
Program Guidelines for
“Accelerating Food Innovation in Alberta -
2015/2016 Applied Research and Product
Development Program”



1.0 Program Guidelines

1.1 Purpose

The “Accelerating Food Innovation in Alberta - 2015/2016 Applied Research and Product Development Program” is designed to provide funding for applied research and product development in the area of food, with a focus on the development of value added ingredients, food products, and/or beverages that are derived from Alberta crop or livestock commodities. The objective of this program is to support both the Alberta research community and Alberta food, beverage, and ingredient producers and processors in their efforts of increasing revenues from value-added food production.

This research is intended to build on Alberta’s natural strengths in agriculture, Alberta’s academic excellence, and the entrepreneurial spirit of Alberta’s food industry. Investments in successful projects are designed to result in innovative new food ingredients and products for entry into local, national and international markets. Thus creating prosperity and diversity of Alberta’s agri-food sector and fostering long term health benefits for Albertans through the development of healthier food products.

This specific program will contribute to a competitive and prosperous agri-food sector, foster healthy families and communities, both rural and urban, and contribute to industry’s social licence to operate (ethical and environmental) by focusing on research and innovation in ingredients and food and beverage products.

Alberta Innovates Bio Solutions (AI Bio) has set aside \$500,000 to invest in this initiative. In addition, other funders have expressed an interest in potentially contributing to projects that are aligned with their objectives. AI Bio will request the applicant’s permission prior to sharing the Letter of Intent (LOI) or Full Proposal with a potential funder. These potential funders may include members of the Agriculture Funding Consortium www.fundingconsortium.ca/.

1.2 Alberta Innovates Bio Solutions Mandate

AI Bio is pleased to announce this targeted research and innovation call for proposals. AI Bio has identified food innovation as a strategic priority for our organization. Applications will be selected on a project by project basis depending upon alignment with the program objectives and the quality of the proposal (science excellence, business acumen, industry capacity). Those projects that can demonstrate the greatest contribution to Alberta’s economy are most likely to be funded.

AI Bio has six strategic priority areas: Sustainable Production, Bio-industrial Innovation, Food Innovation, Ecosystem Services and Biodiversity, Biological GHG Management Program, and Alberta Prion Research Institute. This targeted call falls under the Food Innovation umbrella. For more information about AI Bio’s priority areas please visit our website at www.albertainnovates.ca/bio.

AI Bio is committed to stimulating growth and diversification of Alberta’s agri-food sector. AI Bio investments in research and innovation are intended to lead to new or

improved ingredients, food and beverage products, functional foods, and nutraceuticals that are competitive in the global marketplace, respond to consumer demand, add value to Alberta livestock and crop commodities and promote wellness. AI Bio also invests in research and innovation that enhances food safety and results in a reduction of food borne illness incidents.

1.3 Background

It is expected that the world will need to feed over 9 billion people by 2050. An emerging middle class in Asia and other developing countries will increase the demand for high value proteins and crops. Global consumer demand for safe, healthy, nutritious food products which have verifiable ethical and sustainability attributes is experiencing unprecedented growth. To reap full benefits of a changing global marketplace, Alberta should focus on serving local and domestic markets, replacing imports and taking advantage of emerging international market opportunities for safe and nutritious foods.

Currently, Canada has a net trade deficit in value added processed food. This began with a deficit of \$1 billion in 2004 that has further deteriorated to \$6.8 billion in 2013. Alberta has been dependant on export markets such as United States, China, Japan and Mexico for agri-food business growth. New markets are emerging as Canada becomes part of new trade agreements such as the Canada - European Union (EU) Comprehensive Economic and Trade Agreement (CETA). However, Alberta food businesses will also face growing competition from low-cost producers in developing countries and from high-value producers in the developed world.

Alberta's agriculture sector is the largest renewable resource industry in the province, a robust economic driver employing 73,000 people and exporting over \$9.0 B in agriculture and food products. Food and beverage production adds value to agricultural commodities, stimulates local economies and increases employment in both rural and urban communities.

Alberta businesses continue to grapple with the following issues: minimizing costs of inputs including labor and energy; access to adequate supplies of water; plant efficiencies and scale; product differentiation; market access; strong global competition, reducing water consumption and production waste; and facilitating access to capital for upgrading or automation. Additional production costs will arise from consumer demand for programs that validate ethical treatment of animals, environmental sustainability and continual improvement in food safety processes.

The declining value of the Canadian dollar may positively impact export sales by Alberta food businesses, improving the competitiveness of Alberta export products in the short-term. However, there is a great deal of uncertainty about how long this competitive advantage will continue. The current decline in oil prices have also provided some relief in transportation costs.

By building on its strengths, Alberta's agri-food industry has the potential to contribute to diversification and growth of Alberta's economy by harnessing Alberta's research

capacity, commercializing inventions and improving products, processes and services. Competitiveness and profitability of the sector is highly reliant on innovation.

1.4 Areas of Interest and Guiding Principles

Areas of Interest:

- This competition is limited to **applied research and product development of globally competitive ingredients and value added food or beverage products**. These products must be derived from or add value to Alberta's most relevant livestock and/or crop commodities, and respond to domestic and/or international consumer demand. Proposals must clearly describe the market-driven nature of their project and demonstrate how they will provide economic return to Alberta.

Out of Scope (the following areas of interest are not included in this call):

- Natural health products and supplements.
- Crop or livestock production related research.
- Marketing, business development, or commercialization activities

Guiding Principles

- Preference will be given to those projects demonstrating a **clear pathway to commercialization. The company co-applicant must indicate how they will independently or with a partner commit to and have the capability/resources to commercialize the newly created product within two years of the project completion date.**
- All proposals must clearly demonstrate the potential contribution to Alberta's economy.
- Proposals should indicate how their proposed products can be differentiated from other products on the market or research that is ongoing.

1.5 Who May Apply

- The **main applicant must be a qualified researcher** or a team of researchers within academic institutions and/or provincial or federal research centres. The research must have a strong Alberta connection, with preference given to those projects that are led by an Alberta based principal investigator.
- **The qualified researcher must have a company co-applicant.** The company co-applicant must be a food company that is a legal entity (sole proprietorship, partnership, limited company, or cooperative) registered in Alberta or Canada, with offices in Alberta. The entity or partner must be capable of commercializing the resulting new ingredient, beverage, or food product from the proposed applied research and product development.
- Proposals should identify opportunities for effective collaboration to ensure best use of resources, highly qualified personnel and infrastructure.

Note: Researchers who have previously received funding from AI Bio, but have failed to deliver the required reports identified in their agreements are not eligible to participate under this program until such time that AI Bio has received and approved all outstanding deliverables.

1.6 Project Duration and Funding

- **Project Duration:** The proposed work must be completed within 24 months.
- **Funding available:** The total available fund for the program is \$500,000 with a maximum of \$150,000 being allotted to any one project. AI Bio recognizes the potential for a range of funding needs depending on the goals of the project. Applicants are encouraged to include additional funding partners as appropriate. AI Bio may be able to assist with identifying potential partners. **The company co-applicant must make a contribution of 25% of the total value of the project in cash.** The intent of the Program is to ensure that proposals are demand driven and that the resulting products will be globally competitive. The 25% cash contribution must be for activities that are within scope of the program.

1.7 Eligible Program Expenses

Category	Eligible
Personnel – Project team	<ul style="list-style-type: none"> • Additional manpower specifically required to deliver project outcomes, at industry standard annual salary rates. <p>NOTE: Salaries of permanent employees of an institution or company are not eligible.</p>
Travel	<ul style="list-style-type: none"> • Travel to project sites • Travel to present or discuss project with stakeholders • Travel for information dissemination purposes
Capital Assets/Equipment	<ul style="list-style-type: none"> • Equipment directly required for the project, as specified in the program guideline documents, not to exceed 15% of the overall project costs.
Supplies	<ul style="list-style-type: none"> • Cost of supplies directly required for the project
Communication, Dissemination, Linkage	<ul style="list-style-type: none"> • Cost of communicating with commercialization partners, funders, etc. • Costs associated with dissemination of knowledge to potential users • Cost of scientific publication if appropriate.
Other	<ul style="list-style-type: none"> • Indirect overhead is not an allowable expense. • Incremental administrative expenses, directly required to achieve project outcomes are eligible.
Work associated with Product Development	<ul style="list-style-type: none"> • Concept design, product formulation, and prototyping • Focus groups and consumer surveys • Evaluation of technical feasibility • Consumer sensory testing/acceptance (taste, odor, texture, appearance). • Support for pilot and preliminary scale-up problem solving • HACCP, quality assurance, and/or other production protocols

Out-of-scope expenses include the following:

- Product idea generation – Opportunities/need assessment
- Market analysis
- Intellectual property protection
- Business plan development, marketing plan development or activities
- Commercialization of product, branding activities
- Packaging development
- Listing fees

1.8 Process and Timelines

Applicants to the program must first submit a **Letter of Intent (LOI)**. Information can be found at the AI Bio website at <http://bio.albertainnovates.ca/funding/2015-16-food-innovation/>. Each LOI must be submitted through the on-line system, which can be found at www.fundingconsortium.gov.ab.ca/aibio/account. Applicants who need assistance are welcome to email or call the Program Manager identified on the last page of this document. AI Bio is willing to assist potential applicants in exploring ideas, identifying project research teams and answering questions associated with eligible expenses, appropriate leveraging, etc.

Applicants who submit LOI’s that are of interest to AI Bio will then be invited to submit a full proposal. Scientific/development process/business reviews will be conducted on all full proposals.

Food Innovation Program Timetable	
Date	Item
June 24, 2015	Call for Letters of Intent announced
September 3, 2015 2:00 p.m. MDT	Deadline for submission of Letters of Intent. Late submissions will not be accepted.
October 15, 2015	Applicant is notified of the status of their Letter of Intent (either declined or invited to complete a full proposal).
November 17, 2015 2:00 p.m. MST	Invited Full Proposals are due. Late submissions will not be accepted.
January 12, 2016	Applicants are notified of funding decisions.
February 12, 2016	Grant agreements are completed. Projects may commence.
April 1, 2016	Projects must have started.

2.0 Guidelines for Submissions

2.1 Reporting of Other Funding Sources

Transparency is critical to the success of any application. Evidence must also be provided of the project team's ability to carry out the project. This must be provided prior to acceptance of a funding offer letter.

Detailed information must be provided in the application form on other sources of support including those applied to or otherwise contacted for assistance. AI Bio will require written confirmation from contributors of their investment to the project outlined in the full proposals. This confirmation will be required once applicants are notified that their full proposal has been successful and the offer letter has been accepted. Agreements/contracts for the project will not be executed until confirmation of all funds contributing to delivery of the project is available. Upon completion of the project, the applicant will be required to provide evidence that the contributions were provided.

2.2 Progress Reports and Financial Reporting

AI Bio will require the applicant to submit detailed interim progress and financial reports as per the schedule contained in the grant agreement for delivery of the project. The financial report must provide evidence of the 25% cash contribution by the company partner. A confidential and non-confidential final report will be required within three months of completion of the project. Five percent of the total grant will be paid upon the final reports (confidential and non-confidential) being submitted and approved by AI Bio.

2.3 Intellectual Property Principles

Intellectual property developed and owned by the applicant or co-applicant must be managed by the applicant or co-applicant. The proposal should clearly identify any intellectual property agreements between the co-applicant and applicant.

2.4 Confidentiality

AI Bio is committed to keeping application details confidential, and is subject to the protection and disclosure provisions of the Freedom of Information and Protection of Privacy (FOIP) Act. External experts who act as reviewers must sign a confidentiality agreement. AI Bio will maintain the confidentiality of the material submitted, and will ask the Principle Investigator's permission before sharing proposals with other funders outside of the ones described in this program guideline document.

Personal information is collected pursuant to Section 33(c) of the Freedom of Information and Protection of Privacy Act as it relates directly to and is necessary for the Food Innovation program. Should you have any questions about the collection of this information, you may contact Director of Operations, AI Bio at 780-422-5737.

2.5 Evaluation Criteria

All proposals will be evaluated for research, product development and business excellence using pre-established criteria by AI Bio. If the proposal does not meet all the following mandatory administrative criteria no further rating will be conducted. Applicants will be notified immediately, if they do not pass this stage in the evaluation.

Mandatory Administrative Criteria	Yes	No
LOI is received on time as per timelines for the Intake.		
LOI is complete as per the on-line LOI template.		
LOI is submitted by an eligible researcher applicant/company co-applicant		
The project is consistent with the Program Areas of Interest as outlined in the 1.4 of this document.		

LOIs meeting all of the mandatory administrative criteria will then be evaluated and prioritized using the following:

No.	Letter of Intent Evaluation Criteria	Max Score
A	Project Details:	
	1. Background (including a complete literature review)	20%
	2. Objectives and deliverables	20%
	3. Project Description (methodology and activities)	15%
B	Benefits to Alberta:	20%
C	Project Budget:	15%
D	Project Team:	10%
	TOTAL SCORE	100%

LOIs of interest to any of AI Bio will be invited to submit a full application.

Invited Full Proposals will then be evaluated using the following:

No.	Full Proposal Evaluation Criteria	Max Score
A	Project Details:	
	1. Background (previously evaluated)	5%
	2. Objectives and Deliverables	15%
	3. Knowledge, Innovation and Uniqueness	10%
	4. Project Design and Methodology	25%
B	Benefit to Alberta/Market Opportunity	10%
C	Future Commercialization Plans	15%
D	Project Team /Ability to Complete	10%
F	Budget	10%
	TOTAL SCORE	100%

For more information please contact:

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