

AGMARDT Agribusiness Innovation Grant Guidelines

1. AGMARDT Long Term Outcomes

All projects must align with at least one of AGMARDT's long term outcomes. There are as follows:

- a. Increased regional resilience and growth.
- b. Improved environmental performance of the sector.
- c. Increased economic prosperity of the sector

2. Objective of the Agribusiness Innovation Grant

The objective of the Agribusiness Innovation Grant (AIG) is to encourage and support industry sectors and businesses to develop and implement innovative solutions to assist with transformational change within agribusiness value chains. The focus of the AIG grant is the agricultural, horticultural and forestry sectors.

The Agribusiness Innovation Grant provide an opportunity for applicants to:

- a. Pursue 'on the edge' ideas that can transform a business or industry.
- b. Accelerate innovation and respond quickly to opportunities that are driven by new ideas or insight arising from the marketplace.
- c. Facilitate and promote collaborative industry innovation across the food & fibres sector.
- d. Gain a better understanding of world class best practices; and
- e. Develop and evaluate innovative ideas to a stage where they can attract other investment for further development through to commercialisation.

3. Who can apply?

The applicant must be involved in New Zealand's agricultural, horticultural and forestry sectors with a project that will benefit the New Zealand Food and Fibres sector.

4. When can I apply?

Agribusiness Innovation Grant applications are open all year round. Please check our website and social media for key dates.

5. How much can I apply for?

Grants of up to **\$200,000** (GST inclusive) * are available. There are different requirements that will need to be met depending on the size of the total project.

**Please see section 10 for details on GST & AGMARDT Grants.*

6. What does AGMARDT invests in?

The Agribusiness Innovation Grants (AIG) categories are as follows:

- a) An early-stage research project, that is **exploring** an early idea or concept.
- b) A project focussed on developing a Proof of Concept (PoC) i.e., **testing the feasibility** of an early idea or concept.
- c) A project focussed on developing a prototype i.e., **developing a rough model** that brings the proof of concept to life.
- d) A project developing a minimum viable product (MVP) i.e., **developing a first iteration** of the 'product' that can be used by others in the real world.
- e) A project about the **extension or knowledge transfer** of an idea or concept.

7. What are the co-investment requirements?

Irrespective of the funding requested in the application form, AGMARDT wants to understand the **TOTAL** size of the project (how big it is). **Co-investment** requirements are dependent on the total cost of your project.

Total project cost less than \$30,000

For projects with total cost (inclusive of all contributions towards the project) of less than \$30,000 (Incl. GST), **co-investment** for the projects is **not** required.

Total project cost greater than \$30,001

For projects with total cost (inclusive of all contributions towards the project) greater than \$30,001 (Incl. GST), **co-investment** for the project **must** be a **minimum** cash or co-invested contribution of at least **40%** of the total project costs. This is an indication of commitment to the project. Co-Investment from other source(s) must be clearly disclosed by the applicant during the application process, and/or during the life of the project.

8. What is the management & governance structure requirements?

Depending on the nature of the project, the Applicant/ Group can be a separate entity, or a collaborative Group of relevant parties (e.g., farmer/growers, farm consultants, veterinarian service agencies, companies involved in agribusiness and/or research/technology providers).

The Trustees will consider the makeup and capability of the Group in being able to deliver on the objectives and project plan of the project. Where the applicant is an industry body, a sub-committee of active members must be established to oversee the project.

Should a Governance Board/Group be established for the project, AGMARDT would expect this Board/Group to meet at least three times per annum over the duration of the project. The final report will also need to be signed off by the Governance Board/Group before being presented to the AGMARDT Board of Trustees.

Specific requirements for projects with total cost under \$100,000

Through the application form responses, the applicant/group is required to demonstrate that it has appropriate processes in place to critically assess the project outcomes against the project plan, key performance measures, milestones are the financial performance of the project against budget.

They are also required to demonstrate to AGMARDT that it has established and maintained good processes throughout the life of the project as it may be subject to independent audit by an auditor of AGMARDT's choosing.

Specific requirements for projects with total cost over \$100,000

Through the application form responses, the applicant/group is required to implement a formal structure to provide project oversight that is consistent with good governance, including:

- a. Providing oversight of the management of the project.
- b. Assessing the outcomes against the project plan, key performance measures and milestones to ensure that these have been satisfactorily completed.
- c. Monitoring and signing off the finances of the project against the agreed budget.
- d. Providing direction during the project if necessary; and
- e. Considering the next stage of the project.

- f. Programme information clearly articulates a summary of project, project plan, sustainability, clear budget, and references.
- g. Robust and clear programme outcomes including evaluation of outputs.
- h. Beyond business as usual.
- i. Proposals for new products, technology or services should demonstrate the following:
 - o a clear understanding of customer needs.
 - o how to meet market requirements.
 - o clear understanding of the path to market and an appropriate strategy to manage the necessary steps (and the related work required).
 - o market insights that include validation that an accessible market with a likelihood of profit exists.
- j. Proposals must identify risks and outline the proposed mitigations of identified risks. A good application will also advise how the applicant/group intend to monitor and identify new risks.

Other considerations

Grants will only be made where an application is scientifically credible and proposes the use of appropriate technologies or practices (appropriate means that it is expected that the new product or practice developed will be socially acceptable, environmentally sustainable, and economically beneficial).

- a. When required, advice on the technical feasibility of a proposal and its potential to benefit the target sector will be sought from an Advisory Panel made up of technical experts and recognised sector leaders.
- b. Grants will not be made that would result in unnecessary duplication of capabilities in provider organisations or amongst researchers operating independently.
- c. It is expected that intellectual property developed under a grant will be protected appropriately and that the primary benefits will be to New Zealand.

9. What are the assessment criteria?

Agribusiness Innovation Grant applications are assessed against the following criteria.

- a. How the project aligns with AGMARDT's long term strategic objectives and how it will contribute to accelerating change on issues facing the food and fibres sector of New Zealand.
- b. How the project aligns with the objective of the Agribusiness Innovation Grant (AIG).
- c. How the project builds linkages by working collaboratively and builds capability between innovative New Zealand researchers, producers, processors, and marketers.
- d. Clearly articulate the commitment to retaining the value and benefits arising from the project within New Zealand.
- e. Your application should give confidence that the benefits of the project will be realised.

10. What are the exclusions - what do we not support?

Some activities are not funded by this programme. The Trustees have the right to exclude other costs if they believe appropriate and reserve the right to allocate a smaller amount than originally requested by the applicant.

The programme does not cover costs relating to:

- a. 'Business as usual' expenses, including overheads incurred during normal business/industry; activities that are already happening in business/industry; and or capital expenditure e.g., buildings, equipment, web-based products, and services, etc.
- b. Projects outside the food & fibres sector in Aotearoa.
- c. Operational investment unless someone is being paid to develop curriculum or commissioned to do specialised work.

- d. Expenses the business/industry would incur anyway if you did not get the grant.
- e. Costs that are not directly related to the project.
- f. Marketing / branding / comms unless it is part of a larger innovation programme.
- g. Retrospective investment - costs incurred before the project is approved.
- h. Costs that are not in cash, including:
 - a. contra, transfer, and internal invoices and payments; and
 - b. barter or in-kind payments.
- i. Services supplied by anyone with a personal or financial interest in the entity and/or group, such as any immediate family of the applicant or shareholders of the applicant company, unless otherwise agreed by the Trustees.
- j. Duplication of investment assistance (note: applicants must disclose all third-party investment).
- k. Duplication of existing work

11. GST & AGMARDT Grants

AGMARDT is a “public authority” as defined in section 2 of the Goods and Services Tax Act 1985. Where grants are made by a public authority the recipient will be required to return GST output tax on the grant if they are GST registered and the grant relates to their taxable activity. This is because the GST Act deems the grant payment to be consideration for a supply of goods/ services to AGMARDT by the recipient of the grant. Grant requests are made GST inclusive (if any), to ensure the grant covers the GST output tax (if any) the recipient is required to pay. Where the recipient is not GST registered, there is no deemed supply, and the recipient does not need to return output tax.

Therefore, where the recipient is GST registered and the grant forms part of their taxable activity, they will be required to return GST output tax on the grant received. Please ensure this is considered when completing the funding amount in the application form.

Where the recipient is not GST registered, there is no deemed supply and the recipient does not need to return output tax, therefore they do not need to allow for this in the funding amount in the application form.

AGMARDT is unable to advise you on the correct treatment of GST for you or your business. We advise that you seek advice from an Accountant.

12. Reporting

Successful applicants must submit a progress **or** final report along with any invoice and comply with all the reporting requirements. Please ensure the reports are understandable to a layperson. Do not send highly technical reports unless supplementary to the reporting templates provided.

Progress and final reports are approved by the Trustees at their board meetings held. Please refer to the application closing dates found on the [AGMARDT](#) website for board meeting dates. You must send through your final report at least two weeks next board

meeting. The date will usually be communicated to you on receipt of the final report.

Progress and final report template can be found in the Templates tab on the [Application Portal](#).

13. Payments

All payments must be applied solely and exclusively for the project AGMARDT has supported. The Applicant/ Group must have its own bank account with authorised signatories appointed by the group. Invoices are to be made out to AGMARDT and in the name of the Applicant/Group.

AGMARDT only pays for actual cost incurred which are in line with the approved application.

Each claim for payment must include:

- a. A tax invoice made out to AGMARDT and received from the organisation that is named in the application that was approved.
- b. A progress* or final report*.

*Download all templates from [Templates tab](#) in the [Application Portal](#)

Progress payments

All progress payments which meet the requirements of the grant are made 20th of the following month.

Final payment

AGMARDT requires a minimum final payment of **25%** of the total AGMARDT funding and will be withheld until the final report is approved by the Trustees at the next meeting held.

If the actual total costs for the project comes to less than the maximum amount of the grant, the final claim must be adjusted as AGMARDT will only reimburse actual expenditure incurred. The final claim must therefore be supported by a full analysis of all costs for the project, as compared to the original budget, and the successful applicant must respond promptly to any queries that AGMARDT might have when considering the final report and accompanying costs analysis.

On approval of the final report and compliance with the requirements of the grant payment will be made 20th of the following month.

AGMARDT reserves the right to amend the payment schedule should certain conditions not be met.

14. General Terms & Conditions

Please see website for AGMARDT's general [Terms & conditions](#).

15. Contact

Phone: 06 323 8766

Website: www.agmardt.org.nz

Email: info@agmardt.org.nz