An NGFN Webinar

June 18, 2015

POLLINATING FOOD ENTERPRISES
CREATIVE NEW MODELS FOR STARTING, SUPPORTING, AND FINANCING LOCAL FOOD BUSINESS
Presentation Outline

- Technical Orientation
- Welcome
  
  **Jeff Farbman**
  
  *Wallace Center at Winrock International*

- Pollinating Food Enterprises
- FarmWorks
- Questions and Answers
- Upcoming Opportunities, etc.
WALLACE CENTER AT WINROCK INTERNATIONAL

• Market based solutions to a 21st Century food system
• Work with multiple sectors – business, philanthropy, government
• Healthy, Green, Affordable, Fair Food
• Scaling up Good Food
NATIONAL GOOD FOOD NETWORK: VISION
Supply Meets Demand
• There is abundant good food (healthy, green, fair and affordable) to meet demands at the regional level.

Information Hub
• The National Good Food Network (NGFN) is the go to place for regional food systems stories, methods and outcomes.

Policy Change
• Policy makers are informed by the Data and Analysis and outcomes of the NGFN and have enacted laws or regulation which further the Network goals.

http://ngfn.org | contact@ngfn.org
Presentation Outline

- Technical Orientation
- Welcome

Pollinating Food Enterprises

Michael Shuman
Author, The Local Economy Solution

- FarmWorks
- Questions and Answers
- Upcoming Opportunities, etc.
Pollinating Food Enterprises

Creative New Models for Starting, Supporting, and Financing Local Food Business
Choice

Exit Now
Why Economic Development Matters
“Attract & Retain”

“Incentive competition is on the rise. It is costly, generally inefficient, and often ineffective for winning regions.”

- Ann Markusen & Katherine Ness
Circus Time in Sarasota, FL

6/18, 2015
An Alternative Approach
Four Alternative Rules

(1) Maximize local ownership.
(2) Maximize local self-reliance.
(3) Spread models of TBL success.
(4) Create entrepreneurial ecosystem.
### The 6 P’s of an Entrepreneurial Ecosystem

<table>
<thead>
<tr>
<th>Planning</th>
<th>Plug the leaks &amp; boost the business.</th>
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<td>Policymaking</td>
<td>Remove anti-local biases.</td>
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Instinctive Response of Local Economy Builders
The Better Alternative: Pollinator Businesses
# Examples of Pollinators

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<th>Category</th>
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Planning Pollinators

Business Retooling

MAIN STREET GENOME
Planning Pollinators

Placemaking
Purchasing Pollinators

Loyalty Cards
Purchasing Pollinators
People Pollinators

Entrepreneurship Training
People Pollinators

Co-Working Spaces
People Pollinators

Acceleration
Partnership Pollinators

Business Alliance
Partnership Pollinators

Joint Purchasing
Partnership Pollinators

Joint Selling
Purse Pollinators

Local Stock
Purse Pollinators

Local Investment Funds
Purse Pollinators

Local Pre-Purchasing
Policies That Support Pollinators
focus
Lessons in Leverage
For More Information:

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www.michaelhshuman.com
Presentation Outline

• Technical Orientation
• Welcome
• Pollinating Food Enterprises

FarmWorks

Linda Best
Founding Member, FarmWorks

• Questions and Answers
• Upcoming Opportunities, etc.
Investing in Sustainable Food for Nova Scotians
Challenges

• Over 50 years food production 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 farm and food sector employment in past decade
Challenges

Loss of farms and food production leads to loss of jobs, rural depopulation, loss of communities – with socioeconomic, health and environmental impacts.

Socioeconomic strategies are needed to help reverse these trends.
Opportunities

About 10,000 people currently employed in farming and agrifood processing
Approximately $240 million in wages
All food sectors 56,000 jobs accounting for 14% of provincial employment
21% of province’s land area suitable for farming.
Many opportunities to feed ourselves, create sustainable employment, rebuild communities, export when appropriate
FARMWORKS
HELPING TO PROVIDE
FOOD FOR OUR FUTURE
AND HEALTHY ECONOMIC
GROWTH IN RURAL
NOVA SCOTIA
FOUNDED MAY 2011
VISION

Healthy Farms, Healthy Food

MISSION

Promote, and provide, 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

GOALS

Raise Community Economic Development Investment Funds (CEDIF) through public Offers

Provide loans to food enterprises to help them increase sustainable production and profitability

Provide mentoring by Directors, Advisors, others

Promote local production generally and our clients specifically

Collaborate with other funders and government and non-government organizations
CEDIF

In 1998 NS legislated the CEDIF program to encourage residents to invest in NS businesses. Sale of shares to form pool of capital to operate or invest in profit-oriented local businesses. Can’t 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.
Each year investment vehicles including about $700 million in Retirement Savings Plans move $ billions from Nova Scotia

CEDIF matches local investors with local businesses

• access to local capital
• businesses start or stay in communities
• businesses provide jobs and services

By 2014 more than $64 million invested by 8,300 Nova Scotians in 60+ projects is helping to fuel economic growth throughout the province.
CEDIF Tax Credits

- Shareholders invest for 5 years 35% tax credit
- Reinvest at 5 years for additional 20% tax credit
- Reinvest at 10 years for additional 10% tax credit
- Investments are eligible for RRSP tax deferral
- Credits can be carried forward 7 years, back 3 years

CEDIFs are an effective way to leverage local capital to help rebuild a sustainable farm and food economy, help rebuild rural communities and contribute to all aspects of life in the Province.
FarmWorks Investment Co-op

- Directors (volunteers): 14 across Nova Scotia
- Advisors (volunteers): 25 across NS
- Collaborations: financial, organizations, gov’t
- Four Offers 2012 to spring 2015
- Total raised to date: $1,033,400
- Shareholders: 252
- Loans at 6% to date: 42 - $996,000
- Capital available: $246,000 + $15,000 monthly
Investment Challenges

Challenges:

• Raising awareness of the benefits of local investing
• Gaining credibility with high net worth investors
• Dealing with Retirement Fund investments
• Selling through registered dealers
• Raising awareness of benefits of CEDIF (local investment) model

CEDIF (locally) supported businesses have a 90% success rate – better than typical SME survival rate.

Lending

FarmWorks lends to qualified food-related businesses chosen to balance risk and achieve strategic goals.

Loans $5,000 - $25,000, unsecured, payback 2 - 5 years.

Characteristics of loans:

- No application fee
- Specific criteria must be met
- Current interest rate 6%
- Consultations as appropriate
- Annual Financial Statements
- Early repayment without penalty
## Comprehensive Evaluation

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<tr>
<td>Character</td>
<td>Rank 1 to 20</td>
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<td>Commitment</td>
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<tr>
<td>Management</td>
<td>Rank 1 to 25</td>
</tr>
<tr>
<td>Business Plan – Markets</td>
<td>Rank 1 to 25</td>
</tr>
<tr>
<td>Business Plan – Materials/Methods</td>
<td>Rank 1 to 25</td>
</tr>
<tr>
<td>Business Plan – Financials</td>
<td>Rank 1 to 25</td>
</tr>
<tr>
<td>Viability</td>
<td>Rank 1 to 60</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1 – 200</strong></td>
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Less than 130 do not proceed, 130–160 reapply, greater than 160 proceed.
FarmWorks Loans to June 2015

FarmWorks Supported Businesses across Nova Scotia
Pie r Squared, Wolfville
Big Spruce Brewery, Nyanza
Local Source, Halifax
The Port Grocer, Port Medway

Port Medway
Port Grocer
Grocer Cafe & Art Space
A HEALTHY, SUSTAINABLE COMMUNITY CENTERED AROUND FOOD, MUSIC, ART AND EDUCATION.
1-902-677-2884 | www.theportgrocer.ca

A healthy, sustainable community centered around food, music, art and education.
Ratinaud French Cuisine, Halifax
The Flying Apron Cookery, Summerville
Stewart’s Organic Farm, Hortonville
Helen B’s Preserves, Mahone Bay
Field Guide Restaurant, Halifax
Rocky Top Farm, New Ross
Getaway Farms and Highland Drive Storehouse
Good Lake Farm, Southampton
Meadow’s Brother’s Farm, Barton
Vincent Food Dressings, Yarmouth

Cook and cook until you know what you are doing. The journey is worth it.

Chef Garry Kent
www.vincentdressings.ca

Vincent Dressings
Choose from:
- Garlic
- Burger Bomb
- Curly Luv

Vincent Dressing
Perfect for:
- Burgers
- Salads
- Sandwiches

Defi-Dips
Great on everything!
- Super Silly Garlic
- Super Silly Curry
- Super Silly Hot

Dressings & Dips

$5.99 each
$6.99 for two

Vincent Dressings

Vincent Dressings

Vincent Dressings
Fruition, Halifax
Hoppy’s Farm, Blockhouse
South Shore Farms, Upper Branch
Millennium Gardens, Mill Village
Questions and Answers

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Jeff Farbman
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Webinars are Archived

TOPICS!

http://ngfn.org/webinars
NGFN Webinars

3rd Thursday of each month
3:30p EST (12:30p PST)

http://ngfn.org/webinars

- Aug 20: One Page Cost-Benefit Analysis Tool
USDA Local Food Directories

- Was
  - Farmers Markets
- Now *adds*:
  - CSAs
  - On-Farm Markets
  - Food Hubs

http://www.USDA_LocalFoodDirectories.com/
Get Connected, Stay Connected

http://ngfn.org/database

National Good Food Network Database
Click to learn more

Search for: Wallace Center

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NATIONAL GOOD FOOD NETWORK
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