

2022-2023

Fruit and Vegetable Industry Development Program

1) Objectives:

- To encourage and support New Brunswick fruit and mixed vegetable producers who want to increase production by providing financial assistance for 1) adopting season extension technologies; 2) enhancing storage capacity; 3) investing in on-farm equipment to improve efficiencies and 4) adopting and developing irrigation capacity.

2) Rationale:

- Only 8% of the vegetables that are consumed in New Brunswick are produced in the province, it is therefore important that additional production capacity be supported if the Province wants to become less reliant on imported fruit and vegetables.
- The market for locally produced New Brunswick fruit and mixed vegetable crops has grown significantly during the past few years and must continue to grow to address recent food security concerns. This program will provide assistance to producers who want to capture the expanding market opportunities by investing in equipment and related material that allow for additional production capacity.
- The growing season in New Brunswick is short and therefore fruit and mixed vegetable producers have limited time to grow and market their products. Season extension and on-farm storage technologies and infrastructure for fruit and vegetable will help producers become more profitable by allowing them to increase their production and market their products for a longer period.
- For more than a decade, New Brunswick has experienced an increase in the frequency of low soil moisture and drought conditions during the summer months. Providing irrigation to fruit and vegetable crops under moisture stress is key to maintaining and increasing production as well as improving the quality and storage life of perishable produce.

3) Eligibility:

A) Eligible Applicants:

- New Brunswick producers of fruits and mixed vegetables including new entrants that supply NB consumers with commodities that do not meet the province's self-sufficiency status.
- New entrants whose ultimate goal is commercial-scale production.

B) Eligibility Criteria:

- Activities must be carried out within the province of New Brunswick

- New entrants or applicants with limited experience are required to submit a formal business plan or a completed Fruit and Vegetable Industry Development (FVID) program questionnaire with their application.

Program Deadline:

February 15, 2023 or until funding is exhausted.

Approval Process:

The projects will be evaluated and selected based on program guidelines and merit. Project merit will be assessed according to the following criteria:

1) the comprehensive project description and justifications (application form, business plan and/or questionnaire), 2) its suitability to the immediate situation of the applicant, 3) project impact on the operation and on the sector 4) proposed budget, 5) whether the project involves other producers and 6) the experience of the applicant.

4) Program Elements:

Element A: Season Extension Technologies:

Rationale:

By stretching the growing season through season extension technologies, fruit and vegetable producers will be able to increase their production capacity. This increased production capacity will help address food security concerns. This element of the program will provide assistance to producers who want to capture the market opportunities by investing in season extension technologies.

Eligible Items:

- Heated greenhouses, unheated greenhouses, tunnels (high, low or mini-tunnels) or hydroponic technologies.
- Materials to be considered for funding include: plastic, polycarbonate; row or thermal covers; steel structures; heating, ventilation, electrical, plumbing, anchoring systems, other related building supplies and irrigation system for season extension technologies.
- Equipment and tools used to monitor and control climatic conditions and irrigation in Controlled Environment Agriculture facilities (greenhouses and indoor production).
- Upgrades may be considered if there is a strong rationale.

Notes:

- The structures may be used or new but should be designed to meet industry standards and off-season weather conditions and designed and used for mixed vegetable and/or fruit production. Preference will be given to pre-fabricated “engineered” greenhouse and high tunnel technologies.
- Replacement of components for existing season extension technologies is not eligible.
- Plastic and biodegradable materials that are used for a one-year growing season are not eligible.

- Only the cost of off-farm hired labor for site preparation and assembly of the greenhouses or high tunnels will be eligible, unless otherwise specified in the letter of offer.

Eligibility Criteria:

- Preference will be given to greenhouses and tunnels that allow incremental production capacity.
- The applicant must submit a detailed description of any existing season extension technology on their farming operation (including dimensions), a detailed description of the proposed greenhouses, high tunnels and their components, quotations for the proposed technology, as well as a detailed itemized budget with the application (see application form). Applicants are required to provide the expected value of the crops grown in the new season extension structure.

Level of Assistance:

- Up to 50% of eligible costs to a maximum of \$30,000 per producer per year. A new entrant may qualify for an additional 10% to the maximum of 60% of eligible costs and up to \$30,000 per year.

Element B - Post-Harvest Cooling, Freezing and On-Farm Storage Systems:

Rationale:

Many producers in New Brunswick are currently not equipped to service the off-season markets because they do not have the required storage technologies. This is particularly true for small producers who are selling locally. Small food retailers have also expressed their concern over the lack of availability of local produce during the winter months. Additional produce conditioning technologies and on-farm storage capacity will allow producers to grow more fruit and vegetable crops. This increased production capacity will help address food security concerns. This element of the program will provide assistance to producers who want to capture these markets.

Eligible Items:

- On-farm cooling, refrigerating, freezing and storage technologies for fruit and vegetable.
Examples: walk-in coolers, Coolbot systems, heating/curing systems, controlled atmosphere systems, in-floor drainage systems, plumbing systems, ventilation systems, electrical, insulation and cement base and other related building supplies. Storage facility monitoring and regulating technologies are eligible.
- Technologies that allow for field heat removal from produce such as hydro or air pre-cooling systems are also eligible.
- The components of the on-farm storage facility may be used or new but should be designed to meet industry standards and allow the producer to keep produce for the off-season. Engineering plans may also be required.
- Units that are used for the transportation of produce are not eligible.
- Only the cost of off-farm hired labor for site preparation and construction of the facility will be eligible, unless otherwise specified in the letter of offer.

Eligibility Criteria:

- The proposed on-farm storage facility could be a stand-alone building or may be integrated into an existing building. The facility should meet basic on-farm food safety and must comply with any other food safety program required by the farm's supply chain (ex: Export, wholesale, direct to consumer markets, etc.). It should also be insulated and have an appropriate temperature regulating system.
- The facility must be used for the storage of fruit and vegetable crops which will be sold throughout the off-season.
- The applicant must submit a detailed description of the proposed facility, technology or upgrade, quotations for the proposed facility and technology, along with a detailed itemized budget with the application (see application form). Applicants are required to provide the expected value of the crops that will be cooled, stored or frozen in the new infrastructure.

Level of Assistance:

- Up to 50% of eligible costs to a maximum of \$30,000 per producer per year. A new entrant may qualify for an additional 10% to the maximum of 60% of eligible costs and up to \$30,000 per year.
- Assistance for a new building which houses in part the storage facility will be based on the % of the area occupied by the storage facility.

Element C: Scaling-up:

Rationale:

The market for locally produced New Brunswick fruit and mixed vegetable crops has grown significantly during the past few years and must continue to grow to address recent food security concerns. This element of the program will provide assistance to producers who want to capture the market opportunities by investing in equipment that improves production efficiencies which allow for additional production capacity.

Eligible Items:

- Equipment and related supplies that involve automation and improve efficiency may be eligible provided it allows additional production capacity.
- Equipment associated with field production of fruit and mixed vegetable crops such as precision seeders and planters, weeders and harvesters may be eligible provided it allows additional production capacity.
- Equipment used to wash, clean, grade and/or pack produce and related supplies (electrical and plumbing systems) may be eligible provided it allows additional production capacity.
- The equipment may be used or new but should be designed to meet industry standards.
- Replacement of equipment with those of similar production capacities are not eligible.
- Building to house equipment, processing equipment (value-added activities), primary tillage equipment, land improvement activities, field irrigation systems, soil amendments, fertilizers, seeds, seedlings, pesticides and harvest containers are not eligible. Row

covers, insect exclusion netting and ground covers used for field production is not eligible.

- Only the cost of off-farm hired labor for site preparation, to assemble and to install the equipment will be eligible, unless otherwise specified in the letter of offer.

Eligibility Criteria:

- The applicant must submit a detailed description of any existing similar equipment currently being used on their farming operation (including capacity), a detailed description of the proposed equipment and related supplies, quotations for the proposed equipment and a detailed itemized budget with the application (see application form).
- The applicant must provide a rationale that demonstrates that the project is strategic for the operation and how it will allow additional production capacity.
- Applicants are required to provide the expected incremental production capacity (acres and volume of produce) and value of the additional crops grown related to the acquisition of the equipment and related material.

Level of Assistance:

- Up to 50% of eligible costs to a maximum of \$30,000 per producer per year. A new entrant may qualify for an additional 10% to the maximum of 60% of eligible costs and up to \$30,000 per year.

Element D: Irrigation (equipment and water source development):

Rationale:

Irrigation is a key management tool to help mitigate losses in crop quality and yield due to low soil moisture and drought conditions. The production of perishable produce under optimal moisture conditions will help extend its post-harvest and storage life while maintaining quality. This element of the program will provide funding assistance for the purchase of field irrigation equipment and the development of water resources used for irrigation purposes.

Eligible items:

- Irrigation equipment used for the production of fruit and vegetables grown in fields, including pumps, filtration system, fertilizer injectors and mixing tanks, water storage tanks, piping, valves, sprinklers, drip tapes, hose reels, rain guns, specialized pipe trailers and controllers. Equipment may be new or used.
- Development of water sources, including the digging or installation of wells, irrigation ponds or catchment basins.
- Energy sources to operate irrigation systems are not eligible.

Environmental Considerations: Any project funded under this program must meet all requirements of applicable federal and New Brunswick environmental legislation. These may include but are not limited to:

- Wellfield Protected Area Designation Order – Clean Water Act and the Watershed Protected Area Designation Order – Clean Water Act. For example: Areas to be cleared from a PID located within a Zone C of a designated drinking water watershed are limited to 5% per year.

- Watercourse and Wetland Alteration (WAWA) Regulation – Clean Water Act. For example: Any proposed alteration within 30 metres of a watercourse, the development of irrigation ponds or regulated wetland requires a valid WAWA permit or other approval from the DELG.
- Note: DELG has expanded the definition of a watercourse to include not only watercourses identified on the GeoNB hydrographic network layer, lakes and ponds, but also the bed, banks and sides of any incised channel greater than 0.5 metres in width that displays a rock or soil (mineral or organic) bed not depicted on this aforesaid GeoNB layer, in which case water/flow does not have to be continuous but may be absent during any time of year.
- Heritage Conservation Act. For example if any person discovers an archaeological object, burial object or human remains, work should stop immediately in the vicinity of the find and the Manager – Regulatory Unit, Archaeological Services Branch of the Department of Tourism, Heritage & Culture is to be contacted immediately at (506) 238-3512.
- New Brunswick’s Environmental Impact Assessment Regulation 87-83. For example, all waterworks projects with a capacity greater than fifty cubic metres of water daily require an Environmental Impact Assessment.

Eligibility Criteria:

- The applicant must submit a detailed description of any existing irrigation equipment currently being used on their farming operation, the PIDs where the water sources will be located, a detailed description of the proposed equipment, infrastructure and related supplies, quotations for the proposed equipment and a detailed itemized budget with the application (see application form).
- The applicants looking for support for irrigation equipment must be able to demonstrate they have an adequate water source to meet the water demand of the irrigation system.
- The applicant must provide a rationale that demonstrates that the project is strategic for the operation and how it will contribute to the farm’s sustainability.
- The applicant must provide the expected incremental value of the additional crops grown related to the acquisition of the equipment and related material.
- The applicants are responsible for obtaining any permits required under regulations related to developing water resources, including the digging of wells and ponds.

Level of Assistance:

- Up to 50 % of eligible costs to a maximum of \$30,000 per producer per year for irrigation equipment and up to 70% of eligible costs to a maximum of \$30,000 per producer per year for water source development. A new entrant may qualify for an additional 10% of eligible costs and up to \$30,000 per producer per year.

Costs incurred before the project is approved are not eligible for assistance.

Maximum Contribution from Program:

Under Elements A, B and C, the maximum combined contribution an applicant can receive is \$30,000 per year (assistance received under Element D is not included in this total). Higher level of assistance for producers or groups of producers (e.g. higher % assistance or higher maximum contributions) may be considered where strong rationale and significant benefit

back to the sector as a whole can be demonstrated (for example, projects that relate to the New Brunswick Local Food and Beverages Strategy and Food Self-Sufficiency Initiatives).

5) Application Process and Administration:

Program Duration:

The Canada / New Brunswick 'Canadian Agricultural Partnership' policy framework is a five-year federal, provincial and territorial Initiative which will operate from April 1, 2018 to March 31, 2023, unless otherwise announced. Program applications are welcome on an ongoing basis until funding is exhausted.

Approved projects must be completed within the fiscal year for which they were approved (April 1 to March 31). Multi-year projects will only be approved for one fiscal year at a time and subject to satisfactory progress. Unless otherwise notified in writing, costs incurred prior to the date of the written project approval will not be eligible for funding. Upon project decision, the applicant will be notified in writing. The name of the designated Project Officer will be included on each letter of offer.

Application Process:

Clients are responsible to submit a completed application form and attach any additional required documentation (as described in the program guidelines) and submit to any Department of Agriculture, Aquaculture and Fisheries (DAAF) regional office or directly to the CAP Administrator, Industry Financial Programs, Department of Agriculture, Aquaculture and Fisheries, P.O. Box 6000, Fredericton, NB E3B 5H1, or by e-mail to CAP.ADMIN@gnb.ca

Applicant Responsibilities:

Upon approval, applicants will receive a Letter of Offer which identifies the eligible activities, assistance offered, and the terms and conditions to which assistance is approved. **The Letter of Offer must be signed and returned within 30 days or funding will be forfeited.**

The Applicant must agree to provide access to records and/or premises to staff of DAAF and persons authorized by DAAF for inspection, evaluation, demonstration, audit and public information purposes upon request; provide DAAF any necessary information related to the evaluation of the project and demonstrate a significant contribution to the project. Successful applicants agree to participate in follow up surveys, either by mail, phone or electronically following completion of the project. Consolidated information will be used for program evaluation and policy development.

No current or former public office holder, public servant, Member of the Legislative Assembly or Member of the House of Commons who is not in compliance with applicable conflict of interest guidelines and legislation shall derive any benefit from this initiative.

New Entrants:

Agriculture producers considered New Entrants may be eligible for an additional 10% contribution provided the contribution does not exceed the established maximums under the program elements. The total contribution from all government sources will not exceed 100% for the eligible costs. New Entrants are defined as individuals who have owned a farm for five

years or less. The Department of Agriculture, Aquaculture and Fisheries may ask for documentation to determine eligibility as a New Entrant.

Submission of Claim:

Upon project completion, the completed Claim for Reimbursement form must be forwarded to the designated Project Officer. These forms must be submitted together with a detailed invoice and proof of payment, which may include the following: an original receipt, image of cancelled cheque (front and back), or statement from financial institution showing transaction. The claim must be signed and submitted by the claim deadline as identified in the Letter of Offer. Costs included in the claim must be approved and incurred within the approved project dates as identified in the Letter of Offer.

Reimbursement of Claim:

Claims will be made payable to the name of the Applicant as indicated on the application form. Clients are encouraged to apply for direct deposit as a payment option to expedite reimbursement. Clients may contact [Service New Brunswick Accounts Payable](#) or their Project Officer to complete this form.

Tax Form:

Any Amount a client receives through Canadian Agricultural Partnership is funding considered declarable income to the client. DAAF will issue the appropriate tax form to the client.

Set Off:

Any funds eligible for reimbursement to the client will be applied to amounts outstanding owed to the Government of New Brunswick first, and remaining amounts (if any) disbursed to the client. Funds applied to outstanding debts will be reflected on the client account statement.

HST:

The non-reimbursable portion of HST may be provided as an eligible cost for certain organizations (i.e. Not-for-profit organizations). Appropriate documentation showing the applicant's eligibility for HST reimbursement must be provided at the time of the application. Any amounts for HST reimbursement requested must be included in the project application.

Arm's Length Transactions:

Unless otherwise stated in the program guidelines, all businesses from which eligible goods and services are purchased should be at arm's length from the applicant. A person or entity is considered to be at arm's length if they are not related to the applicant and are not affiliated or controlled by another member of the applicant's business. Related individuals are defined as those that are connected by blood relationship, marriage, common-law partnership or adoption.