

## AGRI-FOOD CLUSTER TRANSFORMATION (ACT) FUND

### Innovation & Test-bedding (I&T) Component

#### GUIDELINES FOR APPLICATION

##### Objective

1. This component provides co-funding support for farms for the following:
  - (a) Under the 'Innovation' component – to embark on Proof-of-Value project or develop innovative farming technology / systems that directly improve farms' productivity, sustainability and circularity of resource use, within an implementation window of up to two years.
  - (b) Under 'Test-bedding' component – to pilot or adapt farming technology / system that may have worked in other countries but have yet to be proven in Singapore's context, environmental or weather conditions, to increase farm productivity in a resource-efficient manner with minimal pollution and waste.

**Application Period:** 30 Apr 2021 to 31 Dec 2025.

##### Eligibility Criteria

2. Applicant must be a farm licensee of a Singapore-based farm with valid licence issued by SFA. For new farms, applicant must have obtained SFA's approval for the proposed farming activity at the farm site.
3. Applicant must have a secured farm site for implementation of the proposed farming system.
4. For existing farms, applicant's farm shall be free of unauthorised or illegal activities for the past 1 year from time of application.
5. Applicant and its related company<sup>1</sup>, if any, should have completed any on-going approved projects co-funded by SFA<sup>2</sup> before any fresh application under the Innovation & Test-bedding component at the same farm site will be considered. A project is completed when it has gone through the Post-Implementation Review (PIR) and all claims have been duly submitted and reimbursed.
6. Applicant and its related company, as a group total, must not have been awarded up to the maximum funding amount of **\$1mil** under the Innovation & Test-bedding component, during the 5-year availability of ACT Fund.

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<sup>1</sup> Companies are considered related if any shareholder(s) of the applicant company (either individually or collectively) owns more than or equals to 50% shareholding of another company. Applicants must declare any related companies during application.

<sup>2</sup> This includes any Innovation & Test-bedding projects, or projects funded under the Agriculture Productivity Fund (APF) Productivity Enhancement Scheme, APF R&D Grant Call and 30x30 Express Grant Call.

**Funding support for development of innovative farming technology / systems  
(i.e. 'Innovation' Project)**

Farm Type <sup>3</sup>	Funding Support	Qualifying Cost
Projects in primary production of: <ul style="list-style-type: none"> <li>- Leafy vegetable</li> <li>- Fruited vegetable</li> <li>- Food fish</li> <li>- Hen egg</li> <li>- Mushroom</li> <li>- Shrimp</li> </ul>	Co-funding at <b>70%</b> up to <b>\$1mil</b> for 'Innovation' Projects	(a) <u>Equipment</u> <ul style="list-style-type: none"> <li>- Purchase price</li> <li>- Insurance &amp; freight, delivery, handling, installation and commissioning charges pertaining to the main system / equipment</li> <li>- Project-related software</li> </ul>
Projects in primary production of other food types	Co-funding at <b>50%</b> up to <b>\$500,000</b> for 'Innovation' Projects	(a) <u>Non-allowable Costs</u> <ul style="list-style-type: none"> <li>- Maintenance and support, extended warranty</li> <li>- Technical software not related to project</li> <li>- Consumables used in the project e.g. spare parts</li> <li>- Contingency fee for project</li> </ul> (b) <u>Basic Manpower Cost</u> <ul style="list-style-type: none"> <li>- Gross monthly salary comprising of basic salary, monthly variable component and employer's CPF contribution of <u>key</u> project team members (up to 4 personnel).</li> </ul> (c) <u>Intellectual Property Rights (IPR)</u> <ul style="list-style-type: none"> <li>- Fees payable to third parties for the licensing and acquisition of IPR (technology acquisition costs) for the duration of the funded project only.</li> <li>- Fees payable to third parties for IP registration and related costs incurred for 2 markets.</li> </ul> (d) <u>Professional Services</u> <ul style="list-style-type: none"> <li>- Consultancy, sub-contracting, design &amp; development costs by third-party companies</li> <li>- Initial testing and training costs</li> <li>- Fees payable to third parties for testing associated with the project</li> <li>- Accounting audit fee for engaging auditors to audit claims</li> </ul> (e) <u>Non-allowable Cost</u> <ul style="list-style-type: none"> <li>- The above stated services provided by subsidiary and associate companies.</li> </ul>

<sup>3</sup> Effective from 1 April 2022 onwards, application for project in primary production of fruited vegetable, mushroom and shrimp is eligible for co-funding at 70% up to \$1mil for 'Innovation' Project.

Farm Type	Funding Support	Qualifying Cost
		(e) <u>Other Qualifying Cost</u> - Rental of specialised equipment or facilities - Project-related training by external parties - Bank charges for purchase of equipment - General airfare (economy class) and Cost of Living Allowance (COLA) directly related to the project  <u>Non-allowable costs</u> - Credit card charges, booking fees, etc. - Repair and maintenance costs - Incidentals cost not related to the project e.g. booking fees, telephone fees.

**Note:**

- (i) Funding for category (b) Basic Manpower Cost should not exceed **50%** of the total approved quantum.
- (ii) Provision of (d) Professional Services should be by a third-party company.
- (iii) Total funding for categories (d) Professional Services and (e) Other Qualifying Cost should not exceed **20%** of the total approved quantum.
- (iv) Qualifying cost is exclusive of GST.

**Funding Support for test-bedding of established farming technology  
(i.e. 'Test-bedding' Project)**

Farm Type <sup>4</sup>	Funding Support	Qualifying Cost
Projects in primary production of: <ul style="list-style-type: none"> <li>- Leafy vegetable</li> <li>- Fruited vegetable</li> <li>- Food fish</li> <li>- Hen egg</li> <li>- Mushroom</li> <li>- Shrimp</li> </ul>	Co-funding at <b>70%</b> up to <b>\$700,000</b> for 'Test-bedding' Projects	(a) <u>Equipment</u> <ul style="list-style-type: none"> <li>- Purchase price</li> <li>- Insurance &amp; freight, delivery, handling, installation and commissioning charges pertaining to the main system / equipment</li> <li>- Project-related software</li> </ul>
Projects in primary production of other food types	Co-funding at <b>50%</b> up to <b>\$300,000</b> for 'Test-bedding' Projects	(a) <u>Non-allowable costs</u> <ul style="list-style-type: none"> <li>- Maintenance and support, extended warranty.</li> <li>- Technical software not related to project.</li> <li>- Consumables used in the project e.g. spare parts</li> <li>- Contingency fee for project</li> </ul> (b) <u>Professional Services</u> <ul style="list-style-type: none"> <li>- Consultancy, sub-contracting, design &amp; development costs by third-party companies</li> <li>- Accounting audit fee for engaging auditors to audit claims</li> </ul> (c) <u>Other Qualifying Cost</u> <ul style="list-style-type: none"> <li>- Project-related training by external parties</li> <li>- Bank charges for purchase of equipment</li> </ul> (d) <u>Non-allowable costs</u> <ul style="list-style-type: none"> <li>- The above stated services provided by subsidiary and associate companies.</li> <li>- Operating costs such as utilities, spare parts and rental</li> <li>- Repair and maintenance costs</li> <li>- Incidentals cost not related to the project e.g. booking fees, telephone fees</li> </ul>

**Note:**

- (i) Provision of (b) Professional Services should be by a third-party company.
- (ii) Total funding for categories (b) Professional Services and (c) Other Qualifying Costs should not exceed 20% of the total approved quantum.
- (iii) Qualifying cost is exclusive of GST.

7. The maximum funding support for 'Innovation' Projects and 'Test-bedding' Projects are \$1mil and \$700,000 respectively. The level of funding will also be subject to the merit of the project scored by an internal SFA's panel against the set of evaluation criteria.

<sup>4</sup> Effective from 1 April 2022 onwards, application for project in primary production of fruited vegetable, mushroom and shrimp is eligible for co-funding at 70% up to \$700,000 for 'Test-bedding' Project.

## Application

8. Applications must be made via the Business Grants Portal (BGP) and submitted together with the following documents:
  - i. Valid farm licence or in-principle approval for farm licence
  - ii. Updated company ACRA records (if farm licence is registered under a company)
  - iii. Latest 1-year financial statement
  - iv. Farm and project layout plans
  - v. Lease Agreement
  - vi. Brochures and quotations for cost of project items
  - vii. Project Proposal and Project Outcome (*please download both templates from the SFA website*)
9. Applications will only be processed upon complete submission of documents and information. The date of submission of application on BGP will be taken as the Application Date.
10. Upon SFA's request, the applicant shall provide quotations from more than one supplier or company for the qualifying cost items.

## Application and Evaluation Period

11. The Innovation & Test-bedding component will be available until 31 Dec 2025.
12. For 'Test-bedding' Projects, there are no fixed evaluation periods. Companies can submit the 'Test-bedding' application any time before 31 Dec 2025.
13. For 'Innovation' Projects, there will be **2** application evaluation periods per year with fixed application closing dates. The evaluation periods and application closing dates are as shown below.

Application Closing Date	Evaluation Period
31 March	1 May to 31 August
30 September	1 November to 28 February of following year

*Note:*

*E.g. for the 'Innovation' Project to be assessed in the 1 Nov 2021 to 28 Feb 2022 evaluation period, company has to submit the 'Innovation' application by 30 Sep 2021.*

## Evaluation Criteria

14. Evaluation criteria includes:

### 'Innovation' Projects

- (i) Project approach and feasibility
- (ii) Project relevance, technical capability and capacity to execute project
- (iii) Impact on productivity / sustainability / circularity
- (iv) Commercialisation potential and ease of implementation

### 'Test-bedding' Projects

- (i) Project feasibility and economic viability
- (ii) Impact on farming capacity and productivity
- (iii) Scalability and ease of implementation
- (iv) Technical capability and capacity to execute project

15. 'Innovation' Projects must demonstrate a clear innovation outcome, deliverables, and potential impact to the company and agri-food industry as a result of the project. 'Test-bedding' Projects must have a clear challenge statement, parameters to be established, and methodology to validate the parameters.
16. For 'Innovation' Projects, the project must fulfil one or more of the outcomes below:
- (i) **Higher productivity** – *for projects involving innovative urban production systems*
  - (ii) **Manpower savings** – *for projects involving smart / high-tech farming systems that uses big data analytics and robotics*
  - (iii) **Energy savings** – *for projects involving energy-efficient technologies (e.g. reduced use of air-conditioning / lighting)*
  - (iv) **Lower mortality rate / crop loss** – *for projects involving genetic manipulation or crop protection technology*
  - (v) **Lower feed conversion rate** – *for projects involving study of nutritional requirements / alternative nutrients*

## Project Implementation

17. All purchases are to be completed within the Project Implementation Period i.e. **24 months** from date of Letter of Offer for 'Innovation' Projects; and **18 months** for 'Test-bedding' projects.
18. Only expenses incurred from Application Date to end of Project Implementation Period can be reimbursed.

## Claims and Disbursements

19. Claims can only be made upon issuance of Letter of Offer and upon receipt of Acceptance Letter by SFA.
20. Disbursements of funds are made on a reimbursement basis. Funds will be disbursed in 2 stages:
  - i. First 70% of approved funding will be disbursed upon claim reimbursement.
    - If applicable, a one-time Cash advancement of up to 30% of approved funding (subject to a cap of \$100,000) will be disbursed upon receipt of Acceptance Letter and Proof of Commitment.
  - ii. Remaining 30% upon submission of final project report and claims, subject to successful Post-Implementation Review.
21. Claims must be made via the Business Grants Portal and submitted together with the following documents:
  - i. Invoices or receipts pertaining to the qualifying cost
  - ii. Proof of payment
  - iii. Progress Report
22. Final project report should be submitted within **3 months** from the expected date to achieve target, as stated in the application.
23. SFA will review all reports and carry out a Post-Implementation Review, which may require the fund recipient to make a presentation of the project.
24. Funds will be disbursed to the fund recipient through interbank GIRO.

## Other Information

25. No concurrent applications using the same farm site by applicant and its related company is allowed. The following cases would be considered as 1 farm site, regardless of individuality of licence:
  - i. A single company / entity licensed for more than one farm plot in close proximity (i.e. adjoining / adjacent) in an area or building;
  - ii. Different companies/entities with the same major shareholder and/ or have similar shareholders licensed for more than one farm plot and are within close proximity (i.e. adjoining / adjacent) in an area or building; and
  - iii. Farm plots with the same plot number prefix for coastal farms.
26. SFA has the right to reject any application or claims and its decision is final.
27. For further information, please contact SFA (Capability Development Department) at:
  - Email: [SFA\\_Incentives@sfa.gov.sg](mailto:SFA_Incentives@sfa.gov.sg)

Timeline of Project

