



Food Safety Systems - Processor Program Terms and Conditions

1.0 Purpose

The purpose of the Growing Forward 2 Food Safety Systems - Processor Program is to provide financial support to Alberta Agri-food Processors to enable competitiveness in domestic and international markets and enhance adaptability and sustainability for the agricultural sector through the adoption of food safety systems.

There is limited funding in the Growing Forward 2 Food Safety Systems - Processor Program. Applications will be considered for approval on a first-come, first-served basis.

If an Application is approved by the Minister, the Applicant will be sent an Approval Letter.

2.0 Definitions

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

- 2.1 **AF:** means Alberta Agriculture and Forestry.
- 2.2 **Applicant:** means the legal entity that submits an Application and meet the eligibility criteria in s. 3.1
- 2.3 **Application:** means the Program application form and all documents required to be submitted pursuant to that form and the Program Terms and Conditions.
- 2.4 **Approval Letter:** means the letter sent by AF notifying the Applicant that they have been approved for a grant, specifying the amount of the grant, and listing the Eligible Activities and Eligible Expenses.
- 2.5 **Approved Food Safety Program:** means a food safety program based on Codex Alimentarius Recommended International Code of Practice General Principles of Food Hygiene.
- 2.6 **CFIA:** means the Canadian Food Inspection Agency.
- 2.7 **Companion Animal:** means a domestic cat or dog.
- 2.8 **Eligible Activities:** means the activities described in the Approval Letter that have Eligible Expenses associated with them.
- 2.9 **Eligible Expenses:** means Eligible Expenses listed in the Approval Letter.
- 2.10 **Facility:** means a facility operating in Alberta in which agri-food products are processed, and which includes grain handling facilities.
- 2.11 **Federal Crown:** means Her Majesty the Queen in Right of Canada.
- 2.12 **Fiscal Year:** means the 12 month period beginning April 1 of any year and ending March 31 of the following year.
- 2.13 **Funding List:** means the Food Safety Systems Processor Program Funding List that identifies Eligible and ineligible activities or expenses.
- 2.14 **Growing Forward 2:** means the federal-provincial-territorial initiative to create a competitive, adaptable and sustainable agricultural sector in Canada.
- 2.15 **In-Kind Contributions:** means non-monetary contributions that defray the total cost of the Eligible Activities, including the provision of labour, services, or equipment required in the planning, conducting or managing of Eligible Activities.
- 2.16 **Minister:** means the Minister of AF and his authorized representative(s).

- 2.17 Physical Work:** means the construction, installation, operation, expansion, modification or decommissioning of a structure.
- 2.18 Processor:** means a person or a corporate entity that is active in the business of changing a raw agricultural commodity into a value-added product through physical, chemical, or thermal means, including packaging.
- 2.19 Program:** means the Growing Forward 2 Food Safety Systems - Processor Program.
- 2.20 Program Term:** means the time period for the Program, being April 1, 2013 to February 1, 2018.
- 2.21 Program Terms and Conditions:** means the terms and conditions for the Program set out in this document, as may be amended.
- 2.22 Provincial Crown:** means Her Majesty the Queen in Right of Alberta.
- 2.23 Reimbursement Claim Form:** means the form to be submitted by the Applicant together with the required documentation to request payment from the Program.
- 2.24 Term:** means the period between the start date and the end date stated in an Approval Letter; and
- 2.25 Work Plan:** means the work plan in Part B of the Program application form.

3.0 Eligibility

3.1 Eligible Applicants

- 3.1.1 Subject to s. 3.1.2, to be eligible to apply to the Program, a person must be a Processor that is:
 - a) licensed or permitted by federal or provincial inspection authorities to operate a Facility in Alberta, or be otherwise authorized by the Minister to operate a Facility; and
 - b) at the time the Application is submitted, be currently slaughtering red meat or poultry, or producing human food or drink, or Companion Animal food.
- 3.1.2 If an Applicant is a corporate entity, the entity must be registered and active on the Alberta Corporate Registry.

3.2 Ineligible Applicants

- 3.2.1 The following are not eligible to apply to the Program:
 - a) government agencies, research stations and post-secondary institutions;
 - b) not-for-profit organizations;
 - c) fish and shellfish producers;
 - d) retail businesses, restaurants and food service establishments;
 - e) packaging material manufacturers;
 - f) feed mills; and
 - g) any other person deemed by the Minister to be ineligible.

3.3 Eligible Activities (must be approved by the Minister)

- 3.3.1 Activities that may be included in an Application under the Program include:
 - a) activities identified in the Funding List; and
 - b) any other activities directly related to food safety improvements and approved by the Minister.
- 3.3.2. In completing the Eligible Activities under the Program, the Applicant must:
 - a) comply with all applicable laws and regulations; and
 - b) obtain all required governmental approvals prior to commencing the Eligible Activities, 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 Program creates no obligation on the part of the Provincial Crown or Federal Crown to provide licenses or approvals under any legislation, including the *Canadian Environmental Assessment Act*.

3.4 Ineligible Activities

- 3.4.1 The following activities are not eligible under the Program and must not be included in an Application:
- a) any ineligible activity identified in the Funding List;
 - b) activities that are funded by other Growing Forward 2 programs; and
 - c) any other activity deemed by the Minister to be ineligible.

3.5 Eligible Expenses (must be approved by the Minister)

- 3.5.1 Eligible Expenses, as approved by the Minister and stated in the Approval Letter, may include:
- a) the eligible costs identified in the Funding List with respect to each eligible activity, subject to any limitations stated in the Funding List; and
 - b) any other expense otherwise approved by the Minister.
- 3.5.2 If an Applicant is approved, all Eligible Expenses for an Approved activity must be incurred during the Project Term.
- 3.5.3 In-Kind Contributions must be directly related to the Eligible Activities. In-Kind Contributions will be funded at the actual rate paid by the Applicant up to a maximum rate of \$25 per hour for a reasonable number of hours, in the sole discretion of the Minister.
- 3.5.4 Reasonable travel-related expenses, as set out in the Alberta Growing Forward 2 Travel Expense Policy posted on the Alberta Growing Forward 2 website, as may be amended.
- 3.5.5 If the Minister, in his sole discretion, considers the amount of any Eligible Expense claimed by the Applicant to be unreasonable, the Minister may adjust the amount of that Eligible Expense to an amount the Minister considered reasonable.
- 3.5.6 In incurring Eligible Expenses, the Applicant must follow a process that is transparent, fair, and promote the best value for the money expended. Eligible Expenses incurred by the Applicant must be at competitive prices that are no greater than fair market value.

3.6 Ineligible Expenses

- 3.6.1 Expenses that are not eligible for re-imbursement under the Program and which must not be included in an Application include:
- a) capital investments that contravene the *Canadian Environmental Assessment Act*;
 - b) Goods and Services Tax (GST);
 - c) expenses for the purchase of land or the construction of roads;
 - d) expenses covered through any other federal or provincial government grants, programs or projects;
 - e) expenses incurred outside of the Term, as determined by the Minister;
 - f) expenses for ongoing laboratory testing beyond the initial testing;
 - g) expenses not incurred by the Applicant in carrying out the Eligible Activities and
 - h) any other expense deemed by the Minister to be ineligible.

4.0 Applications

4.1 Applications must be received by AF or postmarked on or before January 1, 2018.

4.2 Applications must include:

- a) a completed Program application form which:
 - i. is signed by an authorized representative;
 - ii. includes a completed proposed Work Plan which describes the activities to be completed by the Applicant, the anticipated outcome/results of implementing the activities, and an estimated budget that is as accurate as possible; and
 - iii. includes all documents required to be submitted pursuant to the Program application form and the Program Terms and Conditions; and
- b) any supplementary documentation requested by the Minister.

4.3 Applications must be submitted by mail only to:

Growing Forward 2 Food Safety Systems - Processor Program
Alberta Agriculture and Forestry
303, 7000-113 Street
Edmonton, AB T6H 5T6

- 4.4 The Minister may reject any Application that is inaccurate, incomplete or ineligible in the sole discretion of the Minister.
- 4.5 There is limited funding available under the Program in each Fiscal Year. Applications will be considered for approval on a first-come, first-served basis, subject to Program funding constraints.
- 4.6 Applications submitted by the Applicant to AF by fax or email will not be accepted unless authorized by the Minister.
- 4.7 Applications must be signed by or on behalf of a properly authorized representative of the Applicant. 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.
- 4.8 The Application will not be considered complete unless the Statement of Certification on the Program application form is signed.
- 4.9 Submission of an Application does not entitle the Applicant to a grant under the Program.
- 4.10 The Applicant acknowledges that the grant may not be sufficient to cover the entire cost of the Eligible Activities, 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 Program to the Applicant for the Eligible Activities.
- 4.11 If an Applicant's Application is approved by the Minister, the Applicant will be sent an Approval Letter.

5.0 Amendments to the Approval Letter

- 5.1 An Approval Letter may be amended as follows during the Term:
- a) The Applicant may request that:
 - i. activities described in s. 3.3.1 be added to Approval Letter, or that Eligible Activities described in the Approval Letter be removed;
 - ii. expenses listed in s. 3.5.1 and 3.5.2 be added to the Approval Letter, or that Eligible Expenses listed in the Approval Letter be removed; or
 - iii. the Term be changed,by submitting a written request to the Minister outlining and justifying the proposed amendments.
- 5.2 If the Minister approves a proposed amendment, the Minister will send an amendment letter to the Applicant.
- 5.3 The Minister is not required to approve any proposed amendment to an Approval Letter.
- 5.4 Prior to the Applicant receiving an amendment letter from the Minister, any activities undertaken by the Applicant or expenses incurred by the Applicant that are not described in the Approval Letter are undertaken and incurred by the Applicant at the Applicant's own risk as they may not be approved or funded by the Minister.

6.0 Funding Levels

- 6.1 The Program provides grants on a cost-shared basis to cover Eligible Expenses up to a maximum of \$25,000 per Applicant.
- 6.2 Eligible Expenses for Eligible Activities are cost-shared at the percentages stated in the Funding List for the respective Eligible Activity. These percentages are subject to change at the sole discretion of AF.

- 6.3 Funds received through any other Growing Forward 2 Program may not be used toward the cost-share requirements of this Program.
- 6.4 Funding received through other municipal, provincial or federal governments must not exceed 100% of the Eligible Expenses claimed by the Applicant and paid under the Program. The amount of the grant shall be adjusted so that the Minister's funding does not exceed 100% of the cost of Eligible Expenses.
- 6.5 In the event that federal funding levels are changed to the extent that the money available to the Minister to make the grant is reduced or eliminated, the Minister may, in his sole discretion, cancel or reduce the amount of the grant.

7.0 Grant 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 for Eligible Activities completed pursuant to the Approval Letter during the Term.
- 7.2 The maximum payment an Applicant may receive under the Program is \$25,000.
- 7.3 The minimum payment an Application will be considered for under the Program is \$500.
- 7.4 The only Eligible Expenses for which the Applicant may make a claim for reimbursement are those listed in the Approval Letter which are directly incurred by the Applicant in completing the Eligible Activities during the Term, unless otherwise authorized by the Minister.
- 7.5 To make a claim for reimbursement, the Applicant must submit the following:
 - a) a completed Reimbursement Claim 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) a status report or final report for the Eligible Expenses incurred and paid in the period covered by the report; and
 - c) any supplementary documentation requested by the Minister.
- 7.6 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.
- 7.7 Eligible Expenses shall be calculated based on the actual out of pocket cost provided 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).
- 7.8 The amount of the grant stated in the Approval Letter will be adjusted based on Eligible Expenses claimed by the Applicant and approved by AF, but shall not exceed the amount stated in the Approval Letter.
- 7.9 Applicants cannot assign or defer any payment under this Program.
- 7.10 Eligible Activities and Eligible Expenses qualify only once for payment under the Program.
- 7.11 Payments may be considered farm support payments and AGR-1 tax slips will be issued in the name of the Applicant, if applicable.
- 7.12 The Applicant shall not return any items for which the Applicant has received a payment under the Program. 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 Program for at least three years after the end of the Term.

8.0 Reporting Requirements

- 8.1 Unless otherwise specified by the Minister, the Applicant shall provide the Minister with a final report, to the Minister's satisfaction and on a date specified by the Minister, detailing:
 - a) a list of activities completed by the Applicant in relation to the Project;
 - b) a report of the Applicant's success in meeting the Project's objectives; and
 - c) any other information requested by the Minister.
- 8.2 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.

9.0 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 submit 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 or auditing the Application, to any other government department, agency or other body for the purposes of verifying the Application or determining the Applicant's eligibility for this Program. 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 Program.
- 9.5** The Applicant agrees to give the Minister and representatives of the Minister access to examine their farming or business operation from the date of the Approval Letter until three years following the end date stated in the Approval Letter. The Applicant agrees to make available to the Minister all records, books of account, income tax returns, invoices, and audit and evaluation reports in relation to the approved activities that are necessary for the audit and evaluation of these activities. 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 payments received under the Program, as well as forfeit any future payments under the Program.

10.0 Inspection

- 10.1** If an Application is approved, from the date of the Approval Letter until three years following the end of the 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 Eligible Activities in order to assess whether the Applicant is in compliance with these Program Terms and Conditions and the Approval Letter.

11.0 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 Eligible Activities pursuant to the Approval Letter, in the sole discretion of the Minister;
- (b) failure of the Applicant to comply with any of its obligations under the Program Terms and Conditions or the Approval Letter, in the sole discretion of the Minister;
- (c) the Applicant ceases to carry out the Eligible Activities during the Term, in the sole discretion of the Minister;
- (d) the Applicant becomes insolvent or ceases to carry on its operations; and
- (e) a resolution is passed or an application is made for winding up, dissolution, liquidation or amalgamation of the Applicant.

11.2 Upon the occurrence of an Event of Default:

- (a) in addition to any other remedy under the Program Terms and Conditions, the Approval Letter, 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, together with interest at the prime lending rate of the Canadian Imperial Bank of Commerce from time to time in effect, calculated from the date of payment of the grant until the date the refund is paid to the Minister. Any such amount shall be a debt due to and recoverable by the Minister;
 - (iii) terminate the grant; and
- (b) the Minister may require the Applicant to do one or more of the following:
 - (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.

12.0 Refunds

12.1 The Applicant shall immediately refund to the Provincial Crown any payment received under the Program not in accordance with the Program Terms and Conditions or the Approval Letter 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.

13.0 Right of Set-Off

13.1 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 Program.

14.0 False or misleading information

14.1 An Applicant who provides false, misleading or incomplete information under this Program forgoes all rights to benefit from this Program.

15.0 Debts to Provincial Crown or Federal Crown

15.1 The Minister has the right to deduct from any grant approved for an Applicant any amount due and owing to the Provincial Crown or Federal Crown by the Applicant.

16.0 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 Program Terms and Conditions, and, in the case of a partnership, bind the partners to the Program 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 arm's 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 the Minister 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 Program Terms and Conditions; and
- o) the execution of the Statement of Certification 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.

17.0 Grant Regulation and Disclosure of Grant Recipient Information

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

17.2 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.

18.0 Changes to the Program or Program Terms and Conditions

18.1 The Minister may change or terminate the Program, or revise the Program Terms and Conditions by posting the revised Program Terms and Conditions on the Alberta Growing Forward 2 website.

18.2 An Application shall be administered by, and the grant provided by the Minister to the Applicant shall be governed by the Program Terms and Conditions that were posted on the Alberta Growing Forward 2 website as of the date that the Application was received.

19.0 Ministerial Discretion

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