

Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient.

Sustainable Agri-Processing

Program Guide

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For any questions, contact the program administrator:
Sustainable CAP
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Section 1 - Program Description

The Sustainable Agri-Processing (SAP) program supports the sustainability of Manitoba's agri-processing sector by assisting with studies and capital investment purchases that contribute to energy saving and greenhouse gas (GHG) reduction, optimization of agri-inputs, reduction of water use and clarification of waste water, and the conversion of by-products and waste products to alternative value-added applications.

It offers an intensified focus on:

- Maximizing the capture and use of agri-inputs
- Reducing the use of water associated with processing including sanitation
- Improving the cleanliness of water expelled from processing operations
- Identifying and implementing opportunities that use or convert waste materials for alternative uses
- Innovative technologies

Section 2 - Program Eligibility

Eligible applicants include:

- Agri-food processors
- Agri-product processors
- Licensed commercial kitchens
- Indigenous government, businesses, communities, and organizations
- Wholesalers (food, ingredients)
- Abattoirs

The Sustainable Agri-Processing (SAP) program provides financial assistance to stakeholders and/or rights holders directly involved in or contributing to Manitoba's agri-processing sector and meet the following criteria:

- 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 would result in the following:
 - products that are ready for direct sales to consumers
 - ingredients for additional value-added processing
 - cleaning or packaging of agri-products into post-harvest market ready materials or goods
 - agri-processing related activities requiring the use and/or disposition of water or agri-waste materials where opportunity may exist to investigate alternative environmental outcomes stemming from these
 - must be directly involved in or affiliated with activities related to moving agri-inputs along the agri-processing value chain

- Applicants must also meet the following criteria:
 - Must have a permit to operate a food handling establishment before submission of the claim form if applicant is an agri-food processor
 - Can be from inside or outside of Manitoba, if the activities related to the application occur in Manitoba or have a positive outcome for Manitoba
 - Must have a Manitoba Premises Identification Number if applicant is an abattoir
 - Must ensure that they meet all eligibility requirements, as detailed for each activity

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

Government employees, who are the majority shareholder (50 per cent or higher) in a business or operation, are not eligible 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 and the applicant. Cost share ratios and funding caps vary by funding stream:

- **Building Envelope, Lighting and Ventilation Upgrades** – 50:50 (government: applicant) to a maximum government contribution of \$25,000 per project.
- **Input Use Efficiency** – 50:50 (government: applicant) to a maximum government contribution of \$50,000 per project.
- **Water Use Efficiency** – 50:50 (government: applicant) to a maximum government contribution of \$50,000 per project.
- **Waste Use Efficiency** – 50:50 (government: applicant) to a maximum government contribution of \$250,000 per project.



Eligible Expenses

Eligible expenses are directly related to the execution of an approved project and include:

- Capital Assets and Equipment
- Equipment Rental
- Materials and Supplies
- Professional Fees
- Subcontracted Services
- Overhead
- Provincial Sales Tax (PST)

Additional information on eligible expenses can be found below in Section 4 – Funding Streams.

The applicant is solely responsible for all expenses of the project, including all ineligible expenses and any project deficits or cost over-runs.

If work is started on a project before formal written approval of program funding is received, the applicant does so at their own risk.

All expenses must be supported by an invoice and a valid proof of payment. All invoices must be dated on or after April 1, 2025.

Project Length

- All projects shall start on April 1, 2025 or later.
- Building Envelope, Lighting and Ventilation Upgrades projects must be completed by February 1, 2026.
- Input Use Efficiency projects must be completed by February 1, 2027.
- Water Use Efficiency projects must be completed by February 1, 2027
- Waste Use Efficiency projects must be completed by February 1, 2027.

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, in-house consulting and professional services

- Lagoon construction when not associated with company-level water treatment or pre-treatment project (this refers to wastewater systems that are owned and operated by private companies as they reside on a company's property as part of their facility).
- Training that is not directly related to the acquisition of approved new equipment or technologies
- Extended warranties
- Spare parts not used as part of the project
- Replacement of aged or damaged equipment
- Upgrades to existing facilities and buildings, including electrical and plumbing systems
- Purchase of land, buildings and facilities, associated taxes and fees (e.g., land transfer tax)
- Any additions to new or existing buildings and facilities, associated taxes and fees
- Normal operating expenses associated with carrying out business operations
- Normal, current or ongoing maintenance expenses (e.g., repairs to existing equipment, replacing aged or damaged equipment, upgrades to existing plumbing or electrical systems)
- Cost of establishing a commercial operation
- Multi-use items (e.g., items that are not directly related to the project activities, such as computers, printers, phones, cameras, pressure washers, batteries, ATV, trucks, clothing and footwear, tools, fuel, etc.)
- Expenses associated with lobbying
- Financing charges, loan interest payments, bank fees and charges
- Any compensation to any government employee for organizing or delivering parts of the project
- Any project-related activity that generates revenue during the implementation of the project
- Leasing or renting of capital equipment
- Expenses incurred for other projects
- Invoices not issued in the applicant's name and/or payment not made by the approved applicant
- Items purchased prior to April 1, 2025
- Any other expense deemed ineligible by the program administrator

Funding from Government

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



Section 4 - Funding Streams

Sustainable Agri-Processing will support initiatives that increase the environmental and economic sustainability of Manitoba's agri-food and agri-product processing sector, including climate change adaptation and mitigation, air quality, water quality and quantity.

Funding Streams:

- Building Envelope, Lighting and Ventilation Upgrades
- Input Use Efficiency
- Water Use Efficiency
- Waste Use Efficiency

Building Envelope, Lighting and Ventilation Upgrades

The Building Envelope, Lighting and Ventilation Upgrades funding stream supports the assessment and upgrades applicable to new and existing agri-food and agri-product production and office areas and equipment that create energy savings and/or GHG reductions.

Cost Share

A cost share of 50 per cent government and 50 per cent applicant, to a maximum government contribution of \$25,000 per project.

Projects must be completed by **February 1, 2026**.

Eligible Expenses

The following expenses are eligible for funding.

Capital Assets and Equipment

- Upgrades applicable to new and existing production and office areas and equipment that create energy savings and/or GHG reductions:
- Exterior windows or interior windows separating temperature zones
- Heating, Ventilation and Air Conditioning (HVAC) systems
- Walk-in coolers and freezers
- Conversion of equipment motors to high efficiency/lower wattage
- Water heater conversion/upgrades
- Energy monitoring controls and equipment

Equipment Rental

- Rented non-capital equipment that contributes to project completion

Materials and Supplies

- Ancillary components of eligible equipment including necessary stand-alone software, pedestals, platforms and catwalks

Professional Fees

- Hiring of professional services not available through MB Hydro to conduct energy audits, assessments, and consultations, and to provide recommendations for improvements.
- Professional services related to project feasibility, scoping and design, engineering consultation, or environmental consultation conducted to inform project feasibility and cost. For approved projects, these costs will be reimbursable regardless of whether a project moves forward to implementation following the assessment/consultation
- Training directly related to operating new equipment

**Subcontracted Services**

- Transportation, physical installation, professional installation (plumbing, electrical, gas connections)
- Facility changes directly associated with equipment installation

Overhead

- Fixed overhead for production operations (does not include management or administration cost) can be included as a portion of eligible project cost
- Eligible overhead expenses are limited to 10 per cent of total approved eligible expenses

Input Use Efficiency

The Input Use Efficiency funding stream aims to reduce waste of agri-food and agri-product inputs that occur during storage of ingredients, and during processing by providing cost share funding towards the purchase of assets and systems that will mitigate wastage at these points.

Cost Share

A cost share ratio of 50 per cent government and 50 per cent applicant, to a maximum government contribution of \$50,000 per project.

Projects must be completed by **February 1, 2027**.

Eligible Expenses

The following expenses are eligible for funding:

Capital Assets and Equipment

- Equipment, software, and systems that manages and optimizes ingredient usage: calibration systems, metering equipment, raw material delivery systems
- Air circulation and humidity monitoring and control equipment to reduce volume and value of wasted ingredients in storage

Equipment Rental

- Rented non-capital equipment that contributes to project completion

Materials and Supplies

- Ancillary components of eligible equipment including necessary stand-alone software, pedestals, platforms and catwalks

Professional Fees

- Professional services related to project feasibility, scoping and design, engineering consultation, or environmental consultation conducted to inform project feasibility and cost. For approved projects, these costs will be reimbursable regardless of whether a project moves forward to implementation following the assessment/consultation.
- Professional services related to on-site initial commissioning, calibration, demonstration, and training for new equipment and/or software implemented.
- Training directly related to operating new equipment

Subcontracted Services

- Transportation, physical installation, professional installation (plumbing, electrical, gas connections)
- Facility changes directly associated with equipment installation

Overhead

- Fixed overhead for production operations (does not include management or

- 
- administration cost) can be included as a portion of eligible project cost
 - Eligible overhead expenses are limited to 10 per cent of total approved eligible expenses

Water Use Efficiency

The Water Use Efficiency funding stream provides cost share funding towards the implementation of projects that will contribute to the reduction in the amount of water used by agri-processors in their production and/or sanitation processes, to the treatment of wastewater prior to being disposed or returned to the municipal system, or to the recovery of nutrients from wastewater.

Cost Share

A cost share ratio of 50 per cent government and 50 per cent applicant, to a maximum government contribution of \$50,000 per project.

Projects must be completed by **February 1, 2027**.

Eligible Expenses

The following expenses are eligible for funding

Capital Assets and Equipment

- Equipment, software, and systems, including upgrades to existing systems that contribute to the reduction in the amount of water used in association with processing or manufacturing food and beverage products and sanitation activities associated with food processing.
- Equipment that recovers/extracts nutrients from wastewater
- Equipment, technologies, and systems that facilitate the recycling of water.
- Company-scale wastewater treatment equipment or systems such as dissolved air flotation (DAF) systems. Lagoon construction or expansion is eligible when new or incremental treatment infrastructure is a project component.

Equipment Rental

- Rented non-capital equipment that contributes to project completion

Materials and Supplies

- Ancillary components of eligible equipment including necessary stand-alone software, pedestals, platforms and catwalks

Professional Fees

- Professional services related to project feasibility, scoping and design, engineering consultation, or environmental consultation conducted to inform project feasibility and cost. For approved projects, these costs will be reimbursable regardless of whether a project moves forward to implementation following the assessment/consultation
- Professional services related to on-site initial commissioning, calibration, demonstration, and training for new equipment and/or software implemented
- Training directly related to operating new equipment



Subcontracted Services

- Transportation, physical installation, professional installation (plumbing, electrical, gas connections)
- Facility changes directly associated with equipment installation

Overhead

- Fixed overhead for production operations (does not include management or administration cost) can be included as a portion of eligible project cost
- Eligible overhead expenses are limited to 10 per cent of total approved eligible expenses

Waste Use Efficiency

The Waste Use Efficiency funding stream supports the implementation of projects that contribute to the creation of new value, the diversion, or new applications for agri- processing waste products, by-products, or co-products.

Cost Share

A cost share ratio of 50 per cent government and 50 per cent applicant, to a maximum government contribution of \$250,000 per project.

Projects must be completed by **February 1, 2027**.

Eligible Expenses

The following expenses are eligible for funding:

Capital Assets and Equipment

- Equipment, software, and systems that contribute to the creation of new value from waste products, by-products, or co-products.
- Equipment, technology, and systems for sorting waste materials to facilitate diversion to other uses or to reduce amount being disposed.
- Equipment that converts organic materials to energy

Equipment Rental

- Rented non-capital equipment that contributes to project completion

Materials and Supplies

- Ancillary components of eligible equipment including necessary stand-alone software, transportation, physical installation, professional installation (plumbing, electrical, gas connections), pedestals, platforms and catwalks, and training directly related to operating new equipment

Professional Fees

- Professional services related to project feasibility, scoping and design, engineering consultation, or environmental consultation conducted to inform project feasibility and cost. For approved projects, these costs will be reimbursable regardless of whether a project moves forward to implementation following the assessment/consultation
- Professional services related to product characterization (determining form and function)
- Professional services related to product validation (regulatory requirements)
- Professional services related to on-site initial commissioning, calibration, demonstration, and training for new equipment and/or software implemented

Subcontracted Services

- Subcontracted services for the installation of eligible equipment
- Subcontracted services and/or equipment for process testing
- Facility changes directly associated with equipment installation

**Overhead**

- Fixed overhead for production operations (does not include management or administration cost) can be included as a portion of eligible project cost
- Eligible overhead expenses are limited to 10 per cent of total approved eligible expenses

Section 5 - Application Worksheet Assessment

Application worksheets will be assessed based on the following information:

- Project description
- Project deliverables and outcomes
- Capital and financial capacity
- Management capacity
- Completion of Environmental Metrics tables

In addition, application worksheets will be assessed based on the project outcomes indicated by the applicant, including:

- Reduction in the waste of agricultural inputs
- Reduction of water used and disposed
- Reduction of waste sent to landfills or disposed on farmland
- Volume of organic materials used as fuel and corresponding KWh of energy created
- Volume of water cleaned
- Weight of effluent removed from waste water
- Greenhouse gas (GHG) reduction

Section 6 - 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/climatechange/sustainable-agri-pro.html>.

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

Applicant Information Forms, Application Worksheets and Budgets must be submitted to the program administrator no later than the deadline.

Applicant Information Forms, Application Worksheets and all other required documentation can be emailed to Manitoba Agriculture at agriculture@gov.mb.ca.

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

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

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.

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.

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

Definitions

Abattoir: a facility where live animals are processed and dressed for further processing.

Agri-business: a person or entity involved in for-profit commercial activity in the agricultural sector, other than an agri-processor or a primary producer.

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

Agri-product Processor: person or entity that transforms agricultural commodities into value added goods that are not food or ingredients. These goods 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: the articles of agreement and annexes, as well as their amendments, and the general terms and conditions applicable on the effective date of agreement.

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

Indigenous: individuals who self-report an Indigenous identity, either First Nations, Metis, and/or Inuit, or a combination of those.

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

Licensed commercial kitchen: a facility that has been inspected by either Manitoba Health or Manitoba Agriculture and has been issued a Permit to Operate a Food Handling Establishment. It can be a private for-profit entity or a not-for-profit entity.

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.

Non-profit: a type of organization that does not earn profits for its owners. All money earned by, or donated to, a non-profit organization is used to pursue the organization's objectives and support its operations.

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

Potentially Hazardous Food: a food that is in a form capable of supporting the rapid and progressive growth of infectious and toxin-producing microorganisms.

Primary Producer: an individual grower, producer or rancher, partnership, corporation, co-operative or any other association of people who is actively engaged in farming.

Program: refers to the Sustainable Canadian Agricultural Partnership program.

Program Activity: a specific action under Sustainable Canadian Agricultural Partnership program where applicants can apply for funding. Activities may have one or several focus areas.

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

Stacking Limit: the maximum level of total Canadian government funding (federal, provincial/ territorial and municipal) that a successful applicant can receive.

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 accept and agree to follow as conditions for receiving funding. Terms and conditions can be revised, altered or amended from time to time.

Wholesaler: a person or company that sells goods in large quantities such as by the case to retailers that sell products by the each to consumers.