

Program overview

The E-Commerce and New Marketplace Transition Package will assist Victorian farmers and producers maintain operations, build resilience and manage the economic impacts of the pandemic arising from market and supply chain disruptions. The package forms part of the immediate support provided by the Victorian Government through the Agriculture Workforce Plan.

Boosting accessibility to online markets for Victoria's farmers and producers is crucial due to the pandemic limiting sales to the hospitality sector, reduced numbers of people able to visit farmers markets as well as less tourists travelling in the state.

Online farmers markets or marketplaces primarily selling Victorian agricultural produce are invited to apply for grants to help new and existing producers with the cost of onboarding, online marketing and registration fees associated with online sales.

Organisations can also apply for funding to help cover the costs of freight and logistics, reducing delivery fees for consumers buying Victorian fresh food and goods online.

Objectives

The objectives of the package are to:

- boost the capacity of eligible organisations to continue supporting Victorian farmers and producers to sell online and transport produce efficiently to customers;
- remove financial barriers for Victorian farmers and producers seeking to sell through online platforms and marketplaces, including customer delivery mechanisms;
- contribute to regional economic growth and jobs through increasing sales of Victorian agriculture and food products; and
- facilitate skills development for Victorian farmers and producers in online sales and marketing (this will be implemented in the education component of this package, separate to these guidelines).

Eligibility criteria

Grant funding is available to Victorian not-for-profit¹, social enterprise or charitable organisations that also meet the following eligibility criteria:

1. Currently operating an online market platform, that:
 - a. facilitates the sale of Victorian agricultural products - OR - supports farmers and producers with online sales;
 - b. benefits Victorian farmers and producers to develop online sales mechanisms;
 - c. sells primarily Victorian agricultural produce or small-scale manufactured food such

¹ Social enterprise organisations are described by Business Victoria in the link provided - <https://www.business.vic.gov.au/setting-up-a-business/business-structure/social-enterprise>

- as cheese, smallgoods, oils and conserves;
 - d. is not solely focused on selling beverages; and
 - e. does not sell livestock.
2. Demonstration of an organisational mission or purpose that benefits the Victorian agriculture or small-scale food sector rather than individual businesses.
 3. Businesses selling through an online platform must not have an annual turnover of > \$5 million.
 4. Hold an Australian Business Number (ABN) and have held that ABN for a period of one year.

It is preferable that eligible organisations have a demonstrated track record in:

5. Cross-sector collaboration and design of mutually reinforcing activity across the Victorian agriculture and small-scale food sector.
6. The delivery of services to or representation of Victorian farmers and producers.
7. Clear interest in promoting the Victorian local food sector and short supply chain models for the benefit of all Victorian agriculture and producers.

Available Funding

Eligible organisations are invited to apply for grant funding of up to **\$50,000** to directly support Victorian farmers and producers manage fees and costs associated with online sales and to attract additional Victorian farmers and producers to the organisation's online sales site.

Grants of up to **\$100,000** are also available to eligible organisations to support Victorian farmers and producers manage the freight and logistics costs associated with online sales.

How the funding may be used

1. **Agriculture online marketplace - fee rebate** - capped at \$500 per existing producer up to a maximum total of \$50,000 (for both fee components).

Grants will support fee relief for existing Victorian farmers and producers associated with online sales. These fee rebates will be paid to eligible organisations managing the online sales site to pass on directly to the farmer or food producer. The fees are defined as:

- registration fees and sale fees; and/or
- charges to e-commerce site associated with the sale of produce.

2. **Agriculture online marketplace - New user establishment grant** - capped at \$1,000 per new producer attracted to the site up to a maximum total of \$50,000 (for both fee components).

Grants will support eligible organisations to incentivise additional Victorian farmers and producers joining the online sales site. This will include the costs associated with attracting and supporting additional producers to online sales, including:

- online support;
 - basic short chain supply education;
 - marketing support; and
 - initial registration.
3. **Agriculture online marketplace – Freight and logistics grant** - capped at 20 per cent of total monthly sales on the online site or \$100,000 per organisation (whichever is less).

Grants will enable eligible organisations to support Victorian farmers and producers manage the costs associated with the storage and transport of Victorian agricultural produce arising from online sales, including:

- logistics planning;
- road freight;
- warehousing;
- cold storage;
- packaging;
- food safety;
- tracking and record keeping; and
- establishing sustainable short chain logistics systems.

Application and assessment

Assessment Criteria

Each application will be assessed against the following criteria:

1. Eligibility of the organisation as defined by these guidelines;
2. Alignment to the objectives of the E-commerce and New Marketplace Transition package;
3. Demonstration of how the organisation will create economic benefits for Victorian farmers and producers through increased sales and/or logistics efficiencies;
4. Demonstrated capacity and capability of the organisation to work directly with a broad range of Victorian farmers and producers;
5. Applications that demonstrate use of grant funding to enhance cross-sector collaboration will be favourably assessed.

Terms and conditions

1. Maximum grant available for fee rebate and new user establishment grants is \$50,000 per organisation.
2. Maximum grant available for freight and logistics costs is \$100,000 per organisation.
3. Organisations can apply for both fee and logistics grants in the one application form.
4. Grants are available until funding is exhausted.
5. Funding will be subject to a Grant Agreement between the Victorian Government and the organisation.
6. Retrospective transport costs will not be paid.

7. Businesses selling through the platforms must be willing to contribute to the total costs of freight and logistics services.
8. Private vehicle use does not constitute a form of freight transport.
9. Invoices/receipts may be required as evidence before payments are made.
10. Payment for the delivery component may be paid directly to grant recipients or, if required, to fund a collective logistics solution that directly benefits and is informed by grant recipients.

How to apply

Completed application forms (**Attachment 1**), together with supporting documentation can be submitted as follows:

Email to: agricultureworkforceplan@ecodev.vic.gov.au