Media Release

New $60 million fund to support transformation and growth of local agri-food sector

The Singapore Food Agency (SFA) is establishing a **$60 million Agri-Food Cluster Transformation (ACT) Fund** to support the transformation of the agri-food sector into one that is highly productive, climate-resilient and resource-efficient.

2 The ACT Fund replaces the Agriculture Productivity Fund (APF) *(refer to Annex A for details on the APF)*, and will be available for the next five years. The new fund comprises three co-funding components for local food-producing companies to build and expand their production capacities and capabilities: a) Technology Upscaling; b) Innovation and Test-bedding; and c) Capability Upgrading (*refer to Annex B for details)*.

3 The ACT Fund was designed following a holistic review of the needs of the agri-food sector, and builds on the design of the APF with the following improvements to better support local food-producing farms to achieve the '30 by 30' goal[1]:

(i) Higher co-funding quantum for the adoption of technology and advanced farming systems along the farm to fork value chain (e.g. from production to post-harvest). For example, the co-funding cap will be raised to $4.5 million (up from $2 million under the APF) to attract and cater to larger commercial-scale, automated and advanced farming technology solutions. This will cover a higher percentage of the farm's upfront investment cost and lower the potential financial risks that farms have to undertake.

(ii) Expanded co-funding scope to raise farms' environmental sustainability in farming methods and practices, and better cater to the needs of local food-producing farms at their different development and growth stages. For example, farms can receive co-funding support to implement technology to make efficient use of resources such as water and energy, and reduce pollution and waste. The farm can also tap on the fund's 'Innovation and Test-bedding' component to trial a small-scale pilot farm in its

[1] Singapore has set a '30 by 30' goal to produce 30% of our nutritional needs locally by 2030, up from less than 10% today.

start-up phase, and tap on the 'Technology Upscaling' to construct a larger commercial-scale farm in its growth phase. Farms that are setting up new farm sites or retrofitting indoor spaces within ready industrial spaces can also tap on the ACT Fund to defray their initial building, construction and retrofitting costs.

4 "We recognise that adopting such farming technology would typically require higher upfront capital investment in infrastructure and technological systems. The new ACT Fund which will be launched later this year has several new features from the APF. This includes a higher level of co-funding support for high-tech farming systems to help farms significantly increase productivity and enhance their resilience against the adverse impact of climate change, as well as a broader co-funding scope to promote sustainable and efficient use of resources. This will further support our farms as they shift towards harnessing technology to overcome our land and resource constraints, bringing us closer to our '30 by 30' goal. Not only will this contribute towards our food security, it will create good jobs such as agriculture and aquaculture specialist roles for our people," said Mr Lim Kok Thai, Chief Executive Officer of SFA.

Annex A – Agriculture Productivity Fund

The $63 million Agriculture Productivity Fund (APF) was launched in 2014 to help farms modernise and harness innovative, sustainable technology and advanced farming systems as well as co-fund test-bedding of technology.

The APF consisted of three funding components:

a. Basic capability upgrading – This component provided co-funding support for equipment and small-scale pilot trials that could help increase farms' productivity.
b. Productivity enhancement – This component provided co-funding support in farms' adoption of advanced and integrated farming systems to achieve higher levels of productivity. In addition, a new test-bedding element was introduced in 2018 for farms to test and trial technology that were new to Singapore's context. (Note: The co-funding cap for productivity enhancement projects was increased to $2 million as part of the enhancement to the APF in 2018, up from the initial funding cap of $700,000.)
c. Research & Development: This component provided co-funding support for the prototype and development of innovative technology to raise farms' productivity.

As of end December 2020, a total of $43 million was awarded to 118 farms. These recipients of APF have cumulatively achieved:

a. More than 280,868 man-hours saving (equivalent to 107 workers)
b. Increased production of leafy vegetables by around 1,680 tonnes (equivalent to about 13.2% of total local production in 2020)
c. Increased production of food fish by more than 648 tonnes (equivalent to about 15.6% of total local production in 2020)
d. Increased production of hen shell eggs by over 46 million pieces (equivalent to about 7.5% of total local production in 2020)

Farms that benefitted from the APF

An example of a farm that benefitted from the APF is Blue Ocean Aquaculture Technology (BOAT) Pte Ltd, which implemented a Recirculating Aquaculture System (RAS) consisting of culture tanks with self-cleaning capabilities; a fish transportation system that can

transfer fishes from tank to tank, a dissolved oxygen monitoring system to capture parameters such as pH level and dissolved oxygen automatically; and a nano bubble generating system to produce high levels of dissolved oxygen. With this system, the fish farm has the potential to achieve annual manpower savings equivalent to 18,340 man-hours and water savings of 17,000m^3.

Funding support was also provided to vegetable farm Netatech Pte Ltd to test-bed its new farming concept, Netapod Farming Solution. The Netapods are designed by the farm to be like a display cart which can be moved directly from the farm to supermarket outlets. This helps to reduce wastage along the supply chain and increases productivity. Its compact and mobile design also allows it to be deployed at alternative spaces such as rooftops, which are typically smaller in size. With this new farming solution, Netatech has the potential to achieve annual manpower savings of 39,000 man-hours.

Local poultry farm, Seng Choon Farm Pte Ltd, also tapped on the APF to upgrade the handling capacity of its feed mill to support the increase in the farm's production of eggs. The feed mill's feed mixing capacity, hammer mill capacity and storage capacity were expanded to cater to the farm's larger flock population. The farm also automated the mixing of micro ingredients, liquid dosing system and introduced special smooth surface silos with reclaimers to decrease the handling of bridging materials. With this system, Seng Choon was able to increase its production capacity and achieve annual manpower savings of 18,561 man-hours.

Annex B – Details of ACT Fund

(Note: Key improvements and new features to the ACT Fund that were not included under the previous APF are indicated in red)

Funding Component and Scope	Funding Quantum
<u>Technology Upscaling</u> This component will provide co-funding support for the purchase of large commercial-scale, automated, and advanced farming technology solutions that will be integrated with agri-input production, post-harvest and waste treatment technology to achieve higher levels of productivity in a resource-efficient manner with minimal pollution and waste. [NEW] Farms that are setting up new farm sites or retrofitting indoor spaces within ready industrial spaces for farming can also tap on the fund to defray infrastructure and building costs that will be incurred to install the farming system funded under the same component.	Projects in primary production of leafy vegetables, food fish and hen eggs: ▪ Co-funding at **70%** up to **$4.5mil** for farming technology *(up from $2mil under the APF)* ▪ [NEW] Additional co-funding at up to **$1.5mil** for farms setting up new farm sites or retrofitting indoor spaces within ready industrial spaces to defray infrastructure and building costs that will be incurred to install the farming system funded under the same component Projects in primary production of other food types: ▪ Co-funding at **50%** up to **$700,000**, inclusive of infrastructure and building cost component at up to 25% of total approved fund for eligible farms *(up from co-funding at 30% up to $300,000 under the APF)*
<u>Innovation and Test-bedding</u> This component provides co-funding support for farms to prototype or develop innovative farming technology, with an implementation window of up to two years.	Projects in primary production of leafy vegetables, food fish and hen eggs: ▪ Co-funding at **70%** up to **$1mil** for 'Innovation' Projects *(no change from APF)*

This component will also provide co-funding support for farms to pilot or adapt farming technology that may have worked in other countries but have yet to be proven in Singapore's context or environmental conditions, to increase farm productivity in a resource-efficient manner with minimal pollution and waste.	▪ Co-funding at **70%** up to **$700,000** for 'Test-bedding' Projects *(up from $500,000 under the APF)* Projects in primary production of other food types: ▪ Co-funding at **50%** up to **$500,000** for 'Innovation' Projects *(previously not available under APF)* ▪ Co-funding at **50%** up to **$300,000** for 'Test-bedding' Projects *(up from co-funding at 30% up to $100,000 under APF)*
<u>Capability Upgrading</u> This component will provide co-funding support for farms to procure equipment and systems from SFA's pre-qualified list, and conduct small-scale pilot trials to raise productivity and resource-efficiency, and reduce pollution and waste. [NEW] It also covers farms' expenses related to the upcoming Clean & Green (C&G) Standard[2] that SFA will be launching this year, such as the purchase of equipment and certification-related fees.	Projects in primary production of all food types: ▪ Co-funding at **50%** up to **$50,000** *(no change from APF)*

[2] The Clean & Green Standard for urban farms serves to recognise local farms that have adopted resource-efficient farming practices and ensured clean farming environment. It also serves as a mark of assurance to our consumers that the produce from these farms are not only free from synthetic pesticides, but also grown in a sustainable way.