PROGRAM GUIDES

AGRICULTURAL STEWARDSHIP INITIATIVE

EQUIPMENT MODIFICATIONS TO REDUCE SOIL COMPACTION

Sustainable Canadian Agricultural Partnership

Generated on October 24, 2026

Not Accepting Applications

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PROGRAM AND CONTACT INFORMATION

Ontario Soil & Crop Improvement Association

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View Program Online →

PROGRAM DESCRIPTION

For producers who use heavy equipment (e.g., wagons, manure spreading equipment, etc.) where reductions to tire pressure could reduce soil compaction.

INTAKE DATES

INTAKE	INTAKE DATES	ELIGIBLE PROJECT START DATE (INVOICE DATE)	ELIGIBLE PROJECT COMPLETION DATE	CLAIM DEADLINE	PREVIOUS INTAKE GUIDE
1	Intake Opened: September 15, 2023 9am ET Intake Closed: September 28, 2023 5pm ET	Date indicated in approval letter	February 15, 2024	February 15, 2024	View
2	Intake Opened: October 16, 2024, 9am ET Intake Closed: October 29, 2024, 5pm ET	Date indicated in approval notification*	February 15, 2025, for costs incurred on or before February 15, 2025. February 15, 2026, for costs incurred February 16, 2025, to February 15, 2026.	February 15, 2025 February 15, 2026	View
4	Intake Opens: July 8, 2026, 9:00am (EDT) Intake Closes: July 29, 2026, 3:00pm (EDT)	Date indicated in approval notification*	February 15, 2027, for costs incurred on or before February 15, 2027. September 30, 2027, for costs incurred February 16, 2027, to September 30, 2027.	February 15, 2027 September 30, 2027	

*The **eligible project dates** are included in the approval notification issued by OSCIA for each successful application. Eligible costs can only be incurred, invoiced and/or paid by the applicant on or after the **start date** specified on the approval notification.

The Agricultural Stewardship Initiative will support multi-year project implementation. Please refer to the information in the Eligible Activities and Costs section below.

COST SHARE SUMMARY

30% cost-share funding up to a maximum of $6,000 per project application

PROGRAM DETAILS

Who is Eligible to Apply?

Farm businesses that file farm business taxes in Ontario as demonstrated by:

- A valid **farm business registration number (FBRN)** *For information on registering a farm business and/or a religious exemption, visit Overview (agricorp.com).* .

  OR

- A Religious Exemption Letter provided by the OMAFRA Appeal Tribunal (provide with application submission).

  OR

- A Cultural Exemption Letter provided by the First Nations Agriculture & Finance Ontario (FNAFO), formerly known as the Indian Agricultural Program of Ontario to First Nations farmers, verifying the farm business operates in a First Nations community (provide with application submission).

  OR

- An income exemption from the Farm Property Class Tax Rate Program (i.e., Start-up farm businesses, Business structure change, Not a normal production year, Age/Illness/Death of a spouse) (provide with application submission).

Applicants must:

- Have a verified, 4^{th} or 5^{th} Edition Environmental Farm Plan; and,
- Be in compliance with all requirements of the law and must remain in compliance for the duration of the project.

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Eligible Activities and Costs

Modifications to equipment to reduce soil compaction:

- Inflation/deflation systems (central tire inflation systems) that reduce field tire pressure to well below the level rated by the tire manufacturers for on road travel.
- New tires that have reduced operational tire pressure ratings as compared to the currently used conventional bias or radial tires of the same size. The new tires must represent a significant improvement (reduced tire pressure).
- Environmental fees that may be associated with the purchase of new tires.
- Track systems.

Multi-year projects under the Agricultural Stewardship Initiative:

If you are undertaking a project that requires certain conditions to complete (e.g., weather, production cycles, longer timelines, etc.) there is potential to propose project costs across two program years (costs incurred before and after the claim deadline for the current 2026-2027 program year). This would be considered a multi-year application.
Program years are:

  - 2026-2027: Project costs proposed between the eligible project start date indicated in the application approval letter to February 15, 2027. If approved, costs must be incurred, invoiced and paid, and claimed by February 15, 2027.
  - 2027-2028: Project costs proposed between February 16, 2027, to September 30, 2027. If approved, costs must be incurred, invoiced and paid within these dates, and claimed by September 30, 2027.

- If submitting a multi-year application, ensure that project costs proposed on the application form align with program year that project costs will be incurred, invoiced, and paid.
- For approved multi-year projects, one (1) claim must be submitted in each program year that project costs were proposed, and a cost-share allocation approved.

- The project must be completed and fully paid for by the 2027-2028 claim deadline of September 30, 2027.
- If you have questions about project timelines, claim submission dates or submitting a multi-year application, contact OSCIA at s-cap@ontariosoilcrop.org.

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Ineligible Activities and Costs

- Annual services fees of any type.
- Replacement of existing tires with:
  - The same technology or equivalent load carrying capacity;
  - A wider tire without new technology.
- Maintenance costs.
- Warranties for equipment or components used to modify equipment.
- Purchase of stand-alone air compressor units/equipment.
- In-kind labour and/or equipment.

Other Ineligible Costs and Activities

- Normal operating costs associated with conducting or expanding a business's current operations, including annual service fees of any type.
- Any cost that is eligible for a rebate, credit, or refund (e.g., a refundable portion of the Harmonized Sales Tax).
- Gifts and incentives.
- Costs of travel, hospitality, meals, and/or accommodations.

- Permits and approvals.
- Purchase, lease, construction or sale of land, buildings or facilities, and associated taxes or fees (e.g., land transfer tax).
- Extended warranties, taxes, legal fees, financing charges, loan interest payments, bank fees.
- Materials or products produced by the applicant's farm business.
- Invoices and/or payments not issued in the approved applicant's name.
- Materials or services purchased outside of the eligible invoice dates indicated in the application approval letter.
- Any cost purchased from a supplier who is not at arm's length from the applicant (i.e., businesses owned by the same individual(s), or by siblings or parents, through blood or marriage).

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How Much Cost-Share Funding Is Available?

30% cost-share funding up to a maximum of $6,000 per application

A Farm Business may submit up to two (2) applications per intake. Applications will be reviewed once the intake closes.

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Merit Assessment Criteria

The Agricultural Stewardship Initiative is a merit-based program. Complete applications that meet eligibility criteria are assessed using Merit Assessment Criteria, which are specific to each Project Category. A merit-based application review process is used to allocate cost-share funds to projects.

The Merit Assessment Criteria for **Equipment Modifications to Reduce Soil Compaction** are:

- Project addresses risk identified in EFP Action Plan.
- Number of acres covered by new equipment.
- Degree of risk associated with the proposed field(s) where equipment will be used (e.g., potential for surface and groundwater contamination, proximity to water courses, etc.) and estimated improvement to be achieved through project.
- Number of times an applicant has received cost-share funding for an equipment modification to reduce soil compaction project under past Canadian Agricultural Partnership programming or the Agricultural Stewardship Initiative, 2023-2024 or 2024-2025 intakes.

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What Do I Need to Apply?

The following must be included with an application submission:

- Application Form
- FBRN or documentation to support an eligible FBRN exemption
- Valid premises identification (PID) number. For details, please visit the Provincial Premises Registry.
- Certificate of completion for a 4th or 5th Edition Environmental Farm Plan

Applications are evaluated based only on the information submitted and will not be considered if they do not meet the eligibility criteria or if they are incomplete.

Be sure to carefully review the Agricultural Stewardship Initiative program guide details in entirety. Before you can apply, you will need to visit osciaportal.org and create a user account. Once you have created a user account, if the intake is open, you will be able to enrol and submit an application.

You must include all of the information listed under Documentation Required With the Application with your application submission. If documentation is not received with the submission, the application may be considered incomplete and will not be assessed.

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Documentation Required with the Application

- Certificate of completion for a 4th or 5th Edition Environmental Farm Plan

  Applications are evaluated based only on the information submitted. If required documentation is not received with the submission, the application may be considered incomplete and will not be assessed.

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How Do I Submit My Application?

Applications are only accepted during the application intakes dates noted above.

The Enrolment and Application Form, and all required documentation can be submitted electronically through the OSCIA Portal:

If the intake is not currently accepting applications, you may still visit osciaportal.org to create a user account and be ready for upcoming opportunities.

Applicants to the Equipment Modifications to Reduce Soil Compaction project category will receive notification by email of the outcome of their application approximately **50 business days** after the application intake closes.

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Limits of the Cost-Share Funding

- The eligible **start date** for your project is the date specified on the approval or partial approval letter issued by OSCIA for each successful application. Projects cannot be started before that date. Eligible costs can only be incurred, invoiced, and/or paid by the applicant on or after the date specified on the approval or partial approval notification.

- Deposits that are fully refundable, made by the applicant before the eligible start date to secure goods or services needed to complete the project, with the balance payable after the eligible project start date, may be eligible. The claimed invoice must be dated within the eligible timelines indicated in the approval or partial approval notification and must not indicate the deposit as non-refundable. If the invoice does not clearly indicate the payment as a deposit, or if the deposit is non-refundable, the amount is ineligible for cost-share. Any deposit or payment made prior to April 1, 2023, is not eligible under the Sustainable CAP program.

- OSCIA issues payments after projects have been completed and required claim documentation is received. The project must be paid for in full by the approved applicant prior to cost-share being issued.

- All invoices for the approved project must comply with the eligible invoice dates as outlined in the notification of approval issued by OSCIA for the proposed project. OSCIA cannot issue cost-share payments for incomplete or partially complete projects.

- Applicants are responsible for securing all necessary approvals and permits for the proposed project before starting and complying with all applicable municipal bylaws and provincial or federal regulations. OSCIA may require copies of permits obtained for some projects before issuing cost-share payments.

- OSCIA reserves the right to require additional documentation and ultimately accept or reject submitted project invoices and proof of payment for cost-share consideration.

- Stacking of Sustainable CAP cost-share funding from one or more business and/or one or more sources of Sustainable CAP funding, towards the same project is not permitted. Stacking with other programs outside of Sustainable CAP up to 100% of the project cost, is permitted if the other program allows stacking and at least 15% of the project costs come from non-government sources. All funding for a project from additional off-farm sources, excluding financing, must be listed on the claim form for an approved project.

- Activities funded under Sustainable CAP, Agricultural Stewardship Initiative will not be entitled to carbon credits/greenhouse (GHG) offsets during implementation in the year funding is received, after which, applicants may be eligible for Federal and Provincial GHG offset systems as applicable.

- A cost-share allocation is based on the eligible project costs outlined on the approved Application Form. Accurate estimates to the best of the applicant’s ability must be reflected in the total project cost submitted on the Application Form. Quotes are strongly encouraged to support all proposed project costs. If final project costs exceed the original estimate or the scope of the project

changes, there is no obligation by OSCIA to extend cost-share beyond the original allocation and/or project scope.

- All goods and services must be purchased from an entity that is at arm's length from the farm business. An entity is considered arm's length if they are not related, not affiliated persons or otherwise controlled by another member or members. Parent/child and siblings, through blood or marriage, or businesses owned by the same individual(s) are not considered arm's length. Refer to Section 251 of the Income Tax Act (Canada) for the additional detail on determining arm's length relationships.

- Projects that have received cost-share funding are routinely inspected. The decision to inspect may be based on project type, project value, or any other criteria selected by OSCIA. Projects may also be inspected randomly. Inspections are carried out before the claim is paid. Biosecurity protocols are followed by all representatives of OSCIA.

- Information presented is the best available at the current time. In the event of a conflict between anything set out in this program guide and/or any other program material and the Minister's Order, the Minister's Order will prevail. Errors and Omissions Excepted. Check with OSCIA for applicable updates. Material is subject to change without notice as the cost-share program evolves.

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How Do I Submit a Claim?

Application outcome notifications will be sent approximately **50 business days** after the application intake closes. If an application is approved for a cost-share allocation, written confirmation will be provided from OSCIA by email. This approval letter will confirm:

- Any costs from the application that were deemed ineligible

- Eligible invoice dates, project completion, and claim submission deadlines

- Information required with the claim submission

- Links to the necessary documents (e.g., Claim Form, Electronic Funds Transfer Form, Claim Questionnaire, etc.)

- Information on how to submit the claim

For single year projects, the project must be ***completed and fully paid for before a claim is submitted.***

For multi-year projects, one (1) claim must be submitted in each program year that project costs were proposed, and a cost-share allocation approved. The project must be ***completed and fully paid for before the final claim is submitted***.

As part of an eligible project, every claimed cost must be supported by an itemized invoice in the name of the approved applicant business and one of the following proofs of payment:

- Copy of front and back of cancelled cheque.
- Cash register receipt showing itemized purchase and payment received.
- Electronic image of processed cheque.
- E-Transfer confirmation, which includes the word ‘Deposited’ or ‘Autodeposited’.
- Bill Payment confirmation from a banking institution.
- Statement from banking institution indicating to whom the processed cheque was written, or electronic payment made, and for what amount.
- Third-party confirmation (e.g., email confirmation) of an e-transfer/electronic payment that shows who paid, who was paid, how much was paid and the date the payment transfer was successfully completed.
- Credit card or debit card receipt clearly identifying the amount and to whom the payment was made. Credit card or debit card numbers and other information, including costs that are unrelated to the project, should be blacked out.

  Cash payments for project costs are strongly discouraged, as they may not meet requirements for proof of payment. If proof of payment by the applicant is not provided, OSCIA cannot support the cost.

  OSCIA may request any additional information from the applicant that OSCIA deems necessary (e.g., copies of any audit reports, plans or permits obtained by the applicant in conducting the project) to support their claim.

  Cost-share payments are made by electronic funds transfer (EFT) in the name of the legal business. All cost-share funding is considered income to the business for tax purposes. OSCIA will issue a tax form (AGR-1) and report the amount paid to the Canada Revenue Agency (CRA);

this is why an applicant's Social Insurance Number (SIN) is collected if the applicant does not have a CRA Business Number. Only one claim can be submitted per project per program year, and only one payment will be made per claim.

If you have any questions about project timelines, claim submission dates, or submitting a multi-year application, contact OSCIA at:
s-cap@ontariosoilcrop.org.

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