Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient.

Capital Infrastructure and Investments – Agri-processing Productivity Improvement

Program Guide

Version 1.0 (for June 2025 intake)

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Manitoba

Canada

Contents

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Section 1 - Program Description

The Capital Infrastructure and Investments program's Agri-processing Productivity Improvement funding stream supports the growth and expansion of Manitoba's agri-processing sector. The funding stream helps applicants with productivity improvements made through scale-up, automation, bottleneck reduction and waste reduction activities.

Section 2 - Program Eligibility

The Agri-processing Productivity Improvement funding stream supports a variety of activities and strategic investments.

Eligible Applicants:

- Agri-food processors
- Agri-product processors
- Primary producers who are or will be engaged in the transformation of agricultural commodities into value-added goods
- Non-profit organizations who are or will be engaged in the transformation of agricultural commodities into value-added goods
- Indigenous (First Nations, Inuit, Métis) groups: government, community, and/or including Tribal Councils, associations, and organizations

Applicants:

- Must be directly involved in or affiliated with activities that contribute to the transformation of agri-products into ingredients or end products. This includes value-added activities that result in products that are ready for direct sales to consumers, or as ingredients for additional value-added processing, or for cleaning or packaging of agri-products into post-harvest market ready materials or goods
- Can be from inside or outside of Manitoba, if the activities related to the application occur in Manitoba or have a positive outcome for the province
- Must ensure that they meet all eligibility requirements

An organization with multiple divisions, operation names or units, will count as one organization.

Current and former Government of Canada employees are ineligible to apply for funding.

Current Manitoba government employees, who are the majority shareholder (50 per cent or higher) in a business or operation, are ineligible to apply for funding.

A business or operation, which includes a provincial government employee as a minority shareholder, will be eligible to apply for funding.

Current or former members of the Legislative Assembly of Manitoba, current or former members of the Executive council, or current or former Manitoba government senior public servants are not eligible. Current or former federal public office holders are eligible as long as they follow conflict of interest policies and procedures.

Additional factors may be considered in determining the eligibility of the applicant, including:

- The provision of false or misleading information by the applicant under other Sustainable Canadian Agricultural Partnership programs
- Amounts due and owing by the applicant under other Sustainable Canadian Agricultural Partnership and Manitoba programs

Section 3 - Cost Share Funding

Activities are cost shared between government (the program) and the applicant. Cost share ratios and funding caps vary according to total project size:

- Minimum project value must be $10,000 in total eligible expenses.
- Maximum project value must be $50,000 in total eligible expenses.
- Eligibility based on project value will be assessed at both:
    - time of application based on **expected costs**, and
    - time of final claim based on **actual paid eligible expenses**.
- ***Projects with total eligible expenses below $10,000, at either application or final claim, will not be considered for funding.***
- The cost share ratio for eligible expenses is 50 per cent government and 50 per cent applicant.
- The maximum government contribution for a project will not exceed $10,000.
- Applicants may only submit a single application for this intake.

Project Length

- All projects shall start on April 1, 2025 or later.
- All projects must be complete, and claims submitted by December 31, 2025.

Eligible Expenses

Eligible expenses are directly related to the execution of an approved project. The applicant is solely responsible for all expenses of the project, including all ineligible expenses, any project deficits or cost over-runs.

All eligible expenses must be invoiced and paid for within the eligible project start and completion dates.

All invoices for eligible expenses must be issued in the applicant's name, and payment must be made by the approved applicant.

The following expenses are **eligible** for funding:

Equipment

- *See Appendix A for a complete list of eligible equipment*
- Equipment used for preparing, producing, or packaging a product including transformation of raw inputs by physical or chemical means into a higher value food, beverage, or agri-product.
- Materials handling and conveyance systems.
- Process-related fixed storage and temperature/humidity-controlled storage.
- In-house quality control implementation or upgrades.

Software

- Purchase of software for process integration inclusive to e-commerce integration, raw materials and finished goods inventory purchasing and management, processing plant controls and operational integration, traceability management, order fulfillment, and other business processes that can logically be integrated.
- Purchase of software and related hardware (e.g., routers, switches, cables) to connect various components that contribute to the implementation of new enterprise resource planning (ERP) software deployments.
- Purchase of software directly related to managing/maintaining quality control processes and procedures.

Ineligible Expenses

The following expenses are **ineligible** for funding:

- Where a project is approved, no eligible expenses will be reimbursed unless a funding agreement is signed
- Any expenses paid before the start date, or after the completion date, listed in the funding agreement
- Any expenses not required for the execution of the project
- Any expense, including a tax, which is eligible for a rebate, credit, or refund such as Goods and Services Tax (GST)
- In-kind contributions such as staff labour, use of assets and equipment, materials, technical, consulting, and professional services
- Normal operating expenses associated with carrying out business operations
- Extended warranties
- Expenses associated with lobbying
- Spare parts not used as part of the project
- Financing charges, loan interest payments, bank fees and charges
- Any compensation to any government employee for organizing or delivering parts of the project

- Purchase of land, buildings, and facilities, associated taxes and fees (e.g., land transfer tax)
- Any additions or upgrades to new or existing buildings and facilities, and associated taxes and fees
- Normal, current, or ongoing maintenance expenses (e.g., repairs to existing equipment, replacing aged or damaged equipment, upgrades to existing plumbing or electrical systems)
- Expenses related to establishing a commercial operation
- Expenses for office renovations
- Sponsorship of seminars, conferences, workshops, events, or initiatives
- Multi-use items (e.g., items that are not directly related to the project activities, such as computers, tablets, printers, phones, cameras, pressure washers, general farm equipment, batteries, ATV, trucks, clothing and footwear, tools, fuel)
- Any project-related activity that generates revenue
- Training that is not directly related to the acquisition of new equipment, technologies and/or software
- Equipment or software that is leased, rented, or on a subscription where ownership is not immediately transferred to the applicant
  - financing equipment through the manufacturer or seller of the equipment, rather than a bank or credit union, is acceptable but only the portion that has been paid and can be supported by an eligible proof of payment will be deemed eligible.
- Routine upgrades of Enterprise Resource Planning (ERP) software
- Registration of intellectual property stemming from the development of new technologies
- Consumable lab supplies or lab equipment that is not part of a first-time in-house quality control capacity implementation or significant upgrade project
- Flooring or flooring treatments, protective walls or wall coatings, countertops
- Activities or purchases that do not contribute to transformational value-added processing of agri-inputs or that cannot be related to Manitoba's agri-processing sector
- Any expense funded under other Sustainable CAP programs such as Market Development, Sustainable Agri-Processing, or Food Safety and Traceability
- The trade-in value of an existing piece of equipment that is being used to offset the cost of a new or used piece of equipment will not be eligible for Sustainable CAP funding
- Expenses incurred for other projects
- Invoices not issued in the applicant's name and/or payment not made by the approved applicant
- Any item purchased before April 1, 2025
- Any other expense deemed ineligible by the program administrator

Stacking Limits and Funding from Other Sources

The applicant must adhere to the stacking limit. The stacking limit refers to the maximum level of total Canadian government funding (federal, provincial/territorial, and municipal) a successful applicant can receive towards total approved eligible expenses of a project.

The maximum level of total government funding must not exceed:

- 100 percent of total approved eligible expenses; or
- If the applicant is a for-profit business or organization, 75 per cent for capital items that are approved eligible expenses

Other sources may also contribute funding towards projects and be taken into consideration in the total project cost share calculation. The total amount of funding from all sources, including Sustainable CAP funding, for approved eligible expenses must not exceed 100 per cent of total approved eligible expenses. If funding from other sources exceeds the applicant's cost-share ratio, the Sustainable CAP portion of funding will be reduced, so that total funding from all sources does not exceed 100 per cent of total eligible project costs.

Section 4 - Application Assessment

Application Worksheets will be assessed based on the following:

- Alignment with one or more of the productivity improvement parameters, namely:
  - Scale-up
  - automation
  - bottleneck reduction
  - waste reduction
- All eligible expenses being aligned with one or more of the eligible equipment type categories
- Adequate description of the specific eligible expenses that will be incurred, especially specific pieces of equipment
- Application clarity and completeness

Section 5 - How to Apply for Funding

Applicant Information Forms and Application Worksheets are available on the Manitoba Agriculture website. Go to **https://www.manitoba.ca/scap/buildingsector/capital.html**

Manitoba Agriculture will publish deadline dates through newsletter, website, and social media channels.

Applicant Information Forms, Application Worksheets, and all other required documentation must be submitted to the program administrator at agriculture@gov.mb.ca no later than the published deadline.

Applicants must acknowledge and agree to the terms and conditions contained in the Applicant Information Form and Application Worksheet.

Only the applicant may complete the Application Worksheet or other program documents.

In the case of corporations, partnerships and other business organizations, a designated person with legal authorization must sign the application and other program documents. The program administrator may require proof of authorization.

Applicants must comply with all provincial and federal government laws and regulations applicable to their project and to their business or organization's operations. Applicants must also accept and agree to all of the terms and conditions of the program.

Project activities must be completed, and all reports submitted by the project completion date. Reports must include proof of payment for all project costs and must show that expenditures were equal to or greater than total project costs stated in the application in order to receive the maximum approved funding.

Funding for projects will be subject to the appropriation of funds by the Government of Canada and the Manitoba government.

Funding amounts received from all sources must be declared on the application. Failure to disclose all financial sources for a project may nullify the application.

Definitions

Agri-food Processor: an agri-processor that transforms agricultural commodities or ingredients into value added goods that are food or ingredients or may be for direct consumption or sold as ingredients for further value-added processing.

Agri-product Processor: an agri-processor that transforms agricultural commodities into value added goods that are not food or ingredients or may include bio-products created from primary commodities, waste products from production or waste products from processing.

Agri-processor: a person or entity actively engaged in agri-food or agri-product processing.

Applicant: a person or entity who satisfies all the eligibility requirements set out in the terms and conditions and who submits an application under this program.

Funding Agreement: an agreement issued to applicants indicating an application decision and the next steps required for project implementation.

Government Funding: any financial assistance in the form of provincial or federal grants, loans, or other assistance.

Incremental Expenses: expenditures that can be directly attributed to the project outlined in the Application Worksheet and are over and above normal business operational expenses.

In-kind Contributions: non-monetary goods and/or services that are not reimbursable by the program.

Manitoba Government Employee: any full-time, regular, part-time or term individual employed by the provincial government, including any special operating agency or Crown corporation.

Manitoba Government Senior Public Servant: the Clerk of the Executive Council; a deputy minister or equivalent or an assistant deputy minister; a chairperson, president, vice-president, chief executive officer or deputy chief executive officer of a Crown agency; a person who is designated or who occupies a position that is designated under section 31.1 of The Legislative Assembly and Executive Council Conflict of Interest Act; and includes a person who, on a temporary basis, occupies a position described here.

Minister: refers to the Minister of Agriculture for the Manitoba government, and includes any person authorized to act on the minister's behalf.

Person: includes an individual, partnership, association, or corporate body (entity).

Primary Producer: an individual grower, producer or rancher, partnership, corporation, co-operative or any other association of people who is or will be engaged in both farming and the transformation of agricultural commodities into value-added goods.

Program: refers to the Sustainable Canadian Agricultural Partnership program.

Program Administrator: Manitoba Agriculture, or where applicable, any authorized person engaged by the Manitoba government, to carry out administrative activities in connection with the program.

Project Proponent: can be any one or more of the individuals or groups described under program eligibility. Where several eligible groups are involved in a single proposal, one individual shall be assigned as project contact for the group.

Sustainable Canadian Agricultural Partnership: a five-year agricultural policy framework by Canada's federal, provincial, and territorial governments to encourage market development, innovation and research, environmental sustainability, value added processing, improved public trust and risk management across Canada's agriculture, agri-food, and agri-product sectors.

Terms and Conditions: the Sustainable Canadian Agricultural Partnership program rules that applicants must follow as conditions for receiving funding; may be occasionally revised, altered or amended from time to time.

Appendix A - Eligible Equipment List

Equipment used for preparing, producing, or packaging a product including transformation of raw inputs by physical or chemical means into a higher value food, beverage, or agri-product

1. **Processing Equipment**

   - **Milling & Grinding Machines** – Converts grains, pulses, and spices into flour or powder
   - **Mixers & Blenders** – Combines ingredients for uniformity in food and beverage production
   - **Extruders** – Shapes and cooks processed foods like pasta, cereals, or snacks
   - **Fermenters & Brewing Tanks** – Used for beer, dairy, and probiotic product production
   - **Presses & Crushers** – Extracts juice, oils, or other liquids from fruits, nuts, or seeds
   - **Dryers & Dehydrators** – Removes moisture for shelf-stable products (e.g., dried fruits, grains)
   - **Evaporators & Concentrators** – Reduces liquid volume for juices, dairy, and sauces
   - **Filtration & Separation Systems** – Clarifies liquids, removes solids, or isolates components

2. **Cooking, Heating, & Preservation Equipment**

   - **Pasteurizers** – Heat treatment to eliminate pathogens in dairy, juices, and beverages
   - **Retort Systems** – High-pressure sterilization for canned goods
   - **Baking & Roasting Equipment** – Used for bread, cereals, and snack foods
   - **Freezers & Refrigeration Systems** – Maintains cold chain for perishable goods
   - **Smokehouses & Curing Chambers** – Preserves meats and enhances flavor

3. Packaging Equipment

   - **Weighing & Filling Machines** – Accurately portions product into containers
   - **Sealing & Capping Machines** – Ensures airtight packaging for shelf stability
   - **Vacuum & Modified Atmosphere Packaging (MAP) Systems** – Extends product shelf life
   - **Cartoning & Palletizing Equipment** – Automates packing for bulk shipment

Materials Handling & Conveyance Systems

1. Conveyor Systems (For moving bulk raw materials and processed products)

   - **Belt Conveyors** – For transporting bulk grains, produce, or packaged goods

- **Screw Conveyors (Augers)** – Moves dry, semi-solid, or viscous materials like flour, feed, or pulp
- **Bucket Elevators** – Lifts bulk grains, seeds, or powders vertically for storage or processing
- **Vibratory Conveyors** – Gently transports fragile products like fruits, nuts, and confectionery
- **Pneumatic Conveying Systems** – Uses air pressure to transport dry bulk materials (e.g., flour, powders)
- **Roller Conveyors** – Moves crates, pallets, and heavy packaged products
- **Chain Conveyors** – Used for high-strength, heavy-duty transport in meat or dairy processing
- **Spiral Conveyors** – Space-saving option for vertical transport of packaged foods

2. Process Piping & Fluid Handling Equipment (For liquid and semi-solid product transfer)

- **Sanitary Process Piping** – Stainless steel pipes for transporting dairy, juices, and edible oils
- **Hoses & Tubing Systems** – Flexible piping for CIP (clean-in-place) applications
- **Valves & Fittings** – Controls liquid and steam flow in food processing plants
- **Heat Exchangers** – Used in pasteurization and cooling of dairy, juices, and liquid food products

3. Augers & Screw-Based Transport Systems (For moving dry bulk materials)

- **Flexible Augers** – Used for feed, grains, and powdered food ingredients
- **Trough Screw Conveyors** – Moves flour, cereals, and bakery ingredients in food plants
- **Tubular Screw Conveyors** – Enclosed auger systems to prevent contamination

4. Fume & Laminar Flow Hoods (For hygiene and contamination control)

- **Laminar Flow Hoods** – Provides clean airflow for aseptic food processing environments
- **Fume Extraction Hoods** – Removes airborne contaminants in spice, flour, and chemical processing

5. Pumps & Fluid Transfer Systems (For moving liquid and semi-liquid products)

- **Centrifugal Pumps** – For transferring milk, juices, and other low-viscosity liquids
- **Positive Displacement Pumps** – Handles thick or particulate-laden products like yogurt, sauces, and purees
- **Diaphragm Pumps** – For sensitive liquids requiring gentle handling
- **Peristaltic Pumps** – Ideal for precise metering of liquid food ingredients

6. Sterilization & Sanitation Equipment (For food safety and contamination control)

- **Clean-in-Place (CIP) Systems** – Automated cleaning of process pipes, tanks, and pumps
- **UV Sterilization Units** – Kills bacteria in liquid and air processing systems
- **Steam Sterilizers (Autoclaves)** – Used in dairy, canning, and pharmaceutical food processing
- **Ozone Sanitization Systems** – Disinfects water and food contact surfaces
- **Hydrostatic Sterilizers** – Provides continuous sterilization for canned and bottled products

Process-Related Fixed Storage & Temperature/Humidity Controlled Storage

1. Fixed Storage Vessels (For bulk ingredient and product storage)

- **Tanks (Stainless Steel & Fiberglass)** – Stores liquid ingredients like milk, oils, and syrups
- **Mixing & Blending Tanks** – Fixed vessels designed for combining liquid or semi-solid ingredients
- **Fermentation Tanks** – Used in dairy (e.g., yogurt), brewing, and fermentation-based food production
- **Jacketed Storage Tanks** – Includes insulation and temperature control for sensitive liquids
- **Intermediate Bulk Containers (IBCs)** – Fixed or movable storage for semi-bulk ingredients
- **Cold Storage Tanks** – Used for storing temperature-sensitive liquids such as dairy, juices, and syrups

2. Temperature-Controlled Storage (For maintaining product integrity)

- **Cold Storage Rooms** – Large-scale refrigeration units for perishable food products
- **Blast Chillers** – Rapid cooling units for processed food products to extend shelf life
- **Walk-in Freezers** – Industrial freezers for bulk frozen food storage
- **Cryogenic Freezers** – Uses liquid nitrogen or CO_2 for ultra-low temperature food preservation
- **Chilled Ingredient Storage Tanks** – Maintains temperature for dairy, beverages, and liquid food processing

3. Humidity-Controlled Storage (For preventing spoilage and maintaining freshness)

- **Humidity-Controlled Warehouses** – Maintains stable humidity for sensitive dry goods like coffee, tea, and spices
- **Ripening Chambers** – Controlled environment for fruit ripening (e.g., bananas, avocados)
- **Curing & Drying Rooms** – Used for meat curing, cheese aging, and drying nuts or grains
- **Grain Dryers** – Reduces moisture levels in harvested grains before long-term storage
- **Dehumidification Systems** – Prevents mold and spoilage in dry storage facilities

In-House Quality Control Implementation or Upgrades

1. Chemical & Nutritional Analysis Equipment

- **Gas Chromatography (GC) & Liquid Chromatography (HPLC)** – For detecting pesticide residues, flavor compounds, and food additives
- **Mass Spectrometers (GC-MS, LC-MS)** – Advanced detection of contaminants and nutritional profiling
- **Near-Infrared (NIR) Spectroscopy** – Rapid non-destructive analysis of food composition (moisture, protein, fat, fiber)
- **Fourier Transform Infrared (FTIR) Spectrometers** – Detects food adulteration and ingredient authenticity
- **Dumas Protein Analyzers** – Measures nitrogen content for protein determination (alternative to Kjeldahl method)
- **Kjeldahl Nitrogen Determination Systems** – Traditional protein content analysis

2. Physical & Rheological Testing Equipment

- **Texture Analyzers** – Evaluates food texture properties such as crispness, chewiness, and firmness
- **Viscometers & Rheometers** – Measures viscosity and flow properties of liquids, sauces, and pastes
- **Colorimeters & Spectrophotometers** – Ensures color consistency in processed food products
- **Particle Size Analyzers** – Used for flour, powders, and emulsions to determine uniformity
- **Moisture Analyzers** – Ensures proper drying for grains, powders, and snacks

3. Packaging & Shelf-Life Testing Equipment

- **Modified Atmosphere Packaging (MAP) Analyzers** – Monitors gas levels in food packaging for freshness
- **Vacuum Leak Testers** – Ensures packaging integrity and prevents spoilage

- **Accelerated Shelf-Life Chambers** – Simulates environmental conditions (humidity, temperature) to assess product durability
- **Oxygen & CO$_2$ Headspace Analyzers** – Measures gas composition inside sealed food packaging

4. Digital & Smart Quality Control Systems

- **Automated Inline Inspection Systems** – Real-time quality monitoring during production
- **Vision Inspection Systems** – Uses AI-driven cameras for detecting defects in shape, size, and packaging