

British Columbia Food Processors Association

**MEAT TRANSITION ASSISTANCE PROGRAM
PHASE 2 – TARGETED REGION PLANT
ASSISTANCE
STRATEGIC PLAN**

Approved by:
Meat Transition Assistance Program Steering Committee

July 24, 2008

ACRONYMS

Acronyms used the Strategic Plan are listed below:

BC British Columbia

BCCDC British Columbia Centre for Disease Control

BCFPA British Columbia Food Processors Association

CFIA Canadian Food Inspection Agency

IAF Investment Agriculture Foundation of British Columbia

MAL Ministry of Agriculture and Lands (British Columbia)

MIES Meat Industry Enhancement Strategy

MIR Meat Inspection Regulation (British Columbia)

MOH Ministry of Health (British Columbia)

MTAP Meat Transition Assistance Program

CONTACT:

Gerald Dragomir, CMA

Coordinator, Meat Transition Assistance Program

British Columbia Food Processors Association

Phone: 604 871-0190

Fax: 604 874-1006

E-mail: gerry@dlcma.ca

TABLE OF CONTENTS

1. INTRODUCTION	3
2. GOVERNANCE	4
2.1. DEVELOPMENT OF THE STRATEGIC PLAN	4
2.1.1. MTAP Steering Committee Members	4
2.1.2. Committee Quorum	4
2.1.3. Role of Ex-officio Members	4
2.1.4. Communication Support	5
2.2. ADMINISTRATION	5
2.2.1. Function of the Program Administrator	5
2.2.2. Function of the Steering Committee	5
2.2.3. Function of the Coordinator	6
2.3. FUNCTION OF IAF	7
2.4. PROGRAM POLICIES	7
2.4.1. Conflict of Interest	7
2.4.2. Confidentiality	7
2.4.3. Reimbursement of Expenses and Per Diems	8
2.4.4. Appeals	8
2.4.5. Freedom of Information and Protection of Privacy	8
2.5. Project Administration	8
2.5.1 Program Elements	9
2.5.1.1 Funding	9
2.5.2. Criteria for Project Application	9
2.5.3. Application Procedure	9
2.5.4. Evaluating & Approving Payments	10
2.5.5. Completion of Projects	10
2.5.6. Labour	11
2.6 Project Audit	11
3. FINANCIAL STRATEGY	11
3.1. ADMINISTRATION BUDGET	11
4. COMMUNICATION STRATEGY	11
5. PERFORMANCE AND EVALUATION PROCEDURES	12
6. TARGET OUTCOMES	12
7. PERFORMANCE MEASUREMENT	13
7.1. Projects	13
7.2. Accounting	13
7.3. Administration	13
8. STRATEGIC PLAN MODIFICATION	13
8.1. Critical Success Factors	13
Appendix A – MTAP2 Program Terms of Reference	15

1. INTRODUCTION

The Meat Transition Assistance Program (MTAP)'s first phase ran from April 2006 through September 2007. Its intent was to encourage operators of slaughter facilities to undertake plant upgrades and construct new facilities to meet new provincial licensing standards under BC's 2004 Meat Inspection Regulation.¹ During the Phase 1 program period, the number of provincially licensed plants doubled, from 15 to 30.

By early 2008 it was evident that, although several areas of the province had adequate licensed slaughter capacity, gaps remain, in certain regions and for certain species, especially poultry. In addition, a number of proponents had approached the MTAP Phase 1 program in fall 2007 after its funds were fully committed, and more are still coming forward. Accordingly in April 2008 the Province provided a further \$3.2 million for a Phase 2, to be targeted on filling outstanding gaps.

The BC Food Processors Association delivers the MTAP program. It also runs the Meat Industry Enhancement Strategy (MIES). Where MTAP provides capital cost support for facility upgrades and construction, the MIES provides advice and assistance to proponents through the steps towards licensing with the BC Centre for Disease Control and compliance with related requirements, such as waste management. The overall goals of both programs are to support:

- Reasonable access to provincially licensed slaughter facilities for all BC regions
- Increased licensed livestock slaughter capacity
- A basis for future expansion

The challenge of helping facilitate transition from a largely unregulated commercial sector to a regulated and compliant one is considerable. The BCFPA gratefully acknowledges the support, both in funds and in hours of consultation, from the Ministry of Health, the Ministry of Agriculture and Lands, and other government agencies at all levels, and above all, the persistence of the slaughter plant operators in their quest to provide licensed and inspected services for BC's livestock sector.

¹ For more information on the rationale for the creation of MTAP, see the Phase 1 Strategic Plan, which can be found at www.bcfpa.ca.

2. GOVERNANCE

2.1 DEVELOPMENT OF A STRATEGIC PLAN

2.1.1. Meat Transition Assistance Program Steering Committee Members

Voting Members:

Voting members are appointed by the BCFPA Board. The current voting members are:

- Mr. Stan Rogers, Chair, Superior Freeze Dry Corporation
- Mr. Pieter Vanderpol, Vitalus Nutrition Inc.
- Mr. Moe Gill, Abbotsford Growers Co-op
- Mr. Reg Ens, Myers Norris Penny
- Additional processor member red meat, vacant
- Additional processor member poultry, vacant

Ex-officio (non-voting) members

- Mr. Stephen Buchanan, Ministry of Agriculture and Lands
- Ms. Pat Ruth, Ministry of Healthy Living and Sport
- Mr. Larry Copeland, BC Centre for Disease Control
- Mr. Rick Van Kleeck, Investment Agriculture Foundation of BC
- Mr. Nico Human, CEO BCFPA
- Ms. Kathleen Gibson, Project Manager MIES Program
- Mr. Gerald Dragomir, MTAP program coordinator

Voting members may choose on a meeting by meeting basis alternates who may vote in their absence, including ex-officio members not employed by government.

Subject matter experts may be invited to present information to the Steering Committee as necessary to aid the Steering Committee in making decisions.

2.1.2. Committee Quorum and Decision Making

The minimum number of voting members that need to be present in person or by telephone for the Steering Committee to conduct a meeting (quorum) is 3. Votes taken require a simple majority to pass.

The committee may hold a voting poll by email but the vote must be unanimous otherwise an in-meeting vote must be taken as per the paragraph above.

2.1.3. Role of Ex-officio Members

Ex-officio members of the Steering Committee bring their specific expertise to the initiative by participation on the Steering Committee as non voting members. Also ex-officio members are expected to bring to the attention of all members of the Steering Committee any criteria or concerns that their agency has regarding the administration of this initiative or any project or proposal being considered by the Steering Committee. Ex-officio members are not required to attend all meetings

but will be included in all communications of the Steering Committee, including all meeting minutes, and will provide input as required.

2.1.4. Communication Support

Communication to support the Chair is provided by the Coordinator of the Meat Transition Assistance Program. In addition to duties outlined in 2.2.3, the Coordinator will assist in the flow of information between committee members and the chair, particularly with regards to input to the strategic plan between committee meetings and conference calls.

2.2. ADMINISTRATION

2.2.1 Functions of the Program Administrator

The BCFPA will administer the Program and:

- Appoint a Steering Committee
- Deliver Program.
- Maintain applicant file and financial records
- Hire a Coordinator
- Coordinate Steering Committee meetings.
- Interface with clients
- Develop and implement a communication strategy
- Oversee/manage the work of staff assigned to program

2.2.2. Function of the Steering Committee

The Meat Transition Assistance Program (MTAP) Steering Committee is the decision making body of the program. The Steering Committee and its subcommittee will oversee program delivery, monitor progress, make adjustment to and approve the original and any amendments to strategic plans, contracts, policies, and guidelines for all areas including but not limited to:

- The Strategic Plan.
- A job description for the MTAP Coordinator.
- The program application materials and approval process.
- The communication strategy.
- Guidelines for financial administration and audit of program.
- Identification of Steering Committee driven projects.
- The relationship between BCFPA and IAF for financial administration.
- An annual report for BCFPA MTAP activities to be available for public information.
- Replacement of Steering Committee members and adding additional members if necessary.
- Steering Committee guidelines, decision making process, quorum, confidentiality, per diems etc.
- Critical success factors and risks.
- Performance measures.

The Steering Committee will:

- Meet up to six times between June 1 2008 and December 31 2009.
- Participate in up to 12 conference calls
- Allocate funds according to the Program
- Receive Sub Committee information and recommendations for project approval
- As necessary, make major decisions regarding the Program, including modification
- Delegate a subcommittee consisting of one Steering committee member, MIES Project Manager, MTAP Coordinator, and an ex officio from MAL
- Maintain a record of decisions and minutes.

The Sub-Committee will:

- Meet under the leadership of the Coordinator
- Approve applications that clearly meet the intent of the Strategy
 - Review checklist required by the Coordinator
 - Be comfortable that the plant is in a targeted area.
 - Ensure proposed funding levels are consistent with the Strategy
 - Approve funding pending BCCDC confirmation of licensing
- All members of the Sub Committee must be present in person, by phone or by email to constitute a quorum. All voting for decisions must be unanimous
- Forward complex applications to the full Steering Committee for decision.
- The Coordinator will maintain a record of decisions.

2.2.3 Function of the Coordinator

A Coordinator shall be contracted by the Steering Committee to drive the program, receive and review applications, and recommend acceptance, rejection or redirection to another program element.

The Program Coordinator will:

- Report to CEO of BCFPA
- Draft work plans, policies, and guidelines as necessary.
- Receive and review applications
- Assess eligibility under the MTAP
- Obtain approval from the sub-committee for the applicants
- Advise applicant in writing of eligibility and amount of expenditures conditionally approved
- Monitor applicant progress
- Review evidence of payment submitted by the applicant
- Confirm issuance of plant license
- Complete a checklist confirming receipt of required documentation
- Determine amount of eligible funding
- Prepare payments according to the terms of approval
- Liaise with MIES staff as required.
- Liaise with government agencies as required, including the BC Centre for Disease Control.
- Report to Steering Committee.

2.3. Function of IAF

The IAF will administer the funds for the Meat Transition Assistance Program in accordance with a financial administration agreement negotiated between IAF and BCFPA, including the following:

- Hold the funds.
- Invest the funds including interest on behalf of the program administrator.
- Provide a continuing account of current operating and administrative practices for the program funds sufficient to provide a sound basis for external audit.
- Provide advances of funds to the BCFPA from which the BCFPA will pay cost shared amounts approved by the Steering Committee to applicants upon receipt of appropriate documentation as determined by the program Coordinator and pay BCFPA program administration fees.
- Provide an Ex-officio to the Steering Committee and provide advice on areas including accounting, audit requirements, and financial administration of funds advanced.
- Pay IAF administration fees.
- Disperse residual funds as directed by the original funding partners
- Liaise with BCFPA Chief Financial Officer on matters of MTAP financial administration and provide information on disbursements and fund balance on a monthly basis.

2.4 Program Policies

2.4.1. Conflict of Interest

If any direct conflict of interest arises for any of the MTAP Steering Committee members, that member will identify the conflict of interest and remove himself/herself from any discussions or decisions regarding the matter. Also a proponent who feels there may be a conflict of interest with one or more Steering Committee member(s) may identify those members in their project application. The Steering Committee members who have not been identified will decide whether the identified members should be excluded from discussions or decisions regarding the project.

2.4.2. Confidentiality

Information identified by a project applicant to be of a confidential or sensitive nature will not be shared with anyone other than Steering Committee members involved in the decisions regarding the project.

The BC Food Processors Association requires nondisclosure agreements to be signed by Steering Committee members. Federal and provincial government employees already having a nondisclosure agreement with their employers will not need another agreement.

2.4.3. Reimbursement of Expenses and Per Diems

Steering Committee members not receiving reimbursement of expenses or per diems from another organization will be reimbursed for expenses and per diems incurred while performing committee related duties commensurate with standards of the BC Food Processors Association. The current rate of reimbursement is \$250 per day (\$125 per 1/2 day; \$67 per ¼ day) plus travel expenses plus preparation time. Preparation time shall be agreed to at the beginning of each meeting and shall be recorded in minutes. The Steering Committee will decide the eligible expenses at meeting onset. Meeting expenses will be reimbursed to Committee members upon submission of a completed BCFPA Expenses Claim Form to the BCFPA office. The expected number of meeting and conference calls for 2008 and 2009 is up to 6 meetings and up to 12 conference calls. Meetings and conference calls are estimated to cost \$1200 and \$850 respectively.

2.4.4. Appeals

Decisions made by the Sub-Committee can be appealed to the Steering Committee. Decisions by the Steering Committee are final. The applicant may submit another application that fits the intent of the Meat Transition Assistance Program Phase 2.

2.4.5. Freedom of Information and Protection of Privacy

At the time of application, project proponents consent to provide to the BC Food Processors Association any information that is reasonably required for purposes related to the program, and authorize the sharing of information required for program administration with any government agency, including the BCCDC.

The BCFPA collects, maintains and uses information provided by program applicants in order to fairly evaluate and administer project proposals, and to monitor and evaluate program success. In doing so, the BCFPA respects the privacy of project proponents and recognizes the need to safeguard their confidential information.

The BCFPA maintains the confidentiality of any personal information provided by applicants, and in handling such information complies with the provisions of the Freedom of Information and Protection of Privacy Act. In handling confidential information of program applicants, the BCFPA endeavors to keep applicant information current and accurate and to safeguard it from unauthorized access. All information will be retained only for the time periods needed to fulfill the purposes for which it was collected.

2.5. PROJECT ADMINISTRATION

Two categories of projects will come before the MTAP Coordinator and, in certain circumstances, the Steering Committee, for consideration:

1. Phase 1 – applications for MTAP Phase 1, initiated in April 2006 are now closed. Money that comes available from that fund will be disbursed at the direction of the Steering Committee to achieve program goals.

2. Phase 2 – Targeted region program intended to support the development of slaughter capacity in underserved areas of the province

2.5.1 Program Elements

The program elements outlined in Appendix A provide broad guidance with respect to program elements. This section clarifies administrative details in an effort to provide administrative fairness between the 2006 and 2008 Strategies.

2.5.1.1 Funding

1. The maximum funding levels may be as high as \$150,000 on a 50/50 funding formula. It is recognized that individual plants were, in general, limited to \$50,000 on a cost shared basis in Phase 1. From both a fairness and capital preservation perspective, the same funding levels may be provided under Phase 2 unless specifically approved by the Steering Committee. The Steering Committee will review applications for additional funding considering the remoteness of the plant and degree of service to community needs (including all species).
2. For mobile plant projects, unless specifically approved by the Steering Committee, a maximum of ten docking stations per mobile unit may be funded at a maximum of \$5,000 per docking station (\$10,000 expenditure on a 50/50 cost share basis) and only where the docking stations are widely dispersed and serve the broad community. Phase 2 funding will not fund docking stations within a 1 hour drive of another docking station or an existing licensed plant that processes the same species.
3. Business services are eligible for funding on a very limited basis and only when considered vital to the development of targeted capacity as determined by the Steering Committee. Up to \$5,000 advance funding on a 50/50 cost shared basis is available for a business plan.
4. Advance funding is permitted where the risks to successful completion are minimal and on a stepped schedule that requires 50% operator investment prior to advance payment being given and with 50% of the approved funding withheld until final license is issued.

2.5.2. Criteria for Project Application

Application guidelines, forms and assessment criteria will be made available. Project applications must be complete and in a form outlined by the MTAP Steering Committee. Applications will be judged on the basis of (but not limited to) the following:

- a) Must meet application deadlines.
- b) Fit with the goals of the MTAP Strategic Plan – Phase 2.
- c) Provision of a detailed outline of costs.
- d) Authorization to share information

2.5.3. Application Procedure

Applications will be submitted to, and reviewed by, the MTAP Coordinator. The application process will be administered as follows:

1. Interested parties should contact the MTAP Coordinator for guidance before submitting an application.

2. Interested parties will submit applications to the MTAP Coordinator by the closing date using the application materials approved by the MTAP Steering Committee.
3. The MTAP Coordinator will review the proposals for completeness.
4. When requirements of the application have been met, funding will be allocated according to the approved eligible costs of the project.
5. Upon receipt of a complete application, the MTAP Coordinator will advise the applicant in writing of the eligibility of the proposed activities for program funding and the cost-shared amount of funding formally committed by MTAP.
6. The MTAP Coordinator will monitor applicant progress.
7. When the work has been completed, the applicant will submit evidence of payment for the goods and services (net of GST), and evidence of licensing provided by BCCDC.
8. The MTAP Coordinator will review project documentation, and complete a check list to verify that project requirements have been met.
9. Upon approval of project documentation by the MTAP Coordinator, the Coordinator prepare a payment in accordance with the program funding terms or in accordance with the direction of the Steering Committee if the payment does not conform to the standard program rules.
10. All payments drawn on the MTAP funding bank accounts require two signatures, signatories being approved by the directors of the BCFPA.

2.5.4. Evaluating and Approving Payment

Approval of payment is subject to MTAP guidelines. In general, payments are processed following completion of the project, receipt invoice copies, evidence of payment and confirmation of the issuance of the license from BCCDC. The MTAP Coordinator will identify and remove ineligible expenditures from invoices to be reimbursed.

Advance payments may be made where withholding of payment to the end of the project would cause undue hardship or inability to complete the project due to lack of funds. Any advances will be made in accordance with the policies adopted by the Steering Committee from time to time.

Funds formally committed may be withdrawn by the Steering Committee if the proponent is not making suitable progress toward licensing. The Coordinator will monitor progress and make recommendation to the Steering Committee should applicants not be actively pursuing licensing. The allocated funds may then be re-allocated to another potential applicant.

2.5.5. Completion of Projects

Projects will be deemed completed when payment is received by the applicant. It is understood that unless otherwise agreed, ownership of project information will rest with the BCFPA and may be made public via the website or other communication channels unless confidentiality is specifically agreed to in advance.

2.5.6. Labour

Labour may be counted as part of an applicant's eligible costs, according to the following guidelines:

- One-time (not on-going) labour costs associated with non-capital Eligible Costs, that are performed under contract by a third party (such as hired consultants or pest control companies), are eligible if they relate to the requirements of the new Meat Inspection Regulation.
- Labour costs directly related to the construction, installation and/or set-up of eligible capital costs, that are to be performed under contract by a third party, are eligible if they relate to the requirements of the new Meat Inspection Regulation.
- Labour costs directly related to the construction, installation and/or set-up of eligible capital costs that are to be done by the applicant (in-kind labour) are also eligible, if they relate to the requirements of the new Meat Inspection Regulation. In-kind labour may be included as a project component for up to 20% of the eligible capital cost items listed in the proposal. In-kind will be assessed at the rate of \$20 per hour. For example, if a proposal is for the maximum eligible project cost under Individual Plant Assistance of \$100,000, the maximum permitted in-kind labour component will be \$20,000 and the maximum reimbursed amount will be \$10,000.

2.6 Project Audit

All activities of the project will be subject to audit based on Canadian Generally Accepted Auditing Principles. The project audit will be undertaken by the auditor for the BCFPA. The project audit period will conform to the fiscal audit period of the BCFPA and will be completed within 90 days of the BCFPA fiscal year end. The full audit report, including the Management Letter (if issued) will be submitted to the IAF and the original funding agencies immediately after completion. All costs associated with the annual project audit will be borne by the BCFPA as part of its costs of administering the project.

3. FINANCIAL STRATEGY

3.1. ADMINISTRATION BUDGET

1. The administration fee for the MTAP program will be 8% of the total MTAP funding originally granted to the IAF. Interest accrued is not to be included in the 8%.

4. COMMUNICATION STRATEGY

The purpose of the Communication Strategy is to:

- Raise awareness and understanding of the Strategic Plan among livestock producers, slaughter facility operators, Local and Regional governments and other stakeholders in the livestock processing sector.
- Promote participation in the strategic initiatives outlined in the plan, and help solicit project proposals.
- Report on the Steering Committee progress towards fulfillment of the plan, including achievements in individual initiatives.

- Celebrate successes and promote a 'culture' of growth and optimism among British Columbia producers and processors.

The Communication Strategy is an integral part of the Strategic Plan and will be implemented immediately upon approval to proceed. The Communication Strategy will include the following items:

- Announcement and promotion of the Strategic Plan.
- Solicitation of project proposals, including distribution of 'how to apply' information.
- Periodic updates / progress reports on the program and fulfillment of the Strategic Plan according to performance and evaluation procedures.
- Information support for MAL, industry organizations, and local media.
- Outreach to communication channels of stakeholders.
- Publication and dissemination of project results by project proponents.
- Recognition of funding agencies on all program materials.

The Communication Strategy will expand upon an existing communications infrastructure furnished by the BCFPA and adopted by the Steering Committee. This infrastructure utilizes internet technology as a primary vehicle, supplemented by an array of printed materials. Communicating through existing stakeholder organizations will be an additional component of the Communication Strategy.

The Communication Strategy will apply through the life of the Meat Transition Assistance Program. Primary responsibility for its execution will rest with the Steering Committee.

5. PERFORMANCE AND EVALUATION PROCEDURES

The fundamental success of the initiative will be determined by the number of slaughter plants licensed under the Meat Inspection Regulation and the availability of slaughter capacity within a reasonable distance of livestock producers in all regions of the province.

6. TARGET OUTCOMES

- a) Under served areas being identified and adequate service developed
- b) Critical capacity will be maintained where adverse events would have resulted in reduced services

For administration:

- a) Total administration costs are 8% of the total amount disbursed.
- b) Every effort will be made to adhere to the following guidelines:
 - a. Applicants will be sent a written acknowledgement within 1 week of the application being received by the BCFPA.
 - b. Requests for payment are processed and sent to the applicant within 2 weeks following the applicant's submission of evidence of payment to the BCFPA.

7. PERFORMANCE MEASUREMENT

7.1. Projects

The Coordinator will maintain a record of applications and provide a monthly report to the Steering Committee on decisions and approvals. Program performance will be evaluated as follows:

1. # plants applying for the program
2. # plants funded under the program

Administration

1. 80% of applicants will be sent a written acknowledgement within 1 week of the application being received by the BCFPA.
2. 80% of the applications for reimbursement are processed 2 weeks following the applicant's submission of evidence of payment to the BCFPA.

7.2. Accounting

The Coordinator in conjunction with the BCFPA Chief Financial Officer will maintain records applications, commitments, and disbursements and provide a monthly report demonstrating how funds were spent accurately and efficiently. This monthly report will be provided to the Steering Committee. The financial records will be monitored and verified by the BCFPA. IAF will maintain records of advances and fund balance and liaise with BCFPA Chief Financial Officer.

7.3. Administration

The Steering Committee will develop administrative policies and procedures to be undertaken by the Coordinator to ensure fiscal responsibility, transparency and accountability. Monthly status reports will be submitted by the Program Coordinator to the BCFPA and to the Steering Committee as well as an annual report that includes:

- Comprehensive evaluation and status of the annual plan.
- Assessment of which strategic plan objectives and outcomes have been met by the projects completed and which have yet to be completed.
- Evaluation of projected vs. actual outcomes.
- Fiscal reporting.

8. STRATEGIC PLAN MODIFICATION

Over time as projects are completed and new information becomes available there may be the need to change the strategic plan to better meet the broad goals of this initiative. The Steering Committee can modify the Program to achieve the goals of the Program. A record of discussion and decisions must be maintained and a report submitted to the BCFPA.

Any significant changes to the Program or reallocation of funding must have the approval of the BCFPA Board before the decision is implemented.

8.1. Critical Success and Risk Factors

The Steering Committee will undertake an assessment of Critical Success and Risk Factors and will establish the appropriate control measures to minimize those risks. Critical Success and Risk Factors include:

1. A smooth regulatory process
 - MIES Action Plan will be engaged to assist processors in becoming licensed
 - Regulatory stakeholders will be engaged through the MTAP Steering Committee or government management meetings
2. Engagement of communities in developing community solutions
 - Regional Districts and agricultural associations throughout the province will be informed of opportunities under MTAP. Proponents will be encouraged to engage their communities.
3. Cooperation of all stakeholders in Communities
 - MTAP will provide funds for the construction of abattoir capacity deemed critical to fill community needs. The MIES Action Plan may be engaged to assist in the community development process.
4. Industry understanding of SRM impacts
 - Engage BC SRM and the MIES Action Plan to ensure that processors are aware that SRM concerns are limited to certain species only and to encourage all levels of government to develop regulatory systems that ensure the continuance of slaughter capacity throughout British Columbia.
5. Maintenance/expansion of non-SRM waste disposal systems
 - Engage BC SRM and MIES Action Plan to encourage communities and regulators to enable community based waste disposal systems that don't cause pollution.
6. Adherence to the Strategic Plan
 - A sub-committee will oversee the Coordinator. Difficult applications will be forwarded for review by the full Steering Committee. Ex-officios will participate in all committees to provide guidance regarding the strategic plan.
7. Industry interest leads to over-subscription
 - Government will be informed of anticipated funding shortfalls.
8. Lack of industry support leads to under-subscription
 - MTAP communication systems will be enhanced to get the message out and to encourage applications
 - Cost shared ratios may be adjusted in under served areas
 - Pursue early success stories to encourage those planning to go ahead and discourage those holding back.
 - Engage appropriate stakeholders to address impediments.

Appendix A

MTAP 2 Program Terms of Reference

MTAP Phase 2 will be operated according to the MTAP Phase 1 operating procedures subject to modifications to accommodate the feature changes of the Phase 2 program.

MTAP Phase 2 funding (\$3.2 million) is to be allocated as outlined in the April 4, 2006 Strategy for a Meat Transition Assistance Program for British Columbia with the following changes:

1. The community solution and individual plant program components will be merged into a targeted region program.
2. A targeted region, in general, is one that does not have adequate custom slaughter capacity for all species within a reasonable distance and/or waiting time.
3. In general, and within the confines of the available funding, the maximum project funding levels under Phase 2 may be as high as \$150,000 on a 50/50 funding formula (\$300,000 total eligible expenditure).
4. Phase 2 funding will be provided only to abattoirs that provide custom kill services and provide a significant level of service relative to community needs.
5. Phase 2 funding may be used to expand the capacity of existing provincially licensed plants in under served areas.
6. Phase 2 funding will not be available to fund plants in original meat inspection areas of South Vancouver Island and the Fraser Valley.
7. Funds that come available under Phase 1 may be redirected by the MTAP Steering Committee to achieve program goals. From a fairness perspective, retroactive funding may be considered for plants approved under Phase 1, but not if a retroactive distribution risks achieving program goals and only if those plants identified to receive retroactive funds provide significant custom kill service. Retroactive funding is limited to a maximum of \$150,000 in total funds from all phases of the MTAP program, on a 50/50 funding formula basis.
8. For mobile plant projects a reasonable number of docking stations per mobile unit may be funded under Phase 2 as a separately funded project. Funding will only be provided where docking stations are widely dispersed to serve the broader community. Phase 2 will not fund docking stations within a 1 hour drive of another docking station or an existing licensed plant that processes the same species.
9. While funding for business services is available, Phase 1 and 2 are primarily capital assistance programs. Phase 1 and Phase 2 funds may be used for business plans on a cost shared basis. A project may apply for advance funding to a maximum of \$5,000 (\$10,000 expenditure) where advance work is warranted in the opinion of the Steering Committee by the nature of the

project. Normal business services required to successfully operate a plant will be considered to be eligible costs under Phase 2 of the program.

10. Advance payments will be permitted under Phase 1 and Phase 2 only where risks to successful completion are minimal and on a stepped schedule that requires 50% operator investment prior to advance payments being given.
11. Loan guarantees are not explicitly fundable under Phase 1 or Phase 2, but may be considered under exceptional circumstances following discussion at the MTAP Steering Committee with ex-officio support.
12. Other than the exceptions noted above, residual funds and eligible expenses remain as per the April 4, 2006 agreement.
13. Changes to the Strategy must have the support of ex-officios.