



Agriculture et
Agroalimentaire Canada

Agriculture and
Agri-Food Canada



Livestock Auction Traceability Initiative (LATI)

Program Guide

Canada

© Her Majesty the Queen in Right of Canada, 2010

Cat. No. A118-35/2010
ISBN 978-1-100-52731-4
AAFC No.11225B

Aussi offert en français sous le titre : Initiative de traçabilité des encans de bétail (ITEB) - Guide du programme



TABLE OF CONTENTS

Section 1 - General Information on the Agricultural Flexibility Fund and the Livestock Auction Traceability Initiative.....	2
1.1 What is the Agricultural Flexibility Fund?.....	2
1.2 What is the Livestock Auction Traceability Initiative?.....	2
1.3 Who can apply?.....	3
1.4 What type of projects can be funded?.....	3
1.5 What project costs are eligible?.....	4
1.6 What project costs are ineligible?.....	4
1.7 How much funding is available?.....	5
Section 2 – Project Start-Up and the Application Process.....	7
2.1 Before beginning work on a project.....	7
2.2 How to submit an application.....	7
2.3 What is the application deadline?.....	8
Section 3 - What Happens Next?.....	8
Section 4 – Listing of Provincial Traceability Programs.....	10

The purpose of this guide is to assist you with the process of filling out an application for funding through the Livestock Auction Traceability Initiative (LATI) under the Agricultural Flexibility Fund. Section 1 of this document provides background on the Agricultural Flexibility Fund and LATI; section 2 provides the instructions on how to apply to LATI; section 3 provides information on how to start a project and what happens after an application is submitted; and section 4 gives a listing of complementary provincial/territorial traceability programming, for which you may be eligible. The application form for the program is a separate document and can be found at www.agr.gc.ca/lati.

Section 1 – General Information on the Agricultural Flexibility Fund and the Livestock Auction Traceability Initiative

1.1 What is the Agricultural Flexibility Fund?

The Agricultural Flexibility Fund, announced in Budget 2009, is a five-year (2009-2014), \$500-million fund to facilitate the implementation of new initiatives, both federally and in partnership with provinces, territories and industry.

The fund's objective is to improve the sector's competitiveness and help the sector adapt to pressures by funding non-business risk management measures such as those that will reduce costs of production, improve environmental sustainability, promote innovation and respond to market challenges.

The Agricultural Flexibility Fund will respond to applications that are compatible with at least one of the following three elements:

- 1) investments to help reduce production costs or improve environmental sustainability for the sector;
- 2) investments in value-chain innovation and sectoral adaptation; and
- 3) investments to address emerging opportunities and challenges for the sector.

Further information about the Agricultural Flexibility Fund can be found at www.agr.gc.ca/agriflexibility.

1.2 What is the Livestock Auction Traceability Initiative (LATI)?

The Livestock Auction Traceability Initiative is an up to \$20-million three-year (2011-2014) program undertaken through the Agricultural Flexibility Fund.

The initiative will provide contributions to assist primarily in the alteration of animal handling structures, which will enhance traceability capabilities at high-risk, high through-put sites where animals from different herds co-mingle. The funding provided under this program will complement existing provincial/territorial traceability programs that also contribute to traceability enhancements.

1.3 Who can apply?

To be eligible to receive funding from LATI, applicants must be an owner or have management authority of an existing facility in Canada, such as:

- live animal auction marts;
- animal assembly yards;
- privately managed community pastures;
- feedlots;
- backgrounders;
- fairs and exhibitions; and
- other high-risk, high through-put co-mingling facilities, which may be considered by Agriculture and Agri-Food Canada (AAFC) on a case-by-case basis.

More than one application per facility may be submitted over the life of the program; however, the total payments to a facility shall not exceed \$100,000.

The applicant must be a Canadian individual or legal entity capable of entering into legally binding contracts, and must sign the Declaration of the Applicant in the application form. The Declaration outlines the conditions that must be met by the applicant for funding eligibility.

1.4 What type of projects can be funded?

All applications will be reviewed to ensure the project enhances traceability capabilities, such as increasing the ability to electronically capture, record and report animal movement information related to traceability, and to verify that the facility will be capable of transmitting traceability-related information.

Eligible categories of activities under this initiative include:

- planning and design of infrastructure changes;
- construction and installation;
- testing and training related to the project activities; and
- purchasing equipment.

In some instances, provincial/territorial traceability programs may offer support for similar projects. Applicants must apply to any applicable provincial/territorial traceability program prior to applying to LATI, and must declare the known or expected level of support from the provincial/territorial traceability program in their application form. Activities ineligible for provincial reimbursement may be eligible under LATI, as listed in section 1.5 of this guide. For a listing of provincial/territorial traceability programs, see section 4 of this guide.

1.5 What project costs are eligible?

Project costs eligible for reimbursement must enhance traceability capabilities, and may include:

- costs directly related to infrastructure planning for eligible activities, including architectural plans, design costs, permits, and licenses;
- costs for work related to compliance with the *Canadian Environmental Assessment Act* (refer to section 2.1 of this guide for further details on environmental assessments and their impact on project eligibility);
- costs for physical labour and associated technical and trade services;
- costs related to shipping or transportation of eligible equipment and technologies;
- costs for installation;
- costs for infrastructure changes (e.g. upgrading corrals), facility alterations (e.g. gates, doors, ramps, pens, alleyways);
- costs for weigh scales, crowding tubs, and chutes;
- construction costs for buildings (defined as a roofed structures) to be used to house traceability equipment (see section 2.1 of this guide for more information);
- costs for traceability-related equipment and technology, including RFID readers approved by the Canadian Cattle Identification Agency (CCIA) (Conditionally Verified Readers list) and Agri-Traçabilité Québec (ATQ), and associated software and hardware purchased from a supplier; and
- short-term training related to the implementation of traceability equipment or technologies.

Eligible project costs are those incurred between the approved start and completion dates.

All project reimbursement claims must include legible, unaltered copies of original invoices and proof of payment for eligible project costs claimed with personal banking details removed or blacked out (e.g. credit card or bank account number).

1.6 What project costs are ineligible?

Project costs ineligible for reimbursement shall include:

- the refundable portion of the GST, value-added taxes, or other items for which a refund or rebate is received;
- costs being reimbursed under an existing federal, provincial, territorial, or municipal program;
- construction costs for new plants, buildings or facilities, other than structures to house traceability equipment;
- construction costs for the physical expansion of existing plants, buildings or facilities, other than structures to house traceability equipment;
- costs relating to the acquisition of land or buildings;
- capital items not specifically required for the execution of a project;
- normal costs of establishing or operating a commercial operation;
- legal fees associated with the incorporation of an organization;

- planning costs to apply for funding, administration costs to process invoices, and other internal costs;
- on-going business expenses;
- costs for ear tags;
- marketing expenses; and
- any other costs incurred by eligible recipients in relation to approved projects, and not otherwise listed as eligible, may be ineligible for reimbursement at the discretion of AAFC.

Note: Any costs incurred prior to the approved start date for the project may not be eligible for reimbursement. The recipient assumes the risk of not being reimbursed should the specific costs be deemed ineligible or if the project is not approved.

1.7 How much funding is available?

LATI will cover up to 80 percent of eligible project costs, to a maximum of \$100,000 per facility. Other Federal Government departments or agencies along with provincial/territorial and/or municipal programs may also fund activities in the project; however, the combined federal, provincial and municipal contribution may not exceed 80 percent of eligible costs for the entire project.

Applicants must provide a cash contribution of a minimum of 20 percent of eligible costs for each project, which can be cost-shared with industry partners.

LATI will determine final funding eligibility by taking into account all government funding sources for the project. Note: Any recipient that receives project funding from another government program **after** receiving funding from LATI may be required to make a repayment to AAFC for any overpayment that was made.

Normal Calculation Example:

PROJECT WORK PLAN AND BUDGET				
Activities	Cost	Anticipated Start Date	Anticipated End Date	Outputs
List each activity in chronological order.		YYYY/MM/DD	YYYY/MM/DD	For each activity listed, indicate what the result will be
Activity 1: RFID Reader				
<i>Enter the project item*</i> <ul style="list-style-type: none"> Purchase and installation of the reader 	\$16,000	2011/08/03	2011/08/06	Reader is installed
Activity 2: Facility Modifications				
<i>Enter the project item*</i> <ul style="list-style-type: none"> Purchase of gates Purchase of construction material Labour 	\$18,000 \$65,000 \$10,000	2011/08/07	2011/08/15	Facility is modified to ensure RFID reader functions efficiently.
Activity 3: Training on how to use RFID reader and traceability software				
<i>Enter the project item*</i> <ul style="list-style-type: none"> Professional fees 	\$1,000	2011/08/20	2011/08/20	Users are trained to use the reader and associated software to be able to transmit data to central database.
Total Project Cost	\$110,000	Project End Date		YYYY/MM/DD

TOTAL SOURCES OF FUNDING FOR THIS PROJECT					
Resources				Status of Funding	
Sources of Funding			Amount	Date Confirmed YYYY/MM/DD	Pending (Expected Date) YYYY/MM/DD
Indicate all sources of funding requested in cash, and whether the funding is confirmed or pending.					
	Total Eligible Project Costs		\$110,000		
Other Sources		Name of Funding Source			
	Provincial/Territorial or Municipal Government Funding (provide level of government, name of department or agency, and initiative name)	Ontario Ministry of Agriculture, Food and Rural Affairs – Food Safety and Traceability Initiative	\$16,000 @ 50% = \$8,000	2011/04/15	N/A
	Other Federal Gov't Funding (Excluding AAFC; provide name of department or agency, and initiative name)	N/A	\$0.00	N/A	N/A
	Applicant's Contribution (including industry partners) (Must be a minimum of 20% of eligible costs)		\$22,000		
	LATI program funding (Maximum of 80% of eligible costs not exceeding \$100,000) minus any federal, provincial/territorial or municipal funding received.		\$110,000 X 80% = \$88,000 \$88,000 - \$8,000 = \$80,000		
	TOTAL PROJECT FUNDING		\$110,000		

Section 2 – Project Start-Up and the Application Process

2.1 Before beginning work on a project

If a project involves the construction or expansion of a building, facility or other structure to house traceability equipment, or if work activities will take place within 30 metres of a water body, the project may require an environmental assessment. Applicants must identify the details related to these triggers in their project application. If AAFC determines that an environmental assessment under the *Canadian Environmental Assessment Act* (CEAA) is necessary, a project may be conditionally approved pending the completion of this assessment; however, project activities (particularly construction) cannot begin prior to receiving the results of the Environmental Assessment and no funding will be provided until the Environmental Assessment is complete. If an environmental assessment is required, applicants must contact AAFC's Environmental Services Unit at environmentalservice@agr.gc.ca or servicesenviro@agr.gc.ca upon receipt of the project's letter of approval to begin the environmental assessment process. Upon completion, the applicant will be notified, by letter, of the results of the Environmental Assessment, any mitigation measures which must be taken to be in compliance with the CEAA and that project work can begin. Costs related to this Environmental Assessment are eligible under LATI.

Applicants must apply for funding from any applicable provincial/territorial traceability program prior to applying to LATI.

Project costs incurred prior to AAFC's approved start date may not be eligible for reimbursement. Please note that AAFC is under no obligation to provide funding to a recipient for a project application received under LATI. Should project costs be incurred prior to the approved start date included in the project approval letter from AAFC, the applicant assumes the risk of not being reimbursed should the specific costs be deemed ineligible or if the project is not approved.

2.2 How to submit an application

Ensure all eligibility criteria are met prior to proceeding with the application process.

To apply for funding under LATI, an application form must be completed in its entirety. The form is available on-line at www.agr.gc.ca/lati or you can request a copy by contacting LATI by email at lati-iteb@agr.gc.ca or by phone at (613) 773-1931.

The application form has complete step-by-step instructions on how it should be completed and what type of information to include.

All applications and supporting documentation must be submitted by mail or fax (see contact information in section 3).

Be clear and concise when filling out the application; explain clearly what project activities are intended to be completed and why. The use of point form lists, charts or other techniques to simplify the project summary is encouraged.

Applicants must also include in their application how the work being completed will enhance their traceability capabilities and how they will determine if their traceability capabilities have improved at the end of the project. The results of the project will be requested when the reimbursement claim is submitted.

Distribution of the Information: Any personal, financial, commercial, scientific or technical information provided in the application will be treated in accordance with the Access to Information Act and the Privacy Act.

2.3 What is the application deadline?

Applications and mandatory supporting documents may be submitted at any time until September 30, 2013 or until all program funding has been committed.

All activities must be completed no later than January 31, 2014.

Section 3 - What Happens Next?

Once an application has been submitted to LATI:

- an acknowledgement letter is forwarded to the applicant;
- the application will be reviewed. A program officer/AAFC representative may contact the applicant to request additional information, or to provide guidance if an Environmental Assessment is required for the project;
- the application will be assessed against program parameters and eligible expenditures will be determined according to the program's guidelines; and
- written notification of final approval or rejection will be provided to the applicant.

Approved projects will receive a project approval letter from AAFC, which will outline eligible activities for reimbursement, whether an environmental assessment is required and the maximum federal funding amount. This calculation will be explained in a funding table provided along with the approval letter. Any changes of activities from those listed in the project approval letter must be reported immediately to AAFC. Failure to report any changes may render the project ineligible for funding and/or those activities and associated costs may not be eligible for reimbursement.

The project approval letter must be signed by the applicant, indicating their agreement with the funding calculation and approved activities, and returned to AAFC. Applicants should retain a copy for their records.

The project approval letter, in combination with this program guide and the completed application form will become the binding agreement between AAFC and the recipient.

Costs incurred prior to AAFC's approved start date may not be eligible for reimbursement.

The recipient may make one claim for reimbursement once all approved project work is completed, and must demonstrate that the facility is capable of transmitting traceability-related information as part of the completion of the performance indicator section on the reimbursement claim form. For projects also receiving provincial funding, the recipient must wait until final payment is received from the province before submitting the claim to LATI. When submitting the claim, Applicants must provide proof of all provincial reimbursements received for the project, as well as copies of original statements or invoices and proof of payment for eligible project costs.

Any questions or comments may be directed to the Livestock Auction Traceability Initiative:

Website: www.agr.gc.ca/lati
By email: lati-iteb@agr.gc.ca
By telephone: (613) 773-1931
By fax: (613) 773-1911
By TDD/TTY: (613) 773-2600

Mailing Address:
Agriculture and Agri-Food Canada
c/o Livestock Auction Traceability Initiative
1341 Baseline Road
Tower 7, 8th Floor
Ottawa, Ontario, K1A 0C5

Section 4 – Listing of Provincial Traceability Programs*

Applicants must apply to any applicable provincial/territorial traceability program prior to applying for LATI. For example, the *Saskatchewan Voluntary Livestock Traceability Rebate* program provides rebates of up to 70 percent of eligible costs, some of which are also eligible under LATI. Eligible recipients would then apply to LATI for a reimbursement of the remaining 10 percent of eligible costs, which would result in the recipient receiving a total reimbursement of 80 percent of project costs.

<p>Alberta RFID Technology Assistance Program www.growingforward.alberta.ca Phone: 310-FARM (3276) Email: GrowingForward@gov.ab.ca</p>	<p>British Columbia Enterprise Infrastructure Traceability Program delivered by ARDCorp www.ardcorp.ca Phone : (604) 854-4483 Toll-free: 1-866-522-3447</p>
<p>Manitoba Food Safety Program, For Farms www.gov.mb.ca/agriculture/growingforward/ Phone: (204) 945-5435 Email: FarmFDSfty@gov.mb.ca</p>	<p>New Brunswick Food Safety, Traceability and Biosecurity Program Enterprise Infrastructure www.gnb.ca/0027/Agr/index-e.asp Phone: (506) 453-8417 Email: judy.curtis@gnb.ca</p>
<p>Newfoundland and Labrador Mitigation Agricultural Risks Program www.nr.gov.nl.ca/nr/agrifoods/index.html Phone: (709) 637-2679</p>	<p>Nova Scotia Component C of the Farm Investment Fund www.gov.ns.ca/agri/prm Phone: (902) 893-6510 Toll free: 1-866-844-4276 Email: prm@gov.ns.ca</p>
<p>Ontario Food Safety and Traceability Initiative www.ontario.ca/foodsafety Toll-free: 1-888-479-3931 Email: FSTI.omafra@ontario.ca</p>	<p>Prince Edward Island Food Safety, Biosecurity and Traceability Program www.gov.pe.ca/growingforward/ Phone: (902) 368-5654</p>
<p>Quebec Programme d'appui à l'implantation de la traçabilité www.mapaq.gouv.qc.ca Phone: (418) 380-2100 x 3920 Email: michel.cloutier@mapaq.gouv.qc.ca</p>	<p>Saskatchewan Voluntary Livestock Traceability Rebate Program www.agriculture.gov.sk.ca/ Toll free: 1-877-874-5365</p>

* Note: This listing of traceability programs is not exhaustive and is subject to change. Applicants should contact their provincial government for more information.