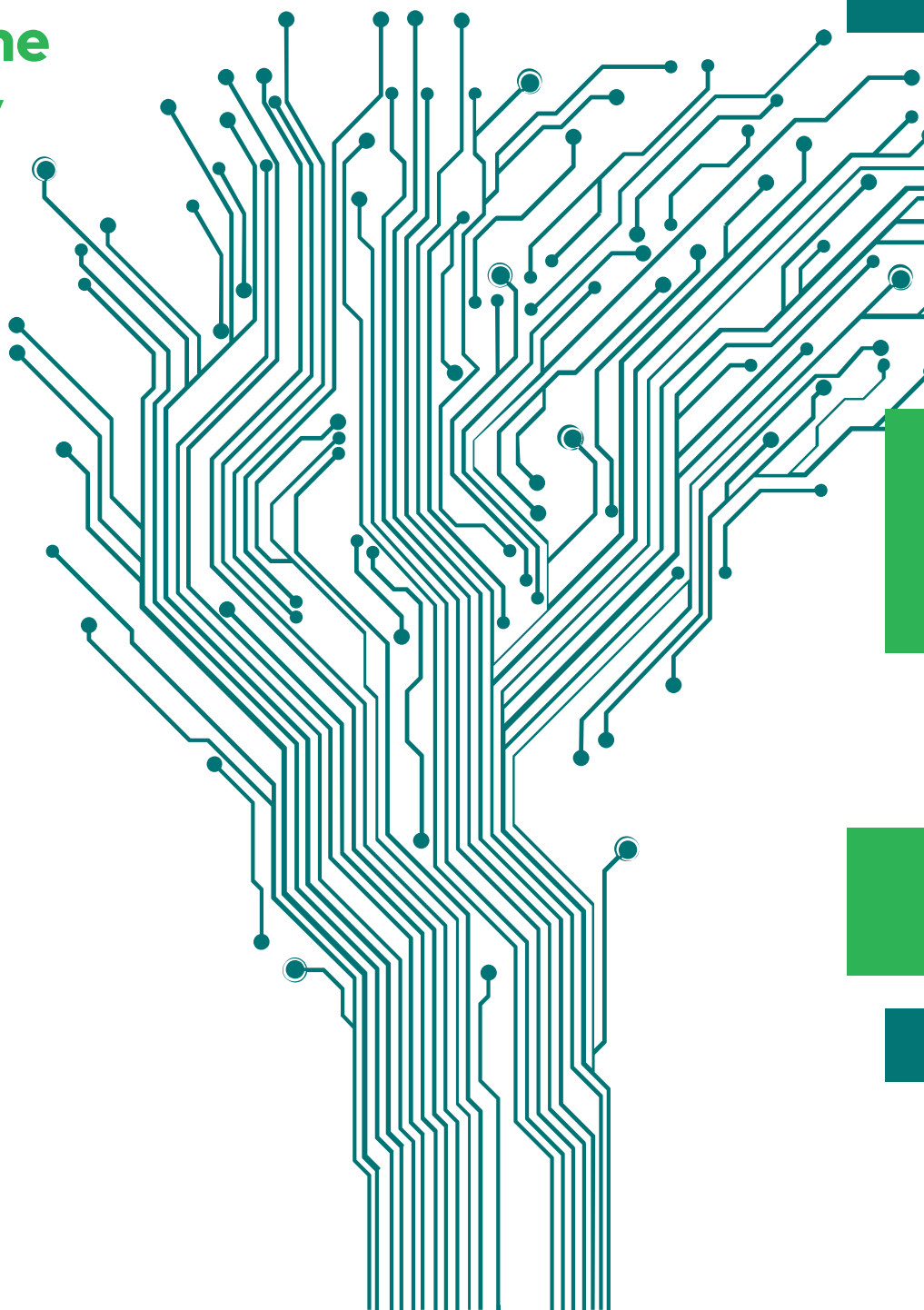




Program Guide

Strengthening the Canadian Supply Chain Program

Updated April 2025



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Introduction to the Strengthening the Canadian Supply Chain Program

About Protein Industries Canada

Protein Industries Canada is an industry-led, not-for-profit, value-chain organization created to position Canada as a global source of high-quality plant protein and plant-based co-products. Our vision is to position Canada as a leading global source of sustainable, high-quality plant protein and plant-based co-products, while substantially contributing to Canada's economic growth and international trade.

Our mission is to inspire innovation and support collaboration to transform Canada's agriculture and food processing sectors. Protein Industries Canada has a track record of working collaboratively with stakeholders to accelerate and commercialize transformative innovations in Canada's plant-based food, feed, and ingredient ecosystem. Since 2019 Protein Industries Canada has:

- Funded 93 projects for a total project value of more than \$661 M.
- Leveraged more than \$414 M in investment through industry partners.
- \$319.3 M in follow-on investment in member companies.
- 663 new expected services, products and processes anticipated.
- \$15 B in Canadian GDP impact in 10 years and 10,800 direct and indirect jobs expected, based on 28 analyzed projects.

About the Global Innovation Clusters

The Innovation Supercluster Initiative (ISI) is an exciting strategy created by the Government of Canada, which aims at driving commercially successful innovation, fostering growth and creating jobs across Canada.

Clustering is the concept of working together – sometimes with unconventional partners, or with a company that is elsewhere on the value chain – to enhance innovation, leading to new discoveries or overcoming challenges. For example, it could be collaborating on research on yellow pea protein content that leads to improved processing efficiency, using data to improve on-farm decision making, to use the starch and other co-products that result from fractionation as food ingredients, or to produce products such as adhesives or food packaging materials. By working together, risk is shared, strengths are leveraged, and innovation is accelerated.

The supercluster initiative is more than just investing money; it is about doing business differently – leveraging strengths to drive innovation, overcome barriers and explore new opportunities

Between now and March 31, 2028, the Government of Canada will invest \$750 million into the Global Innovation Clusters, establishing Canada as a global leader in their five industry sectors.

The Opportunity

The demand for plant-based food is increasing. Driven by a growing global population and an expanding middle-class, combined with consumers choosing plant-based foods for health, environmental and animal welfare reasons, it is expected that by 2035 the annual global market will be worth upwards of more than \$250 billion.

Canada has the potential to be—and is well on our way to becoming—a global leader in plant-based ingredients and finished food products. Building on our strength as an agricultural powerhouse we have opportunity to turn this global demand into a long-term, sustainable economic driver for Canada. In fact, at Protein Industries Canada, we believe that by 2035 plant protein ingredients, food and bio-products will contribute upwards of \$25 billion a year to Canada's economy, supported by 17,000 jobs.

The proposed project led by Protein Industries Canada addresses several key challenges and opportunities within the plant-based and agrifood ecosystem:

- **Economic Uncertainty:** The ongoing trade topic with the United States creates uncertainty for Canadian companies. This project aims to mitigate these risks by supporting domestic production and reducing reliance on US trade.
- **Domestic Supply Chain:** Strengthening the Canadian supply chain is crucial for ensuring the viability of the agrifood sector. This project focuses on using Canadian inputs to create or reformulate products for the domestic market.
- **Sustainability and Innovation:** By encouraging the use of Canadian crops and emerging ingredients, the project promotes sustainability and innovation in food production.

Strengthening Canada's Supply Chain Program Areas of Investment

The Strengthening Canada's Supply Chain Program is designed to provide rapid and flexible support to Canadian plant-based food and ingredient companies to assist them in staying competitive in wake of the ongoing uncertainty around global trade.

To be eligible, projects must include at least one of the following:

- Reformulating products with domestically produced ingredients;
- Scale-up and commercialization work to increase the supply of domestically produced food products to Canadian consumers; or
- Scale-up and commercialization of domestically produced ingredients to Canadian manufacturers.

As with all Protein Industries Canada investments, projects are required to use Canadian feedstocks or ingredients derived from Canadian field crops such as wheat, oats, barley, peas, soy or fava beans. Other emerging crops, such as lupin or hemp, will also be considered.

Total eligible project costs should be between \$50,000 and \$200,000. The maximum level of reimbursement from Protein Industries Canada will be 75% of total project costs (between \$37,500 and \$150,000). Projects must be a maximum of 12 months in length.

Protein Industries Canada staff are available to support project consortia throughout the proposal development process.

Eligibility

For a project to be considered eligible for investment, it must:

1. Applicants must be Canadian-owned companies with funding priority given to Small or Medium Enterprises (*SMEs: a business with 499 or fewer employees and less than \$50 million in gross revenues*). Applicants must have a minimum of \$100,000 in sales in the previous fiscal year. A project may include academic or research institution(s). This is not mandatory but is encouraged.
2. Protein Industries Canada will reimburse up to 75 per cent of eligible costs of approved projects. Applicants will be required to demonstrate their financial capacity to undertake the project.
3. The project must be aligned with the objectives of Protein Industries Canada and the Global Innovation Cluster initiative.
4. Companies may only apply for one project.
5. The initiative must be incremental to the regular business of the participating organizations, meaning that the project:
 - Is not approved nor in progress and that financial commitments to it are distinct from investments that would have otherwise occurred; and
 - Is new or would not be undertaken at the same scope or scale without the co-investment provided by the Cluster.
6. All projects must have experienced and proven project management capabilities.
7. All Ultimate Recipients must be compliant with all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Government of Canada.
8. The project cannot be a “designated project” or a “project” under the applicable federal environmental and impact assessment legislation.
9. The project must commit to having IP outcomes owned in Canada.

**COLLABORATION
ACCELERATES
INNOVATION**

Points to consider when you are building an eligible project under this program:

Problem Scoping/Business
Goal determination

How does the scope align with the program's priority areas and Global Innovation Cluster themes? How is this work incremental to your existing business? Do you have an understanding of market size and the competitive landscape? Does your company have the skills necessary to support development and commercialization?

Intellectual Property

How strong is your company's IP position and what is the strategy to maintain a competitive advantage? A detailed IP Rationale must be included in every application.

Data & Data Governance
Strategy

What are the foundational elements of your Data and Data Governance Strategy? Do you have the permissions you need for data from others? How are you enabling data access, and sharing and managing data retention?

Commercialization and Scaling
Plan

What are the economic benefits to Canadians? Does your business plan support market entry and commercialization? What is the value proposition that will drive commercialization? Does your project contribute to supply chain resiliency of Canadian products?

Financial Strength

What funding commitments have been secured to date and what is the level of interest from other funders? Do you have sufficient capital to support commercialization or what is your plan to access capital?

Social and Environmental
Benefits

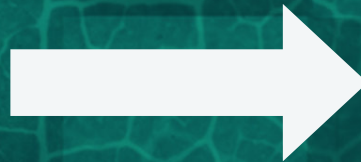
Does your project have a quantifiable environmental benefit such as reduction in GHG emissions or contribution to a circular economy? Is there participation from or do benefits accrue to underrepresented and marginalized groups such as visible minorities, youth, women and Indigenous peoples?

The Application Process

Once you have reviewed the Project Eligibility Requirements, email projects@proteinsupercluster.ca to set up an introductory call. Following that, you can complete the Expression of Interest (EOI). Each project should only have one application and consortia members must work together.

Applicants will be required to fill out and sign a “Declaration as To Authorization and Compliance”, which must be submitted with their application.

Expression of Interest (EOI)



Full Project Proposal

The Project Proposal

Project Proposal development will be collaborative between applicants and Protein Industries Canada staff, and Protein Industries Canada will monitor progress regularly. The Project Proposal may be submitted via email at projects@proteinsupercluster.ca.

Proposals will be prepared using the provided Word and Excel templates. The Word template will not exceed 20 pages. Both parts of the application and a financial assessment must be completed for a project to be evaluated. The financial assessment will include submitting the last two years of accountant-prepared financial statements and a current organizational structure.



Intellectual Property (IP) and Data Governance

Protein Industries Canada has always worked from the principle that IP is a strategic asset that enables organizations to meet their business objectives. Strategic protection of IP enables organizations to secure competitive advantages, and Protein Industries Canada works to ensure that foreground IP created with Cluster funding benefits Canada's agrifood industry and Canada as a whole.

Applicants will be required to document an IP rationale as part of their project proposal. The IP rationale template will be provided as part of the project proposal document and will be excised from the proposal and submitted to Innovation, Science and Economic Development Canada (ISED) to meet Protein Industries Canada's IP reporting requirements.

Protein Industries Canada will require all project participants to report on the IP and data assets generated by their project, which may include patents, trade secrets, trademarks, copyright, industrial designs, plant breeders rights, data sets and other types of intangible assets. As part of its IP reporting requirements, Protein Industries Canada will provide aggregated non-commercially sensitive information biannually to ISED. Non-commercially sensitive aspects of foreground IP generated in the project will be described in Protein Industries Canada's IP Hub. The IP Hub is a member-accessible registry of technology being commercialized for the benefit of Canadians and can also be used by members to showcase non-project IP available for license or further collaborative development. Protein Industries Canada will provide project participants with IP training that addresses best practices for navigating challenges and opportunities associated with IP.

Our vision is to position Canada as a leading global source of sustainable, high-quality plant protein and plant-based co-products, while substantially contributing to Canada's economic growth and international trade.



Scoring of Project Proposals

Review of Project Proposals submitted to Protein Industries Canada will be initiated within two weeks of receipt. Protein Industries Canada will work to review the projects as quickly as possible within the evaluation process, taking the time necessary to complete our due diligence. Each proposal that meets the eligibility requirements will be assessed using the following criteria:

Assessment Criteria	Max	Score
The problem or challenge is clearly, objectively and concisely defined, with comprehensive background information. The applicant effectively communicates the significance of the issue and its relevance to their business.	10	
The proposed solution is relevant, innovative and meaningfully addresses the identified problem. It effectively meets the requirements and objectives of the Strengthening the Canadian Supply Chain Program, comparing the proposed solution to the status quo, while articulating a clear benefit to Canada.	15	
The applicant presents a well-structured market analysis and business case , demonstrating a clear value proposition for customers. The potential for commercialization and market adoption of the proposed product or service within the project themes is thoroughly explained.	10	
The outlined milestones are realistic, well-defined, and achievable within the proposed project timeframe. The applicant provides a structured plan with key performance indicators.	10	
The project deliverables are clearly defined, measurable, and aligned with the overall goals and objectives.	15	
The applicant provides a comprehensive overview of their business and demonstrates the competency, experience and qualifications of their project team to successfully execute the initiative.	5	
The proposed budget is detailed, realistic and aligned with the project's activities and workplan. It adheres to the eligible cost policies of the Strengthening the Canadian Supply Chain Program and includes clear cost justifications.	15	
The anticipated benefits of the project are well-articulated and substantial, including potential job creation, revenue growth, IP development and market expansion.	10	
Project risks are clearly identified and are addressed by well-defined mitigation strategies.	5	
The applicant has demonstrated their financial ability to complete the project in the proposal package.	5	
TOTAL	100	

All projects are evaluated by the Project Selection Committee. Input from additional technical experts appropriate to the project may also be considered.

Project Approval

Once your project is approved, Protein Industries Canada will work with the members of the consortia to sign a Master Project Agreement (MPA). The MPA is the legal framework for the execution of the project amongst the consortium and will include detailed statements of work, budgets, project plans, IP, data and key milestones.





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