

Infrastructure & Equipment Financing

For Food & Farm Businesses in Western North Carolina



Natural Capital Investment Fund (NCIFund) and **EmPOWERing Mountain Food Systems** (EMFS), a project of the Center for Environmental Farming Systems, are teaming up to provide affordable financing and support to small- and mid-scale and limited resource farmers and food businesses to obtain the infrastructure they need to expand and grow their businesses.

What's the Program For?

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's Eligible?

North Carolina businesses who:

- Farm in, produce in, or purchase from producers in the seven western counties of NC (Haywood, Graham, Jackson, Macon, Swain, Cherokee, or Clay) or on the Qualla Boundary.
- Currently sell or process vegetables, fruit, meat or other agricultural products or run other food-related businesses.
- Have a business plan in place for their business.
- Attend at least one counseling session with their local Small Business Center prior to financing.



How Does the Financing Work?

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

Grant

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).

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Loan

- Use of funds: Purchase of equipment or infrastructure by eligible businesses.
- Amount: Minimum loan of \$10,500, based on detailed invoices prepared by vendors.
- Terms range from 24 to 120 months, depending on loan size and farm/company's ability to repay.
- Interest rate: Fixed, 6-8% as of 12/19. Rates reset after 5 yrs. for loans with terms > 5 yrs.
- Origination fee: 1% of loan amount.
- Collateral: A first lien on the equipment/infrastructure to be purchased; additional collateral may be required (e.g., for used equipment or self-constructed infrastructure).
- Guarantee: Personal guarantee by any owner of 20% or more of the enterprise.
- Underwriting includes review of credit report and tax returns.
- Borrower equity: A minimum of 5% required on all loans.

How Do I Participate?

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

- Obtain a quote and/or prepare an enterprise budget for your purchase.
- After completing the interest form, EMFS will reach out to confirm your eligibility and will connect you with an NCIFund representative to discuss your financing needs and determine if a loan is right for you.
- If required by EMFS or NCIFund, participate in training and/or business counseling as requested.
- Provide NCIFund with annual tax returns including all statements for the life of the loan.
- Participate in evaluation related to the impact of these funds on your business.

For general inquiries or to get started, contact:

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About NCIFund

NCIFund is a community development lender that supports businesses committed to a healthy environment and healthy communities, with offices in Asheville, Winston-Salem and Chapel Hill. NCIFund supports the development of a thriving local food system with loans and technical assistance to growers, value-added processors, aggregators and end markets. We are committed to increasing the participation of limited resource and minority farmers in NC's local food system. For more information visit www.ncifund.org.

About EMFS

EmPOWERing Mountain Food Systems (EMFS) is a three-year project focused on bringing expanded opportunities & capacity to food and farm businesses across the southwestern NC 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.