

ON-FARM EFFICIENCY PROGRAM TERMS AND CONDITIONS

1.0 PURPOSE

The intent of the On-Farm Efficiency Program (the “**Program**”) is to support producers in achieving environmental benefits by improving the efficient use of agricultural inputs. The Program funds primary producers to carry out projects that optimize the use of inputs such as fertilizer, pesticides, and energy. When inputs reach their targets with precision, it is a win-win for producers and the environment: producers save money, fewer chemicals are applied off-target, and fewer emissions are released to the atmosphere.

The Program aims to support the adoption of innovative technology that optimizes farm efficiency, minimizes agricultural waste, and advances the digitalization of an operation. The Program also funds approaches/technologies used to gather information that will help the producer knowledgeably enhance their operation. New practices that are progressive, commercially available, and that have been successful in Alberta are most likely to be successful in applications.

The Program funding maximum is \$150,000 over the Program term. Grant funding cost share is 50% of eligible expenses, except insulation which is funded per square footage as stated in the Funding List. The minimum payment an Applicant may receive under the Program is \$500.

Expenditures made before the application date may be eligible. However, expenditures made before April 1, 2023 are ineligible.

There is limited funding in the Program. Applications will be considered for approval on a case-by-case basis, subject to funding constraints.

Successful applicants must enter into a grant agreement to receive Program funding. Terms of the agreement may be viewed at www.alberta.ca/on-farm-efficiency-program

2.0 DEFINITIONS

2.1 Definitions - In these Program Terms and Conditions:

Applicant: means a person who submits an Application.

Application: means an application for funding under this Program.

EFP Approval: means an Environmental Farm Plan certificate or completion letter issued by Agricultural Research & Extension Council of Alberta (ARECA) under the Alberta Environmental Farm Plan (AEFP) program.

Eligible Activity: means the part or parts of a Project that have been approved under the Program.

Eligible Applicant: means an Applicant that has been approved to participate in the Program.

Eligible Expenses: means expenses that are eligible for funding under the Program.

Eligible Item: means a technology or system that optimizes farm efficiency, minimizes agricultural waste and advances the digitalization of an operation, or that improves farm security, as listed in the Funding List.

Federal Crown: means His Majesty in Right of Canada.

Funding List: means the document that includes a list of technologies and systems that are eligible for funding under this Program, as posted on the Program Website.

Grant: means funds payable to an Eligible Applicant under this Program.

Grant Agreement: means:

- a) for Grant awards up to \$50,000, an approval letter from the Minister to the Eligible Applicant; and
- b) for Grant awards over \$50,000, a long-form grant agreement between the Minister and the Eligible Applicant.

Minister: means the Minister of Agriculture and Irrigation and his authorized representative(s).

Primary Producer: means an individual or a corporation registered in Alberta that is:

- a) responsible for the day-to-day management of an agricultural operation (such as an annual crop, bee, or livestock operation) in Alberta that produces at least \$25,000 worth of farm commodities sold annually;
- b) responsible for input costs for that operation; and
- c) not a landlord whose only interest in the operation is ownership of the land.

Program: means the Sustainable Canadian Agricultural Partnership On-Farm Efficiency Program.

Program Application Form: means the application form for the Program, as posted on the Program Website.

Program Terms and Conditions: means these terms and conditions.

Program Website: means the Minister's website for this Program, at www.alberta.ca/on-farm-efficiency-program

Project: means an Applicant's proposed activities under the Program, as described in the Application.

Project Term: means the period between April 1, 2023 and the end date for all Eligible Activities, as stated in the Grant Agreement.

Provincial Crown: means His Majesty in Right of Alberta.

Stream: means a group of Eligible Items, as described in the Funding List. The four Streams are: Smart Farm Technology, Farm Security, Efficient Grain Handling, and Energy Efficiency.

Sustainable Canadian Agricultural Partnership (Sustainable CAP): means the Federal-Provincial Territorial Sustainable Canadian Agricultural Partnership.

3.0 ELIGIBILITY

3.1 Eligible Applicants

3.1.1 To be an Eligible Applicant, an Applicant must:

- a) be a Primary Producer; and
- b) either:
 - i) have a valid and current EFP Approval as of the date of the Application; or

- ii) have provided confirmation to the Minister that the Applicant will obtain an EFP Approval to submit with the final report.

3.1.2 The Minister may approve an Indigenous applicant as an Eligible Applicant even though the applicant does not meet the requirements under section 3.1.1(a). The Program is committed to supporting the success of Indigenous businesses in the agriculture and food sector. It is understood that Indigenous businesses may have distinct characteristics reflective of regulatory, operational, cultural, and other factors affecting their business history and operation. The Program aims for flexibility in its delivery in order to reduce barriers and ensure its accessibility. In this provision, “Indigenous” means First Nations, Inuit, or Métis.

3.1.3 The following may not be an Eligible Applicant:

- a) agribusinesses offering custom services, consulting services or general services to agricultural clients (includes commercial applicators);
- b) applied research organizations;
- c) post-secondary institutions;
- d) federal, provincial, and municipal governments, agencies and institutions, and similar organizations funded in whole or in part by the government;
- e) grazing reserves; and
- f) any other person deemed by the Minister to be ineligible for the Program.

3.2 Eligible Activities

3.2.1 To be an Eligible Activity, the proposed activity must be in respect of an agricultural operation located in Alberta that the Eligible Applicant operates, and be one of the following:

- a) the purchase of an Eligible Item; or
- b) in the Minister’s discretion, the purchase of a technology or system that the Minister considers to be substantially similar to an Eligible Item and in line with that Eligible Item’s Stream. (Note: new technologies that are progressive, commercially available, and that have been successful in Alberta are most likely to be approved.)

3.2.2 The following may not be an Eligible Activity:

- a) the purchase of technologies considered by the Minister to be widely adopted within the Applicant’s farm type.

3.3 Eligible Expenses

3.3.1 To be approved as an Eligible Expense, an expense must have been incurred by, invoiced to, and paid by the Eligible Applicant directly for an Eligible Activity during the Project Term. For clarity, expenses incurred by, invoiced to, and paid by the Eligible Applicant before the date of the Application but after April 1, 2023, are eligible.

3.3.2 The following are eligible to be an Eligible Expense;

- a) the cost for an Eligible Activity described in section 3.2.1(a); and
- b) the cost for an Eligible Activity described in section 3.2.1(b).

3.3.3 The following may not be an Eligible Expense:

- a) expenses that the Minister considers to be duplicative of a technology or system that was funded in whole or part previously under this Program, another Sustainable CAP program, or

- under a Canadian Agricultural Partnership (CAP) program, unless otherwise approved by the Minister. Expenses for a technology or system that is of the same type, and is located in the same location or is used for the same application or operation, are likely to be considered duplicative (e.g. agricultural drone for a cow-calf operation is ineligible if an agricultural drone for a cow-calf operation was funded under the Farm Technology Program);
- b) the cost of goods or services that the Minister considers ancillary to the cost of an Eligible Expense, whether or not the goods or services are necessary for the operability of a technology or system (e.g. cables, software);
 - c) GST;
 - d) extended warranties on equipment, electronics or technology purchased;
 - e) installation costs (other than approved installation costs for Eligible Item No. 45.1 (Natural gas line to grain dryer));
 - f) labour costs (other than approved labour costs for Eligible Item No. 45.1 (Natural gas line to grain dryer));
 - g) administrative costs of the Applicant, such as costs to prepare documents or process invoices;
 - h) leasing costs;
 - i) in-kind contributions, being non-monetary contributions that defray the total cost of an Eligible Activity, including the provision of unpaid labor, services, or equipment required in the planning, conducting or managing of the Eligible Activity;
 - j) cost of on-hand materials or supplies;
 - k) expenses identified as ineligible on the Funding List;
 - l) expenses incurred in transactions between individuals who are related to each other by blood, marriage, adoption, common-law relationships, or close business ties;
 - m) maintenance and repair costs;
 - n) costs incurred outside the Project Term, as determined by the Minister;
 - o) consumable expenses; and
 - p) any other expenses deemed ineligible by the Minister.

4.0 CONDUCT OF ELIGIBLE ACTIVITY

- 4.1 An Eligible Activity shall be considered to be “completed” when the Eligible Applicant has paid in full for the Eligible Item or the technology or system approved under section 3.2.1.
- 4.2 Except for items permanently affixed to land sold by the Eligible Applicant, equipment for which the Eligible Applicant received payment under the Program must:
 - a) remain owned by the Eligible Applicant for at least three (3) years after the end of the Project Term;
 - b) be in the Eligible Applicant’s possession (or, if it is a fixture, be installed at the Eligible Applicant’s operation that is the subject of the Application) six (6) months after the end of the Project Term; and
 - c) be used by the Eligible Applicant in the production of a primary commodity no later than six (6) months after the Project Term.
- 4.3 An Eligible Applicant who did not submit a valid and current EFP Approval as part of the Application must obtain their EFP Approval before the end of the Project Term, and must include a

copy of the EFP Approval with the final report. An Eligible Applicant that fails to comply with this requirement will be in breach of the Grant Agreement and will be required to repay the Grant.

- 4.4 An Eligible Applicant that receives funding for Eligible Item No. 19.1 (Combined Heat and Power), must report its power and heat utilization information as of 12 months before installation of the technology/system.

5.0 PAYMENT AND FUNDING LEVELS

- 5.1 The maximum Grant that an Eligible Applicant may receive under the Program for all Applications over the duration of the Program is \$150,000.
- 5.2 The maximum Grant that an Eligible Applicant may receive, per Stream, for all Applications over the duration of the Program is:
- \$50,000 for the Smart Farm Technology Stream;
 - \$50,000 for the Energy Efficiency Stream;
 - \$2,000 for the Farm Security Stream; and
 - \$100,000 for Efficient Grain Handling Stream.
- 5.3 Any maximum Grant that an Eligible Applicant may receive in respect of an Eligible Item as part of one Application shall be as stated in the Funding List.
- 5.4 The minimum Grant that an Eligible Applicant may receive in respect of an Application is \$500.
- 5.5 Eligible Activities and Eligible Expenses qualify only once for payment under the Program.
- 5.6 Eligible Expenses shall be cost-shared at 50% Grant and 50% Applicant, except insulation which shall be funded per square footage as stated in the Funding List. All expenses will be subject to any maximum amounts stated in the Funding List.
- 5.7 Funding received through any other Sustainable CAP programs may not be used toward the cost-share requirements of this Program.
- 5.8 The Grant will be paid on a reimbursement basis and based on the Eligible Expenses claimed by the Eligible Applicant and approved by the Minister.
- 5.9 Funding received through other federal, provincial and municipal governments for an Eligible Activity cannot exceed 100% of the Eligible Expenses paid under the Program. The amount of the Grant shall be adjusted so that the total government funding for an Eligible Expense does not exceed 100% of the expense.
- 5.10 Payments may be considered farm support payments, and AGR-1 tax slips will be issued in the name of the Applicant, if applicable.

6.0 GRANT AGREEMENT

- 6.1 The Minister shall pay a Grant subject to the terms and conditions in a Grant Agreement, which shall provide for, among other things:
- the maximum amount of the Grant;
 - matters involving Eligible Expenses, including the criteria for an Eligible Expense, the submission of claims for Eligible Expenses, and the processes by which the Minister may verify that claimed expenses are Eligible Expenses and that the Eligible Applicant incurred

- and paid the Eligible Expenses, and the Minister's ability to determine the amount of an Eligible Expense;
- c) reporting by the Eligible Applicant on matters including the status of the Eligible Activity and expenditure of the Grant,
 - d) the ability for the Minister to audit, evaluate or inspect the conduct of the Eligible Activity or compliance with the Grant Agreement; and
 - e) default by the Eligible Applicant and repayment of the Grant.

6.2 If there is a conflict or inconsistency between a provision of these Program Terms and Conditions and the Grant Agreement, the latter shall take precedence.

7.0 APPLICATIONS

7.1 There is limited funding in the Program. Applications will be considered for approval on a case-by-case basis, not "first come, first served". Applications will be evaluated and recommended for approval according to the eligibility criteria and funding constraints.

7.2 An Applicant may apply for proposed activities under one or more Streams within its Application. The portion of the Application pertaining to each of the Streams will be evaluated according to the eligibility criteria for that Stream and will be subject to that Stream's funding constraints.

7.3 Applications must include:

- a) a completed Program Application Form with all documents required to be submitted pursuant to that form, including a signed Applicant Declaration;
- b) either:
 - i) a copy of the Applicant's EFP Approval that is valid and current as of the date of the Application; or
 - ii) if the Applicant does not have a valid and current EFP Approval, confirmation by the Applicant that they will obtain an EFP Approval to submit with the final report; and
- c) all supplementary documentation requested by the Minister.

7.4 Applications must be signed by or on behalf of a properly authorized representative. The Minister may require evidence of authorization. Designates are not permitted to sign Applications unless they have Power of Attorney (submitted with the Application). Personal representatives may sign on behalf of estates.

7.5 Applications must be delivered to the Minister at ofep@gov.ab.ca or to:

Alberta Agriculture and Irrigation
Sustainable Canadian Agricultural Partnership – On-Farm Efficiency Program
303, 7000-113 Street NW
Edmonton, AB, T6H 5T6

7.6 Applications must be received by the Minister or postmarked on or before the date specified on the Program Website www.alberta.ca/on-farm-efficiency-program

- 7.7** 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 the Application, to any other government department, agency or other body, or other program of the Minister, for the purposes of verifying the Applicant's eligibility for this Program, or its eligibility for payment under this Program, or both. The Applicant authorizes the Minister to obtain information from any government department, agency or other body, or other program of the Minister, to verify the Applicant's eligibility for this Program or its eligibility for payment under this Program.
- 7.8** The Minister may approve a proposed activity as a different Eligible Item than the one proposed by the Applicant, where the Minister determines that the other Eligible Item is a better fit than the one selected by the Applicant.
- 7.9** The Minister may reject any Application that the Minister deems to be inaccurate, incomplete or ineligible in the sole discretion of the Minister, including Applications with a grant value under \$500.
- 7.10** Submission of an Application does not entitle an Applicant to a grant under the Program.

8.0 FALSE OR MISLEADING INFORMATION

- 8.1** An Applicant who provides false or misleading information under this Program forgoes all rights to benefits from this Program.

9.0 MINISTERIAL GRANTS REGULATION

- 9.1** Payments under this Program are grants subject to the Ministerial Grants Regulation (AR 215/2022), as may be amended or replaced from time to time. In addition to complying with the Grant Agreement, an Eligible Applicant must comply with the Regulation.

10.0 CHANGE TO THE PROGRAM

- 10.1** The Minister may change or terminate the Program at any time without notice. Any revisions to the Program, the Program Application Form, the revised Program Terms and Conditions and/or Funding List will be posted on the Program Website.
- 10.2** Applications are subject to the Program Terms and Conditions and Funding List as posted on the Program Website as of the date that the Application was received by the Minister.

11.0 MINISTERIAL DISCRETION

- 11.1** The Minister has the absolute discretion to determine the eligibility of any Applicant, expense or activity under this Program. Notwithstanding anything in these Program Terms and Conditions, the Minister has the absolute discretion to not approve any Application. The decision of the Minister is final.