

Operating Capital

For Food and Farm Businesses in Western North Carolina



Mountain BizWorks and **EmPOWERing Mountain Food Systems (EMFS)** – a project of the Center for Environmental Farming Systems – are teaming up to provide affordable financing and specialized support to small- and mid-scale and limited-resource farmers and food businesses. These services can help them obtain the infrastructure and capital needed to grow and expand their businesses.

What does the program do?

This grant/loan program is designed to "buy down" the cost of purchasing equipment or infrastructure for farm and food businesses. Eligible uses can range from cold storage and value-added processing equipment to planting and harvesting equipment.

Who is eligible?

North Carolina businesses who:

- Farm in, produce in, or purchase from producers the seven western counties of North Carolina (Haywood, Graham, Jackson, Macon, Swain, Cherokee, Clay) or on the Qualla Boundary
- Currently sell or process vegetables, fruit, meat or other agricultural products or run other food-related businesses
- Can provide an enterprise budget for their proposed loan

Preference is given to applicants who attend at least one counseling session prior to requesting financing.



How does the financing work?

The program is eligible for equipment or infrastructure purchases of \$15,000 or less.

The EMFS grant will cover up to 30% of the cost of the infrastructure or equipment being purchased. Minimum grant: \$4,500 (30% of \$15,000). Maximum grant: \$7,500 (for projects of \$25,000 or more).

More on how the financing works...

Use of funds: Purchase of equipment or infrastructure by eligible businesses

Amount: Minimum loan of \$1,000

Terms: Typically range from 1 to 5 years, depending on loan size and ability to repay

Interest rate: Fixed, 7 to 10% as of December 19, 2019

Origination fee: 2% of loan amount

Collateral: A first lien on the equipment or infrastructure to be purchased and additional collateral may be required

Guarantee: Personal guarantee by any owner of 20% or more of the enterprise

Underwriting: Includes a review of credit report and tax returns

Borrower equity: A minimum of 5% required on all loans

How can you participate?

Fill out the interest form to see if you are eligible: <http://bit.ly/foodfarmloan>

Obtain a quote and/or prepare an enterprise budget for your purchase.

EMFS will reach out to confirm your eligibility and will connect you with Mountain BizWorks representative to discuss your financing needs.

If required, participate in training and/or business coaching.

Provide Mountain BizWorks with annual tax returns including all statements for the life of the loan.

Participate in evaluations related to the impact of these funds on your business.

Who can answer your questions?

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About Mountain BizWorks

Mountain BizWorks is a U.S. Treasury certified non-profit Community Development Financial Institution (CDFI) that provides tailored small business lending and peer-learning programs to help grow great businesses and expand economic opportunities in Western North Carolina.

About EMFS

EmPOWERing Mountain Food Systems (EMFS) is a three-year project focused on bringing expanded opportunities and capacity to food and farm businesses across the southwestern North Carolina region. Programs focus on the seven counties of Western North Carolina (Jackson, Macon, Haywood, Swain, Cherokee, Clay, and Graham). EMFS is based at the Eastern Band of Cherokee Indians Cooperative Extension Office through a partnership between the Center for Environmental Farming Systems, Cherokee Preservation Foundation, and the Appalachian Regional Commission.