



FSC

Food Secure Canada
Healthy - Just - Sustainable



FARMSTART

supporting a new generation of farmers

NEW FARMERS INITIATIVE WEBINAR SERIES 2015

Character Capital:

Investing in Farm Businesses

with Linda Best of FarmWorks

moderated by Christie Young of FarmStart and hosted by Abra Brynne of FSC

Thursday, Jan 22nd 2015

Investing in Sustainable Food for Nova Scotians



FARMWORKS Investment Co-operative Limited

A scenic view of a rural landscape in Nova Scotia, featuring rolling green hills, a large body of water in the background, and a small farmstead with a red barn in the middle ground. The sky is blue with scattered white clouds.

FarmWorks

*Helping provide
food for our Future
and Healthy economic growth in
rural
nova scotia*

Founded May 2011

FarmWorks

Investment Co-operative Limited

- Inform the public about the benefits of local food production
- Raise funds from shareholders to support producers
- Fund, mentor, promote producers

FarmWorks Directors 2014



Peter Hicklenton – Co-Chair
Crop Specialist, Retired, Agriculture Canada



Linda Best – Co-Chair
Microbiologist, Friends of Agriculture Society



Ann Anderson – Secretary
Educator, Friends of Agriculture Society



Richard Melvin – Past Chair
Melvin Farms, Past President NS Federation of Agriculture



Stephen Anderson – Director
Partner, Food Economy Group



Alison Scott Butler – Director
Lawyer, Queen's Counsel



Alicia Lake – Director
Community Economic Development, Baddeck Farmers' Market

Doug Brown – Director

Baker, Community Development

Valeria VanOostrum – Director

Marketing, Just Us Coffee

Bruce Wright - Director

Pathologist, Winemaker

Chris Atwood - Director

CBDC Yarmouth

Lucia Stephen - Director

Beginning Farmer Program, ACORN

Chloe Kennedy – Independent Director

Clean Nova Scotia, Agriculture Research

Robert MacEachern – Independent Director

Policy Analyst, Atlantic Congress of First Nation Chiefs



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 Krause

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

Ross Piercey

Production and Quality Consultant

Duncan Ebata

Web, Marketing and Media Consultant

John Aylward

Venture Solutions, 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

Challenges

- **Over 50 years production of food in NS decreased from approximately 60% sufficiency to about 15% and exports have declined**
- **Farms decreased from 12,518 to 3,905**
- **Farm population decreased from 58,000 to 8,000**
- **Loss of communities, food security, economy**
- **20% drop in food sector employment in past decade, mostly food processing - 12,300 in 2005 to 8,900 in 2012.**

Opportunities

About 20,000 people currently employed in Nova Scotian food industry

- **6,000 in agriculture,**
- **4,700 in primary fishery**
- **9,000 in food processing**

21% of province's land area suitable for farming.

**Many opportunities to feed ourselves, export,
create sustainable employment, rebuild
communities**

FarmWorks is helping to increase these numbers

Community Economic Development Investment Fund (CEDIF)

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

Through the sale of shares a pool of capital is formed 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

Community Economic Development Investment Funds (CEDIF)

Less than 2% of NS investment capital remains in the province Mutual Funds, stocks & bonds & \$600 million contributed annually to RRSPs draw \$ billions out of NS
CEDIF program matches local investors with local businesses

- helps local businesses access capital
- enables businesses to start or stay in communities
- these businesses provide jobs and services

Program has grown to support more than 60 projects.

Almost 8,300 Nova Scotians have invested more than \$64 million in small- to medium-sized local companies, fuelling economic growth throughout the province.

Community Economic Development Investment Funds (CEDIF)

- CEDIFs provide qualifying shareholders with an initial 35% Provincial tax credit (investments are 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

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 CEDIF

FarmWorks lends to multiple enterprises that have the potential for minimum 10% increase in production and profitability

Mentors, supports and helps facilitate farm and food-related innovation and diversification in partnership with government and other organizations

Promotes investing locally and buying local food for health, economic, social, environmental and other benefits that result from growing and processing

FarmWorks Promotion

In 2012 held 18 information sessions (no clients yet) across the Province, raised \$224,200.

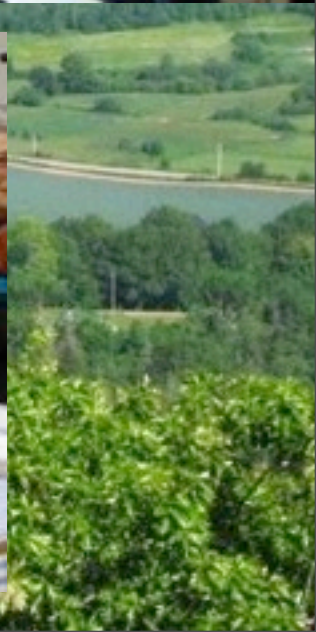
In 2013 held 20 sessions (9 loans) in 5 weeks, raised \$225,300

Spring 2014 about 15 combined Gentle Dragons and information sessions (20 loans), in five weeks raised \$271,500

Three offers: \$721,000

Current Offer at least \$280,000!

FarmWorks "Gentle Dragons"



Comprehensive Evaluation

Section		Total
Character	Rank 1 to 20	
Commitment	Rank 1 to 20	
Management	Rank 1 to 25	
Business Plan - Markets	Rank 1 to 25	
Business Plan - Materials/Methods	Rank 1 to 25	
Business Plan - Financials	Rank 1 to 25	
Viability	Rank 1 to 60	
Total	1 - 200	

Less than 130 do not proceed, 130-160 reapply, greater than 160 proceed

FarmWorks Loans to September 2014

FarmWorks Supported Businesses across Nova Scotia

Farms

- 📍 Forever Green Organic Farm
- 📍 South Shore Farms
- 📍 Good Lake Farm
- 📍 Hoppy's Farm
- 📍 Down on the Corner Farm
- 📍 Millennium Gardens
- 📍 Meadowbrook Farm Meat Market
- 📍 Stewarts Organic Farm
- 📍 Wandering Shepherd Cheese
- 📍 Rocky Top Farm
- 📍 Oakview Farm and Greenhouse
- 📍 Getaway Farm

Local Food Producers

- 📍 Big Spruce Brewing
- 📍 Rabinaud French Cuisine
- 📍 Helen B's Preserves
- 📍 Fenol Farm
- 📍 Pie-in-Squared
- 📍 Valley Flaxflour Ltd
- 📍 Vincent Dressings
- 📍 Gold Island Bakery
- 📍 Meander River Farm & Brewery
- 📍 Boxing Rock Brewing Company

Restaurants, Cafes and Food Shops

- 📍 Rockwell Valley Food
- 📍 Highland Drive Storehouse
- 📍 Field Guide Restaurant
- 📍 Local Source Market
- 📍 Fruition
- 📍 The Flying Apron Inn and Cookery
- 📍 The Port Grocer, Cafe and Art Space
- 📍 Haven Coffee Bar & Kingville Farm



Financial Outcomes to December 2014

Shareholder investment **\$721,000**

31 Loans to date
\$742,000

Principal and Interest paid **\$124,000**

Expenses **\$27,000**

Available for lending
\$116,000

- **First loan was made June 2012**
- **All loans are being repaid**

FarmWorks First Year Evaluation

Benefits of the Farm Works Loan (1.5% to 100%, average 25% of capital for the project)

- ☒ **Increased profitability**
- ☒ **Business expansion**
- ☒ **New business connections**
- ☒ **Business promotion**
- ☒ **Job creation (minimum of 25 in first 18 months, in addition to jobs held by owners)**
- ☒ **Support and mentorship**

These results are an early indication of the socioeconomic impacts FarmWorks is having in

Pie r Squared, Wolfville



Big Spruce Brewery, Nyanza



Haven Coffeebar, Port Hawkesbury



Oakview Farm, Kingsport



Oakview Farm



Stewart's Organic Farm, Hortonville



Meadowbrook Meat Market, Berwick



Valley Flaxflour, Middleton

SHOW SPECIALS!

GLUTEN FREE & WHEAT FREE

A uniquely nutritious family of mixes made from freshly milled ingredients



VALLEY FLAX FLOUR BREAD DOUGH
Préparation pour pain
sans gluten / sans blé

VALLEY FLAX FLOUR PANCAKE & COOKIE MIX
Préparation pour crêpes et biscuits
sans gluten / sans blé

VALLEY FLAX FLOUR CAKE & LOAF MIX
Préparation pour gâteau et pain
sans gluten / sans blé

MAKES DELICIOUS RECIPES EASY!



News from Valley Flaxflour

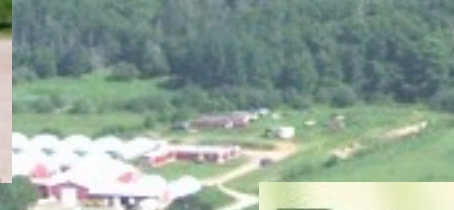
New recipe!



"let's just be natural"



Rocky Top Farm, New Ross



Rocky Top Farm



Helen B's Preserves, Mahone Bay



Good Lake Farm, Southampton



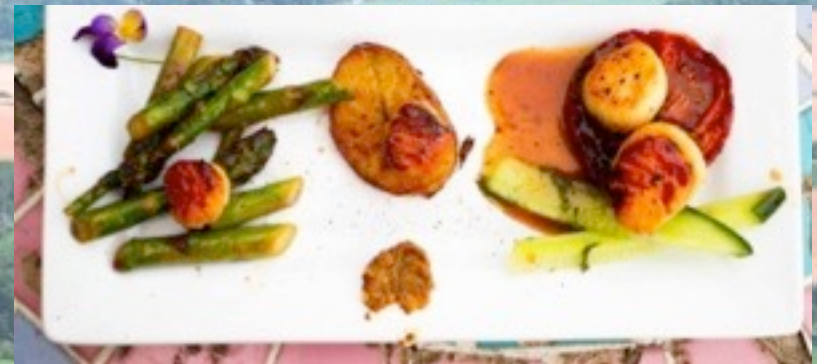
Boxing Rock Brewing Co., Shelburne



Wandering Shepherd, Intervale



Local Source, Halifax



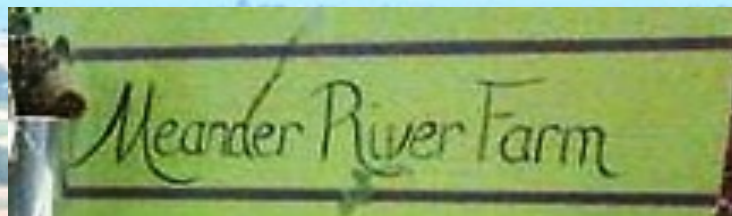
Gold Island Bakery, Scotch Village



Ratinaud French Cuisine, Halifax



Meander River Farm, Ashdale



Vincent Food Dressings, Yarmouth



The Port Grocer, Port Medway

Port Medway
the **Port** Grocer
Grocer Cafe & Art Space

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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



Rockwell Valley Foods, Avonport



Local No9
Local Food Store & Distribution