

APPENDIX 2 TO THE RISK MITIGATION PROGRAM TERMS AND CONDITIONS ANIMAL HEALTH TRACEABILITY SUBJECT AREA CRITERIA DOCUMENT

1. Purpose

- 1.1 The Animal Health Traceability Subject Area supports livestock traceability technology adoption and evaluations, training/education activities, and other elements of livestock traceability in order to better anticipate, assess and manage risks and threats associated with animal health.

2. Definitions

- 2.1 In this Animal Health Traceability Subject Area Criteria Document, the following terms have the following meanings:
- (a) **Industry Organization:** means an industry board, commission, agency and any other organization that represents the livestock industry in Alberta;
 - (b) **Intermediary Site:** means a location in Alberta (such as an auction market, grazing reserve, fair and exhibition, veterinary clinic, assembly yard, etc.) where livestock co-mingle or gather, for a short or prolonged time, other than a feedlot or the livestock's farm of origin;
 - (c) **Operator Applicant:** means an Applicant under s. 3.1(b);
 - (d) **RFID:** means Radio Frequency Identification;
 - (e) **RFID Reader:** means a RFID hand-held reader or a RFID stationary reader that is capable of receiving data from a RFID tag;
 - (f) **RFID Software:** means software that meets the traceability requirements of the livestock industry, and that provides a reliable audit trail for traceability and food safety; and
 - (g) **Subject Area:** means the Animal Health Traceability Subject Area under the Program.

3. Eligible Applicants

- 3.1 The following entities are eligible to apply under this Subject Area:
- (a) an Industry Organization; and
 - (b) an operator of an Intermediary Site.
- 3.2 The following entities are not eligible under this Subject Area:
- (a) individuals, corporations, registered partnerships and other organizations, including Hutterite colonies, members of Indians Bands, and members of Metis Settlements that do not operate an Intermediary Site;
 - (b) research stations;
 - (c) post-secondary institutions; and
 - (d) any other entity deemed ineligible by the Minister.

4. Eligible Activities

- 4.1** The following activities may be included in an Application under this Subject Area:
- (a) for Operator Applicants:
 - i. adoption of livestock traceability technologies at an Intermediary Site; and
 - (b) for Industry Organization Applicants:
 - i. testing and evaluation of existing and new, emerging traceability technologies that benefit the livestock industry as a whole, or a segment of the livestock industry; and
 - ii. development and delivery of traceability training sessions (such as seminars, conferences, and workshops), and/or development of traceability information materials.
- 4.2** Activities that are ineligible under this Subject Area include:
- (a) activities related to the research and development of new traceability technologies; and
 - (b) any other activity deemed by the Minister to be ineligible.

5. Eligible Expenses

- 5.1** The following expenses may be included in an Application under this Subject Area:
- (a) for Operator Applicants:
 - i. reasonable purchase costs of RFID Readers and RFID Software that are appropriate for the Applicant's operation to be able to participate in a traceability system, as well as installation costs (if done by a licensed service provider); and
 - (b) for Industry Organization Applicants:
 - i. incremental manpower costs directly related to the Project, including salaries and benefits of staff;
 - ii. cost of contract services and professional fees directly related to the Project, including information technology and project management;
 - iii. for all activities listed in s. 4.1(b)(i), costs for Project design, computers (only if required to operate RFID Software), traceability equipment and installation (if done by a licensed service provider), accessories for traceability equipment, and infrastructure modifications and additional hardware to accommodate traceability equipment;
 - iv. costs for publishing, distributing and communicating Project results and technology recommendations;
 - v. expenses to develop and deliver training and education activities, including speaker fees, and costs for materials, supplies, advertising and development of information materials and training materials;
 - vi. cost of developing and distributing extension documents and communication materials;
 - vii. costs for rental or lease of facilities and equipment, including office and/or audio-visual equipment;

- viii. reasonable travel expenses for travel within Alberta directly related to the Project in accordance with the Travel Expense Policy;
- ix. costs of incremental insurance;
- x. extended service plans with a licensed service provider for the Project Term;
- xi. extended warranty from a licensed supplier for the Project Term; and
- xii. In-Kind Contributions up to a maximum of 25% of the total Eligible Expenses.

5.2 Expenses that are ineligible under this Subject Area include:

- (a) Goods and Services Tax (GST);
- (b) financing fees and interest charges;
- (c) expenses incurred by the Applicant outside the Project Term;
- (d) costs incurred by participants to attend training sessions conducted by the Applicant;
- (e) RFID Software and RFID Readers that are not appropriate for the Applicant's operation to participate in a traceability system;
- (f) expenses incurred in Non-Arm's Length Transactions;
- (g) extended service plans outside the Project Term;
- (h) extended warranty outside the Project Term;
- (i) costs for normal (day-to-day) operations and general office equipment, as well as overhead, salary and maintenance costs;
- (j) costs incurred by the Applicant to prepare the Application;
- (k) administration overhead charges;
- (l) costs funded through any other federal, provincial or municipal government grants, programs or projects;
- (m) with respect to activities under s. 4.1(b)(ii), costs to purchase RFID Readers, RFID Software and computers;
- (n) with respect to activities under s. 4.1(a):
 - i. travel costs of the Applicant, or the Applicant's employees;
 - ii. lease or rental costs for RFID Readers or RFID Software;
 - iii. costs for computers and computer equipment;
 - iv. internet charges;
 - v. costs for extended service or annual software support plans;
 - vi. costs for extended warranty;
 - vii. costs for RFID Reader accessories; and
- (o) any other expense deemed by the Minister to be an ineligible expense.

6. Applications

- 6.1** If an Operator Applicant is applying for funding for multiple Intermediary Sites, the Operator Applicant must submit a separate Application for each Intermediary Site.
- 6.2** Industry Organization Applicants may submit one Application for activities under sections 4.1(b)(i) and 4.1(b)(ii).

7. Processing of Applications

- 7.1** There is limited funding in this Subject Area. For funding purposes, this Subject Area has the following two streams, each with separate funding constraints:
- a) Stream A – Operator Applicants
 - b) Stream B – Industry Organization Applicants
- 7.2** Applications submitted by Operator Applicants will be considered for approval on a first-come, first-served basis, subject to Subject Area eligibility criteria and Stream A funding constraints.
- 7.3** Applications submitted by Industry Organization Applicants will be considered for approval on a case-by-case basis, subject to Subject Area eligibility criteria, Subject Area assessment criteria, and Stream B funding constraints.

8. Subject Area Assessment Criteria

- 8.1** Subject Area assessment criteria by which Applications submitted by Industry Organization Applicants will be assessed are:
- (a) the degree to which the Proposed Project improves industry traceability practices, addresses identified gaps and advances the ability to manage risks;
 - (b) the level of impact or benefit the Proposed Project will have for the Alberta livestock industry as a whole;
 - (c) the level to which the Application describes relevant activities, resources, budget, and success measures needed to achieve expected risk mitigation outcomes;
 - (d) the uniqueness of the Proposed Project (i.e. no other projects with similar objectives have been done or are currently underway in Alberta or Canada within the targeted sector);
 - (e) the extent to which the Application demonstrates the Applicant's capacity and readiness to execute the Proposed Project based on available financial resources, necessary experience, and skills (to manage, lead and execute the Project), and detailed Proposed Project timelines that are realistic and attainable; and
 - (f) for Proposed Projects that involve training, the potential reach of and/or level of Alberta livestock industry participation in the Proposed Project.

9. Funding Levels and Grant Payment for Operator Applicants

- 9.1** For Operator Applicants, this Subject Area provides grants on a cost-shared basis to cover Eligible Expenses for approved Projects up to a maximum of \$20,000 per Intermediary Site over the Program Term.
- 9.2** Eligible Expenses shall be cost-shared at 75% grant and 25% Operator Applicant.
- 9.3** Grant payments will be made on a reimbursement basis based on the Eligible Expenses incurred and claimed by the Operator Applicant and approved by the Minister pursuant to the Approval Letter Grant.
- 9.4** The only Eligible Expenses for which an Operator Applicant may make a claim for reimbursement are the Eligible Expenses listed in the Approval Letter which are directly

incurred by the Operator Applicant in completing the Project, unless otherwise authorized by the Minister.

- 9.5** To make a claim for reimbursement, the Operator Applicant must submit:
- (a) a completed Reimbursement Claim Form with copies of all documentation (e.g. invoices, receipts, or other supporting documentation) necessary to establish, to the satisfaction of the Minister, that the Operator Applicant incurred and paid all of the Eligible Expenses claimed;
 - (b) a Final Report for the Eligible Expenses incurred and paid in the period covered by the report; and
 - (c) any supplementary documentation requested by the Minister.
- 9.6** The Approval Letter will specify when the Final Report, Reimbursement Claim Form and all required supporting documentation must be submitted to the Minister by an Operator Applicant.

10. Funding Levels and Grant Payment for Industry Organization Applicants

- 10.1** For Industry Organization Applicants, this Subject Area provides grants on a cost-shared basis to cover Eligible Expenses for approved Projects up to a maximum of \$150,000 per Project.
- 10.2** Eligible Expenses shall be cost-shared at 75% grant and 25% Industry Organization Applicant.
- 10.3** Payments to Industry Organization Applicants will be made as follows:
- (a) upon execution of the Executed Agreement, an initial payment of 50% of the maximum approved grant amount stated in the Executed Agreement; and
 - (b) the remaining 50% of the maximum approved grant amount shall be paid over the Project Term upon receipt of Status Reports and/or a Final Report, as specified in the schedule in the Executed Agreement.

After submission of the Final Report, if the sum of all previous grant payments exceeds the total Eligible Expenses claimed by the Industry Organization Applicant multiplied by the applicable funding level, no final payment will be made and the Industry Organization Applicant shall immediately pay the unused grant funds to the Provincial Crown.