

Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient

SCHEDULE 1 – PROJECT CATEGORY: MARKET DEVELOPMENT AND DIVERSIFICATION IMPLEMENTATION PLANNING

For interpretation of Guidelines, please see section 9 Interpretation Of Guidelines.

1. Purpose Of the Project Category

The purpose of this Project Category is to support preparation and planning for market development and diversification in new or expanded markets. This Project Category is open to Primary Producers and Processors who have already identified their markets and who meet the eligibility criteria outlined in the Guidelines and in this Schedule “1”.

2. Term Of the Project Category

See section 2 of the Guidelines.

3. Funding For the Project Category

For not exclusively United States focused Projects, a Recipient is eligible to receive thirty-five percent (35%) of Eligible Costs up to a maximum of fifty-thousand dollars (\$50,000).

For exclusively United States focused Projects, a Recipient is eligible to receive twenty-five percent (25%) of Eligible Costs up to a maximum of fifty-thousand dollars (\$50,000).

4. Operation Of the Project Category

4.1. Eligible And Ineligible Activities

4.1.1. Eligible Activities

The following activities as they relate to agricultural, food, or beverage products are eligible under this Project Category:

- (a) Third-party advisory services to identify key importers or distributors;
- (b) Third-party advisory services to determine regulatory requirements and standards to access a new market (such as food product labels, preparation of nutritional panels and other required label information);
- (c) Third-party advisory services to develop new logistics and supply chain needed to enter the identified market(s);
- (d) Third-party advisory services to develop a plan and timeline for market development implementation;
- (e) Third-party advisory services to develop marketing tactics (such as identifying target consumers, determining promotional materials needed, identifying events to attend (i.e. tradeshow), etc.); or
- (f) Skills development and training as a support activity but not a standalone activity (such as supporting implementation of export development requirements needed to reach new markets).

If the Applicant is submitting Applications under both, Project Category: Market Development and Diversification Implementation Planning and Project Category: Implement Market Development and Diversification, the activities **must** be unique and independent from one another.

A Project may only start after the Ministry has approved it. The approval date will be communicated in the Approval Letter to the successful Applicant. Deposits made prior to the approval date on activities within a Project will result in those activities and/or entire Project to be ineligible.

4.1.2. Ineligible Activities

The following activities are ineligible under the Project Category:

- (a) Gathering information on diversification opportunities to identify new or expanded markets (such as market analysis);
- (b) Determining cultural considerations, competition, market sizes, etc.;
- (c) Attendance of events for exploratory purposes that do not support the businesses intention to export to that specific region;
- (d) Skills development and training as a standalone project;
- (e) Activities related to the domestic marketing and product development of Aquaculture as well as Fish and Seafood Processing; and
- (f) Any activity that is not set out under section 4.1.1 of this Schedule “1” of the Guidelines

4.2. Eligible Costs And Ineligible Costs Under the Project Category

4.2.1. Eligible Costs Under the Project Category

The following costs are eligible for the purposes of the Project Category, provided they were validly and reasonably incurred and directly necessary to carry out the Recipient's Project:

- (a) Costs that were incurred and/or paid for on or after the approval of the Project by the Ministry and on or before the Project completion date;
- (b) Costs that reflect the actual costs to the Recipient, less any costs, including taxes, for which the Recipient has received, will receive or is eligible to receive, a rebate, credit or refund;
- (c) Third-party advisory service fees for:
 - i) Identifying key importers or distributors,
 - ii) Determining regulatory requirements and standards to access a new market (such as food product labels, preparation of nutritional panels and other required label information),
 - iii) Developing new logistics and supply chain needed to enter the identified market(s),
 - iv) Developing a plan and timeline for market development implementation,
 - v) Developing marketing tactics (such as identifying target consumers, determining promotional materials needed, identifying events to attend (i.e., tradeshow), etc.), and
 - vi) Developing training materials for the Project;
- (d) One-time third-party costs (such as registration, transportation, meals, and accommodations) for skills development and training that is required and directly related to one of the eligible activities outlined in section 4.1.1.

4.2.2. Ineligible Costs Under the Project Category

The following costs are ineligible for the purposes of the Project Category:

- (a) Costs to apply to the Initiative;
- (b) Costs that were incurred and/or paid for before the approval of the Project by the Ministry and after the Project completion date;
- (c) Costs to obtain goods, services or both, where those goods, services or both were not obtained from an entity operating at Arm's Length from the Recipient;
- (d) Costs related to the Recipient's ordinary business operations (such as day-to-day business operating expenses related directly to producing the goods or services sold by a business, to selling goods and services, costs of running a business);

- (e) Costs related to submitting reports to the Ministry;
- (f) Costs for local branding initiatives that could result in or lead to competition with another province or territory;
- (g) Costs associated with activities for products that are not intended to be sold beyond the Recipient's business location(s);
- (h) Capital costs and installation or configuration costs;
- (i) Retailer, distributor/broker or food services costs including listing or slotting fees;
- (j) Costs associated with starting up a new business or facility;
- (k) Deposits (prepayments) for which goods and services are not yet fully received;
- (l) Recipient's staff salary;
- (m) Any in-kind contributions (such as ingredients or samples provided by the Recipient, etc.);
- (n) Costs for alcohol, hospitality and gifts/incentives;
- (o) Costs of the maintenance of an existing third-party certification;
- (p) Food safety program development and/or certification;
- (q) Membership, sponsorship and subscription costs;
- (r) Costs associated with the purchase of third-party data (such as market insights data);
- (s) Permits and approvals;
- (t) Costs related to multi-use items (such as smart phones, office supplies, vehicles, etc.);
- (u) Costs that have already been claimed under other Project Categories of the Initiative;
- (v) Any cost associated with lobbying the Province, including other ministries, agencies and organizations of the Government of Ontario or Canada, including other departments, agencies and organizations of the Government of Canada;
- (w) Any costs that were, in the Province's opinion, unreasonably incurred or are not necessary for the successful completion of the Project; and
- (x) Any other costs that are not set out under section 4.2.1 of this Schedule "1" of the Guidelines.

4.3. Eligibility Requirements

See section 4.3. of the Guidelines.

4.4. Applying To the Project Category

In addition to criteria outlined in section 4.4. of the Guidelines, to apply to this Project Category, Applicants **must** provide a written quote for each requested cost from a third-party providing a good, service or both detailing the proposed Eligible Costs for the Project. The quotes should include:

- i) The legal name of the third-party organization, consultant or manufacturer
- ii) The date the quote was provided;
- iii) A clear description of the good and/or service being provided; and
- iv) Expected costs, including any ancillary charges and applicable taxes.

4.5. Review Of Application, Evaluation Criteria And Notification

The Ministry will review the Application Form to determine whether the Applicant is eligible to participate in the Project Category.

Applications will be evaluated based on the extent to which:

- a) Target markets are fully identified and articulated based on previous market analysis;
- b) Project rationale supports market diversification and trade resiliency, and how clearly the opportunities and challenges are identified and addressed;
- c) Business impacts of the Project, in relation to market diversification and trade resiliency, are quantified and substantiated;
 - i) Potential job creation and/or retention, and
 - ii) Potential sales increase and/or retention; and
- d) Project workplan (such as activities and timelines) is clearly defined and aligned to the Project and quotes provided.