

Program Guidelines

2017–18 Accelerating Food Innovation in Alberta: Application of Research or Technology for New Product Development

Program Guidelines

1.1 Purpose

The 2017–18 Accelerating Food Innovation in Alberta – Application of Research or Technology for New Product Development is designed to provide funding for applied research and product development leading to new or improved food ingredients or bioactives, food products, beverages, supplemented foods, and/or natural health products (NHP's)/nutraceuticals that:

- Are competitive in the domestic and global marketplace;
- Respond to domestic and/or international consumer demand;
- Add value to Alberta livestock and crop commodities; and
- Promote wellness and/or prevent or treat chronic diseases.

The objective of this program is to support Alberta's manufacturers in their efforts to increase revenues from value-added food production thereby contributing to a competitive and prosperous agri-food sector, providing economic growth and diversification opportunities for Alberta's economy; and increasing jobs and employment in both rural and urban communities.

This program builds on Alberta's natural strengths in agriculture, Alberta's academic excellence, and the entrepreneurial spirit of Alberta companies. This program is also intended to foster long-term health benefits for Albertans through the development of healthier ingredients, food products, beverages, and NHP's; and to contribute to increased public trust (both ethical and environmental) by ensuring that research and innovation activities result in environmentally friendly, sustainable processes.

Investments are designed to result in globally competitive, innovative new products for entry into high yielding export markets as well as domestic markets and import replacements.

1.2 Alberta Innovates Mandate

As of November 1, 2016 four Alberta Innovates Corporations - Bio Solutions, Energy and Environment Solutions, Health Solutions and Technology Futures were consolidated into one innovation powerhouse. Alberta Innovates (AI) is a provincial agency funded by the Government of Alberta. AI, the province's largest research and innovation agency, is a catalyst for an environment where invention, innovation and industry thrive. AI's disciplined, market oriented approach leads to solutions for the opportunities and challenges that industry faces. Economic diversification, enhanced environmental performance and social well-being is a priority. For more information about AI, please visit <http://albertainnovates.ca/>.

Food innovation is a strategic priority for Alberta Innovates Bio Sector business line. For more information please visit our website at <http://bio.albertainnovates.ca/stratthemes/foodinnovation/>.

1.3 Background

Alberta has a vibrant agri-food industry, which produces a variety of crops and livestock products that can be further processed into value added ingredients, foods, beverages, or

NHP's. An increase in value-added food processing will boost Alberta's economy. In 2015, Alberta's food and beverage manufacturing sales reached a new high of \$14.6 billion or 21.5 per cent of the province's total manufactured goods (\$68.0 billion). This is the sixth consecutive annual gain. The food and beverage processing industry is the second-largest manufacturing sector in Alberta, and the largest renewable resource industry in the province, employing 25,000 Albertans. Food and beverage production adds value to agricultural commodities, stimulates local economies and creates jobs.

It is expected that the world will need to feed over nine billion people by 2050. An emerging middle class in Asia and other developing countries is increasing the demand for high value meat and plant based proteins. Global consumer demand for safe, healthy, nutritious food products which have verifiable ethical and sustainability attributes is experiencing unprecedented growth.

Alberta's agri-food industry has the potential to further contribute to Alberta's economy by harnessing Alberta's research capacity, by commercializing inventions and improving products, processes and services. Competitiveness and profitability of the sector is highly reliant on continued innovation, to allow for differentiation in the market place, and to keep pace with consumer trends and regulatory changes.

1.4 Areas of Interest

- Application of research and technologies for new product development of globally competitive ingredients, bioactives, food products, beverages, supplemented foods and NHP's/nutraceuticals (hereafter, for simplicity, referred to as food and beverage).
 - Projects can include both company specific research as well as industry wide solutions.
 - Preference will be given to those projects demonstrating the highest potential for commercial success. All applications need to clearly articulate the proposed benefit to Alberta's economy including social and environmental benefits.
 - 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 indicate how their proposed products can be differentiated from other products on the market or research that is ongoing.
- Examples of research may include (but are not limited to):
 - Projects that support consumer trends such as new or reformulated products with higher nutritive content; reduction in sugars, sodium or saturated fats; innovative new flavors/formulations; high protein, high fibre, products that comply with health claims, etc.
 - Food or beverage products that are more efficient, utilizing less inputs (water, ingredients, energy, etc.). Utilization of production waste and by-products (providing complete solutions and zero waste).
 - Development of functional food ingredients, bioactives, NHP's and products that meet specified health needs but are also affordable, convenient and taste good.

- Exploration of the newest processing technologies and their application for the food, beverage and NHP industry.

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

- Crop or livestock production related research.
- Marketing, business development, sales, or commercialization activities.

1.5 Who May Apply

- The main applicant can be from within a company, an academic institutions and/or provincial or federal research centres. A qualified researcher must be on the team.
- The project must have industry funding and participation. The company must be a food, beverage or NHP company that is a legal entity (sole proprietorship, partnership, limited company, or cooperative) registered in Alberta or Canada, with offices in Alberta. The industry partner 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 research project completion date.

1.6 Project Duration and Funding

- Project Duration: the proposed work must be completed within 12 to 18 months.
- Funding available: A maximum of \$100,000 will be allotted to any one project. AI 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 may be able to assist with identifying potential partners. The project must have an industry applicant or partner who is able to provide a minimum cash contribution of 25 per cent of the total cash value of the project. Examples of funding requirements include:
 - If the project requires the maximum eligible amount of \$100,000, then the industry partner will be required to provide \$33,333 for a total project cash value of \$133,333.
 - If the total cash value of the project is \$100,000, AI's portion will be \$75,000 and the industry partner will be required to contribute the remaining \$25,000 in cash.
- The 25 per cent cash contribution must be for activities that are within scope of the program. The intent of the Program is to ensure that proposals are demand driven and that the resulting products will be globally competitive.

1.7 Eligible Program Activities and Expenses

Category	Eligible Activities
Work associated with Product Development and Applied Research	<ul style="list-style-type: none"> • Product design, formulation, development, prototyping and optimization, • Evaluation of technical feasibility/development of manufacturing processes • Product evaluation: 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	The following activities are <u>Not Eligible</u> for funding
<u>NOT ELIGIBLE</u>	<ul style="list-style-type: none"> • Intellectual property protection • Business development including listing fees, marketing or sales activities • Commercialization of product, branding activities • Packaging development

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. <p>NOTE: Travel for marketing and sales purposes are not eligible.</p>
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 per cent 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 other potential users • Cost of scientific publication if appropriate. <p>NOTE: Costs of advertising, marketing and sales is not eligible.</p>
Other	<ul style="list-style-type: none"> • Incremental administrative expenses, directly required to achieve project outcomes are eligible. • Facility Fees <p>NOTE: Indirect overhead is not an allowable expense.</p>

1.8 Process and Timelines

Applicants to the program must submit a **full proposal**. Each proposal must be submitted online 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 is willing to assist potential applicants in exploring ideas, identifying potential project research team members and answering questions associated with eligible expenses, appropriate leveraging, etc. Scientific peer review and business reviews will be conducted on all full proposals.

Food Innovation Program Timetable	
Date	Item
August 3, 2017	Call announced
September 11, 2017	Deadline for Full Proposal. Late submissions will not be accepted. Applications submitted through on-line system
October 15, 2017	Applicants are notified of funding decisions.
November 30, 2017	Grant agreements are completed. Projects may commence.

2.0 Guidelines for Submissions

2.1 Reporting of Funding Sources

Transparency is critical to the success of any application. Evidence must be provided of the project team's ability to carry out the project. The industry partner or applicant will need to supply their most recent financial statements for the company.

Detailed information must be provided in the application form on other sources of support including those applied to or otherwise contacted for assistance. AI will require written confirmation from contributors of their investment to the project outlined in the full proposals. These can be provided through support letters.

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 are 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 will require the applicant to submit detailed interim progress reports and financial reports as per the schedule contained in the grant agreement for delivery of the project. The financial report must provide evidence that the 25 per cent cash contribution from the industry applicant or partner is available. A confidential and non-confidential final report will be required within

three months of completion of the project. Five per cent of the total grant will be paid upon the final reports (confidential and non-confidential) being submitted and approved by AI.

The applicant must then submit annual updates to AI for 5 years after the project has been completed indicating the success of the commercialized product(s), including revenues and resulting increase in jobs as a direct result of the research funded by AI. These updates will be aggregated with other funded projects for performance measurement purposes. Specific company information will be kept confidential.

2.3 Intellectual Property Principles

Intellectual property developed 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 is committed to keeping application details and financial statements 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 will maintain the confidentiality of the material submitted, and will ask the Applicant's permission before sharing proposals with other funders outside of AI.

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 2017–18 Accelerating Food Innovation in Alberta program. Should you have any questions about the collection of this information, you may contact Director of Operations, AI at 780-422-5737.

2.5 Evaluation Criteria

Applications will be selected based upon alignment with the program objectives and the quality of the proposal (science excellence, business acumen, industry participation, potential for commercial success). Those projects that can demonstrate the greatest contribution to Alberta's economy, as well as providing social and environmental benefits are most likely to be funded.

If the proposal does not meet all the following mandatory administrative criteria no further rating will be conducted.

Mandatory Administrative Criteria	Yes	No
The proposal is received on time as per published timelines.		
The proposal is complete as per the on-line form.		
The proposal is submitted by a qualified researcher or eligible company		
The project is consistent with the Areas of Interest as outlined in 1.4 of this document.		

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

No.	Full Proposal Evaluation Criteria	Max Score
A	Project Details:	
	1. Background (including a complete literature review)	10
	2. Objectives, Deliverables and Anticipated Outcomes	15
	3. Project Risks/Mitigation Strategies	5
	4. Project Activities, Milestones and Methodology	20
	5. Knowledge, Innovation and Uniqueness	5
B	Project Benefits Including economic, environmental and social)	15
C	Commercialization Plans	15
D	Project Team	5
F	Project Budget	10
	TOTAL SCORE	100%

For more information, please contact the Program Manager:

Program Manager:

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