

GUIDELINES

LOCAL FOOD INVESTMENT FUND



Possibility grows here.

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LOCAL FOOD INVESTMENT FUND

Introduction

Since 2010 the Greenbelt Fund has worked to get more locally grown food onto the plates of Ontarians. To date, we have funded 111 projects under the Local Food Investment Fund and seen an increase of more than \$110 million in local food sales.

Over the next three years, the Local Food Investment Fund will continue to support efforts to increase the amount of local food served in broader public sector institutions and to increase access to markets for farmers and processors. We will also support projects that will help Ontarians learn more about local foods.

The Program provides support through three distinct grant streams:

1. Broader Public Sector - Increasing local food purchases by public sector organizations and institutions
2. Market Access - Increasing access of small and mid-sized farms and processors to markets
3. Local Food Literacy - Improving understanding of where local food can be found, what local foods are available, and how to use them

Before reviewing the objectives and areas of focus for each of the three streams, please check the eligibility rules below.

Eligibility

To be eligible for funding, a grant applicant must be a legal entity and have the authority to enter into a legal agreement. Examples of a legal entity include community or not-for-profit organizations, farmers, primary producers, food processors, distributors, food service, retail, municipalities, industry associations, economic development associations,

First Nations, Metis and Inuit, and broader public sector organizations.

Projects with funding from other provincial programs are not eligible for support. This includes the Ontario Trillium Foundation, Jobs and Prosperity Fund, Northern Ontario Heritage Fund, Growing Forward 2, Rural Economic Development Program, Eastern Ontario Development Fund, Southwest Ontario Development Fund, and the Communities in Transition program.

Successful projects of qualified recipients must meet the following conditions:

- With the exception of municipal government, commodity association, or network, projects must be based upon a joint application to the Greenbelt Fund from two or more legal entities. For clarity, individuals or individual businesses are not eligible to apply for funds as sole applicants. Successful applicants must enter into a formal written agreement with the Greenbelt Fund for the purposes of managing the project and the expenditure of the funds. One grant recipient may bind its value chain partner under the terms and conditions of the ensuing agreement.
- Funding provided to not-for-profit grant recipients towards an approved project cannot exceed 75 per cent of the total eligible project costs. In exceptional circumstances, up to 90 per cent of total project cost is permissible if a project demonstrates a close alignment with program outcomes, has the potential for significant benefits, could not be delivered without the increased funding rate, and if the increased funding rate was approved, the applicant would have sufficient ability to deliver the project.
- Funding provided to for-profit grant recipients towards an approved project cannot exceed 50 per cent of the total eligible project costs under any circumstances.
- A grant recipient's contribution to a project must be in cash only. In-kind contributions can be documented to demonstrate a commitment to the project on the part of the applicant.
- Alignment with the overall objective to increase local food consumption, production and/or purchases in Ontario. This excludes applications primarily focused on pet food and floriculture.

BROADER PUBLIC SECTOR

Introduction

Ontario's broader public sector institutions—municipal daycares, long-term care facilities, universities, colleges, school boards, and hospitals—are a sizeable market opportunity for Ontario farmers. With an estimated \$745 million in food and beverage sales made by broader public sector institutions and contract caterers, this sector has the potential to substantially invest in, and help sustain, agriculture in Ontario.

Ontario's public institutions have often led to change, such as implementing recycling programs, developing green building standards, and eliminating trans-fats and reducing sodium in high school cafeterias through the School Food and Beverage Policy (2008). The Broader Public Sector Grant Stream puts the public service at the forefront of change once again, encouraging the establishment of new food service models that respond to Ontarians' desire for fresh and healthy meals that are prepared with local ingredients.

Goals

The Broader Public Sector Grant Stream focuses on increasing the amount of Ontario food purchased by public institutions. Its goals are:

1. To increase the amount of Ontario food products purchased by Ontario's broader public sector, specifically municipal, colleges, university, school boards, and hospital foodservices.
2. To enhance the capacity of the agri-food sector (farms, processors, distributors, and others) to access the broader public sector foodservice industry to highlight the availability and increase the purchases of local products.

Areas of Focus

There are five areas of focus, as outlined below:

1. Skills Development - Increase local food handling and preparation skills so that more institutions can create local food menus
2. Organizational Change - Drive organizational change within institutions, distributors, and foodservice operators to make local food a priority
3. Value Chain Collaboration - Foster value chain collaboration to enable better communication and stronger relationships between our farmers, processors, distributors and institutions
4. Policy Change - Support changes to policies and practices that increase local food purchases and tracking by institutions
5. Innovation and Product Development - Facilitate innovation to find and/or develop local food products that meet the particular needs of our public institutions

Some examples of activities that could form parts of a project include:

- Providing training and resources to help food service staff increase their knowledge in how to find, use, and promote local food in BPS institutions
- Upgrading and/or enhancing equipment to enable institutions to serve local products all-year round
- Developing strategies to increase the amount of local foods used by public institutions and food service operators
- Identifying and addressing barriers faced by small and medium-sized processors to create more processed Ontario products for institutional use
- Providing opportunities for farmers and the value chain to work together to develop processed products that meet the needs of BPS customers
- Revising institutional purchasing policies to increase and track Ontario food purchases

- Assisting small and medium-sized farmers and processors in selling to broad-line distributors, including information technology investments and other small scale infrastructure/processing equipment needed to access these markets
- Implementing new purchase order systems/procedures that effectively identify the origins of food purchases to make it easier to promote local to customers, as well as to order and track Ontario foods for customers
- Making organizational change within institutions and foodservice companies to make local food a priority
- Making changes to policy that make it easier to access local products and to provide a fair and transparent process for farmers of all sizes
- Supporting municipalities and their partners (institutions and the food value chain) to build the regional agri-food economy by undertaking priority impactful actions. Such activities can include building municipal capacity to help identify and reduce local regulatory barriers for farmers and agri-food entrepreneurs, supporting Agri-Food Community Improvement Plans, etc.

MARKET ACCESS

Increasing Farmers' Access to Markets

Introduction

Demand for Ontario food has never been stronger, with consumers applying pressure on retail, institutional, and foodservice operators to have more local and regional options available. In order to meet this demand at a competitive price, Ontario's agri-food industry needs to find efficient and cost-effective ways of bringing more of Ontario's diverse, high-quality products to these markets.

Regional aggregators and value-added service providers (often referred to as "food hubs") are proliferating across North America as a feasible option for providing efficient local and regional value chain linkages to small and medium-sized farmers and processors. Given market trends, these services are instrumental in getting these smaller enterprises access to mainstream foodservice and retail markets.

The Market Access Grant Stream aims to build on these trends by providing funding to identify and capitalize on existing market opportunities through the development of local food aggregation, co-packing, and distribution capacity, and enhancing the availability of processing and value-add services for Ontario farmers.

Goals

The Market Access Grant Stream focuses on increasing market access for farmers and processors in order to increase local food choices. Its goals are:

1. To increase the amount of Ontario food products purchased by Ontario's retailers, wholesalers, foodservice operators via local food aggregators and local processors.
2. To increase farmers' and processors' access to new market channels through increased knowledge of supply chain requirements, enhanced access to aggregation services, and value added local food processing.

Areas of Focus

There are three areas of focus, outlined below:

1. Regional Aggregation and Food Hubs - Assist in the development and growth of food hubs and regional aggregators, increasing the number of farmers that have access to retail, wholesale, foodservice, and farmers' markets
2. Value Added Local Food Processing - Encourage the development and growth of products made with Ontario ingredients, strengthen value chain relationships, and enhance the competitiveness of Ontario's food processing sector
 - a. Support the acceleration of growth of food processors by strengthening organizations that provide food incubation, acceleration, and commercialization services
3. New and Emerging Markets - Assist with business intelligence, networking, and relationship building tools to assist new and emerging markets scale up and access multiple market channels
4. Regional and Rural Economic Development - Support NGOs, municipalities, and their institutional and food value chain partners build the regional agri-food economy by undertaking priority impactful actions

Some examples of activities that could form parts of a project include:

- Conducting a market assessment for new and emerging markets to better understand potential and to develop strategies
- Conducting market research and business planning to strengthen aggregators', food hubs', and local food processors' ability to compete in the marketplace
- Expanding aggregation and distribution services to enable more Ontario farmers to sell to wholesale, foodservice, and/or retail markets

- Increasing the capacity for value-added processing of Ontario-grown or raised products, including services such as chopping, washing, freezing contract processing, canning, dry goods assembly, and dehydration
- Improving the 'market readiness' of Ontario-grown or raised food by enhancing capacity in terms of consistency of product characteristics, food safety certification, and/or packaging
- Developing training and education resources that help agriculture and local food businesses gain entry into the marketplace
- Investing in farmers ready to diversify on-farm production by completing small-plot experimental testing to grow, harvest, and/or process world crops and develop value-added products
- Supporting existing food incubators and accelerators to scale-up services and offerings, facilitate collaboration between incubators and accelerators to reduce duplicate efforts and avoid silo-work, and/or support the development of an industry-led strategy to support SMEs through incubation, acceleration and commercialization
- Building municipal capacity to help identify and reduce local regulatory barriers for farmers and agri-food entrepreneurs, support Agri-Food Community Improvement Plans, etc.

LOCAL FOOD LITERACY

Improving Understanding of Where to Find Local Foods, what Local Foods are Available, and How to Use Them

Introduction

A number of factors are required for a viable and resilient agriculture and agri-food system, not least of which is knowledge of local food and agriculture.

Significant work on local food literacy is already taking place. Public education campaigns at the point of sale, such as work done by Foodland Ontario and Feast ON, have had a significant impact. Organizations such as Farmers' Markets Ontario and the Greenbelt Farmers' Market Network support farmers' markets as key places where consumers interact with growers, learn about where food comes from, and can access a range of local food products. Information sharing among stakeholders in the agricultural system is supported by, among other organizations, Farm and Food Care. Many more organizations are holding awareness and educational events, preparing resource materials, and engaging stakeholders.

Goals

The Local Food Literacy Stream aims to support work that builds on these initiatives, addressing gaps in the existing work to lead towards a stronger local agriculture system. Its goals are:

1. To increase awareness and knowledge of local food, its availability, and local food skills to maximize local food usage among consumers, retailers, wholesalers, foodservice operators, associations, and governments.

2. To increase farmers' and commodity organizations' ability to communicate the value of their products to retailers, wholesalers, foodservice operators, and consumers.

Areas of Focus

There are four areas of focus, as outlined below:

1. Consumer Awareness - Increase consumers' awareness and understanding of local food products, when they are available, where to find them, and how to prepare them
2. Value-chain Relationships - Encourage and strengthen value chain relationships among local food industry stakeholders to deepen understanding of the local products, how to use them, and how to promote them
3. Local/Regional Agriculture System - Increase the awareness of what is required for a viable local agricultural system among municipal governments and other public agencies, and not-for-profit organizations
4. Communication and Marketing - Improve farmers' and commodity organizations' ability to communicate the value of their products through educating retailers, wholesalers, foodservice operators' staff, and consumers

Some examples of activities that could form parts of a project include:

- Convening stakeholders to address barriers and strengthen relationships along the value chain and to promote the who, where, and how's of local food
- Developing and delivering local food education or training sessions that could incorporate new models of literacy, engage diverse populations, enhance experiential learning, incorporate farm visits, on-farm education, workshops and other activities to increase local food skills, knowledge, and awareness, and that could be replicated by others

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- Developing and producing educational/training materials, point-of-sale materials, promotional resources, such as videos or other digital tools
- Build the capacity of municipalities, NGO's and community food organizations raising awareness of locally-grown foods and/or world foods to leverage their impact, and increase the depth and breadth of measurable local food literacy efforts

Note that projects that exclusively address the following issues are not the main focus of this grant program (although they can be a component of eligible projects):

- Health and nutrition
- Community development
- Gardening skills development
- Festivals, events, fairs, concerts, and building, creating and/or expanding farmers' markets, etc.

REQUIREMENTS

In order to be considered for funding under the Local Food Investment Fund, applicants must complete an eligibility quiz and provide the information requested in our application process via our [grant portal](#), including details on the project goals and rationale, activities, results, how success will be measured, as well as a full project budget.

Reporting Requirements

To report on results and track progress in meeting the goals of the three grant streams, every recipient is required to submit satisfactory Interim and Final Reports for its project. The specific requirements for these reports will be outlined for each applicant, but at a minimum, an applicant is expected to report on the following:

1. The absolute and percentage change in local food purchases/sales of Ontario food purchased during the project time, as well as a projection for the year following the project completion
2. The number of new jobs resulting from the project
3. The number of new partnerships generated as a result of the project
4. The number of people reached through education, outreach and marketing activities

Shared Learning

Successful applicants need to demonstrate how they will transfer knowledge learned from the project with the industry as a whole. Workshops, presentations, speaking engagements, case studies, social media, video, guides, and manuals are all different ways applicants can share what they learned from projects.

Budget Expenditure Requirements

It is important that all project expenses are fully realized by December 31, 2018. Otherwise, monies left unspent must be returned to the Greenbelt Fund. Copies of paid invoices and proofs of payment must be submitted in order to determine that funds were spent within the project's time frame. Funding will be subject up to a 10 percent holdback payable upon successful completion of the project and the approval of a final report. Supplies, equipment, or services purchased by the recipient with the Local Food Investment Fund must have gone through a process that promotes the best value for the funds spent.

Eligible Expenditures

The Greenbelt Fund reserves the right to support any appropriate initiative that it deems to be relevant to achieving its goals, including market research, promotional materials, new staff costs, and essential equipment purchases.

Costs directly and reasonably incurred from the effective date of your signed agreement (if awarded a grant) to December 31, 2018 may be eligible for funding from the Greenbelt Fund for activities funded under the Local Food Investment Fund including:

- Project Management in the form of:
 - Consultant fees;
 - Business planning development;
 - Professional fees (legal, architectural, accounting) that are incremental and necessary for the project;
 - Sub-contractor fees;
 - Salaries cost for time spent on project-related activities; and,
 - Salary costs may include new hires and contract positions. If salary costs include an existing employee(s), the recipient may indicate the percentage of incremental staff duties directly related to the project in the submitted project budget; and ensure 100% of incremental responsibilities and duties

are related to project activities.

- Minor capital up to a limit of \$150,000:
 - Equipment (reefer units, cold-storage, washing) or structural modifications to accommodate the installation of equipment that has demonstrable broad industry application;
 - Technology upgrades such as computer hardware, software, and network cables; and
 - Production expansion (e.g. a new product) to increase local food sales to local markets.
- Training, marketing or promotion
- Travel costs in Ontario necessary to complete the project, subject to Provincial directives (including but not limited to the Ontario Public Sector Travel, Meal, and Hospitality Expenses Directive)
- Studies and research
- The portion of incremental administrative costs (utilities, phone) necessary to complete the project

Note: [save-ON-energy Retrofit Program](#)

If requesting funding for minor capital / equipment purchases, please review the [save-ON-energy Retrofit Program](#) offered in Ontario. The Retrofit Program is a cost-saving incentive program for commercial or industrial organizations to install energy -efficient equipment and conserve energy. The program is offered through your local electric utility and could help your organization save costs and take advantage of energy-saving measures for your project and organization. Mention in your application if you have reviewed the applicability and eligibility of the save-ON-energy program.

Ineligible Expenditures

The following expenditures are not eligible for reimbursement:

- Any costs incurred by the recipient, prior to the effective date of your signed agreement (if awarded a grant) or after December 31, 2018.

- Normal or ongoing business or production operations associated with carrying out the recipient's business (lease of facilities, utilities, phone, etc.)
- General management costs for the recipient, including board and committee meetings that are not specific to project issues
- Major capital including the acquisition of land, construction or additions to buildings, teardowns or rebuilds, leasing, powerlines, plumbing, telecommunications lines or equipment, water lines, etc. outside of the building
- Costs of normal commercial expansion, meaning the costs of labour, acquisition or use of buildings, or the acquisition and use of conventional equipment/technologies for the exploitation of established market opportunities
- Legal costs not necessary for the project
- Costs of alcohol
- Costs of travel outside of Ontario
- Costs of hospitality, per diems, or gifts for non-public facing meetings or events
- Costs incurred by a recipient associated with preparing and submitting the project proposals to the Greenbelt Fund for funding under the program
- Direct income support or wage subsidies for existing staff associated with carrying out the recipient's normal or ongoing business or production operation and any other staff who is not 100% dedicated to the activities required to complete the project
- Debt restructuring, fundraising, or financing
- GST / HST expenses, including the non-refundable portion
- Any costs that will be funded or reimbursed through any other agreement or by any third party, including other Ministries, agencies and organizations of the Government of Ontario, or the Federal Government, and/or Municipal Governments.

- Any costs associated with lobbying the Province, including other Ministries, agencies and organizations of the Government of Ontario
- The costs of goods, services or both acquired from other persons – either directly from that other person or where that other person obtains the good, services or both from another person – that are not arm’s length, including any mark-up for profit, return of investment, or overhead unless approved by the Greenbelt Fund in writing prior to those costs being incurred

General Liability Requirements

All parties signing Agreements with the Greenbelt Fund are required to have comprehensive general liability insurance with coverage for at least \$2 million per occurrence. This insurance must show the Greenbelt Fund as an additional insured on the policy and contain the endorsements specified by the Agreement and is required throughout the term of the Agreement. A Certificate of Insurance will be required to be submitted to the Greenbelt Fund prior to the signing of an Agreement.

Language Requirements

In some cases, communication materials will need to be produced in both official languages. The Greenbelt Fund will work with funding recipients to identify specific products that will require production in English and French. Applicants must ensure these costs are covered in their project budgets.

Financial Statements

Organizations with gross annual revenues of \$250,000 or more in the most recent fiscal years, are required to submit audited financial statements or review engagement by a licensed public accountant.

Organizations with gross annual revenues between \$100,000-\$250,000 may submit financial statements and/or notice to reader that have been prepared by an accountant outside of the organization.

Organizations with revenues of less than \$100,000 may submit an internally prepared operating budget (ie. balance sheet of revenues and expenses). The statement must be verified as accurate by two members of the organization with signing authority or delegated signing authority.

Organizations with revenues less than \$100,000 and registered or incorporated within the last two fiscal years of submitting a grant application, may submit an internally prepared operating budget (ie. balance sheet of revenues and expenses), in lieu of audited or third-party verified financial statements.

Note: Organization refers to the primary applicant.

Review Process

Each application will be reviewed and assessed by Greenbelt Fund staff and an advisory panel. External peer reviewers may also be used to assess individual proposals as needed. The Greenbelt Fund Board of Directors makes funding decisions using the following criteria:

- Demonstrate Economic Impact - Projects should provide the anticipated economic impact, return on investment, or local food literacy impact (e.g. depth and breadth of reach) as a direct result of their project
- Drive Innovation - Projects should try new approaches in the way local food is taught, marketed, distributed, and/or procured along the value chain
- Create Systemic Change - Projects should make changes in policies, operational procedures, enhance the way local food education is undertaken (e.g. incorporate new models of local food literacy, engage diverse populations, enhance experiential learning, etc.), and/or change the way marketing, distribution, and procurement is undertaken
- Excel at Leadership - Project leaders should have a proven track record and will be living examples of what it takes to be successful at marketing, distributing, promoting, and using local foods
- Demonstrate Sustainability - Projects must demonstrate how the activities conducted during this project will be carried on without continued financial

contribution

- Provide Knowledge Transfer - Applicants must have a clear plan on how they intend to transfer the knowledge gained from their project, so that the project can be replicated by others.