

## APPENDIX 4 TO THE RISK MITIGATION PROGRAM TERMS AND CONDITIONS FOOD SAFETY SUBJECT AREA CRITERIA DOCUMENT

### 1. Purpose

#### 1.1 The Food Safety Subject Area:

- (a) supports Agri-Processors to increase their food safety knowledge, implement strategies/solutions to proactively mitigate identified food safety risks, and/or achieve food safety certification in order to supply to current markets and/or access new markets; and
- (b) provides support at the industry level to increase the knowledge of food safety risks/gaps and strategies, to mitigate those risks, and to accelerate the adoption and implementation of food safety systems.

### 2. Definitions

#### 2.1 In this Food Safety Subject Area Criteria Document, the following terms have the following meanings:

- (a) **Agri-Processor:** means a manufacturer operating in Alberta that:
  - i. is active in the business of changing a raw agricultural commodity into a value-added product for human consumption through physical, chemical or thermal means, including packaging; and
  - ii. operates one or more processing facilities that are registered by federal or provincial inspection authorities;
- (b) **Industry Organization:** means an industry organization operating in Alberta that represents the agriculture or food industry;
- (c) **Post-Secondary Institution:** means a university, a public college, or a technical institute, as defined in the *Post-Secondary Learning Act*;
- (d) **Qualified Third-Party:** means a consultant, auditor, industry expert, corporation, registered partnership or Post-Secondary Institution that provides training, education and food safety related services to Agri-Processors;
- (e) **Subject Area:** means the Food Safety Subject Area under the Program; and
- (f) **Validation Study:** means a study to obtain evidence that a control measure or combination of control measures, if properly implemented, is capable of controlling the hazard to a specified outcome.

### 3. Eligible Applicants

#### 3.1 The following entities are eligible to apply under this Subject Area:

- (a) Agri-Processors;
- (b) Industry Organizations; and
- (c) Post-Secondary Institutions.

- 3.2** The following entities are not eligible under this Subject Area:
- (a) agriculture producers;
  - (b) retail businesses, restaurants, and food service establishments;
  - (c) packaging material manufacturers;
  - (d) feed mills;
  - (e) companion animal food processors;
  - (f) distribution centres and storage facilities;
  - (g) research stations and other organizations funded in whole or in part by the government;
  - (h) 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 Agri-Processor Applicants:
    - i. food safety training of staff;
    - ii. pre-audit and/or gap assessment of a food safety system;
    - iii. certification audit of a food safety system, conducted by an accredited/approved auditing body;
    - iv. development and implementation of a food safety system;
    - v. Validation Studies (e.g. effectiveness of cleaning and sanitizing, water treatment, allergen controls, and food safety control measures outlined in HACCP Plans/CCPs); and
    - vi. facility modification including installation of equipment that supports the implementation of a food safety system and training by the vendor to operate the equipment; and
  - (b) for Industry Organization Applicants and Post-Secondary Institution Applicants:
    - i. development and delivery of food safety training events; and
    - ii. assisting multiple Agri-Processors and/or agriculture producers to achieve accreditation under a food safety certification program.
- 4.2** Activities that are ineligible under this Subject Area include:
- (a) training and education projects that fulfill academic requirements toward completion of a professional certificate, diploma or degree program;
  - (b) sponsoring or attending conferences and tradeshow;
  - (c) training of staff on newly developed or updated procedures, policies or practices that are not related to food safety;
  - (d) recertification of a food safety program;
  - (e) non-food safety-related activities (e.g. nutritional analysis/labeling, Halal or organic certification);
  - (f) replacement of equipment or facility modifications that do not have a direct link to food safety risk management strategies and/or solutions;
  - (g) normal, current or ongoing maintenance activities; and
  - (h) 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 Agri-Processor Applicants:

- i. costs for staff to attend food safety training sessions (e.g. an open enrolment, on-site customized training, or e-Learning), including:
  - A. fees charged for the course or training session;
  - B. costs for course materials (e.g. textbooks); and
  - C. reasonable travel expenses for travel within Alberta in accordance with the Travel Expense Policy;
- ii. professional fees charged by a Qualified Third-Party, as well as reasonable travel expenses for their travel within Alberta in accordance with the Travel Expense Policy, to:
  - A. deliver in-house training sessions;
  - B. conduct pre-audit, gap assessments and/or certification audits;
  - C. develop or modify a food safety system; and/or
  - D. conduct a Validation Study;
- iii. fees charged by an accredited laboratory to conduct a Validation Study or testing;
- iv. incremental manpower costs directly related to the Project, including salaries and benefits of staff; and
- v. facility modification and equipment costs related to a food safety system, including:
  - A. consulting fees related to design and implementation;
  - B. cost of equipment, including installation and shipping charges; and
  - C. cost of training to operate equipment; and
- (b) for Industry Organization Applicants and Post-Secondary Institution Applicants:
  - i. expenses to develop/deliver food safety events and implement group certification, including:
    - A. consulting or professional fees;
    - B. speaker fees and costs for materials, supplies, advertising and development of information materials and training materials;
    - C. venue rental charges, audio-visual equipment rental charges, and/or costs associated with online delivery of training events; and
    - D. reasonable travel expenses for travel within Alberta in accordance with the Travel Expense Policy; and
  - ii. 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) legal fees;
- (d) expenses incurred by the Applicant outside of the Project Term;
- (e) expenses for travel outside of Alberta;
- (f) expenses incurred in Non-Arm's Length Transactions;
- (g) cost of employee time to travel and attend a course or training;
- (h) costs incurred by the Applicant to prepare the Application;

- (i) costs for ongoing routine maintenance and costs associated with regular business activities;
- (j) costs for normal (day-to-day) operations and general office equipment, as well as overhead, salary and maintenance costs;
- (k) costs for disposable items (e.g. protective clothing, gloves, hairnets, hand sanitizer, soap, towels, wipes, sanitizing chemicals);
- (l) costs for multi-use items (e.g. smart phones, computer, laptops, tablets, digital cameras, GPS);
- (m) ongoing software licensing costs or fees;
- (n) costs for equipment not related to food safety;
- (o) costs for recertification of an existing food safety program;
- (p) cost for time or services to perform ongoing monitoring and verification activities;
- (q) the Applicant's own transportation costs to transport equipment purchased as part of the Project;
- (r) costs for non-food safety-related assessments or certification (e.g. gluten-free, halal, organic);
- (s) cost associated with nutritional analysis/labeling;
- (t) administration overhead charges;
- (u) in-kind costs for speaker fees from any government employee (includes all levels of government);
- (v) costs for meals provided at training events;
- (w) costs funded through any other federal, provincial or municipal government grants, programs or projects; and
- (x) any other expense deemed by the Minister to be an Ineligible Expense.

## **6. Additional Application Requirements for Agri-Processor Applicants**

- 6.1** In addition to a completed Program application form, Agri-Processor Applicants must also include the following in their Applications, when applicable to their Project:
- (a) a quote or proposal from a Qualified Third-Party detailing services to be provided, costs and outcomes;
  - (b) a quote from the manufacturer detailing costs of equipment, installation, shipping and related training as applicable; and
  - (c) evidence of appropriate regulatory approval of any proposed facility modification.

## **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 – Agri-Processor Applicants
  - b) Stream B – Industry Organization Applicants and Post-Secondary Institution Applicants

Applications will be considered for approval on a case-by-case basis within each stream, subject to Subject Area eligibility criteria, Subject Area assessment criteria, and stream funding constraints.

- 7.2 The Minister will not approve an Application for which the total grant request is \$2,000 or less.

## 8. Subject Area Assessment Criteria

- 8.1 Subject Area assessment criteria by which all Applications will be assessed are:
- (a) the extent to which the Application identifies the need for the Proposed Project (i.e. the food safety risk that will be addressed by the Proposed Project);
  - (b) the extent to which the Application explains how the Proposed Project will address the identified food safety risk;
  - (c) the degree of the food safety risk being addressed by the Proposed Project;
  - (d) the extent to which the Proposed Project is supported by scientific research, reputable reports, and/or food safety risk assessments;
  - (e) the extent that the Proposed Project demonstrates a secondary outcome (i.e. meeting food safety market access requirements through achieving certifications); and
  - (f) 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.
- 8.2 In addition to the Subject Area assessment criteria listed in s. 8.1, Applications submitted by Industry Organization Applicants and Post-Secondary Institution Applicants will also be assessed using the following additional assessment criteria:
- (a) the degree of positive impact on the agriculture or food industry or a segment of the industry (i.e. number of people or companies reached) that the Proposed Project clearly demonstrates.

## 9. Funding Levels and Grant Payment for Agri-Processor Applicants

- 9.1 For Agri-Processor Applicants, this Subject Area provides grants on a cost-shared basis to cover Eligible Expenses for approved Projects up to a maximum of \$50,000 per Project, subject to the following maximums;
- (a) \$6,000 for staff training; and
  - (b) \$6,000 to conduct pre-audits or gap assessments.
- 9.2 Eligible Expenses shall be cost-shared as follows:
- (a) expenses for facility modification and equipment related to a food safety system shall be cost-shared at 50% grant and 50% Agri-Processor Applicant; and
  - (b) all other expenses described in s. 5.1(a) shall be cost-shared at 75% grant and 25% Agri-Processor Applicant.
- 9.3 The cumulative maximum of all grants that may be received by an Agri-Processor Applicant under this Subject Area over the Program Term is \$150,000.

- 9.5** Grant payments will be made on a reimbursement basis based on the Eligible Expenses incurred and claimed by an Agri-Processor Applicant and approved by the Minister pursuant to the Approval Letter Grant.
- 9.6** The only Eligible Expenses for which an Agri-Processor Applicant may make a claim for reimbursement are the Eligible Expenses listed in the Approval Letter which are directly incurred by the Agri-Processor Applicant in completing the Project, unless otherwise authorized by the Minister.
- 9.7** To make a claim for reimbursement, an Agri-Processor 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 Agri-Processor Applicant incurred and paid all of the Eligible Expenses claimed;
  - (b) a Status Report or 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.
- 9.8** The Approval Letter will specify when the reports, Reimbursement Claim Form and all required supporting documentation must be submitted to the Minister by an Agri-Processor Applicant.

#### **10. Funding Levels and Grant Payment for Industry Organization Applicants and Post-Secondary Institution Applicants**

- 10.1** For Industry Organization Applicants and Post-Secondary Institution Applicants, this Subject Area provides grants on a cost-shared basis to cover Eligible Expenses for approved Projects up to a maximum of \$100,000 per Project.
- 10.2** Eligible Expenses shall be cost-shared at 75% grant and 25% Applicant for Industry Organization Applicants and Post-Secondary Institution Applicants.
- 10.3** The cumulative maximum of all grants that may be received by an Industry Organization Applicant or a Post-Secondary Institution Applicant under this Subject Area over the Program Term is \$500,000.
- 10.4** Payments to Industry Organization Applicants and Post-Secondary Institution 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 the 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 or Post-Secondary Institution Applicant multiplied by the applicable funding level, no final payment will be made and the Industry Organization Applicant or Post-Secondary Institution Applicant shall immediately pay the unused grant funds to the Provincial Crown.