



NATURAL CAPITAL INVESTMENT FUND

THE CONSERVATION FUND



Capital for Natural Resource Based Businesses

www.ncifund.org



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- Overview of NCIF
- Examples of Loans
- Questions?

NCIF Overview



- NCIF is the business investment arm of The Conservation Fund (www.conservationfund.org): leading US land and water conservation organization
- Capital for businesses that grow, process and distribute sustainable products
- \$10 M fund founded 2001; 50 companies/farms funded to date; average amount ~ \$100,000
- Lend in NC, VA, TN, WV, OH, & KY
- \$35,000 - \$250,000 to any one company; flexible terms: interest only periods; balloon payments with longer amortizations; payments structured to meet cash flow.
- Investment committee meets twice a month; typical documents required for underwriting
- NCIF often partners with another lender in a project; NCIF reduces risk for traditional lenders through subordination, technical assistance, and sector expertise
- Typically lend to an existing company that wants to expand operations; don't lend to many start-up businesses

Targeted Sectors

- **Local and organic foods**
- **Natural, organic & value-added Agriculture**
- **Pasture-raised and grass-fed livestock & poultry**
- **Heritage and Eco-Tourism**
- **Value-Added Wood & Forestry Products**
- **Renewable Energy & Energy Efficiency**
- **Recycling**
- **Green Building**



Examples: NCIF Loans to Local Food Systems

Simply Natural Dairy Farm, Ayden, NC

- Traditional farmer expanding into organic milk production
- Traditional lenders may not understand organic milk production.
- Tobacco farm diversification
- \$250,000 from NCIF leveraged \$400,000 in tobacco settlement money



Grain Bin Cost Share Loans to Small Farmers – Eastern NC Agricultural Development & Farmland Preservation Trust Fund

- Grain bin projects are typically small; \$26,000
- 50% cost share grant; 50% NCIF Microloan
- NCIF has provided loans for grain bins to 20 small farmers
- Bins enable farmers to sell crops (i.e., soybeans) when market prices are favorable – enable increase in bushel by \$1.00 or more



Examples: NCIF Loans Local Food Systems

Annie's Bakery, Asheville, NC

- Organic bakery; expanding into par baked bread line
- NCIF financing used for equipment, working capital and leasehold improvement and green upfits (solar thermal water heater)
- NCIF financing enabled bakery to relocate mfg operations to Asheville, NC from Sylva.
- Funds from ARC used for the project
- \$250,000 from NCIF leveraged \$ 255,000 from other lenders.
- Annie's also working with other bakeries and the North Carolina Organic Bread Flour Project's efforts to develop hard wheat industry





NCIF Loans for Local Food Systems

- **Questions?**
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