

Rural Economic Development (RED) Program

What is it?

A financial support program to help rural communities thrive and grow. It supports projects – including food processing projects – that remove barriers to community development and economic growth. Under RED, “rural communities” include all of Ontario with the exception of the Greater Toronto Area (GTA) and eight large urban areas.

However, the program does have a fairly broad definition of “rural” – so even communities with fewer than 100,000 people that are located within the GTA – for example, the town of Newmarket – are considered rural. It’s recommended that you check the RED website (listed below) or speak with one of the program’s advisors to determine whether the community you are in qualifies as “rural” under the RED program.

But your company **DOES NOT HAVE** to be located in “rural” Ontario as long as your project has strong benefits to rural Ontario – for example, by raising employee skill levels, creating jobs, investment, or innovation in a rural area.

The priorities for the RED program are:

1. Support the Food Processing Sector
2. Community Revitalization
3. Improve Access to Skills Training and Enhancement
4. Improve Access to Healthcare Services

RED Program Objectives:

- Diversified business climate in rural Ontario
- Strategic and coordinated approach for rural development projects
- Creation of alliances or partnerships and increased quality of participation of rural stakeholders. Eligible clients include partnerships between individuals, businesses, community organizations and municipalities
- Development of information, tools and resources to enhance rural economic development

The program contributes to:

- Skills development and enhanced opportunities
 - * Sector internship initiatives
 - * Access to skills enhancement opportunities in remote areas
 - * Rural economic development training initiatives (municipal and community capacity for economic development)
 - * Rural skills through innovation
- Revitalized communities
- Improved access to health care services
- New community development tools
- Sustainable rural economies
- Improved business opportunities



Knowledge,
Connections
and Resources
for your
Business



What is the benefit to my company?

Typically, you could receive up to a 50% grant to reimburse costs that are actual cash outlays to third parties, which you wouldn't otherwise incur, such as:

- Marketing and promotional costs
- Professional fees (legal, architectural, accounting)
- Travel costs
- Studies
- Consultants/sub-contractor fees
- Equipment (Research & Development)
- Internship funding for youth and displaced workers
- Skills upgrading – needs assessment training labour force identification and screening
- Minor capital including engineering, architectural and renovations
- Skills development
- Food processing equipment and some capital cost

Skills Development projects are classified in **two ways**:

1. Direct, specialized training that is delivered by a third party (e.g. colleges can provide training if they are not a partner to the application). Eligible training costs can include translation and curriculum development.
2. In-house training that supports an internship. Employers can receive up to \$1,500 for each intern to help offset their salary and in-house training costs.

Skills Development projects can include upgrading the skills of your existing staff.

Who qualifies?

- Individual food businesses are eligible to apply as sole applicants; however letters of support are encouraged.
- Partnerships/strategic alliances between any combination of individuals, businesses, community organizations (including not-for-profit) and municipalities, with an arm's length relationship from each other.
- All applicants must share in the risks of the project, invest in the project, and have a vested interest in completing the project. While not all partners must invest financially – they can contribute through “in kind” contributions -- the strength of the partnership and project is measured by the investment made by partners.

***The strength of your proposal is critical. A project could technically meet the criteria, but not be a “strong” proposal. For example, the partnership may be rated as “weak” when one partner is taking on all or most of the risk.

For Example....

1. A confectionery company qualified for RED funding to implement an effective employee recruitment strategy for its plant start-up. The project includes comprehensive training so employees can operate sophisticated equipment safely and efficiently, and translation of manuals and other documents. It also includes a market study which involves developing test marketing and promotional materials to help evaluate the business case for moving more production lines to Ontario.
2. One Region in Ontario received RED funding to create an innovation and competitiveness strategy for its manufacturers. The goal is to stabilize the sector by providing a skilled workforce that is up-to-date with technology so manufacturers can increase productivity and competitiveness. Four separate, but linked activities include: career information, workplace learning and performance-retooling for the existing workforce, an internship program, and milling technology expertise.

How do I apply?

The application process for the Rural Economic Development Program is as follows:

An Optional Pre-proposal:

Whereby applicants submit a brief description of their proposed project and receive feedback on the fit of their proposed project with the program criteria.

Full Application:

Whereby applicants provide a full description of their project for assessment and approval.

Project approval will be based on a fully developed application that must include a clear demonstration of the need for the project (including the economic barrier it will assist in overcoming); a sound financial plan, including satisfactory assessment of the applicants' financial viability, and demonstrated project feasibility; the economic development potential of the project and specific outcomes and performance measures.

Pre-proposals and full applications are accepted on an on-going basis and may be submitted either in hard copy (one unbound copy) or electronically by mail to the RED program. Allow up to eight weeks for the review of your application prior to the approvals process, which may require additional time.

Please note a copy of the application will be appended to the Final Agreement.

Where can I find more information?

Rural Economic Development Program
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1 Stone Road West, 4 NW
Guelph ON N1G 4Y2
Tel: 1-888-588-4111
Fax: 519-826-4336
Email: red.omafra@ontario.ca
Website: <http://www.ontario.ca/rural>

We're Here to Help

To find out how the Business Development Branch at OMAFRA can provide you with knowledge, connections, and resources to help you grow your business, call toll-free at 1-888-466-2372 extension 63795 or email at foodinvest@ontario.ca. For information about this program and others, as well as our branch, visit www.omafra.gov.on.ca/english/food.

Knowledge, Connections and Resources for your Business