



VERMONT  
COMMUNITY  
LOAN FUND  
*Invest in Vermont*

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Introducing

## VCLF's Food, Farms & Forests Fund

The Vermont Community Loan Fund is excited to announce a new opportunity to finance healthy foods, sustainable agriculture and natural resources enterprises in Vermont.

VCLF's new Food, Farms & Forests Fund will consolidate, grow and sustain the capital and technical assistance resources that VCLF makes available to meet the financial needs of small farms, food producers, and the working landscape throughout Vermont. It's an opportunity for philanthropists, foundations and other institutions to dedicate their VCLF investment and grant-making to creating positive impacts to benefit these critical drivers of our state's economy, small communities and public health.

### Food, Farms & Forests: The Best of Vermont's Past... ...and Our Future

Vermont's local food system and natural resources industries have always been central to our identity and quality of life, and never more so than today. The number of farms here has risen 5% over the past five years, despite a national overall decline. As a result the market value of Vermont's agricultural products has risen 15% over the same period. And there's more to come: there was a 22% increase of farmers in the 25-34 year age bracket over the same period. The number of Vermont food system businesses has increased 15% in the past decade, accounting for 61,000 jobs. Access to flexible growth capital like VCLF's has been identified as a critical need for Vermont's food, farms & natural resources entrepreneurs, and the Food, Farms & Forests Fund will work to meet that need!

### How YOU Can Help Grow The Food, Farms & Forests Fund

Our goal for the Food, Farms & Forests Fund is to create a self-sustaining pool of loan capital to support all of our food, agriculture and natural resources lending in 2015, and beyond. These are the pieces essential to the whole:

**Lower-cost Investments:** VCLF's lending is most successful when borrowers' interest rates are as low as possible. Lower-rate capital increases the sustainability and profitability of the businesses we finance. New investments into the Food, Farms & Forests Fund will have interest rates between 0 – 1%, maximizing their impact on borrowers' bottom lines, and helping us provide rate reduction incentives to borrowers who meet certain impact criteria.

**Permanent Capital Grants:** Equity is the foundation of any loan fund. This permanent base is the reserve that protects the loans we make and the investments that make them possible. VCLF will contribute equity into the Fund at inception, but thereafter we plan on securing permanent capital grants equal to 25% of the value of investments into the Fund as it grows.

**Capacity Building Grants:** VCLF will seek philanthropic & grant support from Fund investors and other like-minded community partners to cover program costs including loan underwriting, business & financial consulting and the provision of technical assistance.

## **Building on Twenty Years of Food, Farms & Forests Lending**

VCLF has financed Vermont's farms, food producers and natural resources entrepreneurs since 1995. We've loaned \$8.8 million, leveraging \$10.3 million in additional financing, creating or sustaining jobs for 828 Vermonters. We've financed businesses of all shapes and sizes at every stage of the food system, from farms and producers through processing to both retail and wholesale distribution. We've financed forestry-related enterprises like sustainable loggers, stewardship centers and tree farms.

*But we want to do more!* In 2015, we're launching the Food, Farms & Forests Fund to help us create a new pool of lower-cost capital, allowing us to increase our lending in this sector, even as we lower borrower rates to increase access to capital and community impacts. Food, Farms & Forests Fund borrowers will be able to lock in a reduced interest rate if they meet certain qualifications including: sustainable agricultural/forestry practices, sustainable use of natural resources, participation in healthy foods access programs, creation/retention of jobs for lower-income Vermonters, benefit to distressed communities or underserved populations, and opportunities for education or youth engagement.

Eligible borrowers will include: farms and agricultural operations, food producers, incubators, wholesalers and retailers (grocery stores, co-ops, country stores, CSAs, farmers markets), forestry and forest product enterprises, stewardship and other natural resources businesses and entrepreneurs. Loan uses will include: real estate/farmland acquisition, facility construction or improvements, equipment, inventory and working capital. Loan amounts will vary, up to \$350,000. When possible, we'll partner with conventional lenders including banks and credit unions, the Vermont Economic Development Authority, the Cooperative Fund of New England, the Carrot Project and other alternative lenders, the Community Development Block Grant program, the Small Business Administration and USDA Rural Development.

**In 2015, the first full year of Food, Farms & Forests Fund operations, we plan to provide \$1 million in financing to thirteen entrepreneurs, creating or preserving jobs for 104 Vermonters. Our five-year strategic goal for the Fund is to bring in and lend \$5 million in investments from 100 investors committed to the health and growth of Vermont's agricultural, food and natural resources enterprises, creating or preserving jobs for 520 Vermonters.**

To learn more, please [contact Director of Development Jake Ide](#) at (802) 223-4423.