

# Saskatchewan Value-Added Agriculture Incentive (SVAI)



This new incentive offers a non-refundable 15% tax credit on capital investments.

The SVAI makes one of the world's top value-added agricultural investment environments even more attractive.

## What is the SVAI?

The SVAI is a non-refundable, non-transferable 15% tax credit on capital expenditures valued at \$10 million or more for newly constructed or expanded value-added agriculture facilities in Saskatchewan.

Companies apply the benefit against corporate income tax (CIT) owing and are able to claim the benefit over a three- to 10-year period once the new or expanded facility is brought into operation.

Value-added agriculture is defined as: *The physical transformation or upgrading of any raw/primary agricultural product(s) or any agricultural byproduct or waste into a new or upgraded product.* This definition excludes facilities solely dedicated to cleaning, bagging, handling and/or storing of primary products.

## Additional Features of the SVAI

- Upon receiving a completed application, the Ministry of Trade and Export Development reviews the project to determine if the project, as proposed, meets the program's definition of value-added agriculture and the capital expenditure plan meets the program's requirements.
- If the application is approved at this stage, a letter of conditional approval is issued to the company. This advanced eligibility ruling helps companies demonstrate to their board, executives and investors that they meet the preliminary requirements for eligibility.
- Companies need to complete construction, initiate operations and provide evidence that the project has concluded as proposed before the SVAI Eligibility Certificate is issued.
- The SVAI may be used alongside existing Saskatchewan incentives if companies meet the prescribed qualifications.

## Program Qualification Process

1. Qualifying projects include new and existing value-added agricultural facilities. To be eligible, the project must have \$10 million in new capital expenditures, demonstrate the expenditures were made for the purposes of increasing productive capacity and meet the program's definition of value-added agriculture activity. Potential examples include pea protein processors, oat milling operations, malt producers, and cannabis oil processing facilities.
2. In order to qualify for the incentive, applicants will be required to provide certification from an independently qualified third party confirming that the eligible capital expenditures resulted in an increase in productive capacity. As long as all requirements are met, the Ministry will issue an SVAI Eligibility Certificate. The tax refund can be claimed by submitting the SVAI Eligibility Certificate to the Ministry of Finance, along with the corresponding T2 taxation information.
3. Redemption of the benefits is limited to 20% in year one after the facility enters operation, 30% in year two and 50% in year three. Remaining amounts can be carried forward for up to 10 years.

The program is effective as of September 1, 2017, to accommodate projects that have been recently initiated.

## How to Apply

To apply for an SVAI Eligibility Certificate, companies need to prepare and submit the [SVAI Application for Conditional Approval](#). If you have questions about the application process, refer to the [SVAI Program Overview and Application Instructions](#) or contact [svai@gov.sk.ca](mailto:svai@gov.sk.ca). Completed application forms may be submitted to the Ministry of Trade and Export Development via [svai@gov.sk.ca](mailto:svai@gov.sk.ca). No new applications will be accepted after December 31, 2022.

### For more information, contact:

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