



# Food Processing Growth Fund PROGRAM GUIDE 2023/24



The Food Processing Growth Fund supports projects in BC’s diverse value-added food processing sector to scale up operations to increase productivity, business opportunities and competitiveness.

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We gratefully acknowledge the financial support of the Province of British Columbia through the Ministry of Agriculture and Food.

# PROGRAM OVERVIEW

The Food Processing Growth Funding (FPG) is a three-year, up to \$20M, program funded by the Government of BC through the Ministry of Agriculture and Food (AF) and delivered by the Investment Agriculture Foundation of BC (IAF).

## Background

BC's food processing sector is the second-largest processing sector in BC (in dollar value) with over 3,200 registered establishments and \$12.6 billion in sales. The Food Processing Growth Fund supports BC's diverse value-added sector, targeting established businesses working to scale up to increase productivity, business opportunities and competitiveness. The fund provides support for established food processors' scale-up needs, including new or improved equipment, physical infrastructure, specialized research and development expertise, product development, and new innovative processes and systems, business planning, resource training and technical expertise.

## Program Objective

The objective of the fund is to assist funding recipients in improving their facilities, operations, capacity, and systems to increase productivity and support utilization of BC agricultural inputs.

## Program Goal

The goal is to address gaps in BC's food processing sector to increase food production and economic growth by supporting facility upgrades, new equipment, expanding processing capacity and training.

## Approach

Applications will be accepted on a continual basis until funding is fully committed. While applications will be continually received, they will be reviewed in batches at set deadlines against the priorities set by AF. The first deadline for review is June 6, 2023. IAF will complete adjudication and notification of funding within one month of an application review deadline.

Projects may receive from \$50K to \$1M in cost-shared funding for infrastructure, equipment, and training projects, depending on their activities and budgets. Projects may be up to 24 months in duration, although all projects must complete no later than February 1, 2026.



## ELIGIBILITY CRITERIA

### Eligible Applicants

To be considered eligible for this program, an applicant must be located in the Province of British Columbia, and must be a(n):

- Established food and/or seafood processing business, with:
  - Minimum of two years in operation
  - Minimum of \$500K gross annual revenues (audited financial statements will be required for verification purposes)
- Established commercial food hub, commissary kitchen and other shared-use commercial food processing facility;
- Industry group or association

NOTE: Subsidiaries can apply for funding separately from their parent organization provided they are legal entities and meet the two year and \$500k criteria as a subsidiary. The total funding for the parent organization and all subsidiaries must not exceed the project funding limits per stream.

## Eligible Activities/Expenditures

The following project activities and costs are eligible for funding through the Food Processing Growth Fund:

1. Purchase and install new or upgraded/expanded facilities and infrastructure and equipment. This includes:
  - a. Capital investments in new and upgraded/expanded facility/infrastructure (e.g. new cooler/freezer, production room expansion).
    - i. Eligible costs include costs for renovations, site improvements, construction, and other related costs.
  - b. New/upgraded equipment/machinery to increase production capacity or support product line expansion.
  
2. Purchase and install new technology and systems. This includes:
  - a. New innovative technologies, software, advanced automation such as robotics, digital or Artificial Intelligence (AI) technology and systems that would increase processing capacity (e.g. AI, automated sorters, logistic or distribution software, supply chain and logistics solutions).
    - i. Eligible costs include costs for facility changes, upgrades and modifications required for installation of advanced automation or manufacturing technology or equipment.
  
3. Applied Research & Development (R&D) for new and improved products, lab analysis, packaging etc.
  - a. R&D for new and improved products using technology, access to laboratory equipment for food and ingredient development and analysis such as pH, shelf-life, microbiology testing, sensory analysis, ingredient and nutritional analysis, and applied research support and expertise (private or academic institutions).
  
4. Training that supports infrastructure or equipment upgrades or adoption
  - a. Specialized training and upskilling of resources. Production staff, operational staff upgrading on new skill set, new equipment, new processes or systems and also includes specialized expertise such as food scientists, food engineers, software developers and implementation training.



## COST-SHARED FUNDING

### Funding Amounts

The Food Processing Growth Fund's contribution for approved projects:

Minimum<sup>1</sup> of **\$100,000.00**

Maximum of **\$1,000,000.00**

With a maximum of \$100,000 for the training component.

For approved projects with **only Training-related activities**, the Food Processing Growth Fund's contribution:

Minimum of **\$50,000.00**

Maximum of **\$100,000.00**

### Cost-Share Ratio

The Food Processing Growth Fund will provide cost-shared funding of up to **75%** of eligible costs. The remaining 25% of costs must be supplied by the applicant / other funding sources.

### Stacking

Stacking of funds from other government programs is allowed up to **90%** except for select programs delivered by IAF, including (but not limited to): Farmed Animal Disease Program. For a complete list of programs not eligible for stacking, visit [www.iafbc.ca/fpg](http://www.iafbc.ca/fpg).

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<sup>1</sup>For consideration: When applying for minimum funding amounts, only projects with an eligible cash budget equal to at least 133.33% of the minimum contribution will be eligible for funding due to the cost-shared ratio of 75%.

## **Ineligible Applicants**

- Retail food services or operations
- Processors/manufacturers of pet food, except where provides value-add to waste from food supply
- Processors/manufacturers of Cannabis-infused food products and beverages
- Restaurants and food service, including catering services
- Packaging material manufacturers
- Processors/manufacturers of health products or nutritional supplements
- Processors/manufacturers of alcohol-based beverages and ingredients meant for alcohol-based beverages
- New entrant businesses

## **Ineligible Activities**

- Operational labour
- In-kind activities
- Equipment, facilities, and technology investments that do not enhance processing productivity
- Early-stage business or feasibility planning
- Market development and marketing activities
- Individual business support for food safety and other certifications processes
- Costs related to existing operations (limited to new investments to increase processing capacity and improve businesses productivity)



## APPLICATIONS

### Important Program Dates

Applications will be accepted through the [IAF Client Portal](#) starting on April 26, 2023, on an ongoing basis. Applications will be reviewed in batches quarterly and funded on based on the priorities provided by the Ministry of Agriculture and Food (see [Appendix 1](#)) and available funds.

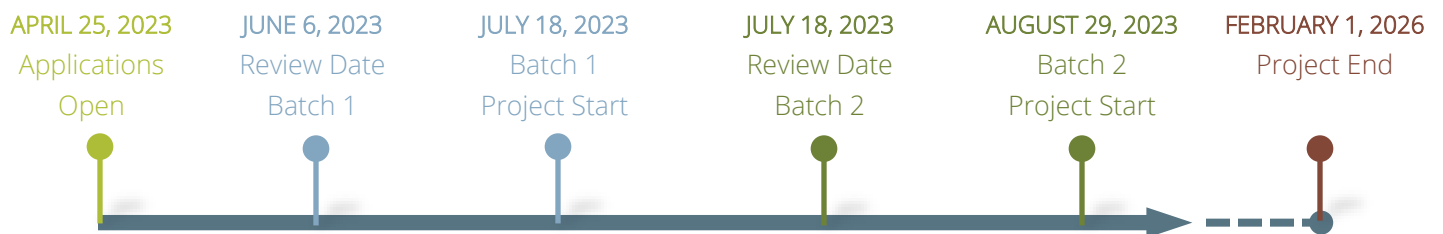
The **review dates** for each application batch for the 2023/24 fiscal year are as follows:

- June 6, 2023
- July 18, 2023

Additional dates will be added as required, pending available funds. See [iafbc.ca/fpg](http://iafbc.ca/fpg) for additional dates as they become available.

Project Start Date (on or before): July 18, 2023

Retroactive project costs will not be considered.



## Application Process

Applicants will apply through the IAF Client Portal. The application process will consist of:

### Create an Account

- Create a personal profile (name and email)

### Organization Registration

- Organization information, including:
  - Name
  - Contact details
  - type of organization
  - BC ID / CRA numbers
  - primary contact
  - and more

### Applying to Food Processing Growth Fund for Project Funding

Select Food Processing Growth Fund from Funding Opportunities, and provide:

- Applicant type
- Project start & end dates
- Project activities
- Details confirming that activities align with / support their program goals
- Anticipated project benefits
- Project Lead
- Resourcing for the implementation of project activities.
- Project expenses and project funding required
- Permit status, if required
- Communications/information sharing activities
- Audited financial statements (for processing businesses)

Applicants may provide supplementary materials in support of their application (e.g. cash flow plan, quotes). These appendices can be uploaded through the [IAF Client Portal](#) as attachments to the application.

IAF staff are available to answer questions regarding eligible activities, costs and/or the application process. IAF may also contact applicants for additional information or clarification to assess their application.

Applicants can contact [fpg@iafbc.ca](mailto:fpg@iafbc.ca) with any questions about the program or to receive support with their application.

**Applicants are encouraged to include only activities they are confident will be completed on time and within budget limits.**

## Review and Adjudication

IAF will accept applications on a continuous basis with review and adjudication in batches. After each review date, IAF will review all applications received in the batch and evaluate against the prioritization criteria found in [Appendix 1](#). Applications that best align with the prioritization criteria will be offered funding first. Applications will be considered in batches until all available funding is committed.

Applications that are not successful will not be brought forward to the next review batch and applications will need to re-apply for future consideration. Adjudication decisions are final.



## NOTIFICATIONS AND OBLIGATIONS

### Funding Notifications and Contracts

If the project is approved, IAF will inform the applicant of the details of the decision and any associated terms and conditions. The applicant then enters into an agreement with IAF which outlines the obligations of each party.

Funding is application and project-specific and must be used for the approved project and related expenses. Funds are non-transferable.

Project activities requiring financial resources cannot commence until the contribution agreement has been signed by both the applicant and IAF. All project activities and expenditures must be approved prior to commencing – retroactive costs will not be considered.

Projects funded in 2023 may begin on or after July 18, 2023, and must be completed within 24 months. If the project is not approved, the applicant will receive a written response from IAF.

### Funding Acknowledgements

This program is funded by the Government of BC, and as such, acknowledgement of funding is required when publicly communicating about a project and/or funding. To ensure appropriate acknowledgement, all communications and marketing materials, including public announcements or social media posts, must be pre-approved by the IAF Communications Team. Materials can be submitted via the [IAF Client Portal](#).

### Reporting Requirements

Successful applicants must complete activity and financial reports at regular intervals to ensure projects are on-track, payments may be tied to this reporting. Interim and final reports must be filled out and submitted to IAF to be considered for funding reimbursement. It is important that reporting is submitted on time and with all required information. Please retain all invoices and receipts, you may be asked to submit some or all receipt/invoices following a review of your report by the IAF Team. Expenses will be reimbursed based on audited receipts, and the approved project budget. All reporting will be completed via the [IAF Client Portal](#).

## Changes to Contracted Projects

If you are not able to complete your project or require a change, please inform the IAF Team as soon as possible using the [IAF Client Portal](#).

April 19, 2023.

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# APPENDICES

## Appendix 1: Prioritization Criteria

All eligible applications will be evaluated and funded based on the strength of their alignment with a pre-determined set of priorities, defined for the Fund by the Ministry of Agriculture and Food.

For the initial launch of the program, the Ministry has set the following priorities:

### Priority 1: Eligible Participants

- a) Established BC-based food and seafood processing businesses (high priority).
- b) BC-based commercial food hubs, commissary kitchens and other shared-use commercial food processing facilities (equal priority with c).
- c) BC Industry groups and associations (equal priority with b).

### Priority 2: Projects that will positively impact the use of BC inputs

- a) Companies/organizations that currently use BC inputs or will increase procurement once the project is completed.
- b) Companies/organizations that do not currently use BC inputs and/or will not increase procurement once the project is completed.

### Priority 3: Commodities

- **Group 1** (highest priority)
  - Seafood
  - Meat
  - Fruit and Vegetable
- **Group 2**
  - Plant-based protein
  - Dairy
  - Bakeries and tortilla
  - Beverages
  - Grain and oilseed milling
- **Group 3** (lowest priority)
  - Sugar and confectionary
  - Other foods