



Cranberry Industry Development Program 2012/13

All applications and supporting documentation must be submitted to:
The Forestry and Agrifoods Agency.

Additional copies of this application may be found at:
www.nr.gov.nl.ca/nr/agrifoods/crops/berries/cranberry.html

Funding subject to availability of program funds

Deadline for Application Submission: June 15, 2012

Cranberry Industry Development Program

1. Program Rationale:

The Cranberry Industry Development Program (CIDP) will provide financial assistance to eligible applicants involved in developing cranberry sites in the province of Newfoundland and Labrador.

The development of a cranberry operation requires considerable engineering and construction related work. As a result, development of cranberry production sites is a very expensive venture which requires significant investment on the part of the developer. It is estimated that it costs in the range of \$30,000 to \$35,000 to develop an acre of land for cranberry production.

The Cranberry Industry Development Program has been established to facilitate the development of the cranberry industry through the introduction of financial assistance of \$15,000.00 per acre for up to 80 acres per year for qualified proponents. Each applicant will be eligible for up to a maximum of \$150,000.00 per year. This assistance is targeted towards individual entrepreneurs that demonstrate a sound, viable business plan.

The applications for the Cranberry Industry Development Program will be reviewed by the Cranberry Industry Development Committee composed of Forestry and Agrifoods Agency officials. The program will require applicants to provide a business plan that demonstrates a sustainable and viable cranberry operation.

2. Program Objectives:

- To facilitate the development of the cranberry industry by providing financial assistance to applicants who are presently cranberry farming or those entering the cranberry industry;
- To facilitate the continued development of the cranberry industry from the R&D phase to the commercialization phase for those applicants that participated in the R&D phase, and;
- Provide financial assistance for cranberry site development.

3. Eligible Activities:

Eligible activities must support the objectives of the program; specifically, development of cranberry sites within the province of Newfoundland and Labrador. Applicants must complete all the necessary activities for the development of an operational cranberry site. Activities may include, but not limited to: (i) on-farm roads that provide access to cranberry sites; (ii) bed development (including leveling and sanding); (iii) dykes; (iv) water reservoirs; (v) irrigation systems; (vi) ditches and drainage tiles, and; (vii) approved plant material.

The Forestry and Agrifoods Agency reserves the right to inspect any of the sites under the program to ensure that the acreage is being developed in accordance with best management practices for cranberry production. The Agency will continue to monitor the sites throughout the term of the program to ensure compliance to the program requirements and developed acreages are being effectively managed to become viable cranberry production sites.

Agency officials must approve all sites in advance of funding by conducting an on-site inspection to ensure that the work has been completed in accordance with the program; specifically, but not limited to, the following standards:

a. Bed Construction:

- Length: variable
- Width: minimum 30 meters, maximum 50 meters
- Depth of Sand: minimum 15 cm
- Depth of Ditch: minimum 60 cm
 - * *Sand should be screened to 9.5 mm (½ inch) minus.*
 - * *Sand particle size should meet the following specifications: approximately 80% medium – coarse sand (0.25 mm – 2 mm) [of which 20% can be fine to medium gravel (2 mm – 9.5 mm)]; approximately 18% fine sand (0.05 mm – 0.25 mm), and; approximately 2% silt and clay (<0.05 mm).*
 - * *Fields to be leveled to 30 cm plus or minus grade.*
 - * *The Forestry and Agrifoods Agency will sample the sand source identified by the applicant and the sand must be approved for physical and chemical specifications.*

b. Dyke Construction:

- Dyke surface length: variable
- Dyke surface width: minimum 5 meters
- Dyke height: minimum 1 meter above the surface of the bed

c. Water Reservoir:

- Adequate volumes of water to flood planted area
 - * *One foot acre of water per acre planted*

d. Irrigation System:

- Pump and main line adequate to deliver sufficient water to irrigate planted acreage
- One lateral irrigation line for every 12 meters of bed

e. Drainage Tile:

- One lateral four inch tile drain for every 12 meters of bed

f. Plant Material:

- One plant per square foot of bed or 1.5 tonnes of vines per acre:
 - * *The Forestry and Agrifoods Agency will provide cranberry transplants at current vine equivalent costs to participants in the program*
 - * *Vines can also be purchased from existing producers within NL*
 - * *Fields planted with vines from any other source will not be funded under this program*

4. Eligible Applicants:

Eligible applicants are agricultural producers, processors of food, sole proprietors, partnerships, corporations and cooperatives operating in the Province of Newfoundland and Labrador. An eligible applicant must:

- Be a recognized legal entity operating in the Province of Newfoundland and Labrador;
- Be able to demonstrate their managerial and financial capacity to undertake the work identified in the project proposal;
- Have legal entitlement and all necessary permitting for land that is being considered for development;
- Agree to abide by the production management system for growing cranberries;
- Have a business plan that demonstrates:
 - the applicant’s ability to meet the program objectives;
 - long-term viability of the operation, and;
 - a sound financial status.
- Be able to fund their share of the project (either through funding from other lending institutions or personal investment);
- Be approved for any necessary permits, and;
- Be in good standing with the Province of Newfoundland and Labrador.

Applicants who are found to be in arrears with any department of the Government of Newfoundland and Labrador will not be eligible for funding until acceptable repayment arrangements have been negotiated. The Forestry and Agrifoods Agency will conduct an arrears check prior to approval of an application and the applicant will be responsible to make the necessary arrangements for payment with the appropriate Department before receiving eligibility for funding.

5. Funding Levels:

Applicants will be eligible for \$15,000.00 per acre up to a maximum of 10 acres per year (i.e. a maximum of \$150,000.00 per annum per applicant). Applicants will be required to apply annually for funding assistance.

Acreage payments of \$15,000 per acre will be disbursed in two payments (milestones): (i) \$5,000/acre for the completion of bed construction which will include access road, dykes and water reservoir construction, and; (ii) \$10,000/acre for completion of site construction and have in place irrigation equipment, ditches, drainage tiles, and approved plant material planted at the recommended density. Applicants will be required to submit separate project claim forms for each payment.

Agency officials must approve all sites in advance of funding by conducting an on-site inspection to ensure that the work has been completed in accordance with the program.

All funding offers are subject to the availability of program funds.

6. Program Requirements:

- Applicants will need to demonstrate technical and financial feasibility of the project as well as their managerial ability and experience in cranberry production;
- Producers will be required to submit a business plan as part of the application process;
- The business plan will contain: business overview, marketing plan, human resources plan, production plan, financial plan, goals, and supporting documentation. It is the applicant's responsibility to ensure that all information is included to avoid delays in the project assessment;
- Approved applicants will be required to enter into a Contribution Agreement with the Forestry and Agrifoods Agency which outlines the terms and conditions of funding, project reporting and repayment requirements;
- Applicants must have certificates of approval from all appropriate provincial, federal, and municipal government agencies prior to project commencement;
- Applicants are required to submit financial statements for the three most recent years of operation in the case of existing proponents seeking to expand. In the case of newly established operations, financial statements will normally be required for major shareholders, parent, related, and/or associated companies for the three most recent years of operation;
- Applicants must participate in cranberry production courses by the Agency and undertake additional training as required. Training does not have to be completed prior to eligibility for receiving funds under this program, and;
- Other requirements as deemed necessary by the Forestry and Agrifoods Agency.

7. Payment Conditions

Once the approved milestone is complete, the applicant must submit a Project Claim Form provided by the Forestry and Agrifoods Agency. All project claims will be verified by an Agency official who will conduct an on-site inspection to ensure that the work has been completed in accordance with the program and the Contribution Agreement. Upon a successful inspection, authorization for payment to the applicant will occur. The Program Manager has the right to withhold payment until a satisfactory inspection has been completed.

8. Application Submissions

All applications and supporting documentation should be submitted to the Program Manager. Applications will be reviewed by the Cranberry Industry Development Committee. Submission deadline is: **June 15, 2012.**

Applications must include:

- Business Plan;
- Documentation indicating legal entitlement to land;
- Documentation indicating necessary permits for the proposed site have been acquired, and;
- Financial statements for the last three years.

Further information may be obtained by contacting:

Program Manager
Cranberry Industry Development Program
Forestry and Agrifoods Agency
Department of Natural Resources
P.O. Box 2006
Corner Brook, NL
A2H 6J8



Cranberry Industry Development Program

Application Form

TO BE COMPLETED BY APPLICANT

Name of Applicant _____

Name of Contact: _____

Mailing Address: _____

Phone Number: _____ Cell Number: _____

Fax Number: _____

E-Mail Address: _____

Date: _____

**All sections must be completed to be
considered eligible for assistance.**

SECTION 1: GENERAL INFORMATION

1. What is your business structure? Please check one of the following:
 Sole Proprietorship; Partnership; Corporation; Cooperative
 Other (please specify): _____

2. If Proprietorship or Partnership, what is your Social Insurance Number?
_____ - _____ - _____

3. What is your Canada Revenue Agency Business Number?
_____ - _____ - _____

4. If your business is incorporated, please provide names of all shareholders:

Shareholder Names	% Ownership
_____	_____ %
_____	_____ %
_____	_____ %

5. Please provide the names of any other companies all shareholders have shares in:

Shareholder	has shares in	Company
_____		_____
_____		_____
_____		_____

6. Have any of the shareholders or companies owned by shareholders had a loan or debt written off by the Government of Newfoundland and Labrador in the past 6 years?

Yes No

If 'Yes', please provide details below.

7. If your business is a cooperative, please provide the following:

a. Registration Number: _____

b. Names of all shareholders:

Shareholder Names	% Ownership
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

SECTION 2: SITE DESCRIPTION

Please provide the location of the proposed site (use legal description if appropriate):

Who owns this land?

Name: _____ (if applicant, just indicate "Self".)

Address: _____

Telephone: _____

If the land is owned by someone other than the applicant do you have legal entitlement to the land?

- Yes No

SECTION 3: FUNDING REQUESTED

Number of Acres _____ x \$15,000.00 per acre = \$ _____

Please indicate other sources of funding for this program:

Applicant or Business	= \$ _____
Other Provincial Programs	= \$ _____
Other Federal Programs	= \$ _____
Other	= \$ _____
TOTAL	= \$ _____

Please ensure to include the following with your application:

- Business Plan;
- Documentation indicating legal entitlement to land;
- Documentation indicating necessary permits for the proposed site have been acquired, and;
- Financial statements for the last three years.

Any payments made by the Department are subject to the right of Government, under the *Financial Administration Act*, to set off any amounts owing to it by the applicant. Additionally, the amount of assistance made available to you under this Program may be released as public information under the *Access to Information and Protection of Privacy Act*. The Forestry and Agrifoods Agency reserves the right to verify that the information provided is accurate.

I certify that the information provided in this document is complete and accurate.

Applicant's Signature

Date

Please ensure that all sections are complete. Completed applications must be submitted to:

**Cranberry Industry Development Program
 Department of Natural Resources
 Forestry and Agrifoods Agency
 PO Box 2006, Fortis Building
 Corner Brook, NL
 A2H 6J8**

Submission deadline is June 15, 2012. Incomplete applications will not be accepted.