

**FarmWorks Investment Co-operative Limited**  
**Annual General Meeting**

At the Wooden Monkey, Dartmouth

April 30, 2023

2:00

**Directors Present:** Linda Best, Ann Anderson, Johanna Kwakernaak, Ginny Point, Avila Coutinho, Charlie MacLean, Keith Rudderham, Aaron Eisses, Murray Coolican, Hana Nelson,

**Proposed New Directors Present:** Danny Martin, Chris Payne, Lindy DeCoste, John Wray

**Absent:** Amin Tran, David Oulton, John Webster, Barb Boates Sweet, Robert (Joe) MacEachern, Robin McAdam

**Guest Speakers/Others:** Sophia Gruber (Oxalis restaurant), Paul Hill (Hill's Jamaican Jerk Sauce) Jason Wolfe (Urban Lighthouse), Nadia Gerrits – (Administrative Assistant, FarmWorks), Jake Dorion (Summer Student)

**Shareholders in Addition to Directors Present:** Peter Hicklenton, Brenda Hattie, Joyce Kublin ,?, Chris Maxwell, Michael MacMillan, E Fajita, Marvin Allmang, (of West Brooklyn), Wendy MacDonald, Shelley Bibbey, Lisa Roberts, Patricia Cove, Angela Pressburger, Tom Webb, Ann Anderson

**Minute Taker:** Ginny Point

**3:00 pm Welcome and Introductions**

Johanna Kwakernaak welcomed attendees to the meeting indicating that there would be three 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.

**3:05 Guest Speakers**

Sophia Gruber, co-owner of Oxalis Restaurant along with Andi Preuss, said the restaurant opened in November 2021 in Downtown Dartmouth. It offers a small intimate environment and elevated European fine dining cuisine. They want diners to feel like they are with family. The menu items are interactive – they are art work on a plate. They have a lovely new outdoor patio with herbs growing up a herb wall. They buy locally sourced ingredients whenever possible. She said that FarmWorks has been incredibly helpful to their business, would not have succeeded if not for FarmWorks, because the traditional lenders were so hesitant.

Paul Hill, owner of Maritime Foods in Harrietsfield, Nova Scotia, said his initial business started in 2016 with his line of Jamaican Hot Sauces. By 2017 his products were in Sobeys. By 2018 he moved the business into the current location in Harrietsfield and started a very busy co-packing

business, along with also expanding his own products to include pasta sauces, salsas, pizza sauce etc. Maritime Foods now has 20 SKUs in addition to the co-packed items. Recognizing the incredible importance of maintaining local farming, and locally produced foods, Paul's vision is to expand to a new much larger facility. He said that help from FarmWorks has been invaluable, and he is looking forward to working with FarmWorks as he pursues the goal of a new expanded facility. A man of boundless energy, he said that greenhouse farming will also hopefully be on his agenda eventually and says that he also plans to help with the distribution of items he co-packs!

Jason Wolfe, (Urban Lighthouse Farm) A former teacher and principal, 4 years ago made a big leap into planning a completely new career, an Urban Greenhouse Farm. It is a vertical farm, located in Mount Uniacke, growing a mixture of greens, basil, arugula and spring mix. He said FarmWorks was the catalyst that enabled him to get funding from other lenders and said that Linda's help in particular was essential. The farm started production at scale in February 2023, and they are currently planting about 2600-3000 plugs per week. Nineteen days later they harvest. Jason is a big believer in vertical farming, as it will help supply Nova Scotians with locally grown greens all year long. Several chefs who buy his greens have said they love his greens because they stay fresh for much longer than the typical greens they could access elsewhere. He thinks vertical farming can have a major role in farming in Nova Scotia.

### **Call to Order**

The Annual General Meeting was called to Order at 3:17 by Johanna Kwakernaak, Chair of the Board. There were 19 Shareholders present, thus the quorum of 15 was met. Johanna started by asking everyone present to introduce themselves.

### **Agenda Review**

Johanna asked for any additions or changes to the agenda. Hearing none, moved by Charlie MacLean and seconded by Ginny Point to approve the agenda as circulated. Motion carried.

### **Minutes of 2022**

Johanna noted that the minutes were posted on the website and were sent to Shareholders prior to the meeting. Moved by Ginny Point and seconded by Murray Coolican to accept the minutes of 2022. Motion carried.

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

Johanna called for any new business. Hearing none she proceeded to deliver her Report from the Chair.

### **Report from the Chair (pre-circulated prior to the meeting)**

In addition to her written comments, Johanna thanked Shareholders for their support over the years. She noted that \$1.6 million was loaned to clients in 2022, (and \$8.2 million in total since FarmWorks began). A total of \$574,900 was raised in the Share Offering in 2023. FarmWorks is strong financially, and we now have a full-time employee, Nadia Gerrits. With many more meetings now being held in person, rather than by Zoom alone, we also have a greater visibility

in communities we serve. The opportunity to meet potential investors and potential clients in person is a joy. The recent challenges experienced in Nova Scotia, such as COVID and Hurricane Fiona) have highlighted the importance of local food security and environmental protection. FarmWorks has a new client facing website, thanks to much hard work by Linda and Nadia. She thanked Chris McQuarrie (our bookkeeper) and Keith Forsythe (volunteer Financial Advisor) . Johanna also acknowledged the huge contribution of Founding Director, Ann Anderson, for helping to set such a strong foundation for FarmWorks in those early years, and throughout. Ann may not be on the Board any more, but her contributions were so significant, Johanna wanted to note them again. And finally, Johanna thanked Linda Best, our tireless Managing Director. She noted that Linda gives more than anyone could possibly give, and essentially ensures the success of the organization. Now that she is retiring as Board Chair, Johanna said she will continue to be available to contribute to the work of FarmWorks. Ideally that could mean lessening the load for Linda, thus enabling Linda to continue to be the excellent advisor and ambassador that she is. Johanna also thanked all the Board members, and the three other retiring directors in particular – Aaron Eisses, Amin Tran, and Dave Oulton- for their significant contributions over the years and ended by noting again that it is a privilege to be part of the FarmWorks community.

**CEDIF Investments and FarmWork Clients** *(see fuller report in the Annual Report document)*

Linda summarized some of the information which is available in the written Annual Report. It is noteworthy that Nova Scotians still import approximately 80% - 85% of the food we consume. There continue to be less farms in Nova Scotia each year. Nova Scotia reported a total of 2,741 farms in 2021, a decline of 21.2% when compared to 2016. This was the largest decline across all provinces and above the national average of -1.9%. Linda noted that there were approximately 6000 when she was a child. Margins are very low for farmers, and farm income has decreased steadily with time. She noted major challenges and opportunities ahead. Increased availability of fresh greens year- round, and availability of local protein are significant challenges, and FarmWorks is actively working to support new entrants into these areas. She said the most recent FarmWorks survey noted that 61% of survey respondents said they would not have succeeded in their venture without the requested loan. So FarmWorks is busy and there is still much work to do. Since FarmWorks began, investors have invested \$5,209,000. Thus, within a year or so, FarmWorks will be close to the CEDIF imposed cap of \$6,000,000. In recognition of that, FarmWorks is working to request an increase in the cap, to enable more money to be invested in FarmWorks. In total over the years, Linda said that \$8,700,000 has been loaned out to clients, and there have been fewer losses than expected - only approximately 3% losses over the years. Approximately \$85,000 comes back to FarmWorks monthly as a combination of principal and interest payments. That money is then reloaned back to new clients. Linda concluded that FarmWorks continues to be successful, in large measure due to the strong relationships that are built with the clients, and the mentoring which FarmWorks offers.

**Treasurer's Report** *(see fuller report in the FarmWorks Annual report for 2023.)*

Avila reviewed the Financial Report, noting that FarmWorks now has 573 shareholders and 54% of these shareholders have invested two to twelve times. The major factors which

influenced our bottom line this year were: 1) Interest income Increased with the amount of funds available, enabling FarmWorks to lend more money to new clients, 2) with assistance from Grant Thornton, FarmWorks applied to CRA for a reduction in our tax rate which resulted in CRA reducing our tax rate from 52% to 29%, 3) we set up a new website which is very user friendly, and which features all the FarmWorks clients, and 4) staffing costs increased with the hiring of an assistant for part of last year and in November we hired Nadia as a full-time employee. FarmWorks ended the year with a net profit of \$34,400. Avila also noted that the loan losses (as included in the Client Related Expense category) have gone down to approximately \$95, 000. Avila asked if there were any questions.

Peter Hicklenton asked what happens to the early investments which will soon be 15 years old. Once they have received their final tax credit, what is available to them? Chris Payne responded that the CEDIF program does not directly answer that question. Linda said this clearly this is a issue that the Board is working on with the NS Securities Commission.

Peter also asked if there is a mechanism to donate shares back to FarmWorks, after death. Linda said that money can be gifted to FarmWorks. She also said that Friends of Agriculture is looking into the possibility of applying for charitable status. That would enable charitable receipts to be issued for donations.

Lastly Peter asked if any thought had been given recently to the idea of dividends. Linda responded that if FarmWorks is able to build up enough money, dividends of 3-4% may be possible sometime in the future.

John Wray asked how much unfilled demand is there currently for FarmWorks funds, from clients who have applied for loans? Linda responded that we always have had enough money to lend to clients who meet our criteria for lending. Linda added that the goal is always to have requests for money and money available for lending be approximately matched, since that is the most efficient way to lend.

**Motion to Accept the Treasurers Report** – moved by Avila and seconded by Murray to accept the Treasurers Report. Motion carried.

**Appointment of Independent Financial Advisor** – Moved by Avila and seconded by Linda to appoint Grant Thornton as the FarmWorks independent Financial Advisor again for another year. Motion carried.

### **Nominating Committee Report**

Moved by Ginny, and seconded by Murray the following proposed slate of Directors for 2023-2024. Motion carried.

Charlie MacLean – North Sydney	Chair
Keith Rudderham - Halifax	Vice Chair
Ginny Point- Black River	Secretary

Linda Best, Greenwich	Managing Director, Ex-Officio
Avila Coutinho- Windsor	Treasurer
Barb Boates-Sweet - Halifax	Assistant to Treasurer
Danny Martin - Dartmouth	Director
Robin McAdam - Halifax	Director
Robert MacEachern – New Glasgow	Director
Murray Coolican - Halifax	Director
Hana Nelson – Big Island	Director
Lindy Decoste - Halifax	Director
Chris Payne - Halifax	Independent Director
John Wray - Woodville	Independent Director

**Other Business**

Linda began by thanking Johanna tremendously for her years of service to FarmWorks, and her 5 years as Board Chair. She is stepping down from the Board as this is the end of her 6 year term, but she has graciously offered to continue to offer assistance to the organization in the future. Regardless of a possible new title of “Assistant to the Board” or “Past Chair” Johanna will undoubtedly continue to be a major asset to the organization. Linda noted that Johanna “stepped up to the plate” in every aspect of her role and responsibilities at FarmWorks. She has been steadfast in her support for the organization, and in her support of Linda specifically. We are glad Johanna will continue to support the organization. Linda also thanked Aaron Eisses retiring after 6 years, and, Amin Tran and Dave Oulton (both Independent Directors) who are also retiring after 6 years. All retiring directors will be given a gift certificate at the business of a FarmWorks client of their choice. Linda also thanked Lil MacPherson for allowing FarmWorks to host the Annual Meeting at the Wooden Monkey and for her support over the years. Lil responded with a thanks for FarmWorks, noting her passion for local food promotion.

**Meeting Adjourned** - The meeting was adjourned at 4:10.

Minutes taken by Ginny Point.