

2012-2013 Canada / New Brunswick Capturing Organic Development Opportunities Program

Objectives:

- To support established organic operations including: agricultural farms, maple operations and operations involved in organic value-added activities.
- To support individuals and agri-businesses who are in transition to organic production.
- To support individuals and agri-businesses who are considering establishing commercial-scale organic production and/or organic value-added activities.

Eligible Applicants:

- a) NB producers/operators who are certified organic or in transition to certified organic production are eligible provided they meet all of the following requirements:
 1. The applicants must be NB organic producers/operators who file income tax returns which include agricultural and/or agri-food income or producers/operators in transition to organic production whose ultimate goal is commercial-scale production.
 2. The applicants' organic production and value-added activities are, or will be, carried out within the province of New Brunswick.
 3. The applicants must demonstrate that they were inspected to meet the Canadian Organic Standards (COS) and have secured their organic certification or that they were inspected during the pre certification year for the current operating year. Organic inspectors contracted to conduct audits must be a trained organic inspector recognized by organic certification agencies.
 4. The applicants must be 19 years of age or over.
- b) Any NB individual or NB agri-business considering establishing commercial scale organic production and/or organic value-added activities is eligible for funding under Element A "Organic Training and Advisory Assistance" of this Program.
- c) Any NB individual planning to acquire skills and knowledge related to organic production and certification that are of strategic value to the NB organic sector is eligible for funding under Element A "Organic Training and Advisory Assistance" of this Program.
- d) Any organization representing: 1) NB organic and transitional producers/operators, or 2) NB producers/operators considering establishing commercial scale organic production may apply for funding on behalf of their NB producers under Element A "Organic Training and Advisory Assistance" of this Program. Those organizations that represent organic and transitional producers/operators may also apply under Element D and E.

Under this developmental program, transitional producers are defined as those who are under the oversight of a certification agency and have been audited by a professional organic inspector, but have not as yet sold any products as certified organic. Newly certified organic producers/operators are defined as those who have secured organic certification for the first time during the period of April 1st, 2012 to March 31st, 2013, except in the case of maple production. Newly certified organic maple producers are those who will be inspected during the 2013 harvest season and will receive an organic certification for the first time.

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

Only projects not eligible under the Canada/New Brunswick Growing Forward Program will be considered for funding under the Capturing Organic Development Opportunities Program.

Program Elements:

A- Organic training and advisory assistance:

Objectives:

- To support established, newly certified, transitional organic producers/operators and/or other producers/operators considering establishing commercial scale organic production and/or organic value-added activities by providing assistance to expand their knowledge and skills related to organic production, certification, processing and the marketing of organic products.
- To support any NB individual (non-producer) planning to acquire skills and knowledge related to commercial organic production and certification that are of strategic value to the NB Organic Sector (e.g., organic inspector training).

Eligible activities may include: 1) attending training activities such as, conferences, tours, courses and workshops and related training materials; 2) investigative travel; 3) establishing a professional one-on-one relationship with an experienced producer-mentor; 4) assistance from a professional consultant; and 5) assistance for organizations to offer organic training events or to develop or upgrade technical organic resource materials.

Rationale: Since organic farming is an intensive knowledge based production system, established organic producers and new entrants to organic production require improved access to information, training and advisory services through self-directed training activities, mentorship initiatives and professional consultants. This element of the initiative will facilitate knowledge transfer and networking initiatives.

Eligible Costs: Registration fees, vehicle rental, conference room rental, speaker fees and expenses, translation services, training materials, travel expenses (meals, lodging and travel/transportation costs based on provincial government allowances), mentor's advisory services (to provide technical support to transitional producers, newly certified, established organic producers considering new types of production and those considering establishing

commercial scale organic production) and professional consulting services (to provide technical support, to develop organic transitional plans and to help establish record keeping systems). Eligible costs for organizations may include administrative charges, not exceeding 10% of the approved NBDAAF contribution to the project and based only on those expenses invoiced to and paid directly by the applicant and claimed through the project.

Requirements: In the case of the one-on-one mentoring and the use of a professional consultant, the applicant must provide a detailed agreement which contains deliverables, timeframes, service fees as well as the name and qualifications of the mentor or consultant. Mentors and consultants should preferably be based in NB. Those individuals (non-producers) who are planning to acquire skills and knowledge related to commercial organic production and certification that are strategic to the organic sector must demonstrate that the knowledge is indeed of strategic value to the sector.

Level of Assistance:

- 1) Up to 50% of eligible costs to a maximum of \$500 for conferences, courses, workshops and other training activities and related training materials.
- 2) Up to 50% of eligible costs to a maximum of \$1000 for investigative travel.
- 3) Up to 50% of eligible costs to a maximum of \$2,000 for mentorship activities.
- 4) Up to 50% of eligible costs to a maximum of \$2,000 for services from qualified consultants.

Newly certified and transitional producers may qualify for up to 70% of eligible costs to the maximum contribution, as listed above. Only one applicant per operation may apply for funding for a particular activity. Under this element, the total contribution allowed per individual/agri-business is \$3,000 and \$10,000 per organization. Higher levels of assistance (higher % of assistance per eligible costs) may be considered where strong rationale and significant benefit back to the sector as a whole can be demonstrated. The New Brunswick Department of Agriculture, Aquaculture and Fisheries (NBDAAF) reserves the right to limit funds associated with projects that relate to a particular training activity.

B- Soil improvement for organic production:

Objectives: To support established, newly certified and/or transitional organic producers who want to improve their soils with allowable non-synthetic amendments.

Rationale: Soil health and fertility is the foundation for organic production and it is important for producers to monitor their soils and address soil productivity issues. Non-synthetic soil amendments are needed to improve soil nutrient status, soil physical and biological characteristics, soil organic matter level and the over-all productivity of the operation. Currently, many of these amendments are costly and not readily available. This element of the program will encourage appropriate soil assessments and allow for better decision making (based on soil report interpretation), thus improving crop production and soil health of NB organic farms. The intent of this element is to support producers who want to address issues that relate to the fertility and health status of their soils rather than provide support for the annual purchase of amendments that are part of an on-going “yearly” crop fertilization program.

Eligible costs:

Allowable organic soil amendments (as listed in the Permitted Substance List of the Canadian Organic Standards) such as,

- 1) mined minerals (rock phosphate, greensand, potassium/magnesium sulfate “K-Mag or Sul-Po-Mag”, potassium sulfate, elemental sulfur, gypsum),
- 2) organic matter rich amendments (manure, composted manure, other compost),
- 3) bio-stimulant amendments (compost, compost tea, liquid fish products).
- 4) cover crop seed intended for plow-down (organic seed sources when commercially available).

Soil amendments used routinely in conventional agriculture, nitrogen rich amendments (e.g. crab/lobster meal, granulated chicken manure) and soil chemical/biological analyses are not eligible costs. Expenditures occurring before a project is approved will not be eligible. Soil amendment expenditures will not be eligible unless the applicant can provide soil assessment reports (no older than 18 months).

Requirements: To be eligible for assistance for the purchase of soil amendments, the producer must have a recent soil biological or chemical analysis report (within the past 18 months) for each field that will be receiving the amendment. The producer must also explain how the amendment will correct issues that relate to soil fertility and soil health of each of the fields. The producer must also provide appropriate field maps containing the field location, identification, size, soil reports and name of owner. The eligible amendment purchased must be applied to the field outlined in the soil test report, and the field must be intended for or in organic production. The eligible amendment must be applied to the field between April 1st and December 1st 2012. Priority will be given to fields which have not yet received soil amendments previously funded by organic development initiatives. The deadline for applications submitted under this element is December 1st 2012.

Level of Assistance: Up to 50% of eligible costs to a maximum contribution of \$3,000 per farm for the purchase of eligible soil amendments. Newly certified and transitional producers may qualify for up to 70% of eligible costs to a maximum contribution of \$3,000 per farm.

C- Support for on-farm minor infrastructure to help producers and operators meet the organic certification requirements and/or minor infrastructure which will be of strategic value to the sector.

Objectives: To support established, newly certified and/or transitional organic producers/operators who need to invest in minor infrastructure which will 1) assist them to meet the requirements of organic certification and 2) help them acquire minor infrastructure which will be of strategic value to the sector.

Rationale: Producers and operators currently transitioning to organic production are often required to purchase additional infrastructure to help them meet the Canadian Organic Standards. The lack of support for capacity building projects has been identified as a serious barrier to the growth of the sector. Minor infrastructure projects which are of strategic value to the sector are often required to facilitate production capacity building.

Eligible costs:

- 1) Infrastructure and equipment to help producers and operators meet the Canadian Organic Standards such as replacement of non-compliant processing and storing equipment, production related equipment and equipment that will help with labeling, traceability and record keeping.
- 2) Infrastructure and equipment that are of strategic value to the NB organic sector (e.g. projects that involve multiple producers, processors or organic stakeholders).

Assistance under this element of the program will be restricted to equipment or infrastructure that is required to meet the Canadian Organic Standards, to obtain organic certification, or to support minor infrastructure of strategic value to the organic sector. Priority will also be given to projects that will allow replacement or modification of existing non-compliant equipment and infrastructure. Projects that consist of new equipment and infrastructure will be evaluated on a case by case basis. New buildings and pest control substances are not eligible items.

Requirements: Proposals must include a detailed description of the current situation, description of the problems being addressed, expected outcome and detailed budget. Producers and operators who are planning to acquire minor infrastructure that are of strategic value to the sector will be required to provide justification for the project. When an applicant wants to replace non-compliant infrastructure, written documentation from a certification agency (e.g. inspector report) or an inspection report prepared by a NBDAAF staff confirming the existence of the non-compliant infrastructure, may be required.

Level of Assistance: Up to 50% of eligible costs to a maximum contribution of \$4,000 per operation. Newly certified and transitional producers/operators may qualify for up to 70% of eligible costs to a maximum contribution of \$4,000 per operation. Projects deemed of strategic value to the sector may be funded up to 50% of eligible costs to a maximum contribution of \$15,000 per operation. Higher levels of assistance (e.g. higher % assistance per eligible costs or higher level contribution) may be considered where strong rationale and significant benefit back to the sector as a whole can be demonstrated.

D- Support to NB organic producers and operators (including transitional and new entrants) for the reimbursement of certification costs and for the development of national policies:

Objective: To provide support to a) organic producers and processors (including transitional and new entrants) for costs associated with organic certification and b) NB representatives who attend national policy development initiatives.

Rationale: The 2010-13 NB Organic Sector's Strategic Plan indicates that the high cost of certification is the most important barrier for organic producers in NB. Many small scale organic operations have dropped their organic certification because of the high certification fees. Since organic regulatory frameworks do not exist in New Brunswick for organic products that are sold intra-provincially, certification cost assistance will encourage certification and will mitigate the unlevel playing field between certified organic producers

and those that are using unsubstantiated organic claims. This Element of the program will support organic, newly certified and transitional producers/operators through the partial reimbursement of their organic certification costs. The certification cost reimbursement is a temporary measure and will be terminated in the event that a provincial regulatory framework is developed or the Agriculture Futures Initiative ends, whichever comes first.

Since some significant national policy changes affecting the organic sector are expected, this element will also provide assistance to NB representatives attending related national meetings.

Eligible costs:

- 1) Organic certification costs (certification and inspection)
- 2) Travel costs (including lodging and meals) for a NB industry representative who attends national policy development initiatives.

Level of assistance:

- 1) Up to 70% of organic certification costs to a maximum of \$500 per year. The reimbursement is payable directly to the applicant.
- 2) Up to 100% of travel costs for a NB representative who attends national policy development initiatives to a maximum of \$1,500 per activity and limited to one individual per initiative (based on provincial government travel allowances).

Requirements: Producers and operators, who are applying for reimbursement for their certification cost, must indicate in their application the name of the certification agency selected and the expected cost. Once the project is approved and completed, the producer and/or processor must include a proof of payment and a copy of the organic certificate with the claim for reimbursement. Applicants who plan to attend national policy meetings must include in their application, information that describes the purpose of the meeting, the name of the stakeholder group the applicant will represent and include a meeting agenda as well as a detailed travel budget.

E- Support for the NB organic sector in the development and implementation of strategic initiatives which will help increase sector capacity, enable the sector to capture emerging opportunities or address challenges faced by the sector:

Objective: To provide support to organizations who want to develop and implement projects that will help increase the organic sector's strategic capacity, capture emerging opportunities or address challenges faced by the sector.

Rationale: Considerable effort in the area of market access and distribution are needed to move the sector forward. As market demand for organic surpasses availability of New Brunswick product, the lack of support for capacity building has been identified as a serious barrier to the growth of the sector. Support for organizations that represent NB organic stakeholders will also allow the organic sector to implement collaborative efforts for increasing sector capacity, consumer awareness of organic products and market access for New Brunswick organic products.

Eligible costs: Eligible costs may include project development, implementation and management, consultant's fees and administration fees (to a maximum of 10 %).

Level of assistance:

Up to 70% of eligible costs to a maximum of \$10,000 per project or initiative.

Higher levels of assistance (higher % of assistance per eligible costs) may be considered where strong rationale and significant benefit back to the sector as a whole can be demonstrated. Travel, meals and lodging costs are based on provincial government allowances.

Requirements: Projects which receive funding under this element of the program must be completed by the end of the current fiscal year (March 31st, 2013). The applicant must clearly demonstrate that the project is strategic to the sector, will allow the sector to increase capacity, will capture emerging opportunities or address challenges faced by the sector.

Application Process and Administration:

Guidelines and application forms for the program are available from all offices of the New Brunswick Department of Agriculture, Aquaculture and Fisheries and the departmental website. Under the Capturing Organic Development Opportunities Program, the operator must first complete an application form and submit it to the Agriculture Futures Program administrator of the NB Department of Agriculture, Aquaculture and Fisheries (P.O. 6000, Fredericton NB, E3B 5H1). Once the project is reviewed, the NBDAAF will advise the applicant in writing whether or not the project was approved. If approved, NBDAAF will provide a contract that indicates eligible project items. NBDAAF will appoint a Project Officer for each project to ensure applicable financial administrative procedures, timelines, and reporting requirements are followed. NBDAAF reserves the right to limit funds associated with any of the program elements and will evaluate and prioritize requests on a case by case basis until funds are exhausted or the eligibility period ends, whichever comes first. Priority will be given to projects submitted by certified organic producers and certified organic value-added operators.

Expenditures occurring before April 1st, 2012 will not be eligible. The harmonized sale tax (HST) is not a reimbursable cost. Deadline for application submission is March 1st, 2013, with the exception of the Soil Improvement Element which has a deadline of December 1st, 2012. No contribution will be made for expenses incurred prior to the date the application is approved (no retroactivity), except in the case of the certification cost reimbursement.

Only off-farm services and labour will be considered as eligible expenses, unless otherwise specified.

Claims for Reimbursement:

Upon completion of the project, the applicant must submit the Claim for Reimbursement form to the Project Officer. Unless otherwise indicated in the letter of offer, the form must be

accompanied by the detailed invoice(s) (an original invoice or a copy are acceptable) and proof of payment for each of the eligible items as indicated in the contract. The proof of payment can be a paid in-full invoice or receipt signed by the vendor (print individual's name below the signature so that signature can be identified), a cancelled cheque, a bank statement or a credit card statement.

Claim for reimbursement must be submitted no later than the date specified in the contract. The Project Officer must certify that the project is complete.