

Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient.

Capital Infrastructure and Investments

Program Guide

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For any questions, contact the program administrator:

Sustainable CAP
agriculture@gov.mb.ca
1-800-811-4411

This Program Guide has been updated for the October 2024 intake.

Program guidelines have changed since the previous intake.

Section 1 - Program Description

The Capital Infrastructure and Investments program supports the growth and expansion of Manitoba's agri-processing sector. The program helps applicants with capital investment purchases for modernization and capacity-building activities that enhance efficiency, productivity, and environmental sustainability, by providing access to:

- The development and implementation of new technologies
- New markets through the implementation of quality control measures
- Streamlined and better managed operations, increased efficiency, and increased profitability by integrating company operations
- New revenue streams associated with co-packing services

Section 2 - Program Eligibility

The Capital Infrastructure and Investments program supports a wide variety of activities and strategic investments.

Eligible Applicants Include:

- Agri-food processors
- Agri-product processors
- Primary producers who are or will be engaged in the transformation of agricultural commodities into value-added goods
- Indigenous (First Nations, Inuit, Métis) Group: government, community, and/or including Tribal Councils, associations, and organizations

Applicants:

- Must be directly involved in or affiliated with activities that contribute to the transformation of agri-products into ingredients or end products. This includes value-added activities that result in products that are ready for direct sales to consumers, or as ingredients for additional value-added processing, or for cleaning or packaging of agri-products into post-harvest market ready materials or goods
- Should have a significant portion of the company's sales to the wholesale trade including wholesale distributors, retail outlets, and food service establishments (versus direct to consumers)

- Can be from inside or outside of Manitoba, as long as the activities related to the application occur in Manitoba or have a positive outcome for the province
- Must provide a copy of the balance sheet and income statement from the previous year
- Must ensure that they meet all eligibility requirements

An organization with multiple divisions, operation names or units, will count as one organization.

Current and former Government of Canada employees are ineligible to apply for funding.

Current Manitoba government employees, who are the majority shareholder (50 per cent or higher) in a business or operation, are ineligible to apply for funding.

A business or operation, which includes a provincial government employee as a minority shareholder, will be eligible to apply for funding.

Current or former members of the Legislative Assembly of Manitoba, current or former members of the Executive council, or current or former Manitoba government senior public servants are not eligible. Current or former federal public office holders are eligible as long as they follow conflict of interest policies and procedures.

Additional factors may be considered in determining the eligibility of the applicant, including:

- The provision of false or misleading information by the applicant under other Sustainable Canadian Agricultural Partnership programs
- Amounts due and owing by the applicant under other Sustainable Canadian Agricultural Partnership and Manitoba programs

Section 3 - Cost Share Funding

Activities are cost shared between government (the program) and the applicant. Cost share ratios and funding caps vary according to total project size:

- Minimum project value must be \$50,000 in total eligible expenses.
- Eligibility based on project value will be assessed at both:
 - time of application based on **expected costs**, and
 - time of final claim based on **actual paid eligible expenses**.
- ***Projects with total eligible expenses below \$50,000, at either application or final claim, will not be considered for funding.***
- The cost share ratio for eligible expenses will be calculated using the following:
 - On the first \$200,000 of eligible expenses, a cost share ratio of 25 per cent government and 75 per cent applicant will be used
 - For remaining eligible expenses above \$200,000, a cost share ratio of 10 per cent government and 90 per cent applicant will be used

- The maximum government contribution for a project will not exceed \$2.5 million.
- Applicants may only submit a single application for this intake.

Cost Share Examples

- Example 1: Eligible expenses are over \$50,000 but less than \$200,000
 - A project that has eligible costs that total \$160,000 would be eligible for up to **\$40,000** in government funding (25% of \$160,000).
- Example 2: Eligible expenses are over \$200,000
 - A project that has eligible costs that total \$400,000 would be eligible for up to **\$70,000** in government funding (25% of the first \$200,000 = \$50,000 + 10% of the remaining \$200,000 = \$20,000).
- Example 3: Eligible expenses are \$24,700,000 and over
 - A project that has eligible costs that total \$24,700,000 would be eligible for up to **\$2,500,000** in government funding (25% of the first \$200,000 = \$50,000 + 10% of the remaining \$24,500,000 = \$2,450,000).

Distribution of Funding

- Funding will be provided on a reimbursement basis and distributed according to project size. Details will be provided in the Contribution Agreement should the project be approved.

Project Length

- The project duration for program activities depends on the project size.
- All projects shall start on April 1, 2025 or later.
- Projects with **up to \$100,000 in total eligible expenses** must be single year projects, and completed with all reporting and claim documents submitted **by February 12, 2026**.
- Projects with **more than \$100,000 in total eligible expenses** may be single or multi-year, and must be completed with all reporting and claim documents submitted by **December 31, 2026**.

Eligible Expenses

Eligible expenses are directly related to the execution of an approved project. The applicant is solely responsible for all expenses of the project, including all ineligible expenses, any project deficits or cost over-runs.

All eligible expenses must be invoiced and paid for within the eligible project start and completion dates.

All invoices for eligible expenses must be issued in the applicant's name, and payment must be made by the approved applicant.

The following expenses are **eligible** for funding:

Equipment

- Equipment that supports the transformation of raw inputs by physical or chemical means into a higher value food, beverage, or agri-product.
- Equipment used for preparing, producing, or packaging a product, or for package forming, fractionating or decorticating.
- Equipment that contributes to the commercialization and adoption of new products, technologies, practices, or processes.
- Ancillary components of eligible equipment including necessary stand-alone software, transportation, physical installation, professional installation (plumbing, electrical, gas connections), pedestals, platforms and catwalks, and training directly related to operating new equipment.
- Facility changes directly associated with equipment installation (i.e. removing an interior wall to accommodate a new piece of equipment, new ventilation ducts that are attached to the new equipment, etc.).
- Materials handling and conveyance systems including conveyor systems, process pipes, augers, and pallet jacks.
- Process-related fixed storage vessels, temperature and/or humidity controlled walk-in storage.
- Process-related food safety equipment (traceability, foreign material detection) that is integrated as part of a larger project whose focus is broader than only food safety considerations.
- Rented equipment that contributes to project completion.
- Capital assets, equipment, and systems directly attributable to developing or growing co-packing revenue stream for processors.
- Equipment used for preparing, producing, or packaging a product that supports the transformation of raw inputs by physical or chemical means into a higher value food, beverage, or agri-product.
- Materials handling and conveyance systems (e.g., conveyor systems, process pipes, and augers).
- Equipment related to first implementation of in-house quality control or significant upgrade to existing quality control procedures that may include digital food thermometers, refractometers, titration, moisture analyzers, water activity meters, pH meters, scales, centrifuges, vortex mixers, pipettes, sonicators, ATF Luminometers and other standard equipment related to product and process quality control.
- Related equipment including fume or laminar flow hoods, pumps, sterilization, and eye wash stations.

Software

- Purchase of software for process integration inclusive to e-commerce integration, raw materials and finished goods inventory purchasing and management, processing plant controls and operational integration, traceability management, order fulfillment, and other business processes that can logically be integrated.
- Purchase of software and related hardware (e.g., routers, switches, cables) to connect various components that contribute to the implementation of new enterprise resource planning (ERP) software deployments.
 - Subscription-based ERP software is eligible for a maximum period of up to three years from the project start date.
- Purchase of software directly related to managing/maintaining quality control processes and procedures.

Professional Services

- Professional services related to:
 - on-site initial commissioning, calibration, demonstration, and training for new equipment and/or software implemented.
 - training is an eligible expense as long as the associated equipment and/or software is also being funded. Standalone training events will not be considered for funding.
 - project feasibility, scoping and design, engineering consultation, or environmental consultation conducted to inform project feasibility.
 - project design, engineering, or environmental consultation that contributes to the design and completion of an eligible project.
 - the development, implementation, and training for establishing quality control procedures.

Materials and Supplies

- Any component used for the installation of eligible equipment and/or software.
- Any expenses that are required for the delivery of a training event or seminar related to the proper use of eligible equipment or software.

Subcontracted Services

- Services related to the installation of eligible equipment and software.

Overhead

- Expenses which are required for the successful completion of the project but cannot be directly attributed to any specific business activity, product, or service.
- Examples include:
 - use of own equipment, computers, and software
 - use of internal materials and supplies

- utilities
- Eligible overhead expenses will be up to 10 per cent of total approved eligible expenses.

Ineligible Expenses

The following expenses are **ineligible** for funding:

- Where a project is approved, no eligible expenses will be reimbursed unless a funding agreement is signed
- Any expenses paid before the start date, or after the completion date, listed in the funding agreement
- Any expenses not required for the execution of the project
- Any expense, including a tax, which is eligible for a rebate, credit, or refund such as Goods and Services Tax (GST)
- In-kind contributions such as staff labour, use of assets and equipment, materials, technical, consulting, and professional services
- Normal operating expenses associated with carrying out business operations
- Extended warranties
- Expenses associated with lobbying
- Spare parts not used as part of the project
- Financing charges, loan interest payments, bank fees and charges
- Any compensation to any government employee for organizing or delivering parts of the project
- Purchase of land, buildings, and facilities, associated taxes and fees (e.g., land transfer tax)
- Any additions or upgrades to new or existing buildings and facilities, and associated taxes and fees
- Purchase of typical farm equipment (e.g., tractors, skid steers, combines) and related accessories and attachments
- Normal, current, or ongoing maintenance expenses (e.g., repairs to existing equipment, replacing aged or damaged equipment, upgrades to existing plumbing or electrical systems)
- Expenses related to establishing a commercial operation
- Expenses for office renovations
- Sponsorship of seminars, conferences, workshops, events, or initiatives
- Multi-use items (e.g., items that are not directly related to the project activities, such as computers, tablets, printers, phones, cameras, pressure washers, general farm equipment, batteries, ATV, trucks, clothing and footwear, tools, fuel)
- Any project-related activity that generates revenue
- Training that is not directly related to the acquisition of new equipment, technologies and/or software

- Equipment or software that is leased, rented, or on a subscription where ownership is not immediately transferred to the applicant
 - financing equipment through the manufacturer or seller of the equipment, rather than a bank or credit union, is acceptable but only the portion that has been paid and can be supported by an eligible proof of payment will be deemed eligible.
- Routine upgrades of Enterprise Resource Planning (ERP) software
- Registration of intellectual property stemming from the development of new technologies
- Consumable lab supplies or lab equipment that is not part of a first-time in-house quality control capacity implementation or significant upgrade project
- Flooring or flooring treatments, protective walls or wall coatings, countertops
- Activities or purchases that do not contribute to transformational value-added processing of agri-inputs or that cannot be related to Manitoba's agri-processing sector
- Any expense funded under other Sustainable CAP programs such as Market Development, Sustainable Agri-Processing, or Food Safety and Traceability
- The trade-in value of an existing piece of equipment that is being used to offset the cost of a new or used piece of equipment will not be eligible for Sustainable CAP funding
- Expenses incurred for other projects
- Invoices not issued in the applicant's name and/or payment not made by the approved applicant
- Any item purchased before April 1, 2025
- Any other expense deemed ineligible by the program administrator

Stacking Limits and Funding from Other Sources

The applicant must adhere to the stacking limit. The stacking limit refers to the maximum level of total Canadian government funding (federal, provincial/territorial, and municipal) a successful applicant can receive towards total approved eligible expenses of a project.

The maximum level of total government funding must not exceed:

- 100 percent of total approved eligible expenses; or
- If the applicant is a for-profit business or organization, 75 per cent for capital items that are approved eligible expenses

Other sources may also contribute funding towards projects and be taken into consideration in the total project cost share calculation. The total amount of funding from all sources, including Sustainable CAP funding, for approved eligible expenses must not exceed 100 per cent of total approved eligible expenses. If funding from other sources exceeds the applicant's cost-share ratio, the Sustainable CAP portion of funding will be

reduced, so that total funding from all sources does not exceed 100 per cent of total eligible project costs.

Section 4 - Application Assessment

Application Worksheets will be assessed based on the following:

- Project description
- Project deliverables and outcomes
- Alignment with Manitoba government objectives, such as:
 - the creation of new jobs or increased payroll value
 - an incremental increase in processing value and volume
 - an increase in the use of Manitoba agri-inputs
 - the production of goods that displaces imports from outside Canada
 - an increase in exports
 - an increase in the value or volume of production
- Capital and financial capacity
- Management capacity
- Market plan
- Application clarity and completeness

Section 5 - How to Apply for Funding

Applicant Information Forms and Application Worksheets are available on the Manitoba Agriculture website. Go to <https://www.manitoba.ca/scap/buildingsector/capital.html>

Manitoba Agriculture will publish deadline dates through newsletter, website, and social media channels.


Applicant Information Forms, Application Worksheets and Budgets must be submitted to the program administrator no later than the deadline.

Applicant Information Forms, Application Worksheets and all other required documentation can be emailed to Manitoba Agriculture at agriculture@gov.mb.ca.

Applicants must acknowledge and agree to the terms and conditions contained in the Applicant Information Form and Application Worksheet.

Only the applicant may complete the Application Worksheet or other program documents.

Applicants must comply with all provincial and federal government laws and regulations applicable to their project and to their business or organization's operations. Applicants must also accept and agree to all of the terms and conditions of the program.



In the case of corporations, partnerships and other business organizations, a designated person with legal authorization must sign the application and other program documents. The program administrator may require proof of authorization.

Project activities must be completed, and all reports submitted by the project completion date. Reports must include proof of payment for all project costs and must show that expenditures were equal to or greater than total project costs stated in the application in order to receive the maximum approved funding.

Funding for projects will be subject to the appropriation of funds by the Government of Canada and the Manitoba government.

Funding amounts received from all sources must be declared on the application. Failure to disclose all financial sources for a project may nullify the application.

Definitions

Agri-food Processor: an agri-processor that transforms agricultural commodities or ingredients into value added goods that are food or ingredients or may be for direct consumption or sold as ingredients for further value-added processing.

Agri-product Processor: an agri-processor that transforms agricultural commodities into value added goods that are not food or ingredients or may include bio-products created from primary commodities, waste products from production or waste products from processing.

Agri-processor: a person or entity actively engaged in agri-food or agri-product processing.

Applicant: a person or entity who satisfies all the eligibility requirements set out in the terms and conditions and who submits an application under this program.

Contribution Agreement: the articles of agreement and annexes, as well as their amendments, and the general terms and conditions applicable on the effective date of agreement.

Government Funding: any financial assistance in the form of provincial or federal grants, loans, or other assistance.

Incremental Expenses: expenditures that can be directly attributed to the project outlined in the Application Worksheet and are over and above normal business operational expenses.


In-kind Contributions: non-monetary goods and/or services that are not reimbursable by the program.

Manitoba Government Employee: any full-time, regular, part-time or term individual employed by the provincial government, including any special operating agency or Crown corporation.

Manitoba Government Senior Public Servant: the Clerk of the Executive Council; a deputy minister or equivalent or an assistant deputy minister; a chairperson, president, vice-president, chief executive officer or deputy chief executive officer of a Crown agency; a person who is designated or who occupies a position that is designated under section 31.1 of The Legislative Assembly and Executive Council Conflict of Interest Act; and includes a person who, on a temporary basis, occupies a position described here.

Minister: refers to the Minister of Agriculture for the Manitoba government, and includes any person authorized to act on the minister's behalf.

Overhead: expenses which are required for project completion but cannot be directly attributed to any specific project activity, product, or service. Overhead will be capped at



10% of total approved eligible expense. Examples include internal administration, accounting and legal expenses, use of own equipment, office supplies, utilities, internal materials and supplies, etc.

Person: includes an individual, partnership, association, or corporate body (entity).

Primary Producer: an individual grower, producer or rancher, partnership, corporation, co-operative or any other association of people who is or will be engaged in both farming and the transformation of agricultural commodities into value-added goods.

Program: refers to the Sustainable Canadian Agricultural Partnership program.

Program Administrator: Manitoba Agriculture, or where applicable, any authorized person engaged by the Manitoba government, to carry out administrative activities in connection with the program.

Project Proponent: can be any one or more of the individuals or groups described under program eligibility. Where several eligible groups are involved in a single proposal, one individual shall be assigned as project contact for the group.

Sustainable Canadian Agricultural Partnership: a five-year agricultural policy framework by Canada's federal, provincial, and territorial governments to encourage market development, innovation and research, environmental sustainability, value added processing, improved public trust and risk management across Canada's agriculture, agri-food, and agri-product sectors.

Terms and Conditions: the Sustainable Canadian Agricultural Partnership program rules that applicants must follow as conditions for receiving funding; may be occasionally revised, altered or amended from time to time.