

## **FarmWorks Investment Co-operative Limited**

### **Annual General Meeting**

Via Zoom

April 26, 2022

7:00pm

**Directors Present:** Linda Best, Johanna Kwakernaak, Ginny Point, Avila Coutinho, Barb Boates Sweet, Charlie MacLean, (Keith Rudderham, Aaron Eisses, Robert (Joe) MacEachern, Murray Coolican, arrived after the start of the meeting)

**Proposed New Directors Present:** Robin McAdam

**Absent:** Amin Tran, David Oulton, John Webster

**Guest Speakers/Others:** Danny Martin of Cottage Café, Faye Brown Administrative Assistant on contract with FarmWorks

**Shareholders in Addition to Directors Present:** Chris Maxwell, Michael MacMillan, E Fajta, Marvin Allemang, Wendy MacDonald, Peter Hicklenton, Brenda Hattie, Shelley Bibbey, Lisa Roberts, Patricia Cove, Angela Pressburger, Tom Webb, Danny Martin

**Minute Taker:** Ginny Point

#### **7:00 pm Welcome and Introductions**

Johanna Kwakernaak welcomed attendees to the meeting indicating that there would be two guest speaker presentations from FarmWorks clients and following that would be the Annual General meeting. Current Board members were invited to say a few words to introduce themselves.

#### **7:05 pm Guest Speakers**

##### Danny Martin – Cottage Café – Dartmouth

Danny said he left the military in approximately 2010 and wanted to invest his money in Nova Scotia. When his friend Lil MacPherson told him about FarmWorks he knew it was right for him. So he essentially invested all his available money into FarmWorks. Then later in 2016 he had an opportunity to start up a café business on Lake Banook in Dartmouth, so he applied to FarmWorks for funds. He readily admits he would not have been able to do the café without the help of FarmWorks. The café is a friendly community hub, often with music, and always with a lot of regular community customers. They serve great food with local ingredients. Right now he is having difficulty sourcing navy beans for his very popular baked beans, and he invited everyone to help him source them in Nova Scotia. The hours of operation are 8-4 Tues -Friday and 9-4 on weekends plus evenings in the summer. The outdoor patio and deck (to be built this summer) provide wonderful views of beautiful Lake Banook. They survived COVID, with help from the government, and by offering some ready cooked meals for purchase. Those are still very popular, and the Café is continuing to offer them for sale. Fundamentally the restaurant survived COVID because it is so well integrated into the community. Linda commented that community is a recurring theme with FarmWorks clients, noting that no FarmWorks client went out of business due to COVID – a testament to the versatility and community orientation of FarmWorks clients. Another theme is that of networking. Clients are often well connected to other FarmWorks clients, meeting the needs of both producers and restaurants for example.

##### Shai Jefferson - Heart and Soil Farm, Branch LaHave

Shai was unable to join the meeting so Linda gave a brief summary of Heart and Soil on her behalf. She and her husband started their farm a few years ago mostly with grit and determination. Most of the work they did was by hand, or with very small machinery, and in the end they have cleared a significant tract of land, built a greenhouse, started providing approximately 45 CSA boxes in their community, selling to some restaurants in addition to anonymously donating 5-10 free CSA boxes to the Food Bank each week. This spring they applied to FarmWorks for funds to purchase a tractor which will help in clearing more land, and supplies to build a new greenhouse. Shai's two teenage sons also work on the farm and are planning some special new crops to add to the CSAs. They are well integrated into their community as well. Joe MacEachern added that again community is a recurring theme. He went to visit another FW client recently, Of Moth and Moon Farm. They stressed how impressed they were with FarmWorks, with the fact that FarmWorks seems to care about clients as people, not just as a financial account. That is key to the success of FarmWorks and our clients.

Johanna thanked Danny and thanked Linda for her presentation on behalf of Shai and wanted to underscore how impressed she is with their businesses, as well as all the businesses FarmWorks has invested in.

### **Call To Order**

The AGM meeting was called to order at 7:25 pm by Johanna Kwakernaak. She noted that a quorum for the meeting is 15, and with 23 Shareholders present at that time, the requirements for a quorum were satisfied. The agendas for the meeting were posted on the FarmWorks website, along with minutes of the last AGM in 2021.

Linda introduced Faye Brown, Administrative Assistant currently on contract with FarmWorks, working 2 days per week. Faye said her father was a farmer, that she very much supports the work of FarmWorks, and that she is pleased to be working with FarmWorks. Linda thanked her for her contributions.

Linda also said she was very sorry to report that Ann Anderson, Founding Board Member and tireless volunteer with FarmWorks since its inception, was unable to be there for the meeting. She also said that Ann has decided not to reoffer for the upcoming Board but has thankfully offered to still accompany Linda on her road trips visiting clients. Board members wished her the very best.

### **Agenda Review**

Johanna called for any additions or changes to the agenda. Moved by Charlie MacLean and seconded by Tom Webb to approve the agenda as presented. Motion carried.

### **Minutes of 2020 AGM**

Charlie MacLean moved that the minutes of the 2020 AGM be accepted as circulated. Linda Best seconded the motion. Motion carried.

### **Business Arising from the Minutes-**

Johanna called for any Business Arising from the Minutes. Hearing none, Johanna began her Chair's Report.

### **Chair's Report** (pre-circulated as a letter to Shareholders)

In addition to the pre-circulated report Johanna said that 2021 was a challenging year for clients, however she was pleased to note that no client went out of business due to COVID. In fact, many clients continued to start new enterprises. Linda, Ann and Johanna spent considerable time last summer on road trips, during which they continued to admire and respect the work done by FarmWorks clients. She recognized Linda for having been appointed to the Order of Nova Scotia in 2020 and noted that she was delighted to attend the formal induction in 2021 (a year late due to COVID).

Johanna said the Share Offering was very successful again this year and this year has been exceedingly busy, with virtually all the money raised this year already spoken for. This year we raised slightly less funds than last year. There were challenges in January and February, and all Share Offering meeting were via Zoom. It is hoped that next year's Offering will have both In Person and Zoom meetings.

She thanked Shareholders, and Board members for their contributions last year, noting how important the work is.

### **CEDIF Investments and FarmWorks**

Linda reviewed the 2021 Annual Report which is on the FarmWorks website. One major challenge at present in Nova Scotia is that approximately 80-85% of the food in Nova Scotia is imported. The solutions include Shareholder investments in FarmWorks via the CEDIF program. Another problem in Nova Scotia and elsewhere is the growing percentage (of highly processed foods which are present in our food system (46% of foods consumed are highly processed). One key solution to that is to increase consumption of fresh local foods, such as the foods produced by FW clients. She discussed the CEDIF program noting the significant tax advantages available to investors. Approximately \$7,268,000 has been loaned out to a total of 140 clients to date. And it is noteworthy that only 4.5% of investments have been redeemed in the past 10 years. FarmWorks loans have helped to create 1,196 FTEs (Full Time Equivalent) in terms of jobs here in Nova Scotia and have helped to create annual employment income of approximately \$51.8 million annually. A client survey in 2020 showed that 87% of clients said that the loan from FarmWorks improved their business. In 2022 the FarmWorks portfolio was comprised of 42% farms, 13% stores, 23% restaurants, 22% processing and beverages.

In reviewing the Annual Report, which is posted on the website, Linda said that of 140 loans to date, there are only 18 who have gone out of business since FarmWorks began. Of those, 11 paid off their loan, or are continuing to pay it off, thus there were seven that account for our average loss of 0.36% per year. Of those, four are under consumer protection and a portion of those

loans will be recovered. In terms of Income, she said there were several very large Shareholder investments last year which did not materialize this year and noted that our Income has gone up each year.

She called for questions from the floor. Peter Hicklenton asked what the plans are for when FarmWorks starts to make a profit. Linda said decisions regarding that have been deferred until FarmWorks hears back from CRA regarding the FW tax status. In the meantime, FW has grown sustainably over the years, and it is expected that at some time in the future dividends will be possible. It is noted however that expenses are also expected to increase as FW transitions into less reliance on volunteer work for much of its operations. Johanna noted that thanks in large measure to Linda Best’s huge contribution in terms of volunteer work, our operating costs have been relatively low in the past. Peter asked how FarmWorks sees itself in five years. Linda replied that FW has a strong committed Board, increasingly solid relationships with other key organizations such as NS Dept of Agriculture, Farmer’s Market Associations etc. She sees the future of FarmWorks as very strong. Lastly, she called upon interested Shareholders to come forward anytime if they want to become more involved with FarmWorks, by being on the Board or volunteering some other way.

### **Treasurer’s Report**

Avila reviewed the Financial Statements, also available on the FarmWorks web page. In 2022, \$622,800 was raised during the Share Offering which was slightly less than the previous year. Revenue from interest was \$161,982 and during the worst of COVID FarmWorks enabled clients to defer payments. She noted that 53% of Shareholders have invested more than once. Client Related Expenses includes the Loan Loss Provision, and as such that amount was \$119,973 in 2021 as compared to \$56,139 in 2020. In the end, the Taxes Owing dropped from \$4,909 in 2020 to \$3,869 in 2021. Moved by Avila and seconded by Charlie to accept the Financial Report as presented.

### **Appointment of Independent Financial Advisor**

Moved by Avila and seconded by Linda that Grant Thornton continue to be engaged to perform the Financial Review and Submission to the Nova Scotia Securities Commission for next year’s Offer and for tax purposes. Motion carried.

### **Nominating Committee Report**

Johanna noted that 1 individual is being nominated to join the FarmWorks Board: Robin MacAdam. Johanna thanked Murray for suggesting Robin.

Robin introduced himself saying that he has a long-standing interest in renewable energy. He grew up in Ontario with farming in the family. His brother-in-law raises Red Angus. He is a big supporter of the “Buy Local” movement. He has a background in Energy and Business. He is looking forward to making a contribution to FarmWorks.

Moved by Charlie and seconded by Murray that Robin MacAdam join the FarmWorks Board for 2022. Motion carried.

Moved by Leslie and seconded by Charlie to accept Linda as Ex Officio Founding Director for one year. Motion carried.

Moved by Linda and seconded by Murray to approve the entire slate of Board members, including Robin and Linda. (See below) Motion carried. Johanna noted that the Independent Directors are the “independent eyes” and “ears” on behalf of the NS Securities Commission and NS Dept of Finance to ensure appropriate financial dealings. They cannot be Shareholders. The term for Directors is 3 years and is renewable once. She invited anyone wanting more information to contact her.

### **FarmWorks Proposed Slate for Board of Directors 2022-2023**

Johanna Kwakernaak - Berwick	Chair
Keith Rudderham – Point Edward & Halifax	Vice-Chair
Ginny Point – Black River	Secretary
Avila Coutinho - Windsor	Treasurer
Linda Best- Greenwich	Ex-Officio, Founder, Manager
Murray Coolican - Halifax	External Relations
Aaron Eisses - Halifax	Director
John Webster- Stellarton	Director
Robert MacEachern – New Glasgow	Director
Charles MacLean- North Sydney	Director
Barb Boates-Sweet - Halifax	Director
Robin MacAdam - Halifax	Director
Amin Tran - Windsor	Independent Director
Dave Oulton - Windsor	Independent Director

Moved by Ginny and seconded by Charlie to thank Ann again for her wisdom and tireless work with FarmWorks over the years. Motion carried. Ginny said that Ann's decision not to reoffer for the Board this year is a huge loss to FarmWorks. Thankfully she is planning to still accompany Linda and others on various road trips. Everyone was very appreciative of that. Ginny said that as a Founding Board Member Ann contributed hugely since the start of FarmWorks. Best known for her critical thinking behind the scenes, Ann was a very committed volunteer for FarmWorks. Linda readily acknowledged that she would not have received the Order of Nova Scotia if Ann had not been there by her side all those years. Johanna noted that FarmWorks as an organization would not be what it is today without her. All Board members present wished Ann well and thanked her very much for her contributions over the years.

### **Other Business**

Leslie and Michael asked if the Narrows Pub is open yet. Yes, and the food is delicious. Linda said, and also added that most of the best restaurants, processors and farms in NS are FarmWorks clients. She also added that Paul Hill has recently come out with a new Ketchup that he is making using tomatoes which are oddly shaped or otherwise unsuitable for the premium consumer market. Available in Sobeys now.

Shareholders were invited to add any final comments. Those present all thanked FarmWorks for an enjoyable evening and spoke of the vital role FarmWorks is playing to promote healthy farms, and healthy food here in Nova Scotia.

Meeting adjourned at 9:00.

Minutes taken by Ginny Point