



**NOVA SCOTIA
FISHERIES & AQUACULTURE
LOAN BOARD**

2023-2024

Business Plan

**Nova Scotia Fisheries
and Aquaculture Loan Board**

**You see potential.
So do we.**

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Nova Scotia Fisheries and Aquaculture Loan Board Business Plan 2023-2024
Nova Scotia Fisheries and Aquaculture Loan Board
March 2023

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Message from the

Board Chair and Executive Director



We are pleased to present the 2023-24 business plan for the Nova Scotia Fisheries and Aquaculture Loan Board (NSFALB).

NSFALB is a critical source of financing for the Nova Scotia seafood sector with over 1,000 loans invested in approximately 750 local enterprises. Demand for the board's services hit record levels in recent years, growing in concert with export demand for Nova Scotia's premium quality seafood.

Since 1936, NSFALB has been dedicated to providing industry with stable, long-term, affordable, customized lending solutions to support investments in licences, vessels, equipment, and storage required for local harvesters and processors to be successful. In recent years, the board has moved to extend long-term fixed rate financing and expanded to support aquaculture, boat builders, and further processing capacity. NSFALB will continue to be a reliable partner focused on innovative solutions to support a sustainable fisheries sector in Nova Scotia.

NSFALB strives to be cost neutral to the province over the long term and any excess income is returned to the province to support investments in services and infrastructure for Nova Scotians. NSFALB's thorough processes ensure loan applications are fully reviewed and that the board is making responsible investment decisions on behalf of the province. All applications must be built on sound business cases that will support sustainable economic growth in the fisheries. For fiscal 2023-24, the board will invest up to \$60 million through its lending activities.

In conjunction with our government, crown corporations, and other industry partners, NSFALB is working to support innovation and sustainability in the fishery through financing new, more efficient vessels and adopting new equipment and technology. The board will also look to renew its offering to the aquaculture sector in the coming year as a means of increasing diversity in the portfolio.

NSFALB will also look to support the Department of Fisheries and Aquaculture's

Mandate as a source of capital to support responsible coastal development, new entrants to aquaculture, and the adaption of technologies to reduce the climate impact of the sector. In addition, NSFALB will work to support the efforts to increase local consumption of Nova Scotia products. NSFALB will be a partner in those discussions to determine how we can support increased domestic product availability, processing and storage from the fisheries and aquaculture angle.

The members of the board have varying backgrounds in fisheries and business. We understand both the impact of the board, particularly in rural Nova Scotia, and the importance of our product offerings to clients and Nova Scotia's economy. Our directors and group of professional staff are proud to be able to provide a locally designed financing solution to support our unique connection to the sea.

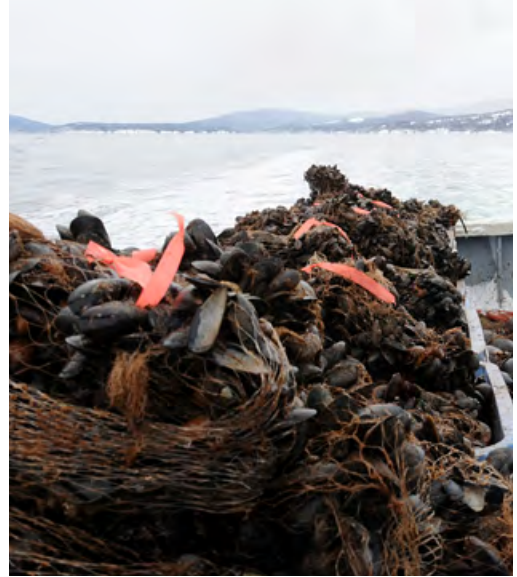
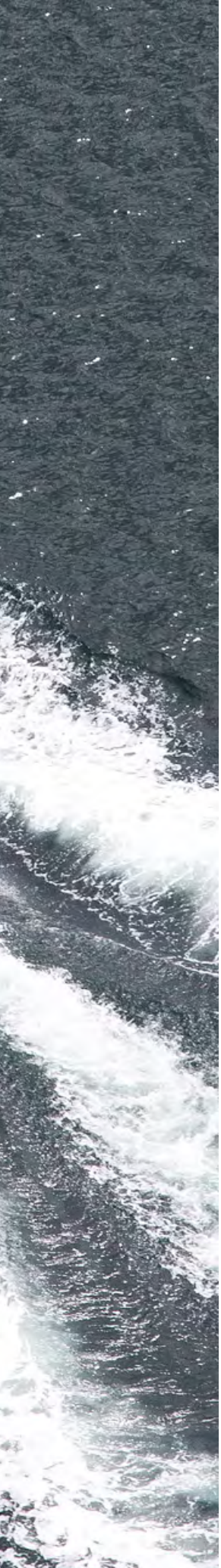
Robert Verge
Acting Chair

Jennifer Thompson
Executive Director

An aerial photograph of a white fishing boat with a blue cabin and deck, moving across dark, choppy water. The boat is leaving a white wake. Two people in yellow rain gear are visible on the deck. The boat's registration number, 152283, is visible on the side. A blue semi-transparent box is overlaid on the left side of the image, containing the title text.

About

**the Fisheries and
Aquaculture Loan Board**



Background

For 87 years, NSFALB has been supporting Nova Scotia's ocean economy by providing affordable and reliable access to capital to support growth, expansion, innovation, and more recently, sustainability to our seafood sector.

NSFALB has established multigenerational relationships in the province's fishing industry. We work hard to ensure we bring value to well established enterprises while also assisting with the transition of the fishery to a new generation. The board prides itself on the customization it can offer to clients – from open loans to closed terms, varying amortization options, and payment schedules to match seasons and cash flow. Loan officers work to gain an understanding of the client's operations and how we can help them action their vision for success.

Our Board of Directors is made up of Nova Scotians who are corporate or community leaders with varying backgrounds connected to the industry. They uniquely understand the fisheries and aquaculture business in Nova Scotia and the importance of the board to our coastal communities.

NSFALB is an important source of capital for a sector primarily based in rural Nova Scotia. The board uniquely offers extended amortizations and customized repayment terms that can't be found elsewhere to ensure our clients are set up for success. Our capital investments are used to assist with the purchase of new and used vessels, licences, gear, processing, and storage equipment – to name just a few. The board believes that the entire sector can benefit from investments in innovative methods to improve efficiencies and sustainability and increase processing capacity. Financing with the NSFALB ranges from as low as \$3,000 to millions of dollars, with no upward limit on the value of loans; however, Executive Council approval is required for applicants entering NSFALB indebtedness of more than \$5 million.



Crown Lending Agency

The operational functions of NSFALB 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 NSFALB and its sister boards – Nova Scotia Farm Loan Board and Nova Scotia Timber Loan Board.

Directors

- **Robert Verge**
Vice-Chair and Acting Chair
- **Sean Borden**
Director
- **Nathan Boudreau**
Director and Audit Committee
- **Claude Poirier**
Director and Audit Committee
- **Matthew Tapper**
Director
- **Donna Upham**
Director
- **Fanel Vasile**
Director



Mission

NSFALB builds on the success of Nova Scotia's fishing, aquaculture, and seafood industry by providing lending opportunities to business enterprises seeking to expand, grow, innovate, and succeed.

Vision

To be a preferred and trusted lender for those involved in and directly supporting the fishing, aquaculture, and seafood industries in communities throughout Nova Scotia.

Mandate

The mandate of NSFALB is to support the fisheries, aquaculture, and seafood industry through the provision of capital financing. NSFALB operates as a Crown Corporation established under the *Fisheries and Coastal Resources Act*, which provides authority to NSFALB to make loans to, or guarantee loans of, a borrower for any purpose which will encourage, sustain, improve, or develop the fishing and aquaculture industries in Nova Scotia. Regulations made under the *Fisheries and Coastal Resources Act* govern the terms and conditions of loans provided by NSFALB.



Alignment

with Department Strategic Framework
and Priorities

The NSFALB provides essential support and services to Nova Scotia's fishing, aquaculture, and seafood industry, and this, in turn supports the Department of Fisheries and Aquaculture to achieve its vision, strategic framework and priorities in the following ways:

- **Environmental Stewardship and Climate Change:**

NSFALB can support harvesters, processors, and aquaculture operators in their transition to more environmentally sustainable operations by financing new efficient equipment and technology.

- **Diversity, Equity, and Inclusion:**

NSFALB will review policies, procedures, and lending program offerings through a lens of diversity, equity, and inclusion, to identify areas where NSFALB can support newcomers to the seafood sector. Furthermore, the NSFALB will aim to increase the diversity of its members.

- **Operational Excellence:**

NSFALB will continue internally led efforts to review processes and procedures to ensure that loan applications are fully processed in accordance with legislative, regulatory, and policy requirements while striving for improved turnaround times and client service.



- **Coastal Classification System and Sustainable, Low-Impact Aquaculture Regulatory Framework:**

NSFALB will serve as a source of capital for both new entrants and existing aquaculture operators to responsibly grow their business in alignment with the eventual coastal classification objectives and any changes to the aquaculture regulatory framework.

- **Innovation and Sustainable Growth of our Fishing and Seafood Processing Sectors:**

NSFALB can support the innovation and sustainable growth of harvesting, processing, and aquaculture sectors through financing the adoption of new technology, new processing equipment, and storage solutions.



Areas of Focus

for 2023-2024



Focus on Clients

Software System

NSFALB has been working for a number of years to build a business case to modernize the backend loan management system. 2023-2024 will see the board, in cooperation with its partner boards, undertake implementation activities.

Outreach and Engagement Activities

The global pandemic and its related restrictions had a major impact on our ability to engage with clients at their place of business and saw many opportunities like trade shows and conferences suspended. NSFALB will work to take advantage of reduced restrictions to engage with our clients in person while also working to establish a social media presence to extend our reach.

Focus on People

Professional Development

Another loss of the pandemic was a drastic reduction in the ability for staff and board members to engage in skills development. NSFALB will conduct in person board development up to two times in the coming year to ensure board directors have the governance and technical skills they need. Management will be working to establish a regular schedule of development opportunities on a quarterly basis on a variety of topics that may be of interest to staff.



Board Development

NSFALB will undertake initiatives to improve board recruitment efforts with an aim towards having the Board reflect the diversity of Nova Scotia. The NSFALB will develop and implement a board recruitment strategy that will support succession planning and effective board representation.

Focus on Development

Portfolio Diversification

NSFALB will review the portfolio to determine where there may be opportunity to grow and diversify our exposure by species, geographically, and in supports like vessel construction and processing. We will also undertake a review of our approach to lending to aquaculture operators to ensure we are offering competitive services to the sector.



Value-added/Processing

NSFALB continues work to diversify into the processing sector. We believe a key to increasing consumption of local products is ensuring we have processing capacity and storage capacity within the province. NSFALB will continue to promote our ability to provide financing to Nova Scotia's seafood based value-added processing sector for both new and existing businesses.

Newcomers and Underrepresented Communities

NSFALB will explore new ways to reach newcomers and those historically excluded from the seafood industry and support them in establishing roots in the province's seafood economy.



2023-2024

Performance Measures



To monitor our success throughout the year, the NSFALB will adopt the following performance metrics which will inform future accountability reporting:

- Total portfolio principal (**Baseline: \$299 million**)
- Increase in lending over prior year (**Baseline: 13 percent**)
- Value of new loans advanced (**Baseline: \$60 million**)
- Applications approved (**Baseline: 190**)
- Total number clients within the portfolio (**Baseline: 740**)
- Total number of loans within the portfolio (**Baseline: 1025**)
- Approved loans to new entrants (**Baseline: 8**)
- Portfolio composition by sector. **Baseline below:**

Commodity	Percentage of Outstanding Loan Principal
Licences	52%
New Boat	25%
Used Boat	18%
Aquaculture	1%
Boat Shop	1%
Conversion/Modification	1%
Freezer	1%
Other	1%
Diesel Engine	0%

- Percentage of loan portfolio in arrears (**Baseline: 3 percent or less**)
- Clean technology or energy efficiency projects supported*
- Value of funds leveraged from funding partners*

* Where baseline data does not yet exist, the NSFALB will develop methods of measurement



Capital Funds

Description	2022-2023 Estimate (\$ 000)	2022-2023 Forecast* (\$ 000)	2023-2024 Estimate (\$ 000)
Opening principal	263,796	263,796	299,487
Add loan advances	60,000	66,000	60,000
Less repayments	(31,000)	(28,000)	(27,000)
Less principal written off	(-)	(-)	(-)
Closing principal	292,796	301,796	332,487
Provision for impaired accounts			
Opening provision	1,459	1,459	2,309
Less accounts written off	(-)	(-)	(-)
Additions (principal portion of bad debt expense +/- adjustments)	850	850	850
Closing allowance	2,309	2,309	3,159
Net portfolio at year end	290,487	299,487	329,328

*Forecast data from March 06, 2023

The operating costs of the Nova Scotia Fisheries and Aquaculture Loan Board are consolidated with the Nova Scotia Farm 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.



**NOVA SCOTIA
FISHERIES & AQUACULTURE
LOAN BOARD**

Office Locations

Truro - Head Office

Edward F. Lorraine Building
74 Research Drive
Bible Hill, Nova Scotia
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902-896-4800

Kentville - Field Office

Kentville Agricultural Centre
32 Main Street
Kentville, Nova Scotia
B4N 1J5
902-679-6009

Yarmouth - Field Office

Harbourfront Place 101
3 Lovitt Street
Yarmouth, Nova Scotia
B5A 3C1
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