



Small Farm Acceleration Program Guidelines

2019-2020

Version 2



FOR MORE INFORMATION PLEASE CONTACT:

Programs and Business Risk Management (PBRM)

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CANADIAN AGRICULTURAL PARTNERSHIP (CAP)

The governments of Canada and Nova Scotia are committed to ensuring farmers and processors have the tools they need to innovate, grow and prosper. The Canadian Agricultural Partnership agreement is part of a commitment by federal, provincial and territorial governments to promote productivity and profitability for the sector. The programs are designed to help the industry position itself to respond to future opportunities and to realize its full potential as a significant contributor to the economy. Programs are also tailored with the flexibility to meet diverse regional requirements.

The partnership is a five-year, \$3-billion investment by federal, provincial and territorial governments that aims to strengthen the agriculture and agri-food sector and ensure continued innovation, growth and prosperity. The partnership includes \$1 billion for federal activities and programs, and \$2 billion in cost-shared programs delivered by provinces and territories on a 60-40 basis. In Nova Scotia, \$37 million will be invested through provincially delivered programs focusing on Markets and Trade; Science, Research and Innovation; Environmental Sustainability and Climate Change; Risk Management; Value Added Agriculture and Agri-Food Processing; and Public Trust.

In addition to cost-shared strategic initiatives, the partnership includes several business risk-management programs to help farmers manage risks that threaten the viability of their farms.

PROGRAM OBJECTIVES

The objective of the Small Farm Acceleration Program is to support the growth of Nova Scotia small farms through the implementation of business planning and farm growth strategies. The support of a loan interest rebate program will also allow for improved accessibility to working capital. The program will allow new and existing small farms to make significant strides in reaching or working towards commercial viability.

ELIGIBILITY

An eligible applicant must:

- be currently and properly registered in the correct income category under the *Farm Registration Act*;
- be at least 19 years of age and actively farming in the program year;
- must report to Canada Revenue Agency farming income and expenses which show income from the primary production of agricultural commodities not greater than \$60,000. The eligible commodity income will be based on the Statement of Farming Activities (T2042, T1273 or Schedule 125 - Farm Revenue: detailing sales by commodity revenue code);
- applicants new to farming who have not filed Farming Income and Expense Statements, may be asked to submit interim statements.
- relinquish their eligibility to other programs offered by the Nova Scotia Department of Agriculture, except for Limestone Trucking Assistance and Bee Biosecurity, while participating in the Small Farm Acceleration program.

PROGRAM OVERVIEW

The Small Farm Acceleration Program consists of **two phases** that must be completed sequentially. **Phase 1** requires applicants to explore their farm growth goals in detail via the completion and submission of a business plan and detailed Farm Growth Action Plan. Funding assistance is available for applicants to complete their business plan.

Once Phase 1 is deemed complete, applicants can apply to **Phase 2** which allows farmers to receive funding assistance for projects that will allow them to fulfill their farm growth goals as laid out in their Farm Growth Action Plan. Applicants will need to determine priority items to be funded under the program to enable the farming operation to reach the farm's growth targets.

Phase 2 consists of three funding streams. **Stream 1 consists of a loan interest rebate** for qualifying project items that were detailed in the Farm Growth Action Plan. **Stream 2 consists of direct funding assistance for qualifying project items** that were detailed in the Farm Growth Action Plan and Form and pre-approved by Nova Scotia Department of Agriculture (NSDA) staff. **Stream 3 consists of assistance for contracting mentors and/or professional advisors.**

Funding is available over multiple years in Phase 2 and is contingent on meeting growth targets in the previous year. While enrolled in the program, applicants must continue to work toward reaching their goals and adjust their action plan as required. Applicants may choose to remain in the program until their farm income reaches \$100,000 or March 1, 2023, whichever comes first. When an applicant achieves \$30,000 of farm income, they can choose to exit the Small Farm Acceleration program and participate in the other programs offered by the Nova Scotia Department of Agriculture (NSDA). Applicants with farm income greater than \$30,000 cannot participate in both the Small Farm Acceleration program and other programs offered by NSDA.

APPLICATION PROCESS

1. Clients new to programs since 2019 must complete the Program Funding Registration form.
2. Returning clients, please refer to the Program Funding Registration form and update the form with any changes to:
 - contact information
 - business information including structure, commodities, environmental farm plan and Premise ID
3. **Application Intake** - The program will run from April 1, 2019 to March 1, 2023. Application intake is dependent on the funding Phase as outlined in the table below. If feasible to complete, applications can be accepted for Phase 1 and Phase 2- Year 1 in one program year.

| Program Year | Application Intake | Project Completion Period | Claiming Deadline |
|------------------------------|--|--|---|
| Phase 1 & Phase 2- Year 1 | Anytime between program opening and June 30, 2022 | April 1- March 1 of the corresponding program year | March 1 of the corresponding program year |
| Year 2 of Phase 2 and beyond | April 1 to June 30 of the corresponding program year | April 1- March 1 of the corresponding program year | March 1 of the corresponding program year |

PHASE 1- Farm Growth Planning

Phase 1 consists of three steps that must be completed to be eligible for Phase 2 funding assistance:

Step 1: Complete a Phase 1 Application Form and submit along with all supporting documentation.

Step 2: Complete the “Grow Your Farm Profit” online tool or the hard copy binder version (available upon request) which will identify measurable goals using the SMART guideline (<http://www.farmbusinessassessment.com/>) and retain (print) proof of completion.

Step 3: Complete a business plan and detailed Farm Growth Action Plan Form which includes a detailed budget required to achieve the farm’s growth targets. Applicants and/or consultants must follow the Nova Scotia Department of Agriculture Business Plan Template.

Approved applicants are eligible to receive 50% in assistance to a maximum of \$2,500 for consultant assistance for the business plan. An applicant may choose to complete their own business plan and detailed Farm Growth Action Plan Form. Applicants who choose to create their own Business Plan and Growth Action plan are eligible for \$1,250. A business plan template is available upon request.

Eligibility Assessment

In order to apply for Phase 2 funding assistance, a Phase 2 Eligibility Assessment must be completed by NSDA staff. The Eligibility Assessment must include the following:

- ✓ *Proof the applicant has completed the Growing Your Farm Profit (online tool)*
- ✓ *A completed Farm Growth Action Plan Form*
- ✓ *A copy of the business plan*

PHASE 2- Farm Growth Projects Application

Once the Phase 2 Eligibility Assessment requirements are deemed to be complete, applicants are then eligible to submit a Phase 2 Application form to apply to one or all streams of Phase 2.

Stream 1: Loan Interest Rebate

If applying for stream 1, the following eligibility requirements must be met:

- ✓ *Application form must be received **within 10 months of the loan approval. Loans approved prior to April 1, 2018 do not qualify.***
- ✓ *A repayment agreement form must be submitted along with the application form.*
- ✓ *The applicant must provide a copy of the loan agreement which must include loan details such as the amount of the loan, the loan amortization, the interest rate and interest rate calculation for the loan duration, and loan details (i.e. what the funds are specifically being used for).*
- ✓ *The loan may be obtained from a financial institution or equipment dealer.*
- ✓ *The loan must be for the projects specified in the detailed Farm Growth Action Plan and approved by Nova Scotia Department of Agriculture Staff as being incremental to the farm’s growth.*
- ✓ *Refinancing loans and operating lines of credit are not eligible.*

Applicants are eligible for a loan interest rebate up to \$5,000 per program year to a maximum of one loan per program year.

Note: The loan interest rebate stream of this program is not funded through the Canadian Agricultural Partnership and is funded solely by the Province of Nova Scotia through a separate provincial budgetary allocation.

The applicant may be required to repay the amount of interest rebate received if the farm is sold or if the farming operation is discontinued within a two-year period from the date of signing the repayment agreement.

Stream 2: Project Grants

Approved applicants are eligible for a 50% cost-share up to \$5,000 annually on eligible project items. Used equipment purchases are not eligible, however, under special circumstances and prior approval from Nova Scotia Department of Agriculture, used equipment may be considered eligible. Applicants must apply for Stream 2 projects yearly and only one application per program year will be accepted. All projects must be in line with the applicant's business plan and detailed Farm Growth Action Plan and must be approved annually by Nova Scotia Department of Agriculture.

Stream 3: Business Advisory Services

Approved applicants are eligible for a 50% cost-share up to \$2,500 annually for on-going business advisory services. Items must be in line with the applicant's business plan and action plan. Eligible items: consultant services (e.g. specific crop specialists, marketing plans).

Funding Assistance Summary:

| Program Phase | Activity | Cost Share | Maximum Assistance |
|----------------------|--------------------------------|-------------------|---------------------------|
| Phase 1 | Business Plan (Consultant) | 50% | \$2,500 |
| Phase 1 | Business Plan (Self developed) | n/a | \$1,250 |
| Phase 2 | Loan Interest Rebate | n/a | \$5,000 per year |
| Phase 2 | Project Grants | 50% | \$5,000 per year |
| Phase 2 | Business Advisory Services | 50% | \$2,500 per year |

Non-eligible expenses include, but are not limited to:

- Staff resources/salaries
- Normal operating expenses (i.e. phone, insurance, taxes, membership fees)
- Variable expenses to produce agricultural product (i.e. fertilizer, chemicals, livestock, seed, feed, fuel)
- Productive Farm Units including such things as: breeding stock, perennial plants, root stock, beehives, maple syrup lines etc.
- Land
- Used equipment
- HST/GST
- In-kind contributions
- Conferences
- Meals

Submit all forms to the PBRM office via mail, email, or fax:

Programs and Business Risk Management (PBRM)

74 Research Drive

Bible Hill, Nova Scotia B6L 2R2

Email: prm@novascotia.ca

Fax: 902-893-7579

Tel: 902-893-6377 Toll Free: 1-866-844-4276

APPROVAL PROCESS

- If approved, applicants will receive a **PHASE 1 Letter of Agreement (LOA)** that identifies the eligible project activities, assistance offered, and the terms and conditions under which assistance is approved. The LOA must be reviewed, signed, and returned to the Programs office within 60 days in order to secure funding.
- If the **Phase 1 Assessment** is deemed complete, a **confirmation letter** of approval and application form to apply for Phase 2 streams will be sent to the applicant.
- If approved for Stream 1 of Phase 2, applicants will receive a **loan interest rebate statement of compensation along with a copy of the approved and signed repayment agreement.**
- If approved for Stream 2 or 3 of Phase 2, applicants will receive a **PHASE 2 Letter of Agreement (LOA)** that identifies the eligible project activities, assistance offered, and the terms and conditions under which assistance is approved. The LOA must be reviewed, signed, and returned to the Programs office within 60 days in order to secure funding.

CLAIMING PROCESS

- a) Complete your project within the project completion deadline.
- b) Complete and sign the **Programs Claim Form** that you received with your LOA. Additional copies can be requested from the Programs office.
- c) Attach copies of all invoices for eligible project costs incurred and paid for by the applicant.
- d) Attach proof of payment for each invoice – debit slips, cancelled cheques, or credit card statements. **Note:** receipted invoices marked paid and signed by the supplier are not accepted as a proof of payment. No payment will be made for claims under \$20.00.
- e) Submit your claim with the required supporting documentation to the PBRM office. Submit either right away or by the deadline noted for the corresponding intake period. Multiple claims can be submitted prior to the deadline.

Note: Phase 2- Stream 1- Loan Interest Rebate does not require a claim submission.

LEASED LAND

Eligible projects must be directly applicable to the registered farm qualifying for the assistance on agricultural land owned or leased. A copy of the long-term lease (10 years) or rental agreement must accompany the application form for all physical projects applicable to the leased/rented land. It is a condition of approval that the lease be of at least 10 years duration. You must advise us immediately, in writing, if the lease is terminated, if the term of the lease changes or if the identity of the lessor changes in any way (for example, if the lessor assigns the lease or if the lease changes in composition).

ARM'S LENGTH TRANSACTIONS

Financial assistance will only be offered on transactions (invoices) that involve a supplier/service provider with an arms-length relationship to the applicant for approved projects. For the purposes of Programs, Arm's Length is defined as individuals who are NOT connected by blood relationship, marriage, common-law partnership, or adoption.

PROJECT EVALUATION AND AUDIT

Review and evaluation of projects may be carried out by officials of the Nova Scotia Department of Agriculture (NSDA), Government of Canada or other parties chosen by the NSDA for the purpose of audit, analysis, evaluation, program development and determining assistance. This review and evaluation process may be conducted prior to project commencement, during work or upon project completion. Applicants may be asked to complete an evaluation survey statement related to their final claim.

CONFIDENTIALITY

Applicants consent to the release of their name and the amount of support received under the program as public information to be actively disseminated by the Department of Agriculture. Any other information provided, unless disclosed in the manner and for the purposes stated above, will be subject to the confidentiality and disclosure provisions to the Freedom of Information and Protection of Privacy (FOIPOP) Act.

CONTACT INFORMATION

To find out more information about the Small Farm Acceleration Program please contact Programs & Business Risk Management at: 902-893-6377, toll free 1-866-844-4276, or your regional office at the following locations:

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|--------------------|-------------------|--------------|
| Central Region | Truro office | 902-893-6575 |
| Valley Region | Kentville office | 902-679-6021 |
| Western Region | Cornwallis office | 902-638-2395 |
| Eastern Region | Antigonish office | 902-863-7180 |
| Cape Breton Region | Sydney office | 902-563-2000 |