



Agri-Opportunities Program



APPLICATION GUIDE

Overview

The Agri-Opportunities Program is a \$134 million program, launched in January 2007. Its objective is to accelerate the commercialization of new innovative value-added agricultural, agri-food and agri-based products, services and processes that are currently not commercially produced or available in Canada and that are ready to be introduced into the marketplace. Priority is given to projects that can be expected to increase market opportunities for the Canadian agricultural industry across the value chain and generate demand for primary agricultural products.

The Agri-Opportunities Program addresses a gap in the commercialization of agricultural products, processes or services by providing financial capital to eligible recipients and by sharing investment risks with the private sector.

The Agri-Opportunities Program provides repayable and non-repayable contributions for commercialization projects. The program is delivered nationally by Agriculture and Agri-Food Canada and will end on March 31, 2011.

Contact Information

For more information on the Agri-Opportunities Program and to discuss whether your project might be a good fit with the program, please e-mail: agri-opp@agr.gc.ca or call 1-877-BIO-4682 (1-877-246-4682).

How Much Financial Assistance Is Available?

The Agri-Opportunities Program provides contributions up to a maximum of \$10 million per project, as well as per recipient regardless of the number of projects, over the life of the program.

Contribution funding is normally limited to one third of total eligible project costs.

Contribution funding provided to for-profit enterprises is repayable. Contributions are generally unsecured and non-interest-bearing. Contributions less than \$100,000 and funding provided to not-for-profit organizations are normally non-repayable.

Who Can Apply?

- Aboriginal groups
- Academic institutions
- Canadian agri-businesses
- Co-operatives
- Corporations
- Canadian subsidiaries of foreign companies
- Individuals
- Non-governmental organizations
- Not-for-profit organizations
- Producers

How Do I Apply?

Step 1 - Review Program Information and Contact Us

The first step of applying to the Agri-Opportunities Program is to review the program objectives and eligibility criteria described in this document. These are also available on the website at www.agr.gc.ca/agri-opportunities.

After reviewing, if you feel that you have a viable commercialization project that meets the program's objectives and eligibility criteria, you should contact program staff by email at agri-ops@agr.gc.ca or by phone at 1-877-BIO-4682 (1-877-246-4682). A program officer will discuss your project with you.

If your project is assessed as having market potential and being a good fit with the objectives of the Agri-Opportunities Program, you will be provided with an information guide on how to complete a *proposal synopsis*.

Step 2 – Prepare a Proposal Synopsis

The *proposal synopsis* is intended to provide Agri-Opportunities program staff with basic information about the potential viability of your proposed project and your organization.

Applicants will be asked for the following information in the *proposal synopsis*:

- Project description and project funding requirements
- Product, service or process and technology overview
- Market analysis
- Production and distribution of the product or service
- Company management profile and financial summary
- Benefits to the Canadian agricultural sector and to Canada

The *proposal synopsis* is used to identify those applicants who will be invited to submit a *full proposal*. Therefore, due care should be used when preparing the *proposal synopsis*, and the information should be complete and presented succinctly.

The criteria used to screen potential projects for program eligibility include, but are not limited to, the following:

Basic Criteria:

- **New and innovative:** Evidence is established that the product, service or process is not already commercially produced or available in Canada.
- **Readiness to commercialize:** A prototype has been developed, a market has been defined, a business plan has been written and intellectual property issues have been finalized.
- **Benefits to Canadian agriculture and to Canada:** The project will be conducted in Canada, will benefit the Canadian agriculture and agri-food sectors across the value-chain, and will increase demand for primary production.

Funding Criteria:

- At least 30% of the necessary funding to commercialize has been or will be secured from private sources.
- The potential is there to repay the contribution (applies only to for-profit entities).

Business Criteria:

- Proof of the technical viability of the new products, services or processes is provided.
- Intellectual property rights have been established, if applicable.
- Thorough business and marketing plans have been developed.
- Market research to support sales projections has been presented.
- The experience and expertise of the management team has been demonstrated.

The turn-around time for the assessment of the *proposal synopsis* is normally 30 business days, once all pertinent information has been received.

If your *proposal synopsis* is assessed positively, you will be invited to prepare a *full proposal* and you will be provided with a reference guide to assist in its development.

The invitation to prepare a full proposal is not an indication that a project has been approved.

Step 3 – Prepare a Full Proposal

The *full proposal* is intended to provide Agri-Opportunities with in-depth information about the organization and the details of the proposed project. As part of the *full proposal*, applicants will be required to submit a comprehensive business plan, which includes an explanation of how the proposed project advances their business objectives.

The *full proposal* must include, in addition to the information also provided in the proposal synopsis, a repayment plan for the requested contribution and a detailed statement of work. The statement of work must include the following:

- Description of the work
- Description of major activities
- Major milestones
- Project locations
- Project schedule
- Cost breakdown

The completed *full proposal* will be used to evaluate the technical, managerial, financial and market risks associated with the project.

How Is the Full Proposal Assessed?

Applicants should take into consideration the nature of the Agri-Opportunities assessment process when developing their project proposals. Agri-Opportunities staff assess applicant proposals in the context of the projects' relevance to achieving the objectives of the Agri-Opportunities Program. More specifically, *full proposals* will be assessed for:

- Technical viability of new products, services or processes;
- Business viability of the project, including the marketing plan and project financing;
- Track record and experience of management;
- Potential to repay the contribution (applies only to for-profit enterprises);
- Level of private sector investments;
- Increase in demand for primary agricultural products;
- Increase in market opportunities for the Canadian agricultural industry across the value chain;
- Other benefits for the Canadian agriculture and agri-food sectors and for Canadians.

Program staff will visit the site of the project to meet the project team. These visits will form an integral part of the overall full proposal assessment process.

Program staff will be assisted in their assessment by AAFC and external experts, including an independent Industry Review Committee. The advice of the Industry Review Committee will be factored into the final decision on whether or not to approve the project.

Although every effort is made to contribute to as many eligible projects as possible, priority is given to projects that increase demand for primary agricultural products and that produce benefits across Canadian agricultural value chains.

Processing time for a *full proposal* depends on the complexity and the completeness of the proposal but is generally expected to be about three months.

What Happens After Approval of a Project?

Contribution Agreement

Once a project has been approved, a *contribution agreement* is prepared. The *contribution agreement* includes a statement of work that identifies the activities and milestones of the project, as well as the project *completion date* by which all activities are expected to be completed. When the *contribution agreement* is signed, the *work phase* of the project begins.

Work Phase

During the *work phase*, claims for eligible costs are submitted on a quarterly basis to Agri-Opportunities program staff and reimbursed in accordance with provisions stated in the agreement. Also during the *work phase*, progress and performance reports are submitted. The *work phase* ends with the completion of all project activities and milestones, as specified in the *contribution agreement*.

Repayment Phase

Agri-Opportunities contribution funding is to be repaid within an eight-year period from the *completion date* of the project. Repayments are to be made in equal installments over the life of the repayment period. The repayment period can begin immediately after completion of the project, or it can be deferred up to a maximum of three years from the project completion date (i.e. a grace period).

**For more information contact:
Agri-Opportunities Program
E-mail: agri-opps@agr.gc.ca
Phone: 1-877-BIO-4682 (1-877-246-4682)
www.agr.gc.ca/agri-opportunities**

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