

Provincial Agrifoods Assistance Program 2024-2025 Guide

Application Deadline: April 26, 2024 4:30 pm NT

Applications and supporting documentation must be submitted by email to the Program Manager in Corner Brook at: PAAP@gov.nl.ca

Only completed applications will be considered for funding approval.

Incomplete applications are returned to the applicant and will not be considered in the first round of funding review.

Applications submitted after the program deadline and the first round of funding review will still be accepted and kept on file pending program savings.

The Provincial Agrifoods Assistance Program is subject to annual budget appropriation by the Provincial Government.

The Department of Fisheries, Forestry and Agriculture is committed to protecting personal information. The personal information requested is being collected in accordance with section 61(c) of the **Access to Information and Protection of Privacy Act, 2015**, (ATIPPA, 2015) and will be used for the purpose of administering the Provincial Agrifoods Assistance Program. It will not be used for any other purposes unless authorized under the ATIPPA, 2015.

For further information please contact:
Program Manager
Provincial Agrifoods Assistance Program
Department of Fisheries, Forestry and Agriculture
paap@gov.nl.ca
709-637-2096



The Provincial Agrifoods Assistance Program (PAAP) provides financial assistance to eligible applicants involved in primary production or secondary processing activities that will:

- Improve the economic viability of the agriculture and agrifoods industry;
- Promote commercialization and growth in the sector; and
- Enhance the competitive capability of the agriculture and agrifoods industry.

The program may also provide selective assistance to regional pastures, agribusinesses, and agricultural groups for initiatives that support the priorities of the program.

In 2024-2025, funding will be provided for eligible activities including land development and agriculture infrastructure.

Program Objectives

PAAP Investment will:

- Support on-farm diversification and commercialization;
- Support adoption of labour saving technology;
- Enhance vegetable storage capacity;
- Increase secondary and value-added processing;
- Advance adoption of technology;
- Support environmental stewardship and climate change mitigation and adaptation;
- Develop new market opportunities;
- Improve food safety practices;
- Develop new agricultural land;
- Support and enhance the development of regional pastures;
- Address an identified need of the farm and/or the agrifoods industry;
- Improve the profitability of the farm(s);
- Enhance farm productivity and efficiencies;
- Increase farm sales;
- Improve economic viability of the agriculture and agrifoods industry; or
- Enhance the competitive capability of the agriculture and agrifoods industry.

Funding priority is given to projects that:

- Support food self-sufficiency;
- Increase agricultural growth; and/or
- Increase secondary processing of food products.

PAAP programming will prioritize investment on projects that support food self-sufficiency, enhance agricultural growth and increase secondary processing of food products in the sector.

Separate applications are available for **Land Development** and **Agriculture Infrastructure**. Approval for one cannot be transferred to the other. Funding approved under the land development section can only be used for land development activities.

Eligibility Requirements

Successful applicants must meet the following eligibility requirements:

- Eligible for-profit applicants may include sole proprietors, partnerships, corporations, farm cooperatives, regional pastures operated as a legal entity and agricultural groups representing three or more farms.
- Eligible not-for-profit regional pastures are also eligible for funding. Municipal, provincial and federal governments and agencies are not eligible to apply for program funding.

The PAAP program is targeted to assist commercial farmers. As a result, eligible for-profit applicants must have reported a minimum of \$15,000 in gross sales of agricultural products/services to the Canada Revenue Agency in any one of the last three years.

Funding is available to processors using locally grown or raised agricultural products who can demonstrate a minimum of \$15,000 in gross sales of agricultural products.

All applicants must be Canadian citizens or permanent Canadian residents, and at least 19 years of age to be eligible under the PAAP program.

No member of Newfoundland and Labrador's House of Assembly is permitted to obtain any share or part of the Provincial Agrifoods Assistance Program or be entitled to receive any financial benefit from this program.

Applicants must be able to demonstrate sound financial status to be considered for funding. Applicants who are in arrears with the Government of Newfoundland and Labrador will not be eligible for funding until acceptable repayment arrangements are negotiated. Applicants who had debt written off in the past six years by the Government of Newfoundland and Labrador will not be eligible for funding.

Applicants who are a registered corporation, limited partnership or cooperation must be in good standing with Companies and Deeds Online (CADO). Visit: <https://cado.eservices.gov.nl.ca> and search your organization either by name or incorporation number to confirm if your organization is in good standing.

New Entrants

New Entrants may be considered for funding based on their on-farm work experience, personal investment into the business, and demonstrated commercial farm viability. For the purposes of this program, a New Entrant is defined as someone intending to establish an agribusiness in the province of Newfoundland and Labrador, or who has been operating an agribusiness for less than six years, regardless of the level of agricultural sales.

Funding for New Entrants is evaluated based on the size and scope of the project, including the financial contribution by the applicant to the project. Applicants seeking funding as a New Entrant must complete and submit the New Entrant Information Form with their application.

Note: In extenuating circumstances, the department may consider applications from producers that report less than \$15,000 in eligible annual gross agricultural sales, or processors reporting less than \$15,000 in eligible annual gross sales.

The department will consider applications on a case-by-case basis and determine whether there has been extenuating circumstances why the applicant has not been able to develop their farm and reach \$15,000 in sales. The applicant will also be required to document actual and planned investment and farm activity to reach commercial farm size. New Entrants are eligible for reimbursement based on reported level of sales to the Canada Revenue Agency.

Land Development

Land development activities conducted prior to 2023 will not be eligible for funding.

There are no individual funding caps under the land development section, and all complete applications received by the deadline will be reviewed. Funding may need to be prorated based on program demand. Funding not utilized by the individual contribution agreement deadline will be re-committed to projects not yet approved, projects requesting additional funds, and/or previously prorated projects.

Total assistance available for land development, including land clearing and enhancement is a **maximum of \$3,000 per acre**.

The land development section will provide funding to assist producers in developing **new** agricultural land to allow producers to support food self-sufficiency, agricultural growth and secondary processing of food products.

Eligible Activities:

Rough clearing of **new** agricultural land is eligible to a maximum of **\$1,500 per acre**. Activities on mineral soil include removal of trees, rocks, stumps and roots from undeveloped land; and on peat include perimeter and interior ditching, removal of woody material, and brush cutting.

Land enhancement of new agricultural land is eligible to a maximum of **\$1,500 per acre**. Activities on mineral soil include rock removal, minor drainage, land leveling plus the initial application of limestone, fertilizer, soil enhancements and seed; and profiling and rototilling on peat plus the initial application of limestone, fertilizer, soil enhancements and seed.

Blueberry Land Development:

Land development for blueberry production will be eligible for funding based on the following:

Rough clearing from forested land: **\$1,500** per acre available depending on activities completed.

- Land should be inspected by a specialist with the Department of Fisheries, Forestry and Agriculture prior to approving any project to determine if there is sufficient blueberry plant cover to establish production.
- Trees must be removed, and brush and debris moved to edge of fields or mulched. **\$500**
- Small stumps and rocks need to be removed, holes can be filled (excavator recommended since tracks cause less damage), large stumps should not be removed for a minimum of five years after trees cut. Land can be tracked in with an excavator to level. Herbicides such as 2,4-D or Garlon in oil can be applied to stumps to make them rot faster. **\$750**
- Herbicides should also be used for woody weed control to enable better rhizome establishment. **\$250**

Land enhancement: **\$1,500** per acre available depending on activities completed.

- Land must be inspected by a specialist with the Department of Fisheries, Forestry and Agriculture prior to approval to determine that the land has been properly managed and requires further enhancement.
- Initial pruning of the new site by burning or mechanical mowing to encourage blueberry rhizome growth. **\$500**
- Herbaceous weed control on the new site to reduce weeds that will compete with blueberries for space, light, and nutrients. **\$500**
- Application of fertilizer on the new site to enhance blueberry yields. **\$500**

Regional Pastures

The goal of regional pasture improvement is to increase productivity resulting in the ability to accommodate higher numbers of cattle and sheep and thus, growth in livestock production in the province. The objective of any pasture system should be to obtain optimum quality and quantity of forage, and maintain desired plant species, while reducing input costs and minimizing risk to the environment.

Applicants must provide a copy of the License to Occupy (LTO) for the current calendar year. Without a valid LTO the application will be considered incomplete and rejected.

Regional pastures can qualify for up to \$30,000 for new land development, pasture amendments and agriculture infrastructure.

- New land development will be reimbursed up to \$3,000 per acre for land clearing and land enhancement.
- Pasture amendments are reimbursed at 100 per cent of costs. Eligible expenses include the purchase of fertilizer, limestone, seed, soil amendments, fencing and fencing materials.
- Ineligible activities include in-kind contributions and pasture operating costs, such as license fees, wood cutting permits, veterinary supplies and fees, pasture operator wages, third-party labour, equipment usage fees, livestock breeding costs, and fuel to travel to and from the pasture.
- The Department may require that pasture supplies, including but not limited to fencing materials, fertilizer, and building materials, are purchased from commercial retail stores and suppliers as approved by the Department.
- Pasture fencing materials will be limited to a maximum of \$10,000. Eligible expenses include, but not limited to, gates, electric fencing wire, solar power chargers and batteries, lumber, stakes, rails, wire, nails and staples.
- Agriculture infrastructure, including equipment purchase and building construction for regional pastures are reimbursed up to 75 per cent to a maximum of \$15,000. Refer to Agriculture Infrastructure for regional pastures on page eight.

Funding may be limited based on the amount of pasture fees collected as reported to the Canada Revenue Agency, the number of commercial livestock placed on the regional pasture and/or the number of patrons utilizing the pasture. In-kind contributions are not eligible and are not considered same as fees collected. Information submitted by the pasture organization may be verified by the department.

Ineligible Activities

Project activities funded previously by this or other government programs are not eligible for reimbursement. Project activities currently under review by other department programs will not be considered for funding.

Funding for land development is for **new** agricultural land only. The following activities will **not** be eligible for funding under this initiative:

- Land renovation or land development on previously productive agricultural land;
- On-farm access roads;
- Land development equipment;
- Sub-surface drainage projects;
- Soil enhancements for organic land development; and
- Site development for physical structures (refer to Agriculture Infrastructure section).

These project activities may be eligible for funding under the Sustainable Canadian Agricultural Partnership. Interested applicants should contact the Sustainable Canadian Agricultural Partnership administration at 709-637-2378.

Land Applicant Eligibility

In addition to the general eligibility criteria, applicants must show one of the following in relation to each parcel of land to be developed:

- Clear title defined as an issued valid agriculture lease or Grant or rental agreement.
- A rental agreement for a minimum of 10 years; or
- An interest satisfactory to the Department; namely, 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.

Applicants may not apply for funding for land development until title documents have been finalized.

Reimbursement of Project Costs

Once an approved project is completed, the applicant must submit a Project Reimbursement Form provided by the department. A representative will inspect and measure the acreage to determine the actual amount of land clearing and land enhancement completed. Once measured, the acreage is mapped to ensure payment is made on land that has not been previously funded, and to ensure payment is provided for land within the title boundaries only. Payment on land development projects is provided on an acreage basis. Project claims for agricultural land development do not require invoices.

Advance Payment on Approved Projects

An advance contribution may be available upon request and approval by PAAP administration. A successful applicant may request up to 50 per cent of Maximum Contribution Amount as set out in Appendix 1 of the Contribution Agreement to be used toward Eligible Expenses in accordance with the Agreement upon completion and submission of Appendix 3 of the Contribution Agreement – Advance Contribution Request Form.

A request for an advance contribution must be submitted by the successful applicant on or before December 31, 2024.

Failure to complete the project to the satisfaction of the Minister by the project claim deadline will require the recipient to repay the total amount of the advance contribution received by the project claim deadline. Otherwise, interest from the date the initial advance contribution was issued to the date of repayment at Prime Rate plus two per cent compounded annually will be applied.

Failing repayment, the recipient will be placed on the government's arrears list and full collections efforts will be pursued by the Department of Finance's Collections Unit. Also, the recipient will be considered ineligible for future program funding until the debt is settled. The Minister may recover any amount owing including annual interest at prime rate on the day the advance contribution was paid plus two per cent compounded annually as a debt owing to His Majesty the King in Right of Newfoundland and Labrador.

Failing repayment of an outstanding advance prior to the project claim deadline will result in the recipient being ineligible for future Sustainable Canadian Agricultural Partnership and Provincial Agrifoods Assistance Program advance payments for a period of five years.

Requirements if Financing Projects

In the case of third-party financing, an advance contribution must be shown in financing documents to have been fully used as a down payment on the approved project as described in the Contribution Agreement in order for further reimbursement of the project to occur. Interim project payments may still be available; however, project invoices and proof of payment must be utilized toward an advance contribution first. When the balance of the advance is fully used, interim payments may be issued on the balance of paid invoices with a 25 per cent holdback until project completion.

A **complete** application for land development must include the following:

- Application with complete, detailed answers to all questions.
- Livestock producers must identify slaughterhouse used even if some animals are sold live.
- Documents to show proof of land title or rental agreement for each parcel of land to be developed.

- A farm map, survey, or Google imagery showing the exact location of proposed land development.
- Applicants who are New Entrants are required to complete the New Entrant Information Form.
- Regional pastures must submit a Pasture Information Form and quotes dated within the past six months from commercial retail suppliers for fertilizer and fencing supplies.
- Proof of sales documentation such as:
 - T-2042 Statement of Farming Activity; or
 - T-1273 Statement A-Harmonized AgriStability and AgriInvest Program Information for Individuals; or
 - Harmonized Statement A for Corporations/Co-operatives; or
- Financial statements prepared by a licensed public accountant for the most recent year for incorporated entities. If internally prepared statements are submitted, they must be supported by the Corporate Income Tax form, or applicable AgriInvest/AgriStability Program Information Forms.
- For peatland development, a site design that is approved by the Lands Management Division of the Department of Fisheries, Forestry and Agriculture. Site design must include:
 - Type of peatland development (brush cutting, ditching, profiling, etc.);
 - General and specific site location map;
 - Drawing of proposed ditches on map;
 - Spacing, length and depth of ditches;
 - Location, lengths width and depth of sediment pond;
 - Total area of proposed activity; and
 - Proposed dates of development.

Agriculture Infrastructure

The Agriculture Infrastructure section provides funding to assist producers in making investments (in areas other than land development) that will support food self-sufficiency, agricultural growth, and secondary processing of food products. Funding is provided at 50 per cent of approved eligible project expenses.

Any applicant proposing a project involving construction of a permanent physical structure including barns, greenhouses, storages and equipment buildings, manure storages and pits, and fencing must have clear title to the land, or an interest satisfactory to the department, which includes:

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

- Land owner is a spouse, parent or child of a shareholder or partner.

Funding for **farm tractors** and tractor loaders/buckets will be limited to New Entrants once over the life of the PAAP program and must be used exclusively for agricultural purposes. Tractors for existing commercial producers are considered replacement equipment and will be ineligible for PAAP funding.

Eligibility Limits

- Eligibility for funding for Agriculture Infrastructure is based on the level of agricultural sales as reported to the Canada Revenue Agency and how the project contributes to the priorities of food self-sufficiency, agricultural growth, and/or secondary processing of food products.

Eligibility levels are as follows:

Annual Gross Sales of Eligible Agriculture Products/Services	Provincial Agrifoods Assistance Program Eligibility
New Entrant	\$20,000
\$15,000-\$49,999	\$30,000
\$50,000-\$99,999	\$50,000
\$100,000 +	\$75,000

For the purposes of determining eligibility, the most recent year's agricultural sales as reported to the Canada Revenue Agency must be provided. The applicant's eligibility for funding can be based on the highest level of reported sales in the past three years.

Funding approvals may be prorated based on program demand, and individual funding limits may be changed to allow for the optimum utilization of program funds.

Eligible Costs

- Eligible costs may include equipment purchases for; land development, livestock handling, crop production, forage handling and labour saving technology; for facility and building construction such as vegetable storages, abattoirs, equipment, and commodity storages, feed storages, controlled environment infrastructures including hydroponic systems, site development, third-party labour, and any other project costs approved by the Minister supporting the priorities of the program.
- Assistance to for-profit applicants is provided up to 50 per cent of eligible costs to a maximum as indicated in the table above. Cooperative purchases by three or more applicants may be eligible for up to 50 per cent of funding, depending on project activity and subject to the Related Parties Policy.
- Regional pastures are eligible for a maximum of \$30,000 of PAAP funding per year, of which a maximum of \$15,000 can be used for capital costs for agriculture

infrastructure. Funding for regional pastures may be limited based on the number of animals placed on the community pasture and/or the number of patrons utilizing the pasture.

Ineligible Activities

- Project activities funded previously by this or other government programs are not eligible for reimbursement.
- Used equipment manufactured prior to **2020** will not be eligible for reimbursement. Prior to approval, used equipment may require a pre-inspection, condition report and/or photos to document condition of the equipment.
- Project activities currently under review by other department programs will not be considered for funding.
- In-kind resources are ineligible for funding under this program.
- In-kind transportation and freight are not eligible for reimbursement.
- HST/GST is not reimbursed.
- Projects with a requested contribution of less than \$1,000 are not considered for funding.

Funding is **not** provided for:

- Breeding stock
- Ineligible commodities including cannabis, aquaponics, aquaculture, seafood, wild harvested products, horses, ponies and other commodities identified by the Minister
- Operational expenses
- Loaders, backhoes, bulldozers, excavators, and dump trailers
- Snowblowers and snowblower attachments
- Chain saws
- General business software systems
- Repairs and maintenance for equipment, roads and buildings
- Normal replacement costs for equipment and machinery unless significant advancement in technology can be demonstrated
- Agri-tourism activities

- Purchase of land and existing buildings and other costs deemed ineligible by the Minister

Project Amendments

Amendments to applications will be limited to **one** per application/applicant to amend project scope for **2024-25**. Amendments under \$1,000 will not be considered. This does not include project date extensions.

Contribution Agreements can be amended for date extensions at the discretion of program administration. Any applicant wishing to change project scope or activity must complete a new application in full and submit for consideration. Funding approved for Agriculture Infrastructure cannot be amended to approve land development activities.

Reimbursement of Project Costs

Once an approved project is completed, the applicant must submit a Project Reimbursement Form provided by the Department. Approved projects are reimbursed at 50 per cent of eligible project expenses approved by the Minister and specified in the Contribution Agreement.

All projects must be completed in full and all expenditures paid in full prior to reimbursement by the program. Where an advance has been issued, project invoices and proof of payment must be utilized toward the advance contribution first. When the balance of the advance is fully used, payments are issued on the balance of paid invoices. All applicants will be required to show proof of payment.

All project claims must be supported by:

- Invoices for purchased goods and services clearly showing the vendor's name, contact information and dated within the invoice eligibility timeline.
- Proof of payment should be dated within the timeframe of invoice eligibility. Payments made prior to April 1, 2024 may not be eligible for reimbursement.
- Acceptable cash register receipts must show vendor identification and purchased items listed which show that payment was made. Administration reserves the right to apply further restrictions on a per applicant basis.
- Non-arm's length transactions require prior approval of the Minister. For approved non-arm's length transactions to be reimbursed, documentation must be provided in the claim, which includes the original invoice and proof of payment for both non-arm's length parties detailing the transaction. Non-arm's length transactions completed without prior approval may not be eligible for reimbursement. Non-arm's length parties are considered to be related by blood, adoption, or marriage, and/or related by blood, adoption, or marriage to directors, shareholders, or partners of for-profit or not-for-profit entities.
- Cancelled cheques for all third-party labour.
- Transportation and freight costs for supplies and equipment will only be reimbursed if the costs are actual, and included on a third-party invoice.

- Proof of payment must be shown by cancelled cheque, e-transfer, wire transfer, money order, bank draft, credit card statement or bank statement.
- Cash purchases in aggregate in excess of \$1,000 will not be reimbursed.
- Any other costs deemed inappropriate by the Minister will not be reimbursed.
- Invoices submitted for payment must be issued to the applicant, or individual producer name, shareholder, trade name or an interest to the satisfaction of program administration.
- Labour of sole proprietors, partners and shareholders working on projects is not eligible.

An advance contribution may be available upon request and approval by PAAP administration. A successful applicant may request up to 50 per cent of Maximum Contribution Amount as set out in Appendix 1 of the Contribution Agreement to be used toward Eligible Expenses in accordance with the Agreement upon completion and submission of Appendix 3 of the Contribution Agreement – Advance Contribution Request Form.

A request for an advance contribution must be submitted by the successful applicant on or before December 31, 2024.

Failure to complete the project to the satisfaction of the Minister by the project claim deadline will require the recipient to repay the total amount of the advance contribution received by the project claim deadline. Otherwise, interest from the date the initial advance contribution was issued to the date of repayment at Prime Rate plus two per cent compounded annually will be applied.

Failing repayment, the recipient will be placed on the government's arrears list and full collections efforts will be pursued by the Department of Finance's Collections Unit. Also, the recipient will be considered ineligible for future program funding until the debt is settled. The Minister may recover any amount owing including annual interest at prime rate on the day the advance contribution was paid plus two per cent compounded annually as a debt owing to His Majesty the King in Right of Newfoundland and Labrador.

Failing repayment of an outstanding advance prior to the project claim deadline will result in the recipient being ineligible for future Sustainable Canadian Agricultural Partnership and Provincial Agrifoods Assistance Program advance payments for a period of five years.

In the case of third-party financing, an advance contribution must be shown in financing documents to have been fully used as a down payment on the approved project as described in the Contribution Agreement in order for further reimbursement of the project to occur. Interim project payments may still be available; however, project invoices and proof of payment must be utilized toward an advance contribution first. When the balance of the advance is fully used, interim payments may be issued on the balance of paid invoices with a 25 per cent holdback until project completion.

A **complete** application to the Agriculture Infrastructure section must include the following:

- Application with complete, detailed answers to all questions.
- Livestock producers must identify which provincially licensed slaughterhouse will be used even if some animals are sold live.
- New Entrants are required to complete the New Entrant Information Form.
- Regional pastures must submit a Pasture Information Form.
- Price quotes within six months of application submission for all purchases to verify funding request.
- Proof of sales documentation such as:
 - T-2042 Statement of Farming Activity; or
 - T-1273 Statement A-Harmonized AgriStability and AgriInvest Program Information for Individuals; or
 - Harmonized Statement A for Corporations/Co-operatives; or
 - Financial Statements prepared by a licensed public accountant for your most recent year for incorporated entities. If internally prepared statements are submitted, they must be supported by the Corporate Income Tax form or applicable AgriInvest/AgriStability Program Information Forms.
- Documents to show proof of land title for each parcel of land for projects involving the construction of a permanent structure as well as construction approvals and/or permits where necessary.
- A farm map, survey, or Google Earth imagery showing the exact location of proposed construction.

False or Misleading Information

An applicant who provides false or misleading information under the program foregoes all rights to program payments and any other benefits under the program for which they would be otherwise eligible.

The provision of false or misleading information under the program may be taken into account in determining eligibility under the Sustainable Canadian Agricultural Partnership program as well.

Environmental Assessments

Registration for environmental assessment (EA) may be required for the establishment, operation, expansion or modification of a farm, and is required for food and feed manufacturing for animals, meat and poultry product manufacturing including animal slaughtering, and an abattoir or a meat, poultry fat or oil processing facility. Applicants must contact the Department of Environment and Climate Change by email at EAProjectComments@gov.nl.ca to discuss EA registration requirements prior to commencing construction, expansion, and modification activities.

Land development projects funded under PAAP will need to have the necessary permitting in place as required under the Water Resources Act. New agricultural development in areas designated as protected public water supply areas should be avoided.

Projects approved for assistance under PAAP 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 and the applicant should contact the Environmental Assessment Division at EAProjectComments@gov.nl.ca.

For a complete list of activities that require Environmental Assessment please refer to <http://gov.nl.ca/ecc/env-assessment/>.

If the recipient becomes aware of any adverse environmental impact of the project not previously known to the Management Committee, these impacts must be reported to the Management Committee without delay. The project will then be subject to an environmental impact assessment and the project Contribution Agreement may be cancelled or postponed, at the direction of the Management Committee. Eligible expenses that have been properly incurred to date will be reimbursed in accordance with the Contribution Agreement.

Stacking of Government Funding

Stacking of Government funding is limited to a maximum of 75 per cent of eligible project costs for commercial for-profit applicants, which includes funding from all federal, provincial, and municipal sources. Applicants must contribute at least 25 per cent of the total eligible project costs, exclusive of any government funding. PAAP will reimburse to a maximum of 50 per cent of eligible project costs. The applicant cannot access Sustainable Canadian Agricultural Partnership funding for the same project costs.

Funding for Not-For-Profit organizations must not exceed 100 per cent of total eligible project costs from all federal, provincial and municipal government funding sources.

Only 50 per cent of an actual loan amount is included in the funding formula (stacking formula) from federal and provincial departments or agencies that provide non-interest bearing loans.

Related Parties Policy

The following policy is applied to all parties applying under PAAP.

For the purposes of the PAAP, sole proprietors, agricultural 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:

- Common individuals, partners and/or shareholders,
- Spouses and common-law spouses of individuals, partners and/or shareholders.

When related businesses are owned by the same parties, and related businesses are owned by spouses, funding will be limited to the maximum funding limits for the Program for the businesses combined. For example:

- Producer A owns 100 per cent of RST Company and 100 per cent of PQR Company, therefore RST Company and PQR Company are related companies. The combined maximum funding eligibility for RST and PQR Companies will be \$75,000. This applies to sole proprietorships as well.
- Producers A and B are shareholders of XYZ Company and the spouses of Producer A and Producer B are shareholders in CDE Company. Therefore, CDE Company is related to XYZ Company. Because the owners are spouses, the maximum funding eligibility will be \$75,000 for CDE Company and XYZ Company combined.

When there are additional shareholders (shareholders that are not spouses of the shareholders of the related business), funding to the company or business will be limited by the amount held by the common shareholders. For example:

- KLM agribusiness is owned by two producers, Producer A and Producer B. GHI agribusiness is owned by Producer A (40 per cent), by Producer B (40 per cent) and by one of their sons Producer E (20 per cent). Therefore, GHI agribusiness is related to KLM agribusiness. Assuming KLM agribusiness has already received the \$75,000 maximum allocation, GHI agribusiness would be eligible for maximum funding of \$15,000 or 20 per cent of \$75,000.

For further clarification on this Related Parties Policy and how it impacts your agribusiness, please contact the Program Manager prior to applying.

Additionally, the Minister 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 the PAAP program through previous projects.

Application Assessment Process

When an application is received:

- It is registered and the applicant is notified in writing.
- All applications must be received by the application deadline to qualify for the first round of funding consideration.
- The application is then reviewed for completeness prior to assessment.
- Complete applications for eligible projects must meet General Eligibility Criteria before being assessed against Merit-based Application Evaluation Criteria.
- Applications that do not meet the General Eligibility Criteria will be rejected.

If an application is considered incomplete, it will be rejected and the applicant will be notified in writing. If the applicant wishes to address the missing information, they may choose to re-submit the full application, including any missing information for consideration subject to availability of program funds. However, late applications are not considered in the first round of funding review.

Eligible applications are assessed based on the following criteria:

- Eligibility of the proposed project activities;
- Commercial and technical feasibility of the project;
- How well the project addresses program objectives and funding priorities; and/or
- Overall benefit to the agri-business and sector or industry.

General Eligibility Criteria

- The application is complete when all required fields are complete, required conditions are met, and required documentation is attached.
- The applicant shall comply with requirements and obtain all necessary permits under relevant federal, provincial, and municipal laws and regulations.
- The project does not support normal operating costs associated with carrying out a business.
- All Eligibility Requirements as per Page 2 have been met.

Merit-based Application Evaluation Criteria:

Applications are evaluated on three criteria:

- Project eligibility and applicant eligibility;
- How the project fits within PAAP program objectives; and
- How well the project meets the priorities of the Department including an increase in Newfoundland and Labrador's food self-sufficiency, secondary processing and/or agricultural growth.

Application Deadline

Applications and supporting documentation should be submitted by email to the PAAP Program Manager in Corner Brook at: PAAP@gov.nl.ca on or before 4:30 pm NST **April 26, 2024**.

For further information, please contact:

Program Manager
Provincial Agrifoods Assistance Program
Agricultural Business Development Division
Department of Fisheries, Forestry and Agriculture
P.O. Box 2006
Corner Brook, NL
A2H 6J8

Tel: 709-637-2096 or 709-637-2077