

The Fence Post

Co-op shares support local food production

By Trudy Kelly Forsythe

Nova Scotians are investing big bucks to support local food production and FarmWorks Investment Co-operative Limited is helping direct some of that money to the people doing that producing.

FarmWorks secretary Linda Best, a born and raised Nova Scotian, explains that FarmWorks came about when she returned to the province after working away for several years. "I started to see what was happening to farms and food production in the valley, and issues around agriculture land protection were going on," she says. "I realized I was contributing to the problem buying what I wanted with no thought to what impact I was having on the Nova Scotia economy."

She realized to have a resilient rural economy, people needed to support local farmers and food processors. So in 2009 she met with a group of friends to discuss the issue. Two years later, FarmWorks was incorporated as a for-profit co-operative with a goal "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."

Healthy food supply

Formed to provide Nova Scotians with meaningful financial returns on investments that will increase the viability and sustainability of agriculture and the security of a healthy food supply, FarmWorks Investment Co-operative Limited established a Community Economic Development Investment Fund (CEDIF) to provide equity and subordinated debt financing for farms, farm-based secondary processing and value-added food products.

FarmWorks started selling shares in 2012 with a goal to raise \$100,000. By the time they were finished, 102 Nova Scotians had invested \$223,500. Then it was time to find the entrepreneurs. They did this through "Gentle Dragon" presentations in various locations where businesses presented in the hopes of receiving funding to expand or start up food production initiatives.

One of the recipients was Middleton's Valley Flaxflour Ltd. owned by Howard Selig and Wendy Rodda. They required funding for a

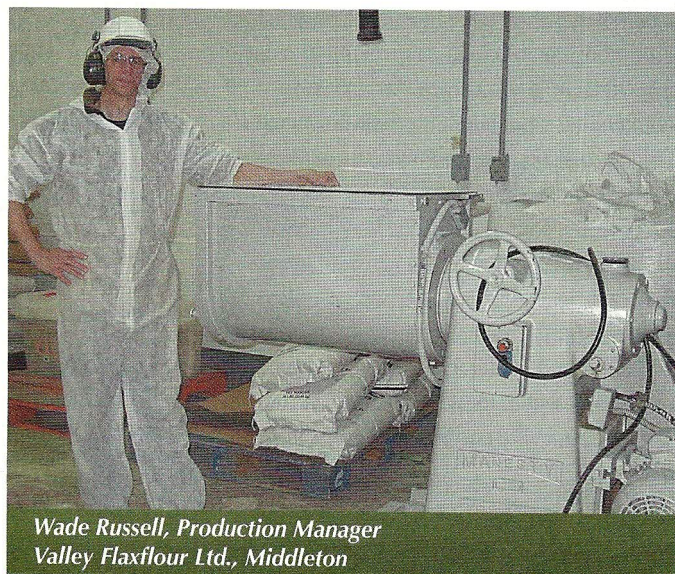
mixer to standardize production and reduce the amount of handling by production staff for a new family of mixes the company was introducing.

Variety of mixes

"The funding made available through the Farmworks CEDIF made it possible for us to purchase a used mixer to facilitate mix production," says Selig. "This has provided us with the capacity to produce a variety of mixes in larger batches than was possible with the previous hand mixing procedure.

"Being a small food processing company, we are thankful for the low cost funding made possible by people who see the wisdom of investing their money in local business opportunities."

Alan Stewart of Stewart's Organic Farm in Hortonville applied for funding so he could diversify into growing grains along with the vegetables, fruits and berries he already produces on the 100-acre certified organic farm while Jennifer and Kevin Graham of Oakview



Wade Russell, Production Manager
Valley Flaxflour Ltd., Middleton



Farm in Kingsport needed the funding to install a cold storage unit to store onsite and extend their supply season.

"In August, it will be so much more practical to be able to pack and store the picked peaches right here on our property until we sell them," says Jennifer. "We also grow a few vegetables, apples, as well as strawberries, so we are hoping that the cold storage unit will also enable us to do this better. In the past we could never refrigerate any produce so it has limited what we can do."

Funding farms

Other companies to receive funding were Pie r Squared, Big Spruce Brewing, Kingsville Farm, Meander River Farm, Meadowbrook Meat Market and Fenol Farm.

Support does not stop once the money is loaned. FarmWorks also offers mentoring support and provides ongoing promotion of the benefits of eating healthy local food and investing in local enterprises.

"We will be working with them every step of the way," says Best. "It is so necessary that all of these pieces – money, mentoring and marketing – all work together. We're doing everything in our power to promote the people we are invested in."

FarmWorks is once again selling shares in its CEDIF explaining that shares "appeal to everyone who is interested in Nova Scotian farms, farmland, food, health, our economy and the environment." Best says about 16 people are looking for up to \$300,000 for this round.

Shareholder benefits

Investing in CEDIFs provides benefits to the shareholder, including an initial 35 per cent non-refundable provincial tax credit, followed by additional credits of 20 per cent after five years and 10 per cent after 10 years if the CEDIF meets certain conditions, and money invested is eligible for RRSP tax deferral.

Of course, the benefit to the local economy, food system and province's agriculture industry is paramount as well. "If we are investing in local food production and local farmers by buying that



Ann Anderson - Vice-chair, Jennifer Graham and Kevin Graham - Oakview Farm, Kingsport

production, that will protect farmland," says Best. "It doesn't help to protect farmland without protecting the farmer."

Shares are available from Linda Best (542-3442, 670-3660, lbest@ns.sympatico.ca) or Ann Anderson (542-0572). For more info visit www.farmworks.ca.



Everett, Jeremy and Melanie White
Big Spruce Brewery and Eatery, Nyanza