July 31, 2017

CANADIAN FOOD INNOVATORS CLUSTER

An invitation to participate in federal research and innovation funding

The program funding is available for science-based research that will accelerate the pace of innovation to:

→ Grow Canada’s food and beverage processing sector
→ Make the sector more competitive
→ Increase the productivity of firms in the sector
→ Advance sustainable practices across the sector
→ Capture new market opportunities for the sector

You must act now to apply for this funding.

Applications are due on Friday, September 22, 2017 at 4:00 p.m. Central Daylight Time
July 31, 2017

Dear managers and researchers in Canada’s food and beverage processing sector,

Could you use two additional dollars for every dollar of your own to advance your research and innovation initiatives towards commercialization?

Agriculture and Agri-Food Canada plans to continue its successful AgriScience cluster program under the five year Canadian Agricultural Partnership from 2018 to 2023. CFI led a successful cluster project under the Growing Forward II program. More details about the activities in this cluster are available at the CFI website: www.canadianfoodinnovators.ca including short video highlights.

There is now a once-in-a-five year opportunity for food and beverage processors to participate in this next round of funding. This document is the Guide to the call for proposals. Proposals are required to be submitted utilizing the fillable PDF proposal/application and the Excel budget template available from the CFI website.

In addition to federal program funding delivered by Agriculture and Agri-Food Canada, CFI also has access to an endowment provided to CFI by the Guelph Food Technology Centre’s (GFTC) Legacy Fund at the time that the GFTC was purchased by NSF International. These funds are available as a portion of the required industry funds for each project as explained later in this Guide.

“An Agri-Science Cluster aims to mobilize and coordinate a critical mass of scientific expertise in industry, academia and government.”

We encourage you to review this document and consider submitting a project proposal. This Guide works with the fillable PDF proposal which you need to complete and submit.

Completed proposals must be sent to julie@canadianfoodinnovators.ca before FRIDAY SEPTEMBER 22, 2017 at 4 p.m. CDT

CFI is working within the framework of the federal program to ensure that applications are in compliance with the rules for eligible funding established by the federal government. Our goal is to make the application as user-friendly and straightforward for you as we could. To assist you with completing the application, you can email questions to CFI up to September 8, 2017. Please email your questions to julie@canadianfoodinnovators.ca

We encourage you to review this document and consider submitting a project proposal. This Guide works with the fillable PDF proposal which you need to complete and submit.

Questions and answers will be posted to the CFI website in both official languages: www.canadianfoodinnovators.ca www.innovateurscanadiensenalimentaire.ca
Is This The Right Program For Your Business Needs?

Possible beneficiaries besides your company could include your customers or your suppliers. To demonstrate their engagement in and commitment to the project, it is strongly recommended that value chain collaborators, each with a stake in the project work, together on a proposal.

Possible beneficiaries could also be competitors on precompetitive issues such as food safety or sustainability from which all firms in the sector stand to benefit.

Your project may be a better fit for AgrilInnovation’s Enabling Commercialization Stream

Is the project primarily for the benefit of your company alone?

YES

Is the project primarily about commercialization in which the research phase is already done?

YES

NO

Continue Reading…

This program may be a good solution for your needs

Lead applicants for this cluster can be food and beverage processing firms including food ingredient suppliers, food safety solution providers, technology providers, packaging and other input suppliers. Lead applicants can also be universities and FoodTech Canada Centres as long as the lead applicant submits signed commitment letters from commercial partners for the required industry portion of the project value.
OVERVIEW OF THE PROCESS
Individual proposals submitted to CFI by September 22

Only those proposals selected by CFI’s industry review panel will be included in the cluster submission.

AAFC undertakes its own internal review and requires that CFI arrange for independent science and technology peer reviews to be conducted on the merits of each project.

To the extent the projects are approved, the CFI enters into one or more agreements with Agriculture and Agri-Food Canada for the funding commitment. Decisions are expected by late Q1 2018.

The CFI will enter into an individual funding agreement with each lead applicant for approved projects.

The time-line is expected Q2 2018 with planned start dates of April 1, 2018.
GUIDE TO SUBMITTING A PROPOSAL

DEADLINE: FRIDAY SEPTEMBER 22, 2017 – 4 pm CDT
Completed proposals (including budget in Excel template) must be emailed to Julie@canadianfoodinnovators.ca

PART 1 - Lead Applicant Information

1.1 Who is eligible to submit a proposal?

The party submitting the proposal is referred to in this Guide as the “lead applicant.” The lead applicant may be:

• An individual Canadian food or beverage company (or a firm supplying technology, services or other inputs to the food and beverage sector) ideally representing a group of companies with shared interests working in collaboration or as a value chain
• An industry association representing a consortium of Canadian food or beverage companies
• A research institution including universities and FoodTech Canada centres as long as the lead applicant submits signed commitment letters from commercial partners for the required industry share of the project value.

The primary applicant accepts responsibility for achieving the deliverables of the project and for all financial obligations in relation thereto and will be the contracting party with CFI.

1.2 Who should be listed as collaborators in this section?

The collaborators can be both other firms participating in the project as well as research institutions carrying out key parts of the project. There is additional space to list collaborators in s. 14.

The collaborator(s) sharing in funding the project outcome with the primary applicant will not be directly engaged in carrying out the primary research activity. An example would be a case where three companies are collaborating on a research project. Company A is the lead applicant and Companies B and C are collaborators. Their role in the project and what they bring to the project, either in terms of expertise and/or financial contribution, must be disclosed. The GFTC Legacy Fund provides additional industry funding support for collaborations. For projects involving any two collaborators, funding support of 10% of the project value is available. Where at least one of two collaborators is a small to medium sized enterprise (SME), the funding support is 15%. Where there are three or more collaborators, the funding support will also be 15% regardless of whether any of the collaborators is a SME.

Note that each collaborator is also required to submit a letter of commitment signed by a senior officer of the company stating the financial commitment and making specific reference to the project.

PART 2 - Title and Target Priority

Please provide a title for your project and indicate which of the four target priorities the project addresses. Elaboration of the target priorities is available on the last page (12) of the Guide.

PART 3 - Researcher Biographies

Use this section to provide a concise summary of the research team and why they are well-equipped and skilled to carry out the proposal.
PART 4 - Executive Summary
The AgriScience cluster program is a highly competitive program with more requests for funding than funding dollars available. It is essential, therefore, to clearly define the project and make a concise statement of its benefits explaining why it is appropriate that taxpayer dollars be used for the research. Be sure to identify all the parties that will gain from the research outcomes throughout the value chain.

What is the need you have identified? What is the evidence for the need? What is the solution you are putting forward to address the need? How will the solution make a positive difference to the food and beverage processing sector and/or Canada as well as to your business? The more precise and specific you can articulate the objective(s) and expected outcomes, the better.

PART 5 - Project Context
AAFC has defined research as “an original investigation undertaken to acquire new knowledge” and development as “the utilization of existing knowledge to generate new applications and solutions to respond to specific needs.”

In this section, proposal proponents need to clearly state how the research proposed is original or how the development will generate new applications and solutions. Describe the uniqueness, what it is replacing or improving or what gap it is filling.

PART 6A - Outlooks for Future Projects
Use this section to indicate what additional research could follow on from this project.

PART 6B - Disclosure of Other Program Funding Sources
All programs have strict stacking rules related to accessing funding from multiple sources. It is essential to disclose if any other program funding is being used for this project, and whether approved or pending. If other program funding is being used, it is essential to provide a rationale for the use of additional funding from this program and how the tracking of expenses will be done to ensure that there is appropriate segregation. Note that most programs have a stacking limit of 75% government funds and so this program is already close to that limit.

PART 7 - Detailed Experimental Approach
As noted, this section is essential to enable the scientific peer reviewers to assess the appropriateness of the research methodology and therefore must provide sufficient detail for that purpose.

PARTS 8A and 8B - Deliverables
Deliverables are the specific outputs which you expect to achieve by the research investment. You can also think of them as “milestones” that will occur successively over the term of the project in which case you should also indicate when you expect to attain each milestone.

For Part 8A, please summarize the deliverables by each year: 2018-2019; 2019-2020; 2020-2021; 2021-2022; 2022-2023 bearing in mind that government years begin April 1. The project duration is not required to be five years. Successful projects will be required to report against the deliverables specified.

Part 8B is a summary of key deliverables for the project as a whole.

PART 9 - Knowledge Transfer Plan
Agriculture and Agri-Food Canada defines knowledge transfer as “the translation and transfer of knowledge and technology to the sector.” Knowledge transfer activities are permitted as part of the project funding and are encouraged in order to increase the adoption of innovative technologies, practices and processes aimed at improving the competitiveness and sustainability of the sector.

Explain how the knowledge gained from this project will be transferred to the sector. With whom will you share the project results, in what time-frame and in what level of detail? To what extent will the project results be used principally for the benefit of the applicant firm and collaborators and to what extent will they have benefit for the Canadian food and beverage processing sector broadly?
PART 10 - Commercialization Plan

Use this section to explain how commercial benefit will be obtained from the research investment in the project. Be specific. Explain the steps needed to transform the results of the project to the market and how and by whom they will be undertaken after the project is completed. Discuss the barriers (capital, market acceptance, regulatory approval, etc.) to commercializing the project results and how you will overcome the barriers.

Intellectual Property Plan

Identify if this Project requires building on and/or making use of encumbered background intellectual property (i.e., intellectual property owned by or licensed to a third party); disclose any legal authority (permits, agreements, etc.) granted by said third party and/or special equipment required for its intellectual property.

Describe new (foreground) intellectual property to be developed through this Project; explain how it will be protected (patent, trade secret, plant breeders’ rights, trademark, etc.). Explain how the foreground intellectual property will be commercialized. Describe licensing requirements and strategies. If the foreground intellectual property will be owned or co-owned by the research institution, discuss the plan for licensing rights to use the intellectual property.

PART 11 - Project Duration and Budget

Please indicate the start and end dates and in which years you intend to incur costs. Note that the program will support capital acquisition in certain cases but each capital asset proposed must be separately identified and a rationale provided as to why it is required. Capital assets are easier to justify when purchased in the first year of a five year research program and required throughout the five year period. Consider renting assets required for shorter duration.

PART 12 - Key Dependencies/Risk Mitigation

Use this section to highlight risks that the project might be subject to and indicate how you plan to manage those risks. Risks could be financial, technical, human resource-related, marketing, etc.

PART 13 - Peer Reviewer Recommendations

Please provide three recommendations of individuals qualified to assess the science who are independent of the interests of the project.
BUDGET

Completing the Spreadsheet

A separate Excel template is provided to enable applicants to submit their budget. The template consists of a series of worksheet tabs.

Instructions – please read the instructions as they indicate which parts of the spreadsheet self-populate and which parts require your input directly

Sources of Funds – it is recommended that you complete the Sources of Funds tab last after you list the expenditures you expect to incur to complete the project

One of the key input cells on this worksheet is cell D15 which must have a value of 5, 10 or 15, determining the amount of GFTC Legacy Fund contribution towards the project.

Use 5% if:
• The lead applicant is not an SME

Use 10% if:
• The lead applicant is an SME
  • There are two firms collaborating in the application neither one of which is an SME

Use 15% if:
• There are two firms collaborating in the application and one of them is an SME or
• There are three or more firms collaborating in the application

Total Expenses by Year – this worksheet will populate from and summarize the worksheets that follow

Lead Applicant – the lead applicant should list expenses by fiscal year, as shown in orange, by category as indicated in column A. Each capital asset should be listed on a separate line.

Column B – use this column for expenditures that will be incurred with Agriculture and Agri-Food Canada at AAFC’s research centres

Column C – use this column for cash expenditures that will be incurred at universities, colleges, commercial labs, etc.

Column D – use this column for in-kind expenditures that will be contributed keeping in mind that all in-kind contributions must documented and able to be objectively valued in order to stand up to scrutiny

Column E – use this column for expenditures that are not eligible for the AAFC program which may be considered for the use of GFTC Legacy Funds as explained more fully later

Column G – use this column to describe the expenditure in more detail

Collaborator 1, Collaborator 2, etc. – Each of these worksheets can be used to record components of the project that will be undertaken at separate sites or by separate researchers or funded by different commercial partners than the lead applicant. They allow the components of the project to be separately budgeted. The columns have the same purpose as explained for Lead Applicant.

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1. An SME is a small to medium sized enterprise, defined by the Government of Canada as a commercial firm with fewer than 500 employees in Canada. CFI has applied that definition to firms with fewer than 500 employees on average during the year ended June 30, 2017.

2. For CFI’s purposes, a collaboration requires that each collaborator be a commercial partner with a financial investment in the project of not less than 25% in the case of two collaborators and a meaningful role in the project that is essential to its success. Where there are three or more collaborators, each collaborator must have an appropriate level of financial commitment that is more than token.
Eligible and Ineligible Costs

Agriculture and Agri-Food Canada has not published their Program Guide at the time this call for proposals was issued. Therefore, neither the funding ratio nor the determination of eligible costs can be known with certainty. Based on precedents, the following costs are expected to be eligible:

- Targeted applied science research and/or development activities that address sector priorities, increase market opportunities and foster innovation
- Research relating to product, practice, process and/or technology development
- Projects that pilot, test solutions and/or explore/adapt technologies
- Knowledge transfer and the development of tailored approaches to bring science and technology from the bench to towards commercialization and the market

In addition to those eligible costs permitted by AAFC, GFTC Legacy Funds may be used for limited purposes that are not eligible for AAFC but which can be included in the budget:

- Market research costs directly related to validating the commercial potential of the research undertaken such as focus groups, on-line surveys, taste panels
- Intellectual property protection costs directly related to the discovery and/or innovation of the project such as fees for patent and trademark legal work, first-time engineering and other expert fees required to assess or prepare patents, first-time patent registration costs in Canada

Because of the limited amount of GFTC funds available to each proposal, these costs will be a minor part of the total research project and necessary in order to move it forward towards commercialization. These costs are entered in column E in the budget expenditure worksheets.

Ineligible costs include the purchase of land or buildings; alcohol, entertainment and gifts; minor assets and capital items not specifically required for execution of the project; normal costs of establishing or operating a commercial operation; refundable portion of the GST/HST; costs for activities to influence or lobby governments; direct marketing, business promotion or one-on-one extension types of activities; costs not required specifically for the project.

University or institutional overhead

Note that University overhead charges cannot exceed 15%.

Administrative costs by lead applicant

Administrative costs incurred by the lead applicant are not generally eligible.

BUDGET CHECK

When you have completed the budget, please check to make sure that the following are in balance:

- The sources and uses of funds balance for each year
- The amount of in-kind sources of funds and the amount of in-kind uses of funds is the same for each year and does not exceed 10% of the total project budget
- The amount of government funding is not more than 70% of the total value of the project
- The amount of capital assets does not exceed 25% of the total value of the project
Frequently Asked Questions

1. How can I obtain help with completing the application?
   - Please direct your questions by email to CFI to Julie@canadianfoodinnovators.ca by close of business on Friday, September 8, 2017. Answers will be posted in both official languages within a few business days of receipt to the CFI website, www.canadianfoodinnovators.ca
   - It is strongly recommended that you not wait until the last two weeks before reviewing the application and Excel budget template

2. When are submissions due?
   Submissions can be submitted electronically by email to julie@canadianfoodinnovators.ca up to 4 p.m. Central Daylight Time on Friday, September 22, 2017.
   CFI Provides services in both official languages. The application and Excel template is also available in French and may be submitted in French at the applicant’s choice.
   All proposals will be acknowledged. Proposals received after the closing date and time will not be accepted.

3. What is a complete application?
   - The PDF fillable application form with all mandatory sections completed
   - The Excel spreadsheet with the budget completed
   - Letters of commitment for all non-AAFC and non-GFTC Legacy sources of funds identified in the budget.

4. Why is there a 10% administration fee in the project budget?
   CFI is a self-funded organization. The costs of administering the cluster are covered by the administration fee on a full cost recovery basis.

5. What are the evaluation criteria?
   CFI’s review process, in determining which proposals to recommend to Agriculture and Agri-Food Canada (AAFC) for funding, will include the degree of innovation and impact, and the extent to which the research stands to move the food and beverage processing sector forward. CFI will also use the science peer review results as an independent assessment of the quality of the science. Due diligence also requires looking at such factors as the financial stability and track record of the lead applicant and collaborators.
   AAFC has not yet published their review criteria but they are expected to include:
   - **Priority** - the extent to which the Project is a priority for the industry (i.e., does it address one or more of the themes).
   - **Benefits to Canada** - the extent to which the Project is likely to benefit agricultural producers, the food and beverage processing sector, other stakeholders and Canada.
   - **Quality of the Work Plan** - clarity and completeness of the work plan, evidence of sound research methodology, and incremental advancements of the proposed Activities relative to previous or current work.
   - **Feasibility** - the likelihood of achieving planned results within the timeline, appropriateness of the budget, and considering the Project risks.
• Capacity
  - proven technical, financial and managerial capacity/capability of the Applicant. Where applicable, proven capacity/capability of intellectual property management.
  - capacity and suitability of the scientific resources and technical expertise (industry, academic and government scientists).

6. How confidential is the proposal?
Confidentiality will be maintained among the CFI reviewers and any reviewer with a conflict of interest relative to a specific proposal will not knowingly be provided a copy and will not take part in the decision. Applicants with highly sensitive proprietary research projects are not recommended for this program because it involves the use of public funds which are subject to a high level of scrutiny and accountability including scientific peer review.

7. Can Agriculture and Agri-Food Canada researchers participate in this cluster?
Yes. There is a separate column in the budget worksheets for expenditures that will be incurred at AAFC Research Centres. AAFC researchers cannot be the lead applicant. Projects must be led by industry.

8. Are any sectors excluded?
Yes. The mandate of AAFC does not include fish and seafood. This cluster relates to research that concerns products and processes intended for human and pet food consumption.

9. What financial disclosure is required from privately held firms?
At the proposal stage, commercial applicants are not required to disclose their financial information to CFI. Should the project be accepted by AAFC for inclusion in the cluster, at that time the lead applicant will be required to provide current financial statements to CFI or its agent for review. Other commercial collaborators may also be required to provide financial statements. Firms that are not willing to provide their financial statements in strict professional confidence to CFI should not apply to this program.

10. What are the cash flow obligations of the lead applicant and commercial collaborators?
• The 10% administration fee is payable annually to CFI by April 30th each year of the project based on the planned expenditures for that year. The fee is not reduced if the actual expenditures are less than the planned amount.
• The program is a reimbursement program in which funds are distributed to the lead applicant after satisfactory evidence that the costs have been incurred and paid and the work has been completed. Applicants that do not have the ability to cash flow their obligations should not apply to this program. Applicants are required to submit their claims at regular intervals on a timely basis.
• Payments are made to the lead applicant only and it is the lead applicant’s responsibility to distribute funds to commercial collaborators. An agreement among the collaborating commercial partners is required at the time the project is approved to provide for open and transparent reporting and timely distribution of funds among the project collaborators.
Summary of priority research themes

The following priority research theme areas have been developed as a result of CFI’s cross-country forum process, nationally distributed survey, and consultation with national food and beverage processing leaders.

Food solutions that build public trust and address consumer needs
• Health and wellness innovations (e.g. products with reduced levels of sugar, fat and/or sodium)
• Clean label foods (e.g. foods with minimal additives)
• Functional foods and novel ingredients (e.g. prebiotics, probiotics)

Food safety innovation
• Showing innovative processing technologies and product formulations are safe
• Packaging innovations that extend shelf-life, enhance safety and quality attributes
• Advanced detection methods for pathogens, adulteration and other risk factors

Innovative technologies that contribute to sustainable practices and climate change mitigation
• Automation for higher productivity from labour and/or gains in yield and recovery
• Process improvements for better quality and performance, higher efficiency/reduced cost, and/or greater flexibility
• Clean technologies that offer more efficient use of water and energy resources and/or reduced greenhouse gas emissions
• Reduced packaging and/or expanded application of biodegradable packaging or fully recyclable packaging

Value-added products and processes for market growth and global competitiveness
• Developing innovative products using commodity ingredients (e.g. dairy, pulses, grains, produce) with a focus on those grown or produced in Canada
• Recovering greater value from waste streams and co-products
• Extending the value of food ingredients through non-food applications