PROGRAM GUIDE:
B.C. AGRI-BUSINESS PLANNING PROGRAM

The B.C. Agri-Business Planning Program offers two distinct streams of support for agri-businesses:

- **Specialized Business Planning** to enable producers and processors to make more informed decisions and strengthen their business.
- **Disaster Recovery Planning** to help producers implement an immediate and long-term disaster recovery plan.

This Program Guide provides Applicants and Qualified Business Consultants an overview of eligible activities, minimum deliverables, and other guidelines and requirements for projects funded through the B.C. Agri-Business Planning Program.

**Application Intake**

The application intake period for the program may vary annually and will be indicated on the Ministry website. Funding for the program is allocated on an annual basis per fiscal year. When the program’s annual funding is fully allocated, the program will be closed for applications until the following fiscal year and the opening of the next application cycle. Applications received in one fiscal year will **not** be carried over into the following year. The submission of a second application in the same fiscal year does not oblige the Ministry to approve that application, as new applicants will be given priority. All applications are reviewed based on their eligibility and merit.

**Program Eligibility and Eligible Amounts**

The B.C. Agri-Business Planning Program offers funding to eligible individual applicants (up to $5,000, using the Individual Application Form) and groups of eligible individual applicants (up to $30,000, using the Group Application Form). Note that all applicants, including each applicant participating in a group application, are required to pay an upfront, non-reimbursable Application Fee of $100 directly to the Qualified Business Consultant. All applicants in the Disaster Recovery Planning Stream are exempt from the application fee.

Eligible individual applicants include sole proprietors, partnerships, corporations or other associations of persons, including cooperatives.

**Group applications can be submitted by groups of eligible individual applicants**, be they sole proprietors, partnerships, corporations or other associations of persons, including cooperatives, who see shared benefit in a group business planning project. The maximum funding for group applications is based on the number of eligible individuals participating in the group application. Each eligible group member participating in the group application increases the possible budget allocation for the group project of up to $5,000 to a total maximum of up to $30,000. A group project of 2 eligible group members has a maximum budget of up to $10,000, while a group project of 3 has a maximum budget of up to $15,000, and a group application with 6 eligible group members has a maximum budget of up to $30,000. The membership of a group may be greater than six, and more than six group members may benefit from the project, however this does not increase the maximum funding available to the group beyond $30,000.

To be eligible for support for either Specialized Business Planning or Disaster Recovery Planning under the B.C. Agri-Business Planning Program, **all applicants (individual applicants and all applicants applying as part of a group application) must meet the following criteria:**

1) **You are either:**
   a) A Primary Agriculture Producer producing agricultural products that are 100% grown or raised in B.C., and the land where your agricultural products are produced is classified as a farm by the B.C. Assessment Authority; OR
   b) A food processor selling or marketing a product processed in B.C. (i.e. processing food, beverages or agriculture products that are processed and packaged in B.C. with 51% or more of the direct cost of producing the product in
its final form – i.e. the sum of raw materials, direct labour, variable processing, and packaging – originating in B.C. When raw materials are available in sufficient quantities from B.C. producers, they must be used).

2) You are presently actively engaged in the farming or processing entity (i.e. participate in the day-to-day operations of the business) and you, as the owner(s) of the business, are a resident(s) of British Columbia.

3) You reported total annual gross revenues greater than $30,000/year in the previous year to Canada Revenue Agency\(^1\).

4) You have not received support from the Agri-Business Planning Program for the same eligible activities for which you are now applying during the funding cycle of Canada Agriculture Partnership Agreement (October 1, 2018 to March 31, 2023).

5) You have not exceeded (and will not exceed should your application be approved) the annual maximum funding contribution of $10,000 per fiscal year (April to March) for: a) eligible individual applicants (proprietor, partner, shareholder, corporation or cooperative), or b) eligible applicants with common partners or shareholders.\(^2\)

For the Disaster Recovery Planning, in addition to the above criteria, you have been living in an area where either:

1) A local government issued an evaluation alert or order due to a disaster, such as fire or flood, since 2017; OR

2) Where the Canada Food Inspection Agency (CFIA) or the Chief Veterinary Officer of B.C. has declared an incident whereby the B.C. Foreign Animal Disease Emergency Support Plan (B.C. FADES Plan) was activated since 2018; OR

3) The Chief Veterinary Officer of B.C. has issued an emergency order under Section 59 of the B.C. Animal Health Act since 2018.

**Eligible Activities and Minimum Deliverables by Business Area**

Your project proposal may include any combination of the following eligible activities: 1) Business Structures; 2) Production Economics; 3) Business Strategy; 4) Financial Analysis; 5) Value Added Ventures; 6) Risk Assessment and Mitigation; 7) Human Resources; and, 8) Succession and Transition Planning. The guidelines for each area must be used to develop your Project Proposal.

Although eligible activities for Disaster Recovery Planning typically focus on risk assessment and mitigation, they may also include a combination of activities from the above list.

1) **Business Structures**

   **Eligible Activity**: Identification and evaluation of potential business structures.

   **Key question**: How can I achieve my ideal legal structure for my farm business?

   **Minimum Deliverables**

   - Facilitate a meeting with family, shareholders, partners or key business individuals to discuss the process and issues
   - Review of all available business structures:
     - Review the options available, advantages and disadvantages for each and the process to establish each

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\(^1\) Please note, for primary producers engaged in commercial agriculture production **annual gross farm income** is defined as income from sales of farm commodities including production insurance, crop and livestock, sales and value-added farm products; but does not include income from custom work, riding lessons, boarding horses, land and facilities rent, aquaculture, raising of pets, agri-tourism income, sales of forestry products and some agro-forestry products, government program payments, or any other non-commodity income.

\(^2\) Note that for group applications, the annual maximum funding contribution refers to the individual contribution of a group member to the group’s possible maximum funding allocation of $30,000.
- Prepare a detailed analysis of suitable or relevant structures for the business:
  - Recommendation of preferred structure(s) and why.
  - Review of Income Tax consequences of preferred options.
- Identify reporting and other requirements (e.g. Annual Reports).
- Outline liability issues:
  - What is the liability of the proposed entity and/or associated individuals?
  - How can the entity or individuals mitigate Income Tax?
- Provide an overview of ownership issues:
  - What are the obligations between individuals within the preferred structure?
  - How are disagreements settled?
  - Do all individuals have equal rights and obligations?
  - Who is responsible for what?
  - Identify Human Resource Issues.
  - Discuss and review any HR issues, including family issues, compensation and benefits plans and performance issues.
- Explain the issues/process surrounding the winding up of the preferred structure:
  - What are the requirements, costs and timetable to exit the structure?

Non-Eligible Activities
- Legal, accounting and other costs associated with implementing the plan.
- Legal agreements between any stakeholders or separate businesses.
- Tax preparation.
- Acquiring capital assets.

2) Production Economics

Eligible Activity: Development of production systems and/or strategies.

Key question: How can I improve my production system, consider additional enterprises and improve my cost of production overall?

Minimum Deliverables
- Develop variable costs:
  - Describe inputs used in production including systems used to track/record those inputs and other variable expenses.
- Establish cost of production:
  - Calculate and analyze the business’s individual cost of producing its products.
  - Prepare analysis of the crop/livestock/other enterprises and compare against industry benchmarks and identify associated issues.
- Prepare production strategies:
  - A plan outlining possible changes to production procedures, what to produce (including crop rotations), when to produce it, when to market, efficiencies.

Non-Eligible Activities
- Costs associated with the gathering of data (soil analysis, tissue analysis/germination and seed viability testing, crop scouting activities).
- Acquiring capital assets.
3) Business Strategy

Eligible Activity: Development of a Strategic Plan.

Key question: What is my strategic plan of action for sustainable growth and competitiveness?

Minimum Deliverables
- Facilitate a meeting with family, shareholders, partners or key business individuals:
  - Facilitation meeting of key individuals to discuss the process and issues.
- Develop Vision, Business Purpose and Mission Statements:
  - Vision – Describe what the farm business wants to become.
  - Business Purpose – Identify why the farm business exists.
  - Mission Statement – Identify how the farm business wants to accomplish its goals.
- Conduct a SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis.
- Explore and assess options:
  - A number of options should be assessed before the preferred option is selected.
- Work with Program Applicant to develop short- and long-term farm and family goals:
  - Prepare SMART (Specific, Measurable, Attainable, Realistic, Time Orientated) goals.
  - Develop an Implementation Plan.
  - Outline the steps and responsibilities in implementing the plan.
  - Establish a measurement of success and performance.
- Outline a means to update and evolve the Strategic Plan.

Non-Eligible Activities
- Preparation of legal documents or agreements.
- Acquiring capital assets.

4) Financial Analysis


Key question: How can I help my business be financially stable?

Minimum Deliverables
- Must be based upon comprehensive and up-to-date financial statements:
  - Prepare a recently compiled net worth statement or balance sheet and a historical income and expense statement (three years if available).
- Develop a minimum of one or more options to consider (a proposed change in either: operational, production or management systems):
  - Option must address the current goals and objectives of the business (For example: the creation and/or expansion of an enterprise; the restoration of profitability through a fundamental change; restructuring of the business debt or an exit from the industry).
- Assess the identified option(s):
  - Projected (monthly, quarterly or yearly) accrual-based cash flow statement for a full production cycle or the time period required to implement the proposed change(s).
    - Calculate and describe the following financial indicators/ratios on a before and after basis, with a comparison to industry standards and benchmarks: Current ratio, Working Capital, Debt Structure, Debt to Equity, Equity ratio, Debt Servicing ratio.
- Prepare a description of the option(s) and recommendation:
  - Clear written description of the option(s) including an explanation of the risks, debt structure and debt relief and financial impact to the business if the change is implemented.
- Prepare an Implementation Plan:
  - Identify and explain the actions, timetables and key responsibilities for implementing the recommended change option.
  - Outline accountability for plan monitoring, timing of reports and a process for follow-up.

**Non-eligible Activities**
- Income Tax Preparation.
- Bookkeeping.

5) **Value Added Ventures**

**Eligible Activity:** Development of a Business Plan for a new value added venture.

**Key question:** How do I start a new value added venture?

**Minimum Deliverables**
- Facilitate a meeting with family, shareholders, partners or key business individuals.
- Develop Vision, Business Purpose and Mission Statements:
  - Vision – Describe what the business wants to become.
  - Business Purpose – Identify why the business exists.
  - Mission Statement – Identify how the farm business wants to accomplish its goals.
- Prepare the business concept:
  - Briefly describe the business to be entered.
  - List the products and/or services to be sold.
  - List who will use the products/services.
- Prepare preliminary assessments:
  - SWOT (Strengths, Weaknesses, Opportunities, Threats) including a risk assessment of the new venture idea.
  - Prepare SMART goals (Specific, Measurable, Attainable, Realistic, Time Oriented) for the venture.
- Explore and Assess Options for new venture:
  - Assessment of viability.
  - Market research including information on customer profiles, markets, industry and competition.
  - A number of options should be assessed before determining a preferred option.
- Prepare a financial analysis of new venture:
  - Cost/Profit analysis, start-up (one-time costs, operating expenses).
  - Projected sales revenues, cost to produce product or provide service, projected fixed and variable operating costs and income statement, cash flow budget and sensitivity analysis.
  - Break-even analysis.
- Prepare an implementation plan.

**Non-Eligible Activities**
- Legal, accounting and other costs associated with implementing the plan.
- Tax preparation.
- Acquiring capital assets.

6) **Risk Assessment and Mitigation**

**Eligible Activity:** Assessment and development of a business and financial risk management system or strategy.
**Key question:** How do I handle risk to secure my business?

**Minimum Deliverables**

- **Business Overview:**
  - Describe management’s tolerance/aversion to risk.
  - Identify and rate risks inherent in the business (e.g. production, marketing, export, vendor, legal, environmental, human-resource [death/disability], interest rates, policy and financial).

- **Prepare a Risk Management Strategy:**
  - A risk assessment on applicable risks, including insurance considerations.
  - Outline options to manage/mitigate applicable risks.
  - Outline of contingency and disaster plans where needed.

- **Prepare an Action Plan:**
  - Identify and explain the targets, timetables and key responsibilities for implementing the plan.

**Non-Eligible Activities**

- Activities/costs associated with the preparation/compilation of required applications and/or forms for Business Risk Management programs [e.g. Agriculture Income Protection (AgriStability)].
- Preparation of legal documents and agreements.
- Costs associated with risk management programs (e.g. production insurance premiums, Work Safe B.C. premiums, etc.).
- Acquiring capital assets.

**7) Human Resources**

**Eligible Activity:** Development and implementation of a strategic Human Resource Plan.

**Key question:** How do I prepare a Human Resource Plan for attraction, retention and compensation of valued employees?

**Minimum Deliverables**

- Prepare a brief summary of the overall HR plan, including vision, objectives, and goals.
- Prepare Training and Development Plan; to include:
  - An outline of the people required to operate the business, basic job descriptions and an organizational chart;
  - Identifying and summarizing the skills staff currently have and what will be required for the business to be successful;
  - Identifying any human-resource issues and risks facing the business (i.e. recruitment, retention, safety) and how they will be addressed;
  - Preparing a plan for attraction, retention and compensation strategies, which may include performance measurements;
  - Develop an Action Plan, including targets and timetables for implementing the plan, key dates and responsibilities, which may include activities/costs associated with the recruitment, retention and training of staff; and
  - Develop a Contingency Plan.

**Non-Eligible Activities**

- Formal Agreements and/or contracts.

**8) Succession/Transition Planning**
Eligible Activity: Development and Preparation of a Farm Succession Plan.

Key question: How do I wind down my operation or pass the business on to successor(s)?

Minimum Deliverables
- Provide coaching to facilitate communication and dialogue to identify business and personal goals.
- Prepare a brief summary of the overall plan.
- Develop or revise business vision, objectives, goals:
  - Strategic planning about where and what the business wants to become and how to get there.
- Establish a Retirement Plan:
  - A when, where and how plan for the retiring couple.
  - Can they fund their retirement?
- Prepare a Training and Development Plan for successor (if applicable):
  - What skills does the successor need to develop to be successful?
- Prepare a Financial Analysis for the retirees and successors (if applicable).
- Establish a human resource management for transition:
  - What will the plan accomplish?
  - What are the goals and how do you achieve them?
  - The process?
- Develop an Implementation Plan:
  - A process to assist the Program Applicant implementing the plan.
- Develop a Communication Plan:
  - How will the key stakeholders communicate during the development and implementation of the plan?
- Develop a Contingency Plan:
  - What can upset the plan?
  - What can we incorporate in the plan to mitigate the risks?
  - A means to update the plan.

Non-Eligible Activities
Preparation of:
- Current financial statements (net worth, projections, budgets, debt service).
- Wills, Living Wills, Power of Attorneys, search of titles.
- Legal agreements and contracts.
- Off farm investment planning and related fees.

Requirements and Standards

Communication
At any time during the project development and implementation, Applicants and Qualified Business Consultants are encouraged to contact Agri-Business Planning Program Staff (Agribusiness@gov.bc.ca or 1-888-221-7141) to discuss any concerns or questions that may arise.

Program Staff may also contact you during the implementation of your project to check-in and discuss your progress.

Timelines and Review
Final project documents, including the final report, invoice and signed claims form, must be submitted by the Qualified Business Consultant to the B.C. Ministry of Agriculture within 90 days of the approved project start date (and never later than the last day of February of any year).
To provide the Applicant with adequate time to review and request any needed modifications or revisions by the Qualified Business Consultant to meet the agreed upon project objectives, **the project report must be submitted by the Qualified Business Consultant to the Applicant** (or the Primary Contact for the Applicant Group for Group Applications) for review and feedback a **minimum of two weeks prior to the project end date**. Should reasonable revisions be requested, it is the responsibility of the Qualified Business Consultant to complete the revisions and get approval from the Applicant prior to submitting the final project report, invoice and signed claims form to the Ministry at the end of the project.

Project extensions are sometimes granted under extenuating circumstances. The Qualified Business Consultant should contact the Program Manager a minimum of two weeks before the project end date if concerns arise with respect to completing the project within the 90-day timeframe. Please note, no extensions can be granted past the last day of February of any year.

Reports will be reviewed by Ministry Staff for their thoroughness, accuracy and responsiveness to agreed upon deliverables and project plans set out in the project proposal. (Also see Adherence to Professional Standards below)

**Project Proposal Preparation**
Specific guidelines for preparing your application and project proposal are provided for Applicants and Qualified Business Consultants on the application form. However, please remember to submit forms in Word when possible as this facilitates our data entry. If you need a PDF version of the form, please contact AgriBusiness@gov.bc.ca.

Other considerations when preparing your project proposal:
- No work on a project in a proposal started prior to receiving approval from the B.C. Ministry of Agriculture will be eligible for support under this program.
- For work in remote locations, travel costs may be included in the project proposal, but must be reasonable, not exceed 20% of the project cost, and will be reviewed by the Ministry. No travel outside of B.C. will be reimbursed.

**Final Report Guidelines**
A written report prepared by the Qualified Business Consultant must be given to the Applicant at the end of the project and a copy submitted to the Ministry with other final reporting documents (invoice and signed claims form).

Reports must be a minimum of 2,000 words long and meet a high professional standard. They must reflect thorough, accurate research and analysis, be free of grammatical and typographical errors and have consistent formatting. Final Reports must include:
- All minimum deliverables for the project (as approved in the project proposal);
- An executive summary and project overview;
- Concise list of recommendations resulting from the project;
- References or Works Cited; and
- Appendices for any calculations used to complete the analysis.

**Adherence to Professional Standards by Qualified Business Consultants**

**Guidelines for using a supporting consultant**
We are committed to ensuring high quality services are provided to Program Applicants. As such, the Program Manager and Applicant need to understand who is working on the project. Qualified Business Consultants must be transparent about who is responsible for completing which aspects of the project. In some cases, it may be necessary for the Qualified Business Consultant (the “Primary Consultant”: i.e. the Qualified Business Consultant hired by the Applicant and responsible for the project) to sub-contract to a “Supporting Consultant” with specialized expertise required to complete a project activity. If both consultants are approved by the Ministry as Qualified Business Consultants (i.e. both have applied...
and been approved through the Ministry’s Request for Standing Offer Bidding process), the Primary Consultant must indicate on the application form that the Supporting Consultant will be hired and for which activities.

If the Supporting Consultant, however, is not a Qualified Business Consultant, the Supporting Consultant must be vetted by the B.C. Agri-Business Planning Program if they are contributing more than 10% of the work needed to complete the approved project (as defined by a percentage of the budget). If a Primary Consultant would like to hire a Supporting Consultant who is not on the Ministry’s Qualified Business Consultant list to work above the 10% threshold, they must provide a rationale in the application form or, if the need for a supporting consultant arises later, complete and submit a Supporting Consultant Request Form, including the supporting consultant’s credentials and a rationale for their inclusion on the project. If you require the form, please e-mail AgriBusiness@gov.bc.ca. A Supporting Consultant who is not a Qualified Business Consultant will not be approved to complete more than 40% of the work for a B.C. Agri-Business Planning Program Project.

Conflict of Interest
Any current or past work of the Qualified Business Consultant for the Program Applicant must be disclosed to the Ministry on the application. Any conflict of interest must also be disclosed by the Qualified Business Consultant to the Ministry on the application. A conflict of interest is defined as a situation where a Qualified Business Consultant’s private affairs or financial interests are in conflict, or could result in the perception of conflict, with their services to Applicant under the program. Where a conflict of interest, or the perception thereof, exists, the Qualified Business Consultant’s actions or conduct could undermine or compromise the Applicant’s confidence in the Qualified Business Consultant’s ability to discharge their services.

Professional Standards
The Ministry reserves the right to remove a Qualified Business Consultant from the Qualified Consultant List if, in the sole opinion of the Ministry, the Qualified Business Consultant does not meet the quality standards of the B.C. Agri-Business Planning Program. Failure to meet program quality standards may include submitting a project that:

1) Fails to include mandatory minimum deliverables or project components described in the project proposal;
2) Significantly deviates from the project proposal with respect to scope, expected outcomes or budget, and for which a project revision was not requested and approved;
3) Contains errors, omissions or misrepresentations, which, in the sole opinion of the Ministry, are of a serious nature; and
4) Does not meet an acceptable professional standard of presentation, which includes significant grammatical or typographical errors, failure to include references or works cited, and reports significantly below the minimum length requirement.

A quality concern may also relate to the comportment or professionalism of a Qualified Business Consultant, or other oversight or issue deemed significant by the Applicant or by AGRI Staff during project review.