

## AGRI-FOOD CLUSTER TRANSFORMATION (ACT) FUND

### Technology Upscaling (TU) Component

#### GUIDELINES FOR APPLICATION

##### Objective

1. Co-fund the purchase of large commercial-scale, automated, and advanced farming technology solutions that will be integrated with agri-input production, post-harvest and waste treatment technology to achieve higher levels of productivity<sup>1</sup> in a resource-efficient manner with minimal pollution and waste.
2. Farms that are setting up new farm sites or retrofitting indoor spaces within ready industrial spaces for farming can also tap on the fund for a one-off support to defray infrastructure and building costs that will be incurred to install the farming technology and system funded under this component.

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

##### Eligibility Criteria

3. 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.
4. Applicant must have a secured farm site for implementation of the proposed farming system.
5. For existing farms, applicant's farm shall be free of unauthorised or illegal activities for the past 1 year from time of application.
6. Applicant and its related company<sup>2</sup>, if any, should have completed any on-going approved projects co-funded by SFA<sup>3</sup> before any fresh application under the Technology Upscaling component for 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.
7. The total funding amount that can be awarded to an applicant and its related company (as a group total) under the Technology Upscaling component during the 5-year availability of ACT Fund is **\$6mil**.

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<sup>1</sup> For example, best-in-class productivity levels for leafy vegetable are more than 1,000 Tonnes/Ha/Year for indoor vertical farming method and 400 Tonnes/Ha/Year for other farming methods. For fruited vegetable, it is 500 Tonnes/Ha/Year. For food fish, the best-in-class productivity levels are 500 Tonnes/Ha/Year for closed containment system and 200 Tonnes/Ha/Year for open net-cage system. For hen egg, mushroom and shrimp, the best-in-class productivity levels are 14mil pcs/Ha/Year, 500 Tonnes/Ha/Year and 250 Tonnes/Ha/Year respectively.

<sup>2</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>3</sup> This includes any Technology Upscaling projects, or projects funded under the Agriculture Productivity Fund (APF) Productivity Enhancement Scheme and 30x30 Express Grant Call.

## Funding Support

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>	<ul style="list-style-type: none"> <li>- Co-funding at <b>70%</b> up to <b>\$4.5mil</b> for farming technology / system</li> <li>- Additional one-off co-funding at <b>70%</b> up to <b>\$1.5mil</b> for farms that are setting up new farm sites or retrofitting indoor spaces within ready industrial spaces to defray infrastructure and building costs that will be incurred to install the farming technology and system funded under this component</li> </ul>	(a) <u>Main System / 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> <u>Non-allowable costs</u> <ul style="list-style-type: none"> <li>- <i>Maintenance and support, extended warranty</i></li> <li>- <i>Technical software not related to project</i></li> <li>- <i>Consumables used in the project e.g. spare parts</i></li> <li>- <i>Contingency fee for project</i></li> </ul>
Projects in primary production of other food types	<ul style="list-style-type: none"> <li>- Co-funding at <b>50%</b> up to <b>\$525,000</b> for farming technology / system</li> <li>- Additional one-off co-funding at <b>50%</b> up to <b>\$175,000</b> for farms that are setting up new farm sites or retrofitting indoor spaces within ready industrial spaces to defray infrastructure and building costs that will be incurred to install the farming technology and system funded under this component</li> </ul>	(b) <u>Infra-capital cost</u> <ul style="list-style-type: none"> <li>- Electrical power sub-station / cabling from main sub-station to farm</li> <li>- Electrical power upgrade</li> <li>- Solar power system</li> <li>- Chiller or air-conditioning system for SMART farming or biosecurity</li> <li>- Controlled environment farming-related cost</li> <li>- Detention tanks and parameter drainage cost</li> <li>- Other infrastructure-related cost to meet regulatory requirements</li> </ul> <u>Non-allowable Costs (non-exhaustive)</u> <ul style="list-style-type: none"> <li>- <i>Green buffer (i.e. planting of trees)</i></li> <li>- <i>Ground levelling works</i></li> <li>- <i>Surrounding fencing and gate work</i></li> <li>- <i>Sewerage works</i></li> <li>- <i>Concreting &amp; Road access</i></li> <li>- <i>Greenhouse</i></li> <li>- <i>Furnishing / partitioning / renovation cost</i></li> <li>- <i>Sprinklers</i></li> </ul> (c) <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> <u>Non-allowable costs</u> <ul style="list-style-type: none"> <li>- <i>The above stated services provided by subsidiary and associate companies</i></li> </ul>

<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 \$4.5mil for farming technology / system; and additional one-off co-funding at 70% up to \$1.5mil for farm that is setting up new farm site or retrofitting indoor space within ready industrial space to defray infrastructure and building costs that will be incurred to install the farming technology/system funded under this component.

Farm Type	Funding Support	Qualifying Cost
		(d) <u>Other Qualifying Cost</u> - Training by external parties - Bank charges for purchase of equipment  <u>Non-allowable costs</u> - Operating costs such as utilities, spare parts and rental - Repair and maintenance costs - Incidentals cost not related to the project e.g. booking fees, telephone fees

**Note:**

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

8. The maximum funding support for Technology Upscaling project is capped at \$4.5mil for farming technology / system; and \$1.5mil for farm-related infrastructure cost. 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.

**Application**

- 9. 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 Outcomes (*please download both templates from the SFA website*)
- 10. 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.
- 11. Upon SFA's request, the applicant shall provide quotations from more than one supplier or company for the qualifying cost items.

**Evaluation Criteria**

- 12. Evaluation criteria includes:
  - (i) Comprehensiveness and farming capacity of proposed farming system
  - (ii) Impact on productivity level and job type creation
  - (iii) Project feasibility and economic viability
  - (iv) Innovation, technical capability and capacity to execute project

## Project Implementation

13. All purchases are to be completed within the Project Implementation Period i.e. **18 months** from date of Letter of Offer.
14. Only expenses incurred from Application Date to end of Project Implementation Period can be reimbursed.

## Claims and Disbursements

15. Claims can only be made upon issuance of Letter of Offer and upon receipt of Acceptance Letter by SFA.
16. 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.
17. 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
18. Final project report and claims should be submitted within **3 months** from the expected date to achieve target, as stated in the application.
19. 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.
20. Funds will be disbursed to the fund recipient through interbank GIRO.

## Other Information

21. 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.
22. SFA has the right to reject any applications or claims and its decision is final.
23. For further information, please contact SFA (Capability Development Department) at:
  - Email: SFA\_Incentives@sfa.gov.sg

Timeline of Project

