

Vineyard Development & Expansion Program Guidelines 2017-2018

Version 2



Objective

The Vineyard Development and Expansion is a provincially funded program that aims to assist the Nova Scotia wine grape industry to better position Nova Scotia within the market place. This will be achieved by 1) supporting the primary industry to increase production, enhance competitiveness and capture new markets and 2) assisting with the costs associated with production and processing equipment that will increase efficiencies. This program will help ensure the on-going viability of this industry in rural Nova Scotia.

Who is Eligible to Apply?

A producer who:

- is currently registered under the *Farm Registration Act*;
- is at least 19 years of age and actively farming in the program year;
- generates an annual eligible gross farming income of \$10,000 or more. The eligible farming income will be based on the Statement of Farming Activities (T2042, T1273) or Schedule 125 (Farm Revenue – detailing sales by commodity revenue code) for corporations and limited companies that was submitted to Canada Revenue Agency (CRA) for the most recently filed tax year. **Verification must accompany your application.** The minimum income requirement must be satisfied by eligible commodity sales or custom work; however, only up to 25% of sales may be comprised of forest product sales or custom work;
- is a member in good standing of the Grape Growers Association of Nova Scotia. Wineries must be a member in good standing of the Winery Association of Nova Scotia.

New Entrant: For the purpose of this program, an applicant is considered a new entrant for the first five years that the applicant is registered as a farm. The requirement of generating \$10,000 in farm income will be waived if the applicant:

- is registered for the first time during or after the 2013-14 registration year;
- is able to show that it is an active farm, e.g., incurring commodity expenses.

A processor who:

- represents identifiable Nova Scotia agriculture and agri-food products;
- can demonstrate value-added processing to a raw Nova Scotia product;
- generates an annual gross income of \$10,000 for agricultural based products;
- is a member in good standing with the Winery Association of Nova Scotia.

An alliance arrangement purchasing equipment with a value greater than \$25,000 where:

- alliance arrangement members must be existing registered farms forming a new business entity (e.g. partnership/cooperative/corporation) that retains ownership of the equipment or have entered into a legal agreement to share and maintain the equipment purchased.
- all members of the alliance arrangement meet the eligibility criteria (except the five-acre minimum vineyard size) as a producer and/or processor;
- the total acreage of vineyard in production of all the members of the alliance arrangement totals at least 10 acres;

Vineyard Development and/or Expansion Eligibility

- All applicants must meet a five-acre minimum requirement for expansion eligibility.
 - New entrants to the industry may qualify for assistance to develop vineyards up to the five-acre minimum; application must include a written plan demonstrating their plan to achieve the five acre minimum by March 31, 2020.
 - Small producers who currently grow less than five acres may qualify for assistance to develop a vineyard up to the five acre minimum; application must include a written plan demonstrating their plan to achieve the five acre minimum by March 31, 2020.
- There is no limitation on acreage expansion for producers who currently meet or exceed the five-acre minimum.
- New site development requires a site assessment to ensure suitability for grape production and / or varietal selection;
 - Site assessments will be initiated by Nova Scotia Department of Agriculture when an application is received.
 - All site assessments will be conducted by Perennia at no cost to the applicant.
- Only those sites which are planted with a variety on the Varietals List (Appendix A) are eligible for funding and must be planted at a minimum of 800 vines per acre.
 - Plant material may be purchased and/ or propagated. Invoices must state the variety and services provided.
 - Applicants who propagate vines for their own purposes cannot claim propagation expense but are eligible for development activities costs (e.g. tile drainage, trellis).
- A signed agreement or contract between the grower and an established winery for the grapes to be produced from the expansion is required. The contract must state that the winery agrees to purchase the grapes for a minimum of five years from the first harvest and must be signed by both parties. The contract must indicate the varieties to be purchased and may also contain the instances whereby the contract may be terminated, for example, if quality standards are not met. This requirement is waived for any qualifying wine grape producer/ applicant who has an established winery.

Program Duration

The Vineyard Development and Expansion will be open for application intake each year from **April 1 to December 31** until the final program year which has a deadline of **June 1, 2019**, or until the budget is exhausted, whichever comes first. Only **ONE** amendment, submitted in writing to the Programs office, will be considered per program year if submitted on or before December 31 of each program year. Amendments in the final program year, however, will not be accepted after June 1, 2019. All work must be completed by March 1, 2020. Multiple year expansions will be awarded funding on a fiscal year basis.

How to Apply

Complete the *Vineyard Development and Expansion Program Application Form* and include all applicable information and attachments. All information must be submitted before the application can be processed. Some applications may need further assessment by program staff. You will be contacted if necessary.

Submit applications to:

Programs and Business Risk Management (PBRM)

Nova Scotia Department of Agriculture

74 Research Drive Nova Scotia, B6L2R2

Phone: 902-893-6377 **Toll free:** 1-866-844-4276 **Fax:** 902-893-7579 **Email:** prm@novascotia.ca

Website: <http://novascotia.ca/agri/programs-and-services/financial-funding/>

Application Review Process

The following items must be completed and submitted with the application:

- The development/expansion costs worksheets and project financing sections of the application form.
- A signed agreement or contract for a duration of at least 5 years from the first harvest between the potential qualifying grower and an established winery.
- A copy of Appendix A & B from your Environmental Farm Plan if applying for tile drainage assistance.
- A copy of the lease agreement(s) if leasing or renting land.
- Appendix B- Alliance Arrangement form if applying under Stream 3- Specialized Vineyard Equipment as an alliance arrangement.
- A copy of your Statement of Farming Activities (T2042, T1273, or Schedule 125: Farm Revenue- detailing sales by commodity revenue code).
- If applicable, site assessments will be initiated by the Nova Scotia Department of Agriculture when an application is received. All site assessments will be conducted by Perennia at no cost to the applicant.

Upon approval, applicants will receive a Letter of Agreement which identifies the eligible project, assistance offered and the terms and conditions for which assistance is approved. Please review this carefully, sign and return to the PBRM office within 60 days of the date of the Letter of Agreement. *Note: Eligible applicants with multi-year funding approvals will be given an opportunity to adjust their project activities by December 31 of each program year as expansion plans evolve. Additional funding requests would be subject to budget availability. If demand exceeds budget availability, PBRM reserves the right to cap the assistance paid to a single applicant.*

Claiming

Claims must be submitted on a yearly basis, **no later than March 1** of each program year, for activities that were conducted in that fiscal year. Late claims will not be processed. Multiple claims can be submitted any time after project completion and prior to the final claim deadline. Eligible project expenses will be recognized from April 1 of each program year however, expenses incurred after this date but prior to the date of approval are at the applicant's risk.

Claim forms, which can be requested from the PBRM office, must be submitted to the PBRM office with all supporting documentation including copies of all invoices for eligible project costs incurred and paid by the applicant. Applicants must include proof of payment to support completed approved project activities (i.e. debit slips or official invoices marked paid and signed by the supplier, cancelled cheques, and credit card statements).

NOTE: Successful applicants through the Homegrown Success program for tile drainage assistance cannot submit the same invoice for the same acreage when claiming for tile drain assistance through the Vineyard Development and Expansion program.

Eligible Project Activities and Financial Assistance

STREAM 1- VINEYARD ACTIVITIES

Vineyard Removal

| Eligible Activity | Level of Assistance |
|---|---------------------|
| Removal of existing vines in a vineyard approved for replanting | 50% |
| Maximum assistance per acre | \$1,200 |

TIER 1- Planting density of 800-1619 vines/acre

| Eligible Activity | Level of Assistance |
|--|---------------------|
| Land clearing * | 50% |
| Tile drainage and ditching | 25% |
| Plant material purchase / propagation expenses (eligible varieties only) | 50% |
| Trellis, vine stakes, grow tubes | 50% |
| Contracted labour | 50% |
| Maximum assistance per acre | \$6,550 |

TIER 2- Planting density greater than 1620 vines/acre

| Eligible Activity | Level of Assistance |
|--|---------------------|
| Land clearing * | 50% |
| Tile drainage and ditching | 25% |
| Plant material purchase / propagation expenses (eligible varieties only) | 50% |
| Trellis, vine stakes, grow tubes | 50% |
| Contracted labour | 50% |
| Maximum assistance per acre | \$8,050 |

*Eligible activities under land clearing:

- Clearing and removal of existing plant growth, trees, and shrubs;
- Levelling/ shaping of the land for eligible wine grape production.

STREAM 2- PRODUCTION AND PRODUCT ENHANCEMENT EDUCATION

Eligible items will receive 50% cost share assistance to a maximum of \$15,000 after successful completion of the approved activity. Applicants must provide a business case with their application including objectives, a description of the intended activities, destination, proposed dates, a detailed budget, and the project's direct impact to the business.

| Eligible Activity | Level of Assistance | Maximum Assistance |
|---|---------------------|--------------------|
| Best practices missions to cool climate regions (cannot exceed 14 days) | 50% | \$15,000 |
| Vineyard management training (recognized certificate/diploma/technician program) | 50% | \$15,000 |
| Wine making and quality training (recognized certificate/diploma/technician program) | 50% | \$15,000 |
| STREAM 2 - Yearly maximum assistance | | \$15,000 |

Please note the following travel parameters:

- Only economy airfare will qualify for assistance.
- Maximum cap/day in assistance for receipted meals is \$100 (alcoholic beverages not eligible).
- Maximum cap/ day in assistance for receipted overnight accommodations is \$300.00.
- Detailed invoices are required at claiming with a proof of payment in Canadian currency.
- Invoices of a foreign language that cannot be translated will receive government per diem rates.
- The detailed budget provided must include all proposed travel expenditures in order to assess eligibility. Items not indicated in the budget will not be accepted.

STREAM 3- SPECIALIZED VINEYARD EQUIPMENT

Producers are eligible for assistance of \$5,000/per acre up to a maximum of \$100,000 over the span of the program. Eligible items will be cost shared at 25% for individuals and 35% for alliance arrangements. Applicants must provide a business case with their application, including the project's direct impact to the business. Alliance arrangements must complete **Appendix B- Alliance Arrangement Form**.

| Eligible Activity | Level of Assistance |
|---|--|
| Chillers | 25% for individuals 35% for alliance arrangements |
| Hedgers | |
| Standard insulated crop bins | |
| Specialized sprayers for vineyards | |
| Pre-pruning and pruning equipment | |
| Gentle harvesters | |
| Leaf removal equipment | |
| Insulating fabric for winter protection | |
| STREAM 3 – Three year maximum assistance \$100,000 | |

STREAM 4- WINERY EXPANSION EQUIPMENT – EXPORT MARKETS

Winery expansion funding is limited to wineries with export sales (sales outside Nova Scotia). Qualifying wineries are eligible for assistance to a maximum of \$20,000 for every 5 acres of additional expansion to a maximum of \$100,000 over the span of the program. Eligible expansion is defined as acres planted and/or signed purchase contracts with growers as of April 1, 2017. Applicants must also provide a detailed expansion plan and business case with their application, including the project's direct impact to the business. Eligible items will be cost shared at 25%.

| Eligible Activity | Level of Assistance |
|---|---------------------|
| Winery expansion equipment | 25% |
| STREAM 4 – Three year maximum assistance \$100,000 | |

Non-eligible project costs:

- Consumables
- Buildings
- HST/GST
- Operating/overhead expenses or in-kind costs
- Used equipment. Assistance will only be paid on new equipment. Also, please note that applicants must retain ownership of all equipment purchased at a cost of \$5,000 or more under this program for a minimum of five years.

Leased or Rented Land

Eligible projects must be directly applicable to the registered farm qualifying for the assistance on agricultural land owned, leased or rented. Applicants who are lessors must provide a copy of the long-term lease (10 years) or rental agreement with their 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). Applicants who are lessees must provide a copy of the long-term lease with the lessor and a copy of the agreement or contact between the lessor and winery.

Project Evaluation, Audit, and Virus Sampling

Review and evaluation of projects may be carried out by officials of the Nova Scotia Department of Agriculture (NSDA) or other parties chosen by the NSDA for the purpose of audit, analysis, virus testing, evaluation, program development, and determining assistance. This review and evaluation process may be conducted on-farm prior to project commencement, during work or upon project completion. Applicants may also 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.

More Information

To find out more information about the Vineyard Development and Expansion program please contact us at:

Department of Agriculture
Programs and Business Risk Management
74 Research Drive
Bible Hill, Nova Scotia
B6L 2R2
Tel: 902-893-6377 Toll free: 1-866-844-4276 Fax: 902-893-7579
Email: prm@novascotia.ca Website: <http://novascotia.ca/programs>

Appendix A

Eligible Varietals

Eligible varietals are listed below. Additional varietals will be considered upon request. Applicants must make the request in writing and clearly demonstrate an industry demand /business case for an existing wine.

| Hybrids | | Vinifera | |
|------------------|---------------|-----------------|----------------|
| Whites | Reds | Whites | Reds |
| L'Acadie Blanc | Léon Millot | Chardonnay | Pinot Meunier |
| Seyval Blanc | Baco Noir | Riesling | Cabernet Franc |
| Vidal | Petite Millot | Ortega | Pinot Noir |
| Geisenheim 318 | Triumph | Sauvignon Blanc | |
| Frontenac Blanc | Frontenac | | |
| Frontenac Gris | Castel | | |
| Muscat varietals | Marechal Foch | | |