



DAIRY FARM INVESTMENT PROGRAM

APPLICANT GUIDE

Version 1.0



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada

Canada

DAIRY FARM INVESTMENT PROGRAM APPLICANT GUIDE

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For more information, reach us at www.agr.gc.ca or call us toll-free at 1-877-246-4682.

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1.0 Purpose

The purpose of this document is to provide you, the Applicant, with information about the Dairy Farm Investment Program (DFIP). In addition, this Program Applicant Guide (“Applicant Guide”) will assist you in applying for funding under the program.

2.0 Dairy Farm Investment Program

2.1 Description

The Dairy Farm Investment Program is a five-year (beginning 2017-2018) \$250-million program to help Canadian cow’s milk producers improve productivity through upgrades to their equipment.

DFIP is one of two new programs announced on November 10, 2016 to support the productivity of the dairy sector, as it adapts to the anticipated impacts of the Canada–European Union Comprehensive Economic and Trade Agreement (CETA).

The program encourages both large and small investments to upgrade equipment. In addition, during the first year only, the program offers producers flexibility to seek funding for eligible activities that started on or after November 10, 2016.

2.2 Duration

The program ends on March 31, 2022.

2.3 Eligible Applicants

Eligible Applicants must be legal entities capable of entering into legally binding agreements.

Eligible Applicants must be Canadian licensed cow’s milk producers. To verify eligibility, Applicants will be asked to:

- provide information on their dairy license and production quota, and
- authorize Agriculture and Agri-Food Canada (AAFC) to verify this information with a third party (in most cases, the respective provincial milk marketing board).

Ineligible Applicants include other types of dairy producers (example: goat, sheep, water buffalo).

2.4 Maximum/Minimum Funding Amount

The maximum funding amount **per licensed dairy farm**, for the five-year duration of the program, is \$250,000. Applicants may apply more than once, and for more than one project, however the total reimbursements for all approved projects will not exceed \$250,000.

The minimum funding amount that will be considered for a project is \$1,000.

2.5 Cost Sharing

Approved eligible costs are reimbursed up to a maximum of 50%.

When including funds from other government sources to meet the Applicant's minimum 50% share of eligible costs, the stacking limit must be respected. The stacking limit refers to the maximum level of total Canadian government funding (federal, provincial/territorial, and municipal) a successful Applicant can receive towards the total eligible costs of a project.

The maximum level of total government funding cannot exceed 85% of eligible costs per project.

2.6 Project Types

Two types of projects are eligible. Each application must be presented as either:

- a Large Investment Project, or
- a Small Investment Project.

A Large Investment Project is the purchase of:

- a single unit of equipment where the total cost for purchase and installation¹ exceeds \$120,000; or
- a new system² that improves efficiencies and productivity of milk production and where the total cost for purchase and installation exceeds \$120,000. Examples include: robotic milking and feeding systems, more efficient ventilation or lighting systems.

Eligible costs of a Large Investment Project can be reimbursed up to 50%, to the program maximum funding amount of \$250,000.

A Small Investment Project is any other investment in eligible equipment (i.e. an investment that does not meet the criteria for a Large Investment Project).

Eligible costs of a Small Investment Project can be reimbursed up to 50%, to a maximum of \$60,000.

¹ Costs for purchase and installation include: the per unit purchase price and per unit share of shipping, installation, retro-fits, consultant fees, training, or other associated equipment costs.

² DFIP defines a system as a set of interacting/interdependent parts forming a whole.

Note: it is important that an Applicant select the right project type, otherwise the application assessment may take longer and corrections to the application may be required. If you have questions or concerns about the correct project type for your investment, you may contact the program to discuss.

EXAMPLES: LARGE AND SMALL INVESTMENT PROJECTS

Example A – Large Investment Project

An Applicant seeks to invest in:

- 1 robotic milking system with a per unit price of \$380,000 and a total shipping, installation, barn retrofit and training cost of \$230,000, for a total investment of \$610,000.

By definition, this investment is considered a Large Investment Project, which is eligible for a maximum reimbursement of \$250,000.

	Quantity	Cost Per Unit	Total
Purchase Price – Robotic milking system	1	\$380,000	\$380,000
Associated Expenses	-	\$230,000	\$230,000
Total Investment			\$610,000

While 50% of eligible costs in this example would be \$305,000 (50% of \$610,000), the maximum DFIP funding request would be the \$250,000 limit for a Large Investment Project.

Example B – Small Investment Project (investment less than \$120,000)

An Applicant seeks to invest in:

- 60 units of herd management equipment with a per unit price of \$1,000 and a total shipping, installation and training cost of \$1,000, for a total investment of \$61,000.

By definition, this investment is considered a Small Investment Project and costs are eligible for a reimbursement of up to 50%, to a maximum of \$60,000.

	Quantity	Cost Per Unit	Total
Purchase Price – Herd management equipment	60	\$ 1,000	\$ 60,000
Associated Expenses	-	\$ 1,000	\$ 1,000
Total Investment			\$61,000

In this example, the maximum DFIP funding request would be \$30,500 (50% of \$61,000).

Example C – Small Investment Project (investment more than \$120,000)

An Applicant seeks to invest in:

- A variety of herd management, barn operation and feeding equipment (per unit prices ranging from \$1,500 to \$35,000) with a total purchase price of \$150,000 and a total shipping, installation and training cost of \$10,000, for a total investment of \$160,000.

By definition, although the project investment exceeds \$120,000, this investment does not meet the criteria for a Large Investment Project and is therefore considered a Small Investment Project.

	Total
Purchase Price – Total for all equipment	\$150,000
Associated Expenses	\$ 10,000
Total Investment	\$160,000

While 50% of eligible costs in this example would be \$80,000 (50% of \$160,000), this would exceed the maximum reimbursement of \$60,000 for a Small Investment Project. Therefore, the maximum DFIP funding request for this example would be \$60,000.

Example D – Small and Large Investment Projects

An Applicant seeks to invest in:

- 1 robotic feeding system with a per unit price of \$110,000 and a total shipping, installation and training cost of \$40,000, for a total investment of \$150,000.
- A variety of milking equipment upgrades (per unit prices ranging from \$2,000 to \$15,000) with a total purchase price of \$130,000 and a total shipping, installation and training cost of \$40,000, for a total investment of \$170,000.

In this example, the Applicant will need to submit one application for a Large Investment Project for the robotic feeding system (maximum reimbursement is the program maximum funding amount of \$250,000) and will need to submit a second application for a Small Investment Project for the milking equipment upgrades (maximum reimbursement of \$60,000). *[A reminder: An Applicant may apply more than once, and for more than one project, however the total reimbursements for all approved projects will not exceed \$250,000 for the five-year duration of the program.]*

Calculation of maximum DFIP funding request, per application:

Application #1 - Large Investment Project:

	Quantity	Cost Per Unit	Total
Purchase Price – robotic feeding system	1	\$110,000	\$110,000
Associated Expenses	-	\$ 40,000	\$ 40,000
Total Investment			\$150,000

For this application, the maximum DFIP funding request would be \$75,000 (50% of \$150,000).

Application #2 - Small Investment Project:

	Total
Purchase Price – Total for all equipment	\$130,000
Associated Expenses	\$ 40,000
Total Investment	\$170,000

While 50% of eligible costs for this application would be \$85,000 (50% of \$170,000), it would exceed the maximum reimbursement of \$60,000 for a Small Investment Project. Therefore, the maximum DFIP funding request for this application would be \$60,000.

Total funding request for both applications / projects:

Funding Request	Total
Application #1 - Large Investment Project	\$75,000
Application #2 - Small Investment Project	\$60,000
Total funding request all applications / projects	\$135,000

In this example, if both applications / projects are approved for \$135,000, the Applicant would be eligible to apply for up to an additional \$115,000 in DFIP funding before reaching the program maximum funding amount of \$250,000 (see section 2.4 of this Applicant Guide).

2.7 Retroactivity

The program allows Applicants to apply for projects they have already started, or even completed, subject to certain conditions:

Until March 31, 2018, Applicants may apply for eligible activities that started on or after November 10, 2016 (“retroactive activities”) and costs that were incurred³ on or after November 10, 2016 (“retroactive costs”).

Note: while the program allows for such retroactive activities and costs to be submitted, the Applicant assumes the risk of not being reimbursed should:

- the project be not approved,
- some activities or costs be not approved or deemed ineligible, or
- funding not be available.

Thus, any costs incurred prior to the signature by both the Applicant and AAFC of the Contribution Agreement are incurred solely at the Applicant’s risk without obligation of payment by AAFC. See section 4.2 for more details on the Contribution Agreement.

Further, in no instance will any cost incurred:

- prior to November 10, 2016, or
- after the program end date of March 31, 2022,

be eligible for reimbursement or considered as part of the Applicant’s contribution toward the project.

2.8 Application Intake

Application Window #1

Please see the program website for the date the program will begin accepting applications for this first application window.

For this first application window, applications will only be accepted for projects that fall within these dates:

	Small Investment Project	Large Investment Project
Start Date	Activities must begin between November 10, 2016 and March 31, 2018.	
Completion Date	Activities must be completed before March 31, 2019.	Activities must be completed before March 31, 2020.

Details for future application windows will be made available on the program website.

Complete application packages are accepted on a first-come-first-served basis.

³ A cost has been incurred when a product is received or a service is rendered.

Where possible, it is highly recommended the application be submitted well in advance of proposed activities to allow time for the application to be considered.

Small Investment Projects will be assessed using a fast-track process.

Other considerations for Applicants:

- Based on the demand, the program will strive to support investments in all provinces – approximately in proportion to their share of the total milk quota.
- The program will aim to achieve a fair balance of funding distribution between small and large investment projects.
- First-time Applicants may be prioritized.

Before beginning the application process, please check the program website for the status of the current application window (i.e., the date the program will begin accepting applications, or whether the program is still accepting applications for all project types or regions, or whether funding is partially or fully committed): www.canada.ca/dairy-farm-investment-program.

2.9 Eligible Activities

All activities must relate to improving productivity of milk production from cows in Canada.

Eligible activities are of the following nature and type:

- Hiring of external expertise (consultants) to assess how the dairy farm enterprise can improve efficiencies and productivity;
- Purchasing, shipping, and installing eligible equipment (i.e. barn equipment, commercial-off-the-shelf software and IT infrastructure, please see Annex A for a list of eligible equipment types);
- Training necessary to operate eligible equipment; and
- Retrofits of current facilities related to the installation and operation of eligible equipment.

Please note: Purchasing equipment outside the barn (e.g., tractors, silos, office equipment) is an ineligible activity. Also, while Applicants may seek funding to retrofit their facilities to accommodate eligible equipment, new buildings or barn expansions are ineligible. Applicants are strongly encouraged to review section 2.11 of this Applicant Guide on ineligible costs prior to starting their application.

2.10 Eligible Costs

Eligible costs are the costs directly related to the project and must respect all conditions and limitations set out in this guide, the written decision letter, and the Contribution Agreement, if the project is approved.

An eligible cost may be a planned or actual cost. A planned cost is an estimated amount for a cost not yet incurred, or incurred but not yet paid. An actual cost is the amount incurred and paid. Applicants must provide supporting documentation for both planned and actual costs included in the application, see section 2.10.1 below for more details.

Eligible costs must be presented, in the budget tables of the application form, as planned or actual costs, and using the standard DFIP Cost Categories and Types. The DFIP Cost Categories and Types are listed below, however Applicants should refer to Annex B of this Applicant Guide for more detailed guidance or requirements for the DFIP Cost Types.

DFIP Cost Categories and Types include:

- **Equipment**
 - Costs of new equipment (including barn equipment and commercial-off-the-shelf software and IT infrastructure that pertains to milk production). Please refer to Annex A for a list of eligible equipment types.
- **Associated Costs**
 - Associated costs are those costs related to the purchase of new equipment, such as:
 - **Consultant fees:** as billed to the Applicant and including reasonable travel costs for the consultant, to assess how the Applicant can improve on-farm efficiencies and productivity.
 - Please note: Consultant fees are only eligible if the Applicant is applying for DFIP funding for the purchase of equipment stemming from the consultant's report/recommendation.
 - **Installation (Labour):** physical labour and associated technical and trade services for the installation of eligible equipment.
 - **Installation (Material costs):** material costs, including tool rental and machinery rental, for the installation of eligible equipment.
 - **Retrofits (Labour):** physical labour and associated technical and trade services for retrofits of an existing facility (as it relates to the installation and operation of eligible equipment).
 - **Retrofits (Material Costs):** material costs, including tool rental and machinery rental, for retrofits of an existing facility (as it relates to the installation and operation of eligible equipment).
 - **Salaries and Benefits:** limited to incremental costs only, for salaries and benefits pertaining to:
 - transportation and installation of eligible equipment
 - training
 - facility retrofits (as it relates to the installation and operation of eligible equipment)
 - **Shipping:** costs related to shipping eligible equipment.

- **Training:** costs, including reasonable travel costs for the trainer, for short term training related to the implementation of eligible equipment.
 - **Travel (Ground Transportation, Per Diem):** costs for the Applicant, family farm resident(s), and/or employee(s) on the Applicant's payroll to travel for project activities.
 - **Other Associated Cost:** related to the purchase of eligible equipment.
- **Other Costs**
 - Such as **Translation** costs for training documents, to support Official Language Minority Communities and promote linguistic duality

Important:

- **DFIP's contribution towards associated costs cannot exceed the program's contribution towards the costs of eligible equipment (i.e. the program will not contribute more towards associated costs than its contribution towards the relevant equipment).**
 - **Note: In the application form, Applicants will enter equipment and associated costs separately, to ensure this limit is adhered to.**

Costs must not include any refundable portion of Goods and Services Tax/Harmonized Sales Tax (GST/HST), value-added taxes or other items for which a rebate or refund is received.

2.10.1 Supporting documentation for Eligible Costs

Applicants must provide supporting documentation (such as quotes, receipts, and proof of payment) to substantiate all planned or actual costs included in the application⁴. For actual costs, Applicants are also required to provide proof of payment⁵. Additional guidance on supporting documentation for the standard DFIP Cost Categories and Types under the program can be found in Annex B.

All documentation must be legible. Documents can be submitted in paper and/or electronic format. Legible, scanned images or pictures of paper documents that are maintained in electronic format are acceptable.

Applicants must retain the originals, in case of an audit. See section 4.2 of this Applicant Guide for more details.

⁴ Some exceptions may apply for Travel – Per Diems and Salaries and Benefits. Please see Annex B for more details.

⁵ Except for costs for Salaries and Benefits. Please see Annex B for the documentation requirements for salaries and benefits.

For each planned cost⁶ (cost not yet incurred, or incurred but not yet paid) listed in the budget tables of the application form, the Applicant must provide:

- Copies of quotes, estimates, contracts, or – in the case of costs incurred but not yet paid – invoices. Note:
 - The documentation must show a total amount.
 - Documentation for equipment costs must detail the per unit purchase price.
 - Notations must be made on the documentation if funding for only a portion of the total amount is being requested.
 - The name of the individual/organization providing the estimate/quote/contract/invoice should be clearly noted (a notation by the Applicant is acceptable).
 - Documentation must indicate that the cost will be incurred (or was incurred) within eligible project start and completion dates (see section 2.8 “Application Intake” for current eligible project dates).
 - Where a signed contract is being provided as supporting documentation, the date(s) of signature must be within eligible project dates.

For each actual cost⁷ (cost incurred and paid) listed in the budget, the Applicant must provide:

- 1) Copies of the receipts or invoices. Note:
 - Date(s) of the receipt/invoice must indicate that the cost was incurred within eligible project start and completion dates (see section 2.8 “Application Intake” for current eligible project dates).
 - The receipt/invoice must show the total amount of the receipt/invoice.
 - The receipt/invoice should include a clear description of goods and services provided.
 - The receipt/invoice for equipment costs should detail the per unit purchase price.
 - Notations must be made on the receipt/invoice if funding for only a portion of the receipt/invoice amount is being requested.
 - The name of the Biller/Supplier must be noted.
 - Invoices should include an invoice number and have a “billed to” name that matches the name of the Applicant.
- 2) Copies of proof of payment, such as:
 - Combination of front of cheque and bank statement
 - Cancelled cheque (Copy of both front and back of cheque)
 - Credit card statement
 - Electronic deposit transfer notice detailing the Biller/Supplier and amount paid

On all copies, Applicants should blackout account information and details of unrelated transactions (for example, on receipts and bank/credit card statements).

Applicants planning to use paper money payments / cash transactions for payment of eligible costs must ensure they have sufficient documentation and proof of payment (such as printed receipts or signed acknowledgements by the Biller/Supplier of receipt of payment).

⁶ Except for costs for Travel – Per Diems. Please see Annex B for the documentation requirements for per diems.

⁷ Some exceptions may apply for Travel – Per Diems and Salaries and Benefits. Please see Annex B for more details.

2.11 Ineligible Costs

Ineligible project costs are, but not limited to, the following:

- Any costs incurred before November 10, 2016, and after March 31, 2022;
- The purchase of used equipment;
- Spare parts;
- Cost to replace equipment (cost to upgrade equipment is eligible);
- Goat or sheep or water buffalo milking equipment;
- Planning, design and construction of **new** infrastructure (retrofits for the installation and operation of the eligible equipment are eligible);
- Architectural plans;
- Construction permits/licenses;
- Compliance with the *Canadian Environmental Assessment Act* (CEAA), if applicable;
- Refundable portion of Goods and Services Tax/Harmonized Sales Tax (GST/ HST), value-added taxes or other items for which a rebate or refund is received;
- Share of costs being reimbursed under an existing federal, provincial, territorial or municipal program;
- Barn retrofit and other associated expenditures that will not: decrease the required labour to complete an activity pertaining to milk production, increase the efficiency of milk production, or decrease production costs;
- Acquisition of land or buildings;
- Capital assets not specifically required for the shipping, installation and operating the eligible equipment;
- Normal costs of establishing, operating or expanding a commercial operation not incremental to shipping, installation or operating the equipment;
- Animal purchases (replacing or increasing herd);
- Veterinary equipment;
- Quota purchases;
- Any costs which cannot be directly tied to the project and which are part of ongoing operations;
- Goodwill;
- Legal fees;
- Hospitality (e.g. alcohol, meals, entertainment, and gifts);
- Clothing;
- On-going support costs for items such as software troubleshooting and upgrades, and machinery maintenance or repair;
- Travel costs other than for training and knowledge transfer (external expertise/consultant) activities;
- Software customization;
- Purchase of extended warranties;
- Post-production equipment or vehicles (such as shipping milk off farm);
- Salaries and benefits as it pertains to establishing, operating or expanding a commercial operation not incremental to shipping, installation or operating the equipment;
- Planning costs to apply for funding, administration costs to process invoices, and other internal costs;
- Marketing expenses;

- Any portion of any cost that, in AAFC's opinion, exceeds the fair market value for that cost item;
- Project activities pertaining to supporting industry efforts to lobby or influence governments;
- Surcharges or penalties incurred as a result of late payment of an invoice;
- Banking/credit card fees and interest rates;
- Bartering;
- In-kind contributions; and
- Any other costs incurred by eligible Recipients in relation to barn equipment, commercial off-the-shelf software and IT infrastructure that is the subject of the application, and not otherwise listed as eligible, may be ineligible for reimbursement.

3.0 How to Apply

Please note that the submission of an application creates no obligation on the part of AAFC to provide funding for the proposed project.

As an Applicant, you must ensure that you meet all eligibility criteria before submitting your application.

A complete application package consists of a completed application form and such additional supporting documentation (listed in section 3.2 of this Applicant Guide) required by the program to fully assess the project.

Once you've submitted your application, you will receive an acknowledgement notice from the program. Note: You should not consider your application as submitted to the program until you receive the acknowledgement notice.

Fax, Mail or Email

For those applying by fax, mail or email, please refer to the contact information provided in section 6 to obtain an application form along with the necessary instructions.

Where possible, the program requests that complete application packages, including supporting documentation, be in electronic format. Please note that the maximum size of email attachments to AAFC is 15 MB. If an Applicant's electronic submission exceeds the maximum, the Applicant may forward their submission in a series of emails. AAFC is not responsible for the security of the application during transmission.

DFIP requests that additional material is restricted to that which is directly relevant to, and in support of, the project proposal.

Online

In the coming months, the program plans to launch an online system to accept applications and claims. The online system will simplify the application and claim processes for Applicants and Recipients, making it faster and easier for information to get to the program. In due time, Applicants who apply by fax, mail or email prior to the launch of the online system will be invited to transfer the management of

their applications (or in the case of approved applications, their contribution agreements) to the online system.

3.1 Application Form

Part 1: Applicant Details provides profile information of the Applicant.

Part 2: Project Details provides a description of all activities and outcomes, as well as details the project's budget, timelines and performance measures.

Applicants are strongly encouraged to review the Annex B: DFIP Cost Categories and Types prior to completing the budget. In order for costs set out in the budget to be considered eligible costs they must fall within the standard DFIP cost categories and respect all conditions and limitations set out in this Applicant Guide, whether or not the budget is approved by the parties. For greater certainty, these eligible costs must also be reasonable, reflect fair market value and be directly related to the project.

Part 3: Declarations outlines conditions that must be met by the Applicant for funding eligibility. By signing this section, the Applicant agrees to these conditions.

3.2 Additional Requirements

Applicants must submit the following information to support the completed Application Form:

- ***Supporting documentation for Eligible Costs:*** See section 2.10.1 for more details on the requirements for supporting documentation.

Where applicable, Applicants are required to provide:

- ***A copy of the Applicant organization's Certificate of Incorporation or Articles of Incorporation:*** Required when an Applicant is not applying as an individual. Certificates and Articles of Incorporation are issued and filed, respectively, by or with provincial, territorial or federal government that document the Applicant's status as a legal entity.
- ***Scan/Photo of the original signature page of the Application Form:*** Required for email application submissions. Applicants should print, sign and scan the signature page of the Application Form.
- ***Proof of financing:*** Required for all Large Investment Project applications. Proof of financing includes documents or bank statements detailing the Applicant's contribution towards the total project costs, and confirming the Applicant has the financial ability to complete the project.
- ***Proof of activity:*** Proof of activity is required when the Applicant is applying for activities already completed at the application submission. Proof of activity includes:
 - Pictures of all equipment purchased under the project
 - Pictures of any installation of the above-noted equipment
 - Serial numbers for all above-noted equipment with a per unit cost over \$10,000
 - Pictures of any completed facility retrofit/fit ups under the project

- Copies of any reports produced by consultants hired under the project
- **Proof of travel:** Proof of travel is required when the Applicant is applying for an actual travel per diem cost, to confirm that each day of the travel took place. Examples of proof of travel include a hotel invoice or transportation ticket stub in the traveller's name.

Project plans, pictures and diagrams displaying what is intended to be done through the project are encouraged and can be included in the application package.

Confidentiality: It is the Applicant's responsibility to clearly identify, on any documentation submitted to AAFC, the information that is considered commercially confidential. This information will not be disclosed unless required by law, including the *Access to Information Act*, or upon the express authorization of the Applicant.

4.0 Assessment and Approval

4.1 Assessment Criteria

The application will be assessed against the following criteria:

- The completeness of the application
- The Applicant has met all eligibility criteria
- The Applicant has the capacity to deliver the project (for the assessment of Large Investment Projects only)
- The proposed activities, including outcomes, support the program objectives and can be measured using the program performance indicators
- The proposed activities and costs are eligible, reasonable and required to meet the project outcomes
- All sources of funding are identified
- For large investment projects, the productivity gain will be assessed

The technical and financial viability of the project may also be assessed, as well as environmental considerations (such as environmental effects and risks related to the project) and other risks.

As noted in section 2.8 of this Applicant Guide, other considerations in the application assessment may include regional distribution, a fair balance of funding distribution between small and large investment projects, and whether the Applicant has previously received funding under the program.

Supplementary information may be requested at various points in the assessment process.

4.2 Contribution Agreement (CA)

For successful Applicants, AAFC will provide a decision package including a written decision letter outlining the level of assistance awarded and any other conditions if applicable, and the clauses for the CA. For applications that include planned (not yet completed) activities, claim instructions and a claim form will also be provided in the decision package.

Successful Applicants who enter into a CA with AAFC will be referred to therein as Recipients. As a condition to being reimbursed, Recipients are required to enter into a CA that outlines the amount of funding AAFC will provide to the Recipient toward eligible costs, as well as the Recipient's responsibilities and obligations.

Note: Contribution Agreements with AAFC contain Information Management, Retention and Access provisions which require that Recipients retain records for six (6) years after the date of expiration or early termination of the funding agreement with AAFC, whichever comes later.

4.2.1 Claims for reimbursement

Unless otherwise requested by the Minister (as specified in the CA), AAFC will make one payment per project, once all project activities are completed and eligible costs are incurred and paid by the Recipient.

Where a claim is required (for planned activities, see section 4.2 above), the claim must be certified by an authorized official of the Recipient.

When submitting a claim and where applicable, Recipients must attach copies of:

- receipts or invoices,
- proof of payment,
- proof of activity, and
- proof of travel

for eligible costs, and as detailed in sections 2.10.1 and 3.2 of this Applicant Guide.

4.3 Reporting Requirements

Recipients will be surveyed annually to track progress against project performance measures.

Other reports may be required at AAFC's discretion.

5.0 Notes

5.1 Risk Framework

Once a project is approved for contribution funding, AAFC may conduct a risk assessment for the project.

The result (risk level) of an assessment does not determine eligibility for funding but may determine monitoring strategies [e.g., progress reporting, funds to be held back (holdback), etc.] or requirements for site visits.

Any monitoring strategies or requirements stemming from a risk assessment will be outlined in the written decision letter sent to successful Applicants.

5.2 Intellectual Property

The CA will contain an intellectual property clause which will confirm that all title to copyright in any materials created or developed by or for the Recipient using the contribution funding (including reports, updates, and training manuals, in written and electronic format), shall vest in the Recipient or in a third party, as may be negotiated by the Recipient. AAFC may, at its discretion, include a provision in the CA requiring that the Recipient grant or ensure that third parties grant (including ultimate Recipients, if applicable) a non-exclusive, worldwide, perpetual, royalty-free license to the Crown to such material, in whole or in part, in any form or medium, for internal government program administration purposes.

5.3 Retention and Disposition of Assets

Before receiving funding under the program, the Applicant must agree (in the CA) that, for the length of the program and unless pre-authorized by AAFC, they will not return to the vendor, loan, donate, resell or exchange any equipment reimbursed in any part by the program in respect to an approved project.

5.4 Official Languages

5.4.1 Language of Service

Applicants and Recipients are encouraged to communicate with AAFC in the official language of their choice. AAFC reviews and assesses applications and project deliverables in both official languages.

5.4.2 Language Obligations of Recipients

AAFC is committed to enhancing the vitality of the official language minority communities (French-speaking people outside Quebec or English-speaking people in Quebec), supporting and assisting their development, and promoting the full recognition and use of both English and French in Canadian society. When it is determined that projects under the Dairy Farm Investment Program (1) involve activities related to developing training documents required to operate new dairy equipment or software and (2) are susceptible of promoting the use of both official languages, AAFC will ensure that translation costs are considered eligible costs for reimbursement.

In all cases the Recipient must publicly acknowledge AAFC's support for the project in all project-specific communications products. The department may request that such acknowledgment include text in both official languages.

Applicants are also encouraged to answer the self-identification question(s) in the application form to help AAFC collect information on whether Applicants are a member of an official language minority community to tailor future policies, programs and communications activities.

5.5 Conflict of Interest

Current or former public servants or public office holders are required to avoid conflict of interest situations while employed by the federal government, and for a period of time following their service. In *Part 3: Declarations* of the application form, the Applicant must acknowledge that any individuals who are subject to the provisions of the *Conflict of Interest Act*, the *Values and Ethics Code for the Public Sector*, the *Conflict of Interest Code for Members of the House of Commons*, any applicable federal values and ethics code or any applicable federal policy on conflict of interest and post-employment, shall not derive any direct benefit resulting from this application unless the provision or receipt of such benefit is permitted in such legislation, policy or codes.

5.6 M-30 Law (for Quebec organizations only)

The *Act Respecting the Ministère du Conseil Exécutif* (M-30) may apply to an Applicant in the Province of Québec. Applicants may be required to complete an additional information form and, if they are subject to the requirements of the Act, to obtain written authorization and approval from the Government of Québec prior to execution of any contribution funding agreement. AAFC will follow-up with the Applicant during the application assessment, as required.

5.7 Privacy Notice

AAFC is subject to the *Privacy Act* and is committed to the protection of the personal information under its control. Personal information provided in or with this application package will be used for communication regarding the application, for its assessment and review of eligibility, and program administration. The personal information is being collected under the authority of the *Department of Agriculture and Agri-Food Act*. Personal information may also be used for survey, statistical analysis,

reporting, and audit and evaluation purposes. For more information about AAFC's privacy practices, you may refer to the following Personal Information Banks: Public Communications PSU 914; Outreach Activities PSU 938 and AAFC-specific Personal Information Bank not yet assigned (please contact the program for details). Please refer to section 5.8 "Business Information" for additional details concerning the use of business information in the delivery of this program.

Individuals have the right of access to their personal information held by AAFC and to request changes to incorrect personal information. To exercise these rights, please contact the AAFC Access to Information and Privacy Coordinator at ATIP-AIPRP@agr.gc.ca.

5.8 Business Information

AAFC may collect, use and share an Applicant's information, which includes, but is not limited to, documentation prepared in the administration of the Dairy Farm Investment Program. AAFC will use and share this information for the purposes of assessing and reviewing the eligibility of the Applicant and the proposed project with:

- Other AAFC programs and/or other AAFC Branches;
- Other departments or agencies of the Government of Canada; and
- Other levels of government in Canada.

The information may be shared with the parties mentioned above, or disclosed to third parties, for purposes that include, but are not limited to:

- The use of the Applicant's information in the administration, including audit and evaluation of the program;
- Surveying for the Applicant's experience with AAFC;
- Audit, analysis and risk assessment of the Applicant and/or the project; ;
- Determining the possible availability of funding for the Applicant's project under another program or initiative;
- Examining the scope and direction of agricultural programming in Canada; or
- Ensuring efficiencies and effectiveness in setting up and administering agricultural and other government programs.

AAFC publishes a list of approved projects on the departmental website and may publish such list on other Government of Canada websites. This list would include the name of the Recipient, the project name, and the amount of the DFIP contribution. AAFC may also publicize this information, along with a description of the project, in:

- Project funding announcements or other promotions
- In other government documents, including public reports on the progress of government initiatives

5.9 Environmental Considerations

Applicants must provide details on environmental considerations for their project in the application form:

- All projects must comply with the *Canadian Environmental Assessment Act 2012* (CEAA 2012), the applicability of which will depend on the type of activities being undertaken as part of the project and the project location. Applicants will therefore be asked in the application form to indicate whether the project is on federal land. Under CEAA 2012, a federal land means:
 - a) lands that belong to Her Majesty in right of Canada, or that Her Majesty in right of Canada has the power to dispose of, and all waters on and airspace above those lands, other than lands under the administration and control of the Commissioner of Yukon, the Northwest Territories or Nunavut;
 - b) the following lands and areas:
 - i. the internal waters of Canada, in any area of the sea not within a province,
 - ii. the territorial sea of Canada, in any area of the sea not within a province,
 - iii. the exclusive economic zone of Canada, and
 - iv. the continental shelf of Canada; and
 - c) reserves, surrendered lands and any other lands that are set apart for the use and benefit of a band and that are subject to the *Indian Act*, and all waters on and airspace above those reserves or lands (territoire domanial).

If a project is on federal land, AAFC staff will follow-up with the Applicant for further details and/or to clarify, as required. AAFC will provide guidance on potential environmental legislation requirements, which may require obtaining permits or authorization before the project begins.

- Applicants will also be asked to indicate in the application form whether they have or will obtain federal, provincial, territorial or municipal environmental authorizations or permits. Copies of these authorizations or permits might be required by AAFC during the application assessment.
- Applicants will be asked to provide details on whether the project has any environmental effects and risks. Positive or negative environmental effects and risks can include those related to air emissions, soil erosion, noise, effluent, waste water, solid waste, odour, construction, rare species and related habitat, nearby water bodies, and any public concern. AAFC reserves the right to request additional information.

If AAFC identifies any environmental requirements, including further environmental analysis or those related to CEAA 2012, a project may be conditionally approved pending the completion of all requirements (e.g. development and agreement to mitigation measures, obtaining environmental authorizations or permits, etc.).

5.10 Issuance of an AGR-01

As the funding under the program is taxable, AAFC will issue an AGR-1 Supplementary – Statement of Farm Support Payments tax information slip in February for all contributions from the program.

6.0 Contact Information

Details about the program can be obtained at www.canada.ca/dairy-farm-investment-program .

For further information please contact us toll-free at 1- 877-246-4682, by fax at (613) 773-2121, by TDD/TTY at (613) 773-2600, or by e-mail at AAFC.DFIP-PIFL.AAC@CANADA.CA.

Applications can be mailed to the following address:

Agriculture and Agri-Food Canada
c/o Dairy Farm Investment Program (DFIP)
1341 Baseline Road
Tower 7, 5th Floor
Ottawa, ON K1A 0C5

Annex A: Eligible Equipment Types

Important information:

- The purchase of used equipment is ineligible. Only barn equipment that is new and commercially available is eligible.
- DFIP eligible systems include robotic milking or feeding systems, increased efficiency ventilation or lighting systems. DFIP defines a system as a set of interacting/interdependent parts forming a whole.

For questions regarding eligible equipment types, please contact the program.

Category	Equipment Type	Additional requirements / information
Barn Operation	Barn Lighting System	
	Energy Reduction Equipment	Examples such as heat reclaimers, and variable frequency drives.
	Hardware and Software used for barn operation	
	Heat Stress Equipment	Includes supplementary fans, sprinkler and mister systems and tunnel ventilation systems.
	Manure management	Equipment that increases the productivity of manure management within the barn
	Ventilation System	
Cow Comfort	Cattle chute for hoof trimming	
	Commercial Footbath or Automated Footbath	
	Cow Mat	
	Electronic Cow Brush	
	Sand Bedding System	Includes motorized bedding carts and bedding choppers
Feeding	Automatic Bottle and Pail Washer	
	Automatic Liquid Calf Feeding System	For both group housing and robotic calf feeders for individual stalls
	Automatic System to Push Up Feed	
	Concentrate Feeder	
	Equipment to process / store colostrum and calf milk pasteurizer	
	Feed pusher	
	Liquid Feed Dispenser	
	Milk Taxi	

	Plastic Feed Rail	
	Robotic Feeding System	Inside the barn only, limited to motorized carts, robots, feeders, rails and mixers.
Herd Management	Activity Monitoring System or Pedometers	
	Automatic In-Line Cell Counter	
	Automatic Sorting System	
	Electronic Cow Identification System	
	Herd Management Software and Hardware	
	Other Body Activity Sensor or Camera	Only Commercial Body Activity Sensor or Camera is eligible.
	Stationary and Hand Held Reader	
Milking	Automatic Milk Sampler	
	Buffer Tank	
	Cooling Tank	Limited to one new tank when buying a new milking system.
	Milk Separation Unit	
	Parlour Milking and Stabling System	
	Robotic Milking System	
	Sampling Device	
	Steam Backflush/Cleaning	
	Singular Milking Robot	Adding an additional milking robot to an existing Robotic Milking System.
	Twin Milk Filter	

Annex B: DFIP Cost Categories and Types

Cost Category	Cost Type	Additional requirements
Equipment	See Annex A: Eligible Equipment Types	
Associated Costs	Consultant fees	<p>As billed to the Applicant and including reasonable travel costs for the consultant, to assess how the Applicant can improve on-farm efficiencies and productivity.</p> <p>Consultant fees are only eligible if the Applicant is applying for DFIP funding for the purchase of equipment stemming from the consultant's report/recommendation.</p> <p>When provided as supporting documentation, the consultant contract must:</p> <ul style="list-style-type: none"> include the name of the consultant include the signatures of the contractor and contractee have an overall value (no open ended / hourly contracts with no ceiling) include the date(s) of signature, as well as indicate the dates of work/service (all dates must be within the eligible project dates). <p>Where travel costs are included, they must be broken down separately on quotes and / or invoices and adhere to the guidelines for reasonable travel costs outlined below this table.</p> <p>The consultant's report should be provided as proof of activity.</p>
	Installation (Labour)	<p>Includes physical labour, associated technical and trade services for the installation of eligible equipment.</p> <p>Where travel costs are included, they must be broken down separately on quotes and / or invoices and adhere to the guidelines for reasonable travel costs outlined below this table.</p>
	Installation (Material costs)	<p>Includes material costs, including tool rental and machinery rental, for the installation of eligible equipment.</p>
	Retrofits (Labour)	<p>Includes physical labour, associated technical and trade services for the installation of eligible equipment.</p> <p>Where travel costs are included, they must be broken down separately on quotes and / or invoices and adhere to the guidelines for reasonable travel costs outlined below this table.</p> <p>A retrofit is the improving of existing buildings. New facility construction is not eligible under the program.</p>

	Retrofits (Material costs)	<p>Includes material costs, including tool rental and machinery rental, for the installation of eligible equipment.</p> <p>A retrofit is the improving of existing buildings. New facility construction is not eligible under the program.</p>
	Salaries and Benefits	<p>Limited to incremental costs (costs above regular on-going or recurring costs) only, for salaries and benefits of:</p> <ul style="list-style-type: none"> • an employee on the Applicant's payroll, or • temporary personnel hired to work on the project • temporary personnel to replace employees on the Applicant's payroll while the following work is undertaken for: • transportation and installation of eligible equipment • training • facility retrofits (as it relates to the installation and operation of eligible equipment). <p>Benefits are defined as employment costs paid by the employer and may include the following:</p> <ul style="list-style-type: none"> • Employer's portion of CPP/QPP • Employer's portion of Employment Insurance (EI) • Employer's portion of group insurance • Employer's Pension contributions <p>Applicants may submit a completed <i>Calculation Worksheet - Planned / Actual Salaries and Benefits Cost</i> form (Annex C) in lieu of a quote (for a planned cost) or an invoice (for an actual cost) for a Salaries and Benefits cost. In addition, they are not required to submit proof of payment with their application for actual costs of salaries and benefits. However, Applicants are required to keep the records relating to salaries and benefits (e.g., pay stubs, timesheets, and benefit statements used to arrive at the calculations, proof of payment) on file for six years in case of an audit. The Applicant may also be asked to provide the records as part of the application or claim assessment.</p>
	Shipping	Reasonable shipping costs include freight, duty, and tariffs.
	Training	Includes costs for short term training related to the implementation of eligible equipment. Where travel costs for the trainer are included, they must be broken down separately on quotes and / or invoices and adhere to the guidelines for reasonable travel costs outlined below this table.
	Travel (Ground Transportation)	Reasonable ground transportation costs for the Applicant, family farm resident(s), and/or employee(s) on the Applicant's payroll to travel for project activities. Costs should adhere to the guidelines on reasonable travel costs noted below this table.
	Travel (per diem)	Per diem to address expenses for accommodations, meals (excluding alcohol) and incidentals for the Applicant, family farm resident(s), and/or employee(s) on the Applicant's payroll to travel for project activities. DFIP reimburses up to a maximum of 50% of a per diem incurred and paid to the traveller. See limits on per diems in the guidelines on reasonable travel costs noted below this table.

		<p>Applicants must specify the number of days, the number of travellers, and the per diem rate in the Description field of the Associated Costs table [Part 2, Question 10.A.ii of the application form].</p> <p>For this cost type only, quotes or receipts to support the planned or actual per diem costs will not be required with the application form.</p> <p>However:</p> <ul style="list-style-type: none"> • Proof of payment is required when submitting for an actual per diem cost (i.e., to demonstrate that the claimed per diem amount and / or rate was paid to the traveller(s)). • For an actual per diem cost, Applicants will also need to be able to confirm that each day of the travel took place with (proof of travel) documentation such as a hotel invoice in the traveller's name, dated meal or gas receipts.
	Other Associated Costs	Other costs related to the purchase of eligible equipment, except for translation costs. Translation costs are considered an Other Cost and not an Associated Cost, and should not be entered in the Associated Costs table of the application form, so as not to be subject to the program limit for associated costs (see section 2.4 of this Applicant Guide). Translation costs should instead be entered in the Other Costs table.
Other Costs		Such as <i>translation costs</i> for training documents, to support Official Language Minority Communities and promote linguistic duality.

Guidelines on reasonable travel costs

All travel costs should be based on the following guidelines.

Ground transportation (Costs reimbursed up to a maximum of 50%)

- air, rail and ground transportation costs as follows based on economy rate (not Business or First Class)
 - Private vehicle: maximum mileage rate of \$0.50 per kilometer; and
 - Rental vehicle: the cost for a mid-sized vehicle and gas.

Where applicable, an itinerary should be prepared, to demonstrate planned / actual mileage, that shows addresses of the start and end locations of each trip and total kilometers to be traveled / traveled.

Per diem (Costs reimbursed up to a maximum of 50%)

Per diem to address expenses for accommodations, meals (excluding alcohol) and incidentals of:

- No more than CAD\$300 per day for each day that ends with an overnight stay
- No more than CAD\$70 per day for each day that ends with no overnight stay

Annex C: Calculation Worksheet – Planned / Actual Salaries and Benefits Costs

IMPORTANT:

- Applicants are required to keep the records relating to salaries and benefits (e.g., pay stubs, timesheets, and benefit statements used to arrive at the calculations, proof of payment, etc.) on file for six years in case of an audit. The Applicant may also be asked to provide the records as part of the application or claim assessment.

Instructions:

Please complete one worksheet per employee for which you are seeking a contribution. Contributions pertaining to salaries and benefits within an investment project are limited to either:

- Wages* of an employee on the Applicant's payroll for work related to the project that is incremental/in addition to their regular working hours and activities.
- Wages* of temporary personnel for work related to the project
- Wages* of temporary personnel to replace an employee on the Applicant's payroll, while the employee undertakes work related to the project during their regular hours

*Note: Overtime rates are not eligible

Employee _____ (Identify the employee by A, B, C, etc. For privacy reasons, do not identify the employee by name)

Employee type:

- ☐ Incremental/additional hours of an employee on the Applicant's payroll that will undertake / has undertaken work related to the project
- ☐ How long has the employee been employed by the Applicant: _____
- ☐ Regular hours per week (8 week average): _____
- ☐ Temporary personnel specifically hired to undertake work on the project
- ☐ Temporary personnel that is replacing an employee on the Applicant's payroll that will undertake / has undertaken work related to the project

Employee details:

- A. The work related to the project undertaken by the employee will occur / occurred between (date) _____ and (date) _____ and consisted of (task description):

- B. Hourly rate is _____
- C. Pro-rated hourly share of benefits (if any) is _____
- D. Number of hours completed by the employee for work related to the project _____

Total Planned or Actual Cost Calculation:

- Add the hourly rate (B above) and Pro-rated hourly share of benefits (C above),
- Multiply by the number of hours (D above)

= _____

Please report this amount to section 10.A.ii of the application form.