FOODTECH
NEXT

Program Guide

February 2025

Foodtech Next is a Program from the Canadian Food Innovation Network, funded in part by the Government of Canada.

CANADIAN
FOOD INNOVATION
NETWORK

Canadian Food Innovation Network

The Canadian Food Innovation Network (CFIN) is an industry-led, not-for-profit corporation dedicated to becoming the world-leading innovation network for food and beverage. This vision means that over time Canada will develop benchmarks for measuring its relative global position in food innovation and it will continuously strive to bolster Canada's global ranking in food industry competitiveness. The result will be that Canada is recognized globally as an excellent place to undertake food and beverage innovation and that recognition, in turn, will draw more investment and talent to Canada that leads to world class outcomes.

CFIN's program goals are to:

- Accelerate the food innovation performance of companies in Canada;
- Connect innovators and foster collaboration across enterprises and organizations of all sizes, disciplines, sectors, roles, and geography to enable discovery, development and commercial deployment of innovation outcomes for Canada's benefit; and
  Drive the utilization of Canada's innovation capacity for economic advantage and higher returns on public and private investment.

CFIN Members can leverage YODL™, an interactive online platform designed to help Canadian food and beverage professionals from all sectors of the industry connect, learn, and grow their businesses. YODL is a place for entrepreneurs to discover cutting-edge technology and solutions, meet new business partners throughout the Canadian supply chain, and access government funding opportunities.

On YODL members can find:

- Unique daily content;
- Access to CFIN's innovation challenges and members-only events;
- Access to direct mentorship from CFIN's five Regional Innovation Directors;
- Opportunities to network and collaborate with other food and beverage professionals from across Canada; and
- Business resources, including original research and information on best business practices, consumer trends, R&D, training and much more.

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1. Foodtech Next Program Overview

The Foodtech Next is a unique funding opportunity for early-stage Canadian technology firms who seek to be part of or sell to the wider food industry but need to demonstrate and pilot their solutions in operational environments to prove their solutions and demonstrate the return on investment for the food sector.

The overarching goal of the Foodtech Next program is to showcase Canadian innovation and generate the first demonstration opportunities that enable advancements and commercialization. CFIN will fund projects with Canadian firms, demonstrating technology that has been developed in Canada.

Foodtech Next applicants have established their product-market fit, know what is needed to validate and sell their technology, and are looking to demonstrate their solution in the food sector. They have a business plan and market roll-out strategy but need help addressing the cost of piloting their solution. They have a potential customer, or a good idea of their ideal customer who can validate that the proposed technology solves a market issue, and the partner must be willing to prove the solution in the market or industry setting.

Applicants must propose to demonstrate new industry processes, new product categories, new knowledge, or a new application of science. Food product development initiatives, such as the development or iteration of a new brand or product formulation in an existing category (example, a new protein bar) are not eligible under the program.

To qualify for funding, all project proposals for any call must be:

- Submitted by Canadian incorporated businesses with less than $1M in annual sales in their most recently completed fiscal year.
- Seeking to demonstrate innovations between a technology readiness level of 4 to 7, with ideal projects ending in a system prototype demonstration in an operational environment (TRL of 7).
- The innovation must focus on a post-farmgate solution, i.e., not focused on agricultural activities.
- **New this year,** all Foodtech Next funding applicants must demonstrate that they have an Intellectual Property strategy in place or in development. Applicants who have not yet started on their IP strategy will be required to outline budget line items for these costs or prove their involvement with intellectual property resources such as Elevate IP, Intellectual Property Ontario, or a law firm to receive CFIN funding.

The total eligible project costs must be between $200,000 and $500,000, and the maximum level of matching funding from CFIN will be up to 50% of total eligible project costs, or $250,000.

Funding will be provided on a reimbursement basis and CFIN will require a non-refundable project management fee of 5% of total project costs eligible for CFIN funding.

There is a two-stage application process for the program.

1. Applicants will first submit an expression of interest and a pitch deck. This is a scored and competitive component.
2. Selected applicants will then be invited to complete a full proposal which will include a full scope of work and detailed budget, as well as a 5-minute video pitch about their technology and firm.

Applicants must be CFIN members. Membership is free and can be applied for through www.cfin-rcia.ca.

The program application can be found at https://cfin-rcia.smartsimple.ca/

An overview of the program and all the associated guides, as well as a link to the application portal, can be found here: https://www.cfin-rcia.ca/programs/foodtech-next

If there are any questions after reviewing the program guide, reach out to the CFIN team at innovation@cfin-rcia.ca.

2. Schedule of Dates

The Expression of Interest window for the 2025-2026 round of Foodtech Next will open on **February 24, 2025.**

Completed expression of intents must be submitted in CFIN's our application portal by **11:59 Local time on April 7, 2025.**

Notifications to successful expressions of interest will be issued by **April 30, 2025.**

Applicants invited to provide a full proposal must submit their proposal by **11:59 Local time on May 26, 2025.**

Under this intake, project start date for eligible costs will be no earlier than **July 1, 2025.**

Project approval notifications will be released in **mid June 2025.**

3. CFIN Innovation Priorities

All projects must have alignment under at least one CFIN innovation priority. The three CFIN innovation priorities for projects are:

- Smart Product and Process Development
- Food Ecosystem Sustainability
- Agile and Safe Supply Chains

SMART PRODUCT AND PROCESS DEVELOPMENT

Smart Product and Process Development innovation includes development and innovation in the areas of:

- health, nutrition & wellness benefits;
- new robotics applications to increase productivity, food safety and worker safety;
- AI, sensors, machine learning and big data to improve efficiencies; and,
- emerging science such as cultured protein.

FOOD ECOSYSTEM SUSTAINABILITY

Food Ecosystem Sustainability innovation includes development and innovation across these areas:

- food waste reduction;
- higher value recovery;
- circularity and upcycling;
- green and smart packaging; and,
- more efficient use of inputs including energy, water and carbon.

AGILE AND SAFE SUPPLY CHAINS

Agile and Safe Supply Chain innovation includes development and innovation across these areas:

- logistics and supply chain;
- consumer and customer analytics;
- food safety;
- food security;
- IoT and digital application to food chains; and,
- blockchain and traceability.

Past CFIN Projects can be viewed here.

4. Eligibility Requirements

4.1 Applicant Eligibility Requirements

To be considered for funding, all applications must:

- Be led by a business that is incorporated in Canada who has not generated more than $1M in annual revenues as per their last filed fiscal year;
- Be undertaken by a CFIN member;
- Address an area of the post- farmgate supply chain (cannot focus on agricultural production activities);
- Identify a specific piloting or demonstration opportunity for a technology or solution that has yet to be commercialized;

- Conduct research and development at Technology Readiness Levels (TRL) 4 to 7 (see 4.3 Technology Readiness Level Eligibility Requirements for further information);
- Include activities that would begin no earlier than July 1, 2025, and complete no later than December 31, 2026 (18 months in length).
- Applicants to the Foodtech Next Program may not have other active CFIN funded projects (approved projects with a signed Master Project Agreement and who have yet to submit their final report).
- **New this year,** all Foodtech Next funding recipients must demonstrate that they have an Intellectual Property strategy in place or in development. Applicants who have not yet started on their IP strategy will be required to outline budget line items for these costs or prove their involvement with intellectual property resources such as Elevate IP, Intellectual Property Ontario, or a law firm to receive CFIN funding.

Lead Applicant and Project Partners

Applications must be led by the technology or solution developer, who owns or will create intellectual property to be demonstrated or piloted through the project (the Lead Applicant).

Project partners, most likely to be food sector players, are required to ensure pilots and demonstrations take place in operational environments. Partners may incur expenses as part of a Foodtech Next project and can submit for reimbursement to CFIN. These expenses must be detailed at the full application stage and be approved by CFIN prior to project start.

Partners may also contribute cash directly to lead applicants as part of the Foodtech Next program. These contributions must be outlined at the full application stage. There are no minimum requirements for financial contributions from the Partners; however, the application must clearly demonstrate that each Partner plays an active role in the project and their involvement is necessary to achieve the project outcomes.

In exceptional circumstances, international organizations (offshore companies and research organizations without an incorporated presence in Canada) may also participate as Partners in CFIN projects, based on CFIN prior written approval. Please contact us to discuss if you have international partners.

There must be a collaboration agreement in place to define the roles of the Lead Applicant and Partners, allocation of projected costs, and joint risk management provisions among other items. The collaboration agreement must set out how intellectual property arising in projects will be managed. It is the responsibility of the Lead Applicant and Partners to develop their own collaboration agreement, and a copy must be filed with CFIN after the Master Project Agreement is executed.

The responsibilities of the Lead Applicant will include, but are not limited to:

- Ensuring compliance with the CFIN Master Project Agreement;

- Ensuring all Partners are contributing to the project, as outlined in the collaboration agreement;
- Overseeing the performance of the project in line with the project and risk management plans;
- Approving and consolidating requests for reimbursement of eligible project expenses and submitting them to CFIN; and,
- Monitoring and reporting on the progress of the project in line with information requests and performance metrics outlined in the CFIN Master Project Agreement.

The responsibilities of the Project Partners will include, but are not limited to:

- Ensuring compliance with the CFIN Master Project Agreement;
- Submitting their eligible project expenses for reimbursement, as directed by the Lead Applicant and outlined in the CFIN Master Project Agreement; and,
- Reporting on the progress of the project in line with information requests and performance metrics, as directed by the Lead Applicant and outlined in the CFIN Master Project Agreement.

CFIN general applicant requirements and Intellectual Property details are further outlined in Appendix A – CFIN General Requirements.

4.2 Eligible Activities

Eligible Costs will generally include expenditures related to the following activities:

- Large-scale technology demonstration, including the advancement and development of new technologies into specific applications at mid-to-late-stage technology readiness levels.

4.3 Technology Readiness Level Eligibility Requirements

There are nine TRLs, with TRL 1 being the least ready for commercialization and TRL 9 being ready to be used in real-life conditions. To be eligible for the Foodtech Next program, all projects must be conducting activities within TRL 4 to 7. For full TRL definitions see Appendix B – Technology Readiness Level (TRL) Scale.

Applicants will outline project activities in their project work plan and identify the TRL associated with each activity.

4.4 Eligible Project Costs

The total eligible project costs must be between $200,000 and $500,000, and the maximum level of matching funding from CFIN will be up to 50% of total eligible project costs, or $250,000.

For a full overview of eligible costs, please review the Eligible Cost Categories in [Appendix C – Guidelines for Eligible and Ineligible Costs]

Eligible project costs must fall under one of these Eligible Cost Categories:
- Direct Labour
- Subcontractors and Consultants
- Direct materials
- Equipment
- Land, Building and Building Improvement
- Other Direct Costs

In the following tables, applicant refers to the Lead Applicant and/or Partners.

Direct Labour
The portion of gross wages or salaries incurred and paid by the applicant for direct technical labour on approved project activities which can be specifically identified and measured as having been performed for the project and which is so identified and measured consistently by the applicant's cost accounting system. The cost accounting system should sufficiently prove the hours worked by employees are directly related to the approved project activities. The wages of majority owners/stakeholders in the applicant's or project partner's business are not eligible for reimbursement.
Subcontractors and Consultants
The costs of Subcontracts or Consultants incurred and paid for approved project activities are the costs for work or services performed by an external third party, which can be specifically identified and measured as having been incurred and paid for the approved project activities. The applicant cannot be a recipient of CFIN funding and a Subcontractor for the same project.
Direct Materials
The cost of materials which are incurred and paid and can be specifically identified and measured as having been processed, manufactured and used in the performance of the approved project activities, which are measured consistently by the applicant's cost accounting system. Materials purchased solely for the approved project activities shall be at the net laid down cost to the applicant, net of any sale taxes and after any discounts offered by the suppliers. Materials issued from the applicants' general stocks shall be measured in accordance with the material pricing method consistently used by the applicant. Direct Materials include but are not limited to any raw material that is "used up" by completing approved project activities.
Equipment

The capital cost of Equipment, which are incurred and paid and can be specifically identified as having been purchased for approved project activities and measured consistently by the applicant's costing system. Significant Equipment required to complete the approved project activities should be detailed in the project work plan. See below scenarios for clarification of costs related to Equipment: 1. If an applicant has built the equipment themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.); 2. If an applicant has equipment built by a third party, the costs would be allocated to the equipment category if readily identifiable, otherwise the equipment could be reported in Subcontractors category; and 3. If an applicant outright purchases a piece of equipment, the costs would be allocated to the Equipment category. Equipment costs include but are not limited to, the purchase of equipment necessary for the approved project activities, costs to alter or modernize the equipment, costs to get the equipment into working order, and shipping costs. Capital equipment acquired for the project may be subject to CFIN and Industry, Science and Economic Development Canada (ISED) approval for disposal, which will be outlined in the Master Project Agreement.
Land, Building and Building Improvement
The capital cost of Land, Buildings or Building Improvement that are incurred and paid, and are necessary to carry out approved project activities and have been approved by CFIN. Eligible building costs may include the acquisition costs, construction of new or the expansion of existing facilities, the development of testing facilities, investments in modern buildings, building and land leases (the incremental cost of leasing land during the approved project activities), and permanent building improvement. See below scenarios for clarification of costs related to buildings: 1. If an applicant has built the facility themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.); 2. If an applicant has a facility built by a third party, the costs would be allocated to the Subcontractors category; and 3. If an applicant outright purchases an already existing building, the costs would be allocated to the Building category.
Other Direct Costs
These are eligible direct costs, not falling within the categories of Direct Costs mentioned above, but which are incurred and paid, and can be specifically identified and measured as having been incurred and paid by the applicant for approved project activities and which are so

identified and measured consistently by the applicant's costing system. Shipping costs are an Other Direct Cost. Travel and Outreach Costs meaning those eligible direct costs incurred and paid by the applicant that are directly related to approved project activities. Travel expenses shall be appropriate, economical, reasonable, and available to most of the employees of the applicant. Travel costs can be claimed, to the maximum allowance, as per the CFIN Travel Policy.

Costs incurred in the development of project applications will not be eligible for funding. CFIN will provide funding for projects by reimbursing approved applicants for a portion of their project expenses that are reasonable and eligible.

4.4.1 Indirect Costs

Indirect Costs (Overhead) are those costs which, though necessarily having been incurred and paid by the applicant for the conduct of the business in general, cannot be identified and measured as directly applicable to the carrying out of the approved project activities outlined in the project work plan.

When building your budget, the CFIN budget tool will automatically add 55% on eligible Direct Labour to account for overhead. The maximum portion of project costs to be made up of indirect costs will be no more than 15% of total eligible project. If approved, CFIN will automatically apply an indirect cost amount to your claimed amount of Direct Labour.

Ineligible costs include items such as rubber gloves, hairnets, safety supplies, office equipment and furniture, general administrative labour, benefits, hydro and lighting, property taxes, building leases, etc.

A full overview of indirect costs is available in Appendix C – Guidelines for Eligible and Ineligible Costs.

4.4.2 Affiliated Persons Clause

Affiliated Persons are to be understood and treated as defined in the Income Tax Act, which includes but is not limited to; two or more entities that have similar ownership personnel; or entities that have a working business relationship.

In the case of Eligible Costs for goods or services incurred and paid with an Affiliated Person, the amount of the costs incurred and paid must:

- not exceed their Fair Market Value;
- in the case of a good or service for which there is no Fair Market Value, the amount must not exceed the Fair Market Value of Similar Goods; or

- in the case of a good or service for which there is neither a Fair Market Value nor Similar Goods, the amount must not exceed the sum of the applicable Direct Costs with Indirect Costs (Overhead) at the rate stipulated by the Master Project Agreement, plus 5% profit.

Note: It is important for the applicant from the outset, to self-identify any related parties or Affiliated Persons who will be contracted to provide goods or perform services for completion of approved project activities.

For wholly owned subsidiaries of the Lead Applicant/Partner completing approved project activities, its Eligible Costs incurred and paid will be claimed by the Lead Applicant/Partner on their behalf and costs are to be treated as if the wholly owned subsidiary is the Lead Applicant/Partner.

4.4.3 Foreign Costs

Any Eligible Supported Costs occurring outside of Canada (foreign costs) must be pre-approved by CFIN in writing before the cost is incurred. These costs will be identified by the collaboration at the full proposal stage.

The Canadian Food Innovation Network is limited in its ability to support a large volume of foreign costs.

Foreign costs occur when the materials, equipment, staff, or resources are physically located outside of Canada. For example, a US-based employee of a Canadian Corporation is considered a foreign cost, as their place of work is outside of Canada.

Subcontractors or consultants of non-Canadian firms are considered foreign costs if they perform their work outside of Canada. If they come to a project site in Canada, their activities are not foreign costs.

For equipment or materials, if they are sourced internationally but brought to Canada for installation and use in project activities, these are deemed non-foreign costs.

For a full overview of the foreign cost policy, please see Appendix C – Guidelines for Eligible and Ineligible Costs.

5. Application Process

CFIN members can apply to the program at https://cfin-rcia.smartsimple.ca/

Submissions must be completed using our online portal. See the Schedule of Dates for a full overview of the program timeline.

There are two phases to the program intake:

1. Expression of Interest: The Expression of Interest is a scored component of the application process and is highly competitive. Applicants are encouraged to fully respond to the questions and attach all required materials. Incomplete applications will not be accepted.
2. Full Application: The top-scoring expressions of interest will be asked to complete a more fulsome application and description of their project. In addition, applicants at this stage will be asked to prepare video pitches and will be invited to short interviews with the CFIN Innovation Advisory Council at a set date, as part of the funding decision making process.

Successful applicants will be showcased at a CFIN event taking place in mid-February 2026 in Ottawa. Attendance at the event is mandatory for funding winners. Costs of travel will be covered by CFIN for the awardees.

5.1 Application Stages

Stage 1: Expression of Interest (EOI)

To ensure applicants meet the eligibility requirements, the EOI will ask the Lead Applicant to certify that:

- They have read, understand, and are willing to comply with CFIN's project requirements;
- The Lead Applicant is incorporated in Canada;
- The project will be carried out in Canada;
- The project is incremental and new;
- The project would not be undertaken to the same extent without CFIN funding;
- They are willing to invest in the project within the timelines of CFIN's funding horizon;
- They have adequate financial means and project management capabilities to carry out the project; and,
- They agree to provide information necessary for CFIN to conduct required due diligence (this may include the submission of additional information, including, but not limited to the last two years of external accountant prepared financial statements for the Lead Applicant and Partners, upon the request of CFIN).

The Expression of Interest will include the following:

- The legal business and operating name of the Lead Applicant (this information may be disclosed publicly)*;
- Start and end dates of the proposed project;
- A profile of their organization, including;
  - Business number, Mailing address (including street address, city, province and postal code), website URL, date of incorporation;
  - Some of information shown in the portal is copied directly from your organization and user profiles and will appear in a read-only state within this form. If the information displayed is not current, please update your organization and user profiles prior to completing and submitting this form;

    - Percentage Canadian Ownership – indicate the percentage of the company that is ultimately owned by Canadians or by firms incorporated in Canada (as determined by voting shares);
    - List of Shareholders – indicate the name and portion of ownership of majority shareholders for the applicant.
    - NAICS Code - The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. For more information, visit the Statistics Canada website;
    - Please indicate any legal proceedings, if any, that may adversely affect your business;
    - Applicant Ownership Demographics – please respond to the demographic questions regarding business ownership.
- Applicant Fiscal Year Data: Please complete the data for your most recent completed fiscal year. Please note that regular reporting on this data is required should your project be approved.
    - Revenues from the Canadian Operation, including domestic and export sales;
    - Gross Canadian expenditures on research and development;
    - Total number of full time equivalents (FTE)s in your business in the past calendar year – Employment figures should be provided using the following definition of an FTE: "means each employee or, where applicable, intern, who works for the client on a full-time basis (i.e. they are responsible to work at least 2080 hours when calculated on an annual basis) and, in the case of hourly paid employees or interns who are responsible to work for the business less than on a full-time basis, each equivalent to such a full-time worker, where the number of such equivalents is calculated by dividing (a) by (b) where (a) = the aggregate of all hours worked by such individuals for the client including hours taken by them as paid vacation, sick leave, and for other similar reasons, calculated on an annual basis, and (b) =2080 hour". Please include all paid employees in reporting and exclude employees on unpaid leave of absence.
- Primary Contact for the Project: The primary contact for the project will be the individual responsible for communicating with CFIN staff during the application process. This person should be knowledgeable of the application and project partners;
- A short title and description of the project (this information may be disclosed publicly)*;
- A brief (500 words maximum) firm profile;
- An elevator pitch (100 words maximum) for the proposed solution;
- Short (500 words maximum) responses to the following questions:
    - What is the product-market fit for your solution for customers in the food sector (processing, distribution, foodservice or grocery retail)?
    - Describe your pilot-readiness; outline any pre-pilot activities required, as well as the scope and focus of your desired pilot. If successful, how does this pilot fit within your commercialization and growth plans?
    - Please describe your target pilot partner - including their sector, size, and any other qualifying details. If you have a partner identified, please detail the current state of your relationship with them.

- **All Applicants will be asked to attach a pitch deck to their submission. Pitch decks should be no more than 10 slides, and address the following 6 areas:**
  - Articulation of the problem and the solution
    - An overview of the industry challenge or opportunity that the solution seeks to address.
  - Milestones to date and team capacity
    - Identify the team and their capabilities to complete the proposed activities.
    - Demonstrate pilot-readiness with traction to date.
  - Competitive Landscape
    - How are customers solving this problem today?
    - Outline the firm's unique value proposition.
    - Competitors, their strengths, and how the applicant compares to them are highlighted.
  - Market Opportunity
    - Demonstrate market research has been completed, identify ideal customers, validated via third party data.
  - Innovative Aspects of the Solution
    - Identify IP whitespaces if any.
    - Outline a robust IP strategy, including current and future IP holdings and type of IP.
  - Overview of Budget
    - Amount of funds being requested.
    - Key costs and expected expenditures.
    - Does not require the level of detail to be provided in full proposal, but a general idea of what awarded funds would be allocated to.

*Information may be disclosed publicly for the purpose of completing initial due diligence for the project.

Applicants will receive an email confirmation upon the submission of their Expression of Interest.

Selected applicants will be notified via email, and they will receive access to the full proposal on **April 30, 2025**.

Stage 2: Full Proposal

Selected applicants that pass the initial project screening through the EOI will be invited to submit a full proposal, providing greater detail about their project.

The full proposal will include:

- Completed application template;
- Completed budget and workplan template; and
- Attachments that support the proposal.

- A video pitch of 5 minutes providing an overview of the solution, opportunity and project.

Applicants will complete the following as part of the full proposal:

- Relationship with partners: What is the current state of your relationship with your pilot partners?
    - Detail relationships in a discovery or proposal phase, or partners who are committed. If partners are providing funds for your project, or in-kind contributions, please detail and quantify them. Letters of support that clearly outline the partner's role and contributions are recommended.

- Team and Resources: Detail your resource plan to complete this project.
    - Outline what resources you require to complete the project, and what infrastructure you have in place already. Please identify key project staff, vendors, and suppliers.
    - Identify any risk management strategies in place to manage project resources and the delivery of timelines.

- Innovation and Scalability: Describe the innovative aspects of the technology and how it has potential to scale and meaningfully respond to food sector challenges.
    - Detail specific technologies or tools you are deploying to create your solution (for example, artificial intelligence, genomics, biotechnology, precision fermentation, block chain, robotics, internet of things, etc.).
    - Outline your go-to-market strategy and revenue generation model.

- Product-Market Fit: Provide evidence that this is a problem that exists within the food sector, and that it's an important problem for your customers.
    - Identify the persona, problem, promise and product fit for your target market.
    - Who are others working to solve this problem and how does the proposed solution differ or improve upon existing solutions. Reference early customers, industry reports, surveys or other materials. Letters of support are encouraged and should clearly articulate product-market fit.

- Intellectual Property: Detail your intellectual property strategy and your work to date in this area.
    - What are the IP agreements (proposed or in place) between yourself and your partners? What protections are you pursuing, how will your portfolio be documented and handled.
    - Applicants who have not begun their IP strategy work yet will be required to outline budget line items for these costs or prove their involvement with IP resources such as Elevate IP, Intellectual Property Ontario, or a law firm to receive CFIN funding.

- Next Steps: What are the next steps for your firm if this project is successful?

    - Detail the expected benefits to your firm should the project objectives be successfully achieved. Impacts such as new jobs, new intellectual property, new processes, revenues, investment rounds, exports, etc. should be quantified.

- Workplan and Budget
    - Please provide a detailed project plan. A minimum of 5 activities are required.
    - Your budget needs to be detailed enough for assessment. For direct labour resources, outline the job title and number of hours on the project. For consultants, outline the vendor's name if available, and the scope of work (i.e. Testing Services, Outsourced Engineering, etc.).

Video Pitches
As part of the final selection, Foodtech Next finalists will be required to prepare a 5-minute video pitch presentation about their project. The video will be presented to the application reviewers and the CFIN Innovation Advisory Council, for review as part of their decision-making process.

Applicants will receive an email confirmation when they submit their application.

Full proposals will be reviewed by CFIN to determine if the proposal is compliant with the eligibility requirements. **If information is missing or updates are required, CFIN staff will contact you via email and provide you with 48 hours to make changes. If changes are not made in this window, the application will be withdrawn.** If the requirements are met the proposal will proceed to the review process. CFIN staff will conduct due diligence to verify the accuracy of information provided in the proposal and may request additional information to assist in the review process. The full review process is expected to take up to 45 business days.

Proposals that are accepted for review will be assigned to independent expert reviewers. The results of these reviews and full proposals will be reviewed by the CFIN Innovation Advisory Council, whose role will be to make funding decisions and/or recommendations to the CFIN Board of Directors on project funding selections.

5.2 Project Assessment Criteria

Each Expression of Interest that meets the eligibility requirements will be assessed using the following criteria.

Assessment Criteria	Scoring
Firm Profile – Has the applicant provided an overview of their business, demonstrating infrastructure and financial capacity appropriate for undertaking the project.	10
Elevator Pitch – Does the applicant's elevator pitch address their target market's need, explain the solution, and compel the listener to action?	5
Product-Market Fit – The solution addresses a pain point or opportunity felt by food and beverage manufacturers, foodservice or restaurant operators, distributors	15

or grocery retailers. The applicant demonstrates a clear understanding of sector needs and outlines a solution that directly impacts the opportunity or challenge.	
Pilot Readiness – The applicant is already near-ready for a pilot (within TRL 4-6) and has clearly identified the structure and impact of the pilot activities on their commercialization plan.	15
Target Partner – The applicant has clearly identified the demographics of their target customer and how their involvement aligns with their pilot goals.	10
Pitch Deck Scoring	**45 points**
Articulation of the Problem and the Solution – Responses are consistent with the written responses and outline the problem and proposed solution clearly.	5
Milestones to-date and Team Capacity – The team and their skills are identified and align with the project requirements. Traction to date demonstrates the applicant is pilot ready.	5
Competitive Landscape – The applicant outlines their business's position in the market and its unique value proposition. Competitors, their strengths, and how the solution compares are highlighted.	10
Market Opportunity – The applicant demonstrates they have researched the market, identified their ideal customer, and are leveraging third party data to validate the opportunity.	5
Innovative Aspects of the Solution – Clear articulation of IP whitespaces, robust IP strategy is outlined, current and future IP holdings and their nature are detailed.	10
Budget Overview – A clear rationale for the need for funding and the activities it will be used for has been made.	10
Total Score	**100**

Full Proposals will be assessed using the following criteria:

Foodtech Next Assessment Criteria	**Scoring**
Relationship with Partners – Applicant has detailed partner names and outlined the stage or readiness of those partners. Partner requirements for the pilot are identified, as are any financial costs or contributions (including in-kind).	15
Team and Resources – Applicant has outlined key project infrastructure, including outsourced partners. The infrastructure aligns with the proposed workplan, and for any gaps or major risks, a clear mitigation strategy has been provided.	20
Innovation and Scalability – Applicant has identified the novel aspects of their solution, the core technologies or innovations behind their solution, and identified their go to market strategy and revenue model.	20
Product-Market Fit – Applicant has clearly identified the persona, problem, promise and product fit for their target market. Competing or existing solutions are named and differentiated from the proposed innovation. The response references early customers, industry reports, surveys or other materials.	20

Letters of support are encouraged and should clearly articulate product-market fit.	
Intellectual Property – Applicants outline a clear strategy and identify IP to be created because of the project. Consideration of how to handle IP among partners is outlined and reasonable. Actions or a plan to action are clearly identified for managing intellectual property arising from this project.	10
Next Steps for the Firm – Applicant has identified next steps towards commercialization, such as additional investment raises, pilots, and intellectual property protection. Benefits to the firm have been quantified, such as new employment, revenues, export sales, etc.	10
Workplan and Budget – The workplan contains at least 5 activities and presents a reasonable approach that aligns with the project details provided within the application. The budget is detailed and supported by quotes if available. Internal labour resources are clearly technical contributors and have job title and the number of hours assigned to the project. A scope of work for vendors is highlighted, with names if available.	5
Total Score	**100**

5.3 Final Funding Decisions

CFIN will aim to communicate funding results within 45 days of the full proposal submission. Applicants will be notified if the decision date will be delayed.

Applicants approved for funding will be required to enter into a Master Project Agreement with CFIN within 30 business days from the date of receipt of the Master Project Agreement. The funding decision is finalized upon the signing of the Master Project Agreement agreeing to, without limitation: reporting requirements, timelines, IP strategy and other performance management criteria and compliance requirements.

Applicants who are not accepted for funding will be notified, with a summary of how their project proposal was evaluated outlining the reasons why they were not approved, as well as recommendations to strengthen their proposal. Projects may not be recommended for funding if they score low on the assessment criteria and/or there are insufficient funds available for the call for proposals.

Should an application be unsuccessful, CFIN may encourage applicants to apply to future calls for proposals or other CFIN programs.

5.4 Foodtech Next Collision Event

Successful applicants will be invited to present their innovations and businesses at a Collision Event held in Ottawa, Ontario in February 2026. The audience will include various government funding agencies, investors, and CFIN partners will be available for networking and meetings to discuss potential relationships with applicants.

6. Funding Parameters

6.1 Cost Sharing

Total eligible project costs must be between $200,000 and $500,000. The maximum level of matching funding from CFIN will be 50% of total eligible project costs (between $100,000 and $250,000).

Applicants must justify the amount of CFIN funding requested. CFIN may choose to award project funding for less than the requested amount.

Costs incurred in the development of project applications will not be eligible for funding. CFIN will provide funding for projects by reimbursing approved applicants for a portion of their project expenses that are reasonable and eligible. For information about eligible expenses and costs, refer to Appendix C – Guidelines for Eligible and Ineligible Costs.

6.2 Government Funding and Stacking

Stacking is possible with other government funding up to 75% of the total eligible project costs. Applicants must outline what other government support programs they are leveraging for their project.

6.3 Project Management Fee

CFIN will require a non-refundable project management fee of 5% of total project costs eligible for CFIN funding (as calculated in the budget template). The fee will be invoiced to the Lead Applicant with net 30 terms and payable to CFIN prior to the first reimbursement of funds, as outlined in the Master Project Agreement. The proportion of the fee contributed by the Lead Applicant and Partners will be agreed to amongst the collaborators This fee cannot be claimed as an Eligible Project Cost.

6.4 Project Duration

The earliest start date for projects will be July 1, 2025. Project-related costs incurred prior to the eligible date, will not be considered eligible project costs. Projects must be completed in accordance with the Master Project Agreement and no later than December 31, 2026.

7. Project Monitoring and Reporting

CFIN will monitor the progress of each project to ensure that project participants are fulfilling their obligations, and report on the progress of the project against financial and performance metrics. CFIN will track performance of applicants according to the key performance indicators as specified in the Master Project Agreement.

Claims for funding will be accepted for all projects on a quarterly basis; March 31, June 30, September 30, and December 31 of each year. This will entail a quarterly submission of claims for reimbursement and reporting as well as an annual outcomes reporting. In addition, CFIN will request annual update meetings with the CFIN Program Team and Regional Innovation Director to obtain direct feedback, encouragement, as well as ensure a high standard of accountability.

The Lead Applicant will be responsible for monitoring and reporting on the progress of the project in line with information requests and performance metrics agreed with CFIN and coordinating the Partners for the review meetings. Failure to complete the require reporting, as outlined in the CFIN Master Project Agreement, will impact timely reimbursement of eligible project costs.

All Partners will be responsible for submitting their eligible project costs for reimbursement, as directed by the Lead Applicant and outlined in the CFIN Master Project Agreement. Financial reporting will be completed through CFIN's secure online portal. The Lead Applicant and Partners will be required to maintain accurate accounts of the project for at least seven (7) years after its termination and comply with the financial reporting and auditing requirements, as outlined in the CFIN Master Project Agreement.

Throughout the process, the project may be profiled in CFIN communications. Where possible, the purpose of this is to share knowledge, learning and results gained to serve as a catalyst to other businesses and innovators across Canada's food ecosystem. There may also be opportunities to communicate the project, its progress, and collaborative efforts throughout the duration of the project activities.

Appendix A – CFIN General Requirements

Project Applicant Requirements

When submitting their application, the Lead Applicant must confirm that:

- They have read, understand, and are willing to comply with CFIN's project requirements;
- The Lead Applicant and any Partners are incorporated in Canada;
- The project will be carried out in Canada;
- The project is incremental and new;
- The project would not be undertaken to the same extent without CFIN funding;
- They are willing to invest in the project within the timelines of CFIN's funding horizon;
- They have adequate financial means and project management capabilities to carry out the project; and,
- They agree to provide information necessary for CFIN to conduct required due diligence (this may include the submission of additional information, including, but not limited to the last two years of external accountant prepared financial statements for the Lead Applicant and Partners, upon the request of CFIN).

To be considered for project funding, applicants must:

- Certify that the same project they are proposing is not already approved or in progress, and that financial commitments would not otherwise have been made to the project in its current form;
- Ensure that only eligible project costs defined under the CFIN guidelines are to be claimed for reimbursement (See Appendix C – Guidelines for Eligible and Ineligible Costs);
- Agree to incur all expenses for which CFIN funding is sought no earlier than the eligible date for the call, and the end date of the Master Project Agreement, which must be no later than December 31, 2026;
- Specify any other sources of government funding anticipated for their project;
- Agree to adhere to CFIN's conflict of interest policy (included in the Master Project Agreement); and,
- Agree that, if their project is selected, they will maintain auditable financial records substantiating their expense claims and provide CFIN with the information it requires to monitor and report on the progress of their project.

Intellectual Property

CFIN will support industry-led projects that will generate IP of potential benefit to Canada's food ecosystem. The Project proposal is a key document to be used by applicants to detail their intellectual property strategies for their outlined project. Applicants who have not begun their IP strategy work yet will be required to outline budget line items for these costs or prove their involvement with intellectual property resources such as Elevate IP, Intellectual Property Ontario, or a law firm in order to receive CFIN funding. Your Regional Innovation Director can connect you to regional or provincial resources to assist with intellectual property protection.

Project proposals are required to provide an IP rationale that demonstrates how the Project will provide CFIN members, including those who are not participating in a Project, the opportunity to access IP arising from the Project. This is the basis of our focus on the ‘transformative’ innovation potential of a project.

Successful applicants must comply with the terms of CFIN‘s Intellectual Property Policy (included in the Master Project Agreement) and agree that:

- Any IP deriving from CFIN projects, ownership rights and exploitation thereof, will remain in Canada for a minimum of five years (5) after the end of the project funding agreement unless otherwise approved in writing by the Minister on a case-by-case basis.

CFIN will not itself take any interest in Intellectual Property in any project, but it may assist with facilitating the commercialization of Intellectual Property by applicants for Canada’s benefit.

CFIN’s Intellectual Property Policy for Applicants can be accessed on YODL™.

Appendix B - Technology Readiness Level (TRL) Scale

Technology Readiness Level	**Description**
TRL 1—Basic principles observed and reported	Lowest level of technology readiness. Scientific research begins to be translated into applied research and development (R&D). Examples might include paper studies of a technology's basic properties.
TRL 2—Technology concept and/or application formulated	Invention begins. Once basic principles are observed, practical applications can be invented. Applications are speculative, and there may be no proof or detailed analysis to support the assumptions.
TRL 3—Analytical and experimental critical function and/or characteristic proof of concept	Active R&D is initiated. This includes analytical studies and laboratory studies to physically validate the analytical predictions of separate elements of the technology.
TRL 4—Product and/or process validation in laboratory environment	Basic technological products and/or processes are tested to establish that they will work.
TRL 5—Product and/or process validation in relevant environment	Reliability of product and/or process innovation increases significantly. The basic products and/or processes are integrated so they can be tested in a simulated environment.
TRL 6—Product and/or process prototype demonstration in a relevant environment	Prototypes are tested in a relevant environment. Represents a major step up in a technology's demonstrated readiness. Examples include testing a prototype in a simulated operational environment.
TRL 7—Product and/or process prototype demonstration in an operational environment	Prototype near or at planned operational system and requires demonstration of an actual prototype in an operational environment (e.g. in a vehicle).
TRL 8—Actual product and/or process completed and qualified through test and demonstration	Innovation has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of true system development.
TRL 9—Actual product and/or process proven successful	Actual application of the product and/or process innovation in its final form or function.

(**Source**: https://www.ic.gc.ca/eic/site/125.nsf/eng/00007.html#annex-a)

Appendix C – Guidelines for Eligible and Ineligible Costs

Eligible Cost Categories

Eligible Project Costs include:

- Costs incurred and paid for by the Lead Applicant and Partners, which are necessary to carry out the approved project activities;
- Costs that are generally non-recurring and incremental to the ordinary business activities of the Lead Applicant and Partners;
- Costs that are reasonable, such that the nature and the amounts do not exceed what an ordinary prudent person would conduct in a similar business context;
- Costs that can be directly attributed to the completion of the approved project activities included in the Master Project Agreement; and,
- Costs that must be determined in accordance with the Lead Applicant and Partner's cost accounting practices as accepted by CFIN and applied consistently over time.

Eligible project costs must fall under one of these Eligible Cost Categories:

Direct Labour
The portion of gross wages or salaries incurred and paid by the applicant for direct technical labour on approved project activities which can be specifically identified and measured as having been performed for the project and which is so identified and measured consistently by the applicant's cost accounting system. The cost accounting system should sufficiently prove the hours worked by employees are directly related to the approved project activities. The wages of majority owners/stakeholders in the applicant's or project partner's business are not eligible for reimbursement.
Subcontractors and Consultants
The costs of Subcontracts or Consultants incurred and paid for approved project activities are the costs for work or services performed by an external third party, which can be specifically identified and measured as having been incurred and paid for the approved project activities. The applicant cannot be a recipient of CFIN funding and a Subcontractor for the same project.
Direct Materials
The cost of materials which are incurred and paid and can be specifically identified and measured as having been processed, manufactured and used in the performance of the approved project activities, which are measured consistently by the applicant's cost accounting system. Materials purchased solely for the approved project activities shall be at the net laid down cost to the applicant, net of any sale taxes and after any discounts offered by the suppliers.

Materials issued from the applicants' general stocks shall be measured in accordance with the material pricing method consistently used by the applicant. Direct Materials include but are not limited to any raw material that is "used up" by completing approved project activities.
Equipment
The capital cost of Equipment, which are incurred and paid and can be specifically identified as having been purchased for approved project activities and measured consistently by the applicant's costing system. Significant Equipment required to complete the approved project activities should be detailed in the project work plan. See below scenarios for clarification of costs related to Equipment: 1. If an applicant has built the equipment themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.); 2. If an applicant has equipment built by a third party, the costs would be allocated to the equipment category if readily identifiable, otherwise the equipment could be reported in Subcontractors category; and 3. If an applicant outright purchases a piece of equipment, the costs would be allocated to the Equipment category. Equipment costs include but are not limited to, the purchase of equipment necessary for the approved project activities, costs to alter or modernize the equipment, costs to get the equipment into working order, and shipping costs. Capital equipment acquired for the project may be subject to CFIN and Industry, Science and Economic Development Canada (ISED) approval for disposal, which will be outlined in the Master Project Agreement.
Land, Building and Building Improvement
The capital cost of Land, Buildings or Building Improvement that are incurred and paid, and are necessary to carry out approved project activities and have been approved by CFIN. Eligible building costs may include the acquisition costs, construction of new or the expansion of existing facilities, the development of testing facilities, investments in modern buildings, building and land leases (the incremental cost of leasing land during the approved project activities), and permanent building improvement. See below scenarios for clarification of costs related to buildings: 1. If an applicant has built the facility themselves, the costs would be allocated to the appropriate cost categories (Direct Material, Direct Labour, etc.); 2. If an applicant has a facility built by a third party, the costs would be allocated to the Subcontractors category; and 3. If an applicant outright purchases an already existing building, the costs would be allocated to the Building category.

Other Direct Costs
These are eligible direct costs, not falling within the categories of Direct Costs mentioned above, but which are incurred and paid, and can be specifically identified and measured as having been incurred and paid by the applicant for approved project activities and which are so identified and measured consistently by the applicant's costing system. Shipping costs are an Other Direct Cost. Travel and Outreach Costs meaning those eligible direct costs incurred and paid by the applicant that are directly related to approved project activities. Travel expenses shall be appropriate, economical, reasonable, and available to most of the employees of the applicant. Travel costs can be claimed, to the maximum allowance, as per the CFIN Travel Policy.

Indirect Costs (Overhead)

Indirect Costs (Overhead) are those costs which, though necessarily having been incurred and paid by the applicant for the conduct of the business in general, cannot be identified and measured as directly applicable to the carrying out of the approved project activities outlined in the project work plan.

Indirect Costs (Overhead) include, but are not limited to:

a. Indirect materials and supplies including but not limited to, supplies of low-value, high-usage and consumable items, such as rubber gloves, hairnets and safety supplies, which meet the definition of Direct Material costs but for which it is commercially unreasonable, in the context of Network Activities, to account for their costs in the manner prescribed for Direct Costs. Costs such as stationery, office supplies, postage and other necessary administration and management expenses, small tools, such as ladders, drills, paint sprayer, and general inventory build-up;

b. Indirect labour, approved project management, and general administrative costs, including but not limited to the remuneration of executive and corporate officers, general office wages and salaries, clerical expenses, HR, Accounting/Finance staff, overtime premiums, bonuses, all types of benefits paid by employer, for example, CPP, EI, fringe benefits, medical benefits, dental benefits, pension benefits and other taxable benefits;

c. Indirect building costs including, but not limited to, snowplowing costs, public utilities expenses of a general nature including but not limited to, power, HVAC, lighting, and the operation and maintenance of general assets and facilities;

d. Expenses such as property taxes, rentals of equipment and building (not covered as part of direct costs) and depreciation costs;

e. Indirect equipment costs including, but not limited to, maintenance cost of assets, office equipment (laptops, AV equipment), office furniture, etc.; and

f. Other indirect costs including, but not limited to, daily commutes, unreasonable modes of transportation, general software and licenses, and travel insurance.

Indirect Costs (Overhead) thresholds of 55% on eligible Direct Labour but no more than 15% of total eligible project costs will apply for each applicant (and for each project if an applicant is approved for multiple CFIN projects). In the case of applicants with high Subcontractors and Consultants costs or low Direct Labour costs: Indirect Costs (Overhead) thresholds calculated to a maximum of 5% on eligible Subcontractors and Consultants costs, but no more than 15% of total eligible project costs may apply. Such thresholds would be calculated for each applicant and each project if an applicant is approved for multiple CFIN projects.

Foreign Costs

The applicant must identify all foreign costs for each claim and can claim foreign costs that are incurred and paid on eligible Project activities.

Direct Labour
Direct Labour costs are those that are necessary to the completion of Project activities by direct employees of the Recipient or its wholly owned subsidiary. As a general rule, foreign costs related to direct labour are those costs incurred for work performed outside of Canada. For more clarity, the following examples are provided.

1. If an employee is employed at a Canadian location and is paid in Canadian dollars, those are considered costs incurred in Canada.
2. If a Canadian employee of a Canadian company or its wholly owned subsidiary works abroad in order to complete Project activities, we also consider this a cost incurred inside of Canada.
3. If a foreign employee of a Canadian company or its wholly owned subsidiary does work on Project activities outside of Canada, we consider this to be foreign costs.

Direct Materials Purchased outside of Canada
Direct Material costs are specifically identified and measured for Project activities, including parts, components, and consumption of inventory for the purpose of carrying out Project activities. For direct material costs to be considered incurred within Canada, they must be utilized or consumed within Canada for the purpose of the Project activities, whether they were purchased in Canada or outside of Canada. Any other type of Direct Material which is not utilized or consumed within Canada for Project activities, shall be considered a foreign cost.

Subcontractors and Consultants
Subcontractor and consulting costs are the costs for work or services not performed by the Recipient, which are directly attributable to the completion of Project activities and can be specifically identified and measured. For subcontractor and consultant costs to be considered a cost occurring inside of Canada, the subcontractor or consultant must be performing the work inside of Canada. For more clarity, costs incurred for work performed by a foreign affiliate is considered a foreign cost.

Other Direct Costs
Other Direct Cost are the costs that can be specifically identified and measured as having been performed or to be performed on Project activities and are for items which have not been captured in the direct labour, direct material, or equipment cost categories. For costs to be considered incurred within Canada, they must be utilized or consumed within Canada. Any other type of Other Direct Cost which is not utilized or consumed within Canada for Project activities shall be considered a foreign cost.

Equipment
Equipment costs are costs that can be specifically identified and measured to be used on Project activities. Equipment purchased within Canada from Canadian suppliers are considered a cost incurred in Canada. Also, if a piece of equipment is purchased from a foreign supplier, of which there is no comparable from a supplier within Canada and the equipment is imported to a Canadian location, then this may also be considered a cost incurred in Canada. Equipment purchased outside of Canada and consumed outside of Canada shall be considered a foreign cost. Also, for costs of retrofitting existing Canadian or foreign supplied equipment by a company abroad shall be considered a foreign cost.

Ineligible Costs

Ineligible Costs incurred and paid by the applicant are not eligible for CFIN funding, regardless of whether they are reasonably and properly incurred and paid in the carrying out of the approved project activities.

Ineligible Costs includes:

i. any form of interest paid or payable on invested capital, bonds, debentures, bank or other loans together with related bond discounts and finance charges; the interest portion of the lease cost that is attributable to cost of borrowing regardless of types of lease;
ii. legal, accounting and consulting fees in connection with financial reorganization (including the set-up of new not-for-profit organizations), security issues, capital stock issues, obtaining of licenses, establishment and management of agreements with the applicant and prosecution of claims against CFIN or ISED. *Such legal costs associated with obtaining patents or other statutory protection for project intellectual property are considered eligible;*
iii. losses on investments, bad debts and expenses for collection charges;
iv. losses on other projects or contracts;
v. federal and provincial income taxes, goods and services taxes, value added taxes, excess profit taxes or surtaxes and/or special expenses in connection with those taxes, except duty taxes paid for importing is Eligible Cost;
vi. provisions for contingencies;
vii. premiums for life insurance on the lives of officers and/or directors where proceeds accrue to the applicant;
viii. amortization of unrealized appreciation of assets;
ix. depreciation of assets paid for by CFIN;

x. fines and penalties;
xi. expenses and depreciation of excess facilities;
xii. unreasonable compensation for officers and employees;
xiii. product development or improvement expenses not associated with the work being performed under the project;
xiv. advertising, except reasonable advertising of an industrial or institutional character placed in trade, technical or professional journals for the dissemination of information for the industry or institution;
xv. entertainment expenses (including but not limited to, catering, alcohol, non-travel expenses);
xvi. donations;
xvii. dues and other memberships other than regular trade and professional associations;
xviii. extraordinary or abnormal fees for professional advice in regard to technical, administrative or accounting matters, unless approval from CFIN is obtained;
xix. selling and marketing expenses associated with the products or services or both being developed under the Master Project Agreement;
xx. in-kind costs; and,
xxi. recruiting fees.