

Investing in Sustainable Food for Nova Scotians



FARMWORKS Investment Co-operative Limited

FARMWORKS

**HELPING TO PROVIDE
FOOD FOR OUR FUTURE
AND HEALTHY ECONOMIC
GROWTH IN RURAL
NOVA SCOTIA**

FOUNDED MAY 2011

FARMWORKS DIRECTORS 2014

Peter Hicklenton –Chair

Crop Specialist, Retired, Agriculture Canada

Linda Best – Past Chair

Microbiologist, Friends of Agriculture Society

Ann Anderson – Secretary

Educator, Friends of Agriculture Society

Richard Melvin – Director

Melvin Farms, Past President NS Federation of Agriculture

Stephen Anderson – Director

Partner, Food Economy Group

Alison Scott Butler – Director

Retired Lawyer, Farm Proprietor

Leslie Brown – Director

University Professor, MSVU

Richard Donald – Director

Educator, Researcher

Valeria VanOostrum – Director

Marketing, Just Us Coffee

Bruce Wright - Director

Pathologist, Viticulturist, Winemaker

Chris Atwood - Director

CBDC Yarmouth

Lucia Stephen - Director

"Grow a Farmer Initiative" ACORN

Chloe Kennedy – Independent Director

Clean Foundation, Farm to School Project Coordinator

First Employee: Administrative Assistant – Barb Sweet

FARMWORKS ADVISORS 2014

Gordon Caldwell

Partner Grant Thornton Accounting

Jonathan McClelland

NS Co-operative 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

Jo Ann Fewer

CEO Perennia, One Nova Scotia Commission

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

Leah Kavan-Ross

Research, Writing, Entrepreneur, Food Distribution

Kris Keddy

Financial Consultant

Shanon Archibald

Public Engagement Coordinator

Dave Bethune

Business and Financial Consultant

Andrew Button

Founder Mashup Lab, Economic Development

Chris Walker

Economic Development, Management, Evaluation

Geoff Appleby

Certified Financial Analyst

Challenges

- Over 50 years food production in NS decreased from about 60% sufficiency to less than 15%
- Farms decreased from 12,518 to 3,905
- Farm population decreased from 58,000 to 8,000
- Loss of employment, communities, food security
- Health and social issues
- Provincial economy
- Environmental issues

Challenges

- **Expansion of national businesses into local domestic markets redirects monetary stream to centralized, corporate coffers**
- **Interception of funds depletes local towns and cities of recirculated income – Local Multiplier Effects**
- **Estimated that a century ago many communities had LME in the high 20s or low 30s**
- **Today most local LMEs estimated to be in the single digits**
- **Reduction in LME has negative effect on local economies. All areas of community are affected by this deficit**
- **Effect on local economies seldom measured, monitored, managed or even acknowledged.**
- <http://www.geonewsletter.org/archives/LocalMultiplierEffect1104.htm>

Opportunities

Agriculture in Canada directly employs more than **305,000** people. The entire food industry employs **2.2 million** persons — work for one in eight Canadians

Oil and gas employs **190,000** people directly and just under **400,000** persons as an industry and the oil and gas sector is laying off workers

It is estimated that the agricultural industry will be short **74,000** workers by the year **2022**.

<http://www.albertafarmexpress.ca/2015/09/14/whats-a-more-important-sector-oil-or-agriculture/>

Opportunities in Nova Scotia

- **Primary agriculture plus food manufacturing excluding seafood employed a total of 10,061 people in 2012**
- **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**
- **21% of province's land area suitable for farming.**

We have many opportunities to feed ourselves, create sustainable employment, rebuild communities, export when appropriate



© Jamie Robertson

Grand Pre dykelands. <https://www.facebook.com/jamie.robertson.18041>

Community Economic Development Investment Fund (CEDIF)

In 1998 NS established the CEDIF program to encourage residents to invest in NS businesses

Sale of shares to form a pool of capital to operate or invest in profit-oriented local businesses

Cannot be charitable, non-taxable, or not-for-profit

At least six directors from the defined community

Raising capital through public offering requires Department of Finance Equity Tax Credit Certificate and Securities Commission approval

CEDIF Tax Credits

- CEDIFs provide qualifying shareholders with an initial **35%** Provincial tax credit (invest for 5 years)
- Further Provincial tax credits of **20%** at the 5 year anniversary and **10%** at the 10 year anniversary
- Investments are eligible for **RRSP tax deferral**
- Credits can be carried forward 7 years, back 3 years

Loving local capital Lil MacPherson, HALIFAX Magazine, January 2014

When you invest, your money doesn't have to go to Bay Street – I don't know why we find it so hard to invest in ourselves. If we put our own money into our province, we'd become stronger, and we'll be richer for it.

Reasons for CEDIF

Mutual Funds, stocks & bonds, annually over \$700 M in RRSPs draw \$\$\$ Billions out of NS

Less than 2% of NS investment capital stays in NS

CEDIF matches local investors with local businesses

- **access to local capital**
- **businesses start or stay in communities**
- **businesses provide jobs and services**

By 2015 almost \$80 million invested by 8,300 Nova Scotians in 60+ projects is fuelling economic growth throughout the province.

FarmWorks CEDIF

CEDIFs are currently the best mechanism to efficiently and effectively leverage local capital to help build a sustainable agricultural and food economy, help rebuild rural communities and contribute to all aspects of life in the Province.

FarmWorks provides loans to multiple well-managed enterprises scaling up or launching agricultural and food-related businesses in NS.

FarmWorks provides the means for citizens to invest in a secure portfolio of local businesses.

FarmWorks Outcomes

Information and “Gentle Dragons” sessions:

2012 - 18 (no clients yet) raised \$224,200.

2013 - 20 (9 loans) raised \$225,300

2014 - 15 (20 loans) raised \$271,500

Fall 2014 & Spring 2015 (36 loans) raised \$312,400

Currently 46 loans for \$1,092,500 (**\$212,000 on hand**)

More than \$15,000 is repaid every month and is available for qualifying applicants

Total to date \$1,033,400 – need double next year!

FarmWorks Outcomes

Comparison Offering Costs	2012	%	2013	%	2014	%	2014/5	%
Total Proceeds	\$224,200		\$225,300		\$271,500		\$312,400	
Less Offering Expenses								
Commissions	\$0		\$0		\$0		\$0	
Promotor Fees	\$0		\$0		\$0		\$0	
Legal & accounting	\$512		\$862		\$600		\$900	
Copying, other expenses	\$5,645		\$3,301		\$5,148		\$3,880	
Less Contribution	-\$1,114							
Total Cost of Offering	\$5,043	2.3%	\$4,163	1.8%	\$5,748	2.1%	\$4,780	1.5%
Net Proceeds from Offer	\$218,457	97.7%	\$221,137	98.2%	\$265,752	97.9%	\$307,620	98.5%

Directors are Volunteers – only accommodations and fuel are paid as we build sufficient assets to pay a full-time employee.

Of the 6% interest charged, we allocate 2% for administration, 2% for contingencies, and 2% for dividends

CEDIF Challenges

- **Raise awareness of the benefits of local investing**
 - in broad-based portfolio
 - In goods production
- **Gain credibility with investors** (including high net worth)
 - Increase numbers of investors
 - Increase RRSP and RRIF investments

Overall, CEDIF-supported businesses have a 90% success rate. This is far better than the typical SME survival rate. There are now 8-9 funds which provide investors an annual dividend.

<http://socialenterprisefund.ca/wp-content/uploads/2013/01/Eight-Tracks-2014-10.pdf>

Lending Criteria

FarmWorks “blind pool” CEDIF lends money to qualified food-related for-profit food related businesses

Businesses are chosen to balance risk / achieve strategic goals.

Loans range from \$5,000 to \$25,000 in subordinated debt with a payback in two to five years

General and Specific Criteria must be met

Characteristics of loans:

- **No application fee**
- **Unsecured debt**
- **Consultations as appropriate**
- **Annual Financial Statements**
- **Early repayment without penalty**

FarmWorks Loans to August 2015



FarmWorks Evaluation

Benefits at 18 months:

- Loans average 25% of capital for projects
- Employment (minimum of 100 jobs created or maintained in first three years)
- Increased profitability
- Business expansion
- New business connections
- Business promotion
- Support and mentorship

Early stage indication of the socioeconomic impacts of FarmWorks in Nova Scotia

FARMWORKS FLAVOURS 2015

Delectable Foods & Beverages

Provided by 35 Nova Scotian

Chefs & Food Producers

Supported by

FARMWORKS INVESTMENTS

Alderney Landing, Dartmouth Ferry Terminal

Sunday November 1st at 5 pm

Tickets at the door – 22 for \$20 or 11 for \$10

(Items cost from one to three tickets)

Contact lbest@ns.sympatico.ca phone 902-542-3442

Or b.sweet@eastlink.ca phone 902-209-5444

Enjoy delicious foods and beverages prepared for you by Chefs and Food Producers supported by FarmWorks Investment Co-operative! Have conversations with them and with FarmWorks Directors to learn more about the many benefits of food production in Nova Scotia.

FarmWorks Flavours is sponsored by the FANS Society, Linda Best, Chair

**FOOD PRODUCERS
AND EVERYONE
INTERESTED IN FOOD**

**JOIN THE "GENTLE DRAGONS"
AS THEY LOOK FOR FOOD!**

"GENTLE DRAGONS" SESSIONS

NOVEMBER - LOCATIONS ACROSS NS

See FarmWorks [website](#) for dates, times and locations

NO CHARGE - PLEASE JOIN US!

**HEAR FROM LOCAL FOOD PRODUCERS.
ENJOY LOCAL FOOD AND CONVERSATION.
LEARN ABOUT FARMWORKS & OTHER
ORGANIZATIONS.**

**Food producers – if you're looking to start,
grow or promote your food-related business
the Dragons would like to hear from you!**

For more information:

FarmWorks, or lbest@ns.sympatico.ca, or 902-542-3442

or b.sweet@Eastlink.ca or 902-404-6990

SPONSORED BY:



South Shore Farms



One Million invested in FarmWorks - look what it does for Nova Scotians!



Hoppy's Farm



MILLENNIUM GARDENS
FARM & GREENHOUSES



The Flying Apron Inn & Cookery
OPEN YEAR ROUND



Meadow's Brothers' Farm



upROOTed Market & Café

One Million invested in FarmWorks -
look what it does for Nova Scotians!





Down on the Corner Farm



Rocky Top Farm

One Million invested in FarmWorks - look what it does for Nova Scotians!



Good Lake Farm



Local Source





Vincent Food Dressing



Haven COFFEEBAR



Formal Farm

One Million invested in FarmWorks - look what it does for Nova Scotians!



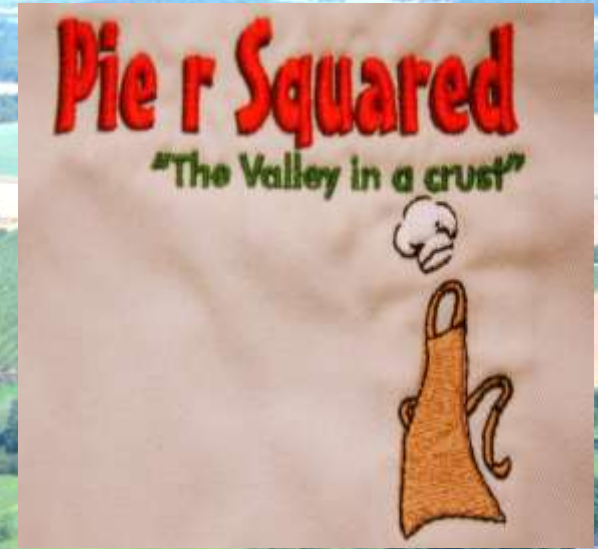
Oakview Farm



FARMWORKS "GENTLE DRAGONS"



Pie r Squared, Wolfville



Big Spruce Brewery, Nyanza



Oakview Farm, Kingsport



Oakview Farm



Stewart's Organic Farm, Hortonville



Meadowbrook Meat Market, Berwick



Valley Flaxflour, Middleton

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A uniquely nutritious family of mixes made from freshly milled ingredients



VALLEY FLAX FLOUR BREAD DOUGH
Préparation pour pâtes à pain

VALLEY FLAX FLOUR PANCAKE & COOKIE MIX
Préparation pour crêpes et biscuits

VALLEY FLAX FLOUR CAKE & LOAF MIX
Préparation pour gâteaux et pains

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News from Valley Flaxflour

New recipe!

"let's just be natural"



Rocky Top Farm, New Ross



Rocky Top Farm



Helen B's Preserves, Mahone Bay



Good Lake Farm, Southampton



GoodLake Farm

Affordable, Healthy and Truly Local Beef and Vegetables



Boxing Rock Brewing Co., Shelburne



Wandering Shepherd, Intervale



Local Source, Halifax



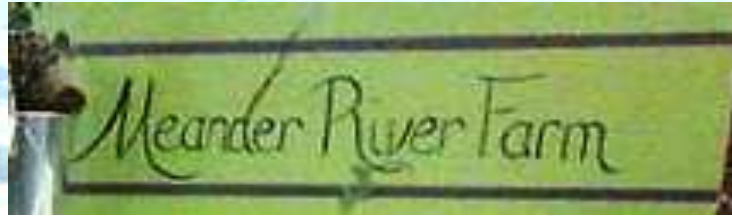
Gold Island Bakery, Scotch Village



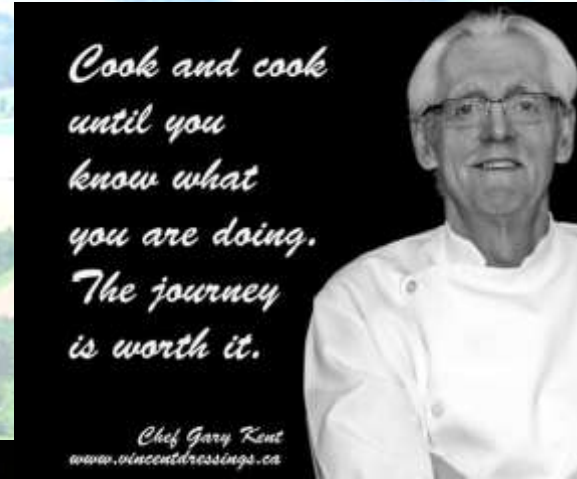
Ratinaud French Cuisine, Halifax



Meander River Farm, Ashdale



Vincent Food Dressings, Yarmouth



The Port Grocer, Port Medway



Field Guide Restaurant, Halifax



Fruition, Halifax



Hoppy's Farm, Blockhouse



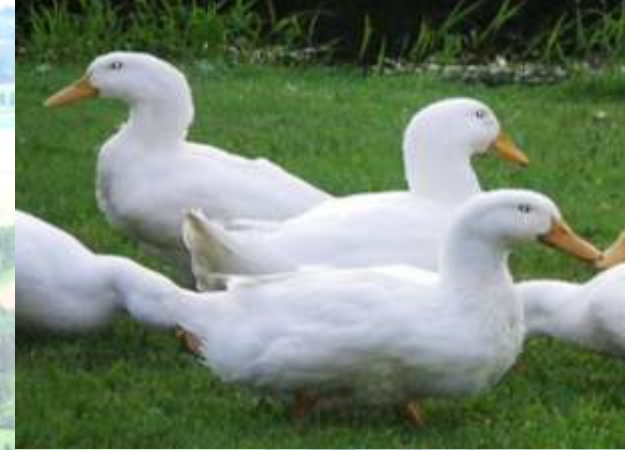
The Flying Apron Cookery, Summerville



South Shore Farms, Upper Branch



Down on the Corner Farm, Maitland



Millennium Gardens, Mill Village



Forever Green Farm & Garden, Afton



Getaway Farms and Highland Drive Storehouse



Pachamama, Antigonish



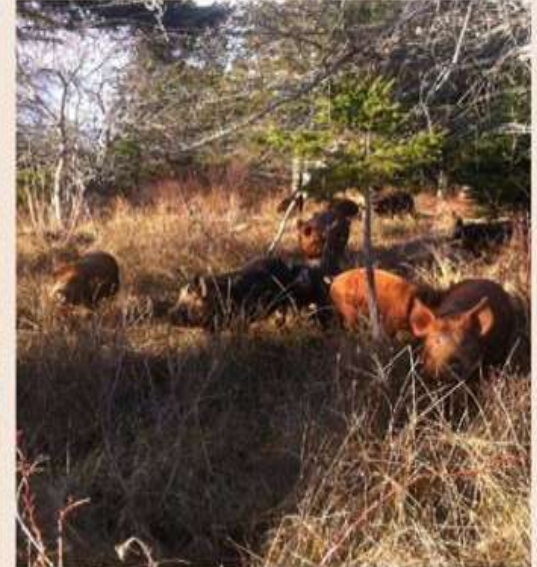
Meadow's Brother's Farm, Barton



Loré's Farm, Middle Clyde



Thousand Acres Farm, South Ohio



BullyGoth Farm, Carleton



FoodNoise, Dartmouth



Avondale Sky Winery, Avondale



The Peddler's Pot Food Truck



South Shore Farms



Hoppy's Farm



Field Guide



MILLENNIUM GARDENS
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32oz
Knappe, Cape Horn
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