

Emergency Processing Fund



Emergency Processing Fund

Overview

The Emergency Processing Fund (EPF) is a **\$77.5 million** Federal Fund that opened on June 12th to:

- help companies implement changes to safeguard the health and safety of workers and their families due to the impacts of the COVID-19 pandemic
- aid companies to invest to improve, automate and modernize facilities to increase Canada's food supply during COVID-19. The fund is one part of the greater Government of Canada response to the COVID-19 pandemic.



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Funding Amounts

- The EPF will provide up to **\$5 million** per recipient in non-repayable funding for emergency COVID response activities and/or repayable funding for strategic investments.
- All eligible activities must be completed by September 30, 2020. The program will fund activities retroactive to March 15, 2020.



Emergency Processing Fund Streams

The **Emergency Processing Fund** has 2 streams:

- Emergency COVID Response (non-repayable)
- Strategic Investments (repayable)

STREAM 1: Emergency COVID Response



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Stream 1

Emergency COVID Response

- To assist companies to implement changes required by COVID-19 to safeguard the health and safety of workers and their families.
- These will be funded with **non-repayable contributions** and eligible activities.

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Stream 1

This **non-repayable** funding will assist with:

- plant retrofits or adjustments to existing facilities to accommodate changes to processes and production as a result of COVID-19
 - meat processing
 - other food processing or manufacturing
- temporary increased capacity for humane slaughter of surplus animals resulting from the COVID-19 pandemic
- other activities, as may be determined by the Minister

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Stream 1: Eligible Projects

Eligible activities include:

- activities associated with adjustments made, as a result of COVID-19, to existing plants to implement added public health protocols and requirements and adapt production processes for the health and safety of workers and their families, such as:
 - non-disposable or reusable personal protective equipment (PPE), including:
 - body temperature screening/fever detection systems
 - washing stations/workstation dividers/protective barriers/full and half face-piece respirators
 - impact goggles and face shields

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Stream 1: Eligible Projects

- installation of sanitation stations, protective barriers
- adjustments to current processes and manufacturing lines to accommodate social distancing
- rental or purchase of portable buildings and installations/site modifications and/or transportation for social distancing and wellness checks
- HVAC modifications or upgrades
- training for workers on additional health security measures
- disinfection and cleaning in the event of a plant closure


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Stream 1: Eligible Projects

- labour costs only as are needed for the installation of the protective measures; and
- other activities that a company can demonstrate are resulting from COVID-19 public health adjustment requirements
- activities associated with humane slaughter of surplus animals as a result of COVID-19 at processing facilities, such as:
 - extraordinary adjustments to slaughter line/facility necessary to change slaughter capacity
 - retrofitting or adding temporary new slaughter lines

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Stream 1: Eligible Projects

- other activities that can be demonstrated are resulting from COVID-19 food supply disruptions
 - disposal on site or transportation to disposal facilities
 - labour costs only as are needed for the installation of the measures
 - other activities that can be demonstrated are resulting from COVID-19 food supply disruptions
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Stream 1: Project Funding

Government Funding of **50%** for Stream 1 projects may be stacked with Provincial Funding programs to a maximum of **75%** of project costs.

STREAM 2: Strategic Investments



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Stream 2

Strategic Investments

- Assists companies to improve, automate, and modernize facilities needed to increase Canada's food supply.
- Strategic investments will be funded with **repayable contributions** and supported activities.

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Stream 2

This **repayable** funding will assist with:

- Improvements or modernizations:
 - Automation and modernization of food processing and manufacturer plants
 - Upgrades to reopen shuttered meat facilities or to attain federal registration
- other activities, as may be determined by the Minister

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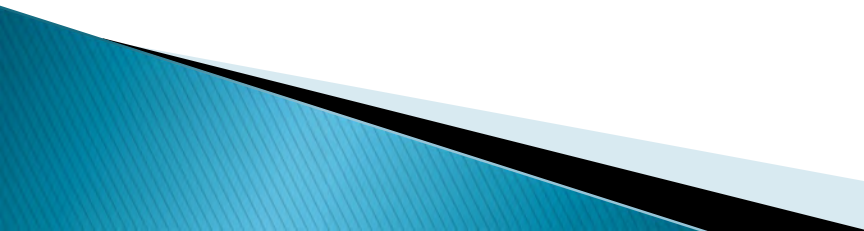
Stream 2: Eligible Projects

Eligible activities include:

- activities associated with improvements or modernization of food processing or manufacturing facilities to manage surplus stock; increase production; or that are operating at less than full capacity or closed, such as:
 - rental or purchase, shipping and installation of automation equipment new to the plant
 - rental or purchase and installation of additional production or packaging equipment

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Stream 2: Eligible Projects

- rental or purchase and installation of increased warehousing and/or cold storage capacity
 - equipment technicians fees, travel and accommodation to make installation
 - plant or line retrofits to accommodate the new equipment
 - training of employees on the new equipment
 - other activities, other than labour, that can be demonstrated as needed as a result of the installation of the automation
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Stream 2: Eligible Projects

- Stream 2 eligible activities are considered to have a strategic benefit to the company or are permanent increases in production beyond the COVID-19 situation and will remain in place after COVID-19, and therefore, would be funded with repayable contributions.

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Stream 2: Examples

Example 1. ACE Abattoir begins taking on more capacity as smaller Abattoirs in their area have closed due to COVID. As a result of their growth they have brought in refrigerated trucks to store frozen meat products and will need to buy more equipment for further processing including a meat grinder and stuffer.

ACE Abattoir will qualify for a non-repayable loan to rent the refrigerated trucks and buy the meat grinder and stuffer.

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Stream 2: Repayable Contributions

Contributions will be repaid over a period of up to 10 years following project completion. The amount to be repaid and the schedule of payments will be set out in the negotiated Contribution Agreement. Repayments will normally begin one (1) year following the completion of the project. Interest is not charged on the contribution funding, with the exception of late payments and debts owed to the Crown, if these situations occur.

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Eligible Costs

Eligible costs include:

- ✓ Capital Assets: are tangible assets that are purchased, constructed, developed or otherwise acquired.
- ✓ Contracted Services: are professional or specialized services for which a contract is entered into.
- ✓ Salaries and Benefits: directly related to completing the activities of the project.
- ✓ Administration Costs: necessary to complete the project.
- ✓ Travel Costs: directly related to the project.
- ✓ Other Direct Project Costs: for project-related deliverables.

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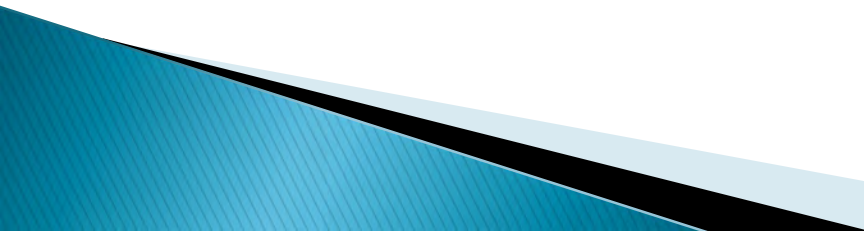
Ineligible Costs

Ineligible Costs include:

- ✘ labour costs, other than as part of installation costs, including wage subsidies
- ✘ administration costs such as office supplies, materials, space, telecommunications, audiovisual, postage and freight
- ✘ single use PPE)
- ✘ costs associated with the *Quarantine Act* for isolation of temporary foreign workers

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Ineligible Costs

- ✘ capital items not specifically required for the execution of the project
 - ✘ costs for activities that are deemed to be part of normal business practice for any recipient
 - ✘ costs related to marketing activities and business promotion
 - ✘ land purchases
 - ✘ hospitality (for example, alcohol, meals, entertainment, gifts, etc.)
 - ✘ travel
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Ineligible Costs

- ✘ in-kind contributions
- ✘ goodwill
- ✘ legal fees
- ✘ refundable portion of the Goods and Services Tax/Harmonized Sales Tax (GST/HST), value-added taxes, or other items for which a refund or rebate is received

THANK YOU!

Please contact

AKR CONSULTING CANADA

To arrange a meeting

905-678-6368

