



CROSSCUTTING ISSUES

Financing the Food System

Where can food system entrepreneurs turn to fund and finance their activities? What models are emerging to fund and finance the development of Vermont's food system?

A wide variety of financing options are available to assist with the capital needs of Vermont's start-up, growth stage, and mature food system enterprises. However, navigating through the multitude of financing options can be overwhelming.

For example, when does equity financing make sense? Many businesses don't know where to begin looking for financing or how to find the funding that best matches their current stage of growth, scale of operation, and market outlets. For example, where can a new farmer find the start-up capital needed to purchase land, or equipment? Where can a farmer looking to expand into agritourism activities find funding?

Figure 4.5.1 provides a snapshot of the continuum of capital providers (from low risk to high risk) in Vermont. The end of this section provides an inventory of financing options and capital providers that we hope will grow over time to include the breadth of options across the capital continuum for food enterprises.

"It's hard to figure out how to get financing. We're both working really hard, and we don't understand where to get the financing and support."

—Northeast Kingdom summit participant

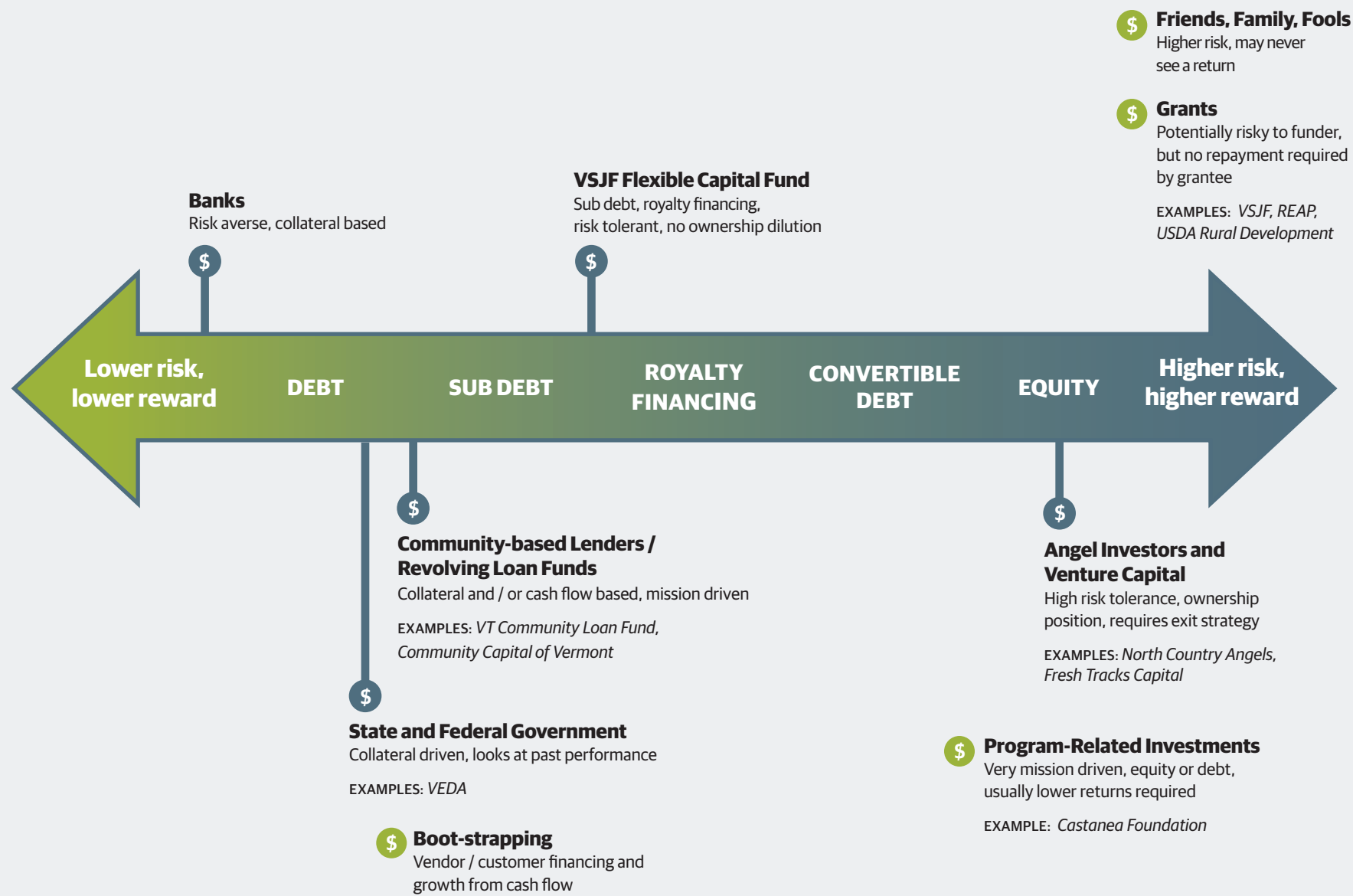
GETTING TO 2020

Goals 20 and 21 of the F2P Strategic Plan address the need to increase the awareness of and access to funding and financing opportunities for food system entrepreneurs and farmers to further strengthen Vermont's food system.

Goal 20: Food system entrepreneurs and farmers will have greater access to the right match of capital (grants, loans, mezzanine debt, equity, loan guarantees, leases, and incentives) to meet their financing needs at their stage of growth and for their scale of business.

Goal 21: Private foundations, federal funding sources, the Vermont Legislature, the governor's administration, and food system investors will coordinate and leverage available resources to maximize the implementation of this Plan.

Figure 4.5.1. Capital Continuum



Capital Continuum Definitions:

- 🍏 **Debt:** The amount of money borrowed by one party from another. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at a later date, usually with interest.
- 🍏 **Mezzanine or near equity financing:** A hybrid of debt and equity financing that is typically used to finance the expansion of existing businesses. This financing option can include such instruments as subordinated debt, convertible debt, warrants, royalty financing, or some combination of these instruments.
- 🍏 **Subordinated debt:** A loan (or security) that ranks below other loans (or securities) with regard to claims on assets or earnings. In the case of default, creditors with subordinated debt do not get paid out until after the senior debt holders have been paid in full. Therefore, subordinated debt is riskier than unsubordinated debt.
- 🍏 **Royalty financing:** This type of financing is not readily available in Vermont. It is based on a company's selling a piece of gross revenue instead of selling ownership—hence it's often called "near equity." In exchange for a loan, the company gives the investor a percentage of sales until the investor has received back principal plus additional interest negotiated with the investor.
- 🍏 **Convertible debt:** Instruments that are essentially asset-backed loans that can require the business owner to give up some future equity (ownership) in the business if the lender wishes to convert the debt to an equity position in the company.
- 🍏 **Equity financing:** The act of raising money for company activities by selling common or preferred stock to individual or institutional investors. In return for money paid, shareholders receive ownership interests in the corporation.
- 🍏 **Grants:** A contribution, gift, or subsidy (in cash or kind) bestowed by a government or other organization for specified purposes to an eligible recipient. Grants are usually conditional upon certain qualifications as to the use, maintenance of specified standards, or a proportional contribution by the grantee or other grantor(s).
- 🍏 **Program-related investments (PRIs):** Investments made by foundations to support charitable activities that involve the potential return of capital within an established time frame. PRIs include financing methods such as loans, loan guarantees, and even equity investments in charitable organizations or in commercial ventures for charitable purposes.

*Definitions from www.investopedia.com and www.businessdictionary.com.

CURRENT CONDITIONS

Vermont is home to many community and regional banks, as well as federal small business lending programs, that provide valuable financial support to those Vermont food enterprises that have collateral and sufficient cash flow to support debt.

"My biggest challenge is that I don't know how to pitch this to people and I don't know where to start in understanding how to approach prospective investors."

—Farmer starting a new business

Additionally, a number of alternative lending partners in Vermont play a critical role in helping companies start, grow, and stay in Vermont. They include the [Vermont Community Loan Fund](#), [Community Capital of Vermont](#), [Vermont Economic Development Authority](#) (VEDA), [Opportunities Credit Union](#), and regional revolving loan funds typically housed at municipalities or with regional development corporations. Many of these lenders serve specialty niches such as microenterprise development, affordable housing, child care, agriculture, small business start-up, or offer specific products such as the [Small Business Administration's 504 lending program](#), loan guarantees, or industrial revenue bonds. These types of lenders can serve as medium-risk lenders or part of a larger financing package that provides more traditional debt capital.

Adding to the mix of available debt capital are agricultural and geographically focused lenders. Examples include the [Vermont Agriculture Credit Corporation](#) (under the VEDA umbrella), [Cooperative Fund of New England](#) (focused on lending to co-ops), [NOFA-VT Revolving Loan Program](#), [The Carrot Project](#) (microloan program for farmers), [Vermont Employee Ownership Center Revolving Loan Fund](#) (lending to employee-owned businesses), and [Yankee Farm Credit](#) (for the farming community).

Within the last 10 years, Vermont has been fortunate to see the emergence of venture capital funds and an active angel network (e.g., [North Country Angel Investors](#)) that are proactively investing in Vermont's innovative, high-growth companies. Venture capital investors include [Fresh Tracks Capital](#) (I and II), [CEI Community Ventures](#), [Brook Venture](#), and most recently [Launch Capital](#) (Boston based). Additionally, with the launch of the [Vermont Seed Capital Fund](#) (a state-supported equity fund), more equity investment dollars are available (but not necessarily invested) in Vermont than ever before.

Vermont statute also includes the [Vermont Small Business Offering Exemption](#) (VSBOE) to foster small business capital formation. Under VSBOE, a business may raise up to \$500,000 in an equity offering to up to 50 purchasers (individuals or organizations).

As fortunate as we are to have venture capital working in Vermont, this type of capital is best suited for high-growth, high-margin companies that have a national or global market. For every 100 deals that a venture firm looks at, perhaps four or five actually get funded. It's a rare agricultural business that fits the venture model.

Vermont is also fortunate to have a very active philanthropic community of funders who provide grants and mission- or program-related investments to nonprofit and for-profit agricultural organizations and enterprises. The philanthropic community plays a critical role in funding feasibility work, technical assistance, programmatic and alternative lending /investing activities to help grow and sustain Vermont's food system.

Philanthropic and nonprofit funders include organizations such as the [Vermont Community Foundation](#), [Castanea Foundation](#), [John Merck Fund](#), [High Meadows Fund](#), [New England Grassroots Environmental Fund](#), [Vermont Land Trust](#) (providing leases and purchases through its Farmland Access Program), [Vermont Farm Viability Enhancement Program](#), and [VSJF](#). In 2008, a group of private philanthropic funders began to meet and explore collaborative grant making. This group, now known as the [Vermont Food Funders Network](#), is an informal network of at least 10 foundations that meet at least quarterly. The F2P Strategic Plan was the Network's first jointly funded project. According to grant-making data gathering conducted by the *Vermont Community Foundation*, the funders collectively made 739 grant awards totaling \$12.1 million between 2006 and 2009.

At the local level, many municipalities provide resources such as community gardens and public space for farmers markets. At the state level, the [Vermont Agency of Agriculture, Food and Markets](#) (VAAFAM) supports the agricultural community through technical assistance, linkages with funders, and periodic access to grant funding for specific projects (e.g., the [Vermont Agriculture Innovation Center](#) through USDA funds and [Renewable Energy for Agriculture Program](#) grants for on-farm energy projects). The Vermont Legislature and Governor often provide dedicated funds for competitively awarded grants through the VAAFAM (e.g., Farm to School kitchen equipment or farmers market infrastructure improvements). Finally, there are a number of programs

Vermont Agricultural Credit Corporation

Since its inception in 1999, the [Vermont Agricultural Credit Corporation](#) (VACC), a program of VEDA, has provided over \$100 million in financing assistance to Vermont farmers. VACC's mission is to provide credit to Vermont farmers and agricultural facilities whose financing needs are not being fully met by conventional agricultural credit sources. Loans are available from VACC to strengthen existing farm operations,

encourage diversification and modernization, support beginning farmers, and encourage marketing and processing of Vermont agricultural products.

Most VACC loans are guaranteed by the *USDA Farm Service Agency*, allowing VACC to borrow at favorable rates and pass these savings on to its borrowers. Allowable loan limits are subject to adjustment each year, but in recent years, have been raised to allow for greater support of agricultural activities. Current maximum aggregate loans outstanding to any borrower at any time may not exceed \$1,112,000.

Financing available through VACC falls into two categories: (1) Farm Ownership Loans may be used to acquire or enlarge a farm or agricultural facility; make capital improvements, including construction, purchase and improvement of farm and agricultural facility buildings; and promote soil and water conservation; and (2) Farm Operating Loans may be used to purchase livestock, farm equipment, or fixtures; pay annual operating expenses of a farm operation or agricultural facility; pay loan closing costs; and refinance indebtedness incurred for operating loan purposes.

Loans up to \$200,000 may be approved internally by VACC's experienced agricultural lending staff. Loans exceeding \$200,000 are presented monthly to the VACC Board for consideration. Applicants are advised to discuss their proposed projects with VACC staff prior to submitting an application. Over the last several years, in times of economic distress due to low milk prices, VACC has offered record low-interest financing to help Vermont farmers with their debt consolidation or farm operating needs.



With the help of VACC financing, John and Billie Jo Forgues purchased a 381-acre, 210-cow farm from John's parents.

which help agricultural enterprises fund renewable energy projects, including but not limited to the [Vermont Clean Energy Development Fund](#), the [VSJF's Bioenergy Initiative](#), and [Efficiency Vermont](#).

At the federal level, [USDA Rural Development](#) has a number of grant programs focused on agriculture such as its value-added producers grant program and Energy X program. And Vermont's Congressional delegation ([U.S. Senator Patrick Leahy](#), [U.S. Senator Bernie Sanders](#), and [U.S. Congressman Peter Welch](#)) have routinely found sources of funding for Vermont agricultural programs and projects (e.g., the [Vermont Food Venture Center](#)).

Vendors, and in particular feed dealers in the dairy industry, also play a role in financing farm and food businesses. Buying on account, or trade debt, plays a critical role in helping farm and food businesses through seasonal stresses. Recently, feed dealers have felt particular stress as a result of dairy farmers' economic difficulties. By the fall of 2010, following a year and half of low milk prices, some grain suppliers were seeing their receivables as late as 90 days or more - which in turn puts at risk their ability to borrow on their bank's line of credit. Given the highly regulated nature of the banking industry, banks will consider accounts receivable that are over 90 days past due to be considered "bad debt" and not collectable. Unlike farm businesses, grain or feed companies do not have access to subsidized low interest lines of credit to assist them during periods of economic hardship. Concern about unsecured debt has led many feed and grain companies to require "cash only" payments from some of their farm business clients.

Despite this mix of financing options, weaknesses remain in Vermont's financing system. Financing opportunities for food system businesses in Vermont are heavily weighted toward collateralized lending, which is limiting for many small-scale or start-up/early stage enterprises that have little collateral to speak of or whose cash flow is constrained as the business tries to grow. In addition, a lack of understanding of more complex deals on the part of many borrowers and businesses (often related to equity, convertible debt, and near equity instruments), and a lack of intermediaries who can help them understand the language of financing, add both expense and time to the financing process. Equity capital (whereby an investor takes an ownership position in a business) is not readily accessible to most food-related enterprises (with the

exception of agriculture technology enterprises and value-added food manufacturing), nor is it necessarily the right type of capital because of the mismatch of expected rate of return, growth rates, and margins between business and investor. Often, a food enterprise needs equity-like, risk capital to grow in keeping with market opportunities, they just need it in smaller amounts and at lower returns than are available to them.

ANALYSIS

Cash is king, and in the food system, this is no exception. Yet the speed and complexity at which money changes hands in the global financial markets fundamentally does not match the speed and simplicity that the food system needs to sustain itself over the long term.

A new paradigm of financing the development of our food system is emerging—one that recognizes that a start-up farmer has drastically different financing needs than a growth company selling value-added meat products, a dairy farmer selling milk into the commodity market, or a distributor of local and regional foods that is expanding its service territory. In short, **agricultural businesses have different financing needs depending on their size, stage of growth, and market outlets.** A key development in this paradigm shift is that investors, lenders, foundations, the public sector, and philanthropic grant makers are all increasingly interested in sustainable agriculture as an important funding area, investment opportunity, or both. That is, there is an emerging opportunity to expand the suite of financing resources for the food system economy and positively support environmental stewardship, preservation of the working landscape, the local food movement, job growth, and financial returns, when capital is appropriately matched with the size and scale of a business.

Alternative lenders and agricultural-focused lenders such as VACC and *Yankee Farm Credit* will continue to play a critical role in funding the vast majority of agricultural

"When we started 10 years ago, we were fresh out of college and super middle-class people, no trust funds or anything like that. We went into banks and they looked at us cross-eyed. So it was a challenge to get them on our side, and even today there are financing challenges for small existing farms that want to scale up and produce more food."

—Rutland focus group participant

enterprises in Vermont. These lenders know their markets, see industry trends, are well connected, and will be the stalwart source of funding for equipment, land and real estate, and short-term working capital. As new business models emerge, however, new ways of funding businesses that don't fit the traditional lending mold will be needed. In the last few years, some Vermont mission-based food enterprises have been fortunate to secure direct investment of private foundation funding through program-related investments. [Program-related investments](#) (PRIs) are investments made by foundations to support charitable activities that involve the potential return of capital within an established time frame. PRIs include financing methods such as loans, loan guarantees, and even equity investments in charitable organizations or in commercial ventures for charitable purposes. This type of capital may be (but is not always) lower cost, and/or more flexible in terms of term, rate, or collateral than traditional debt.

On the national front, the [Slow Money](#) movement is gaining momentum with its mission to build local and national investor networks and develop new financial products and services dedicated to the following:

- 🍏 Investing in small food enterprises and local food systems
- 🍏 Connecting investors to their local economies
- 🍏 Building the “nurture,” rather than “extractive” capital industry

A key *Slow Money* principles states that there is “such a thing as money that is too fast, companies that are too big, finance that is too complex. Therefore, we must slow our money down—not all of it, of course, but enough to matter.” In this context, the *Slow Money* movement is working to support local and regional funds that invest in small food enterprises and food systems in the communities in which the fund investors live. One such fund initiative is VSJF’s [Flexible Capital Fund](#)—a low profit, limited liability company that will invest in growth companies in Vermont’s natural resource sectors, including the agricultural sector.

In addition to the *Slow Money* movement, many opportunities are emerging to fill gaps and meet the finance needs of the food sector. State and federal governments are focusing more financial resources and educational programs on healthy food systems and tying these resources and programs directly to health-related outcomes

(e.g., decreasing the incidents of obesity, diabetes, and heart disease). Along with innovation in food systems and best practices come opportunities to learn from other entrepreneurs who have experience with alternative financing options. Consumer-supported enterprises, in which food entrepreneurs turn to their local communities to get the funding they need to open restaurants or small shops (e.g., [Claire’s Restaurant and Bar](#) in Hardwick) hold great potential.

Access to capital isn’t just about the capital itself—the kind of money (i.e., lenders that are flexible and willing to take on risk) and what comes with it (i.e., access to business expertise and networks) are what counts. There is a growing need for intermediaries who can help entrepreneurs find the right match of capital (especially for more complex deals), such as the VSJF *Flexible Capital Fund*, [Vermont Agriculture Development Program](#), and the *Vermont Seed Capital Fund*. Increased entrepreneurial mentoring is happening across Vermont, albeit ad hoc. In Hardwick, a group of 25 food and agricultural entrepreneurs get together monthly to exchange ideas, advice, and camaraderie. Vermont also has a variety of technical assistance and business planning services to help food system entrepreneurs connect with appropriate financing. Management teams (like dairy teams), programs such as the [Farm Viability Program](#) and the [Peer to Peer Collaborative](#), a CEO advisory program at VSJF, all support farmers and food entrepreneurs with business development and access to financing. Additionally, emerging programs such as the *Vermont Agricultural Development Program* will provide technical assistance to high-potential agricultural businesses seeking more complex business assistance and financing packages.

Vermont agricultural businesses of all types and sizes across the supply chain and across the stages of growth need access to a variety of forms of capital (equity, debt, grants, incentives) to grow, scale up, and/or enter new markets. No type of capital is better or worse than another. Good growth plans occur all along the risk capital spectrum. Not having financing options all along the risk capital spectrum can result in lost economic activity or a capital mismatch that can hinder a food enterprise more than it helps.

The following key technical assistance, financing, network development, and education gaps and barriers need to be addressed to strengthen Vermont's food system:

- 🍏 Entrepreneurs, funders, and technical assistance providers don't have enough exposure to the breadth of funding that is available in Vermont.
- 🍏 The tedious nature or complexity of some funding applications (typically federal funding) may prevent an entrepreneur from applying.
- 🍏 There is insufficient "borrower readiness" and "venture readiness" assistance for complex deals.
- 🍏 Currently no one-stop shop offers technical assistance to help agricultural entrepreneurs prepare to approach risk capital and equity investors (i.e., venture coaching).
- 🍏 Traditional economic development programs don't always view the agricultural sector as extending beyond farms and value-added production, and as such do not necessarily view this sector as an economic driver. This often leads to neglect in public sector funding, a lack of collaboration between economic development and agricultural technical assistance providers and policy makers, or both.
- 🍏 Many traditional lenders see only one revenue model (large farms with sufficient land-based assets), and they have not adjusted to new conditions and business models (e.g., small farmers who lease their land and rely on cash flow from the sale of their products).
- 🍏 Generally, not enough higher-risk, flexible capital with modest expectations of financial returns is available to this sector (e.g., risk capital that will not "force an exit" of the farmer or entrepreneur, but rather, ensure enduring business development from one stage to the next).

GETTING TO 2020: FUNDING AND FINANCING VERMONT'S FOOD SYSTEM

Over the course of the F2P Strategic Plan writing process, our interviews, focus groups, meetings, and data collection revealed clear opportunities to better connect food entrepreneurs with capital to grow and sustain their enterprises. Opportunities include the following:

- 🍏 Centralizing financing information and providing a one-stop shop that (1) offers expertise to help entrepreneurs differentiate among all the financing programs available to ensure the best match of capital with enterprise need, (2) assembles financing packages, and (3) educates and improves venture readiness
- 🍏 Revisiting Vermont tax policy to attract capital to the agricultural sector, and strengthening the Use Value Appraisal Program to keep farms in production
- 🍏 Promoting the financial and human capital connection (i.e., building social capital among lenders and investors to help them expand their knowledge base of other funders to both collaborate with and refer to)
- 🍏 Empowering end users (i.e., farmers and producers), as mentors to other food entrepreneurs and to highlight their successes and document best practices

Table 4.5.1 describes the objectives and strategies for meeting Goals 20 and 21 in greater detail.

Table 4.5.1. Objectives and Strategies for Financing the Food System

OBJECTIVE	STRATEGY
Technical Assistance Strategies	
Maximize opportunities for entrepreneurs to connect with the right match of capital for their stage of growth, scale and market channel.	Create regional and statewide networking opportunities for entrepreneurs to connect with all types of capital providers (traditional and non-traditional) at a minimum of 2 matchmaking or networking events per year.
	Meaningfully invest in and market, existing technical assistance programs (like <i>Farm Viability and Enhancement Program</i> , <i>VT-SBDC</i> , and <i>Peer to Peer Collaborative</i>), to increase capacity and expertise in entrepreneurial education & business planning services.
	Recruit and train successful food system business owners who have experience in creative funding strategies to serve as mentors or consultants to new or growing businesses in need of that knowledge.
	Create a one-stop location for sophisticated debt, equity, grant and other complex finance packaging assistance either through an existing entity or through a collaboration of providers.
	Create an online benchmarking tool to help entrepreneurs' assess the risk & benefits of taking on various types of capital (i.e., debt vs. equity) as well as understand industry standards.
	Create comprehensive database of funding opportunities (based on need, business size, stage of development, scale, and market channel) for food system enterprises that can be accessed online to accelerate the process of finding capital providers.
	Convene a working group with the Vermont legal community to strategize on ways to help minimize costs to food system businesses in raising equity and/or risk capital (i.e., set of template documents, community supported enterprise models, small business offering exemption).
	Identify / create capacity to reduce risk to unsecured lenders (i.e., feed dealers, vendors, veterinarians). Facilitate relationships between and among farmers, vendors and lenders / investors to reduce receivable risk.
Financing Strategies	
Increase availability of flexible and/or non-asset based risk capital and investment into food system enterprises.	Promote Slow Money Principles and educate key stakeholders on the need for flexible capital access for food system enterprises.
	Encourage innovation in food system enterprises through grant making programs, technical assistance, social networking opportunities, and linkages with research and development organizations.
	Work with key stakeholders to determine if recent revisions to Vermont's Licensed Lender law (post 2010 session) will promote easier access to non-traditional lending sources.
	For non-asset based lending, invest public dollars (i.e., general fund, treasury funds, waterfall dollars) in alternative capital intermediaries and other organizations that offer new models of equity-like risk capital, and/or provide complex technical assistance to access risk capital to food entrepreneurs.

OBJECTIVE	STRATEGY
Financing Strategies	
Increase availability of flexible and/or non-asset based risk capital and investment into food system enterprises.	Prioritize public funds to co-invest with private investment to accelerate the development of critical, capital-intensive infrastructure needed for federally inspected slaughterhouses & meat and other food processing facilities. Benchmark other successful models like Athol, MA slaughterhouse.
	Provide food processing entrepreneurs with targeted access to in-depth / sophisticated technical / business assistance, outside networks and strategic guidance, to help them build a long-term, sustainable business model.
Support the ability of producer cooperatives to attract equity capital so that they can expand into value-added processing and/or expand into new markets.	The Vermont Legislature should pass the Uniform Limited Cooperative Association act which would create a new corporate structure to allow producer coops to accept equity investments from non-producer members (minority share). (H.109 from 2009 session).
Increase amount of philanthropic grants and mission / program related investments (PRI) invested in Vermont food system enterprises and nonprofit organizations.	Convene key stakeholders to work with the Vermont Community Foundation and Vermont Food Funders Network, to increase availability of regional and national Foundation money being deployed in Vermont. Proactively identify and reach out and build relationships with at least 3 foundations outside of Vermont that have an affinity for Vermont or a mission which supports rural agricultural, food systems and land based activities.
Improve affordable access to farmland for preservation and production.	Make "cost of services" studies available to funders and the legislature to demonstrate how investing in farmland preservation is often more cost effective to a municipality than enabling housing development.
	Propose methods of raising funds locally to support the purchase and conservation of local farmland for lease to farmers. Leverage resources like the <i>Vermont Law School</i> to train local and municipal boards and commissions about how to make and assess investments in their local communities (i.e. land conservation, working landscape).
	Investigate opportunities where local property tax levies could be used to support purchase and conservation of local farmland for affordable access to farmers.
	Create a statewide special fund at the <i>Vermont Housing and Conservation Board</i> (VHCB) to support the purchase of farmland for beginning farmers, either for individual farms or for incubator farm programs.
	Institute a tax credit program for farmland preservation for new farmers (See an example at Nebraska Beginning Farmer Tax Credit program).
	Pursue state / federal / foundation funding to launch at least 2 new incubator farms in different geographic locations in the State which will support new farm creation and entrepreneurial education.
	Examine current tax code and structure to identify any opportunities for taxes to be utilized as funding sources to contribute to a funding pool for farmland purchase and preservation.
	Review Luxury Property Tax (i.e. if a property is sold for certain % of median, a portion would be levied for farmland purchase fund).
	Allocate some portion of tourism related taxes to be used toward a farmland purchase fund and promote visitor donation/"tips" to be used for farm marketing.

OBJECTIVE	STRATEGY
Financing Strategies	
Improve affordable access to farmland for preservation and production.	Fully fund the Property Transfer Tax formula that is meant to support VHCB annually as outlined in original enabling legislation.
	Investigate other prospective tax policies that would help incent private investment in farmland purchase and preservation.
Encourage more public and private investment in agricultural land, with longer term financial return, and flexible exit strategy involving farmer lease-to-own contracts.	Work with Vermont Economic Development Authority / Vermont Agricultural Credit Corp. to determine if existing loan programs can, or need to be, more flexible and/or accessible to new farmers.
	Increase awareness among entrepreneurs and foundations about how PRIs can be utilized for farmland purchase.
	Increase opportunities for investors interested in serving as land acquisition holding companies while easements and farmer purchase agreement is worked through during a conservation project negotiation.
	Create a land value index to fit Vermont's working landscape and production values to inform business planning, own vs. lease decisions, exit strategy, etc. [Intended as similar to Midwest land value index and going beyond VAAFM currently established mean rental rates.]
	Establish an agricultural land investment company to raise private investment funds, purchase farmland, create flexible lease to own contracts with farmers where farmers lease payments go toward building more equity each year, and payments are tied to annual farm performance/ income, with exit options for farmer.
Network Development Strategies	
Increase networking opportunities for food system entrepreneurs, funders, technical assistance providers and others.	Create at least 2 opportunities annually (i.e. networking events, site visits, workshops) for traditional funders, technical assistance / economic development entities to work together with the philanthropic community to identify ways in which they can partner in supporting key farm and food enterprise projects in Vermont.
	Directly link private / accredited investors to value added food system enterprises through matchmaking opportunities (e.g., similar to Vermont Investors Forum).
Education Strategies	
Educate food system entrepreneurs, funders, technical assistance providers, and municipalities about the range of funding options along the capital continuum.	Create a promotional campaign to educate entrepreneurs (through workshops, case studies and web content), and service provider networks about the wide range of financing tools and models (in addition to traditional debt) such as Micro-Enterprise funding sources, Vermont Small Business Exemption Offering, angel / equity investment, convertible debt, community supported enterprise / agricultural models, Slow Money investment, grants, etc.
	Through workshops, meetings and forums, educate funders about the breadth of financing opportunities for agricultural entrepreneurs. Ensure education includes how to work with non-traditional borrowers and new farm and food innovations.
	Increase education and information on funding tools for farmland preservation for municipalities.
	Educate entrepreneurs, technical assistance providers and funders on alternative ownership models for meat and other food processing facilities and/or leverage cooperative model to ensure facilities have the scale / capacity sufficient for business to survive and match with business owner goals.



Food System Financing Inventory

Disclaimers:

- 🍏 This inventory includes publicly funded or alternative funding sources. It does not include traditional banks or lending institutions.
- 🍏 This inventory does not include emergency assistance programs or programs that will be outdated by the time this database is published.
- 🍏 This inventory is not meant to be comprehensive but representative of the types of funding available to Vermont's food system. If your organization provides alternative source of funding for Vermont's food system, and you are not listed, please contact janice@vsjf.org to be added to the inventory.
- 🍏 Information in this inventory is dated at a point in time, and may not be current. For up-to-date information on these programs, contact the organization directly by email, phone or visit the website.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: BOND			
Vermont Economic Development Authority (VEDA): Tax-Exempt Revenue Bond for Manufacturers	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/vermont-commercial-financing/revenue-bond-program-for-manufacturers (802) 828-5627 info@veda.org	Manufacturers engaged in the production of tangible personal property.	Funds can be used only for the acquisition of capital assets: for example, land, equipment, and facilities. Revenue bonds generally make sense for qualified projects needing in excess of \$750,000.
Financing Instrument Type: EQUITY			
CEI Ventures	Nat Henshaw 2 Portland Fish Pier Portland, ME 04021 www.ceiventures.com (207) 772-5356 nvh@ceimaine.org	Companies exhibiting rapid growth, dynamic transformation, or emergence.	Growth capital.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: EQUITY			
Fresh Tracks Capital	Cairn Cross P.O. Box 849 Shelburne, VT 05482 www.freshtrackscap.com (802) 923-1500 ccross@freshtrackscap.com	Companies with \$1 million in revenue run rate and high growth objectives with unique and defensible business models, and products or services.	Growth capital.
Golden Seeds Angel Network	Kindra Tatarsky Nationwide www.goldenseeds.com (888) 629-6774	Companies led by women entrepreneurs and/or women in key management positions who retain significant equity.	Growth capital.
Granite State Angels (NH)	Fred Wainwright www.granitestateangels.com wainwright@granitestateangels.com	New Hampshire and New England enterprises with the potential for rapid growth.	Growth capital.
Investors Circle	Bonny Moellenbrock 200 N. Mangum Street, Suite 203 Durham, NC 27701 www.investorscircle.net (919) 530-1177	Companies that expect to generate revenues of at least \$5 million within the next 5 years. Typically invest in companies looking for less than \$3.0 million in capital and that have a clear commitment to a social and/or environmental mission.	Growth capital.
Launch Capital	Elon Boms 1 Mifflin Place Cambridge, MA 02138 www.launch-capital.com/ventures	Businesses with a national or international reach that have exponential growth expectations.	Growth capital.
North Country Angel Investors	Linda K. Dissinger www.northcountryangels.com ldissinger@merritt-merritt.com	Vermont- and New England-based enterprises with potential for rapid growth.	Growth capital. The network meets monthly and has an in-depth screening process.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: EQUITY			
U. S. Citizenship and Immigration Services: EB-5 Program	Brent Raymond 1 National Life Drive Montpelier, VT 05602 http://accd.vermont.gov/business/relocate_expand/eb5 (802) 828-1681 brent.raymond@state.vt.us	This federal program provides EB immigrant visas to foreign investors in exchange for a minimum investment of \$1 million (\$500,000 if in targeted area) and 10 new jobs created by business. Eligible recipients include for-profit businesses with projects that are at-risk investments and located outside the Burlington metropolitan area.	Business expansion or development or adding capacity.
Vermont Seed Capital Fund	David Bradbury 210 Colchester Avenue Burlington, VT 05405 www.vermonttechnologies.com (802) 656-3880 david.bradbury@uvm.edu	Vermont-based (or seeking to move to Vermont) start-up or early stage technology companies, including food system-related companies.	Growth capital.
Financing Instrument Type: EQUITY / DEBT			
Launch Capital	Heather Onstott 1 Mifflin Place Cambridge, MA 02138 www.launch-capital.com/small-business	Businesses that will generate near-term revenue, have linear growth expectations, and have a local or regional reach.	Growth capital.
Financing Instrument Type: EQUITY OR NEAR EQUITY			
Vermont Small Business Offering Exemption	William Carrigan 89 Main Street Montpelier, VT 05620 www.bishca.state.vt.us/node (802) 828-3301 william.carrigan@state.vt.us	Vermont small businesses.	Growth capital. This is an exemption from security law which allows a small business to seek up to \$500,000 in a private offering / investment capital with up to 50 purchasers. See BISHCA website for information and consult with attorney.
Cooperative Capital Fund	Betsy Black P.O. Box 3413 Amherst, MA 01004 www.coopcapital.coop/coopcapital (603) 228-6195 betsy@coopfund.coop	Start-up or existing cooperatives located in New England states.	Working capital for start-up or expansion. Maximum investment / loan size \$59,000.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: GRANT			
Clean Energy Development Fund	Andrew Perchlik 112 State Street Montpelier, VT 05620 http://publicservice.vermont.gov/topics/renewable_energy/cedf (802) 828-4017 andrew.perchlik@state.vt.us	Vermont individuals, companies, nonprofits, and municipalities looking to develop or deploy renewable resources that generate electric power, thermal energy, or geothermal resources; or develop energy efficient technologies.	Preproject financial assistance, small- scale systems, large-scale systems, special demonstration projects.
High Meadows Fund	Gaye Symington P.O. Box 30 Middlebury, VT 05753 www.highmeadowsgroup.org (802) 388-3355 gsymington@vermontcf.org	Typically nonprofit organizations.	Projects that reduce the use of fossil fuels, promote sustainable agriculture, and encourage compact settlements.
John Merck Fund	Christine James 2 Oliver Street Boston, MA 02109 www.jmfund.org (617) 556-4120 info@jmfund.org	Typically nonprofit organizations.	Varies by program area (e.g., climate and clean energy, environmental health, and rural New England).
Sandy River Charitable Foundation	Nate Berry 349 Voter Hill Road Farmington, ME 04938 www.srcfoundation.org (207) 779-1682 info@srcfoundation.org	Typically nonprofit organizations.	Can support general administration and costs related to a specific project.
Stonyfield Farms: Profits for the Planet	10 Burton Drive Londonderry, NH 03053 www.stonyfield.com/about_us/stony-field_profits_for_planet/index.jsp	Any organization can apply. There are four funding categories: * Family farming * Slowing or reversing climate change * Organic agriculture and reduction of toxins in agriculture and the food supply * Avoiding adverse health impacts from environmental and agricultural practices	To support efforts that help protect and restore the environment and generate measurable results.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: GRANT			
USDA / Northeast SARE: Farmer Grant Program	Carol Delaney 655 Spear Street Burlington, VT 05620 http://www.nesare.org/Grants/Get-a-Grant/Farmer-Grant (802) 656-0471 nesare@uvm.edu	Commercial producers/farmers in the Northeast SARE region.	Farmer Grants are for commercial producers who have an innovative idea they want to test using a field trial, on-farm demonstration, marketing initiative, or other technique. A technical advisor—often an extension agent, crop consultant, or other service professional—must also be involved. Projects should seek results other farmers can use, and all projects must have the potential to add to our knowledge about effective sustainable practices.
USDA / Northeast SARE: Partnership Grant Program	Carol Delaney 655 Spear Street Burlington, VT 05620 www.nesare.org/Grants/Get-a-Grant/Partnership-Grant (802) 656-0471 nesare@uvm.edu	Partnership Grants are reserved for agricultural service providers—extension staff, nonprofits, consultants, state departments of agriculture, and others working in the agricultural community	On-farm demonstrations, research, marketing, and other projects with farmers as active cooperators.
USDA / Northeast SARE: Sustainable Community Grant Program	Carol Delaney 655 Spear Street Burlington, VT 05620 www.nesare.org/Grants/Get-a-Grant/Sustainable-Community-Grant (802) 656-0471 nesare@uvm.edu	Agriculturally oriented agencies (cooperative extensions, NRCS, or comparable entities) and community development groups.	Projects addressing agricultural issues (e.g., financing, marketing, land or water use, enterprise development, value-added activities, and labor).
USDA / Northeast SARE: Research and Education Grants	Carol Delaney 655 Spear Street Burlington, VT 05620 www.nesare.org/Grants/Get-a-Grant/Research-and-Education-Grant (802) 656-0471 nesare@uvm.edu	Typically university and extension applicants, but anyone can apply. Need experience with agricultural research, in cooperation with farmers.	Wide-ranging uses (e.g., crop trials, farm-based energy, new approaches to livestock health, nutrient management and recycling, agritourism).

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: GRANT			
USDA Rural Development: Rural Business Enterprise Grants	David Robinson 89 Main Street, 3rd Floor Montpelier, VT 05602 www.rurdev.usda.gov/BCP_rbeg.html (802) 828-6070 david.robinson@vt.usda.gov	Rural nonprofits and public entities.	For support of small and emerging rural businesses.
USDA Rural Development: Rural Business Opportunity Grants	David Robinson 89 Main Street, 3rd Floor Montpelier, VT 05602 www.rurdev.usda.gov/BCP_RBOG.html (802) 828-6070 david.robinson@vt.usda.gov	Rural nonprofits and cooperatives.	Training and technical assistance.
USDA Rural Development: Value Added Producer Grants	David Robinson 89 Main Street, 3rd Floor Montpelier, VT 05602 www.rurdev.usda.gov/BCP_VAPG.html (802) 828-6070 david.robinson@vt.usda.gov	Value-added agricultural producers.	Planning activities and working capital.
USDA Small Business Innovation Research (SBIR)	Charles Cleland, Ph.D. 1400 Independence Avenue, SW Washington, DC 20024 www.csrees.usda.gov/fo/sbir.cfm (202) 401-6852	Any U.S. small business.	Proof of feasibility and/or research and development for innovative idea, product or service.
Vermont Agency of Agriculture, Food and Markets: Working Lands Enterprise Fund	Colleen Leonard 116 State Street Montpelier, VT 05620 www.vermontworkinglands.com (802) 585-9072 working.lands@state.vt.us	Food system and forestry enterprises.	Three grant programs were available for enterprise investments, service providers, and capital and infrastructure investment.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: GRANT			
Vermont Agency of Agriculture, Food and Markets: Renewable Energy for Agriculture Grant Program (REAP)	Dan Scruton 116 State Street Montpelier, VT 05620 www.vermontagriculture.com (802) 828-2433 dan.scruton@state.vt.us	Vermont farms.	Renewable energy and energy efficiency projects.
Vermont Community Foundation: Food and Farm Initiative	Jen Peterson P.O. Box 30 Middlebury, VT 05753 www.vermontcf.org/InitiativesImpact/FoodandFarmInitiative.aspx (802) 388-3355 jpeterson@vermontcf.org	Typically nonprofit organizations.	Based on particular strategy or mission of philanthropic donor.
Vermont Department of Economic Development: Vermont Training Program	Beth Demers 1 National Life Drive Montpelier, VT 05620 http://accd.vermont.gov/business/start/training (802) 828-1175 beth.demers@state.vt.us	Vermont businesses in manufacturing, information technology, health care, telecommunication, and environmental engineering.	For employee training initiatives: new employment, upgrade, and crossover training for incumbent workers.
Vermont EPSCoR Phase O Program	Julie Van Houten University of Vermont Burlington, VT 05405 www.uvm.edu/~epscor (802) 656-7969 epscor@uvm.edu	Any U.S. small business.	Preliminary proof of concept / feasibility work for businesses pursuing SBIR Phase I funding.
Vermont Sustainable Jobs Fund: Vermont Bioenergy Initiative	Netaka White 3 Pitkin Court, Suite 301E Montpelier, VT 05602 www.vsjf.org (802) 828-0040 netaka@vsjf.org	Varies depending on RFP, but has historically included farmers, researchers, fuel dealers, and educational institutions.	Varies depending on RFP, but has historically included projects for oilseed-based biodiesel, algal biodiesel, and grass bioenergy.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: GRANT			
Vermont Sustainable Jobs Fund: Farm to Plate Initiative / Vermont Agriculture Development Program	Ellen Kahler 3 Pitkin Court, Suite 301E Montpelier, VT 05602 www.vsjf.org (802) 828-5320 ellen@vsjf.org	Vermont food system businesses.	
Vermont Housing and Conservation Board - Vermont Farm Viability Program: Implementation Grant Program	Ela Chapin 58 E. State Street Montpelier, VT 05602 www.vhcb.org/viability.html (802) 828-2117 ela@vhcb.org	Farmers who have completed business plans with VHCB's Farm Viability Program.	To help implement business plans developed as part of the Farm Viability Program. Grants range from \$2,000 to \$8,000.
Vermont Housing and Conservation Board - Vermont Farm Viability Program: Agricultural Processing, Distribution, and Marketing Grants	Ela Chapin 58 E. State Street Montpelier, VT 05602 www.vhcb.org/viability.html (802) 828-2117 ela@vhcb.org	Agricultural businesses providing marketing, distribution or processing for Vermont agricultural products.	For marketing, distribution and / or processing of Vermont agricultural products. Grants range from \$5,000 to \$20,000. Requires business plan that meets the Farm Viability Program business plan guidelines.
Financing Instrument Type: GRANT / SCHOLARSHIP			
Vermont Farm Women's Fund: Scholarship Initiative	www.uvm.edu/~vfwf/?Page=instructions/si_criteria.html&SM=instructions/sub-menu.html (802) 223-2389 wagn@uvm.edu	Women farmers on a currently operating farm located in Vermont.	Registration fees for educational conferences, courses, and classes. Awards can also cover travel, lodging, replacement labor, child care, and other costs.
Financing Instrument Type: GRANT OR LOAN			
Vermont Agency of Commerce and Community Development: Vermont Community Development Program	Josh Hanford One National Life Drive Montpelier, VT 05620 www.accd.vermont.gov/strong_communities/opportunities/funding/vcdp (802) 828-5201 josh.hanford@state.vt.us	Vermont municipalities.	Capital for economic development projects or revolving loan funds; the municipality in turn can lend or grant to business. \$750,000 maximum.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: GRANTS, GUARANTEED LOANS, AND COMBINATION			
USDA Rural Development: Rural Energy for America Program	David Robinson 89 Main Street, 3rd Floor Montpelier, VT 05602 www.rurdev.usda.gov/BCP_Reap.html (802) 828-6070 david.robinson@vt.usda.gov	Agricultural producers and small rural businesses.	Energy audits, efficiency projects; purchase of renewable energy systems; working capital, and land acquisition (guaranteed loans only).
Financing Instrument Type: GRANTS AND PROGRAM-RELATED INVESTMENTS			
Castanea Foundation	Tim Storrow P.O. Box 64 Montpelier, VT 05601 www.castaneafoundation.org (802) 225-1180 timstorrow@comcast.net	Vermont and New York enterprises, with emphasis on projects that promote economically viable and environmentally sound farm enterprises.	Varies: the mission of the foundation is to conserve / protect agriculturally productive and environmentally significant lands and water resources throughout Vermont and select areas of New York.
Financing Instrument Type: GUARANTEE AND INSURANCE			
Vermont Economic Development Authority (VEDA): Export Finance Program	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/other-financing-option/export-assistance/ (802) 828-5627 info@veda.org		VEDA serves as City/State Partner of the United States Export-Import (www.exim.gov) Bank and offers assistance linking to export financing programs.
Financing Instrument Type: INCENTIVES (RENTAL PAYMENTS AND COST-SHARE ASSISTANCE)			
U.S. Department of Agriculture - Farm Service Agency: Conservation Reserve Program	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=crp (802) 658-2803 robert.paquin@vt.usda.gov	Agricultural landowners.	To establish long-term, resource-conserving covers on eligible farmland. Annual rental payments based on agriculture rental value of land; provides cost-share assistance for up to 50% of participant's costs in establishing approved conservation practices.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: INCENTIVES (RENTAL PAYMENTS AND COST-SHARE ASSISTANCE)			
U.S. Department of Agriculture - Farm Service Agency: Farmable Wetlands Program	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=fwp (802) 658-2803 robert.paquin@vt.usda.gov	Agricultural landowners.	To restore 1 million acres of farmable wetlands and associated buffers in the United States.
Financing Instrument Type: LEASE			
Yankee Farm Credit: Lease Program	George Putnam 289 Hurricane Lane, Suite 102 Williston, VT 05495 https://www.yankeeaca.com/Products/Products/Lease.aspx (800) 639-3053 info@yankeeaca.com	Agricultural enterprises.	To lease equipment, fixtures, vehicles, and many other options.
Financing Instrument Type: LEASE / PURCHASE OPTION			
Vermont Land Trust: Farmland Access Program	Jon Ramsay 8 Bailey Avenue Montpelier, VT 05602 www.vlt.org/initiatives/affordable-farmland (802) 533-7705 jramsay@vlt.org	Farmers with 3-5 years of experience.	Leasing of land; provides qualified farmers with access to agricultural land for business start-up or expansion.
Financing Instrument Type: LOAN			
Addison County Economic Development Corporation: Revolving Loan Fund	Robin Scheu 1590 US Route 7S - Unit 8 Middlebury, VT 05753 http://addisoncountyedc.org/services/loans (802) 388-7953 info@addisoncountyedc.org	For-profit companies in Addison County.	For acquisitions, working capital, land and equipment purchases, etc. Will finance up to 40% of project. Maximum loan amount is \$100,000.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN			
The Carrot Project: Agriculture Fund	Benneth Phelps 2 Belmont Terrace Somerville, MA 02143 http://thecarrotproject.org/financing/vermont (617) 666-9637 bphelps@thecarrotproject.org	Farmers and food entrepreneurs.	Capital investments that improve efficiency or quality, production, and sales; repairs to farm operations; inventory, supplies, or labor; emergency funds for business interruptions due to natural disasters or other unforeseeable events. Loans range from \$5,000 to \$35,000.
Clean Energy Development Fund	Andrew Perchlik 112 State Street Montpelier, VT 05620 http://publicservice.vermont.gov/topics/renewable_energy/cedf (802) 828-4017 andrew.perchlik@state.vt.us	Vermont individuals, companies, nonprofits, and municipalities that are looking to develop or deploy renewable resources that generate electric power, thermal energy, or geothermal resources; or develop energy efficient technologies.	Purchase of land, buildings, equipment and/or working capital for activities related to the renewable energy project.
CoBank: Loan Program	David Sparks Enfield, CT www.cobank.com/Home/Products%20Services/Loans.aspx (860) 814-4054 dsparks@cobank.com		CoBank lends to larger coops (i.e., St. Albans Cooperative Creamery)) and serves as capital source for Yankee Farm Credit who, in turn, lend to Vermont food system businesses.
Community Capital of Vermont: Revolving Line of Credit	Mark Hahn 107 North Main Street, Suite 7 Barre, VT 05461 www.communitycapitalvt.org/small-business-loans/ (802) 479-0167 mhahn@communitycapitalvt.org	Applicants that demonstrate insufficient access to conventional sources of credit.	Short-term revolving line of credit, with lines ranging from \$5,000 to \$25,000. Amortized loans range from \$1,000 to \$50,000. Grants up to \$2,500 for any or all one-on-one technical assistance programs.
Cooperative Fund of New England: Loan Program	Betsy Black P.O. Box 3413 Amherst, MA 01004 http://cooperativefund.org/loans (603) 228-6195 betsy@coopfund.coop	Cooperatives or nonprofits located in New England states.	Short- to medium-term financing, with priority given to low income cooperatives.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN			
Equity Trust, Inc.: Equity Trust Fund	Ellie Kastanopolous P.O. Box 746 Turner Falls, MA 01376 http://equitytrust.org/equity-trust-fund/ (413) 863-9038 info@equitytrust.org	Farmers.	Financing to farmers for the acquisition of land, agricultural improvements, equipment, and livestock. Also provides financing for educational programs dealing with sustainable agriculture and local food production.
Franklin County Industrial Development Corporation: FCIDC Revolving Loan Fund	Tim Smith 2 North Main Street St. Albans, VT 05478 www.fcidc.com/index.php?p=1_22_Revolving-Loan-Fund (802) 524-2194 tim@fcidc.org	For-profit companies in Franklin County.	Purchase of real estate or equipment, leasehold improvements, working capital, value-added agriculture. Loan size between \$25,000 and \$250,000. Financing up to 75% of project.
NOFA Vermont: Farmer Emergency Fund	Enid Wonnacott P.O. Box 697 Richmond, VT 05477 http://nofavt.org/programs/farm-financial-resources/farmer-emergency-fund (802) 434-4122 info@nofavt.org	Organic and NOFA member farmers.	Grants and zero-percent-interest loans are awarded to farmers in need as funds are available.
NOFA Vermont: NOFA Vermont Revolving Loan Fund	Enid Wonnacott P.O. Box 697 Richmond, VT 05477 http://nofavt.org/programs/farm-financial-resources/revolving-loan-fund (802) 434-4122 info@nofavt.org	Vermont farmers using sustainable agricultural practices or interesting in moving toward sustainable practices; organic farmers.	Working capital; equipment or improvement of business management. Loans range from \$2,000 to \$15,000.
Northeastern Vermont Development Association: Revolving Loan Fund / Intermediary Relending Program	Steve Patterson 36 Eastern Avenue St. Johnsbury, VT 05819 www.nvda.net/EconDev/financing.html (802) 748-5181 info@nvda.net	For profit companies in Northeastern Region of Vermont.	Varies depending on the program.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN			
Northern Community Investment Corporation: Small Business Lending	Dave Keenan 347 Portland Street St. Johnsbury, VT 05819 www.ncic.org/smallbusiness.html (802) 748-5101 dkeenan@ncic.org	Varies depending on the program.	NCIC offers a full spectrum of economic development-based financial products ranging from US SBA microloans, direct loans primarily funded through USDA Rural Development IRPs and SBA 504 loans.
Opportunities Credit Union: Ready, Set, Go Program	Greg Huysman 92 North Avenue Burlington, VT 05401 www.oppsvt.org/micro-and-small-business-lending (802) 865-3404 ghuysman@oppsvt.org	Microbusinesses or businesses with small needs.	Inventory financing, equipment purchase, working capital. Loans range from \$500 to \$25,000.
Opportunities Credit Union: Small Business Loan Program		Small businesses; not for start ups.	Financing for vehicles, inventory, equipment, working capital, real estate and seasonal lines of credit. Loans range from \$25,000 to \$300,000.
Opportunities Credit Union / City Market: City Market Business Partners Program		City Market food vendors. Must be referred to Opportunities Credit Union by City Market or be a current City Market vendor or farmer.	Purchase equipment or inventory; new product development; increase production capacity or efficiencies.
Regional Development Corporations and Municipal Revolving Loan Funds	http://accd.vermont.gov/business/partners/rdc	Depends on individual criteria of loan fund.	Varies depending on loan fund and source of capital.
RSF Social Finance: PRI Lending	Ted Levinson San Francisco, CA http://rsfsocialfinance.org/services/lending/pri/ (415) 561-6179 ted.levinson@rsfsocialfinance.org	Nonprofit and for-profit social enterprises in alignment with mission areas. 3 or more years of operating history; revenues greater than \$1 million preferred (for-profit only).	Loans of \$50,000 or more. PRI loans must meet a set of strict criteria to demonstrate that funds will be used entirely for charitable purposes
RSF Social Finance: Social Enterprise Lending	Reed Mayfield San Francisco, CA http://rsfsocialfinance.org/services/lending/social-enterprise/ (415) 561-6175 reed.mayfield@rsfsocialfinance.org	Nonprofit and for-profit social enterprises in alignment with mission areas. 3 or more years of operating history; revenues greater than \$1 million preferred (for-profit only).	Mortgage, construction, working capital. Loans range from \$200,000 to \$5 million.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN			
Rutland Economic Development Corporation: REDC Revolving Loan Fund	Jamie Stewart 112 Quality Lane Rutland, VT 05701 www.rutlandeconomy.com/serviceslend-finance.php (802) 773-9147 jstewart@rutlandeconomy.com	For-profit companies in Rutland County.	Purchase real estate or equipment, leasehold improvements, working capital, aquaculture, hospitality, commercial nurseries, forestry, livestock and poultry processing. Loans are typically between \$5,000 and \$75,000.
U.S. Department of Agriculture - Farm Service Agency: Direct Farm Loan Program	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=fla (802) 658-2803 robert.paquin@vt.usda.gov	Farmers.	Farm ownership, operations and emergencies.
U.S. Department of Agriculture - Farm Service Agency: Farm Storage Facility Loan Program	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=flp-fp (802) 658-2803 robert.paquin@vt.usda.gov	Farmers, landlords, leaseholders, and landowners.	For upgrade or new facilities related to storage of specified commodities (see FSA website for details).
U.S. Department of Agriculture - Farm Service Agency: Microloans	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 http://www.fsa.usda.gov/Internet/FSA_File/microloans_eng_jan2013.pdf (802) 658-2803 robert.paquin@vt.usda.gov	Farmers.	Initial start up and operating expenses. Offers more flexible access to credit and serves as loan alternative for smaller farming operations like specialty crop producers and operators of community supported agriculture.
U.S. Department of Agriculture - Farm Service Agency: Rural Youth Loans	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=ryl (802) 658-2803 robert.paquin@vt.usda.gov	Young Vermonters, ages 10 through 20.	Up to \$5,000 loans to rural youths to finance income-producing, agriculture-related projects.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN			
U.S. Small Business Administration: Micro Loan Program	Susan Mazza 87 State Street Montpelier, VT 05601 www.sba.gov/vt	Small, for-profit businesses and nonprofit day care centers.	Short-term loans for business purposes delivered through designated intermediary lenders.
U.S. Small Business Administration: Disaster Loan Program	(802) 828-4422 susan.mazza@sba.gov	Businesses, homeowners, and renters in a designated disaster area.	To repair or replace assets in a declared disaster area.
Vermont Agricultural Credit Corporation (VACC)	Sarah Isham 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/vermont-agricultural-financing/ (802) 828-5627 info@veda.org	Vermont residents who are or will be engaged in agriculture within the state; and a current or prospective owner/operator of agricultural land or equipment and/or livestock.	Farm loans are available from VACC to strengthen existing farm operations, encourage diversification, support beginning farmers, and to encourage marketing and processing of Vermont agricultural products.
Vermont Community Loan Fund: Small Business Loan Program	Sam Buckley 15 State Street Montpelier, VT 05601 www.investinvermont.org/small-business (802) 223-1448 sam@vclf.org	Businesses that preserve or expand Vermont's working landscape or natural resources, and businesses that increase economic opportunities for Vermont's low income population.	Real estate, fixed assets, working capital, purchase order financing. Maximum loan size is \$250,000.
Vermont Community Loan Fund: Agritourism Program	Sam Buckley 15 State Street Montpelier, VT 05601 www.investinvermont.org/small-business/agritourism (802) 223-1448 sam@vclf.org	Agritourism businesses owned and operated by Vermont farmers that provide services directly to consumer.	For projects enhancing on-farm experiences and/or encouraging people to visit farms. Maximum loan size is \$50,000.
Vermont Economic Development Authority (VEDA): Vermont Small Business Loan Program	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/vermont-commercial-financing/small-business-loan-program/ (802) 828-5627 info@veda.org	Eligible borrowers must be U.S. citizens or 51%-owned by U.S. citizens, and unable to access conventional credit; and applicants must demonstrate potential to create/retain employment opportunities for Vermonters.	Fixed assets (e.g., land, buildings, and equipment) and working capital. Loans range from up to \$200,000 for fixed asset acquisition, and up to \$150,000 for working capital purposes.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN			
Vermont Economic Development Authority (VEDA): Direct Loan Program	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/vermont-commercial-financing/direct-loan-program (802) 828-5627 info@veda.org	individuals, partnerships, corporations or limited liability companies engaged in manufacturing, processing, warehousing, research and development, recycling, travel and tourism, information technology and others as defined in statute.	Assists borrowers in financing fixed assets. It is utilized in cooperation with commercial banks. VEDA may either make its own direct loan or purchase a portion of a bank loan. Funds can be used to: 1) purchase land and buildings, including construction or renovation; and 2) purchase and install machinery and equipment, furniture and fixtures. VEDA cannot finance or refinance existing company assets or debt. The maximum amount of any direct loan can be up to \$1.5 million.
Vermont Economic Development Authority (VEDA): 504 Loan Program	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/vermont-commercial-financing/sba-504-program/ (802) 828-5627 info@veda.org	For profit businesses that will be owner-user of the project being financed.	Real estate acquisition or expansion; machinery & equipment. SBA 504 loans are made in conjunction with a "third party lender" (i.e. a Bank) that normally provides financing for 50% of the Project, and 504 loan up to 40%.
Vermont Economic Development Authority (VEDA): Vermont Business Energy Conservation Loan Program	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 http://www.veda.org/financing-options/vermont-commercial-financing/vermont-business-energy-conservation-loan-program (802) 828-5627 info@veda.org	Manufacturing, service providers, farms and retail establishments. Nonprofit organizations are also eligible.	Thermal envelope improvements and equipment (heating, ventilation); energy efficient lighting and HVAC equipment; auxiliary power units. Loans range from \$5,000 up to a maximum of \$150,000. Program operates in partnership with Efficiency Vermont.
Vermont Employee Ownership Center: Vermont Employee Ownership Loan Fund	Mike Sessions 41 Main Street Burlington, VT 05402 www.veoc.org/loanfund (802) 861-6611 info@veoc.org	Employee-owned businesses or those seeking employee ownership.	Fixed assets, working capital, financing of worker shares in cooperatives, or the funding of employee stock ownership plans. Minimum loan size is \$2,000 and the maximum is \$50,000.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN			
Vermont Farm Fund: Innovation Loan Program and Emergency Loans	Elena Gustavson 140 Junction Road Hardwick, VT 05402 www.vermontfarmfund.org (802) 472-5362	Farmers and food producers.	Loans up to \$10,000 are available for the development of new products or for recovery from disasters.
Financing Instrument Type: LOAN / EQUITY			
Yankee Farm Credit: Direct Loans	George Putnam 289 Hurricane Lane, Suite 102 Williston, VT 05495 https://www.yankeeaca.com/Products/Products/Loan.aspx (800) 639-3053 info@yankeeaca.com	Agricultural enterprises.	Working capital, operations, real estate and equipment. Six locations statewide offering revolving and nonrevolving lines of credit.
Yankee Farm Credit: Youth, Beginning, and Small Farmer Program		Young, beginning and small farmers.	Start-up costs.
BDC Capital: Various loan and mezzanine debt programs	Field Ryder 120 Exchange Street, Suite 205 Portland, ME 04101 www.bdcnewengland.com (207) 773-3104 frider@bdcnewengland.com	Varies by program; see website.	Varies by program; see website.
Coastal Enterprises: Healthy Food Finance Initiative	Gray Harris 120 Exchange Street, Suite 205 Portland, ME 04101 www.ceimaine.org/Targeted_Loans#Agriculture (207) 882-5135 gharris@ceimaine.org	Retail operations in underserved areas in Maine and New England and food supply chain enterprises and non-profit organizations that support the local agricultural economy.	For capital expenses (i.e., buildings, retail space, storage space); equipment; expansion costs; farm and value-added production; working capital; and other costs associated with increasing the supply of healthy foods at affordable prices in low access areas.
Northern Community Investment Corporation: Small Business Lending	Dave Keenan 347 Portland Street St. Johnsbury, VT 05819 www.ncic.org/business-resources/business-loans/default.aspx (802) 748-5101 dkeenan@ncic.org	Must be located in Northern Vermont or New Hampshire and have an innovative product or service to be developed.	Varies but related to development of a product or service.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: ROYALTY FINANCING / LOAN			
Fair Food Network: Fair Food Fund	Alex Linkow 205 E. Washington Street, Suite B Ann Arbor, MI 48104 www.fairfoodnetwork.org (734) 730-3558 alinkow@fairfoodnetwork.org	Agriculture infrastructure and distribution businesses in the Northeast.	Patient financing and business assistance to local food enterprises that support small and mid-scale farms in the Northeast.
VSJF Flexible Capital Fund	Janice St. Onge 3 Pitkin Court, Suite 301E Montpelier, VT 05602 www.vsjf.org/what-we-do/flexible-capital-fund (802) 828-0398 janice@vsjf.org	For-profit businesses based in Vermont in agriculture, food production, forest products, clean technology, and waste management sectors.	Ris capital in the form of subordinated debt and royalty loans ranging between \$100,000 and \$300,000.
Financing Instrument Type: DIRECT LOANS AND GUARANTEES			
U.S. Department of Agriculture - Farm Service Agency: Beginning Farmers and Ranchers Loan	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/Internet/FSA_File/beginloans.pdf (802) 658-2803 robert.paquin@vt.usda.gov	Beginning farmers. A beginning farmer is an individual or entity who (1) has not operated a farm for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for farm ownership purposes, does not own a farm greater than 30% of the median size farm in the county.	Loans can be used to purchase a farm and for operations. Maximum loan amount for farm ownership or operation is \$300,000. Maximum loan guarantee for farm ownership or operation is \$1,094,000 (Amount varies annually based on inflation).
U.S. Department of Agriculture - Farm Service Agency: Socially Disadvantaged Persons Loan Program	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/Internet/FSA_File/sdaloans1108.pdf (802) 658-2803 robert.paquin@vt.usda.gov	Socially disadvantaged farmers. A socially disadvantaged group is a group whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.	Direct and guaranteed farm ownership and farm operations loans are made for farm purchases, input purchases, and farm operations, to erect or improve buildings, conserve soil and water, and other activities.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: LOAN GUARANTEE			
USDA Rural Development: Commercial Loan Guarantee Program	David Robinson 89 Main Street, 3rd Floor Montpelier, VT 05602 www.rurdev.usda.gov/BCP_gar.html (802) 828-6070 david.robinson@vt.usda.gov	Businesses in rural areas; all areas other than cities or towns of more than 50,000 people.	Business acquisition, land, building and equipment, working capital.
Yankee Farm Credit: Guaranteed Loan Program	George Putnam 289 Hurricane Lane, Suite 102 Williston, VT 05495 https://www.yankeeaca.com/Products/Products/Loan.aspx (800) 639-3053 info@yankeeaca.com	Agricultural enterprises.	
U.S. Small Business Administration: 7a Loan Program, Guarantee Program	Susan Mazza 87 State Street Montpelier, VT 05601 www.sba.gov/vt (802) 828-4422 susan.mazza@sba.gov	Small, for-profit businesses.	General business purposes.
U.S. Small Business Administration: CDC 504 Loan program / Subordinate Loan Guarantees			Fixed assets / long term business purpose.
Financing Instrument Type: LOAN, GRANT, LOAN GUARANTEE			
USDA Rural Development: Community Facilities Program	David Robinson 89 Main Street, 3rd Floor Montpelier, VT 05602 www.rurdev.usda.gov/HCF_CF.html (802) 828-6070 david.robinson@vt.usda.gov	Public entities such as municipalities, counties, and special-purpose districts, as well as nonprofit corporations.	Projects to develop essential community facilities for public use in rural areas, can include capital equipment and assets for Farmers Markets.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: MATCHING PAYMENTS			
U.S. Department of Agriculture - Farm Service Agency: Biomass Crop Assistance Program	Robert Paquin 356 Mountain View Drive, Suite 104 Colchester, VT 05446 www.fsa.usda.gov/FSA/webapp?area=home&subject=ener&topic=bcap (802) 658-2803 robert.paquin@vt.usda.gov	Agricultural and forest land owners, and producers.	For the collection, harvest, storage and transportation of eligible material by a qualified Biomass Conversion Facility (BCF).
Financing Instrument Type: MORTGAGE INSURANCE			
Vermont Economic Development Authority (VEDA): Mortgage Insurance Program	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/vermont-commercial-financing/vermontmortgage-insurance-program/ (802) 828-5627 info@veda.org	Manufacturers, research and development activities, and others as defined in statute.	Acquisition of land and buildings, machinery and equipment or working capital.
Financing Instrument Type: PEER TO PEER TRADE CREDIT			
Vermont Businesses for Social Responsibility: VBSR Marketplace	Amy Kirschner P.O. Box 344 Burlington, VT 05402 http://vbsrmarket.com/ (802) 399-4210 amy@changethemarket.com	VBSR members and WBON members.	Peer trade credit used to purchase goods and services offered by VBSR and WBON members
Financing Instrument Type: REBATE			
Efficiency Vermont: Agricultural Equipment Rebate Program	www.efficiencyvermont.org (888) 921-5990 info@efficiencyvermont.org	Agricultural enterprises.	Purchase and installation of new, energy efficient equipment.

ORGANIZATION: PROGRAM	CONTACT	ELIGIBLE APPLICANTS	PURPOSE OR USE OF FUNDS
Financing Instrument Type: RESERVE FUND			
Vermont Economic Development Authority (VEDA): Vermont Capital Access Program	Steve Greenfield 58 East State Street, Suite 5 Montpelier, VT 05602 www.veda.org/financing-options/vermont-commercial-financing/vermont-capital-access-program/ (802) 828-5627 info@veda.org	All businesses and nonprofits.	Borrower works with their bank and VEDA establishes reserves (with premiums paid by borrower) to cover losses incurred by the lender the enrolled loan.
Financing Instrument Type: TAX INCENTIVES			
State of Vermont: Vermont Employment Growth Incentives	Fred Kenney One National Life Drive Montpelier, VT 05602 http://accd.vermont.gov/business/start/vegi (802) 828-5256 fred.kenney@state.vt.us	Vermont company or a Vermont division that plans to grow and expand, a company that is considering Vermont to locate a new business or division, or start-up business activity.	Business expansion, retention or relocation to Vermont.
Renewable Energy Resource Center: Vermont Small Scale Renewable Energy Incentive Program	Vermont Energy Investment Corporation www.erc-vt.org/about.htm (877) 888-7372 RERC@VEIC.org	Residential and commercial electricity customers.	Purchase of renewable energy systems (e.g., wind, solar, micro hydro).
Efficiency Vermont: Energy Efficiency Solutions for Agricultural Businesses	www.encyvermont.com/stella/filelib/AgBrochure_FINAL_Jan2010.pdf (888) 921-5990 info@encyvermont.org	Farmers.	Improving energy efficiency in new or existing buildings.

FINANCING NETWORKS AND FORUMS

Slow Money Alliance:	Woody Tasch Boulder, CO www.slowmoney.org (510) 408-7645 info@slowmoney.org	The mission of the Slow Money Alliance is to build local and national networks, and develop new financial products and services; dedicated to investing in small food enterprises and local food systems.
Vermont Investors Forum	Ken Merritt P.O. Box 5839 Burlington, VT 05402 http://vermontinvestorsforum.com (802) 658-7830 info@VermontInvestorsForum.com	The Vermont Investors Forum brings together the best of Vermont’s entrepreneurial and investment communities. The Forum is responsible for millions of dollars in raised investment capital, strategic consulting and board relationships, and the tools and resources Vermont businesses need to transition from start-up to profitable company.



CROSSCUTTING ISSUES

Financing the Food System

Credits

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Vermont Sustainable Jobs Fund

