

# Investing in Nova Scotian Food



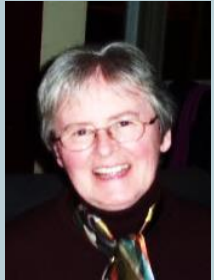
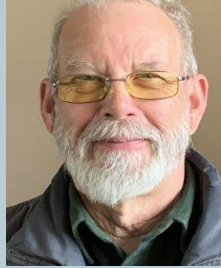


# FARMWORKS™

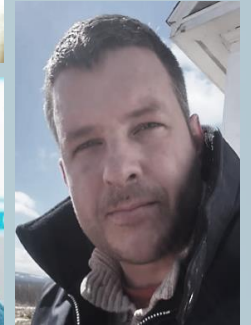




# FarmWorks Directors 2023



**Charles MacLean – Chair**  
**Food Procurement Administration**  
**Keith Rudderham – Vice Chair**  
**Farmer, Military Operations**  
**Ginny Point – Secretary**  
**Nutrition, Food Services**  
**Avila Coutinho – Treasurer**  
**Business Development and Analysis**  
**Barb Boates-Sweet – Assistant Treasurer**  
**Restauranteur, Management**  
**Linda Best – Managing Director**  
**Microbiologist, Friends of Agriculture Society**  
**Murray Coolican – Director**  
**Business, Government Relations**  
**Robin MacAdam - Director**  
**Energy Consultant**  
**Danny Martin - Director**  
**Military, Musician, Food Entrepreneur**  
**Robert MacEachern – Director**  
**Business and Indigenous Consultant**  
**Hana Nelson – Director**  
**Management, Value-added fishery production**  
**Chris Payne- Director**  
**CPA, Developed CEDIF program**  
**John Wray – Director**  
**Ordained Minister, Media, Farmer**  
**Nadia Gerrits – Administrative Assistant**  
**Business, Finance, Sales**





# *FarmWorks*

Community Economic Development Investment Fund

Helping to Grow  
Nova Scotian  
Farms and Food

# *FarmWorks*

## Field to Fork to Future

- **People** – quality of life for all Nova Scotians
- **Community** – farms and SMEs contribute
- **Health** – increasing the availability of healthy food
- **Economy** – keeping more money and jobs in NS
- **Environment** – ecologically sound local production
- **Preservation** – of built and natural amenities of NS



# Challenges and Opportunities

- about 80% of our food is imported
- global issues cause supply disruption risks
- most NS investment capital leaves the province
- insufficient funding for local producers
- invest funds to support businesses closer to home
- local production and distribution increases accessibility
- supports economy, communities, health, environment
- adds to quality of life now and for the future

# Challenge





Satellite

# Opportunities



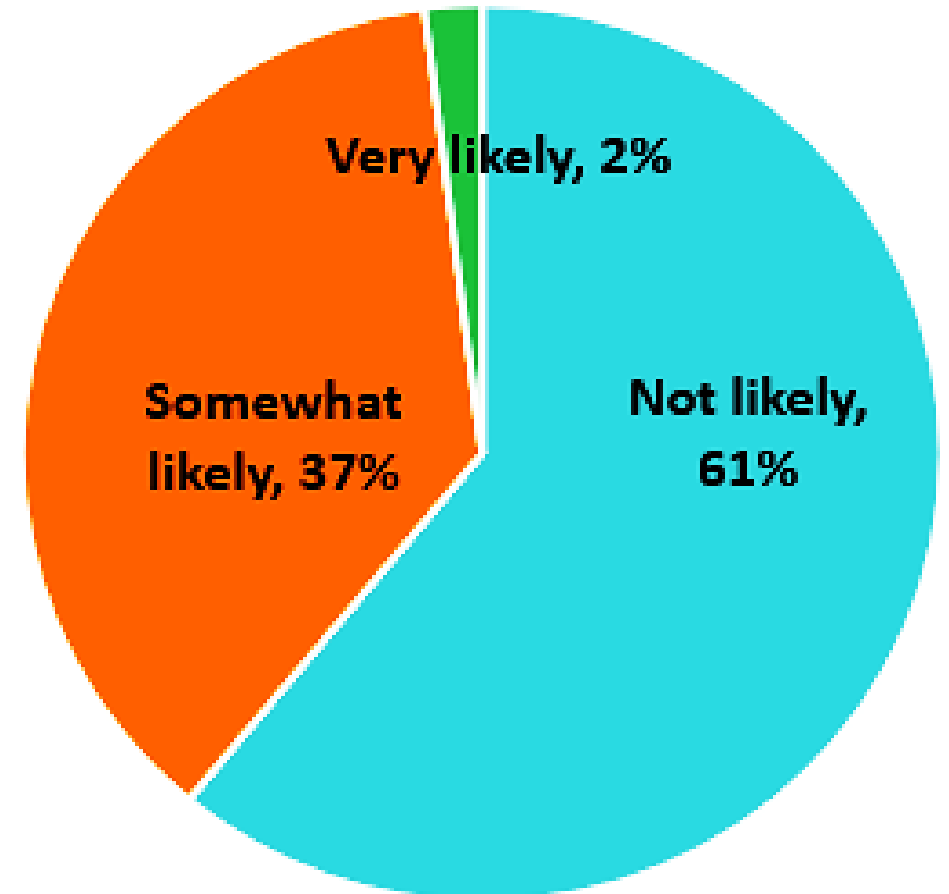


# FarmWorks Clients

Figure 21. YOUR CONTRIBUTION TO YOUR COMMUNITY?



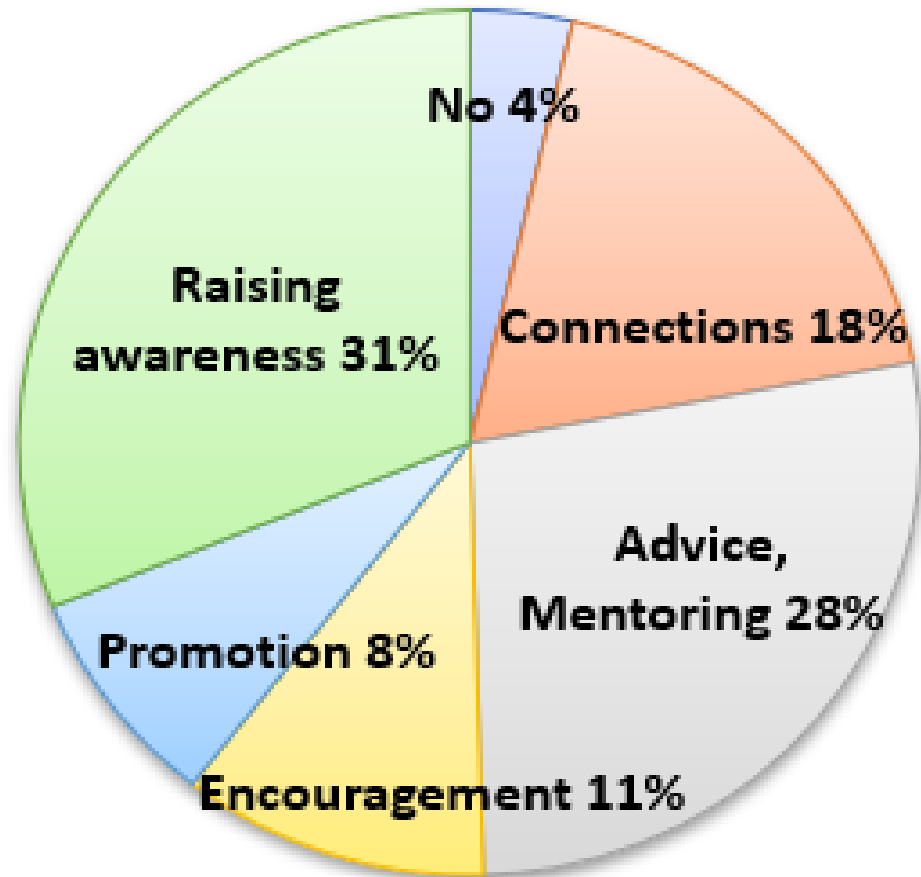
Figure 3. Would Business Have Succeeded Without Requested Loan?



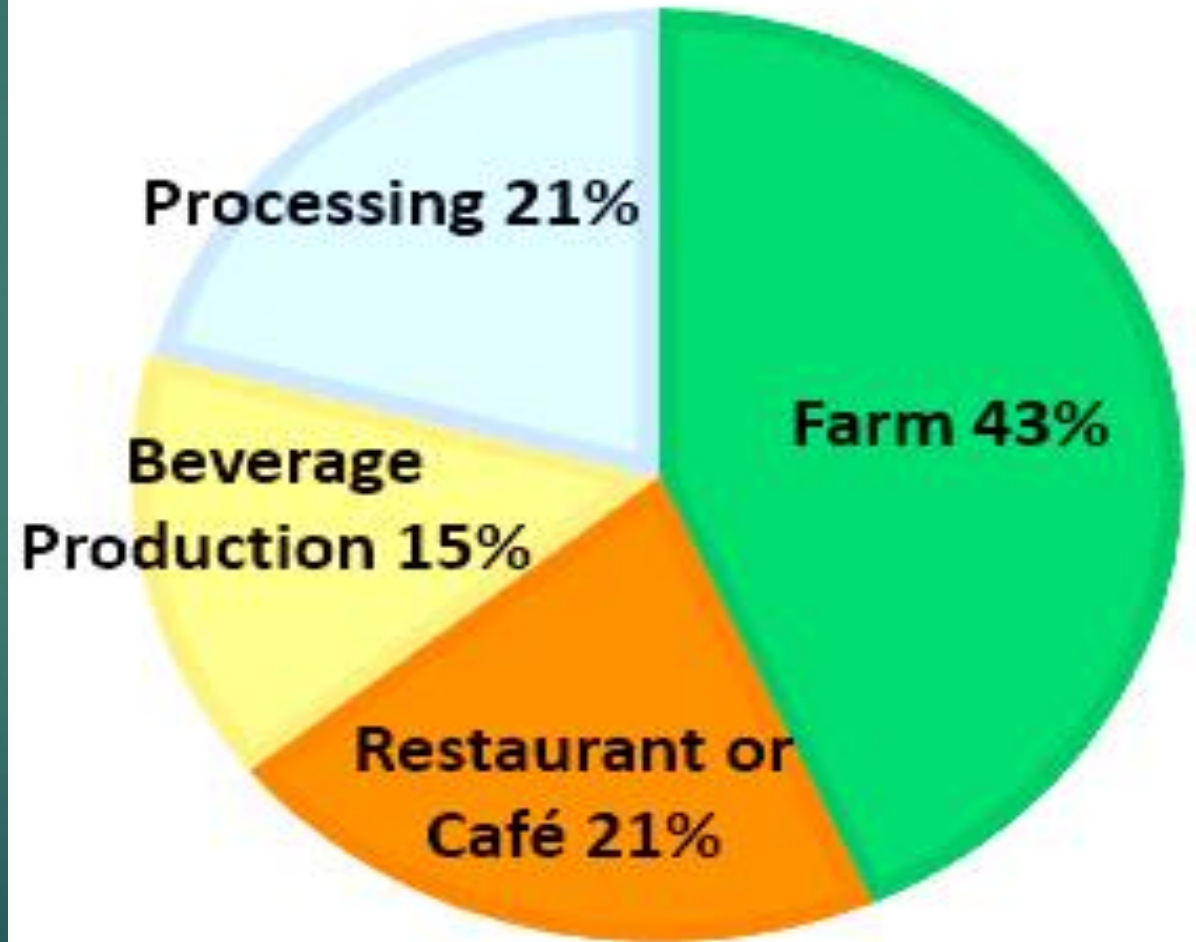


# FarmWorks Lending

**Figure 5. FARMWORKS ASSISTANCE  
IN ADDITION TO LOANS**



**FIGURE 6. TYPE OF BUSINESS**





# Community Economic Development Investment Funds (CEDIF)

In 2022 most of the almost one billion invested in RRSPs by Nova Scotians was invested outside NS

**FarmWorks CEDIF to date:**

- \$5,209,600 invested by 510 Shareholders
- Currently > \$85,000 repaid monthly
- \$9,400,000 has been loaned to 152 clients

**CEDIF impact – significant socioeconomic gains**

(Report by Dr. George Karaphillis for CECNB)



# CEDIF Tax Credits & Deferral

- FarmWorks CEDIF Shares support a range of Farms and Food businesses, investor capital is preserved
- FarmWorks \$100 Shares, 5-year terms – up to \$30,000 annually
- 35% NS Tax Credit for prior tax year (or back 3 or forward 7 years)
- 20% and 10% credits at the beginning of subsequent 5-year terms
- RRSP – Provincial Tax Credit and Federal Tax Deferral
- Existing RRSPs – transfer for 35%, 20% and 10% Tax Credit

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# CEDIF Tax Credits

Investment	35% Prov. Tax Credit (5 yr hold) Current Year	+20% Prov. Tax Credit (10 yr hold) End year 5	+10% Prov. Tax Credit (15 yr hold) End year 10	Total Tax Credit at 15 Years	RRSP new contribution Income Tax Deferral	Capital + Tax Credits & Deferrals over 15 Years
\$100	\$35	\$20	\$10	\$65	- - -	\$165
\$1,000	\$350	\$200	\$100	\$650	- - -	\$1,650
\$3,000	\$1,050	\$600	\$300	\$1,950	\$890*	\$5,840
\$5,000	\$1,750	\$1,000	\$500	\$3,250	\$1,628*	\$9,875
\$10,000	\$3,500	\$2,000	\$1,000	\$6,500	\$3,125*	\$19,625

## NS TAX CREDIT (NS Department of Finance)

Existing RRSP when transferred to CEDIF gains 35% Provincial tax credit

New RRSP contributions additionally gain Federal Tax deferral

\*RRSP Tax Deferral shown based on \$50,000 taxable income

# Information

- The 2023 Offering raised \$574,900 for 12 year total of \$5,209,600
- The average investment per year has increased from \$2,163 to \$5,300
- 566 shareholders have made 1,244 investment with 45% investing more than once.
- Many shareholders have received 5- and 10- year rollover tax credits
- Only 8.2% of shares have been redeemed over 12 years.
- FarmWorks has granted 336 loans totaling \$9.4 M to 152 food related businesses.
- COVID-19 made FarmWorks clients even more important for the security of food, health and the economy of Nova Scotia. Only one client was lost due to COVID.
- Circumstances caused various businesses to close over the years. Over the ten years losses are below projections.
- Careful due diligence, outstanding clients, supportive relationships and connections help make FarmWorks successful.
- About 20 % of our time is spent working with people who need mentoring even though they may never become FarmWorks clients!



# FarmWorks CEDIF Shares

- **The price per share is \$100 and the minimum share purchase under this Offering is: 1 share for \$100.00.**
- Minimum number of Shares offered is 500 and total proceeds if minimum sold is \$50,000. Maximum number of Shares offered is 20,000 and the total proceeds if maximum sold is \$2,000,000.
- **The Issuer will distribute securities while an Offer is open.**
- Shares are fully paid, newly issued voting common shares that are non-retractable, non-redeemable for 5 year terms, non-convertible and not restricted in profit sharing or participation upon dissolution.
- **Investments may be eligible for a 35% Nova Scotia non-refundable Equity Tax Credit (may be carried forwards 7 years and backward 3 years) and for RRSP tax deferral.**
- **Investments are eligible for further Equity Tax Credits of 20% and 10% at the 5 and 10 year investment anniversaries, respectively, if the CEDIF meets certain conditions.**

# FarmWorks CEDIF RRSP - CWCF

**CEDIF investments can be placed in Canadian Workers Cooperative Federation (CWCF) RRSPs. Note that RRSPs collapsed at age 71 may be de-registered and held within FarmWorks.**

**CWCF administers self-directed RRSPs for FarmWorks and other CEDIFs**

**Existing RRSP investments transferred to a CEDIF from other financial institutions gain the 35%, 20% and 10% Provincial tax credits when held for 5, 10, 15 years until redeemed. Note that RIF taxes payable can be offset by investing funds in non-RRSP CEDIF**

**New RRSP investments in a CEDIF gain the Provincial credits and Federal tax deferral based on contributor's tax bracket**

**CWCF administers RRSPs for FarmWorks Shareholders for a single annual fee of \$65 per shareholder regardless of invested amount**

**Other financial organizations annually charge significant percentages of invested funds to administer and manage RRSPs**



# *FarmWorks Lending*

- No application or legal fees or other charges
- Application, Business plan, Financials, Projections, Personal Worth, Credit Score, Visits, Discussions
- No payments first three months
- CEDIF Loans are unsecured
- After two years no charges for prepayments

# CEDIF Program Outcomes

“The capital raised by CEDIFs has been invested into a wide range of businesses from agriculture and farming to manufacturing and construction, arts and culture, health and social services, technology companies and more.

Many have a focus on local food and in 2019, of the 116 active businesses that received investments from CEDIFs, 78 were in the food and beverage sectors. Much of this can be attributed to the well-known **FarmWorks Investment Co-operative** that is often held up as the gold standard in the development of CEDIFs in agriculture and small farms.” [Report - Co-operative Council of New Brunswick](#)