

Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient.

Capital Infrastructure and Investments

Program Guide

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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 offering co-packing services
- Co-packing services for brand owners who may not own their own agri-processing capacity

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
- Licensed commercial kitchens
- Primary producers
- Indigenous government, businesses, communities, and organizations
- Wholesalers (food, ingredient)
- Abattoirs

Applicants:

- Must be directly involved in or affiliated with activities that contributes 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)
- Must have a permit to operate a food handling establishment before submitting a claim if the applicant is an agri-food processor

- 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 for applicants who have been in business over one year
- Abattoirs must have a Manitoba Premises Identification Number
- Must ensure that they meet all eligibility requirements, as detailed for each activity

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

Government employees, who are the majority shareholders (50 per cent or higher) in a business or operation, are not eligible 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.

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 Canadian Agricultural Partnership programs
- Amounts due and owing by the applicant under other 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 for each activity and focus area:

- Minimum project value that will be accepted for Capital Infrastructure and Investment program activities is \$5,000.
- Applicants are limited to one open project within each funding stream at a time. For example, a prior Capital Assets - Processing Equipment project must be completed before an applicant is eligible to apply for a subsequent Capital Assets - Processing Equipment project.
- Funding will be provided on a reimbursement basis and distributed according to project size:
 - projects with an eligible budget up to \$100,000 will receive a single payment upon project completion.
 - projects with an eligible budget up to \$1million can request to receive one interim payment then a final payment upon project completion.
 - projects with an eligible budget over \$1million can request to receive up to two interim payments then a final payment upon project completion.

Eligible Expenses

Eligible expenses, including Provincial Sales Tax (PST), are directly related to the execution of an approved project. The applicant must provide expense details for each item in the Application Worksheet.

The applicant is solely responsible for all project expenses, including all ineligible expenses and any project deficits or over-runs.

Funding from Government

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

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 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
- Any expenses incurred before, or after, the dates listed in the funding agreement
- Any expenses not required for the execution of the project
- Normal operating expenses associated with carrying out business operations
- Extended warranties
- Expenses associated with lobbying
- Any expense, including a tax, which is eligible for a rebate, credit or refund
- 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, 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 or technologies
- 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)
- 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
- Expenses incurred for other projects
- Any other expense deemed ineligible by the program administrator
- Any item purchased before April 1, 2023

Section 4 - Funding Streams



Activities will focus on growth and expansion of Manitoba's agri-processing sector through investment in the development and installation of new equipment and technology, implementation of new resource planning software and capacity building through improved process development, management and food-safety certification.

The Capital Infrastructure and Investments program includes the following funding streams:

- Capital Assets - Processing Equipment
- Capital Assets - Enterprise Resource Planning (ERP) Software
- Co-Packing Capacity Building
- Quality Control Capacity Building

Capital Assets - Processing Equipment

The Capital Assets – Processing Equipment funding stream supports the growth and expansion of Manitoba’s agri-processing sector. The program helps applicants with capital investment purchases for modernization activities that enhance efficiency, productivity and environmental sustainability.

This can include equipment purchases that support the transformation of raw inputs into value-added goods that bring new technologies or products into the production process, scaling up production and improving productivity, or process automation through the introduction of new and innovative processing technologies.

Cost Share

A cost share ratio of 50 per cent by government and 50 per cent by applicant on the first \$50,000, then on a 10 per cent government and 90 per cent applicant cost share per dollar thereafter, to a maximum contribution of \$2.5 million per project.

Eligible Expenses

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

- 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
- 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. Items included in the applicant's Capital Infrastructure and Investments budget must be different from the items listed in a project budget for the Market Development Food Safety program
- Deposit towards eligible equipment that is paid before application date and included as part of the total expense to acquire that equipment

- Rented equipment that contributes to project completion
- Professional services related to on-site initial commissioning, calibration, demonstration, and training for new equipment and/or software implemented
- Professional services related to project feasibility, scoping and design, engineering consultation, or environmental consultation conducted to inform project feasibility
- Professional services related to project design, engineering, or environmental consultation that contributes to the design and completion of an eligible project
- Fixed overhead for production operations (not including management or administration fees) can be included as an eligible project expense

Capital Assets - Enterprise Resource Planning (ERP) Software

The Capital Assets - Enterprise Resource Planning (ERP) Software funding stream supports the continued growth of companies that have business operations encompassing multiple pieces of equipment and processes and/or multiple functional departments that currently are managed in siloes and do not communicate with each other. Implementation of ERP software may offer companies opportunity to streamline and better manage operations, increase efficiency, and increase profitability by integrating company operations.

Cost Share

A cost share ratio of 25 per cent by government and 75 per cent by applicant to a maximum contribution of \$250,000 per project.

Eligible Expenses

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

- 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
- Pre-payment of subscription-based ERP software for a period of up to three years
- Professional services related to project feasibility, scoping and design, engineering consultation, or environmental consultation conducted to inform project feasibility
- Professional services that contributes to the design and completion of an eligible project
- Fixed overhead for production operations (does not include management or administration fee) can be included as an eligible project expense

Co-Packing Capacity Building

The Co-Packing Capacity Building funding stream will provide opportunities for both current owners of agri-processing operations as well as brand owners who may be currently producing at a licensed commercial kitchen or other facility they do not own and wish to scale-up operations without building their own facility. This funding stream addresses the opportunity associated with providing co-packing services to brand owners where a capital investment is required to purchase equipment specific to accommodating a brand owner's requirements.

In addition to the capital support for agri-processors, this funding stream will provide brand owners with increased access to Manitoba co-packers by providing cost share support for professional fees related to product and/or process adaptation, production and operations management, and consulting/mentorship provided by co-packers.

Cost Share

A cost share ratio of 50 per cent by government and 50 per cent by applicant to a maximum contribution of \$50,000 per applicant per project.

Eligible Expenses

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

- Capital assets, equipment and systems directly attributable to developing or growing co-packing revenue stream for processors.
- Professional and subcontracted fees associated with development, design, implementation, and installation.
- 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
- Ancillary components of eligible equipment including necessary stand-alone software, transportation, physical installation, professional installation (plumbing, electrical, gas connections), and training directly related to operating new equipment
- Materials handling and conveyance systems (e.g., conveyor systems, process pipes, and augers)
- Deposit towards eligible equipment that is paid before the application date and included as part of the total expense to acquire that equipment
- Rented equipment that contributes to project completion
- Professional services related to on-site initial commissioning, calibration, demonstration, and training for new equipment and/or software implemented
- Professional services that contribute to the design and completion of an eligible project

- Fixed overhead for production operations (not including management or administration fees) can be included as an eligible project expense

Quality Control Capacity Building

The Quality Control Capacity Building funding stream will help companies build the capacity for quality assurance within their own facility to monitor and manage potential issues caused by microbial growth, or chemical or physical contamination. Management of product quality serves an important role with respect to a company's market access. It can lessen the risk of disposal/downgrade due to an issue, may help with oversight of third-party food safety certifications, help maintain a company's reputation, and reduce waste which would contribute to increased profits.

Cost Share

Quality Control Capacity Building: A cost share ratio of 50 per cent by government and 50 per cent by applicant to a maximum contribution of \$50,000 per applicant, per project.

Eligible Expenses

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

- Professional fees associated with the development, implementation, and training for establishing quality control procedures
- Purchase of software directly related to managing/maintaining quality control processes and procedures
- 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
- Safety clothing and personal protective equipment (e.g., lab coats, goggles)
- Professional services related to on-site initial commissioning, calibration, demonstration, and training for new equipment and/or software implemented
- Professional services that contribute to the design and completion of an eligible project
- Fixed overhead for production operations (not including management or administration fees) can be included as an eligible project expense

Section 5 - Application Assessment

Application Worksheets will be assessed based on the following information:

- 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 of animal or plant-based proteins
- Capital and financial capacity
- Management capacity
- Market plan

Section 6 - How to Apply for Funding

Applicant Information Forms and Application Worksheets are available on the Manitoba Agriculture website. Go to www.manitoba.ca/agriculture and click on Sustainable Canadian Agricultural Partnership.

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

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

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

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

Only the applicant may sign the program application 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.



The project duration for program activities may be single or multi-year. Multi-year projects can be up to two consecutive years.

Project activities must be completed and all reports submitted on or before December 31, 2027 or no payment will be issued.

Each program activity must be completed within the following timelines:

Funding Stream	Project Duration
Capital Assets - Processing Equipment	Up to 24 Months
Capital Assets - Enterprise Resource Planning (ERP) Software	Up to 12 Months
Co-Packing Capacity Building	Up to 12 Months
Quality Control Capacity Building	Up to 12 Months

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.

For funding requests which exceed \$1 million, please email the Program Administrator at agriculture@gov.mb.ca to discuss your project **PRIOR TO APPLYING** to confirm eligibility and to determine if there are other services Manitoba Agriculture can provide to facilitate the success of your project.

Definitions

Abattoir: a facility where live animals are processed and dressed for further processing.

Agri-business: a person or entity involved in for-profit commercial activity in the agricultural sector, other than an agri-processor or a primary producer.

Agri-food processor: person or entity 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: person or entity 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.

Brand Owner: a person or entity that owns intellectual property (e.g. brand identity, product formulation, process) and manufactures or intends to manufacture their agri-food and/or agri-product themselves or is having/intends to have an agri-food and/or agri-product manufactured on their behalf.

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.

ERP: acronym for Enterprise Resource Planning. Refers to computer software that integrates business processes (e.g. customer relationship management, electronic data interchange) with manufacturing processes, inventory control, and order fulfillment.

Primary Producer: an individual grower, producer or rancher, partnership, corporation, co-operative or any other association of people who is actively engaged in farming.

Funding agreement: an agreement issued to applicants indicating an application decision and the next steps required for project implementation

Funding decision letter: a letter issued to applicants indicating an application decision and the next steps required for project implementation.

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

Incremental expenses: expenditures, including cash, labour and in-kind contributions that can be directly attributed to the project outlined in the application and are over and above normal business operational expenses.

Industry organization: a non-profit organization (e.g., a commodity organization) that is actively engaged in representing the interests of primary producers, agri-processors, or agri-business members' and working to further the competitiveness of Manitoba's agriculture sector; must be a legally recognized entity, duly registered with the Manitoba Companies Office to carry on business in the province (where required by law).

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

Intellectual property: all materials, concepts, instructions, formulae, inventions, improvements, industrial designs, processes, patterns, machines, manufactures, compositions of matter, compilations of information, patents and patent applications, copyrights, trade secrets, technology, technical information, software, prototypes and specifications, including any right to apply for protections under statutory proceedings available for those purposes, provided they are capable of protection at law.

Knowledge transfer: the transfer of expertise, learning and skills between parties.

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.

Non-profit: a type of organization that does not earn profits for its owners; but uses all money earned by, or donated to it to pursue the organization's objectives and support its operations.

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

Potentially hazardous food: a food that is in a form capable of supporting the rapid and progressive growth of infectious and toxin-producing microorganisms.

Program: refers to the Sustainable Canadian Agricultural Partnership program.



Program activity: a specific action, with one of several focus areas eligible for funding under the Sustainable Canadian Agriculture 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.

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.

Appendix A – Project Parameters

Funding Stream	Project Length	Maximum Grant	Approval Document	Number of Interim Payments
Capital Assets - Processing Equipment	Up to 24 Months	\$2,500,000	Contribution Agreement	Up to two
Capital Assets - Enterprise Resource Planning (ERP) Software	Up to 12 Months	\$250,000	Contribution Agreement	Up to one
Co-Packing Capacity Building	Up to 12 Months	\$50,000	Funding Letter	None
Quality Control Capacity Building	Up to 12 Months	\$50,000	Funding Letter	None