant, animal, and poultry health standards such as minimum standards for import, export, and local trade of live plants, animals, poultry, and their products; transportation and humane slaughter.
- Awareness, development, and adoption of emergency preparedness plans to address emergencies that pose biosecurity risk to the agriculture, agri-foods, and agri-products industry. Testing and simulation exercises of existing emergency preparedness plans may be funded once every five years.
- Infrastructure required for emergency response plans is not eligible.

Traceability

Funding will be available for the development and implementation of traceability systems that assist in tracking the movement of plants and animals through the food system, including animal identification, premise identification, and movement reporting to contribute to the development and implementation of a National Agriculture and Food Traceability System. This includes, but is not limited to,

- Physical, institutional, and human resource infrastructure for plants, livestock, and agri-based products such as the purchase and installation of traceability infrastructure (including supporting software and livestock handling systems necessary to implement traceability systems).
- The development and implementation of traceability systems, including infrastructure and equipment, that assist in tracking the movement of plants and animals through the food system, including animal identification, premises identification and movement reporting, to contribute to the development and implementation of a National Agriculture and Food Traceability System.
- Training of staff to implement traceability systems for plants, animals, and agri-based products.

Food Safety, Biosecurity and Traceability Initiative: examples of eligible and in-eligible expenses

| Eligible expenses | | In-eligible expenses |
|---|--|---|
| <ul style="list-style-type: none"> • Cooling equipment • Sanitizing equipment • Slaughterhouse equipment • Hand washing units • Bio-security fencing • Professional engineer design work • Consultant fees to develop bio-security plans • Food safety audit and certification fees • Training and associated travel costs, speaker costs • Construction of facilities and/or purchase of equipment required to meet on-farm and post-farm food safety, biosecurity and traceability initiatives • Radio frequency identification readers (e.g. ear tag readers) and software • Costs associated with implementation of food safety BMPs • Biosecurity plans - awareness and development | <ul style="list-style-type: none"> • Washing equipment • Milk monitoring • Boot washes • Sanitation controls • Third party labour | <ul style="list-style-type: none"> • Tractors • Excavators • Replacement equipment • Repairs and maintenance • Legal and accounting costs • In-kind resources • Site preparation • Motorized vehicles including All Terrain Vehicles (ATVs) and Recreational/Utility Vehicle (RTVs) • On-going operational costs including on-going laboratory and analysis • Regulated identification devices (e.g. radio frequency identification tags - RFID tags) |

Market Development Initiative

The objective of the Market Development Initiative is to enable the Newfoundland and Labrador agriculture, agri-foods, and agri-products industry to access local, domestic, and international markets through investments in: market development activities for fresh, value-added and agri-food products, by-products of agri-food production, and bio-products; and activities that enable producers of agri-food and agri-based products to realize market-based opportunities. Investments will be made in the following priority areas:

Market Development

- Market intelligence gathering and dissemination, market research and analysis and planning.
- Agriculture awareness and agriculture in the classroom initiatives, agricultural fairs and trade shows, and planning and implementation of promotional activities that improve access to the local market place.
- Farm market development to enhance farm market capacity in the province including: farm signage, infrastructure investments to new and existing farm markets, mobile marketing infrastructure and/or marketing venues that meet required food safety standards.
- Infrastructure required to implement agri-tourism activities that promote the marketing of local product and encourage visiting working farms, agricultural, horticultural, or agri-business operations for the purpose of enjoyment, education, or participation in the activities of the farm (e.g., hay and sleigh rides, mazes, pumpkin patches, school field trips and farm tours).
- Investments in the development and implementation of export capacity building activities.

Market Access

Funding will be available to enable access to local, domestic, and international markets that require specific standards of production and/or best practices to be met. Investments will be made in the following:

Animal and Poultry Care

- Investments that enhance the ability of individual producers and industry to meet the requirements in accordance with national animal care codes of practice, protocols or standards for animal and poultry care and welfare on farms such as investments in housing, provision of feed and water, lighting, air quality, health and welfare, transport of animals and poultry, and awareness and training.
- Applicants will be required to identify the national code of practice that will be addressed.

Organic Certification

- Investments to improve and maintain organic production capacity in the Newfoundland and Labrador agriculture and agri-foods industry and to enable the sector to meet customer requirements. Established organic operations including producers and value-added activities, operations in transition, individuals or agri-businesses considering establishing commercial scale organic production, or value added activities will be eligible for contributions toward:
 - Training and advisory assistance.
 - Support for organic certification costs (including new and in transition producers).
 - Physical infrastructure to help meet certification requirements and/or minor infrastructure of strategic value to the organic sector such as composters, fencing, and eco-weeders.

Organic Land Development

- Funding is available for organic land development to enhance the productive capacity of land resources and enable the industry to respond to organic market opportunities.
- Initial organic soil enhancements and non-synthetic organic soil amendments, such as animal manure, compost, fish products, kelp and kelp products, composted manure, micronutrients, mulch, peat moss, plant by-products, sawdust and wood chips, trace elements, and any other soil amendments listed in the Organic Productions Systems Permitted Substances Lists of the Canadian Organic Standards with the exception of limestone, are eligible for funding on new agricultural land for organic crop and livestock production. Limestone is not eligible for funding as an organic soil enhancement as it is reimbursed under the land enhancement acreage payment.
- To qualify for funding as an organic producer, the applicant must be certified by a nationally recognized body such as the Atlantic Certified Organic Co-operative Limited (ACO), Organic Crop Improvement Association (OCIA), or Ecocert Canada or must be in transition to organic certification. Transition producers are defined as those who are under the oversight of a certification agency and have been audited by a professional organic inspector, or in the process of obtaining certification.

Market Development Initiative: examples of eligible and in-eligible expenses

| Eligible expenses | | In-eligible expenses |
|---|---|---|
| <ul style="list-style-type: none"> • Consultant fees • Website development • Farm market infrastructure including materials • Professional engineer design work • Professional design, set up and minimum first run of new promotional and packaging material • Costs associated with organic certification audit, including audit fees • Minor agri-tourism infrastructure such as: shelters and shades, comfort huts, picnic tables, petting farm mini-barns, wagons, safety barriers and fencing, information boards and signage, demonstration areas, playgrounds • Infrastructure and/or equipment, awareness and/or training necessary to upgrade existing facilities to meet standards of animal and poultry care • Infrastructure and/or equipment necessary to upgrade existing facilities to meet standards for import, export and local trade of plants, animals and poultry • Animal health monitoring systems • Permitted organic soil amendments • Resources for delivery and implementation of agriculture in the classroom initiatives • Travel and attendance at trade shows including booth fees | <ul style="list-style-type: none"> • Farm signage • Market research | <ul style="list-style-type: none"> • Tractors • Excavators • Replacement equipment • Repairs and maintenance • On-going operational costs • Breeding stock • In-kind resources • Motorized vehicles including All Terrain Vehicles (ATVs) and Recreational/Utility Vehicles (RTVs) • Animal welfare advocacy funding • Limestone • Cost of product samples for trade shows |

GROWING FORWARD 2: AGRICULTURAL OPPORTUNITIES PROGRAM

Agriculture Land Development Initiative

The objective of the Agriculture Land Development Initiative is to enhance the productive capacity of agricultural land in the province and to improve the productivity and sustainability of agricultural land resources to address food security, feed self-sufficiency, and crop management practices. Investments will be made in the following priority areas:

Land Development

Mineral Soils

- Rough clearing of **new** agricultural land to enhance the productive capacity of land resources will be considered for an acreage payment of \$1,500 per acre. Rough land clearing includes the removal of trees, stumps, and rocks from undeveloped arable land.
- Enhancement of **new** agricultural land to improve the productive capacity and efficient use of land resources will be considered for an acreage payment of \$1,500 per acre. Land enhancement includes rock removal, land levelling, minor field profiling, and the initial application of limestone and fertilizer.
- Regional pastures are eligible for funding for expenses incurred for land enhancement projects. Land enhancement activities may be considered for contributions of up to 100% of eligible expenses for regional pastures including the purchase and application (i.e., labour) of fertilizer, lime, and manure.

Peat Land

- Development of **new** peat land (peat land not previously in agricultural production) to enhance the productive capacity of this underutilized land resource is eligible for funding at \$3,000 per acre.
- Funding is available for 75% of professional consultative and/or engineering costs.
- The following activities are included in peat land development:
 - Brush Cutting: Tall grasses/weeds and small trees are cut close to the peat surface.
 - Limestone Spreading: Spreading of limestone using a spreader which has been adapted for peatland use.
 - Ditching: Completed using ditcher or excavator/backhoe, ditches recommended 1.0m -1.2m deep, with intervals of 15m for the majority of sites.
 - Rotovation: Rotovation of the top 15cm of peat. This incorporates the limestone into the peat and prepares the field for profiling.
 - Profiling: This equipment spreads the rotovated loose peat evenly and crowns the field in the center over the length of the field for surface water runoff.

- Applicants must submit a site design that is approved by the Land Resource Stewardship Division of the Forestry and Agrifoods Agency with their application. A site design approved by a qualified engineer may be required. Site design must include:
 - Type of peatland development
 - Brush cutting
 - Ditching
 - Excavation
 - Rotovation
 - Profiling
 - General site location map
 - Site specific location map
 - Drawing of proposed ditches on map
 - Spacing of ditches
 - Length of ditches
 - Depth of ditches
 - Location, length, width and depth of sediment pond
 - Total area (hectares or acres) of proposed activity
 - Proposed dates of development

Mineral Soil Renovation

- Land renovation for the improvement of excessively stony lands to enhance the productive capacity and efficiency of use of existing agricultural land already in production will be considered for an acreage payment of \$1,500 per acre. Land must have been in production a minimum of ten years. Excessive rock removal is commonly achieved through the use of specialized rock removal equipment, such as rock rakes, rock windrowers, rock pickers, mechanical destoners, and/or stone crushers.
- Minor rock removal associated with annual cropping and field preparation practices is considered maintenance of land and **is not eligible** for funding from this program.
- Some fields or parts of fields may be limited in eligibility for land renovation funding in cases where rock removal could significantly reduce field productivity or use. Examples of such cases may be as follows:
 - Areas that display signs of poor drainage will be less likely to be approved for funding as removing soil rock will further reduce drainage.
 - Areas that show signs of significant erosion will be less likely to be approved for funding as soil rock, particularly on fields with significant slope, are important in reducing erosion and other related problems.
 - When removing rock can significantly affect weight bearing capacity of the soil.

- Once an application is received and prior to review by the Implementation Committee, the applicant will be required to perform a test plough of an area approximately 20 ft. x 100 ft., which will be inspected by an Agency representative, and evaluated for stoniness.
- Rock that is removed must be piled and available for inspection prior to trucking off-site, crushing, burying and/or using for road work.

Peat Land Renovation

- Funding will be provided for the improvement of agricultural peat land already in production to ensure efficient and responsible use of peat land resources through the renovation of existing fields once every five years. Peat land renovation activities will be considered for funding at \$750 per acre. The following activities are included in peat land renovation: limestone application, brush cutting, re-ditching, rotovation, and re-profiling.

Sub-Surface Drainage

Funding is available for the acquisition and installation of sub-surface drainage services to improve the productive capacity of newly developed and existing agricultural land. Sub-surface drainage activities will be considered for funding at \$1,500 per acre. Eligible expenses include excavation, topographic site surveys, and materials such as tile, tile fittings, associated piping, equipment rental, and third party labour.

Funding is available for 75% of professional consultative and/or engineering costs.

Applicants must submit a site design that is approved by the Land Resource Stewardship Division of the Forestry and Agrifoods Agency with their application. A site design approved by a qualified engineer may be required. Site design must include:

- General site location map
- A site specific location map
- drawing of proposed tile location on map
- spacing of tile
- length of tile
- diameter of tile
- depth of tile
- location, size and depth of sediment pond
- total area (ha or acres) of proposed activity
- proposed dates of construction

On-Farm Access Roads

Funding is available for eligible expenses for the construction of new agricultural on-farm access roads to enhance the efficiency of use and access to arable land on farms. Eligible on-farm access road construction costs include culverts, geotextile fabric, corduroying, fill, equipment rental, third party labour, and other associated costs approved in advance. Landings and parking areas are not eligible for contributions.

Funding for the construction of on-farm access roads will cover eligible costs up to a maximum of 75% of the **total construction cost per metre as follows:**

- Mineral soil: \$26/metre (75% of \$35/metre maximum)
- Peat land: \$34/metre (75% of \$45/metre maximum)

New on-farm access roads that allow for more direct access to new and existing agricultural land for land development and subsequent planting and harvesting activities will be considered for funding.

Agricultural Land Development Equipment

Funding is available for the purchase and/or modifications to agricultural land development equipment required for land clearing, renovation, rock removal, and drainage activities on mineral soils and peat land to implement provincially recommended land clearing practices. Eligible activities would maximize soil retention in the land clearing process, enhance the productivity of agricultural soils to reduce environmental impact, increase crop yields, and ensure more efficient utilization of land resources. Examples may include rock and root rakes, stone forks, rock pickers and extractors, land levelling equipment, peat land ditching equipment, limestone spreaders, brush cutters, rotovators, profilers, and equipment modifications such as wide tracks.

Land Development Initiative: examples of eligible and in-eligible expenses

| Eligible expenses | | In-eligible expenses |
|---|---|---|
| <ul style="list-style-type: none"> • Rock rakes/windrowers • Rock pickers • Stone forks • Root rakes • Rough land clearing • Land enhancement • Peat land development • Peat land renovation • Mineral soil renovation • Rotary ditchers • Brush cutters • Excessive rock removal activities • Rotovators • Subsurface drainage including: excavation, topographical site surveys, tile and fittings, equipment rental, and engineering design • Equipment modifications such as wide tracks | <ul style="list-style-type: none"> • Profilers • Choppers • Rotary tillers • Ploughs • Spring-tooth harrows • Land levellers • Land rollers and packers • Disc harrows • Limestone spreaders • Fertilizer spreaders • Third party labour • Engineering design fees • Construction of on-farm access roads including: excavation, culverts, fill, geo-textile corduroying | <ul style="list-style-type: none"> • Tractors • Excavators and mini excavators/excavator buckets/backhoes • Dozers • Replacement equipment • Repairs and maintenance • Legal and accounting costs • On-going operational costs • Skid steers • In-kind resources • Site preparation • Motorized vehicles including All Terrain Vehicles (ATVs) and Recreational/Utility Vehicles (RTVs) • Annual application of limestone and fertilizer with the exception of community/regional pastures. |

Human Resource Development Initiative

The objective of the Human Resource Development Initiative is to contribute to the development and transfer of knowledge, skills, tools and services available to participants in the agriculture, agri-foods, and agri-products industry in Newfoundland and Labrador. Investments will be made in knowledge and skills training such as industry specific training opportunities, innovative product and process technology training, human resource development exchanges, conferences and workshops necessary to enable the profitability, adaptability and sustainability of agri-businesses in Newfoundland and Labrador. Primary producers, secondary processors, agri-business operators and their employees, as well as groups managing regional agricultural initiatives may be considered for human resource development funding. Funding will be available for:

- Assistance for the development and delivery of learning activities for eligible recipients.
- Human resource development activities including travel and exchange, conferences, workshops, and other training events to enhance the sectors' ability to realize new opportunities and to enhance skills and knowledge within the agriculture and agri-foods industry will be considered for individual producers, secondary processors, and members of industry groups.
- Incremental human resource activities for agri-business employees when the activity pertains to new production processes, practices, and technology or other training that will enhance the competitiveness, profitability, and innovative practices of the industry, will also be considered. However, training for agri-business employees associated with the on-going, normal activities of operating an agri-business or agricultural organization, will not qualify for *Growing Forward 2* funding.
- Agriculture related training, skills, and business development initiatives that support the strengthening of farm and agri-business management practices which enhance the viability and profitability of individual farms, agri-businesses, and the industry as a whole.
- Human resource activities for continued development of management, governance and strategic planning capacity within industry associations and groups (i.e., supply chains), in support of the industry as a whole.

Eligible human resource development activities include:

- Investigation of agriculture practices outside Newfoundland and Labrador.
- Agricultural conferences and training workshops.
- Training opportunities that would normally be less than a month in duration.
- Development and delivery of non-academic, non-credit educational and training resources for the agriculture industry.

Expenses eligible for contributions through Human Resource programming include:

- Costs for travel and exchange opportunities or for eligible applicants to attend agricultural conferences or workshops outside Newfoundland and Labrador including airfare, ground transportation within and outside the province, meals, and hotel accommodations.

- Costs for eligible applicants to attend conferences or workshops within Newfoundland and Labrador may include registration fees, airfare, ground transportation, meals, and hotel accommodations for conferences, workshops, or other training events not sponsored by *Growing Forward 2* or any other provincial government sponsored training event.
 - Funding may be restricted based on the level of *Growing Forward 2* (or any other government program) financial support already provided for the development and delivery of that specific event.
- Costs associated with the organization and delivery of agricultural conferences and workshops which may include, but not be limited to, speaker fees, nutrition breaks and meals for participants, meeting room rental, audiovisual equipment rental, advertising, conference materials, and incremental project administration.
 - Costs associated with speaker gifts, hospitality suites, or participant accommodations will not be eligible.
- Costs associated with the development and delivery of educational and training resources for the agricultural industry may include but not be limited to, consultant fees, resource materials, program design for non-academic credit courses and/or workshops, meeting costs, rental or purchase of audiovisual equipment, and incremental project administration.
- Requests for funding assistance to attend multi-week or longer agriculture training courses will be reviewed for decision by the Implementation Committee on a project by project basis.

Travel costs claimed for contributions from *Growing Forward 2* programming will be reimbursed at Provincial Treasury Board rates for meals and private vehicle mileage. Applicants must select the most economical mode of transportation.

It is strongly recommended that applications are submitted to Program Managers a minimum of four weeks in advance of the project start date to ensure that there is sufficient time for review of the application. **Applications received less than four weeks prior to the project start date may not be considered for funding.**

Human Resource Development Initiative: examples of eligible and in-eligible expenses

| Eligible expenses | | In-eligible expenses |
|---|---|---|
| <ul style="list-style-type: none"> • Meeting rooms • Nutrition breaks • Registration fees • Travel for Human resource development activities including, airfare and ground transportation | <ul style="list-style-type: none"> • AV equipment rental • Speaker fees • Hotel accommodations | <ul style="list-style-type: none"> • In-kind resources • Replacement equipment • Repairs and maintenance • Legal and accounting costs • On-going operational costs |

Business Development Initiative

The Business Development Initiative will assist the agriculture, agri-food, and agri-product industry to better understand and manage their financial performance and/or identify and adapt to new and changing market opportunities through business planning, feasibility studies, farm financial assessment and analysis, cost of production analysis, and industry or sector strategy development.

Funding will be available for:

- Business planning, feasibility studies, and cost of production analysis to identify and adapt to new and changing market opportunities. Consultant costs associated with preparing these plans and studies are eligible for:
 - One producer/processor: Up to maximum of \$ 8,000
 - Two producers/processors: Up to maximum of \$16,000
 - Three producers/processors: Up to maximum of \$24,000
 - Four or more producers/processors: Up to maximum of \$25,000
- Planning and development of industry or sector strategies.
- Farm financial assessments conducted by consultants or accountant are eligible for funding once in a four-year period and the maximum contribution is \$2,000.

Minimum Requirements for Business Plans and Farm Financial Assessments are attached in Appendices 2 and 3, respectively. The Implementation Committee of the *Growing Forward 2* program recognizes these activities as part of a sound business development process. Funding of these activities does not imply that project proposals arising out of these activities will be eligible for or receive funding approval.

Business Development Initiative: examples of eligible and in-eligible expenses

| Eligible expenses | In-eligible expenses |
|--|---|
| <ul style="list-style-type: none"> • Consultant fees • Nutrition breaks • Industry meetings to develop sector strategies • Professional fees • Speaker fees | <ul style="list-style-type: none"> • In-kind resources • Replacement equipment • Repairs and maintenance • On-going operational costs • Large capital projects (e.g. land and buildings) • Equipment and infrastructure |

APPENDICES

1. Succession Planning Minimum Requirements
2. Business Plan Minimum Requirements
3. Farm Financial Assessment Guidelines

Appendix 1 - Succession Planning Guidelines

Minimum Requirements for Succession Plans

A succession plan is a business continuity plan. It is essential to ensure the continuity of a farm business through to subsequent generations. The transfer of a farm business contains three elements, all of which are usually included in a farm business succession plan:

- the transfer of management and control;
- the transfer of assets and ownership; and
- the transfer of labour.

Listed below are the minimum details which must be included in a farm business succession plan:

Cover/summary page

- Provide the business/client names (retirees, successors and non-farming members), addresses, and telephone and fax numbers.
- Provide a list of key contacts, including the consultant who prepared the plan.

Table of contents

- List the major chapters of the plan for reader reference and convenience.

Executive summary

- Provide a summary that describes the overall plan and highlights the action points on which the family must act to implement the plan.

Description of the farm business

- Provide an outline and description of the current farm business, including what is produced, where it is located, who is involved, and the type of business arrangements (e.g., partnership, corporation, joint venture).

Description of business, personal goals, and expectations

- Provide an outline and description of the goals and expectation of both the “founders/retirees” and the “successors,” with specific reference to the farm business and to their own personal aspirations.

Retirement plan

- Provide an outline of what is going to happen in retirement, and how it will be financed (i.e., goals, expectations, and desired activities for retirees, including how the “founders/retirees” will or will not be involved in the farm business in the future).
- Provide the address where everyone is going to live.
- Include a financial plan outlining where money will come from and how it will be spent, both for annual living and relocation (if necessary).
- Explain any retirement-income planning (e.g., RRSPs, RRIFs, CPP, OAS).

Training and development plan for successor

- Outline what skills are needed to successfully manage the farm, and how they will be obtained.
- Provide a skills profile for a fully qualified farm manager.
- Provide a skills profile for the successor.
- Identify skill gaps and an action plan on how they will be met (e.g., hiring to fill gaps, additional training), if both generations are staying involved, having them attend the same training courses could be beneficial.
- Provide an outline of a performance review process and mechanism to provide the “successor” with feedback on progress.

Farm business plan

- Provide an outline of how the farm business will meet the needs of both the successor(s) and retiree(s).
- Analyze the current farm business (if necessary).
- Outline the plan for the future direction of the farm business (e.g., maintenance, contraction, expansion, diversification, value-added), and provide a description of how this will affect the business, along with projected financial statements.

Operating plan

- Provide an outline of how everyday activities will be managed.
- List roles, responsibilities, and authorities for managing the business on a daily basis.
- Explain if it will be a multi-generational farm with two or three generations co-operating, and/or how it will change over time.
- Provide a description and plan regarding family business meetings to discuss such issues as the progress of the transfer process, and necessary changes (e.g., how they will function, who is responsible for what and where it will take place, the involvement of non-farming family members, what they will and will not have a voice in, and how they will be involved) whereby the end product will be a "user's" manual.

Management, control, and labour transfer plan

- Provide an outline of how the transfer of labour and management will take place, including a timetable for transition to the successor(s).

Ownership transfer plan

- Provide an outline of how the farm business is currently structured (referenced back to the description of the farm business) and how this will be changed during the transfer process.
- Explain how the transfer of ownership of the assets will be handled.
- Include an inventory and valuation of assets and liabilities.
- Identify what the business arrangement is going to be (e.g., sole proprietorship, corporation, partnership).

- Identify the transfer mechanism (e.g., purchase, gift, and rental).
- Include a prenuptial agreement (if necessary).
- Explain the tax implications and how to address them.
- Explain the financing required, and its sources.
- Explain the treatment of non-farming children.
- Outline the insurance requirements (e.g., death, disability).
- If required, provide a copy of the will to the consultant or an overall description of the intent to assist with ownership transfer plan.
- Provide a description of any other legal agreements (e.g., employment contracts, partnership agreements, shareholder agreements, and buy-sell agreements).

Implementation timetable

- Provide a summary of the overall timetable for when key activities start and finish—include time frames that allow progress to be monitored, measured, and amended if necessary.

Communications plan

- Define the process by which the family communicates and makes decisions (i.e., regularly scheduled family meetings).
- Determine how disputes and conflict will be managed and resolved (e.g., family voting, third-party mediation assistance).

Contingency plan

- Explain what will happen and who will ensure implementation in such situations as death, illness, divorce, disability, business downturn, or failure.

Appendix 2 - Business Plan Minimum Requirements

Minimum Requirements for Business Plans

A business plan is an essential tool whether you are expanding your existing farm or considering a new venture. Business plans are developed for internal and external purposes.

Internally, the business plan provides details on how you plan to reach your goals and objectives. The plan exposes opportunities and risks involved, allowing you to clearly evaluate your operation over the next few years.

Externally, your business plan will be required by financial institutions, business partners, investors, and other stakeholders.

The plan explains exactly what your objectives are and how you plan to achieve them. There is no substitute for a thorough, well designed business planning document and all farm business managers should invest the time to develop and regularly update their business plan.

All business plans will differ, depending on the type, size and future plans of the farm business operation. The information presented should serve as a guideline for you to plan and complete a business plan for your farm operation.

Why do business plans?

- Planning guide for marketing, production, finance, and human resources.
- Proof of management skills and credibility of operation and manager.
- Guide to the managing of the farm operation.
- Communications tool for owner, investors and farm employees.
- Complete cost calculation with hands-on information.
- Aid to estate planning and succession planning.
- Assessment of strengths, weaknesses, opportunities and threats within the farm operation.
- A written business plan for presentation to financial institutions and government agencies when seeking financial assistance.

You may wish to include additional information in your specialized plan; however, the sections listed below must appear as a minimum.

Business overview

Cover page

- Provide the business/client name, address, telephone, and fax numbers.
- Explain the time period for business plan, and provide the preparation date.
- Provide a list of key contacts, including the consultant who prepared the plan.

Table of contents

- List chapter headings of the plan for reader reference and convenience.

Executive summary

- Provide a one-to-two page summary that describes the overall plan and highlights the action points.
- Include information on the purpose of the business, the market, unique advantages, financial highlights, management strengths, and purpose of the plan.

Purpose of plan

- Provide an outline of why the plan has been developed, (e.g., to obtain financing, attract equity capital, enter a new market, diversify the business, start a new business, expand an existing business, or assist in succession).

Business description

- List all aspects of the current and proposed state of the business, including business history and major events impacting business.
- Provide information on legal structure, type, and size of enterprise, as well as any physical resources available to the business.

Management description

- Describe the management team, their skills, and how skill gaps will be filled.
- Provide information on professionals assisting the business.

Strategic plan

- Identify the long-term view of the business.
- Outline business strengths, weaknesses, opportunities, and threats.
- Outline the business and what it is doing (mission).
- Outline where you want the business to be 5 to 10 years from now (vision).
- Outline the steps to get there (strategies and goals).
- Identify key performance indicators (objectives, their measurement, and follow-up).

Industry and market analysis

- Identify the characteristics of the industry and the markets.
- Describe the industry and its history, its size, and major players.
- Describe long- and short-term trends and seasonal factors affecting the industry.
- Outline the impact of economic, social, technological, and political change, and any other significant factors that could have an influence on the business within the industry.
- Describe food safety, quality, and traceability issues and related regulations.
- Identify customer needs not being met, and potential sales.
- Identify critical success factors for the industry.

Marketing

- Explain how you expect to market your production, considering the five P's: product, place, price, promotion, people.
- Provide information on the target market, including established and potential market opportunities or niche markets, customer characteristics and demographics, customer segmentation, market performance, growth trends, factors affecting purchaser decisions, and market geographic area.
- Describe the competition, including the number of competitors, their strengths and weaknesses, their costs and prices, potential competitor reaction to new market entry, the potential for substitutes, and barriers to entry.
- Describe the product/service being offered, its selling features, key product attributes, differentiating factors and quality, storage life, selling arrangements, contracts, potential alliances, service policies, and warranties.
- Describe how the product will be distributed (e.g., direct marketing, wholesaler, Web site, sales representative).
- Provide information on packaging, labeling, storage, controls, inventories, delivery guarantees, and return policy.
- Outline the advertising and promotion strategy to support the sales and profit objectives, cost/benefit of the strategy including product/service testing, advertising, how advertising will be generated for the business, and promotion budget.
- Describe how product/service price is established; warranties/ guarantees, discounts/incentives, contribution margin, and break-even price.
- Outline licensing and permit requirements.
- Explain your state of export readiness (if appropriate).

Operations

- Outline the production capacity of the business: for farms, include buildings, machinery, livestock, and land; for value-added businesses, describe plant and its capacity.
- Outline standardized quality-management systems, such as HACCP and ISO.
- Outline how the everyday activities will be managed, including supplier and production contracts, inventories, quality-control measures, production targets, distribution, and the regulatory environment.

Human resources

- Outline the people required to operate the business, their skills, their availability, and any training programs needed or in place.
- Describe any human-resource issues facing the business, and how they will be addressed.
- Summarize attraction, retention, and compensation strategies.

Financial

- Identify the financial requirements and projections to implement the plan.
- Outline business assumptions on which the financial plan is based, including quantities sold, price, cost of goods sold, operating expenses, salaries, interest rates, depreciation, income taxes, and regulatory costs.
- Provide past, present, and future (three- to five-year horizon) balance sheets, income statements, source and application of funds, and ratio analysis.
- Provide a cash-flow statement, a break-even analysis, and an expenditure plan, including start-up costs as appropriate.
- Provide a financing schedule, including source of capital (family or external), amount, timing, type, and terms.
- Provide an exit strategy for equity capital.
- Provide a most likely scenario and a sensitivity analysis.

Environmental

- Outline environmental concerns, how they will be addressed, and at what cost.
- Outline the environmental approvals that are required for the business, and when they will be obtained.
- Describe the strategies in place, such as insurance and disaster plans, to prevent environmental disaster.
- Describe consultation and community support for business and business-site selection.

Risk management

- Identify the risks inherent in the business, and outline plans to manage these risks.
- Describe all risk factors (e.g., regulatory, legal, environmental, political), and how these risks will be mitigated.
- Prepare a risk assessment, including insurance considerations.
- Address production, marketing, export, vendor, legal, environmental, human-resource (death/disability), and financial risks, as well as the possible impact of government policy.
- Describe management's tolerance/aversion to risk.
- Outline contingency and disaster plans, where needed.

Appendix 3 - Farm Financial Assessment Guidelines

Minimum Requirements for a Farm Financial Assessment

A Farm Financial Assessment (FFA) is an analysis of the financial position of an agri-business. The basis of an FFA is your business's financial statements (primarily your balance sheet and income statement).

To be eligible for *Growing Forward 2* funding, a FFA must be completed by a qualified accountant or consultant. The criteria for a qualified accountant or consultant are:

- be a member in good standing of a recognized professional organization **or** have related post-secondary education in financial analysis;
- have experience in preparing financial statements or financial statement analysis;
- provide a minimum of two references from previous clients (names and telephone numbers) who can endorse past work of a similar nature.

Your accountant/consultant must provide the following indicators and must also provide an interpretation of each of these indicators to give you a better understanding of your financial performance.

Profitability

Operating Profit Margin:
$$\frac{\text{Net Farm Income} + \text{Interest Expense} - \text{Family Living and Income Taxes}}{\text{Gross revenues}}$$

Return on Assets:
(ROA)
$$\frac{\text{Net Income} + \text{Interest Expense}}{\text{Total Assets}}$$

Return on Equity:
(ROE)
$$\frac{\text{Net Income}}{\text{Total Equity}}$$

Liquidity

Current Ratio:
$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Solvency

Debt-to-Asset Ratio:
$$\frac{\text{Total Liabilities}}{\text{Total Assets}}$$

Financial Efficiency

Asset Turnover Ratio:
$$\frac{\text{Gross Revenue}}{\text{Total Assets}}$$

Operating Expense Ratio: $\frac{\text{Total Operating Expenses - Depreciation}}{\text{Gross Revenue}}$

Amortization Expense Ratio: $\frac{\text{Amortization Expense}}{\text{Gross Revenue}}$

Interest Expense Ratio: $\frac{\text{Total Farm Interest Expense}}{\text{Gross Revenue}}$

Net Farm Income Ratio: $\frac{\text{Net Farm Income}}{\text{Gross Revenue}}$

Debt Repayment Capacity

Current Ratio (as above): $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Working Capital: Current Assets – Current Liabilities

Debt Coverage Ratio: $\frac{\text{Net Farm Income} + \text{Interest} + \text{Amortization} - \text{Living Expenses} - \text{Income Tax}}{\text{Debt Principal} + \text{Interest Payments}}$

Debt Repayment Capacity: Net Farm Income + Interest + Amortization – Living Expenses – Cash used for Capital Replacement

Debt Repayment Margin: $\frac{\text{Net Farm Income} + \text{Interest} + \text{Amortization} - \text{Living Expenses} - \text{Cash Used for Capital Replacement}}{\text{Debt Principal} + \text{Interest Payments}}$

Cash Flow Analysis

A three-year historical cash flow analysis.

A two-year cash flow projection.

Summary

A summary will include all the analysis and an interpretation of the financial position of your agri-business.