



**NOVA SCOTIA
FARM LOAN BOARD**

2024-2025

Business Plan

Nova Scotia Farm Loan Board



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Nova Scotia Farm Loan Board Business Plan 2024-2025

Nova Scotia Farm Loan Board February 2024

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Message from the

Board Chair and Director

We are pleased to present the 2024-25 business plan for the Nova Scotia Farm Loan Board (NSFLB).

The NSFLB continues to be an essential source of financing for agriculture and agri-food in Nova Scotia. The NSFLB has been supporting Nova Scotian businesses for more than 100 years, and currently works with approximately 400 businesses who make tremendous economic, social, and environmental contributions to the Province.

2024-2025 will see the NSFLB continue to offer a wide variety of loan products that allow clients to start, acquire, or expand their farming business. The NSFLB will work with local agricultural organizations and continue to support new, emerging, and innovative farm businesses. NSFLB investments will support provincial objectives relating to increased local food production and consumption, allow for generational change and succession planning, help with climate mitigation and adaptation, and enhance innovation, productivity and operating efficiency. Likewise, the NSFLB will continue to offer financing to the province's forestry sector, through our Timber Loan Board product offerings.

Financing activity of \$60 million in 2024-2025 will continue to follow the NSFLB's robust decision-making processes whereby decisions are made with portfolio sustainability in mind. The portfolio will be managed with a view of maintaining cost-neutrality to the Province over the long term, with any revenues returned to the Province. The NSFLB's long-term view to the success of our clients will enable businesses of all sizes from a variety of commodities to contribute to the economic growth of their communities, region, and Province.

Our Board of Directors collectively bring extensive and broad experience in agriculture, business, and financing. The NSFLB appreciates and understands the role that our financing activity plays in the lives of our clients and their communities, particularly in rural Nova Scotia. The collective success of our clients is integral to the overall success of the agriculture sector in Nova Scotia. The dedicated and professional NSFLB staff pride themselves in finding lending solutions for our clients that truly meet their needs. Our continued commitment to our clients underscores the value of working with a local lender such as the NSFLB, where 100% of the decisions are made by Nova Scotians and for Nova Scotians.

Andy Vermeulen,
Chair of the Board

Brennan Goreham,
Director, Crown Lending Agencies



About

Background

NSFLB provides responsible, fair, and affordable access to capital to support growth, innovation, and sustainability in the agriculture, food and beverage, and forest industries.

Mission

To build on the success of agricultural primary production and related value-added processing in Nova Scotia by providing lending opportunities to grow, innovate, and succeed.

Vision

To be a preferred and trusted lender for the development of agriculture and food and beverage processing in communities throughout Nova Scotia.

Mandate

To support Nova Scotia's agricultural industry through the provision of capital financing. It operates as a Crown corporation under the *Agriculture and Rural Credit Act*. This Act provides authority to the NSFLB to make loans to, or guarantee loans of, a borrower for acquiring or improving any farm asset, including livestock, machinery and equipment. Regulations made under the Act govern the terms and conditions of loans provided by the NSFLB.

Crown Lending Agencies

The operational functions of NSFLB are administered by the Crown Lending Agencies division of the Nova Scotia Department of Agriculture. The team consists of a dedicated team of loan officers and loan administrators supported by risk management and finance teams. Together, the division supports the operations of NSFLB and its sister boards – the Nova Scotia Timber Loan Board (NSTLB) and Nova Scotia Fisheries and Aquaculture Loan Board.

The NSFLB also fulfils the functions of the NSTLB. Established under the **Forests Act**, the NSTLB serves the forest industry by providing loans for any purpose which will encourage, sustain, improve, or develop the forestry industry in the province. Regulations of the NSTLB, which govern terms and conditions of credit provided, are made under the **Forests Act**.

Board of Directors

The NSFLB's board is made up of Nova Scotia residents, corporate or community leaders, who understand the agriculture and/or agri-food business and forestry climate in the province.

Member

Andy Vermeulen

William Versteeg

Jack Hamilton

Kevin Colvey

Rod Kennedy

Position

Chair and Audit Committee

Director and Audit Committee (Chair)

Director

Director

Director

Term

Oct. 1, 2020 - Sept. 30, 2025

Oct. 1, 2020 - Sept. 30, 2025

Feb. 25, 2021 - Feb. 24, 2026

Aug. 3, 2023 - Aug. 2, 2027

Aug. 3, 2023 - Aug. 2, 2027

Alignment

with Department Mandate and Priorities

The Nova Scotia Farm Loan Board, through its wide suite of lending products and other services, such as the ownership of the Community Pastures, will support the following Department of Agriculture priorities:

- **Support local food**
- **Grow and strengthen agriculture**
- **Increase environmental sustainability and prepare for climate change**

Areas of Focus

Relationship Development

- Hold in-person engagement sessions throughout the province.
- Continue to grow promotional efforts on social media.
- Increase support and participation at industry-hosted events across the province.
- Strengthen relationships with key industry organizations, recognize areas of alignment, and create custom lending solutions to meet shared goals.
- Conduct a survey of existing clients to gain insight into how to improve services offered.

Portfolio Development

- Determine areas of opportunity for new or increased lending, such as value-added processing.
- Explore new ways to reach newcomers and underrepresented communities.

Board and Staff Development

- Targeted plan to identify key initiatives to improve client experience and fuel professional growth.
- Continue the implementation of the NSFLB recruitment strategy to support succession planning.
- Inform the Board recruitment process with the aim of having the NSFLB be reflective of all Nova Scotians.

2024-2025

Performance Measures

To monitor our success throughout the year and to support year-end accountability, the NSFLB will report on the following performance measurements.

- Total portfolio principal. (Baseline: \$288 million)
- Change in lending over prior year. (Baseline: 10 percent growth in portfolio)
- Value of new loans advanced. (Baseline: \$60 million, annually)
- Applications approved. (Baseline: 100 new loans approved, annually)
- Total number clients within the portfolio. (Baseline: 400)
- Total number of loans within the portfolio. (Baseline: 630)
- Percentage of loan portfolio in arrears. (Baseline: 3 percent or less)
- Approved loans to new entrants. (Baseline: 10 new loans, annually)
- Clean technology or energy efficiency projects supported. (Baseline: to be developed)
- Value of funds leveraged from funding partners. (Baseline: to be developed)
- Portfolio composition by sector.

Commodity	Percentage of Outstanding Loan Principal
Broilers	22%
Apples	14%
Dairy	13%
Blueberries	13%
Winery	5%
Greenhouse Floral	3%
Greenhouse Vegetable	3%
Mixed	3%
Vegetable	3%
Forestry/Timber Mill	3%
Beef	2%
Grapes	2%
Mink	2%
Cranberries	1%
Other	11%

Capital Funds

Description	2023-2024 Estimate (\$ 000)	2023-2024 Forecast* (\$ 000)	2024-2025 Estimate (\$ 000)
Opening principal	237,467	237,467	288,087
Add loan advances	60,000	80,000	60,000
Less repayments	(28,000)	(28,420)	(28,000)
Less principal written off	(2,000)	(960)	(2,000)
Closing principal	267,467	288,087	318,087
Provision for impaired accounts			
Opening provision	9,157	9,157	8,450
Less accounts written off	(2,000)	(960)	(2,000)
Additions (principal portion of bad debt expense +/- adjustments)	253	253	253
Closing allowance	7,410	8,450	6,703
Net portfolio at year end	260,057	279,637	311,384
Agriculture Land Investment	2,500	-	2,500

*As of January 17, 2024

The operating costs of the Nova Scotia Farm Loan Board are consolidated with the Nova Scotia Fisheries and Aquaculture Loan Board and included in the Crown Lending Division of the Department of Agriculture. Interest costs and revenues related to the lending activities of the Board are reported through the Department of Finance and Treasury Board.



Office Locations

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