

## AGRI-FOOD CLUSTER TRANSFORMATION (ACT) FUND

### Technology Upscaling (TU) Grant

#### GUIDELINES FOR APPLICATION

##### Objective

1. The Technology Upscaling (TU) Grant supports local farms in strengthening their production capabilities through the adoption of large commercial-scale, automated, and advanced farming technologies.
2. This includes farming systems integrated with agri-input production, post-harvest processes, and standalone pre- and post-harvest production facilities.
3. These investments are intended to enable farms to enhance productivity<sup>1</sup>, improve resource efficiency and strengthen long-term sustainability. Funding support may also cover related infrastructure and building works required to install farming systems at new farm sites or to retrofit existing ready industrial spaces for farming operations.

##### Application Period

4. Applications for the TU Grant will remain open until 31 March 2031.

##### Eligibility Criteria

5. To qualify for the TU Grant, applicants must meet all the following criteria:
  - (i) The applicant must be a local farm holding a valid farm licence issued by SFA.
  - (ii) The applicant must have a secured farm site for the implementation of the proposed project.
  - (iii) For existing farms, the farm must be free of ongoing unauthorised or illegal activities for at least 1 year prior to the Application Date. Where there have been past offences, these must have been satisfactorily resolved and closed prior to the application being considered.
  - (iv) The applicant must not exceed a cap of **2 concurrent projects** at any point in time, including projects previously awarded under earlier tranches of the ACT Fund. Projects that have officially closed will not count towards this cap.

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<sup>1</sup> These are examples of productivity levels that the respective farming systems have demonstrated: For leafy vegetables, >850 Tonnes/Ha/Year for indoor vertical farming method and >400 Tonnes/Ha/Year for other farming methods. For fruited vegetable, >500 Tonnes/Ha/Year. For beansprout, >2,800 Tonnes/Ha/Year. For mushroom, >500 Tonnes/Ha/Year. For food fish, >500 Tonnes/Ha/Year for closed containment system and >200 Tonnes/Ha/Year for open net-cage system. For shrimp, >250 Tonnes/Ha/Year. For hen egg, >14mil pcs/Ha/Year.

## Funding Support

Farm Type	Funding Support	Qualifying Cost
<p>Projects in primary production of:</p> <ul style="list-style-type: none"> <li>- Leafy vegetables</li> <li>- Fruited vegetables</li> <li>- Bean sprout</li> <li>- Mushroom</li> <li>- Food fish</li> <li>- Shrimp</li> <li>- Hen egg</li> </ul>	<p><u>For farming technology or system:</u> Co-funding of <b>up to 70% for SMEs<sup>2</sup> and up to 50% for non-SMEs</b>, capped at <b>\$6mil</b> per project</p> <p><u>For standalone pre- and post-harvest production facility:</u> Co-funding of <b>up to 70% for SMEs and up to 50% for non-SMEs</b>, capped at <b>\$2mil</b> per project</p>	<p>The following cost components may be supported, subject to SFA's assessment:</p> <p>(a) <u>Equipment / Software / Materials &amp; Consumables</u></p> <ul style="list-style-type: none"> <li>- Purchase price of the main system and equipment</li> <li>- Insurance (project-specific)</li> <li>- Freight, delivery, handling, installation and commissioning charges</li> <li>- Consumables to be expended during the project duration</li> <li>- Transport of the main system and equipment</li> <li>- Project-related software</li> </ul> <p><u>Non-allowable Costs</u></p> <ul style="list-style-type: none"> <li>- <i>Maintenance and support services, extended warranties</i></li> <li>- <i>Technical software not related to the project</i></li> <li>- <i>Spare parts</i></li> <li>- <i>Contingency fees</i></li> </ul>
<p>Projects in primary production of other food types</p>	<p><u>For farming technology or system</u> Co-funding of <b>up to 50% for SMEs and up to 30% for non-SMEs</b>, capped at <b>\$700,000</b> per project</p> <p><u>For standalone pre- and post-harvest production facility</u> Co-funding of <b>up to 50% for SMEs and up to 30% for non-SMEs</b>, capped at <b>\$200,000</b> per project</p>	<p>(b) <u>Infra-capital cost</u></p> <ul style="list-style-type: none"> <li>- Construction of farming structures</li> <li>- Construction costs incurred to install the main system</li> <li>- Electrical power sub-station</li> <li>- Electrical cabling from main sub-station to farm</li> <li>- Electrical power upgrade</li> <li>- Energy infrastructure (e.g. Solar power system, LNG-based system)</li> <li>- Chiller systems or air-conditioning systems required for smart farming or biosecurity purposes</li> <li>- Controlled-environment farming-related cost</li> <li>- Detention tanks and parameter drainage costs</li> <li>- Land preparation cost</li> <li>- Infrastructure-related costs required to meet regulatory requirements (e.g. discharge tanks to meet PUB requirements)</li> </ul> <p><u>Non-allowable Costs</u></p> <ul style="list-style-type: none"> <li>- Green buffers (i.e. planting of trees)</li> <li>- Surrounding fencing and gate works</li> <li>- Sewerage works</li> <li>- Concreting &amp; road access works</li> <li>- Furnishing / partitioning / generic renovation costs</li> <li>- Sprinkler systems</li> </ul> <p>(c) <u>Basic Manpower Cost</u></p> <ul style="list-style-type: none"> <li>- Gross monthly salary of key project team members comprising basic salary, monthly variable component and employer's CPF contribution</li> </ul> <p><u>Non-allowable Costs</u></p> <ul style="list-style-type: none"> <li>- <i>Salaries of non-SC/PR personnel</i></li> </ul>

<sup>2</sup> An SME is defined as a company with group annual sales turnover not exceeding S\$100 million, OR group employment size not exceeding 200 employees.

		<ul style="list-style-type: none"> <li>- <i>Salaries of CEO and personnel with substantial stakes in the company</i></li> <li>- <i>Allowances, bonuses, commissions, incentives, expense claims, medical benefits, overtime payment.</i></li> </ul> <p>(d) <u>Professional Services</u></p> <ul style="list-style-type: none"> <li>- <i>Consultancy, sub-contracting, design &amp; development costs, energy efficiency-related services</i></li> <li>- <i>Marketing and branding services</i></li> <li>- <i>Commonly outsourced services such as logistics, storage, distribution, transportation, packing, processing, and waste management services</i></li> </ul> <p><u>Non-allowable Costs</u></p> <ul style="list-style-type: none"> <li>- <i>Any of the above stated services provided by subsidiary, associate, or other related companies.</i></li> </ul> <p>(e) <u>Intellectual Property Rights (IPR)</u></p> <ul style="list-style-type: none"> <li>- <i>Fees payable to third parties for the licensing and acquisition of IPR (technology acquisition costs) only for the duration of the project</i></li> <li>- <i>Fees payable to third parties for IP registration and related costs incurred for 2 markets. This includes patent search and application costs, and registration and related costs for trademarks and registered designs only.</i></li> </ul> <p><u>Non-allowable Costs</u></p> <ul style="list-style-type: none"> <li>- <i>IPR transactions from related parties</i></li> </ul> <p>(f) <u>Other Qualifying Cost</u></p> <ul style="list-style-type: none"> <li>- <i>Project-related training conducted by external parties which includes fees payable to third parties to conduct in-house training or attend external training programmes</i></li> <li>- <i>Accounting audit fee for engaging auditors to audit project claims</i></li> <li>- <i>Economy airfare for travel directly required for project implementation (subject to justification and approval)</i></li> </ul> <p><u>Non-allowable costs</u></p> <ul style="list-style-type: none"> <li>- <i>Operating costs such as utilities and spare parts</i></li> <li>- <i>Repair and maintenance costs</i></li> <li>- <i>Incidental costs not related to the project (e.g. booking fees, telephone charges)</i></li> <li>- <i>Bank charges incurred for the purchase of equipment</i></li> </ul>
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**Note:**

- (i) *Funding for basic manpower costs should not exceed 50% of the total approved funding quantum.*
- (ii) *Funding for professional services should not exceed 50% of the total approved quantum.*
- (iii) *Funding for Intellectual Property Rights (IPR) and other qualifying costs **together** should not exceed 20% of the total approved funding quantum.*
- (iv) *Funding for accounting audit fee under other qualifying costs will be at 70% and capped at a fixed quantum of S\$1,000, in addition to approved funding quantum.*
- (v) *All qualifying costs are exclusive of GST.*

## Application Process

6. Applications should be submitted via the Business Grants Portal (BGP), together with the following documents:
  - (i) Valid farm licence
  - (ii) Latest company ACRA BizFile
  - (iii) Latest 1-year financial statements
  - (iv) Farm and project layout plans
  - (v) Lease agreement
  - (vi) Brochures and quotations for project items
  - (vii) Project proposal and project outcomes (*please download both templates from the SFA website*)
7. Applications will only be processed upon complete submission of all required documents. The submission date on BGP will be taken as the Application Date.
8. SFA may request additional quotations from more than one supplier, where necessary, to assess the reasonableness of cost.

## Evaluation Criteria

9. For farming technology or system projects, proposals will be assessed based on:
  - (i) Target productivity
  - (ii) Capability and track record of the project team
  - (iii) Commercial viability
10. For standalone pre- or post-harvest production facilities, proposals will be assessed based on<sup>3</sup>:
  - (i) Production capacity that the project supports
  - (ii) Capability and track record of the lead organisation
  - (iii) Commercial viability

## Project Implementation

11. The project implementation period is up to **36 months** from date of Letter of Offer.
12. Applicants are generally given an additional up to **12 months** after the project implementation period to achieve committed project deliverables.
13. Only expenses incurred from Application Date to the end of project implementation period are eligible for reimbursement.

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<sup>3</sup> Project proposal on standalone pre- or post-harvest production facility with industry-wide participation involving at least 3 companies may be viewed more favourably.

### **Claims and Disbursements**

14. Claims may only be submitted after the issuance of the Letter of Offer and upon applicant's acceptance of the offer on the BGP.
15. Funding is disbursed on a reimbursement basis, in 2 stages:
  - (i) Up to **70%** of approved funding upon interim claims.
  - (ii) Remaining **30%**<sup>4</sup> of approved funding upon final claims, subject to fulfilment of project deliverables.
16. Claims must be supported by the following documents:
  - (i) Invoices or receipts for qualifying cost items
  - (ii) Proof of payment
  - (iii) Delivery orders
  - (iv) Progress report
17. Final claim and project report must be submitted before the Claim Due Date stated in the Letter of Offer.
18. Disbursements will be made to the fund recipient via interbank GIRO.

### **Other Information**

19. Projects should be substantially different from previous applications, whether through scope, technology or outcome. Projects similar to earlier applications may be considered repeat projects and would generally not be supported.
20. SFA reserves the right to reject any applications or claim. All decisions by SFA are final.

### **Contact Information**

21. For further enquiries, please contact SFA (Local Production Planning Department):  
SFA\_Incentives@sfa.gov.sg

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<sup>4</sup> 30% of approved funding is withheld upfront at every interim claim. The retained amount is withheld proportionately from each interim claim until the total retained sum reaches 30% of the approved funding.

Timeline of Project

