FarmWorks
Investment Co-operative Limited
Healthy Farms
Healthy Food
Richard Melvin – Chair
Melvin Farms, Chair NS Food Policy Council, Past Pres. NS Federation of Agriculture

Ann Anderson – Vice-Chair
Educator, Wolfville Community Foundation, Friends of Agriculture

Linda Best – Secretary
Microbiologist, Friends of Agriculture, Food Alliance, NS Food Policy Council

Kris Keddy – Treasurer
Financial Consultant, Investors Group

Stephen Anderson – Director
Partner, Food Economy Group

Alison Scott Butler – Director
Lawyer, Queen’s Counsel

Carol Harris – Director
Professor, University of Victoria, Author

Paul Eyking – Independent Director
Truleaf Sustainable Agriculture, Management Consultant

Patricia Vanaman – Independent Director
Tri County Local Food Network, Community University Research Network
Gordon Caldwell  
Partner, Grant Thornton Accounting  

Gordon Michael  
Continuing Education SMU, Food Alliance,  
Former Executive Director FMIC CEDIF  

Jeff Moore  
Former CEO Just Us! Coffee,  
Chair Just Us! CEDIF  

Thomas Krausse  
Dandelion Community Investment Cooperative Limited  

David Upton  
Educator, Board Member CBDC  

Gary Morton  
Partner Morton Horticultural Consulting  

Jonathan McClelland  
NS Co-op Council Business Development Officer  

Edith Callaghan  
Professor Manning School of Business, Acadia  

Av Singh  
Organic and Rural Infrastructure Specialist, AgraPoint  

Hank Bosveld  
Bosveld Fruit Farm, NS Farm Loan Board  

Jo Anne Fewer  
CEO Perennia,  
Seconded to Building Our New Economy  

Susan Carroll  
Executive Chef, Paddy’s & Rosie’s Restaurant, Wolfville  

Charles Keddy  
Charles Keddy Farms  

Rupert Jannasch  
Ironwood Farm  

Duncan Ebata  
Business Acadia, Web, Marketing  

Ross Piercey  
Business & Quality Consultant
Challenges

“If farms continue to diminish in number, if we continue to rely on the global food system to sustain us—and if that system fails—then the dire situation of our farmers today will become the dire situation of our whole region tomorrow.”

“Or we can take steps now to re-create a local, sustainable, healthy food system that gives our farmers the livelihood they deserve, and provides reliable, healthy food to our families.”

“food needs are projected to increase by **70 percent by 2050** when the global population reaches **9 billion**.

climate change will affect agriculture through **higher temperatures, greater crop water demand, more variable rainfall and extreme climate events such as heat waves, floods and droughts**.

severe crop yield reductions - one assessment estimates that by the **2080s world agricultural productivity will decline by 3-16 percent**. (Cline 2007).”

http://climatechange.worldbank.org/content/climate-smart-agriculture
All of regions have upward trends, with Mackenzie District up 4.9°C over the 65 years of record. Atlantic Canada shows the least upward trend of 0.5°C based on the average since 1948.
Challenges

Economic Regions, Nova Scotia Population Change

- NS: 7,427
- Cape Breton: -5,864
- North Shore: -3,125
- Annapolis Valley: -1,341
- Southern: -5,265
- Halifax: 23,222
Challenges - Opportunities

Importing food removes money from local and provincial economy

CEDIF strategies can help reverse the trend
Challenges - Opportunities

Loss of farms and food production leads to loss of jobs, rural depopulation, loss of communities

CEDIF strategies can help reverse the trend
Opportunities

Production has been a cornerstone of rural NS and must be again

- Increase in food sufficiency and security
- Multiplier effects - social and economic gains
- Helps keep rural landscapes and communities vibrant, preserves local culture and history, attracts tourists and enhances quality of life

Availability of healthy food is becoming crucial in light of global issues
Money invested in food production in NS is an investment in the economy, health, rural areas, communities, culture, and the environment.
FarmWorks provides:
- a spark of innovation
- an opportunity to invest in ourselves by harnessing the strengths of citizens right across the Province
- to support a culture of economic, social, and environmental sustainability
- while providing significant tax benefits

Richard Melvin
FarmWorks Investment Co-operative Limited

FarmWorks provides the means for strategic and responsible community investment in food production and distribution in order to help increase access to a sustainable local food supply for all Nova Scotians.

FarmWorks promotes investing locally and buying local food to gain the health, economic, social, environmental and other benefits that result from growing and processing food in Nova Scotia.

Promoting the CEDIF gives FarmWorks the opportunity to engage in community-based conversations across NS about our Vision – Healthy Farms, Healthy Food.
Currently, less than 2% of NS investment capital (RRSPs, mutual funds, stocks) remains in the province.

CEDIF program was established in 1999 to match local investors with local businesses

- help local businesses access capital - enables them to stay in communities providing jobs and services
- encourage local autonomy and control over investment
- CEDIFs that provide consistent returns on investment have helped change attitudes toward investing locally

In 2011-12 Nova Scotians invested $7.5 million in 14 CEDIFs for a total of $50 million in 51 CEDIFs
## Investment Tax Credits & Deferrals

<table>
<thead>
<tr>
<th>Investment</th>
<th>35% Equity Tax Credit (5 yr hold)</th>
<th>+20% ETC (10 yr hold)</th>
<th>+10% ETC (15 yr hold)</th>
<th>Total ETC after 15 yrs</th>
<th>RRSP example: Taxable Income Before Deductions</th>
<th>RRSP Example: Deferred Income Tax</th>
<th>Total Provincial Tax Credits and Potential RRSP Deferrals</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>$35</td>
<td>$20</td>
<td>$10</td>
<td>$65</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$1,000</td>
<td>$350</td>
<td>$200</td>
<td>$100</td>
<td>$650</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$5,000</td>
<td>$1,750</td>
<td>$1,000</td>
<td>$500</td>
<td>$3,250</td>
<td>$35,000 (**29.95%)</td>
<td>$1,498</td>
<td>$4,478</td>
</tr>
<tr>
<td>$5,000</td>
<td>$1,750</td>
<td>$1,000</td>
<td>$500</td>
<td>$3,250</td>
<td>$45,000 (**36.95%)</td>
<td>$1,848</td>
<td>$5,098</td>
</tr>
<tr>
<td>$10,000</td>
<td>$3,500</td>
<td>$2,000</td>
<td>$1,000</td>
<td>$6,500</td>
<td>$45,000 (**36.95%)</td>
<td>$3,698</td>
<td>$10,198</td>
</tr>
</tbody>
</table>

* Rate on excess over $29,591 (Taxable income - $29,591 to $42,707 – Basic tax $4,671, Rate on excess 29.95%)
** Rate on excess over $42,708 (Taxable income $42,708 to $59,180 – Basic tax $8,599, Rate on excess 36.95%)

**NS TAX CREDIT (NS Department of Finance)**

**RRSP Tax Deferral (Federal)**

**FARMWORKS INTENDS TO PROVIDE AN APPROPRIATE DIVIDEND**

(35% Tax Credit is equivalent to 7% return in each of 5 years, or 6.5% over 15 years)
Tax Credits and Deferral

RRSP Tax Deferral – CEDIF

Investors who contribute new money to RRSPs can defer significant amount of Federal taxes.

• Other than for existing Canadian Workers Coop Fund RRSP transfers there is a $50 charge to set up a Self-directed RRSP in the CWCF.

• There is an annual management charge of $60 which is equivalent to 0.6% on a $10,000 investment, 1.2% on a $5,000 investment, or 3% on a $2,000 investment.

(The average annual Canadian Management Expense Ratio for mutual funds is 2.34% - http://www.theglobeandmail.com/globe-investor/personal-finance/as-investing-fees-bite-make-sure-theres-a-slice-of-profit-left/article535891/).
RRIF Tax Benefits – CEDIF

Investors receiving RRIF income can decrease taxes according to their income tax bracket.

Example: Nova Scotian with taxable income of $35,000 receiving $5,000 from RRIF with $1,498 tax payable

• Purchase $5,000 CEDIF shares and get 35% tax credit of $1,750 thus offsetting Provincial tax payable.

• Additional 20% ($1,000) and 10% ($500) tax credits at 5 and 10 years
In January and February of 2012 FarmWorks held 22 public meetings across NS

Resulted in $223,500 invested by 102 shareholders

Second Offer January – February 2013

Continuing to build awareness of the positive impact of food-related businesses on the economy of NS through the Food Grows Here strategy
Investing in Sustainable Food for Nova Scotians
Investing in Nova Scotians
Investing in Sustainable Food for Nova Scotians
FOOD GROWS HERE!

FARMWORKS.CA