Capital for Natural Resource Based Businesses

www.ncifund.org

Rick Larson, NC Program Director
rlarson@conservationfund.org
Phone: 919-967-2223, ext. 113
Cell: 919-949-4724
P.O. Box 271
Chapel Hill, NC 27514

Anna Tefft, Director of Lending/Senior Business Lender
atefft@conservationfund.org
Phone: 336-734-6902
Cell: 336-608-8964
1922 S. Martin Luther King Jr, Dr., Suite 205
Winston-Salem, NC 27107
• Overview of NCIF
• Examples of Loans
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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 & 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

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