



FarmWorks Investment Co-operative Limited
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January 31, 2024

Investors in FarmWorks are making a very significant difference, from farm to fork, across Nova Scotia. We are frequently told that without FarmWorks quite a number of food businesses would be unable to start up or expand, and our Clients are helping to grow Nova Scotia's economy. It is increasingly important that we support local food businesses to ensure they're able to help meet the challenges facing us in the days, months, and years ahead.

Loan recipients are carefully chosen by FarmWorks Directors to balance risk and achieve strategic goals: increasing the supply of healthy food, stimulating the economy, supporting people and communities and the environment. Last year FarmWorks' Twelfth Offer of Shares raised \$574,900 for a total of \$5,209,600. Over twelve years only \$428,400 of \$5,209,600 (8.2%) has been redeemed, primarily by people collapsing RRSPs. Some RRSP holders reaching the age of 71 choose to switch to non-RRSP FarmWorks Shares.

Annual Offer investments together with, currently, about \$85,000 repaid monthly are used as soon as available to lend to new applicants. As of January 31, 2024, over \$9,400,000, has been loaned to 152 qualifying businesses and on October 31st, 2023, loans receivable amounted to \$4,666,531.

At the end of 2022 there were fewer losses than expected, amounting to 4% of the \$8.1 million in total loans made over twelve years. This was 34% of income relative to the target of 33% (\$316,691 of \$933,625). We are not dissatisfied with that outcome given COVID and many other challenges faced by food providers: input costs, difficulty getting loans and finding mentors who fully understand food businesses, regulations, marketing (about 85% of food consumed comes from outside NS), transportation costs, climate change, and the usual challenges associated with being an entrepreneur.

Strong personal relationships are a characteristic of FarmWorks operations, helping to ensure the success of clients and of the organization. FarmWorks augments loans by providing mentoring for clients, and by promoting the benefits of local, sustainable food production across the Province. In the words of a client – *finding funds and meeting regulatory requirements increases stress, FarmWorks decreases stress.*

The security of our supply of healthy, less highly processed, food is becoming less certain. Helping to assure that security for all is a responsibility that FarmWorks does not take lightly. We work diligently to support producers and to help strengthen local food systems. Achieving this goal requires strategic development of infrastructure, distribution systems and increased entrepreneurial acumen. FarmWorks' Directors look forward to continuing to build on our relationships with the Department of Agriculture, the Farm Loan

Board, Perennia, Regulatory Agencies, and other food related organizations. Collaborations to share knowledge and resources and to support producers will benefit everyone in the current milieu of food shortages and local and global insecurity.

Food production is a key to building new rural and urban economic capacity across this province. Nova Scotia has the people, the land, the climate, and many opportunities to ensure a healthy, profitable, food secure future. Directors, and Shareholders and Clients recognize the potential for this province to benefit from greater investment in food and beverage production, and FarmWorks' Community Economic Development Investment Fund has become a crucial component of that potential.

What FarmWorks and our clients have accomplished needs to be replicated and we continually seek options for assisting Nova Scotia to be food secure. The Directors look forward to discussing all opportunities with those who can assist in growing our healthy economy.

The Directors of FarmWorks Investment Co-operative Limited come from across Nova Scotia and bring expertise in agriculture and food production, economic development, education, health, business, finance, sustainability, and the environment.

Linda Best,

Founding and Managing Director, FarmWorks