

## 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 or system that may 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. Co-fund purchase of standalone pre- and post-harvest production facility, including hatcheries, nurseries and day-old-chick farms.

**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.

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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.

## Funding Support

Farm Type	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>\$6mil</b> per project for farming technology or system  Co-funding at <b>70%</b> up to <b>\$2mil</b> per project for standalone pre- and post-harvest production facility	(a) <u>Equipment / Software / Materials &amp; Consumables</u> <ul style="list-style-type: none"> <li>- Purchase price of main system and equipment</li> <li>- Insurance</li> <li>- Freight, delivery, handling, installation and commissioning charges of materials</li> <li>- Consumables to be expended during project duration</li> <li>- Transport of main system and 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>\$700,000</b> per project for farming technology or system	<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>- Spare parts</li> <li>- Contingency fee for project</li> </ul> (b) <u>Infra-capital Cost</u> <ul style="list-style-type: none"> <li>- Construction of farming structure</li> <li>- Construction cost 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, etc.)</li> <li>- Chiller system 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>- Land preparation cost</li> <li>- Other infrastructure-related cost to meet regulatory requirements (e.g. discharge tanks to meet PUB requirement)</li> </ul> <u>Non-allowable Costs (non-exhaustive)</u> <ul style="list-style-type: none"> <li>- Green buffer (i.e. planting of trees)</li> <li>- Surrounding fencing and gate work</li> <li>- Sewerage works</li> <li>- Concreting &amp; road access</li> <li>- Furnishing / partitioning / generic renovation cost</li> <li>- Sprinklers</li> </ul> (c) <u>Basic Manpower Costs</u> <ul style="list-style-type: none"> <li>- Gross monthly salary comprising of basic salary, monthly variable component and employer's CPF contribution of key project team members</li> </ul> <u>Non-allowable Costs</u> <ul style="list-style-type: none"> <li>- Non-SC/PR personnel</li> <li>- Salary for personnel with substantial stakes in the company</li> <li>- Allowances, bonuses, commissions, incentives, expense claims, medical benefits, overtime, etc</li> </ul>

		<p>(d) <u>Professional Services</u></p> <ul style="list-style-type: none"> <li>- Consultancy, sub-contracting, design &amp; development costs</li> <li>- Marketing and branding services</li> <li>- Logistics, storage, distribution, transportation, packing, processing, and waste management services.</li> </ul> <p><u>Non-allowable Costs</u></p> <ul style="list-style-type: none"> <li>- <i>The above stated services provided by subsidiary and associate companies</i></li> </ul> <p>(e) <u>Intellectual Property Rights (IPR)</u></p> <ul style="list-style-type: none"> <li>- Fees payable to third parties for the licensing and acquisition of IPR (technology acquisition costs) only for the duration of the project</li> <li>- 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</li> </ul> <p>(f) <u>Other Qualifying Costs</u></p> <ul style="list-style-type: none"> <li>- Project-related training by external parties which includes fees payable to third parties to conduct in-house training or attend external training</li> <li>- Accounting audit fee for engaging auditors to audit claims</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>Incidentals cost not related to the project e.g. booking fees, telephone fees</i></li> <li>- Bank charges for purchase of equipment</li> </ul>
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Note:

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

6. The maximum funding support for Technology Upscaling project is capped at **\$6mil** per project, with further caps detailed in the Funding Support column of the table in paragraph 5. The level of funding will also be subject to the merit of the project scored by an SFA's panel against the set of evaluation criteria.

### **Application**

7. 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*)
8. 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.
9. Upon SFA's request, the applicant shall provide quotations from more than one supplier or company for the qualifying cost items.

### **Evaluation Criteria**

10. Evaluation criteria for farming technology or system includes:
  - (i) Target productivity
  - (ii) Comprehensiveness and innovativeness of farming system
  - (iii) Technical capability and capacity to execute project
  - (iv) Commercial viability
  - (v) Offtake strategy
11. Evaluation criteria for standalone pre- or post-harvest production facility includes<sup>2</sup>:
  - (i) Impact on farming capacity and food security
  - (ii) Impact on sustainability and circularity
  - (iii) Technical capability and capacity to execute project
  - (iv) Impact on commercial viability of the overall farming project

### **Project Implementation**

12. All purchases are to be completed within the Project Implementation Period i.e. **24 months** from date of Letter of Offer.
13. Only expenses incurred from Application Date to end of Project Implementation Period can be reimbursed.

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<sup>2</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 can only be made upon issuance of Letter of Offer and upon receipt of Acceptance Letter by SFA.
15. Disbursements of funds are made on a reimbursement basis. Funds will be disbursed in 2 stages:
  - (i) Disbursement will be based on the co-funding percentage of the actual qualifying expenses incurred, up to the approved funding amount of the cost component, with 30% of reimbursement to be withheld at every interim claim, until the total withheld sum accumulates to 30% of the approved fund.
    - If applicable, a one-time Cash advancement of up to 20% of approved funding 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 fulfilment of project deliverables.
16. Claims must be made via the BGP and submitted together with the following documents:
  - (i) Invoices or receipts pertaining to the qualifying cost
  - (ii) Proof of payment
  - (iii) Delivery order
  - (iv) Progress Report
17. Final project report and claims should be submitted within **3 months** from the expected date to achieve target, as stated in the application.
18. Funds will be disbursed to the fund recipient through interbank GIRO.

## Other Information

19. A maximum of two 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 Temporary Occupation Licence (TOL) and licence for coastal farms.
20. The co-funded items shall only be used for the purpose stated in the application and for local production.
21. The company shall own and possess the co-funded items during the Project Implementation Period and a Holding Period of 1 year, starting from the target date to fulfil project deliverables.
22. SFA has the right to reject any applications or claims and its decision is final.
23. For further information, please contact SFA (Local Production Planning & Development Department) at:
  - Email: [SFA\\_Incentives@sfa.gov.sg](mailto:SFA_Incentives@sfa.gov.sg)

Timeline of Project

