

Industry and Market Development (IMD) Fund Terms and Conditions

1. Purpose

The Industry and Market Development Fund is administered by Alberta Agriculture and Forestry ("AF"). The IMD Fund is designed to support capacity development in the livestock and meat industry. The areas of focus for the Fund include:

- Support Knowledge discovery and knowledge transfer and in the areas of public trust, innovation, sustainability, climate change
- Support Knowledge discovery and knowledge transfer in the areas of that address barriers to industry competitiveness
- Support the piloting or pilot projects of new technology, innovations, or business practices in the ministry's priority areas
- Development of strategies and tools for consumer engagement, education and communication, competitiveness and profitability, leadership and industry engagement.

There is limited funding in the Industry and Market Development Fund. Applications completed to the satisfaction of the Minister of Agriculture and Forestry will be considered for approval on a first-come, first-served basis, subject to the Terms and Conditions and available funding. Projects are cost-shared by Applicant and the Fund.

If an Application is approved, funds will be granted to the Applicant pursuant to a Grant Agreement that is in the form of an Approval Letter or an Executed Agreement.

2. Definitions

In these Terms and Conditions, the following terms have the following meanings:

2.1 AF: means Alberta Agriculture and Forestry

2.2 Agri-Business: means the business operation of a Primary Producer or a Processor.

2.3 Applicant: means the person or persons who submit an Application and meet the eligibility criteria in s. 3.1.1, jointly and severally.

2.4 Application: means the Funding Application form and all documents required to be submitted pursuant to that form and the Fund Terms and Conditions.

2.6 Bio-Industrial Processor: means an Alberta registered entity that operates a facility in Alberta that manipulates and enhances the value of an Agricultural Product.

2.7 Eligible Capital Expenses: means the capital expenses listed in s. 3.5.2 that may be incurred by an Applicant for a Project that are eligible for reimbursement under this Fund.

2.8 Eligible Expenses: means Eligible Capital Expenses listed in s. 3.5.2 and Eligible Non-Capital Expenses listed in s. 3.5.1.

2.9 Eligible Non-Capital Expenses: means the non-capital expenses listed in s. 3.5.1 that may be incurred by an Applicant for a Project that are eligible for reimbursement under this Fund.

2.10 Fiscal Year: means the time period from April 1 to March 31.

2.11 Food Processor: means an Alberta registered entity that:

2.11.1 is active in the business of changing a raw agricultural commodity into a value-added product through physical, chemical, or thermal means, including packaging;

2.11.2 contracts to have product(s) processed and packaged on its behalf; or

2.11.3 operates one or more processing facilities that are formally registered by federal or provincial inspection authorities, and which markets its products through wholesale distribution channels (e.g., to retail or to foodservice) and does not sell exclusively through an on premise or single company owned retail outlet.

2.12 Industry Organizations: means not-for-profit agencies, boards, commissions, associations or societies whose membership includes individuals or businesses.

2.13 Minister: means the Minister of AF and his authorized representative(s).

2.14 New Geographic Marketplace: means a country other than Canada.

2.15 New Market: means a new retailer/wholesaler in a New Geographic Marketplace or a new marketing channel.

2.16 New Product: means a product that is new to the marketplace, or a product that was previously in the marketplace but now consists of a significant reformulation of ingredients.

2.17 Primary Producer: means an individual or an Alberta registered entity:

(a) operating in Alberta; and

(b) that is responsible for the day-to-day management and work on a farm, including responsibility for input costs for agricultural crops or livestock and producing at least \$10,000 worth of commercial agriculture production annually, but does not include a landlord whose only interest in the crop or livestock is that of ownership of the land.

2.18 Processor: means Bio-Industrial Processors and Food Processors

2.19 Fund: means the Industry and Market Development Fund.

2.20 Fund Terms and Conditions: means the Terms and Conditions for the Fund set out in this document, as may be amended.

2.21 Project: means the activities described in the Grant Agreement that have Eligible Expenses associated with them.

2.22 Grant Agreement: means an Executed Agreement.

2.23 Project Term: means the time period between the Project start date and end date stated in the Grant Agreement and shall not exceed 24 months

2.24 Provincial Crown: means Her Majesty the Queen in the Right of Alberta.

2.25 Request for Payment Form: means the form to be submitted by the Applicant, together with all documentation required to be submitted pursuant to that form and the Fund Terms and Conditions, to request payment from the Fund.

3. Eligibility

3.1 Eligible Applicants

3.1.1 The following entities are eligible to apply to the Fund:

- a) Not for Profit Industry Organizations serving the livestock industry; and
- b) educational institutions including universities, colleges and technical schools.
- c) Agencies Boards and Commissions, Associations that are registered and operating in Alberta.

3.2 Ineligible Applicants

3.2.1 The following entities are not eligible to apply to the Fund:

- a) Retail businesses, restaurants, and food service establishments
- b) Agri-Businesses;
- c) Food Processors
- d) Primary producers
- e) Government organizations and agencies; and
- f) Any other person deemed ineligible by the Minister.

3.3 Eligible Activities (must be pre-approved by the Minister)

3.3.1 Projects approved through this Fund shall include some or all of the following activities:

- a) Support Knowledge discovery and knowledge transfer and in the areas of public trust, innovation, sustainability, climate change
- b) Support Knowledge discovery and knowledge transfer in the areas of that address barriers to industry competitiveness
- c) Support the piloting or pilot projects of new technology, innovations, or business practices in the ministry's priority areas
- d) Development of strategies and tools for consumer engagement, education and communication, competitiveness and profitability, leadership and industry engagement.

3.3.2 In completing a Project under the Fund, the Applicant must:

- a) comply with all applicable laws and regulations; and
- b) obtain all required governmental approvals prior to commencing the Project, including those related to public health and safety, labour codes and standards, care and use of animals in research, wildlife habitat, and environmental protection.

3.3.3 Acceptance of an Application under this Fund creates no obligation on the part of the Provincial Crown or Federal Crown to provide licenses or approvals under any legislation.

3.4 Ineligible Activities

3.4.1 The following activities are not eligible under the Fund and must not be included in an Application for funding:

- a) label and packaging design and production that is undertaken in response to:
 - i. stock keeping unit replacement with a retailer /wholesaler,
 - ii. a package size downgrade, or
 - iii. a price comparison or price competition strategy;

- b) advertising;
- c) promotions (including such things as coupons, rebates, product giveaways);
- d) implementation of consumer engagement, education and communication strategies and tools;
- e) domestic and international market development in a New Geographic Market place; and
- f) any other activity deemed by the Minister to be ineligible.

3.5 Eligible Expenses (must be pre-approved by AF)

3.5.1 The following Eligible Non-Capital Expenses may be included:

- a) project management and consulting fees justified as essential to the Project;
- b) travel to Project sites, to present to or discuss the Project with managers and/or policy makers;
- c) travel for information gathering or dissemination purposes or to attend trade shows;
- d) costs of supplies directly required for the Project;

3.5.2 Eligible Capital Expenses, as approved by the Minister and stated in the Grant Agreement, may include expenses related to the design, development, acquisition and installation of machinery and equipment for educational purposes.

3.5.3 All Eligible Expenses claimed by an Applicant must be supported by documentation to the satisfaction of the Minister.

3.6 Ineligible Expenses

3.6.1 Expenses that are not eligible under the Fund include:

- a) Goods and Services Tax (GST), Provincial Sales Tax (PST) or Harmonized Sales Tax (HST);
- b) costs incurred prior to the Project start date and after the Project end date, as determined by AF;
- c) promotional materials such as; product samples and giveaways;
- d) website hosting/domain registration or ongoing maintenance;
- e) ongoing social media activity;
- f) travel for ongoing marketing in existing markets;
- g) costs for the lease of office furniture, space and equipment;
- h) costs of equipment attached to the building such as sinks, walls, doors;
- i) costs associated with equipment attached to the building such as plumbing, framing, flooring installation;
- j) land costs;
- k) normal operation, salary and maintenance costs; and
- l) any other expense deemed by the Minister not to be an Eligible Expense.

4. Applications

4.1 Funding is limited. Applications completed to the satisfaction of the Minister will be considered for approval on a first-come, first-served basis, subject to funding constraints.

Applications must include:

- a) a completed Application form, signed by an authorized representative, and all

documents required to be submitted pursuant to the Fund application form; and
b) any supplementary documentation requested by the Minister.

- 4.2** Applications must be delivered electronically and one hardcopy with original signature to the following:

Alberta Agriculture and Forestry
Attn: Jeff Millang
Director, Livestock and Farm Business Section
Livestock Research and Extension Branch
Alberta Agriculture and Forestry
#201 5030 - 50th Street, Olds, AB T4H 1S1
Office: 403-556-4326

- 4.3** The Minister may reject any Application that is inaccurate, ineligible or incomplete, at the sole discretion of the Minister.
- 4.4** If a submitted Application is incomplete, in the sole discretion of the Minister, the Minister may either reject the Application or require the Applicant to complete the Application to the Minister's satisfaction before the Application will be considered.
- 4.5** An Application will not be considered complete unless the Statement of Certification on the application form is signed and all required supporting documentation is provided to the satisfaction of the Minister.
- 4.6** Applications must be signed by or on behalf of a properly authorized representative. The Minister may require evidence of authorization. Designates are not permitted to sign Applications unless they have Power of Attorney (submitted with the Application). Either executors or administrators can sign on behalf of estates.
- 4.7** Submission of an Application does not entitle an Applicant to a Grant under the Fund.
- 4.8** The Applicant acknowledges that the Grant may not be sufficient to cover the entire cost of the Project, and that the Applicant shall be solely responsible for raising funds from other sources to complete these activities. The Applicant acknowledges that the Grant is the only financial assistance the Minister will provide under the Fund to the Applicant for the Project.
- 4.9** If an Application is approved by the Minister, the Applicant must enter into a Grant Agreement with the Minister to be eligible to receive funding under the Fund. This Grant Agreement will specify the terms and conditions governing the Grant.

5.0 Amendments to the Grant Agreement

- 5.1** A Grant Agreement may be amended as follows during the Project Term:

- 5.1.1** The Applicant may request that:

- a) activities described in s. 3.3.1 be added to the Grant Agreement, or that approved activities described in the Grant Agreement be removed;
- b) expenses listed in s. 3.5.1 and 3.5.2 be added to the Grant Agreement, or that Eligible Expenses listed in the Grant Agreement be removed; or

c) the Project Term be changed, by submitting a written request to the Minister outlining and justifying the proposed amendments.

5.1.2 If the Minister approves a proposed amendment, the Minister will: enter into an amending agreement with the Applicant.

5.2 The Minister is not required to approve any proposed amendment to a Grant Agreement.

5.3 Prior to the Applicant entering into an amending agreement with the Minister, any activities undertaken by the Applicant or expenses incurred by the Applicant that are not described in the Grant Agreement are undertaken and incurred by the Applicant at the Applicant's own risk as they may not be approved or funded by the Minister.

6. Funding Levels

6.1 The Fund provides grants on a cost-shared basis to cover Eligible Expenses for approved Projects up to a maximum of \$250,000 per Applicant per Fiscal year. Eligible expenses shall be cost shared to a maximum 75% grant and 25% Applicant.

6.2 Travel and transportation costs are eligible for economy airfare.

6.3 Funding received through any other municipal, provincial or federal government or government program may not be used toward the cost-share requirements of this Fund.

6.4 Funding received through any other municipal, provincial and federal government must not exceed 75% of the Eligible Expenses claimed by an Applicant and paid under the Fund. The amount of the Grant shall be adjusted so that the total government funding does not exceed 75% of the cost of the Eligible Expenses.

6.5 In the event that funding levels are changed to the extent that the money available to AF to make the Grant is reduced or eliminated, AF may, in its sole discretion, cancel or reduce the amount of the Grant.

7. Payments

7.1 Grant payments will be made on a reimbursement basis based on Eligible Expenses incurred and claimed by the Applicant and approved by the Minister pursuant to the Grant Agreement during the Project Term.

7.2 The only Eligible Expenses for which the Applicant may make a claim for reimbursement are the Eligible Expenses listed in the Grant Agreement which are directly incurred by the Applicant in completing the Project during the Project Term, unless otherwise authorized by the Minister.

7.3 To make a claim for reimbursement, the Applicant must submit the following:

- a) a completed Request for Payment Form with copies of all documentation (eg. time sheets, invoices, receipts, cheques, calculations, proof of payment) necessary to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses claimed; and
- b) any supplementary documentation requested by the Minister.

- 7.4** A Request for Payment Form must be submitted with a status report or the final report for the Eligible Expenses incurred in the time period covered by the report. A Request for Payment Form will not be accepted if:
- a) it is not submitted with a status report or final report; or
 - b) the status report or final report is not submitted by the deadline stated in the Grant Agreement.
- 7.5** The determination of whether an expense incurred by the Applicant constitutes an Eligible Expense that is eligible for reimbursement is at the sole discretion of the Minister.
- 7.6** Eligible Expenses shall be calculated based on the actual out of pocket cost to the Applicant (i.e. cost of the Eligible Expense less any rebates, discounts, incentives and/or credits, whether provided at the time of purchase or at a later date).
- 7.7** Projects and Eligible Expenses qualify only once for payment under the Fund.
- 7.8** The amount of the grant stated in the Grant Agreement shall be adjusted based on the Eligible Expenses claimed by the Applicant and approved by the Minister, but shall not exceed the amount stated in the Grant Agreement.
- 7.9** Applicants cannot assign or defer any payment under this Fund.
- 7.10** Payments may be considered farm support payments, and AGR-1 tax slips will be issued in the name of the Applicant, if applicable.
- 7.11** The Applicant shall not return for refund any items for which the Applicant has received a payment under the Fund.
- 7.12** With the exception of items that are permanently affixed to the Applicant's land and the Applicant sells their land, the Applicant shall not sell or trade any items for which the Applicant has received a payment under the Fund for at least three years after the end of the Project Term.

8. Reporting Requirements

- 8.1** Unless otherwise specified by the Minister, the Applicant shall provide the Minister with status reporting, to the Minister's satisfaction and by dates specified by the Minister detailing:
- a) the status of the Project, including the estimated percentage of the work completed and the estimated date of completion, and a financial report detailing all expenditures to date;
 - b) any other grants or funds from any level of government in respect of the Project;
 - c) any material events, developments or circumstances arising in relation to the Project; and
 - d) any other information requested by the Minister.
- 8.2** Unless otherwise specified by the Minister, the Applicant shall provide the Minister with a final report, to the Minister's satisfaction and by a date specified by the Minister, detailing:
- a) a list of activities completed by the Applicant in relation to the Project;
 - b) a description of the successful aspects of the Project, as well as any recommendations for improvements;
 - c) a narrative of any benefits of the Project;

- d) copies of any publications for industry, if applicable;
- e) a financial report detailing all expenditures of the Project, the expenditures attributed to the Grant, and the expenditures attributed to other funding sources for the Project, including the Applicant's cash contribution; and
- f) any other information requested by the Minister.

8.3 The Minister may request the Applicant to submit additional reports during the Project Term which the Applicant shall submit, to the Minister's satisfaction, on the dates specified by the Minister.

9. Verification

- 9.1** The Applicant must submit documentation to establish, to the satisfaction of the Minister, that the Applicant incurred and paid all of the Eligible Expenses claimed. Documents the Applicant may provide to do this include:
- a) invoices for the claimed Eligible Expenses that are in the Applicant's name;
 - b) proof of payment for the claimed Eligible Expenses.
- 9.2** The Applicant must also provide any other documentation requested by the Minister that the Minister requires to be satisfied that the Applicant incurred and paid the Eligible Expenses claimed.
- 9.3** All items on an invoice submitted by the Applicant must be listed separately, and the cost for each Eligible Expense must be clearly identified.
- 9.4.** The Applicant consents to the Minister releasing any information contained in the Application or related to it and obtained by the Minister in the course of verifying the Application, to any other government department, agency or other body for the purposes of verifying this Application, determining the Applicant's eligibility for this Fund, or both. The Applicant expressly authorizes the Minister to obtain information from any government department, agency or other body to verify the contents of the Application and to determine the Applicant's eligibility for this Fund.
- 9.5.** The Applicant agrees to give representatives of the Minister access to examine the Applicant's farming or business operation for a period of six years following the end of the Project Term for the purpose of examining items pertinent to the Project in order to assess whether the Applicant is in compliance with these Terms and Conditions. The Applicant agrees to make available to the Minister all farm records, books of account, and income tax returns necessary to audit their Application under this Fund. If the Applicant fails to provide records within a reasonable time on reasonable notice, as determined by the Minister, the Applicant may be required to refund any Grant payments received for the Project under the Fund, as well as forfeit any future Grant payments for the Project under the Fund.
- 9.6.** From the effective date of the Executed Agreement until six years following the end of the Project Term, the Applicant shall maintain separate accounting records for the Project and make them available for inspection by the Minister and representatives of the Minister (including the Auditor General of Alberta or any other auditor of the Project engaged by the Minister at its own expense), at all reasonable times upon reasonable notice.

10.0 Inspection

- 10.1** If an Application is approved, from the date of the Approval Letter or the effective date of the Executed Agreement until three years following the end of the Project Term, the Minister is entitled, at a reasonable time and upon reasonable notice to the Applicant, to attend the farming or business operation of the Applicant for the purpose of examining items pertinent to the Project in order to assess whether the Applicant is in compliance with these Fund Terms and Conditions and the Grant Agreement.

11. Non-Compliance

- 11.1** Any one or more of the following shall constitute an event of default ("Event of Default"):
- a) failure of the Applicant to make satisfactory progress on the Project pursuant to the Grant Agreement, in the sole discretion of the Minister, during the Project Term;
 - b) failure of the Applicant to comply with any of its obligations under the Fund Terms and Conditions or the Grant Agreement, in the sole discretion of the Minister;
 - c) the Applicant ceases to carry out the Project during the Project Term, in the sole discretion of the Minister;
 - d) the Applicant becomes insolvent or ceases to carry on its operations during the Project Term; and
 - e) a resolution is passed or an application is made for winding up, dissolution, liquidation or amalgamation of the Applicant during the Project Term.

11.2 Upon the occurrence of an Event of Default:

- a) in addition to any other remedy under the Fund Terms and Conditions, the Grant Agreement, or at law, the Minister may do one or more of the following:
 - i. withhold payments of the grant to the Applicant;
 - ii. demand that the Applicant immediately repay to the Minister up to the full amount of the grant, Any such amount shall be a debt due to and recoverable by the Minister;
 - iii. terminate the Grant Agreement; and
- b) the Minister may require the Applicant to do one or more of the following, and depending on the requirement, the Applicant shall immediately:
 - i. make no further commitments for expenditures and make no further disbursements that would be Eligible Expenses, except with the Minister's prior written approval;
 - ii. pay to the Minister the amount demanded pursuant to s.11.2(a)(ii); and
 - iii. provide an accounting of the full amount of the grant with an audit report.

11. Refunds

- 11.1** The Applicant shall immediately refund to the Minister any payment received under the Fund not in accordance with the Fund Terms and Conditions upon notice being provided to the Applicant by the Minister. Failure to make repayment as required by the Minister creates a debt owing to the Provincial Crown that can be set off against any money the Provincial Crown owes to the Applicant.

12. Right of Set-Off

- 12.1** The Applicant agrees that the Minister may set-off against any other Grant or amount payable to the Applicant under any programs administered within AF any amounts that become repayable by the Applicant to the Minister under this Fund.

13. False or misleading information

- 13.1** An Applicant who provides false or misleading information under this Fund forgoes all rights to benefit from this Fund.

14. Debts Provincial Crown or Federal Crown

- 14.1** The Minister has the right to deduct from the Applicant's entitlement any amount due and owing to the Provincial Crown or Federal Crown.

15. Liability

- 15.1** The Applicant acknowledges that AF is not liable to the Applicant, the Applicant's heirs, administrators and assigns for the personal injury, property damage, or any other damage, injury, claim or loss whatsoever arising out of the Fund and the Applicant's participation in it.

16. Representations and Warranties

- 16.1** By submitting an Application, the Applicant represents and warrants that:
- a) the person signing the Application is duly authorized to make the Application, bind the Applicant to the Fund Terms and Conditions, and, in the case of a partnership, bind the partners to the Fund Terms and Conditions on the basis of joint and several liability;
 - b) no Application has been made for the same activities by any other person, including without limitation, a person who is not arms-length or a related person as defined by the *Income Tax Act* (Canada) or by a shareholder, member or partner who is actively carrying on farming or business on behalf of a corporation;
 - c) it has made full, true and plain disclosure to AF of all facts relating to the activities that are material to its Application, including without limitation all sources of funding from federal, provincial and municipal governments;
 - d) it has the necessary financial resources to complete the activities listed in the Application;
 - e) no member of the House of Commons shall derive any financial advantage from the Grant that would not be permitted under the *Parliament of Canada Act*;
 - f) no employee, contractor or agent of the Applicant who is not in compliance with federal conflict of interest guidelines shall derive a direct benefit from the Grant;
 - g) any person lobbying, as that term is defined in the *Lobbyists Registration Act* (Canada), on the Applicant's behalf is registered pursuant to that Act;
 - h) it is not aware of any discussions to effect a sale, transfer, assignment or pledge of interest which would result in a change of the control of the Applicant or of the disposition of all or substantially all the assets of the Applicant;
 - i) no application has been made for the same activities by any other person;
 - j) it has adequate human resources, experience and skills to carry out the activities described in the Application;
 - k) there is presently no action, suit, or proceeding being brought or pending or threatened against or affecting the Applicant which could result in the expropriation of any property of the Applicant, or which could affect its operations, properties,

financial condition, or its ability to complete the activities described in the Application;

l) if activities described in the Application require authorization by an agency, the Applicant has obtained such approval prior to the commencement of the activities;

m) it is in compliance with all laws, orders and authorizations which relate to or affect it and is not subject to any order of any court or other tribunal affecting its operations;

n) it has the power and authority and all necessary licenses and permits to own and operate its properties and carry on its operations, to make the Application, and to perform its obligations pursuant to the Application and these Fund Terms and Conditions; and

o) the execution of the Declaration by Applicant in the Application has been duly and validly authorized by the Applicant in accordance with applicable law, and shall constitute a binding legal obligation of the Applicant.

17. Changes to the Fund or Fund Terms and Conditions

17.1 The Minister may change or terminate the Fund, or revise the Fund Terms and Conditions, by posting the revised Fund Terms and Conditions on the AF website.

17.2 An Application shall be administered by, and the grant provided by the Minister to the Applicant shall be governed by, the Fund Terms and Conditions that were posted on the AF website as of the date that the Application was received.

18.0 Grant Regulation and Disclosure of Grant Recipient Information

18.1 Payments under this Fund are grants subject to the Agriculture and Rural Development Grant Regulation. The Applicant acknowledges that, in addition to complying with these Fund Terms and Conditions and the Grant Agreement, the Applicant must comply with the Agriculture and Rural Development Grant Regulation.

18.2 The Applicant acknowledges that AF publicly discloses the following information for all grant recipients: the grant recipient name, the amount of the grant, the program the grant is paid under, and the payment date.

19.0 Ministerial Discretion

19.1 The Minister has the absolute discretion to determine the eligibility of any Applicant under this Fund and any payment due under the Fund. The decision of the Minister is final.