



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



AgriProcessing Initiative (API)

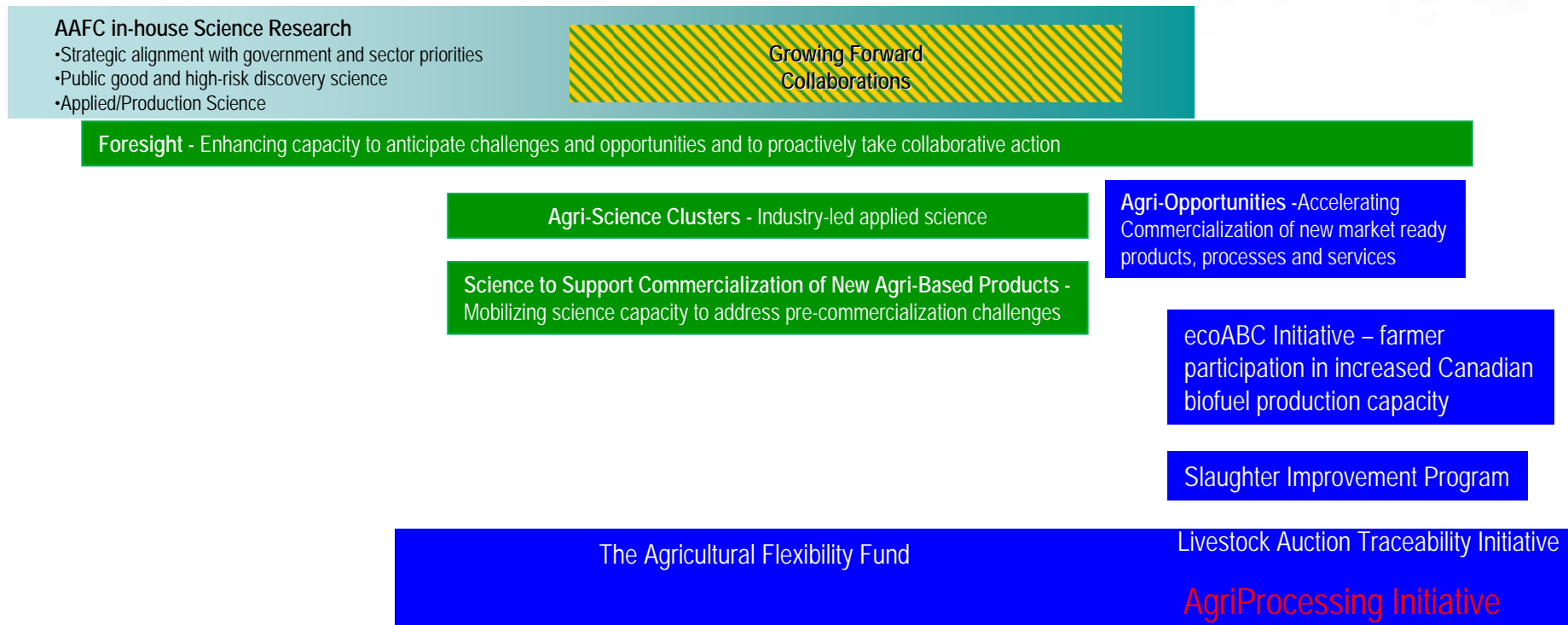
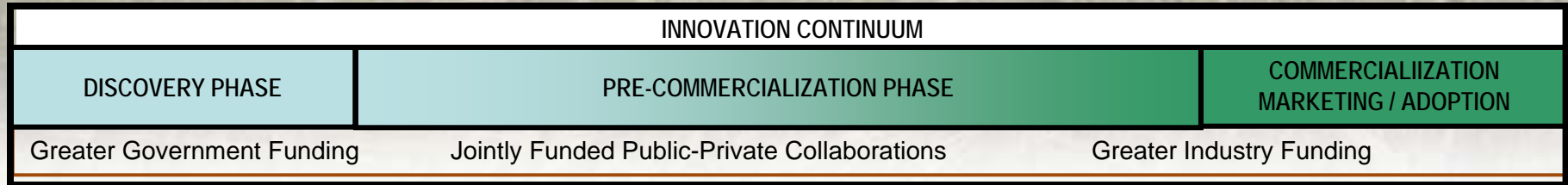
November 2009

Canada 

API - Background

- The AgriProcessing Initiative (API) is a component of the Agricultural Flexibility Fund
- The Agricultural Flexibility Fund (AgriFlexibility):
 - a 5 year, \$500 million initiative to enhance the sector's competitiveness
 - announced as part of the 2009 Budget
- AgriFlexibility supports programming to:
 - help reduce production costs and improve environmental sustainability
 - propel value-chain innovation and sectoral adaptation
 - address emerging sector opportunities and challenges
- API targets the 'value-chain innovation and sectoral adaptation' priority of AgriFlexibility

API Position in the Support to Innovation Continuum



API

- API is:
 - a \$50 million, 5 year repayable contribution program ending on March 31, 2014
 - a discretionary program delivered nationally by the Biofuels and Opportunities Division (Farm Financial Programs Branch) of Agriculture and Agri-Food Canada.
- API's objective is to:
 - increase the competitiveness of the Canadian agri-processing sector by supporting projects that involve the adoption of new-to-company manufacturing technologies and processes essential to sustaining and improving the sector's position in today's global marketplace

API – Available Funding

- Repayable contributions of up to \$2 million per project, or up to 50% of eligible costs, whichever is less
- Contributions are non-interest bearing and unsecured
- Total government funding for API eligible costs cannot exceed 75% of those costs

API - Eligible Recipients

Co-operatives and for-profit Companies incorporated in Canada are eligible to apply if they:

- are predominantly engaged in the processing (physical or chemical transformation) of raw agricultural commodities or agri-based ingredients;
 - operate manufacturing facilities in Canada;
 - have reported employment expenses for at least one year immediately prior to application;
- **Processing is defined as the physical or chemical transformation of raw agricultural commodities or agri-based ingredients. It does not include harvesting, cleaning, sorting and packaging of raw agricultural commodities.**
 - **For a company or co-operative to be considered predominantly engaged in the processing of raw agricultural commodities or agri-based ingredients, 51% of the company or co-operative revenues must come from the processing segment of the business.**
 - **Applicants must also demonstrate that they have the financial and human resources and technical capacity necessary to successfully complete the project and, if required, have met their obligations under the *Canadian Environmental Assessment Act***

API – Eligible Projects/Costs

Funding is available for :

- **Purchase and installation of new-to-company equipment and machinery in Canadian facilities**
 - that facilitates the adoption of innovative and new-to-company manufacturing technologies and processes, and/or the introduction of new products
- **Hiring of external expertise**
 - for services related to the installation of new-to-company equipment and machinery, and consultation, design, or advice regarding new-to-company manufacturing technologies, processes and products
- **Environmental assessment (EA) related costs**
 - Costs related to the development and provision of information necessary for AAFC to meet its obligations under the *Canadian Environmental Assessment Act* (retroactive up to 12 months but not prior to June 18, 2009)

To qualify as innovative and new-to-company the proposed machinery, equipment, technology and/or process must be different from, and offer benefits over, any other machinery, equipment, technology and/or process already in use by the company or co-operative seeking funding.

Projects must be able to be completed by March 31, 2014.

API – Other Eligibility Criteria

The new manufacturing technology or process must:

- be proven and available in the marketplace;
- be related to a manufacturing line that processes (physically or chemically transforms) raw agricultural commodities or agri-based ingredients;
- contribute to at least one of the following competitiveness factors:
 - improved environmental sustainability through, for example, lower energy use, less product packaging, and improved waste management;
 - introduction of a new product or improvement to an existing product in demand by the market;
 - increased operational efficiency through, for example, improved productivity and reduced operating costs;
 - access to new markets; and/or
 - increased market share;
- result in one or more of the following benefits to Canada:
 - increased number of jobs, or retention of jobs that would otherwise be lost without the adoption of the new manufacturing technology or process;
 - increased demand for primary agricultural products or agri-based ingredients; and/or
 - increased production and sales.



API – Repayment

- Full repayment of the API contribution is to be made within 8 years of project completion, commencing one year after project completion;
- Repayments are to be made in equal installments over the life of the repayment period commencing one year after project completion;
- No interest is payable with the exception of interest charged on late payments and debts owed to the Crown, should such situations arise.

API – Application Process

- Interested parties should review the program criteria and other requirements published on the API web site, including the API self-screening tool
- If a proposed project appears to meet API terms and eligibility criteria, applicants should contact:
 - AAFC Environmental Service Directorate to determine if the proposed project may require a federal environmental assessment by sending a description of the project to environmentalservice@agr.gc.ca
 - API by e-mail (API@agr.gc.ca) or by phone (1-877-246-4682) to obtain an API Application form
- Applicants would then complete and submit an API Application to API, and undertake and submit an environmental assessment if required.
- API will assess the proposed project against all program criteria as well as:
 - need for funding
 - technical feasibility
 - technological, managerial, and financial capacity of the applicant to undertake the project and repay the API contribution, and
 - environmental impact
 - level of risk involved in the project

Program Information

AgriProcessing Initiative

<http://www.agr.gc.ca/api>

API@agr.gc.ca

1-877-246-4682



Canada