



Growing Forward  
Business Development for Farm Businesses  
**Program Guide**





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## Growing Forward Business Development for Farm Businesses

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## Acronyms in the Program Guide

Acronyms	What they mean
AAFC	Agriculture and Agri-food Canada
ABP	Advanced Business Planning
ASD	Agriculture Skills Development
BDFB	Business Development for Farm Businesses
BPI	Business Plan Implementation
CFFO	Christian Farmers Federation of Ontario
FBRN	Farm Business Registration Number
FFA	Farm Financial Assessment
GYFP	Growing Your Farm Profits
IAPO	Indian Agriculture Program of Ontario
NFU-0	National Farmers Union of Ontario
OFA	Ontario Federation of Agriculture
OMAFRA	Ontario Ministry of Agriculture, Food and Rural Affairs
OSCIA	Ontario Soil and Crop Improvement Association
PID	Premises Identification Number
SIN	Social Insurance Number

### We are committed to keeping your information private.

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and Ontario Soil and Crop Improvement Association (OSCIA) are committed to keeping private all the information that you give us about your farm business. The information you submit on Cost-Share Application forms and any supporting documents is protected by the *Ontario Freedom of Information and Protection of Privacy Act*. Farm Business Registration Numbers, Social Insurance Numbers (SIN), Federal Corporation or Trust Numbers, and Partnership Numbers are collected under the authority of the *Income Tax Act* for the purpose of reporting income. This information is also subject to Ontario's privacy regulations.

#### NOTE:

This *Program Guide* includes information that was previously published as the Program Eligibility Policy and Procedures (PEPP).

## Section 1

# What is the BDFB program?

Business Development for Farm Businesses (BDFB) is a program to help Ontario farm business owners and producers improve their businesses. It offers a workshop to help you assess your business and identify your goals. You may participate in training activities to develop the skills you need. You can work with skilled professional Advisors to develop an effective plan to meet your business needs. The BDFB program offers cost-share funding to put your plans into action.

### Interested in participating?

To qualify and receive cost-share funds, applicants must:

- Take part in a free two-day Growing Your Farm Profits (GYFP) workshop.
- Meet the program eligibility criteria.
- Develop an Action Plan and have it reviewed.
- Complete a Growing Forward Program Enrollment Form.
- Complete a Cost-Share Application form for each cost-share opportunity.
- Follow all terms and conditions of the BDFB program.
- Return claim submissions by the required deadlines.

All cost-share funds are available on a first-come, first-served basis up to the available annual funds for each year of the BDFB program. There is a cap (maximum) on the amount of cost-share funding that each eligible farm business may receive over the duration of the BDFB program.

This *Program Guide* explains the cost-share opportunities available through the BDFB program and how you can get involved.

Please read the booklet carefully as each component of the BDFB program has specific terms and conditions.

OSCIA delivers the Business Development for Farm Businesses program on behalf of OMAFRA. The Business Development for Farm Businesses program is funded under Growing Forward – a federal, provincial and territorial government initiative.

For information about GYFP workshops in your area or eligibility criteria for the BDFB program please contact:

**Your local OSCIA Representative**

or

**Ontario Soil and Crop Improvement Association**

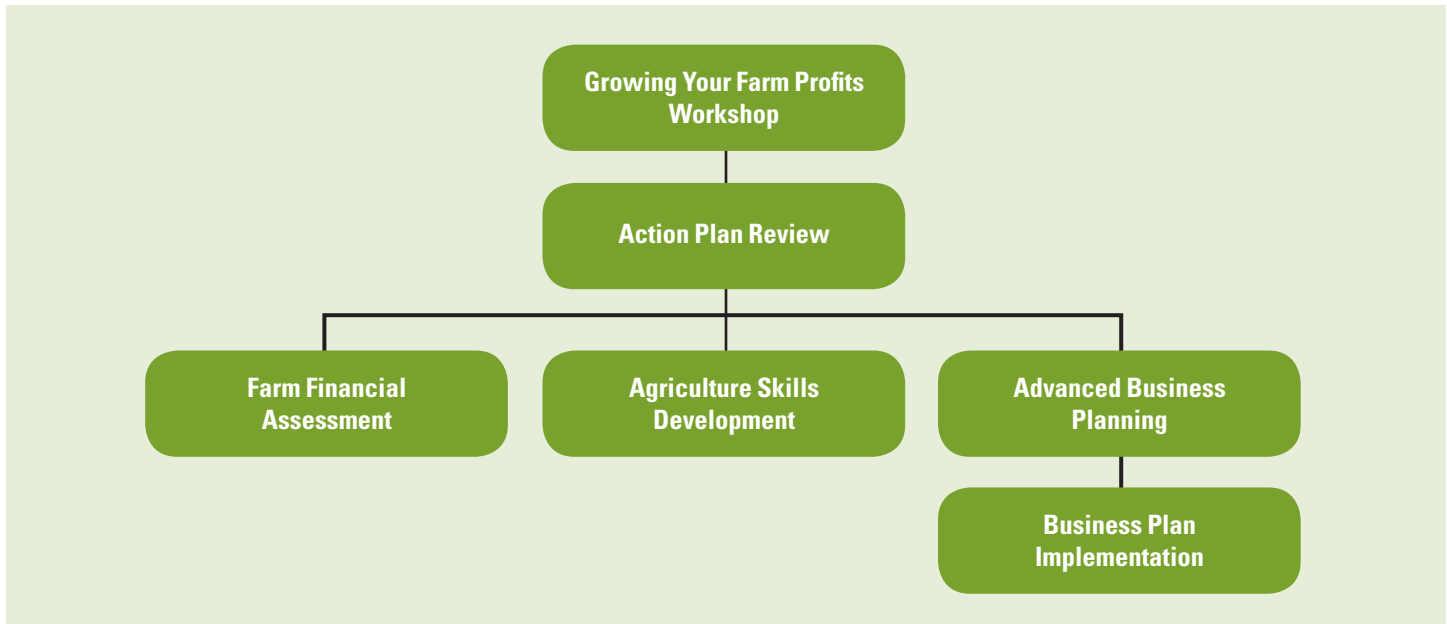
Telephone: 1-800-265-9751 | Fax: 519-826-4224

[www.ontariosoilcrop.org](http://www.ontariosoilcrop.org)

## Section 2

# Getting Started

Are you interested in participating in the BDFB program?  
Here's how to do it.



### 1. Take part in a Growing Your Farm Profits (GYFP) workshop

This is the place to start! Take part in a two-day workshop that gives you the tools needed to assess your business:

- Review current farm management practices, systems, knowledge, and skills.
- Understand how planning provides a framework for effective decision making.
- Set goals and priorities for the future.
- Identify resources to help you meet your goals.
- Build on the strengths of your farm business.
- Write an Action Plan to guide you towards improved farm management.

**Workshops are available free-of-charge.** Ontario farm business owners, employees, farm family members, and farm management teams are welcome to take part. We especially encourage key decision makers of the farm business to attend.

Go to [www.ontariosoilcrop.org/en/bdfbworkshops](http://www.ontariosoilcrop.org/en/bdfbworkshops) for the latest schedule and registration details.

#### Is your farm business having financial difficulties? You may not have to attend a GYFP workshop.

Ontario farm businesses that are facing immediate financial difficulties may be able to apply to the Farm Financial Assessment (FFA) component of the BDFB program without attending the GYFP workshop. For details, please contact OMAFRA at (519) 826-3220.

If you are eligible, OMAFRA will give you an exemption letter for the FFA and a Special Provisions Cost-Share Application form. Please attach the exemption letter to the application form when you submit it to OSCIA.

The Farm Financial Assessment is the only cost-share opportunity that you can apply to without attending a GYFP workshop.

## 2. Have your Action Plan reviewed and find out if you are eligible to enroll in the BDFB program.

- a) At the end of Day 2 of the GYFP workshop:
- Participants without a farm business registration number (FBRN) should determine with the workshop leader if they are eligible to enroll in the BDFB program. If possible, bring the documents you need to support your eligibility. (See who is eligible for the BDFB program on pages 3 and 4.
  - Schedule a one-to-one meeting with your workshop leader to review your goals and finalize the Action Plan that you will develop with your management team. Key decision makers of the farm business should attend the Action Plan review meeting.
- b) To make the best use of the Action Plan review meeting, we recommend that you complete and send the following pages from the GYFP binder to the workshop leader before the meeting. You can send these documents by mail, fax or email. You can find electronic versions of the pages on the OSCIA website at [www.ontariosoilcrop.org/en/bdfbactionplans](http://www.ontariosoilcrop.org/en/bdfbactionplans).
- Identifying Priority Strengths and Weaknesses
  - My Key Goals
  - Action Plan
- For participants without an FBRN, if you did not provide the documents to support your eligibility at Day 2 of the workshop, please send them to the workshop leader ahead of your Action Plan review meeting. Only eligible farm businesses attend the Action Plan review meeting.
- c) Please bring all of the following documents to the Action Plan review meeting with your workshop leader:
- Identifying Priority Strengths and Weaknesses
  - My Key Goals
  - Action Plan
  - Growing Your Farm Profits binder
  - Growing Forward Program Enrollment Form (available at the GYFP workshop)
  - Membership card for one of Ontario's three general farm organizations proving that you have a valid FBRN. The three general farm organizations are Ontario Federation of Agriculture (OFA), the Christian Farmers Federation of Ontario (CFFO), or the National Farmers Union of Ontario (NFU-O).
- d) At the Action Plan review meeting, the workshop leader will:
- Review your Action Plan(s).
  - Confirm your eligibility to take part in the BDFB program by reviewing your enrollment form and the supporting documents you provide. If you are eligible, the leader will sign the enrollment form. **Be sure to get a copy of the signed enrollment form for your records.**
  - Discuss the cost-share opportunities available through the BDFB program to find out which ones would help you most.

- e) After the meeting, the workshop leader will finalize your Action Plan summary, usually within about two weeks. The workshop leader will send one copy of the summary to OSCIA Guelph and one to your farm business. After that, your farm business may apply for the cost-share opportunities offered by the BDFB program.
- f) The whole process – from the GYFP workshop to OSCIA Guelph receiving the Action Plan summary – usually takes about four weeks. Your farm business may apply for any of the cost-share opportunities once your Action Plan has been reviewed but your Cost-Share Application won't be considered until OSCIA Guelph receives the Action Plan summary.
- g) Note: If you incur expenses before the Action Plan is reviewed, they are not eligible for cost-share funding. OSCIA will only consider expenses that occurred after the date the workshop leader reviewed the Action Plan.

## Who is eligible for the BDFB program?

To participate in the BDFB program, Ontario farm businesses must meet the eligibility criteria shown below.

### General Eligibility Criteria

**Criteria apply to:** Individual farm businesses and members of a group enterprise such as a corporation or partnership

**You must meet four criteria to be eligible for cost-share funding:**

1. A representative of your farm business has completed the two-day GYFP workshop.
2. The OSCIA workshop leader has reviewed your Action Plan(s).
3. Your business is a legal farm entity as defined for the BDFB program.
4. You have a valid FBRN or equivalent.  
(Don't confuse the FBRN with other business numbers. To register your business and get an FBRN, contact Agricorp (1-866-327-3678 or [www.farmbusreg.com](http://www.farmbusreg.com)).

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**For the BDFB program, a legal farm entity is defined as a farm business that is registered under the *Farm Registration and Farm Organizations Funding Act, 1993* and, as a result, has a unique FBRN. To register your farm business and get an FBRN, contact Agricorp. Member organizations such as the Ontario Federation of Agriculture (OFA), the Christian Farmers Federation of Ontario (CFFO), or the National Farmers Union of Ontario (NFU-O) may also provide information.**

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## **Don't have a Farm Business Registration Number? You may still be eligible.**

If you don't have a FBRN, you may apply using **one** of the four options described below.

### **Option 1 If a farm business chooses not to have a FBRN for cultural or religious reasons, they may provide the following:**

**Religious reasons** – a copy of the Religious Exemption Letter provided by the Ontario Ministry of Agriculture, Food and Rural Affairs Appeal Tribunal.

**Cultural reasons** – First Nations producers farming on reserve lands can provide a letter from the Indian Agriculture Program of Ontario (IAPO) verifying the farm business operates in the First Nations community.

### **Option 2 A farm business may provide a copy of a letter from the Farm Tax Property Program stating acceptance in that program.**

### **Option 3 Individuals must demonstrate they currently have \$7,000 or more in annual gross farm revenue, by providing two documents:**

1. Proof of ownership or control of productive agricultural assets to generate farm income (for example: copy of rental or purchase agreement for farmland, breeding livestock).

**and**

2. **One** of the following documents to demonstrate that the farm business has annual gross farm income of \$7,000 or more (for income tax purposes):

- Financial statement for the previous year.
- Income tax return (T1) for the previous year showing farm income.

NOTE: If your farm business income was more than \$7,000 in the last year only, you may qualify as a new farm business. (See Eligibility criteria for a New Farm Business on page 5.)

### **Option 4 A farm business with actively farmed land can provide copies of the following two documents:**

1. Confirmation that the property is classified as "farm taxable: full" (eligible for the farm property class tax rate).

Acceptable documents are:

- A recent property assessment notice from the Municipal Property Assessment Corporation (MPAC) **or**
- A recent municipal tax bill declaring the property as 'farm taxable'

**and**

2. Proof of applicant's Individual Membership in one of the three general farm organizations: the Ontario Federation of Agriculture, the Christian Farmers Federation of Ontario or the National Farmers Union - Ontario.

#### **NOTE:**

1. An applicant may use only one of the options above to apply to the BDFB program.
2. An applicant who was part of another farm operation and declared farm income in a previous year may be asked to provide further justification to apply to the BDFB program.
3. Proof of Individual Membership in a general farm organization is only acceptable when the applicant is also able to demonstrate "farm taxable full status" (option number 4 above).

## Eligibility criteria for a new farm business

- a) If the new farm business is a sole proprietor, the individual must meet the criteria defined in part (d) below.
- b) If the new farm business is a partnership or corporation, individual(s) making up at least 45 per cent of the new ownership must meet the criteria defined in part (d) below.
- c) New farm business owners must sign a declaration about their current ownership position in this business as well as any previous ownership in a farming business in the last three years. The declaration is subject to audit.
- d) Individuals must have less than \$7,000 in gross farm income annually two and three years prior to enrolling in the BDFB program.

Gross farm income for each individual owner is calculated using:

1. the T1 General (personal income tax return)

**plus**

2. the gross farm income reported on the T2 Corporation tax return where the individual owned 45 per cent or more of a farm business.

Please submit your T1 General and T2 Corporation tax return if applicable for fiscal years 2008 and 2009. After May 1, 2012 you must provide the T1 General and T2 Corporation tax return for fiscal years 2009 and 2010. (NOTE: If your business year-end is not December 31, OSCIA will advise you what fiscal years to report.)

- e) A new farm business may provide a FBRN or a copy of a letter from the Farm Tax Property Program stating acceptance in that program to meet the general eligibility criteria (page 3). First Nations producers farming on reserve lands may provide a letter from the IAPO verifying the producer qualifies as a new farm business. If the new farm business can't provide this information they must provide the documentation in paragraph (f) below.
- f) The new farm business must demonstrate that it intends to have \$7,000 or more in gross farm income within three years of start-up. Please provide:
  1. Proof of ownership or control of productive agricultural assets to generate farm income (for example: copy of rental or purchase agreement for farmland, breeding livestock).

*and*

  2. **One** of the following documents:
    - Financial statement for the previous year
    - Income tax return (T1) for the previous year showing farm income
    - Farm loan or financial program documentation indicating gross farm income levels
    - Budgetary forecast

- g) Individuals starting a new farm business must complete the two-day GYFP Workshop. Individuals taking over a farm business that already has an Action Plan summary may not be required to attend a workshop. Contact your local workshop leader to determine what you need to do.
- h) You must submit a New Farm Business Application form to OSCIA before you can apply for cost-share funding. The application form is available at the GYFP workshop and online at [www.ontariosoilcrop.org/en/bdfbapplications](http://www.ontariosoilcrop.org/en/bdfbapplications).
- i) OSCIA has the right to request additional information if required. All information may be audited.

## Additional eligibility criteria for livestock and poultry producers

Livestock and poultry producers must meet all of the general eligibility criteria shown on page 3. If livestock or poultry is your primary commodity you must also include a copy of your Premises Identification Number (PID) certificate with your first Cost-Share Application. A PID is a unique identifying number assigned to a parcel of land that is associated with agri-food activities.

If you do not have a PID, contact OnTrace for an application form:

- Online at: [www.ontraceagrifood.com](http://www.ontraceagrifood.com)
- Toll free: 1-888-388-7223

## Are you ready for the next step?

**Section 3 provides information on the cost-share opportunities available under the BDFB program.**

## Section 3

# Cost-Share Opportunities

This section describes the four cost-share opportunities that are available from the BDFB program. It tells you:

- The purpose of each cost-share opportunity and what it offers for your farm business.
- The amount of cost-share funding available from OSCIA.
- What your farm business will have to pay.
- The costs that are eligible for cost-sharing.
- The costs that are not eligible for cost-sharing.

Your Action Plan summary identifies goals for your farm business and how to achieve them. It will help you identify which cost-share opportunities provide the services you need. Your Action Plan summary must support any Cost-Share Application you submit by showing that you need the services available through a specific component of the BDFB program. However, if you or OSCIA determine that your Action Plan summary does not support applying for a specific cost-share opportunity, you may have the plan amended by your workshop leader. Contact your workshop leader to discuss changing your Action Plan summary.

### 1. Farm Financial Assessment (FFA)

Eligible farm businesses that identify a need for a financial assessment in their Action Plan summary may apply for this component. It provides funding for you to hire a professional farm financial advisor to complete a financial assessment. The assessment may focus on cost of production or financial projections for a minimum of one year.

An FFA includes:

- A review of past financial performance.
- Analysis of the current farm business situation.
- A ratio analysis and assessment of liquidity, profitability, solvency and repayment capacity.
- Discussion of options to meet the farm business's profitability goals.

#### *Funding Available*

The FFA covers up to \$2,400 of eligible costs for the duration of the BDFB program (\$1,900 for the initial assessment plus \$500 for a 1-day follow-up one year later).

#### *Reporting Requirements*

No matter which type of FFA you choose, the Advisor's report must follow the requirements shown in the Statement of Work for that assessment. You will find the Statement of Work at the end of the FFA Cost-Share Application form. You may ask for additional work at your own expense.

#### *Follow-Up Review Available (FFA-03)*

Provided cost-share funding is available, all farm businesses that complete a FFA (FFA-01 or FFA-02) will automatically be approved for a one-day follow-up review with the Advisor. Automatic approval is new starting September 15, 2011 – you no longer have to apply for this follow-up review.

The follow-up review takes place one year after the initial FFA was completed. The purpose of the review is to update the farm business's progress toward its financial goals. A farm visit by the Advisor is optional. OSCIA will mail producers an approval letter for the follow-up review and a claim form approximately 10 months after the FFA report was approved by OSCIA.

## Choosing Your Advisor – Two Options

### FFA-01 Advisor on OMAFRA FFA Advisor List

- You choose an Advisor from the OMAFRA FFA Advisor List found at [www.ontariosoilcrop.org/en/bdfbresources](http://www.ontariosoilcrop.org/en/bdfbresources).
- Review the Statement of Work found at the end of the FFA Cost-Share Application form with your Advisor. You may ask your Advisor to complete additional work not covered in the Statement of Work. You must describe any additional work in your application.
- You pay the Advisor \$100 when you both sign the Cost-Share Application.
- When the Advisor has finished the Farm Financial Assessment to your satisfaction, you pay the Advisor all HST and for any additional work (if applicable). Then sign the claim form.
- Your Advisor submits the final written report electronically to OSCIA using the Secure Uploading Document System.
- You or your Advisor submit a claim to OSCIA for the cost-share payment. OSCIA will pay up to \$1,900 plus travel costs, if applicable, directly to the Advisor.
- If no approved Advisors are available within 200 kilometers (one round trip) of your farm business, OSCIA will pay the travel expenses for an Advisor.
- If approved Advisors are available within 200 kilometers (one round trip) of your farm business, but you choose an Advisor from outside your region, you must pay the Advisor's travel costs.

### FFA-02 Advisor not on OMAFRA FFA Advisor List

- You choose a qualified Advisor who is not on the OMAFRA FFA Advisor List.
- You must submit information about the Advisor's qualifications along with your Cost-Share Application. OMAFRA must approve the Advisor for the FFA-02 to be eligible for cost-share.
- Review the Statement of Work found at the end of the FFA Cost-Share Application form with your Advisor. You may ask your Advisor to complete additional work not covered in the Statement of Work. You must describe any additional work in your application.
- You pay the Advisor \$100 when you both sign the Cost-Share Application.
- You pay the Advisor's total fees when the financial assessment is completed to your satisfaction. Then you submit a claim to OSCIA for the cost-share payment of \$1,900.
- Your Advisor submits the final written report electronically to OSCIA using the Secure Uploading Document System.
- You must pay all HST to the Advisor.
- You must pay all travel costs. They are not eligible for cost-share.

### *Choose from two types of Farm Financial Assessment*

Determine with your Advisor which type of Farm Financial Assessment you need. You may choose one of:

- Cost of production analysis (for specific commodities or business types)
- Financial projections (for a specific period usually one year)

The FFA Cost-Share Application form includes a Statement of Work for each type of FFA. The Statement of Work shows what your Advisor must review and report on. You may include additional elements if needed.

### **Do you want or need a lot of additional elements in your Farm Financial Assessment?**

You may use the FFA cost-sharing opportunity to complete the basic assessment and then apply to the Advanced Business Planning (ABP) component for a more detailed business plan. See Advanced Business Planning page 11.

## What Costs are Eligible?

Eligible Costs	Ineligible Costs
<p><b>FFA-01 (Advisor on OMAFRA FFA Advisor list)</b></p> <p>✓ Advisor fees for:</p> <ul style="list-style-type: none"><li>• Initial consultation and data collection</li><li>• Data analysis</li><li>• Report preparation</li><li>• Assessment review with farm business</li><li>• Additional advisory services/analysis beyond the required sections of the FFA (as agreed by the farm business and the Advisor and described in the FFA Cost-Share Application)</li></ul> <p>✓ Advisor travel fees:</p> <ul style="list-style-type: none"><li>• If no approved Advisors live within 200 kilometers (one round trip) of the farm business</li></ul>	<p><b>FFA-01 (Advisor on OMAFRA FFA list)</b></p> <ul style="list-style-type: none"><li>✗ Time, effort and travel by the farm business representative</li><li>✗ Professional services not directly related to completing the assessment (for example: fees paid for preparing the annual financial statement)</li><li>✗ Annual professional fees</li><li>✗ HST</li></ul>
<p><b>FFA-02 (Advisor not on OMAFRA FFA Advisor list)</b></p> <p>✓ Advisor fees for:</p> <ul style="list-style-type: none"><li>• Initial consultation and data collection</li><li>• Data analysis</li><li>• Report preparation</li><li>• Assessment review with farm business</li><li>• Additional advisory services/analysis beyond the required sections of the FFA (as agreed by the farm business and the Advisor and described in the FFA Cost-Share Application)</li></ul>	<p><b>FFA-02 (Advisor not on OMAFRA FFA list)</b></p> <ul style="list-style-type: none"><li>✗ Time, effort and travel by the farm business representative</li><li>✗ Professional services not directly related to completing the assessment (for example: fees paid for preparing the annual financial statement)</li><li>✗ Annual professional fees</li><li>✗ Advisor's travel costs</li><li>✗ HST</li></ul>
<p><b>FFA-03 (Follow-up review after one year)</b></p> <p>✓ Advisor fees for:</p> <ul style="list-style-type: none"><li>• Consultation time</li><li>• Data collection and analysis</li><li>• Report preparation</li><li>• Follow-up review with farm business</li></ul>	<p><b>FFA-03 (Follow-up review after one year)</b></p> <ul style="list-style-type: none"><li>✗ Time, effort and travel by the farm business representative</li><li>✗ Advisor's travel costs</li><li>✗ Professional services not directly related to completing the review (for example: fees paid for preparing the annual financial statement)</li><li>✗ Annual professional fees</li><li>✗ HST</li></ul>

## 2. Agriculture Skills Development (ASD)

Eligible farm businesses that identify the need for training or skills development in their Action Plan summary may apply for this component. It provides funding for you, family members, employees or company representatives to participate in training activities like courses, workshops, conferences or one-to-one training to improve your farm business. There is also an option to help farm business representatives develop leadership and governance skills.

Information must be provided that proves the training activity is a learning event (for example: an agenda or course outline).

Examples of previously approved training activities are available at: [www.ontariosoilcrop.org/en/bdfbresources](http://www.ontariosoilcrop.org/en/bdfbresources). Training activities must be approved by OSCIA to qualify for cost-share funding.

Out-of-province or out-of-country training may be eligible if the same training is not available in Ontario. If OSCIA approves the training, the farm business can receive cost-share funding for only one representative to attend the training activity.

### Three types of training activities

#### ASD-01 Formal training

You may take part in a classroom course, conference, training event or distance education courses offered online or by correspondence.

#### ASD-02 Custom one-to-one training

You may work with a trainer to develop a program to meet specific learning objectives. Activities such as job shadowing, coaching or mentoring may all be considered.

#### ASD-03 Leadership and governance development

This option focuses on developing leadership and governance skills for farm businesses. It also covers skills to build strong agricultural organizations at the community/grassroots level.

### Funding Available

- An established farm business may be eligible for cost-share funding up to 50 per cent of the cost for formal training (ASD-01) and customized one-to-one training (ASD-02) to a maximum of \$3,000 for the duration of the BDFB program. Within the \$3,000 maximum, \$500 is available for customized one-to-one training. Cost-share for leadership and governance development (ASD-03) is up to 50 per cent of the training cost to a maximum of \$3,000.
- A new farm business may be eligible for cost-share funding up to 75 per cent of the cost for formal training (ASD-01) and customized one-to-one training (ASD-02) to a maximum of \$4,500 for the duration of the BDFB program. Within the \$4,500 maximum, \$750 is available for customized one-to-one training. Cost-share for leadership and governance development (ASD-03) is up to 75 per cent of the training cost to a maximum of \$4,500.

### What Costs are Eligible?

Eligible Costs	Ineligible Costs
<b>ASD-01 Formal training</b> <ul style="list-style-type: none"><li>✓ Tuition costs:<ul style="list-style-type: none"><li>• Tuition fees</li><li>• Registration fees</li></ul></li><li>✓ Required course material:<ul style="list-style-type: none"><li>• Prescribed text books</li><li>• Other learning resources</li></ul></li><li>✓ Travel costs:<ul style="list-style-type: none"><li>• Mileage from home to training location (rate per kilometer determined by OSCIA). When a training activity is on consecutive days and the distance travelled for one round trip is more than 400 kilometers, only one round trip will be eligible.</li><li>• Bus, train, taxi or air fare to training location</li><li>• Parking fees</li></ul></li></ul>	<b>ASD-01 Formal training</b> <ul style="list-style-type: none"><li>✗ Participant time, lodging and meals</li><li>✗ Dependent care</li><li>✗ Labour costs to replace the participant while on training</li><li>✗ Purchase of capital assets (for example: computer, fax machine, tools)</li><li>✗ Computer software and/or support service costs</li><li>✗ Other travel costs that OSCIA deems ineligible</li><li>✗ HST</li></ul>

Continued on next page

## What Costs are Eligible?

Eligible Costs	Ineligible Costs
<p><b>ASD-02 Customized one-to-one training</b></p> <ul style="list-style-type: none"><li>✓ Instructor/ trainer fees (time only)</li><li>✓ Cost of training resources</li><li>✓ Travel costs:<ul style="list-style-type: none"><li>• Mileage costs from home to training location for participant and/or instructor (rate per kilometer determined by OSCIA). When a training activity is on consecutive days and the distance travelled for one round trip is more than 400 kilometers, only one round trip will be eligible.</li><li>• Bus, train or taxi fare for participant and/or instructor</li></ul></li></ul>	<p><b>ASD-02 Customized one-to-one training</b></p> <ul style="list-style-type: none"><li>✗ Participant time, lodging and meals</li><li>✗ Dependent care</li><li>✗ Labour costs to replace the participant while on training</li><li>✗ Purchase of capital assets (for example: computer, fax machine, tools)</li><li>✗ Computer software and/or support service costs</li><li>✗ Set up of computerized financial accounts</li><li>✗ Data input including financial data</li><li>✗ Other travel costs that OSCIA deems ineligible</li><li>✗ HST</li></ul>
<p><b>ASD-03 Leadership and governance development</b></p> <ul style="list-style-type: none"><li>✓ Tuition costs:<ul style="list-style-type: none"><li>• Tuition fees</li><li>• Registration fees</li></ul></li><li>✓ Required course material:<ul style="list-style-type: none"><li>• Prescribed text books</li><li>• Other learning resources</li></ul></li><li>✓ Travel costs:<ul style="list-style-type: none"><li>• Mileage from home to training location (rate per kilometer determined by OSCIA). When a training activity is on consecutive days and the distance travelled for one round trip is more than 400 kilometers, only one round trip will be eligible.</li><li>• Bus, train, taxi or air fare to training location</li><li>• Parking fees</li></ul></li></ul>	<p><b>ASD-03 Leadership and governance development</b></p> <ul style="list-style-type: none"><li>✗ Participant time, lodging and meals</li><li>✗ Dependent care</li><li>✗ Labour costs to replace the participant while on training</li><li>✗ Purchase of capital assets (for example: computer, fax machine, tools)</li><li>✗ Computer software and/or support service costs</li><li>✗ Other travel costs that OSCIA deems ineligible</li><li>✗ HST</li></ul>

### 3. Advanced Business Planning (ABP)

Eligible farm businesses that identify a need for advanced business planning in their Action Plan summary may apply for this component. It provides funding to hire a Consultant/Advisor to:

- Conduct an assessment of the farm business related to a specific issue.
- Develop recommendations and a plan to address the issue.
- Produce a written report for the farm business and OSCIA.

You may choose from seven types of ABP under this component. You may apply for funding to develop up to three different business plans, but each planning area must be identified in your Action Plan summary. You must submit a separate Cost-Share Application for each business plan.

#### Choose from seven types of business plans

##### ABP-01 General business plan

A general business plan is a management tool that helps you describe your business objectives, develop a plan to achieve them, and assess how well your business is performing. A business plan can be customized for start-up or expanding businesses. It can analyze the current situation facing your business and identify important factors for success. It usually focuses on a defined period of time such as one year. If you have a number of revenue-generating activities on your farm, we recommend that you develop a separate business plan for each one.

##### ABP-02 Succession plan

A succession plan outlines the legal, tax, estate, and financial implications of transferring a farm to the next generation. It includes an action plan that ensures an orderly transfer of farm assets and management and a timetable for the transfer. Developing a succession plan normally involves a variety of experts such as: a tax accountant, business accountant, and legal advisors. It should also involve the whole family. The Advisor you choose to manage this project will review goals and critical issues, generate options for you to consider, co-ordinate the work of experts, and assist in the development of plans.

##### ABP-03 Commodity marketing plan

A commodity marketing plan is a strategy to actively promote and sell specific products. It takes into consideration the business's financial goals, cash flow needs, production risk management, anticipated production, storage capabilities, and risk attitude. The plan will set marketing goals and price targets, identify specific marketing tools and strategies, and evaluate how well the plan is working. The marketing plan needs to be customized to suit the commodities being marketed.

##### ABP-04 Direct marketing plan

A direct marketing plan explains how the farm business will market its product. It looks at the five Ps: product, place, price, promotion, and people. A direct marketing plan is designed to:

- Determine what customers want.
- Develop a product/service to meet those needs.
- Get the product/service to customers.
- Communicate with customers to make sure they are satisfied.
- Produce a profit.

##### ABP-05 Human resource management plan

A human resource (HR) management plan assesses the present and future needs of the farm business in the area of human resources (family and/or employees). It looks at issues such as recruiting, hiring, maintaining employees. It also considers legal requirements related to staffing. The HR management plan will help ensure that the business has the right skills and tools in place to effectively attract, keep and motivate employees.

##### ABP-06 Risk management plan

A risk management plan identifies risks that could affect a farm business's ability to be competitive and profitable. It presents strategies to help you reduce or mitigate the impact of different kinds of risk, including production, price, market income, financial, and environmental risks.

##### ABP-07 Diversification plan

A diversification plan outlines a strategy to reduce risks or increase the profitability of the farm business. Diversification often focuses on developing a new revenue stream by modifying the mix of product outputs.

#### Choosing your Advisor

For a list of advanced business planning consultants, go to [www.ontariosoilcrop.org/en/bdfbresources](http://www.ontariosoilcrop.org/en/bdfbresources).

#### Funding Available

- An established farm business may be eligible for cost-share funding up to 50 per cent of the cost to develop three different business plans to a maximum of \$20,000 for the duration of the BDFB program. There is a cost-share limit of \$8,000 per business plan.
- A new farm business may be eligible for cost-share funding up to 75 per cent of the cost to develop three different business plans to a maximum of \$20,000 for the duration of the BDFB program. There is a cost-share limit of \$12,000 per plan.

### Reporting Requirements

The ABP Cost-Share Application form includes an appendix for each type of business plan. Each appendix shows the minimum reporting requirements for a specific business plan. The reporting requirements include required and optional

sections. Your Advisor must follow the requirements outlined in the appendix when preparing the business plan. When the business plan is complete your Advisor submits the written report electronically to OSCIA using the Secure Uploading Document System.

### What Costs are Eligible?

#### Eligible Costs

**The following costs are eligible for all seven types of business plans.**

- ✓ Advisory fees for:
  - Consultation, data collection and analysis
  - Preparation of the business plan
  - Review of plan with farm business
  - Legal, accounting and other professional advice necessary for development of the business plan
  - Reasonable travel expenses while completing the project
  - Any other reasonable costs that OSCIA approves

#### Ineligible Costs

**The following costs are not eligible for all seven types of business plans.**

- ✗ Time, effort and travel by the farm business representative
- ✗ Professional fees not directly related to completing the ABP
- ✗ Annual professional fees
- ✗ Repeat services for the same ABP
- ✗ Capital costs (for example: computers, office equipment, furnishings)
- ✗ Costs of establishing a commercial operation
- ✗ Any activities associated with the implementation of an ABP, including but not limited to:
  - Legal costs, site development plans, building plans, process development
  - Development of prototypes, product testing, product commercialization, patent applications
  - Prenuptial agreements in succession plans
- ✗ Travel costs outside of Canada or in excess of the BDFB program guidelines
- ✗ Any other costs that OSCIA deems ineligible
- ✗ HST

## 4. Business Plan Implementation (BPI)

Farm businesses that have applied for, or have already completed an Advanced Business Plan may apply for this component. It provides funding to help pay for one-time (non-capital) costs to implement an ABP.

OSCIA must have approved your written business plan before you can receive funding to implement the plan. OSCIA will send you a BPI Cost-Share Application form along with the approval letter for your ABP.

### *Funding Available*

- An established farm business may be eligible for cost-share funding up to 50 per cent of the BPI cost to a maximum of \$3,000 for the duration of the BDFB program.
- A new farm business may be eligible for cost-share funding up to 75 per cent of the BPI cost to a maximum of \$4,500 for the duration of the BDFB program.

### *What Costs are Eligible?*

Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"><li>✓ Professional services that are required to implement specific recommendations of the advanced business plan:<ul style="list-style-type: none"><li>• Specialized contracts</li><li>• Business agreements</li><li>• Preparation of documentation (for example: purchase and sale agreements, leases)</li><li>• Preparation of tax rollovers</li><li>• Incorporation and filing fees</li><li>• One-time or set-up fees directly related to business change (for example: ISO/Organic certification, new product development and testing)</li><li>• Marketing/communication material design</li><li>• Trademark and patent registration</li><li>• Process design and layout (for example: blueprints)</li></ul></li></ul>	<ul style="list-style-type: none"><li>✗ Purchase of capital items</li><li>✗ Software and/or software licenses</li><li>✗ In-kind labour</li><li>✗ Production of goods</li><li>✗ HST</li></ul>

## Section 4

# Apply for Cost-Share Opportunities

**You must apply to OSCIA for cost-share funding. Here's how to do it.**

### Who can apply

Established and new farm businesses can apply for cost-share opportunities once their OSCIA workshop leader has reviewed their Action Plan and confirmed they are eligible by signing the enrollment form.

Group applications can be submitted for ABP and BPI. Each person or entity in the group must represent a separate and distinct farming business or operation. Non-farmers such as capital suppliers and processors can be members of a group project. However, only eligible farm businesses may receive cost-share funding under the BDFB program. (See page 15 for complete information on group applications.)

### Steps to prepare your Cost-Share Application

1. Your farm business must submit a separate application for each cost-share opportunity offered by the BDFB program. Your Action Plan summary must indicate that your farm business needs the services covered by a cost-share opportunity in order to be eligible for funding.

2. Cost-Share Applications will be available from the workshop leader at the meeting to review your Action Plan. You can also get them any time from the workshop leader or at [www.ontariosoilcrop.org/en/bdfbapplications](http://www.ontariosoilcrop.org/en/bdfbapplications). The Cost-Share Application forms listed below will be available September 15, 2011 and can be used for BDFB program year three or four. For the remainder of program year three OSCIA will also accept BDFB program year three applications for cost-share funding that have been available since September 15, 2010 as long as a proposal form is also submitted.
3. You can get help to complete the Cost-Share Application form from your workshop leader, the Advisor you choose to work with or from OSCIA at 1-800-265-9751.
4. Make sure that you complete all sections of the Cost-Share Application form and have it signed by the signing authority for your farm business. In some cases, you will also need your Advisor to sign.
5. Make sure you attach all documents needed to support your Cost-Share Application.
6. Make a copy of the Cost-Share Application form and supporting documents for your files. Your Advisor may also need a copy.
7. Send the original Cost-Share Application form and all supporting documents to OSCIA Guelph. See page 16 for application dates and claim deadlines.

### Required Cost-Share Application Forms

<i>If you want to apply for:</i>	<i>Complete this form:</i>
Farm Financial Assessment (FFA-01, FFA-02)	Farm Financial Assessment Cost-Share Application Form
Agriculture Skills Development (ASD-01, ASD-02, ASD-03)	Agriculture Skills Development Cost-Share Application Form
Advanced Business Planning (ABP-01, ABP-02, ABP-03, ABP-04, ABP-05, ABP-06, ABP-07)	Advanced Business Planning Cost-Share Application Form
Business Plan Implementation (BPI-01)	Business Plan Implementation Cost-Share Application Form

See Section 3 of this Program Guide for a complete description of each cost-share opportunity, including funding limits and eligible/ineligible expenses.

## If you want to submit a group application

OSCIA will consider a group application for ABP and BPI. Each person or entity in the group must represent a distinct and separate farming business or operation.

Non-farmers (such as capital suppliers and processors) can be members of a group project. However, they cannot receive funding. Only eligible farm businesses may receive cost-share funding under the BDFB program.

To submit a group application each farm business must:

1. Complete a separate Cost-Share Application form.
2. Include a cover letter that shows each participant's name, the total estimated cost of the project and the percentage of cost-share funding each will receive.
3. The signing authority for each farm business must sign the cover letter.

The group application must include from each farm business the Cost-Share Application forms and the cover letter. When the application is complete, send the whole package to OSCIA Guelph.

## Limits on Group Applications

### 1. Advanced Business Planning (ABP)

#### a) For established farm businesses that apply as a group:

- The group may complete up to three different Advanced Business Plans.
- Cost-share funding is 50 per cent per business plan up to the applicable cost-share limit.
- Each farm business has a cost-share limit of \$8,000 per Advanced Business Plan to a maximum limit per plan for the group of \$32,000. (For example, two businesses have a limit of \$16,000, three have a limit of \$24,000, and four have a limit of \$32,000.)
- If the group submits more than one plan, each farm business has a cost-share limit of \$20,000 to a maximum limit for the group of \$80,000. (For example, two businesses have a limit of \$40,000, three a limit of \$60,000 and four a limit of \$80,000.)
- Groups may include more than four businesses, but the maximum cost-share limit will not increase.

#### b) For new farm businesses that apply as a group:

- The group may complete up to three different Advanced Business Plans.
- Cost-share funding is 75 per cent per business plan up to the applicable cost-share limit.

- Each farm business has a cost-share limit of \$12,000 per Advanced Business Plan to a maximum limit per plan for the group of \$48,000. (For example, two businesses have a limit of \$24,000, three have a limit of \$36,000, and four have a limit of \$48,000).

- If the group submits more than one plan, each farm business has a cost-share limit of \$20,000 to a maximum limit for the group of \$80,000. (For example, two businesses have a limit of \$40,000, three a limit of \$60,000, and four a limit of \$80,000.)
- Groups may include more than four businesses, but the maximum cost-share limits will not increase.

#### c) For groups that include both established farm operations and new farm businesses:

- The funding limit for each plan is made up of the cost-share funding percentage and limit for each kind of business participating in the group. Refer to the limits shown above.

### 2. Business Plan Implementation (BPI)

#### a) For established farm businesses that apply as a group:

- Cost-share funding is 50 per cent of BPI costs up to the applicable cost-share limit.
- Each farm business has a cost-share limit of \$3,000 to a maximum limit for the group of \$12,000. (For example, two businesses have a limit of \$6,000, three have a limit of \$9,000, and four have a limit of \$12,000).
- Groups may include more than four businesses, but the maximum cost-share limit will not increase.

#### b) For new farm businesses that apply as a group:

- Cost-share funding is 75 per cent of BPI costs up to the applicable cost-share limit.
- Each farm business has a cost-share limit of \$4,500 to a maximum limit for the group of \$18,000. (For example, two businesses have a limit of \$9,000, three have a limit of \$13,500, and four have a limit of \$18,000).
- Groups may include more than four businesses, but the maximum cost-share limits will not increase.

#### c) For groups that include both established farm operations and new farm businesses:

- The funding limit is made up of the cost-share funding percentage and limit for each kind of business participating in the group. Refer to the limits shown above.

## Section 5

# Application, Approval, and Claim Information

### 1. Application dates and claim deadlines

Funding is budgeted by the BDFB program year. It is important that applicants select the right program year in which to apply.

OSCIA enforces the application dates and deadlines very strictly. Funds allocated for approved projects must be spent in the BDFB program year they are budgeted. They cannot be rolled forward into the next program year.

**If you do not claim the funds allocated for your project by the required deadline, you will lose them.**

- Cost-Share Applications are dated for specific program years. (For example: A 2011 application is specific to BDFB program year three.)
- Complete the Cost-Share Application form for the year you will complete your proposed project. All claims must be submitted to OSCIA Guelph by January 15th of the chosen BDFB program year. (For example: If you complete a 2012 application form, you must complete your project and submit your claim by January 15, 2013.)
- Cost-Share Application forms for the following BDFB program year will be made available September 15th of the current program year. The 2012 Cost-Share Application forms will be available September 15, 2011, with claims due by January 15, 2013.
- The table below shows the dates when the Cost-Share Application forms will be available and the deadline date for submitting claims for cost-share reimbursement.

### 2. Approval process

- a) OSCIA Guelph considers all Cost-Share Applications against the needs identified in the Action Plan summary prepared by the workshop leader. The Action Plan summary must support all proposed projects. If the Action Plan summary does not support the proposed project, you may revise your Action Plan and submit it to the workshop leader for review. Your project will only be considered for cost-share funding when OSCIA has a summary of the revised Action Plan. (Contact your workshop leader for assistance. The Action Plan template is available from the OSCIA website at [www.ontariosoilcrop.org/en/bdfbactionplans](http://www.ontariosoilcrop.org/en/bdfbactionplans))
- b) OSCIA will notify you in writing when your Cost-Share Application is approved. The cost-share funding approved for your project will be based on the eligible costs shown in the cost estimate section of your application. OSCIA may adjust the amount if you included ineligible costs in your cost estimates.
- c) OSCIA will include a pre-printed claim form for the approved cost-share funding with the approval letter. The claim form shows the deadline date for claiming your funds.
- d) OSCIA may give a written conditional approval for funding if it requires further information about the project.
- e) If a Cost-Share Application is not approved, OSCIA will send a written notification and supporting reasons for the decision.

#### BDFB Cost-Share Application and Claim Dates

Program Year	Date Cost-Share Application Available	Deadline Date for Claim Submission
Year 1 - 2009	July 1, 2009	Jan. 15, 2010
Year 2 - 2010	Sept. 15, 2009	Jan. 15, 2011
Year 3 - 2011	Sept. 15, 2010	Jan. 15, 2012
Year 4 - 2012	Sept. 15, 2011	Jan. 15, 2013

Note that the Cost-Share Application form available September 15, 2011 will allow you to select program year three or four. The option to select year three is only permitted if you are able to complete your project and submit your claim by January 15, 2012.

We recommend that you do not start your project before you receive written approval from OSCIA. If you go ahead with the project before you receive written approval, there is no guarantee that funding will be available for your project or that the costs you pay will be eligible.

**NOTE: You risk losing all cost-share funding if you do not follow the terms and conditions of the BDFB program.**

### 3. What to do when your project is complete

- a) If your approved project is a FFA or an ABP, your Advisor submits the final written report electronically to OSCIA using the Secure Uploading Document System. Note, you may send the completed assessment or business plan to OSCIA Guelph for review before you pay invoices for the project. OSCIA will review the report for completeness only. It will not provide an opinion on the quality of reports. It is your responsibility to make sure that the Advisor completes the project to your satisfaction.

NOTE: If you send a FFA or ABP to OSCIA for review, the information in the document may be shared with selected OMAFRA and AAFC staff as required for program assessment or review. OSCIA will treat the information contained in these documents with a very high level of confidentiality and security.

- b) From your files, find the claim form that came with OSCIA's approval letter. It shows the deadline date for submitting your claim. Part B of the claim form shows the funds allocated for your project and the maximum amount that OSCIA will pay.
- c) *For Farm Financial Assessment (FFA-01) and Follow-up Review (FFA-03)*
- If you chose your Advisor from the OMAFRA FFA Advisor List (FFA-01), you pay the Advisor \$100 plus all HST. OSCIA will pay the Advisor's fees and expenses directly to the Advisor (up to \$1,900 plus travel costs if applicable), when OSCIA approves the written report.
- For the Farm Financial Assessment Follow-up Review (FFA-03), OSCIA will pay the Advisor's fees directly (up to \$500). You pay the Advisor's travel costs (if applicable) and all HST.

- d) *For All Other Kinds of Projects:*

When the project is complete, pay all the invoices you receive and then submit a claim to OSCIA for the cost-share funds reserved for your project. Remember to copy all invoices and get a proof of payment for each expense. Proof of payment may be any one of the following:

- Copy of cancelled cheque, front and back.
- Electronic image of processed cheque.
- Statement from banking institution.
- Credit card receipts or credit card statement.
- Vendor's signature, date and 'paid in full' on the invoice.

### 4. How to claim your cost-share funding

- a) For an FFA-01 or FFA-03 project, you or your Advisor must submit the following to OSCIA Guelph:
- A completed claim form (sent to you with the approval letter from OSCIA). Make sure that the claim form has all the required signatures.
  - A copy of all invoices.
  - The Advisor's travel claim form if applicable.
  - A copy of the Advisor's written report.
- b) To receive the cost-share portion for completed training and/or advisory services (FFA-02, ASD, ABP, BPI), submit the following to OSCIA Guelph:
- A completed claim form (sent to you with the approval letter from OSCIA). Make sure that the claim form has all the required signatures.
  - A copy of all paid invoices.
  - Proof of payment, which may be any one of the following:
    - Copy of cancelled cheque, front and back
    - Electronic image of processed cheque
    - Statement from banking institution
    - Credit card receipts or credit card statement
    - Vendor's signature, date and 'paid in full' on the invoice
  - For an FFA-02 or ABP project, a copy of the Advisor's written report.
- c) Be sure to submit your claim by the deadline date shown on the claim form. The OSCIA Guelph office must receive all of your claim information by the deadline date. **If your claim does not reach OSCIA by the deadline date, you will lose the funds allocated for your project.**

## 5. Important things to know before you make a claim

### a) Documentation of costs

OSCIA will only accept invoices from vendors or service providers directly engaged in completing the work identified in the Cost-Share Application. OSCIA reserves the right to ask for additional documentation and to accept or reject project invoices submitted for cost-share claims.

NOTE:

- In-kind labour and HST are not eligible expenses. Please see Section 3 of this *Program Guide* for details on eligible and ineligible costs for each cost-sharing opportunity.
- Only one payment will be made per claim form.
- Cost-share cheques will be payable to the name of the individual or farm business name listed on the program enrollment form. Check your copy of the enrollment form for the name you provided.

### b) Maximum cost-share funding limits

The total amount of funding available to a farm business over the duration of the BDFB program is:

Established farm business	\$31,400
New farm business	\$35,900

### c) No retroactive payments

The billing date for eligible invoices must be after the date the workshop leader reviewed your Action Plan. If you incur expenses before that date, the expenses are not eligible for cost-share.

### d) Other cost-share funding

When you complete your claim form, you must show all other sources of funding for eligible project costs. The maximum level of total assistance provided from all sources, including other government and non-government programs, must not be more than 100 per cent of the amount of eligible costs. You may not receive funds from any other program under the Growing Forward program for costs that are eligible under the BDFB program.

### e) Tax status of cost-share funds

- All money that a farm business or Advisor receives from BDFB cost-share opportunities is considered declarable income to the farm business for tax purposes. OSCIA Guelph will issue the appropriate tax form (AGR-1) to the farm business. OSCIA will also report the amount paid to the Canadian Revenue Agency.
- OSCIA will issue the AGR-1 to the individual or farm business name identified on the enrollment form. The applicant is responsible to provide the correct information on the enrollment form as this determines who will receive the AGR-1. If this information changes, you must notify OSCIA in writing.
- Anyone who takes part in the BDFB program should consult a tax advisor to learn about the income tax consequences of the cost-share opportunities available through the program.



The Business Development for Farm Businesses (BDFB) program is one initiative available to Ontario farm owners and producers through Growing Forward, a joint commitment between Canada's federal, provincial and territorial governments. Growing Forward supports the development and implementation of best practices in four key areas:

- Environment and climate change
- Food safety and traceability
- Business development, and
- Biosecurity

Canada 



 Ontario

Growing Forward 

For more information on Growing Forward, please visit:  
[www.ontario.ca/growingforward](http://www.ontario.ca/growingforward)

The Ontario Soil and Crop Improvement Association (OSCIA) delivers the Growing Forward Business Development for Farm Businesses program on behalf of OMAFRA.

For more information about the BDFB program please contact:

**Your local OSCIA Representative**

or

**Ontario Soil and Crop Improvement Association**

Telephone: 1-800-265-9751 | Fax: 519-826-4224

[www.ontariosoilcrop.org](http://www.ontariosoilcrop.org)