

Innovative Financing for Sustainable Food Systems

Farming and Farmland Network
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OVERVIEW

Small farmers and social entrepreneurs in Ontario find it difficult to access capital. This reflects a global trend in bank lending practices where traditional risk assessment dictates that an agrifood conglomerate is more likely to receive a loan than a smaller, innovative (and arguably more sustainable) company. This highlights the need to innovate financing options for small, sustainable food enterprises, and requires investment from governments and the non-profit sector and increasingly of for-profit investors.

EXAMPLES TO BUILD UPON

FarmWorks, Nova Scotia

Farmworks is plugged into the Nova Scotian community economic development investment fund (CEDIF) program which, local investors with local businesses. Funds are raised through a public offer which creates a pool of capital available to profit-oriented local businesses. Farmworks has created a pool specifically to increase access to a sustainable, local food supply.

Farmworks pool currently sits at \$996,000, with a minimum share price of \$100 to allow many people a chance to invest. Over 42 loans have been made and range from \$5,000-\$25,000 and they are unsecured. The payback period runs from 2 to 5 years. Farmworks also provides mentoring to these businesses and works with other agencies and governments to help increase the awareness of food production in Nova Scotia.

RECOMMENDATIONS

See the full research paper for 40+ financing options and a discussion of them. This list covers loans, grants, programs, equity financing and crowdfunding that small farmers and food enterprises might pursue in their search for financial support. The list includes options in Ontario, as well as examples in Canada and the world.

For an in-depth discussion of the above, please see the full research paper of the Sustainable Food Enterprise Network Research available at <http://bringfoodhome.com/bfh-papers/>.