

Incentives Eligibility Report

AGRICULTURE SYSTEMS PTE. LTD.

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Introduction

AGRICULTURE SYSTEMS PTE. LTD (“Company”) is a Singapore-registered company that wishes to explore eligibility for various incentive schemes offered by the government of Singapore and other Singapore-based agencies (“Incentives”). Andrew Pressler, an executive of the Company, used CorporateServices.com’s MatchMe™ tool to make a preliminary assessment of the Incentives for which the Company may qualify. MatchMe™ identified the following Incentives as potential matches:

1. Startup SG Tech
2. Enterprise Development Grant (EDG)
3. Startup SG Founder
4. Healthier Dining Grant
5. Healthier Ingredient Development Scheme
6. Agri-food Cluster Transformation Fund (Innovation & Test-bedding Component)

Mr. Pressler shortlisted three programs from the above list and engaged the services of CorporateServices.com for a more detailed evaluation. This report is the deliverable for that evaluation. It provides an assessment of the Company’s suitability for each of the shortlisted programs, namely:

1. Startup SG Tech
2. Healthier Ingredient Development Scheme
3. Agri-food Cluster Transformation Fund

Following the evaluation sections, the report provides a summary and a set of recommended next steps in the Conclusion section.

Please note that this report and its conclusions are based on the information that Mr. Pressler provided; if any of the information is not accurate or has since changed then it may impact the results and recommendations of this report.

Your Company Profile

Based on the information you have provided, here is the overall profile of your company that we have used to make our recommendations:

1. Your company AGRICULTURE SYSTEMS PTE. LTD. was registered 4 years ago, and you are in the agriculture business during this period;

2. It has 30% or more local shareholdings;
3. Its group annual sales turnover is not more than S\$100 million or group employment size is not more than 200 employees;
4. Its core activities are carried out in Singapore;
5. It is developing a proprietary technology solution called “Agritech Automation”;
6. Your solution is an innovative farming technology that directly improves farms’ productivity by helping farmers automate many processes when growing cereals;
7. You already have a technically viable concept, and you wish to carry out further development of a working prototype, to validate the commercial merit of an established concept;
8. Your project has not commenced as of now;
9. Your solution demonstrates how the technology is applied;
10. Your solution has a breakthrough level of innovation;
11. Your solution leads to the creation of proprietary know-how;
12. Your solution is commercially viable;
13. Your manufacturing facilities are physically present in Singapore;
14. You intend to manufacture healthier products, namely unpolished rice, mixed rice, wholegrains, and wholemeal flour within Singapore;
15. You intend to supply the mentioned products directly to retail outlets in Singapore;
16. Your company has secured a farm site for the implementation of your farming system;
17. Your farm has obtained SFA’s approval for the proposed farming activity;
18. Your products meet the requirements of the [Healthier Choice Symbol Nutrition Guidelines](#);
19. Your products are not certified with the Healthier Choice Symbol;
20. Your company is free of unauthorized or illegal activities for the past 1 year;
21. Your company has no on-going approved projects co-funded by the SFA;

22. Your company and its related companies have not been awarded under the Agri-food Cluster Transformation Fund (Innovation & Test-bedding component) earlier.

Based on the above information, we have rated the probability of a successful application for each of the shortlisted Incentive programs as LOW, MEDIUM, or HIGH. These ratings should be interpreted as follows:

1. **LOW:** It is unlikely that your application will be successful. A detailed analysis of your company's profile shows that the company fails to satisfy one or more of the eligibility criteria for the given Incentive.,
2. **MEDIUM:** It is possible that your application may be successful but there are shortcomings in your profile that reduce your chances of success. The likelihood of success will depend upon how your profile is presented in the application and how the government authorities interpret it; the approval authority may have certain discretion over the application approval process.
3. **HIGH:** There is a very good chance that your application will be successful if it is presented accurately. Your company appears to satisfy the eligibility criteria for the given Incentive program.

Startup SG Tech

Overview

The Startup SG Tech grant supports the development of proprietary technology solutions, and catalyzes the growth of startups based on technology and a scalable business model. Through the grant, companies may receive early-stage funding for the commercialisation of proprietary technology. The program includes share subscription rights of 50% of the awarded grant amount to Enterprise Singapore.

Key Facts

1. The total award amount available under this incentive per company is S\$750,000.
2. The incentive is awarded based on a three-stage application process.
3. The key requirements for this program are

- a. Startup no older than 5 years
- b. 30% or more local shareholding
- c. Less than 200 employees
- d. Less than S\$100M revenue

Who Runs the Program?

Enterprise Singapore

Program Benefits

Eligible applicants will receive the funding support capped at S\$250,000 for Proof-Of-Concept and at S\$500,000 for Proof-Of-Value projects.

Eligibility Criteria

Your company must meet the following criteria:

- Be registered for less than 5 years at time of grant application;
- Have at least 30% local shareholdings;
- Company's group annual sales turnover is not more than S\$100 million or group employment size is not more than 200;
- Core activities to be carried out in Singapore.

Your solution must:

- Clearly demonstrate how science or technology is applied;
- Be of a breakthrough level of innovation;
- Lead to or build on proprietary know-how or IP;
- Be commercially viable.

Qualifying Projects

- **Proof-Of-Concept (POC) Project.** Your solution is at the conceptualisation stage, and the technical or scientific viability still needs to be proven. You should clearly explain the innovative science or technology concept behind the solution.
- **Proof-Of-Value (POV) Project.** You already have a technically or scientifically viable concept, and you wish to carry out further development of a working prototype, to validate the commercial merit of an established concept. You need to show the technology concept you are building on, and the commercial merit to be validated. You will also be required to demonstrate proof-of-interest from a potential customer or 3rd party investor, and the necessary business competencies to execute the project.

Project should not have commenced at the time of application.

Our Assessment and Rating

Based on our analysis, your company's chances for a successful application for this program are **HIGH**. Your company appears to meet all eligibility requirements for the Incentive.

Application Procedure

The procedure involves a three-stage application. In the first stage, a summary of the project is submitted to Enterprise Singapore. If after the initial review the project is found to be eligible, a more detailed application has to be submitted in the second stage. Shortlisted applicants from the second stage are invited to present their proposals to a final evaluation panel comprising industry experts. The decision of the evaluation panel is final. For projects that pass all three stages, it takes approximately three months from the date of submission of the second Stage proposal to issuance of a letter of offer for the Startup SG Tech grant.

Healthier Ingredient Development Scheme

Overview

Healthier Ingredient Development Scheme (HIDS) supports food manufacturers that develop and innovate a wider variety of healthier ingredients and products suited to local tastes. The HIDS covers both oil and grain staples, mainly rice and noodles, as well as sugar-sweetened beverages, sauces, desserts, wholegrain products, sweet spreads and table salt.

Key Facts

1. The total award amount available under this incentive per company is up to S\$200,000 that covers up to 80% of the qualifying costs.
2. The incentive is awarded based on a four-stage application process.
3. The key requirements for this program are:
 - a. Company registered in Singapore
 - b. Be in business for at least 3 years
 - c. Intend to import, supply, or manufacture healthier products
4. The application procedure usually takes 3 months.

Who Runs the Program?

Health Promotion Board (HPB)

Program Benefits

HIDS will fund up to 80% of total qualifying project expenses capped at S\$200,000.

Qualifying Project Expenses (Supportable Activities)	Non-Supportable Activities
<ul style="list-style-type: none"> ● Cost of raw ingredients for R&D (e.g. whole grain flour, functional sugar) ● R&D manpower costs (e.g. salary) ● Engaging external consultants to assist with R&D ● Packaging design (e.g. artwork, extend shelf-life) ● Taste tests (e.g. sensory) ● Lab tests and certification (e.g. low GI tests, NIP tests) 	<ul style="list-style-type: none"> ● Production costs (e.g. actual mass production) ● Machinery (e.g. production machine, packing machine) ● Non-related lab tests and certification (e.g. GMO, pesticide free, sustainability) ● Late payment charges

Qualifying Project Expenses (Supportable Activities)	Non-Supportable Activities
<ul style="list-style-type: none"> • Special equipment for R&D (e.g. food texture tester) • Trial production run (e.g. small batch for sampling, quality control) 	

Eligibility Criteria

HPB supports companies that conduct innovations and developments of healthier ingredients or products to be sold in Singapore, i.e. developing healthier cooking oil blends with better frying durability, developing noodles with higher wholegrain percentage, re-formulating lower-sugar beverages using functional sugars, etc.

Your company should meet the following criteria:

- Be registered and physically present in Singapore;
- Be in business for at least 3 years;
- Intend to import healthier ingredients or products into the Singapore market, or intend to manufacture them within Singapore;
- Intend to supply healthier ingredients or products directly or indirectly to qualifying F&B or retail outlets in Singapore;
- Developed products must meet the requirements of the [Healthier Choice Symbol Nutrition Guidelines](#) and be certified with the Healthier Choice Symbol.

HIDS supports the following categories of products:

1. Fats and Oils
 - a. Edible oil (Food Service)
2. Cereals
 - a. Rice (Unpolished)
 - b. Mixed rice
 - c. Wholegrains

- d. Flour (Wholemeal, Self-raising)
 - e. Oriental noodles (Dry)
 - f. Oriental noodles (Fresh)
 - g. Instant noodles
 - h. Pasta
 - i. Bread (Loaf)
 - j. Flat breads (Pita, Wraps)
 - k. Buns, Rolls
 - l. Steam buns (Pau, Mantou)
3. Beverages
- a. Malted or chocolate drink
 - b. 3-in-1 or 2-in-1 coffee/tea beverages
 - c. Sweetened drinks
4. Sauces
- a. Asian sweet sauce
 - b. Dark soy sauce
 - c. Soy sauce (Others) and Marinades
 - d. Sweetened syrups
 - e. Tomato/chili sauces
 - f. Asian recipe mixes
 - g. Asian savory sauce
 - h. Light soy sauce
 - i. Oyster/Vegetarian Oyster/Abalone sauce
 - j. Other sauces (Western)

- k. Pasta sauce
 - l. Soup and broth
5. Desserts
- a. Local and seasonal cakes
 - b. Ice cream (includes sorbet)
 - c. Frozen yogurt
 - d. Local clear soup desserts
 - e. Soup/Paste desserts (with dairy/cream)
 - f. Ice shaving desserts
 - g. Jellies
 - h. Pudding
 - i. Western cakes/ Muffins
6. Convenience Meals
- a. Main meals (Wholegrains)
 - b. Small meals (Wholegrains)
 - c. Other convenience meals (Wholegrains)
7. Sweet Spreads
- a. Egg jam (Kaya)
 - b. Nuts and seed butters (e.g. Peanut butter)
 - c. Chocolate spreads
 - d. Fruit Spreads
8. Table Salt

Our Assessment and Rating

Based on our analysis, your company's chances for a successful application for this program are **MEDIUM**.

To increase your chances we recommend you to apply to the [Healthier Choice Symbol](#) and certify your products. Once you do that, your company will meet all the program criteria and will have HIGH chances to receive the award. When applying for HIDS, in your application form you should highlight your innovative technology concept and the fact that you manufacture healthier cereals that meet all the requirements of the Healthier Choice Symbol Nutrition Guidelines.

Application Procedure

The procedure involves three-stage application. In the first stage, before the launch of the project (roughly 2.5 months before), you should submit a Draft Application to the HPB. In the second stage, Application Negotiation, you will speak to the HPB Officer to discuss and improve the proposal. In the third stage, you will submit a Final Application (1.5 months before). If your project is found to be eligible, you will receive a Grant Award Letter, sign it, and can start the project.

Agri-food Cluster Transformation Fund

Overview

Agri-food Cluster Transformation (ACT) Fund (Innovation & Test-bedding (I&T) Component) supports agricultural companies that fall under the Innovation or Test-bedding criteria.

Under the Innovation component applicants should embark on Proof-of-Value projects or develop innovative farming technologies or systems that directly improve farms' productivity, sustainability, and circularity of resource use, within an implementation window of up to two years.

Under Test-bedding component applicants should pilot or adapt farming technologies or systems that may have worked in other countries but have yet to be proven in Singapore's context, environmental or weather conditions, to increase farm's productivity in a resource-efficient manner with minimal pollution and waste.

Key Facts

1. The total award amount available under this incentive per company is 70% of the qualifying costs capped at S\$1 million.
2. The incentive is awarded based on a two-stage application process.
3. The key requirements for this program are
 - a. Company engaged in agricultural business
 - b. Developing innovative farming technology
 - c. License issued by SFA
4. The application procedure usually takes 12 weeks.

Who Runs the Program?

Singapore Food Agency (SFA)

Program Benefits

Successful applicants will receive:

1. Funding support for development of innovative farming technology and systems (i.e. Innovation' Project):
 - a. Co-funding 70% of eligible expenses (up to S\$1 million) for Innovation Projects in primary production of leafy vegetables, food fish, hen eggs
 - b. Co-funding 50% of eligible expenses (up to S\$500,000) for projects in primary production of other food types

As you mentioned, your company produces unpolished rice, mixed rice, wholegrains, and wholemeal flour. Therefore now you fall under the second point.

Eligibility Criteria

An applicant should meet the following criteria:

- Be engaged in agricultural business.

- Launch the project that falls under one of the following components:
 - Under the **Innovation component** applicants should embark on Proof-of-Value project or develop innovative farming technology or systems that directly improve farms' productivity, sustainability, and circularity of resource use, within an implementation window of up to two years.
 - Under **Test-bedding component** applicants should pilot or adapt farming technology or system that may have worked in other countries but have yet to be proven in Singapore's context, environmental or weather conditions, to increase farm productivity in a resource-efficient manner with minimal pollution and waste.
- Be a farm licensee of a Singapore-based farm with a valid license issued by SFA.
- For new farms, applicants must have obtained SFA's approval for the proposed farming activity at the farm site.
- Have a secured farm site for implementation of the proposed farming system.
- For existing farms, the applicant's farm should be free of unauthorized or illegal activities for the past 1 year from the time of application.
- Applicant and its related companies, if any, should have completed any on-going approved projects at the same farm site co-funded by SFA before application under the Innovation & Test-bedding component.
- Applicant and its related companies, should not have been awarded up to the maximum funding amount of S\$1 million under the Innovation & Test-bedding component during the 5-year availability of ACT Fund.

Our Assessment and Rating

Based on our analysis, your company's chances for a successful application for this program are **HIGH**. Your company appears to meet all eligibility requirements for the Incentive.

In your application form you should highlight that the innovative farming technology developed by your company directly improves farms' productivity and sustainability. You must also ensure that you submit high quality product brochures and quotations for the cost of project items.

Application Procedure

The procedure involves one-stage application. You should file the relevant application form and submit the supporting documents. A complete application procedure will usually take eight to twelve weeks from the time you submit your project application. SFA may contact you for clarifications. If you are awarded the grant, your company will receive a Letter of Offer (LOF) indicating the conditions of support and the amount of grant awarded. You should acknowledge receipt and accept the LOF within the timeline indicated, otherwise the application would be considered invalid. Disbursements of funds are made on a reimbursement basis.

Conclusion

The table below summarizes your eligibility for three programs.

Program	Probability	Recommendation
Startup SG Tech	High	<ul style="list-style-type: none"> • Compare Startup SG Tech and Agri-food Cluster Transformation Fund benefits • Due to the reasons explained below, we recommend applying for the latter grant
Healthier Ingredient Development Scheme	Medium	<ul style="list-style-type: none"> • Apply to the Healthier Choice Symbol and certify your products • Once you do that, your company will meet all the program criteria and will have HIGH chances to receive the award
Agri-food Cluster Transformation Fund	High	<ul style="list-style-type: none"> • Your company should definitely apply for this program • Highlight that your farming technology directly improves farms' productivity and sustainability

Next Steps

1. For the Startup SG Tech Incentive and Agri-food Cluster Transformation Fund Incentive:
 - a. Both programs support the agritech solutions that improve farms' productivity like yours. But you can not apply for both incentives with the same solution at the same time. Therefore you should choose one grant only. We recommend you

applying for the Agri-food Cluster Transformation Fund due to the following reasons:

- b. You have developed an agritech solution for which particularly the mentioned program was launched. Startup SG Tech covers the wider list of technical solutions, therefore competitiveness there is higher.
 - c. Startup SG Tech involves subscription rights of 50% of the awarded grant amount to Enterprise Singapore. It is less attractive compared to the classic grant provided under the Agri-food Cluster Transformation Fund.
 - d. The amount of award provided under the Agri-food Cluster Transformation Fund is higher compared to the Startup SG Tech (up to S\$1 million vs up to S\$500,000 per one project).
2. For the Healthier Ingredient Development Scheme Incentive:
- a. HIDS is not tied to the Startup SG Tech or Agri-food Cluster Transformation Fund, it is an independent program. Therefore you can apply for it in parallel with the mentioned incentives and receive a separate grant.
 - b. You should certify your products with Healthier Choice Symbol before application submission and you will improve your chances to receive funding under the HIDS.

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