



## NATIONAL FARM STEWARDSHIP PROGRAM (NFSP)

### Terms and Conditions

Revised: October 20, 2004

The **National Farm Stewardship Program (NFSP)** is funded by Agriculture and Agri-Food Canada (AAFC) through the environment element of the Agricultural Policy Framework (APF).

Funding under the NFSP is available for a five-year period, beginning in fiscal year 2003/04 and ending in fiscal year 2007/08.

The NFSP is also delivering the Critical Areas component of the Greencover Canada program, as well as the Beneficial Management Practices (BMPs) portion of Greencover's Shelterbelt component.

These Terms and Conditions form part of the NFSP application.

### **1.0 Objective and Expected Results**

1.1 The objectives of the program are:

- 1.1.1 to help agricultural producers, individually and collectively, take action to reduce identified environmental risk; and
- 1.1.2 to improve management of Canada's agricultural land to reduce risk to water and air quality, improve soil productivity and enhance wildlife habitat.

1.2 The NFSP, coupled with other initiatives under the environment element of the APF, will:

- 1.2.1 improve producer-based stewardship of the land, water, air and biodiversity resources which agriculture depends on and influences; and
- 1.2.2 increase domestic and international confidence that Canadian-grown food products are being produced in a safe, environmentally sound manner.

### **2.0 Description of Important Terms**

2.1 For the purposes of this Program:

- 2.1.1 a "**Beneficial Management Practice (BMP)**" is defined as any agricultural management practice which:
  - mitigates or minimizes negative impacts and risk to the environment, by maintaining or improving soil, water and air quality, and biodiversity;
  - ensures the long-term health and sustainability

of land-related resources used for agricultural production; and

- does not negatively impact the long-term economic viability of producers and others in the agricultural industry.

2.1.2 "**Canada**" means Her Majesty the Queen in right of Canada, as represented by the federal government of Canada;

2.1.3 an "**Environmental Farm Plan (EFP)**" is a voluntary and confidential process that meets the criteria set out in the *National Model for Agricultural Planning for Environmental Action*. EFPs are used by agricultural producers to identify environmental risks and to develop an action plan to mitigate risk for their own farming operation;

2.1.4 an "**Equivalent Agri-Environmental Plan (EAEP)**" has similar characteristics of an individual EFP, but is implemented by an organized group of agricultural producers on a multi-farm basis determined by geophysical (e.g. watershed), geopolitical (e.g. municipality), or sectoral (e.g. pork producers) basis;

2.1.5 "**Minister**" means the federal minister of Agriculture and Agri-Food Canada (AAFC) and any person authorized to act on his or her behalf;

2.1.6 the "**Federal/Provincial/Territorial Working Group**" is a federal/provincial committee established pursuant to the Federal/Provincial Implementation Agreement for each province/territory under the APF; and

2.1.7 the "**National Farm Stewardship Program (NFSP)**" will facilitate the on-farm adoption of BMPs that address key environmental risks associated with water and air quality, soil productivity, and improved biodiversity. BMPs will focus on improved management in areas such as nutrients, riparian areas, erosion control, pests and wildlife habitat. Incentive funding will be provided for specific BMPs as outlined in Section 5.0.

### **3.0 Eligible Applicants**

3.1 An eligible applicant under the NFSP is any individual, partnership or entity incorporated under the laws of Canada or any province/territory that:

- 3.1.1 owns, rents, leases, manages, or otherwise controls agricultural land used for the production of agricultural products; and

3.1.2 has completed an Environmental Farm Plan (EFP) or Equivalent Agri-Environmental Plan (EAEP) that meets the criteria set out in the *National Model for Agricultural Planning for Environmental Action*.

3.2 Confirmation that an applicant has completed an EFP or EAEP which has been approved through an independent review mechanism, must be obtained before a NFSP application will be considered for funding by the Program administration.

3.3 Ineligible applicants include:

3.3.1 federal departments and agencies;

3.3.2 provincial/territorial government departments and agencies; and

3.3.3 municipal government departments and agencies

#### **4.0 Applicant's Obligations**

An applicant must meet and/or shall agree to or comply with the following conditions:

4.1 Apply for funding by completing and signing the prescribed NFSP application form and obtaining written approval from the Program administration prior to beginning work on the project identified in the application. Upon obtaining this approval, the applicant must carry out the project according to established practices, recommendations, standards, and specifications provided by the Program administration, and abide by all applicable federal, provincial/territorial and municipal laws and regulations, and pay one hundred per cent (100%) of the cost to complete the project;

4.2 Provide the applicant's Social Insurance Number (SIN), Business Number (BN) or Goods and Services Tax (GST) Number on the NFSP application form;

4.3 Accept responsibility for the project's technical and structural adequacy and legal requirements;

4.4 For those projects, which impact on the land base, accept all liability and responsibility for any claim as the result of a project constructed with the assistance of funding received from the NFSP;

4.5 Prior to commencing a project, which requires any authorization from any public authority or agency, obtain the appropriate authority/approval from that authority or agency;

4.6 Permit Canada or its representative or agent to use data relating to the applicant's farming operation to verify the information contained in the application, and to inspect the applicant's farm operation and/or records as they pertain to the NFSP;

4.7 Permit Canada to use the information contained within

the application for other environmental programs administered by the Minister;

4.8 Enter into a prescribed NFSP contribution agreement with Canada, if required by Canada;

4.9 Observe and abide by all applicable federal, provincial/territorial and municipal laws and regulations, and lawful orders of regulatory authority including, but not limited to, federal and provincial/territorial environmental assessment and protection acts, trade agreements and acts, zoning bylaws, and regulations on public health and safety;

4.10 Upon completion of the project, provide, Canada or its representative or agent with financial statements, records and invoices detailing eligible costs, including in-kind contributions as prescribed by Canada or its representative or agent;

4.11 Repay to Canada or to permit a set-off against any future payments that Canada may intend to make to the applicant any overpayment, unexpended balance, or disallowed expense upon demand, which amount shall constitute a debt to Canada. All overdue payments to Canada shall be deemed a debt due to Canada with interest thereon, compounded monthly, at the Bank of Canada rate plus three per cent (3%) per annum, from the date that such payment was due. Until full payment is received, Canada may, in addition to any remedy, exercise the right to set-off and withhold any funds otherwise payable by Canada to the applicant;

4.12 Retain records of project costs for three (3) years after the termination date of the contribution agreement for audit purposes and make such records available for inspection by Canada or its representative or agent;

4.13 Allow any representative or agent of the Minister to have access to the premises where any part of the project is being (or has been) carried out at to inspect and assess the progress of the project. The applicant will render all reasonable assistance to any authorized representative or agent for these purposes;

4.14 Accept that failure to comply with the obligations outlined above and in Section 12.0 may result in the applicant being required to repay the contribution to Canada; and

4.15 Declare any amounts owing to the Canada under any legislation or contribution agreements. The applicant acknowledges that any amounts payable to the applicant pursuant to this application may be set-off against any such amounts owing to Canada.

## **5.0 Eligible Beneficial Management Practice (BMP) Categories**

5.1 A list of eligible BMP categories has been developed. Each BMP category is described in terms of eligible BMPs, cost-sharing and funding maximums. Eligible BMPs, cost-sharing and funding maximums will be determined on a provincial/territorial basis by the Federal/Provincial/Territorial Working Group and outlined in the *Beneficial Management Practice Descriptions* for each province/territory.

## **6.0 Project Approval Process**

6.1 Applications from within a particular province/territory and received by a provincially/territorially determined annual date(s) will be reviewed and assessed relative to all other applications within that province/territory.

6.2 Each application will be assessed based on the merit of the proposed project to the NFSP objective and against the list of eligible BMP categories - Section 5.0.

## **7.0 Payment Criteria**

7.1 All projects will be cost-shared between the applicant and the NFSP. The maximum contribution to a project will: (a) be based on a pre-determined cost-sharing formula; and, (b) not exceed the maximum contribution amount allowable for a particular BMP, as listed in the *Beneficial Management Practice Descriptions* for the province/territory.

7.2 The maximum contribution from Canada to any applicant under the NFSP is thirty thousand dollars (\$30,000) over the life of the Program.

7.3 Upon completion of the project, the applicant must provide the NFSP administration or its representative or agent with statements and invoices which detail eligible costs including a detailed breakdown of in-kind contributions, as prescribed by Canada or its representative or agent. Payment will be issued upon receipt of eligible invoices.

7.4 Any payment by Canada under the NFSP is subject to:  
(a) there being an appropriation of funds by Parliament for the fiscal year in which any commitment thereunder would come in course of payment; and  
(b) cancellation or reduction of payments in the event that departmental funding levels are changed by Parliament.

7.5 Canada or its representative or agent may impose additional conditions of financial assistance whereby all conditions will be described in a contribution agreement signed between Canada or its representative or agent and the applicant.

## **8.0 In-Kind Contributions**

8.1 In-kind contributions are certain non-monetary (as described below) resources provided by an applicant in satisfying, in whole or in part, the applicant's share of the project. These contributions are not purchased specifically for the project. If the applicant did not have access to these resources, a cash outlay would have been required by the applicant to purchase and pay for them.

8.2 Under the NFSP, applicants will be allowed to use in-kind contributions for the implementation of BMPs.

8.2.1 In-kind contributions may only include labour and use of equipment to be valued at their fair market values. The labour shall be limited to the applicant. The equipment must be owned by the applicant, and be required to successfully implement an approved BMP.

8.2.2 General labour by the applicant for planning, design or management of a BMP is not an eligible in-kind contribution.

8.2.3 Materials in current inventory are not considered in-kind contributions. They are eligible project costs and should be claimed as an expense, with supporting invoices and receipts.

8.2.4 Eligible in-kind contributions will be included in the calculation of the total cost of the project and the cost-share will be applied to the total cost of the BMP.

8.3 It is recognized that BMP implementation costs to the applicant will vary by province/territory. In-kind contribution rates will be established by the Federal/Provincial/Territorial Working Groups in each province/territory based on a fair market value.

8.3.1 The Federal/Provincial/Territorial Working Group will specify which activities within the provincial BMPs are eligible for in-kind contributions.

8.3.2 The Federal/Provincial/Territorial Working Group may specify a maximum eligible payment level for in-kind contributions.

8.4 In situations where fair market value cannot be reasonably determined and substantiated, the in-kind contributions will not be recognized and will be disallowed.

8.5 In-kind contributions will be subject to audit as described in Section 4.12.

8.6 Any overpayment resulting from the applicant's failure to provide the in-kind contribution required will be treated as an amount owed to Canada and be subject to repayment as described in Section

4.11.

### **9.0 Application Deadline Date(s)**

The annual deadline date(s) for applications will be determined for each province/territory by the NFSP administration.

### **10.0 Privacy and Confidentiality**

10.1 The Social Insurance Number (SIN), Business Number (BN) or Goods and Services Tax (GST) Number is collected under the authority of the *Income Tax Act* for the purpose of reporting income.

10.2 All personal information provided by the applicant will be protected under the provisions of the *Privacy Act* and will be stored in the Environmental Stewardship Programs Personal Information Bank. Personal information provided by the applicant about another individual may be accessible to him/her under the *Privacy Act*. Information, other than personal, may be accessible or protected as required under the provisions of the *Access to Information Act*.

### **11.0 Stacking Provisions**

11.1 Through the NFSP, Canada will make a maximum contribution as described in Section 5.0.

11.2 The maximum allowable contribution from the federal and provincial/territorial governments will not exceed seventy five (75) per cent on a per project basis and on a per applicant basis over the life of the Program.

11.3 An applicant is required to disclose all sources of funding for a proposed project, both requested and approved, on the NFSP application form. The applicant is required to notify the administration of any change to the sources of funding if, at any time after the project is approved, the sources of funding change.

11.4 In the event that the applicant fails to meet the financial commitments as outlined above, the applicant must repay Canada the portion of the contribution necessary to increase the applicant's share to the minimum level identified above. Repayment conditions for overpayments are detailed in Section 4.0.

### **12.0 Right to Set-Off**

Amounts owed to Canada may be recovered by way of set-off from monies payable under the NFSP.

### **13.0 General Agreement Terms**

13.1 Canada or its representative or agent shall not be responsible for any cost, expense, or loss resulting from any loan or other obligation which the applicant may enter into in connection with the project.

13.2 Canada or its representative or agent shall not be responsible for any cost, expense, or loss resulting from failure or lack of performance of the project for any reason.

13.3 Canada or its representative or agent shall not be liable to the applicant for any injuries, including death, loss or damages, be it personal or property, on the part of the applicant which may arise from the performance, omission of the performance, default or remedying default of or under any NFSP agreement with the applicant.

13.4 No member of the Senate or House of Commons or of the Provincial Legislative Assembly shall be admitted to any share or part of any contract, agreement, or commission, or to any benefit arising therefrom with respect to any project undertaken pursuant to this Program or any NFSP agreement.

13.5 It is a requirement of all NFSP agreements that no current or former federal public office holder or public servant who is not in compliance with the *Conflict of Interest and Post-Employment Code for Public Office Holders* or the *Conflict of Interest and Post-Employment Code for the Public Service* shall derive a direct benefit from such agreement.

13.6 Nothing in any NFSP agreement shall be construed as creating a relationship of agency, trust, association, joint venture, or partnership between Canada and the applicant; the applicant shall not hold itself out nor represent itself, including in any agreement with a third party, as having such a relationship with Canada.

13.7 Any persons lobbying on behalf of the Applicant must be registered pursuant to the *Lobbyist Registration Act*.