



FarmWorks Investment Co-operative Limited

Office: 70 Eden Row, Wolfville, RR2, NS, B4P 2R2

Phone: 902-542-3442, 902-60-3660

Email: lbest@ns.sympatico.ca

Business Plan 2016 – 2021

FarmWorks Investment Co-operative Limited

The FarmWorks Investment Co-operative Limited business plan for the next five years describes the strategy for achieving the vision and accomplishing the mission and its associated goals.



FarmWorks Investment Co-operative Limited



FarmWorks Investment Co-operative Limited was incorporated as a for-profit Co-operative on May 18, 2011 by an association of community leaders concerned about social, economic and cultural needs. The mission is to promote and provide strategic and responsible community investment in food production and distribution in order to increase access to a sustainable local food supply for all Nova Scotians.

FarmWorks Directors bring a wealth of knowledge to the Board. They are assisted by a wide range of Advisors who contribute additional information and skills. All stakeholders are considered and partnerships and integrated approaches increase the impact as FarmWorks helps build farm and food-related capacity. The Directors promote community development and participation and put people and social and environmental responsibility before profit.

Directors

Peter Hicklenton – Chair

Crop Production Systems Research

Andrew Meade – Vice-chair

Lawyer, Banker Retired

Bruce Wright - Treasurer

Medical Pathologist, Grape Grower

Valeria VanOostrum – Secretary

Member Owner Just Us! Coffee

Linda Best – Director, Executive Committee

Microbiologist, Chair Friends of Agriculture

Ann Anderson – Executive Committee

Educator, Friends of Agriculture

John Webster – Director

Financial Analyst

Chris Atwood – Director

Executive Director CBDC Yarmouth

Leslie Brown - Director

Professor, Researcher in Sociology, MSVU

Jenny Osburn – Director

Former Owner Union Street Café

Johanna Kwakernaak –Director

Sustainability Education Coordinator at Clean Nova Scotia

Richard Melvin – Director

Farmer, Member NS Federation of Agriculture

David Bethune – Independent Director

Financial Analysis

Advisors

Jonathan McClelland, NS Co-op Council Business Development
Gordon Michael, Continuing Education SMU
Jeff Moore, Co-Founder Just Us! Coffee, Just Us Development
Thomas Krausse, Dandelion Community Investment Fund
Gary Morton, Partner Morton Horticultural Consulting
Av Singh, Organic and Rural Infrastructure Specialist
Edith Callaghan, Manning School of Business, Acadia University
Hank Bosveld, Bosveld Fruit Farms
Susan Carroll, Executive Chef, Paddy's Pub and Rosie's Restaurant
Charles Keddy, Charles Keddy Farms Limited
Rupert Jannasch, Ironwood Farm
John Aylward, Venture Solutions, Consultant
Ross Piercey, Production and Quality Consultant
Duncan Ebata, Web, Marketing and Media Consultant
Jeremy White, Engineer, Marketing, Brewer Big Spruce
Irena Knezevic, Communications, Food Systems, Research, Educator
Melissa Quinn, Entrepreneurship, Nutrition, Product Development
Mark Vardy, Insurance Professional and Community Volunteer
Shanon Archibald, Public Engagement Coordinator
Andrew Button Founder Mashup Lab, Economic Development
Chris Walker, Economic Development, Management, Evaluation
Geoff Appleby, Certified Financial Analyst
Alison Scott Butler, Lawyer and Founding Director of FarmWorks
Stephen Anderson, Food Economy Group and Founding Director FarmWorks
Natalie Smith, Economic Development
Wes Booth, Marketing and Media Consultant

Table of Contents

EXECUTIVE SUMMARY	4
INDUSTRY ANALYSIS	4
COMPANY OVERVIEW	5
VISION, MISSION, GOALS	6
PRODUCT	6
ENTRY AND GROWTH	7
MARKET RESEARCH AND ANALYSIS	7
MARKETING THE CEDIF TO POTENTIAL INVESTEES	10
BUDGET AND PROJECTIONS	11
PRIORITIES, GOALS, PERFORMANCE MEASURES	12
GOVERNANCE	13
COMMITMENTS AND COLLABORATION	14
RATIONALE FOR FARMWORKS	15
CONCLUSION	17



EXECUTIVE SUMMARY

FarmWorks endeavours to provide Nova Scotian Investors with meaningful returns on funds invested to increase viable, sustainable food production and the security provided by access to local food.

FarmWorks Community Economic Development Investment Fund (CEDIF) helps create new opportunities by providing subordinated debt financing for farms and food-related businesses.

Production of food creates jobs on farms and throughout the food system, increases food sufficiency, keeps money in Nova Scotia, helps reinvigorate rural communities and contributes to Nova Scotia's economy.

FarmWorks forms partnerships with investors and loan recipients, and augments financing provided by other lending institutions such as Credit Unions, Futurpreneur, the Farm Loan Board, Community Business Development Corporations, other Co-operatives and commercial lenders. FarmWorks promotes the benefits of investing in local enterprises and buying local products.

FarmWorks Advisors assist the Directors with due diligence and mentoring. Loans are made to enterprises that will be successful in achieving, within three years, a minimum 10% increase in output and productivity. Guidelines for measuring and reporting outcomes are in place for loan recipients and for Board activities.

The first CEDIF offer closed at the end of February 2012 and raised \$224,200 from investors across Nova Scotia. The second offer raised \$225,300, the third \$271,500, the fourth \$312,400, and the fifth \$372,300 for a total to June 10, 2016 of \$1,405,700. By the end of 2017 it is intended that \$2 million will be available for investment in farms and food-related enterprises across the Province.

INDUSTRY ANALYSIS

Agriculture has the potential to be a significant economic driver for Nova Scotia, but food producers with little remaining equity, competing against low-cost industrial-scale production of foods that do not reflect the embedded costs of production or transportation, and with limited government support available, may be unable to take advantage of the rising tide of interest in healthy, less highly processed foods. The ability to move into this market requires investment of money that may not be readily available for production and infrastructure.

Relative to 2006, farm receipts in 2011 had increased 9% to \$595 M. The 2011 census showed that there are 3,905 farms, up from 3,793 in 2006, with 5,225 farm operators. Primary agriculture employed 5,361 Nova Scotians in 2012, up from 4,651 in 2011 and of these 4,238 were full-time employees. Part-time employment increased from 768 employees in 2011 to 1,123 in 2012.

Primary agriculture plus food manufacturing excluding seafood employed a total of 10,061 people in 2012, an increase of 7.2% over 2011¹.

The agri-food industry plus other food service sectors employed over 56,000 people in Nova Scotia in 2012, accounting for approximately 14% of all employment. Total revenues from agri-food processing

¹ <http://novascotia.ca/agri/documents/business-research/agstats-NSagriculture-and-agrifood-snapshot-2014.pdf>

exceeded \$1.2 billion in 2012, up 1.6% from 2011, contributing 1.8 percent of the provincial gross domestic product (GDP) to the Provincial economy².

In 2015 Nova Scotians spent approximately \$3 billion on food. Every 10% increase in total sales of locally produced food in Nova Scotia could add millions of dollars to farm and other food sectors and generate hundreds of new jobs in food and other sectors^{3,4}.

A poll of Ontario consumers conducted by Environics in October 2007 found that 88% of respondents read origin labels on the foods they buy, 80% preferred to buy locally-grown produce, over 50% reported purchasing local products at least once a week, and 91% of the Ontarians polled said would buy locally grown food if they could find it in their grocery stores⁵.

HRM Prince Charles, speaking at the May 2011 *Future of Food* Conference at Georgetown University, said "Certainly, internationally, food insecurity is a growing problem. There are also many now who consider that global food systems are well on the way to being in crisis. Is there not more resilience in a system where the necessary staple foods are produced locally, so that if there are shocks to the system, there won't be panic? And what is more, not only can it be much more productive than it currently is, strengthening small farm production could be a major force in preserving the traditional knowledge and biodiversity that we lose at our peril."⁶

FarmWorks fills a niche in the agricultural financing market. As farm debt and the value of land increases the threshold for entry into the sector rises. FarmWorks helps to lever the financing needed for new entrants and create opportunities for existing farm operations to develop additional revenues through value added processing. Investments by FarmWorks pay financial dividends for shareholders and contribute to the security of the food supply for all Nova Scotians.

COMPANY OVERVIEW

The FarmWorks Investment Co-operative Limited was incorporated as a for-profit Co-operative by an association of community leaders concerned about social, economic and cultural needs to promote and provide strategic and responsible community investment in food production and distribution to increase access to a sustainable local food supply for all Nova Scotians.

FarmWorks Directors have a diverse array of experience, knowledge, skills and abilities that enrich the planning and implementing of food and investment activities.

FarmWorks volunteer Board and Advisors insure that Shareholder investments are placed for maximum economic impact and return on investment. The Board strives to gain information that enables them to work effectively with investors and investees, potential co-funders of enterprises and other partners. FarmWorks engages with Financial and Business Enterprises that contribute to the success of the CEDIF.

² <http://www.gov.ns.ca/agri/AO0102-2010-NS-Ag-Overview-w-Appendices.pdf>

³ <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/agri116b-eng.htm>

⁴ Harry Cummings, University of Guelph - evaluationcanada.ca/distribution/20020408_cummings_harry_murray_don

⁵ [http://www1.agric.gov.ab.ca/\\$Department/deptdocs.nsf/all/csi13484/\\$FILE/Local-Food-A-Rural-Opp.pdf](http://www1.agric.gov.ab.ca/$Department/deptdocs.nsf/all/csi13484/$FILE/Local-Food-A-Rural-Opp.pdf)

⁶ The [Future of Food](#) Conference, Georgetown University, Washington, DC

VISION

Healthy Farms, Healthy Food

MISSION

Promote, and provide, strategic and responsible community investment in food production and distribution to increase access to a sustainable local food supply for all Nova Scotians.

STRATEGIC GOALS

Promote investing locally, and buying local food, to gain health, economic, social, environmental and other benefits that result from growing and processing food in Nova Scotia.

Use investment vehicles to allow Nova Scotians to invest a significant percentage of their capital in NS agriculture and food related enterprises as measured by:

- 10% increase in revenue by each investee
- 10% Increase in production or value by each investee
- 2% annual Return on Investment to FarmWorks after five years
- Contribute to Provincial increase in food production of 20% by 2020
- Contribute to an increase in new entrants of 20% by 2020

OPERATIONAL GOALS

- Develop and market an annual Community Economic Development Investment Fund that raises \$2 million in five years and \$5 million within 10 years.
- Invest strategically in agricultural enterprise opportunities to increase participants' local food production and profitability by a minimum of 10% by the third year.
- Provide mentoring for clients and help to facilitate farm and food-related innovation and diversification in partnership with government and non-government organizations.
- Monitor and evaluate other investment tools and investment opportunities.

PRODUCT: COMMUNITY ECONOMIC DEVELOPMENT INVESTMENT FUND

CEDIFs are an appropriate mechanism for efficiently and effectively leveraging local capital to assist a sustainable agricultural economy to rebuild rural communities and contribute to all aspects of life in the Province. The CEDIF enables FarmWorks to provide capital to enterprises and individuals in order help scale up or launch agricultural and food-related businesses in Nova Scotia.

FarmWorks established a "blind pool" CEDIF to strategically invest Nova Scotian funds in multiple enterprises with the potential for growth. These enterprises must have outstanding management, capacity for innovation and pent-up demand. The FarmWorks Board and Advisors collaborate with the enterprise owners and facilitate mentoring by appropriate specialists to insure the success of the enterprise and the CEDIF. Support also takes the form of ongoing promotion of the benefits of eating healthy local food and investing in local enterprises. Through sustainable funding, knowledge transfer and mentoring, the FarmWorks Co-operative helps meet a range of provincial food-related needs, helps stimulate economic growth and provides social and environmental benefits.

ENTRY AND GROWTH

The first CEDIF offer closed at the end of February 2012 and raised \$224,200 from investors across Nova Scotia. The second offer raised \$225,300, the third \$271,500, the fourth \$312,400, the fifth \$372,300 for a total to June 10, 2016 of \$1,405,700. By the end of 2017 it is intended that \$2 million will be available for investment in farms and food-related enterprises across the Province.

FarmWorks manages the growing portfolio and sells new CEDIF shares each year to acquire more investment capital. Investments are guided by historic results and opportunities in the sector.

MARKET RESEARCH AND ANALYSIS

The market for FarmWorks investments is limited only by the ability to raise investment capital. The increasing demand for locally produced foods outstrips current supply. There is a significant need for more capital for producers and to rebuild infrastructure for the agricultural sector. Consumer awareness of the potential for interruption in the existing supply chain, concern about the quality of foods, and interest in supporting local production is creating growth in local production. FarmWorks is helping to finance local growers able to expand to respond to demand in the market.

Customers

The population of Nova Scotia has increased slightly in 2015/16 to 946,000 and Nova Scotia producers currently supply less than 15% of the food purchased in the Province. It is important to continue to raise public awareness of the multiple benefits of purchasing food and other products grown and manufactured in Nova Scotia. It is reasonable to expect that over the next ten years farm income will increase as farmers increase their output to satisfy the increasing demand.

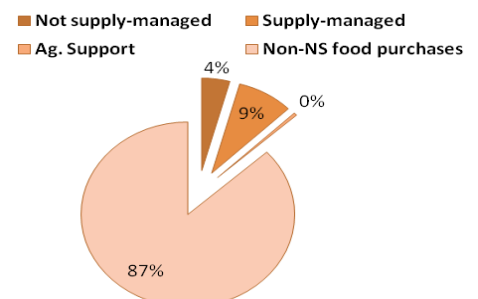
The medium and long term prospects for success in the sector are positive: increased public interest and support, expansion of farmers' markets, government buy local campaigns, food security as a core program for many public health agencies, the growth of agri-tourism and culinary tourism, rising food costs, the impact of currency fluctuations, economic potential of a new breed of farmers, emerging leadership, and new programs such as the PEI Farm Technician program and the Ontario New Entrants program.⁷

Market

Lands most suitable for agricultural production (Canadian Land Inventory classes 2, 3 and 4) cover slightly less than 30% of Nova Scotia. Approximately 13% (236,000) of the 1,500,000 hectares is under cultivation⁸. The province's best arable land (CLI 2) accounts for 3 percent of the land area, while CLI 3 and CLI 4 cover 18 and 8 percent, respectively. This land is not necessarily used for agriculture and may instead be used for urban development, for other economic uses, or exist in a forested/natural state.

Total farms 3,905 (110 increase from 2006); Fruit & tree-nut farming 971; Hay farming 485; Beef cattle ranching & farming, including feedlots 441; Nursery and tree production 428; Dairy cattle and milk production 257; Horse and other equine production 199; Livestock combination farming 172; Fur-bearing animal and rabbit production 128; Vegetables (excluding potatoes) & melon farming 127; All other miscellaneous crop farming 110; Sheep farming 80; Broiler and other meat-type chicken production 77; Floriculture production 75; Chicken egg production 57; Other food crops grown under cover 43; Maple syrup and products

NS Farm Income as Percentage of Total Food Sales 2008



⁷ Challenges and Opportunities in the Food Industry - <http://www.heritagefoodservice.coop/NACL%20Labour%20Reports/FoodIndustry>

⁸ NSDA Preservation of Arable Land - <http://www.gov.ns.ca/agri/elibrary/nsalrc/AppendixF-AgriculturalProfiles-NS.pdf>

production 36; Apiculture 35; Fruit and vegetable combination farming 34; Goat farming 24; Hog and pig farming 21; Other grain farming 21; All other miscellaneous animal production 16; Corn farming 13; Potato farming 13; Soybean farming 12; Turkey production 9; Combination poultry and egg production 8; Mushroom production 4; Wheat farming 4; Other poultry production 3; Poultry hatcheries 2.

Supply-managed dairy, poultry and egg sectors achieve substantial local sales but the non-managed sectors have lost ground since 1998.⁹ There is significant potential for increase in production of most fruits and vegetables both for local and export markets. Substantial Investments in farms and infrastructure are needed to help farmers regain lost production capacity.

Trends

Significant numbers of consumers are becoming more aware of the taste and nutritional qualities and the economic, social, health and environmental benefits of local food. This increasing awareness of the importance of supporting the economy through local solutions opens the door for development of agricultural-based economic development. Farmers are innovating, extending the growing season, and processing foods in order to provide consumers with more of the diversity they seek.

John Parker wrote “Because food is so important, agriculture—more than any other form of economic activity—is expected to achieve a series of competing and overlapping goals that change over time and from place to place. The world looks to farmers to do more than just produce food. Agriculture is also central to reducing hunger and provides many people’s main route out of poverty. Food is probably the biggest single influence on people’s health, though in radically different ways in poor countries and in rich ones, where the big problem now is obesity. Food is also one of the few pleasures available to the poorest”.¹⁰



Competition and Competitive Analysis

Nova Scotia stands to benefit on many levels by gradually shifting our global net-input farm and food economy to one oriented toward local and regional markets. It’s well understood that money spent at local businesses creates a multiplier effect, circulating the same dollars within the local economy¹¹.

Nova Scotians spend over \$3 billion on food annually but less than 15% overall on local farm products. Strategies that increase the availability of Nova Scotia-grown food will help improve the local economy. With a modest economic multiplier of two to three cycles, even a 10 percent increase in local food production, processing and purchasing could generate millions of dollars in new economic activity annually within the Province. Hundreds of new jobs could be created on and off farms and through farm-related businesses such as seeds and stock, equipment, tools, storage, processing, packaging, and distribution.

⁹ Statistics Canada - Internet publication (free) 21-011-XIE or CANSIM table 002-0001

¹⁰ John Parker, *The Economist*, February 24, 2011

¹¹ http://www.usask.ca/agriculture/plantsci/hort2020/local_linkages.pdf

Ongoing Market Evaluation

“We have moved well beyond the era when Canada’s poorer regions could expect preferential treatment from the federal government as protection against the adverse effects of economic change. A new era has emerged in which provinces are required to take greater control over their own destiny.”¹²

The Government is constrained in its fiscal ability to reverse the food and health trends. Agriculture comprises less than one percent of the Provincial budget. Of the \$10.2 B budgeted for 2016/2017, \$60 M (0.6%) is directed to the Department of Agriculture and \$4.1 B (41%) to Health.¹³

Diet-related chronic diseases such as cancer, cardiovascular diseases, diabetes, and stroke take up two-thirds of the direct costs of the health system, and it is well established that appropriate nutrition and physical activity could reduce the prevalence of cancer by 24% and lead to dramatic reductions in heart disease.¹⁴ Foods that are less highly processed contribute to better health, and locally grown vegetables and fruits can retain more nutrients than food transported long distances. Local food production leads to gains in economic activity and helps decrease income disparity.

In 2014 about 77 percent of farms had less than \$100,000 in gross revenues and of those, 36% have less than \$10,000 in gross revenues. Very large farms (over \$1 M) comprise 2.5 percent of Nova Scotia farms. The average adjusted net operating farm income from the 2,770 farms reporting was \$65,958 including off-farm income of \$47,036¹⁵

More than half the arable land in the Province is held by farmers who could increase production if they could support their farms by doing so. There are farmers and there is land available to grow more of the healthy local food that could increase farm income, create more jobs on farms and throughout the food system, increase food sufficiency, keep more money in Nova Scotia and provide economic stimulus to reinvigorate rural communities. Currently agriculture directly employs over 5,400 Nova Scotians and approximately 32,000 are employed in food services¹⁶.

Even a 10% increase in total farm gate food sales will add at least \$35 M to farms and \$70 M to the local economy and generate approximately 500 new on-farm jobs and 800 in food and other services.¹⁷ Tripling farm sales would keep over one billion dollars in the province, create thousands of jobs and contribute millions of dollars to the tax base.

Agriculture and agri-food industries are significant employers in NS. In 2010, primary agriculture employed 5,800, non-fishery food manufacturing employed 3,910 and beverage manufacturing 865 for a total of 10,575 accounting for 2.3 percent of total provincial employment. Agriculture has the potential to be an even more significant economic driver, but farmers with little remaining equity, competing against low-cost industrially-produced foods that don’t reflect the embedded costs of production or transportation, with little government support available, are unable to take advantage

¹² Beal in [Addressing Nova Scotia’s Fiscal Challenge 2009](#)

¹³ Budget <http://www.novascotia.ca/finance/site-finance/ForecastUpdate/DecemberForecast2016.pdf>

¹⁴ Canadian Coalition for the [Public Health in the 21st Century](#) 2005

¹⁵ Statistic Canada <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/agri117d-eng.htm>

¹⁶ Luc Erjavec, Canadian Restaurant and Foodservices Association, <http://thechronicleherald.ca/business/1151133-foodies-delight-new-halifax-area-restaurants>

¹⁷ Harry Cummings, University of Guelph - evaluationcanada.ca/distribution/20020408_cummings_harry_murray_don

of the rising tide of individual and community interest in rejuvenating food ¹⁸ Local food production requires investment in farms and food production and infrastructure.

Each year billions of investment dollars flow out of NS and the cumulative effect of many years of missing out on local investment has decreased the economic viability of every sector of the economy. The effects on food producing sectors have not been immediately evident to those who rely on chain stores for food, but the downstream economic and health costs are being paid by all Nova Scotians.

MARKETING THE CEDIF TO INVESTORS

Beginning in December 2011 FarmWorks began holding community meetings with the goal of raising awareness of the benefits of buying locally and investing in the local economy. Advertisements are placed on the FarmWorks website and in local papers to announce meetings.

Public presentation about the benefits of secure and healthy food, agricultural sustainability, and economic development are made whenever there is an opportunity to inform the public about issues with the food system, and the urgent need for support for local agriculture and food enterprises. Audience members are provided with print and web-based resources from FarmWorks and other organizations that offer guidance for sourcing local food and investing locally. For people who have never considered the question of food security and sufficiency, these presentations provide a new 'food lens' through which to view local farming and eating practices.

FarmWorks connects with, and helps make connections between, organizations at work within the food system, providing a forum for individuals and groups to articulate concerns and strategies that are specific to their experience so that individuals and communities can work together toward sustainable agriculture and economic development.

Potential investees are invited to the meetings with the goal of raising awareness of the potential for investing funds in the local economy and gaining CEDIF tax benefits. The meetings will enable investees to understand how FarmWorks works to help provide effective solutions for agriculture and economic development.

Investors are introduced to FarmWorks Directors and Advisors, and are informed about the enterprises into which funds are placed. They are invited to become participants in building a sustainable agricultural economy.

¹⁸ <http://novascotia.ca/agri/documents/business-research/AO0102%202010%20NS%20Ag%20Overview%20w%20Appendices.pdf>

BUDGET

When portfolio exceeds \$2,000,000 it is intended that approximately one third of interest income will be used for expenses, one third for losses, one third for dividends.

Income	2012 actual	2013 actual	2014 actual	2015 actual	2016 actual
Share Purchases	\$224,200	\$225,300	\$271,500	\$312,400	\$372,200
Total Investment	\$224,200	\$449,500	\$721,000	\$1,033,400	\$1,400,600
Less Redemptions				(\$5,000)	
Annual Expenses					
Offering Expenses	\$5,000	\$3,583	\$5,858	\$6,133	\$8,546
Bank and other fees	\$150	\$168	\$251	\$689	\$283
Professional fees	\$2,300	\$2,713	\$5,658	\$4,548	\$14,433
Insurance	\$650	\$1,551	\$1,551	\$1,551	\$1,356
Publicity	\$2,900	\$2,559	\$2,694	\$2,385	\$3,692
Miscellaneous	-	\$200	\$1,105	\$1,075	\$318
Travel costs	-	\$3,400	\$5,960	\$8,273	\$4,557
Sub-contracts	-	-	\$4,454	\$5,600	\$12,600
Less Interest	(\$1,100)	(\$11,316)	(\$31,444)	(\$40,459)	(\$52,884)
Income after Expenses (loss)	(\$9,900)	(\$2,858)	(\$946)	\$10,205	\$7,064
Expenses as % of income	90%	80%	97%	75%	87%
Loan Loss				(\$38,129)	

Projections Income	2017 projected	2018 projected	2019 projected	2020 projected	2021 projected
Share Purchases	\$374,000	\$721,200	\$700,000	\$700,000	\$700,000
Total Investment	\$1,778,800	\$2,500,000	\$3,160,000	\$3,800,000	\$4,420,000
Less Redemptions	(\$10,000)	(\$40,000)	(\$60,000)	(\$80,000)	(\$120,000)
Annual Expenses					
Offering Expenses	\$6,000	\$7,000	\$8,000	\$8,000	\$8,000
Bank and other fees	\$800	\$1,000	\$1,000	\$2,000	\$2,000
Professional fees	\$12,000	\$13,000	\$14,000	\$15,000	\$16,000
Insurance	\$1,600	\$2,000	\$2,000	\$3,000	\$2,600
Publicity	\$4,000	\$5,000	\$5,000	\$7,000	\$8,000
Miscellaneous	\$2,000	\$2,000	\$2,000	\$3,000	\$2,000
Travel costs	\$8,000	\$8,000	\$8,000	\$12,000	\$12,000
Sub-contracts	\$4,000	\$8,000	\$25,000	\$30,000	\$50,000
Total Expenses	\$38,400	\$46,000	\$65,000	\$80,000	\$100,000
Less Interest	(\$72,600)	(\$100,000)	(\$150,000)	(\$200,000)	(\$300,000)
Income after Expenses (loss)	\$34,200	\$54,000	\$85,000	\$120,000	\$200,000
Expenses as percentage of income	53%	46%	43%	40%	33%
Current Loss		-\$45,000	-\$55,000	-\$65,000	-\$100,000
Profit / Loss carried forward	-\$28,936	\$5,627	\$14,627	\$44,627	\$99,627
Loss as percentage of income	40%	45%	37%	33%	33%
Total Profit	\$5,627	\$14,627	\$44,627	\$99,627	\$199,627
Current Profit percentage of income	7%	9%	20%	27%	34%

PRIORITIES, GOALS AND PERFORMANCE MEASURES

Over five years it is intended that CEDIF offers and reinvestment will result in \$2 M being loaned to multiple enterprises. It is anticipated that FarmWorks will assist other community organizations with establishing CEDIFs so that the cumulative effect of joint endeavours will greatly exceed the reach of FarmWorks Investment Co-operative. In line with socially responsible community-based investing, FarmWorks will balance the needs of investors and investees.

Over the next five years, FarmWorks has identified the following priorities:

- Increase the amount of funds available for investment in local farms and food
- Increase the demand for local food
- Increase the supply of local food
- Increase the viability of farms and food producers
- Increase awareness and collaboration between funders and recipients of investment capital
- Increase confidence in the option of investing locally

Priorities	Goals	Measurable Outcomes
Demand for local food	2011 - 5 public meetings, 10 ads 2012 - 10 meetings, 20 ads 2013 - 20 meetings, 20 ads 2014 - 20 meetings, 20 ads 2015 - 20 meetings, 20 ads 2016 - 20 meetings, 20 ads 2017 - 20 meetings 2018 - 20 meetings 2019 - 20 meetings 2020 - 20 meetings 2021 - 20 meetings	1. # of investors 2. # of investees 3. # of key collaborator agreements 4. # of working relationships with other sustainable farming-related organizations
Total Funds invested	2012 - \$223,500 2013 - \$449,500 2014 - \$750,000 2015 - \$1,033,000 2016 - \$1,400,000 2017 - \$1,910,000 2018 - \$2,500,000 2019 - \$3,160,000 2020 - \$3,800,000 2021 - \$4,420,000	\$180,000 invested in 9 enterprises \$440,000 in 20+ enterprises \$735,000 in 30+ enterprises \$1,225,000 in 40+ enterprises \$1,400,000 in 50+ enterprises
Viability of enterprises	A) 10% increase in output B) 10% increase in retained income C) Return on investment C) Mentoring of funded enterprises D) Promotion of funded enterprises	1. # of enterprises meeting and exceeding 10% increase in output/income 2. # of mentoring interactions and type 3. # of enterprises repaying loans 4. # of initiatives to increase awareness and interest in local food and investment
Collaboration	A) Communicate with investors B) Communicate with investees C) Facilitate communication between investors and investees E) Collaborations gov't and businesses	1. # of communications with investees 2. # of communications with investors 3. # of communications with public 4. # of public consultations 5. # of outcomes research initiatives
Confidence	A) Highly professional and fiscally responsible organization B) Transparent and accountable B) On-going Board Development sessions	1. Governance structure and documents available 2. Successful implementation of business plan 3. Financial statements 4. Attendance at AGM

GOVERNANCE

FarmWorks Directors

The FarmWorks Executive is comprised of the Chair, Vice Chair, Secretary and Treasurer and other Directors as approved by the Board. All Directors work to insure the highest possible degree of oversight of all transactions and collaborations with shareholders, investees, all other stakeholders and the general public.

The FarmWorks vision, mission, and values are the driving forces for the business plan. The goals are the achievements that will move FarmWorks towards its vision. The plan is strategic in nature and provides a focus regarding activities to achieve the goals and subsequently the vision.

Vision

Healthy Farms, Healthy Food

Mission

Promote, and provide, strategic and responsible community investment in food production and distribution to increase access to a sustainable local food supply for all Nova Scotians.

Values

FarmWorks is guided by these values:

- Diligence
- Responsibility
- Responsiveness
- Accountability
- Honesty
- Stewardship
- Democracy

Guiding Principles

- Empower others and build sector strength and capacity
- Consider all stakeholders
- Food self sufficiency
- Co-operate with other organizations and instruments
- Community based development
- Community participation in ownership and governance
- Educated choices for the public
- Socio-economic and environmental justice
- Adherence to environmentally sound principles

Co-operative Principles

- Open and voluntary membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training, and information
- Co-operation among co-operatives
- Concern for community

Community Building

- Building collaborative agreements with organizations that support the key priorities

- Growing positive working relationships with all Shareholders, investees, government agencies, businesses, citizens and communities

Finance

- Diligent stewardship of all monies invested in FarmWorks
- Obtaining adequate investor commitments to implement the goals

Process

- Members will be catalysts and facilitators advancing the mission and goals
- Members will have hands-on management of the implementation of the business plan

Growth and Development

- Directors will continually inform themselves about food systems, finance and economic development in order to provide the public and investees with appropriate information
- Board development will be an integral part of FarmWorks strategic planning

COMMITMENTS AND COLLABORATION

The FarmWorks CEDIF will help insure Healthy Farms and Healthy Food by:


- Promoting the value of locally produced foods to consumers and the advantages of investing in the agricultural and food economy of NS;
- Identifying the needs of the farming community and food producers, governments, business, non-governmental organizations and academia for sustainable, healthy, sufficient, fairly-produced food;
- Using the CEDIF as the vehicle for the sales of shares to provide funds to assist food producers, processors, distributors and other food-related enterprises to become economically viable and sustainable and to decrease the province's dependence on imported foods;
- Collaborating with and mentoring funded enterprises to assist in building their success;
- Providing public information about the benefits of CEDIFs and co-operatives for socially responsive investing in economically viable enterprises;
- Collaborating with appropriate partners to create benchmarks and indicators to track changes in local food availability and sales;
- Helping investees to increase the amount of local food sold in Nova Scotia by 20% by 2020;
- Providing an equitable return on investment to FarmWorks investors.

Through its work, FarmWorks will interact with a diverse community:

- Farming community;
- Food producers;
- Businesses;
- Government Agencies;
- Non-Governmental Organizations involves in stewardship, heritage, agriculture; and
- Academia.

CONCLUSION

FarmWorks Vision leads towards an economically sustainable future where healthy food is available for all citizens. The Mission, Goals and measurable outcomes direct the strategic plan. FarmWorks will achieve its goals by working collaboratively with strategic partners in Government, local communities, business, non-government organizations, charitable organizations and academia. FarmWorks core values will guide its approach to helping provide a secure, sustainable and fairly produced supply of healthy local food to benefit current and future generations.



Rationale for FarmWorks

The Nova Scotian economy, agricultural and otherwise, is not well-positioned to satisfy current and future demand for a sufficient supply of healthy food to insulate Nova Scotian against changes taking place in the global food system.

HRM Prince Charles, speaking at the May 2011 *Future of Food* Conference at Georgetown University, said “Certainly, internationally, food insecurity is a growing problem. There are also many now who consider that global food systems are well on the way to being in crisis. Yield increases for staple food crops are declining. They have dropped from three per cent in the 1960’s to one per cent today – and that is really worrying because, for the first time, that rate is less than the rate of population growth. And all of this, of course, has to be set against the ravages caused by climate change. Already yields are suffering in Africa and India where crops are failing to cope with ever-increasing temperatures and fluctuating rainfall. We all remember the failure of last year’s wheat harvest in Russia and droughts in China. They have caused the cost of food to rocket and, with it, inflation around the world, stoking social discontent in many countries, notably in the Middle East. It is a situation I fear will only become more volatile as we suffer yet more natural disasters”. He asked “Is there not more resilience in a system where the necessary staple foods are produced locally, so that if there are shocks to the system, there won’t be panic? And what is more, not only can it be much more productive than it currently is, strengthening small farm production could be a major force in preserving the traditional knowledge and biodiversity that we lose at our peril.”¹⁹

Speaking about his 2011 book, *Our Way Out*, Nova Scotian resident and acclaimed author Marq De Villiers says “we are facing a global crisis of constant growth, corporate capitalism with a burgeoning population and a closed ecology” and he sees localization as the wave of the future, with a “gradual re-emergence of domestic and even local manufacturing production”.²⁰

In Nova Scotia, until very recently, purchases of local food were decreasing as farmers became less able to compete with prices based on large-scale agriculture, mass-production and corporate advertising. This loss of agriculture and food production has cost the NS economy dearly: decreased on-farm and farm-related jobs; farmers with an average age of 57, many of them going in debt; few new farmers willing or able to assume that debt; farmers taking off-farm jobs to support about 55% of farms; number of farms decreased to less than 4000 from about 5000 in 1984 when about 50% of food was local; loss of rural communities and the amenities of the countryside; increasing health care costs for chronic diseases related to highly processed food; and the loss of the multiplier effects of the agricultural economy²¹. In the last several



¹⁹ The [Future of Food](#) Conference, Georgetown University, Washington, DC

²⁰ Paul Bennett, *The NOVASCOTIAN*, May 15, 2011

²¹ Justin Sacks, *New Economics Foundation and The Countryside Agency*, December 2002

years, in many parts of the world, there's the beginning of a shift towards local. It's starting to happen here, too, and none too soon.

Nova Scotia stands to benefit on many levels by gradually shifting our global net-input farm and food economy to one oriented toward local and regional markets. It's well understood that money spent at local businesses creates a multiplier effect, circulating the same dollars up to eight times within the local economy.



Nova Scotians spend about \$2.6 billion on food annually but less than 20% overall on local farm products. Strategies that increase the availability of Nova Scotia-grown food will help improve the local economy. With a modest economic multiplier of two to three cycles, even a 10 percent increase in local food production, processing and purchasing could generate \$400 to \$600 million of new economic activity annually within the Province. Hundreds of new jobs could be created on and off farms and through farm-related businesses such as seeds and stock, equipment, tools, storage, processing, packaging, and distribution.



Significant numbers of consumers are becoming more aware of the taste and nutritional qualities and the economic, social, health and environmental benefits of local food. This increasing awareness of the importance of supporting the economy through local solutions opens the door for development of agricultural-based economic development. Farmers are innovating, extending the growing season, and processing foods in order to provide consumers with more of the diversity they seek.

John Parker wrote "Because food is so important, agriculture—more than any other form of economic activity—is expected to achieve a series of competing and overlapping goals that change over time and from place to place. The world looks to farmers to do more than just produce food. Agriculture is also central to reducing hunger and provides many people's main route out of poverty. Food is probably the biggest single influence on people's health, though in radically different ways in poor countries and in rich ones, where the big problem now is obesity. Food is also one of the few pleasures available to the poorest".²²

Consumer, business, and government support is needed to increase demand for agricultural production and the added benefits that healthy local food provides. Good food for all, produced fairly in a healthy economy, is the goal. FarmWorks aims to help build a sustainable, sufficient supply of healthy food for all Nova Scotians.



FarmWorks encourages people to buy at least 10% more local food, to eat in restaurants that buy as much local food as possible, and to ask the stores where they shop to provide more local food. Increasing demand will

²² John Parker, *The Economist*, February 24, 2011

encourage farmers to increase supply, and the multiplier effects will benefit the whole of the Province. It will become increasingly evident that agriculture contributes significant economic benefits.

FarmWorks also encourages people to shift part of their investments to local agriculture and food production in order to support those farmers and food processors who are seeking funds to increase sustainability and viability, to innovate, to transition to environmentally sound practices, and to contribute to their communities.

Currently, most of the money invested by Nova Scotians leaves the Province and supports external economies. Following that money leads to youth and adults and opportunities missing from rural areas. But there are increasing numbers of ways for people to keep more of their money closer to home. Investing in co-operatives, buying Community Supported Agriculture shares, putting money into land trusts, buying shares in Community Economic Development Investment Funds – these are several of the options for helping to grow the economy.

The continuing successful performance of FarmWorks Community Economic Development Investment Fund will encourage increasing numbers of citizens to invest in agriculture and food as a way to ensure agricultural sustainability and food security.

CONCLUSION

The FarmWorks business plan sets forth a roadmap for the next five years (2016 - 2021). The FarmWorks Vision leads towards an economically sustainable future where healthy food is available for all citizens. The Mission, Goals and measurable outcomes will direct the strategic plan for the five years. As a community-based organization, FarmWorks will achieve its goals by working collaboratively with strategic partners in Government, local communities, business, non-government organizations, charitable organizations and academia. FarmWorks' core values will guide its approach to helping provide a secure, sustainable and fairly produced supply of healthy local food to benefit current and future generations.