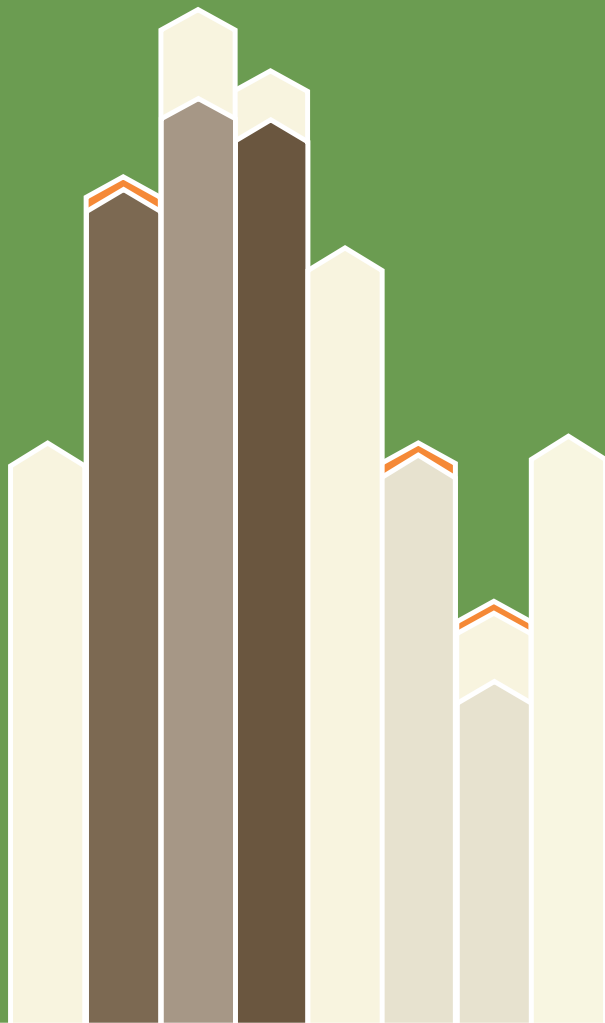


MSU CENTER FOR REGIONAL FOOD SYSTEMS

NEW FUNDING SOURCES FOR FOOD-RELATED BUSINESSES



JANUARY 2015

MICHIGAN STATE
UNIVERSITY



MSU CENTER FOR REGIONAL FOOD SYSTEMS
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Photo Credits

Page 1 Farm with rainbow near MSU Student Organic Farm – MSU Center for Regional Food Systems

Page 3 A woman packaging bags at Kansas City CSA Distribution – MSU Center for Regional Food Systems

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Section 1: Introduction

Purpose of this directory: This directory provides an overview of various sources of financing that may be available to food hubs and local food-related businesses. This directory is a partial listing of what may be available across the United States; some examples may not be a good match with your particular circumstances. The format for this directory was informed by a listing of funding resources for food-related businesses found on the Food+Tech Connect website, a media and research company building a network for food innovators and entrepreneurs (www.foodtechconnect.com). Most of the funding sources listed in this directory are available for food hubs and local food-related businesses across the United States, but several additional funding websites are specifically for Michigan. All the information for each funding entity has been researched through its own website.

How the directory works: The directory is divided into several category sources—crowd funding, accelerator, miscellaneous (non-Federal) and additional Federal resources. Each entity listed under these three categories will have the title of an entity, a URL of its website, how it works description, funding focus, funding limit, qualifications, and the entity’s financial geographic area.

Before You Begin, Do You Have a Business Plan?

At any stage of your business's growth and development, an essential component of continuing success is having an updated three to five year plan that outlines how a company will grow its business and generate revenue. A good plan will outline a business's current state, resources, and abilities as well as a vision of where and when the business is to grow. This plan serves as a guiding document – allowing all employees and shareholders to have a unified vision of the business goals, a trajectory for goal achievements, and a framework for assessment and evaluation.

Having a well thought out business plan is especially important when seeking new lenders and investors. A plan should show the company's long-term ability to generate profit in order to meet debt obligations and become self-sufficient. Potential investors, whether large or small, will want reassurance that your business has a plan for financial stability in the future. It will also help you better assess what type and size of funding is necessary.

While this directory is not intended to serve as a business planning guide, below are provided several resources for creating a business plan.

- “Building Successful Food Hubs: A Business Planning Guide for Aggregating and Processing Local Food in Illinois”
 - <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5097191>
- Minnesota Department of Agriculture, “Starting a Food Business in Minnesota”
 - <http://www.mda.state.mn.us/~media/Files/food/business/startingfoodbiz.ashx>

Many governmental resources provide access to business planning guides and templates

- The United States Small Business Administration
 - <http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/how-write-business-plan>
- Michigan.gov
 - http://www.michigan.gov/business/0,4539,7-255-52647_49454---,00.html
- Missouri Business Development Program
 - <http://missouribusiness.net/article/guide-to-writing-business-plan/>

In addition, the Michigan Small Business Development Center offers workshops around the state regarding business planning.

- <http://www.sbdcmichigan.org/our-services/business-workshops/>



What Type of Financing Do You Need?

New Hampshire Community Loan Fund designed Capital Compass, an online educational tool to help food businesses understand the factors that affect the type of capital owners may consider. The tool is not designed to make decisions for the business or a financier. Please check out the link below to see what type of capital fund your business may be most appropriate to consider. Tutorial and directions are available in the link.

www.communityloanfund.org/capital-compass

Useful Definitions for Capital Compass:

Debt: Traditional method of a lender offering a certain dollar value of credit (loans)

Royalty: Growth financing structured as a revenue sharing agreement

Equity: Selling shares of your company

Section 2: Crowdfunding

Crowdfunding is the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the internet.¹ Crowdfunding has the added benefit of reaching a large pool of investors that typically morally support a business's agenda. The platform expands accessibility to investors with varying levels of financial resources, as it allows funders to make both large and small contributions. In addition, it increases the support base of parties with a vested interest in the success of your business.

There are several models of crowdfunding: donation, debt, equity, and reward based. Donation based models depend on a shared belief in the cause by investors. Debt based models promise a return of investment to funders. Equity crowdfunding guarantees a share of the business for investors. Many business start-ups employ reward crowdfunding as well, which offers investors services or goods from their business. Most crowdfunding resources are best suited for small to medium sized investments.

¹ Crowdfunding. (2014). In *Oxford Dictionaries online*. Retrieved from http://www.oxforddictionaries.com/us/definition/american_english/crowdfunding

CircleUp

<https://circleup.com/>

How it works:

CircleUp is a crowdfunding platform connecting accredited investors with innovative consumer and retail companies.



Funding focuses on:

Branded, tangible consumer products and retail companies; typically, but not limited to, food and health related products

Funding limit:

\$500,000- \$2,500,000 (The following range is based on previously funded companies)

Qualifications:

Must have at least \$500,000/year revenue; CircleUp Seed Program accepts companies with less than \$500,000 revenue

Financing geographic area:

United States

Credibles

<https://credibles.org/>

How it works:

Businesses receive crowdfunding in exchange for store credits to their funders (one credit = \$1).

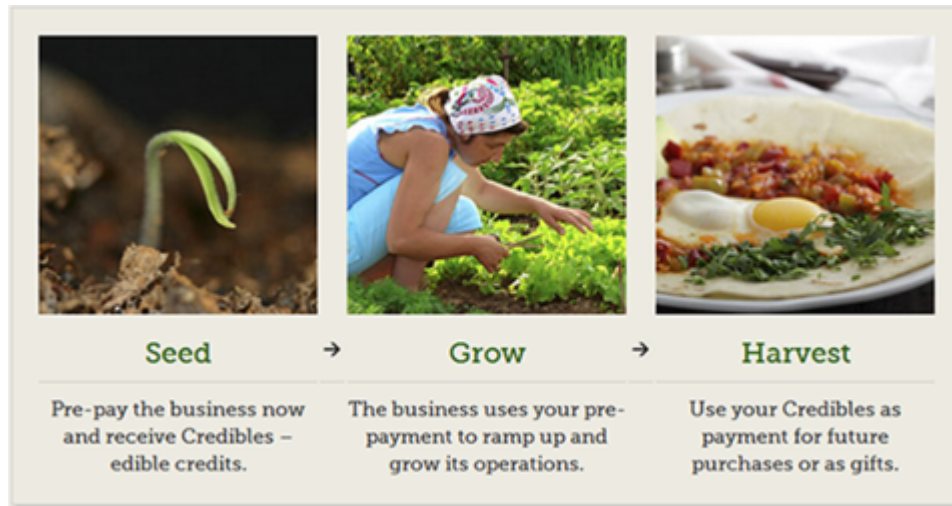


Image from <http://www.shareable.net/blog/credibles-crowdfunds-credit-for-food-businesses>

Funding focuses on:

Small, sustainable food-related businesses

Funding limit:

Business campaign average: \$2,500- \$50,000

Qualifications:

Not specified

Financing geographic area:

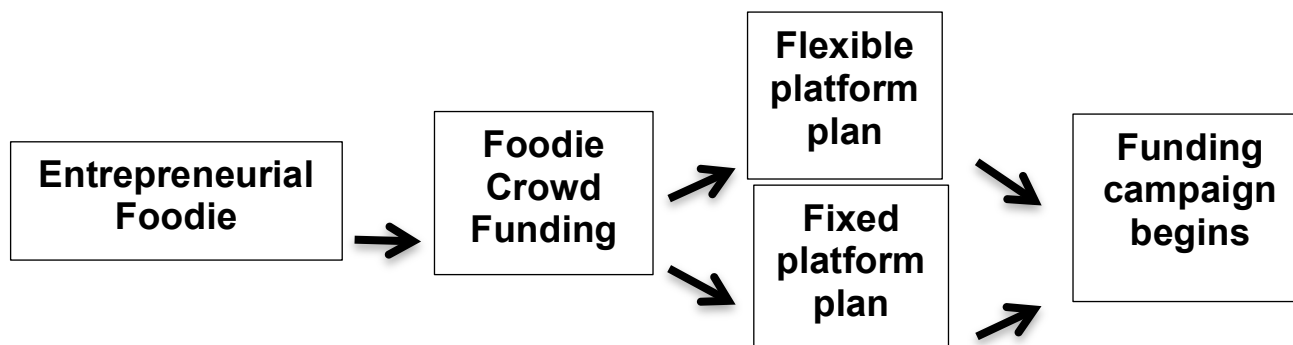
United States

Foodie Crowd Funding

<http://foodiecrowdfunding.com/>

How it works:

Foodie Crowd Funding is a crowdfunding platform where people who want to raise money for food-related businesses can create fundraising campaigns focused around a project idea.



Funding focuses on:

Entrepreneurial foodies (examples: farm-to-table; restaurants & breweries; cookbooks & apps; non-profit; pet goodies; etc.)

Funding limit:

Average funding campaigns: \$7,000- \$30,000

Qualifications:

- Initial \$99 charged
- 1. Be a U.S. resident with valid Social Security Card or EIN
- 2. Be 18 years of age or older
- 3. Have a U.S. bank account and U.S. address
- 4. Have U.S. state-issued driver license or passport
- 5. Have a major U.S. credit card or debit card
- 6. Must be able to satisfy the payment processing companies requirements

For nonprofits:

1. Programs for kids related to food
2. The organization must be registered as a 501(c)(3) organization
3. Accept only US-based projects and US-based contributions

Financing geographic area:

United States

Foodstart

<http://www.foodstart.com/>

How it works:

Foodstart is a crowdfunding website that connects small restaurants and food trucks to opportunities to raise capital online instead of relying on small group of investors. Like Kickstarter, start-up businesses post their funding campaigns on the Foodstart website and wait until the funding deadline is over to receive the funds.



Image from <http://crowdsunite.com/platforms/foodstart/>

Funding focuses on:

Restaurants and food trucks

Funding limit:

Not specified

Qualifications:

Not specified

Financing geographic area:

United States

Section 3: Startup Accelerator Resources

Start-up, or seed, accelerators provide support through small amounts of seed capital, mentoring, training, and events for a finite period- usually 3 to 4 months- in exchange for single-digit chunks of equity.² Unlike most funding sources, accelerators have the added benefit of creating mentor partnerships with business experts willing to share their knowledge. Funding is not necessarily guaranteed, though businesses are exposed to already established networks of investors. Accelerators thus often give businesses access to larger potential funders.

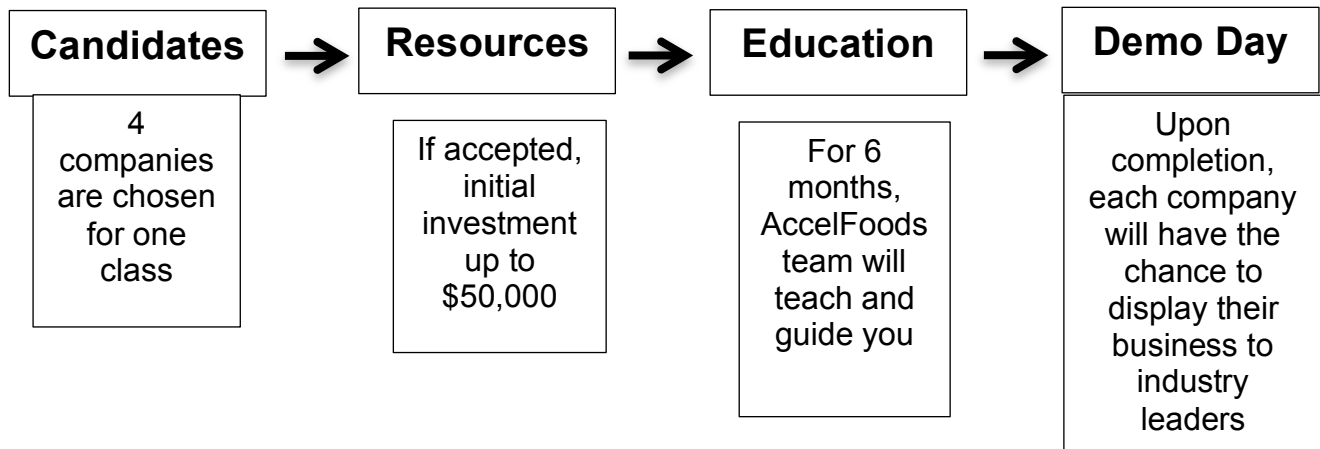
² Get2Growth. (2013, October 12). *Defining Startup Accelerator, Business Incubator...* Retrieved from <http://get2growth.com/startup-program-definitions/>

AccelFoods

<http://accelfoods.com/>

How it works:

AccelFoods is an accelerator for packaged food & beverage startups. They provide functional and financial support to help you accelerate your growth.



Funding focuses on:

Packaged food & beverage entrepreneurs

Funding limit:

If accepted, initial investment \$18,000-\$50,000 depending on annual revenue upon entry. Upon completion of the program, most companies will be eligible to receive additional investment of \$100,000-\$200,000.

Qualifications:

Must be positioned to sell your product through retail or foodservice channels and have an annual income of \$100,000-\$500,000

Financing geographic area:

United States

Food Hatch

<http://foodhatch.co/>

How it works:

Food Hatch is a food focused accelerator which provides seed and early stage funding to food-related businesses. Companies apply through their website and if accepted, a Food Hatch team will guide and mentor the company to become a successful business (5 companies will be accepted at any given time within the program).

What Food Hatch brings to the table...

Funding	Sales Strategy
Guidance & Execution	Operational Efficiencies
Marketing	Corporate Law & Legal
Branding Strategy	Technology
Product Design & Development	Corporate Finance

Funding focuses on:

Food-related businesses

Funding limit:

\$18,000- \$35,000

Qualifications:

Must be food related businesses

Financing geographic area:

United States and outside of U.S.

Section 4: Miscellaneous Resources

7-Eleven

<http://corp.7-eleven.com/InTheCommunity/HowWeGive/tabid/207/Default.aspx>

How it works:

7-Eleven generally limits and directs its support to organizations that the company and its franchises select and solicit based on their giving guidelines (similar to grant funding).

Support	Do Not Support
501(c)(3) nonprofit organizations and government agencies	Religious or political organizations
	General operating, multi-year commitments or capital, building or endowment campaigns
Support communities where 7-Eleven operates stores	Sponsorships for individuals
	Organizations that discriminate on the basis of race, religion, sex, or national origin

Funding focuses on:

Safety, education, health & wellness, and community revitalization

Funding limit:

Not specified

Qualifications:

Must be solicited requests

Financing geographic area:

United States and Canada

Arthur Ventures

<http://arthurventures.com/>

How it works:

Arthur Ventures invests for early-stage companies that help solve clearly defined problems by leveraging the power of technology as a business amplifier and accelerator. Simply submit a business plan through their website.

Funding focuses on:

Software technology opportunities in sectors which include: enterprise technology and web-enabled services, healthcare, and agriculture and energy.

Funding limit:

\$250,000-\$3,000,000 (average: 1-2 million)

Qualifications:

Not specified

Financing geographic area:

U.S. Great Plains and Upper-Midwest region, but not limited to them; past funded states: WA, MN, ND, NH, AZ, and WI

Robert Wood Johnson Foundation

Culture of Health Prize

<http://www.countyhealthrankings.org/roadmaps/prize/>

How it works:

The Culture of Health Prize awards programs that raise awareness and advocate for locally driven change across the nation. A food hub involving a large component of its work towards community health would be a good candidate for this position.

Funding focuses on:

The Culture of Health Prize focuses on projects that

Define health in the broadest possible terms
Commit to sustainable system changes and policy oriented long-term solutions
Cultivate the importance of equal opportunity for health
Harness the collective power of leaders, partners, and community members
Secure and make the most of available resources
Measure and share progress and results

Funding Limit:

Ten \$25,000 grants will be awarded to ten separate projects.

Qualifications:

Must be a community such as a town, city, county, tribe or tribal community, or a region (such as contiguous towns, cities, or counties). Additionally, the community must have a local U.S. government or tax-exempt public charity accept the grant on the community's behalf.

Financing geographic area:

United States

Fair Food Network

<http://www.fairfoodnetwork.org/fairfoodfund>

How it works:

Fair Food Fund fuels entrepreneurship in the food system through loan financing and business assistance.

Funding focuses on:

Aggregation, storage, or distribution of local food

Funding limit:

\$50,000-\$500,000

Qualifications:

Is My Enterprise Eligible for FFFNE Support?

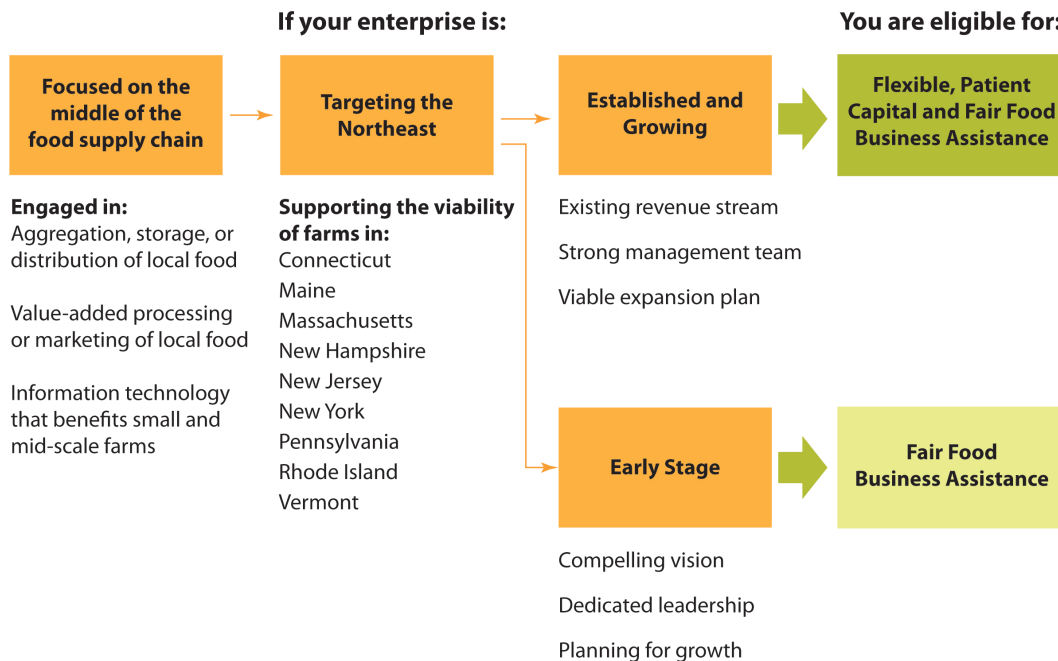


Image from <http://www.fairfoodnetwork.org/fairfoodfund/entrepreneurs>

Financing geographic area:

U.S. Northeast region (to be in Michigan tentatively fall of 2014)

Farm Aid

Farm Aid Grant Program

http://www.farmaid.org/site/c.qll5lhNVJsE/b.2723745/k.9953/Grant_Guidelines.htm

How it works:

The Farm Aid Grant Program aims to aid “on-the-ground partners” in the movement to keep farmers producing good food for all.

Funding focuses on:

The grant program has three areas including:

Helping farmers thrive
Taking action to change the system
Growing the good food movement

A prospective food hub has the potential to fall under any of these three project areas.

Funding limit:

Typically, grants range between \$3,000 - \$10,000.

Qualifications:

Only IRS 501(c)(3) tax-exempt nonprofit organizations may apply. An applicant must submit a full proposal by May 1st of each year.

Financing geographic area:

United States

Ben and Jerry's Foundation

Grassroots Organizing for Social Change Program

<http://benandjerrysfoundation.org/the-grassroots-organizing-for-social-change-program/>

How it works:

The Grassroots Organizing for Social Change Program offers project support to non-profit organizations that strive to commit to the broader goals of social and environmental justice, and sustainable and just food systems.

Funding focuses on:

The Grassroots Organizing for Social Change Program states that the project priority strategies must include:

Community & ally outreach
Leadership development
Constituent empowerment & decision-making
Popular education
Root cause analysis
Power analysis
Campaign development
Mobilizing constituents & allies
Coalition building
Direct action

Funding limit:

One-year grants max out at \$20,000 for organization who have a budget under \$500,000.

Qualifications:

Organizations must have 501(c)3 status, or have a fiscal agent with this status.

Financing geographic area:

United States

Greenstone Farm Credit Services

<http://www.greenstonefcs.com/Pages/default.aspx>

How it works:

Greenstone Farm Credit Services, located in East Lansing, Michigan, provides loan programs and financial services to the agricultural industry.

Loans and financial services Greenstone offers:

Loan Programs	Financial Services
Operating	Crop Insurance
Real Estate	Life Insurance
Equipment	Disability Insurance
AgDirect (agricultural equipment)	Tax Services
AgriBusiness	Accounting Services & Software
Leasing	Commercial Credit Card
	Farm Cash Management
	Funds Held

Funding focuses on:

Agriculture industry for rural communities

Funding limit:

Varies by programs and eligibility

Qualifications:

Varies by programs and services

Financing geographic area:

Michigan and Northeast Wisconsin

Lending Club

<https://www.lendingclub.com/>

How it works:

Lending Club is a peer-to-peer lending entity - an online financial community that brings together creditworthy borrowers and investors.



Borrowers apply for loans.
Investors open an account.



Borrowers get funded.
Investors build a portfolio.



Borrowers repay automatically.
Investors earn & reinvest.

Image from <https://www.lendingclub.com/public/how-peer-lending-works.action>

Funding focuses on:

Consolidate debt, pay off credit cards, home improvement, business loans, and pool loans are offered

Funding limit:

Up to \$35,000

Qualifications:

Not specified

Financing geographic area:

United States

Northern Initiatives

<http://www.northerninitiatives.org/>

How it works:

Northern Initiatives is a Community Development Financial Institution (CDFI), a private financial institution that provides loans and business services to small business owners, entrepreneurs, and community organizations. CDFI is a federal program that helps promote access to capital and local economic growth in urban and rural low-income communities across the nation. There is at least one CDFI in each state.³

Business Services	Loan Programs
Capital to expand and launch businesses	Microloans- \$50,000 or less
Market expansion guidance	
Counseling for financial and operational aspects of businesses	Small Business Loans (SBA) - less than \$250,000
Online marketing services	Other Small Business Loans- \$50,000 to \$500,000
eCommerce solutions	USDA Business and Industry Loans
Training	CDC/504 Loan- equipment and real estate
Process support for manufacturers	

Funding focuses on:

Small business owners, entrepreneurs, and community organizations that enable the people and communities to thrive

Funding limit:

Varies by programs and eligibility

Qualifications:

Varies by programs and services

Financing geographic area:

Northern Michigan and Northeast Wisconsin

³ Community Development Financial Institution Fund. (2011, October 11). *Overview of What We Do*. Retrieved from http://www.cdfifund.gov/what_we_do/overview.asp

Northwest Michigan Farm and Food 20/20 Fund

<http://www.nwm.org/business/skills-alliances/agriculture-and-food-system-sector-alliance/farm-and-food-20-20-fund.html>

How it works:

The Northwest Michigan Farm and Food 20/20 Fund is a regional financing collaborative offering a continuum of investment and loan products tailored to small and mid-scale farms and food businesses.

Financing options	Description
Agriculture Individual Development Accounts	Matched savings program for capital building assets that results in farm and food business assets
TC Area Chamber Micro-Loan Fund	Gap financing
Northern Initiatives	Community-based economic development financing
Honor Bank	Community bank
American Farmland Trust Fund	Capital access available for purchase of farmland through easement agreements
As Local As Possible	Social investor-based capital access for triple bottom line businesses

Funding focuses on:

Beginning small and mid-scale farm/producer businesses; triple bottom line agriculture and food entrepreneurs; innovative production practices and diversified operations; land transfer options; typically annual sales under \$500,000

Funding limit:

Varies by lender and social investment options

Qualifications:

Varies by lender; Agriculture Individual Development Account, a matched savings program, requires eligible business proprietor to be loan eligible when meeting savings goal

Financing geographic area:

Northwest Michigan

Patagonia

<http://www.patagonia.com/ca/patagonia.go?assetid=2927>

How it works:

Patagonia supports small, grassroots, activist organizations with provocative direct-action agendas (similar to grant funding).

Funding focuses on:

Environmental-related work (click each topic for more detail):

1. [Alternative Energy](#)
2. [Biodiversity](#)
3. [Forests](#)
4. [Media/Publications](#)
5. [Resource Extraction](#)
6. [Social Activism](#)
7. [Sustainable Agriculture](#)
8. [Toxics/Nuclear](#)
9. [Water/Marine](#)

Funding limit:

Up to \$12,000

Qualifications:

Must be 501(c)(3) organization status

Financing geographic area:

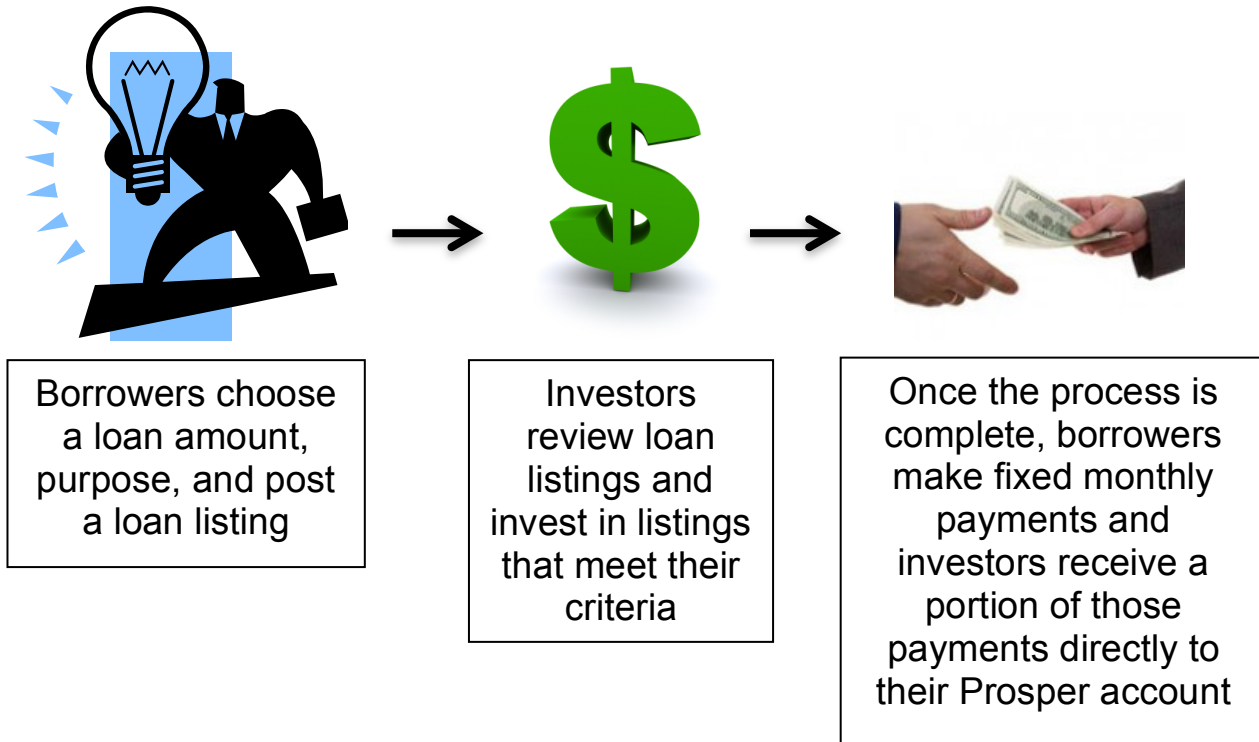
United States

Prosper

<http://www.prosper.com/>

How it works:

Prosper is a peer-to-peer lending entity - an alternative to traditional loans and investing options.



Funding focuses on:

Loan types: debt consolidation, home improvement, personal for business use, auto & vehicle, short term & bridge, energy efficiency initiative loans, and more.

Funding limit:

\$2,000-\$35,000

Qualifications:

Not specified

Financing geographic area:

United States

ShadeFund

<http://www.shadefund.org/home.htm>

How it works:

ShadeFund provides loans across America to small businesses that conserve land and water resources.



Funding focuses on:

Entrepreneurs who work in forestry and forest products, small-scale agriculture, ecotourism, natural food and medicines, biomass, and energy efficiency

Funding limit:

\$5,000- \$50,000

Qualifications:

1. Both the applicant and the business must be located in the United States
2. Access to Internet
3. Registered in a commercial or credit union account to process payments
4. There is an origination fee of \$200 for loans up to \$20,000, then 1% of the loan amount above that

Financing geographic area:

United States with a focus on Natural Capital Investment Fund's core geography (WV, NC, VA, KY, OH, TN, GA, and SC)

Note: Outside of this service area, the ShadeFund works to leverage capital support from banks and community-based lenders prior to exclusively moving forward with a project. In Michigan, ShadeFund works with W.K. Kellogg Foundation, Michigan Farmers Market Association, and MSU Product Center.

Whole Foods Market

<http://www.wholefoodsmarket.com/mission-values/caring-communities/local-producer-loan-program>

How it works:

Whole Foods Market lends money through the Local Producer Loan Program to small, local, independent producers to help them expand their businesses. Applications are accepted online and at any time

Funding focuses on:

Capital expansion or expenditures (e.g. buy more animals, expand crops, or invest in new equipment or infrastructure)

Funding limit:

\$1,000-\$100,000 (startup businesses are up to \$25,000)

Qualifications:

1. Must meet Whole Foods Market's quality standards and standards for animal welfare
2. Have a viable business plan and adequate cash flow to service debt
3. Loan amount must not exceed 80% of the total project cost
4. Collateral required
5. Be a local producer of a high quality product

Desired qualifications:

1. Be expanding or broadening production, as opposed to starting a new venture or simply covering existing operating expenses
2. Be located within a few hours drive time of a Whole Foods Market store
3. Be an organic or animal compassionate producer
4. Have an existing, positive relationship with Whole Foods Market

Financing geographic area:

United States

Section 5: Additional Sources of Funding Information

- **Beginning Farmers** is a compilation of information resources on farm financing, finding land, business planning, agricultural production, marketing, and more for farmers, researchers, and policy makers. Farm financing includes the following grants and loans resources:

1. USDA loan programs
2. Other federal financial options
3. Public and private organizations funding
4. State loan programs
5. Farm Credit Cooperative system
6. Commercial lenders

<http://www.beginningfarmers.org/funding-resources/>

- **Sustainable Agriculture & Food System Funders** hosts a website with links to several resources intended to help NGOs navigate the philanthropic world, including:
 1. *Grantsdirect*: provides directories profiling foundations who work in various issue areas
 2. *Guidestar*: a national database of nonprofit organizations
 3. *Chronicle of Philanthropy*: highlight nonprofit news and list of grants nationwide
 4. *Foundation Center*: Its mission is to strengthen the nonprofit sector by advancing knowledge about U.S. philanthropy
 5. *SAFSF*: offers couple of hours a month for grant search assistance to NGOs who complete a form on their website

<http://www.safsf.org/resources/ngo-grant-resources/>

- **Food+Tech Connect** is a resource center for innovators and entrepreneurs in food, agriculture, health, and technology. The website provides information of the latest news, analysis, and research as well as connects and trains entrepreneurs through events.

<http://www.foodtechconnect.com/>

- **Local Food Lab** is a networking platform for professionals and businesses. Businesses can set up their own portfolio.

<https://www.localfoodlab.com/>

USDA, National Institute of Food and Agriculture

Agriculture and Food and Research Initiative (AFRI): Agricultural Economics and Rural Communities

http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_nifa2_content.html

How it works:

This grant supports projects related to **agricultural and rural economies**, specifically in the areas of **research, education, extension, entrepreneurship, and markets and trade**.

Funding focuses on:

Research focusing on the benefit of small to mid-sized farms and rural communities. Examples include developing farm decision making tools, identifying the affects of input costs, and developing sustainable business strategies.

Funding Limit:

Maximum of \$500,000 over a 5-year period.

Qualifications:

Universities may apply as well as other organizations depending on the project, for more information refer to the website above.

Financing geographic area:

United States

USDA, National Institute of Food and Agriculture

Agriculture and Food and Research Initiative (AFRI): Improved Sustainable Food Systems

<http://www.nifa.usda.gov/funding/afri/afri.html>

How it works:

This grant funds projects related to **research, education, and extension related to sustainable local and regional food systems** seeking to improve US **food security** and the **local economy**. A food hub or food hub related business aiming to research its role as a sustainable actor would be a good candidate for this grant.

Funding focuses on:

Community development strategies, local and regional food systems that help foster US food security, conferences and workshops, etc.

Funding limit:

Varies by year, in 2010 grant funds capped at \$5,000,000 over five years. For more information, refer to the website above.

Qualifications:

Much be a higher education institution

Financing geographic area:

United States

USDA, National Institute of Food and Agriculture

Beginning Farmer and Rancher Development Program

<http://www.nifa.usda.gov/funding/bfrdp/bfrdp.html>

How it works:

This grant seeks to fund organizations that **train, educate, and provide technical assistance to new farmers or ranchers**. A food hub or food hub related business starting up or new to agriculture and farming may apply for this program.

Funding focuses on:

Helping new farmers and ranchers work on production, marketing, business management, legal strategies, and other critical needs to managing a successful operation.

Funding Limit:

Standard grants may be up to \$250,000 per year for up to 3 years.

Qualifications:

State, Tribal, local, or regionally-based networks or partnerships of public and private entities.

Financing geographic area:

United States

USDA, Rural Development

Business and Industry Guaranteed Loan Program (B&I)

http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_rd3_content.html

How it works:

This loan program provides new and existing businesses in rural communities **the access to affordable capital**. USDA guarantees quality **loans** with private lenders, essentially co-signing the loan, lowering interests and providing favorable loan terms for the recipient.

Funding focuses on:

For this particular project, the USDA noted:

“The 2008 Farm Bill placed a special emphasis on supporting businesses that establish and facilitate the processing, distribution, aggregation, storing and marketing of locally or regionally produced food products.”

This means that a prospective food hub or food hub related would be an ideal candidate for this grant!

Funding limit:

Loans may be up to \$10 million, some exceptions allow up to \$40 million.

Qualifications:

Cooperatives, non-profit organizations, corporations, partnerships, or other legal entities; Indian tribes; public bodies; or individuals.

Financing geographic area:

United States

USDA, Rural Development

Community Facilities Grant and Loan Program

Grant Program: http://www.rurdev.usda.gov/HAD-CF_Grants.html

Loan Program: http://www.rurdev.usda.gov/HAD-CF_Loans.html

How it works:

This program offers either grants or loans to help with the development of community facilities.

Funding focuses on:

The **construction, enlargement, or improvement** of a **community facility** related to **health care, public safety, and community and public services**, this may include food hubs or food hub related businesses. The funds may cover the cost to acquire land, pay necessary professional fees, purchase equipment, and targets rural towns with a population of no more than 20,000 people.

Funding limit:

Grant assistance is available to cover up to 75% of total project costs. Projects will be selected on a priority point system; priority is given to projects that serve

1. small communities and
2. low-income communities

Loans follow specific interest rates depending on the median household income of the area being served and the type of project being held.

Qualifications:

Grants and loans are available to public entities such as municipalities, counties, and special-purpose districts, as well as to non-profit corporations and tribal governments.

Financing geographic area:

United States

USDA, National Institute of Food and Agriculture

Community Food Projects Competitive Grants Program (CFPCGP)

<http://www.nifa.usda.gov/fo/communityfoodprojects.cfm>

How it works:

This program seeks to fund three types of projects:

1. Community Food Projects,
2. Planning Projects, and
3. Training and Technical Assistance Projects

These three types of projects could all be a food hub or a food hub related business.

Funding focuses on:

Projects that meet the needs of low-income individuals through food distribution and access, and community outreach to assist in participation of Federal nutrition programs. Projects may also focus on the equipment necessary for the efficient operation of a project as well as the creation of innovative marketing activities that jointly benefit agricultural producers and underserved communities.

Funding Limit:

Up to \$250,000,000.

Qualifications:

Public food program service providers may apply, as well as tribal organizations, or private nonprofit entities.

Financing geographic area:

United States

USDA, Farm Service Agency

Farm Storage Facility Loan Program

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=flp-fp>

How it works:

This loan program grants low-interest loans to finance the **implementation or expansion of permanent storage facilities**. A food hub or food hub related business seeking to establish or improve its storage facilities is eligible to apply for this loan program.

Funding focuses on:

Eligible commodities include:

grains
oilseeds
peanuts
pulse crops
hay
honey
renewable biomass commodities
fruits and vegetables

Additionally, the loan will also cover the equipment needed to wash, treat, and pack fruits and vegetables.

Qualifications:

An extensive and complete eligibility fact sheet may be found here :

http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20140310_frnl_n_en_prg.html

Funding Limit:

Loans range from \$50,000 to \$100,000. Interest rates range from 2.125% - 2.625%.

Financing geographic area:

United States

USDA, Food and Nutrition Service

Farm to School Grant Program

<http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf-grants-fns5-content.html>

How it works:

This grant funds projects that **aid schools' access to local food**. Additionally, projects provide **educational activities** dealing with food, farming, and nutrition. A food hub or food hub related business wishing to work with a school would be a good candidate for this grant.

Funding focuses on:

Bringing local and regional produce into the school's cafeteria; non-formal educational activities such as the implementation of school gardens, visits to local farms, and culinary classes; and the establishment of education related to food in the classroom.

Funding Limit:

Grants range from \$20,000 to \$100,000. A 25% project match rate is required.

Qualifications:

Eligible school may apply, as well as State and Local agencies, Indian Tribal Organizations, agricultural producers or groups of agricultural producers, and non-profit entities.

Financing geographic area:

United States

USDA, Agricultural Marketing Service

Farmers Market Promotion Program (FMPP)

<http://www.ams.usda.gov/AMSV1.0/FMPP>

How it works:

This grant program seeks to **increase domestic consumption and access** to locally and regionally produced agricultural products by **developing direct producer-to-consumer market opportunities**. This may include the establishment or improvement of a food hub or a food hub related business.

Funding focuses on:

The development of new opportunities for farmers and ranchers working with:

the improvement of domestic farmers markets
roadside stands
community-supported agriculture programs
agro-tourism activities
other direct producer-to-consumer market opportunities

Qualifications:

Agricultural businesses, agricultural cooperatives, community support agriculture networks and associations, economic development corporations, non-profit corporations, public benefit corporations, etc.

Funding Limit:

Minimum of \$15,000 up to maximum of \$100,000.

Financing geographic area:

United States

USDA, Agricultural Marketing Service

Federal-State Marketing Improvement Program (FSMIP)

<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateC&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=FSMIP&description=Federal%20State%20Marketing%20Improvement%20Program>

How it works:

Grant funding is used to delve into the possibilities of **marketing, transporting, and distributing food products**. The program seeks to fund projects that explore **new market opportunities** for the U.S. food and agricultural marketing system. As a requirement, a local organization and the State's Department of Agriculture **must partner together**.

Funding focuses on:

Although funding opportunities are broad, some may include:

- developing business plans for food hubs,
- building online marketing tools,
- and determining market demand for local products.

Funding Limit:

While there is no maximum grant limit, grants typically range from \$25,000 - \$135,000.

Qualifications:

State Departments of Agriculture are eligible to apply, however, they typically partner with local organizations. See your State Department of Agriculture for more information.

Financing geographic area:

United States

USDA National Institute of Food and Agriculture

Higher Education Challenge (HEC) Grants Program

<http://www.csrees.usda.gov/fo/highereducationchallenge.cfm>

How it works:

The HEC Grants Program will award funding to projects that address a problem at the state, regional, national, or international level. A project related to food hub research and/or outreach would be a good candidate for this position.

Funding focuses on:

More specifically, this grant program seeks to aid projects that...

1. addresses an educational need at the state, regional, national, and international level
2. involves creative and/or non-traditional education practices to address the issue
3. enforces and encourage relationships between institutions
4. is sustainable

Funding limit:

The range of awards typically range between \$30.00 - \$750.00

Qualifications:

1862, 1890, and 1994 Land-Grant Institutions, as well as Hispanic-Serving Institutions, and other State Controlled Institutions of Higher Ed.

Financing geographic area:

United States

USDA, Agricultural Marketing Service

Local Food Promotion Program (LFPP)

<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateA&navID=WholesaleandFarmersMarkets&leftNav=WholesaleandFarmersMarkets&page=LFPP&description=Local%20Food%20Promotion%20Program&acct=fmpp>

How it works:

LFPP offers grant funds with a 25% match to support the development and expansion of **local and regional food business enterprises** (i.e. food hubs or food hub related businesses) to **increase domestic consumption and access** to locally and regionally produced agricultural products, and aids in developing **new market opportunities** for farm and ranch operations serving local markets.

Funding focuses on:

The program is divided into two types of grants – a “**planning**” grant and a “**implementation**” grant, for more information regarding what category you would fall under, visit the website noted above.

Qualifications:

Agricultural businesses, agricultural cooperatives, community support agriculture networks and associations, economic development corporations, non-profit corporations, public benefit corporations, etc.

Funding Limit:

- LFPP Planning grants are used to implement the planning or expansion of a local and regional food business enterprise. A minimum of \$5,000 and a maximum of 25,000 will be granted.
- LFPP Implementation Grants are used to establish a new business enterprise. A minimum of \$25,000 and a maximum of \$100,000 will be awarded.

Financing geographic area:

United States

Michigan Economic Development Corporation (MEDC)

Michigan Translational Research Acceleration and Commercialization Fund (M-TRAC) Program

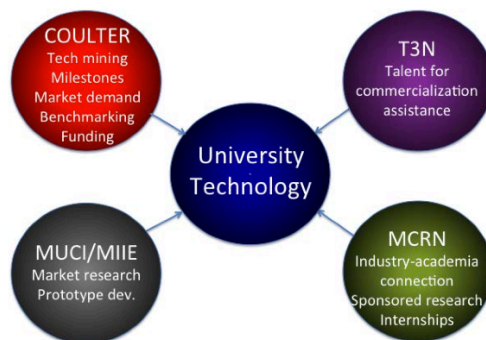
http://www.michiganbusiness.org/cm/Files/Public-Notices-Requests-for-Proposals/2012_M-TRAC_RFP/MTRAC-2012-RFP.pdf

How it works:

This grant project seeks to **commercialize university research into high-tech jobs and companies in Michigan**. A university researching food hubs who is interested in the actual implementation of such research may be interested in this grant.

Funding focuses on:

This grant uses the Coulter Process in order to strategically commercialize a university's research and knowledge. Additionally, M-TRAC seeks to aid in the research of a university technology as seen in the diagram below.



Funding limit:

Up to \$300,000

Qualifications:

A university may submit up to two proposals

Financing geographic area:



USDA, Rural Development

Rural Business Enterprise Grants (RBEG) Program

http://www.rurdev.usda.gov/bcp_rbeg.html

How it works:

This program aims to fund projects that aid in the **development of small and emerging rural businesses** such as food hubs or food hub related businesses, help **finance distance learning**, and aid funding in **employment related adult education programs**.

Funding focuses on:

This program funds a wide array of projects, particularly projects that benefit small and emerging private businesses in rural areas. Potential examples of grants related to food hubs include the following:

Acquisition or development
of land

machinery or equipment

construction

parking areas or utilities

training or technical
assistance

conversion or
renovation of buildings or
facilities

and general project planning

Funding Limit:

Project grants typically range from \$10,000 up to \$500,000. Smaller projects are given higher priority.

Qualifications:

Rural public entities may apply (e.g. towns, communities, State agencies, and authorities) as well as Indian tribes and rural private non-profit corporations.

Financing geographic area:

United States

USDA, Rural Development

Rural Business Opportunity Grants (RBOG)

http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_rd2_content.html

How it works:

This grant program provides **training and technical assistance** to the recipient with an aim at strengthening the local economy through regional food systems. A food hub or food hub related business seeking technical assistance would be a good candidate for this grant. The program grants priority to rural communities.

Funding focuses on:

Regional planning and development focused on food systems
Market development research
Business training
Establishing business incubators

Funding limit:

Maximum of \$25,000

Qualifications:

Local governments, economic development organizations, non-profit organizations, Indian tribes, and cooperatives.

Financing geographic area:

United States

USDA, Rural Development

Rural Cooperative Development Grants (RCDG)

http://www.rurdev.usda.gov/bcp_rcdg.html

How it works:

The RCDG program seeks to aid the **economic development of rural communities** by establishing of **cooperative development centers**. In other words, this program seeks to fund the creation or improvement of food hubs or food hub related businesses.

Funding focuses on:

Additionally, the RCDG program seeks to support other activities like new farmer training, market research, business development, and outreach.

Funding limit:

Maximum of \$225,000

Qualifications:

Non-profit organizations or a higher education institution.

Financing geographic area:

United States

USDA, Rural Development

Rural Economic Development Loan and Grant (REDLG)

http://www.rurdev.usda.gov/BCP_redlg.html

How it works:

The REDLG program provides funding to **rural projects** that **create or retain rural jobs**, food hubs seeking establishment in rural zones would be good candidates for this grant or loan program. Under the REDLoan program, USDA provides zero interest loans to local utility companies who administer loans to the recipients of this REDLG program. Ultimately, as a REDLG recipient, you would repay your loan back to the local utility company.

Funding focuses on:

Business Incubators
Community Development Assistance to non-profits and public bodies (particularly job creation or enhancement, which could include food hubs and food hub related businesses)
Facilities and equipment for education and training for rural residents to facilitate economic development

Funding limit:

For the fiscal year of 2014, \$91 million is available for loans and \$10 million for grants.

Qualifications:

- Have borrowed and repaid or pre-paid an insured, direct, or guaranteed loan received under the Rural Electrification Act or,
- Be a not-for-profit utility that is eligible to receive assistance from the Rural Development Electric or Telecommunication Program
- Be a current Rural Development Electric or Telecommunication Programs Borrower

Financing geographic area:

United States

USDA, Rural Development

Rural Energy for America Program - Renewable Energy System and Energy Efficiency Improvement Guaranteed Loan and Grant Program

http://www.rurdev.usda.gov/BCP_ReapResEei.html

How it works:

The Rural Energy for America Program helps assist agricultural producers and rural small businesses **purchase, install, and construct renewable energy systems**. A food hub business may be interested in this program if it seeks or currently works with renewable energy sources.

Funding focuses on:

Funding provides assistance to renewable energy projects dealing with:

renewable biomass	anaerobic digesters	geothermal for electric generation
geothermal for direct use	hydroelectric	hydrogen
small and large wind	small and large solar	ocean energy efficiency

Funding limit:

- The minimum Renewable Energy System Grant request is \$2,500, maximum is up to \$500,000.
- The minimum Energy Efficiency Improvement Grant request is 1,500, maximum is up to \$250,000.
- The maximum REAP Guaranteed Loan is \$25 million per loan request.

Qualifications:

Must be an agricultural producer where 50% or greater of gross income comes from working with crops, livestock, forestry products, hydroponics, nursery, and aquaculture.

Financing geographic area:

United States

USDA, National Institute of Food and Agriculture

Small Business Innovation Research (SBIR)

<http://www.nifa.usda.gov/funding/sbir/sbir.html>

How it works:

This grant funds **small businesses** the opportunity to research their **technological potential**. A food hub or food hub related business researching technological innovations with the **potential at commercializing such research** would be a good candidate for this research grant.

Funding focuses on:

Research should seek to identify technological innovations, implement the commercialization of these innovations, and encourage participation by socially and economically disadvantaged persons.

Qualifications:

Small businesses or proprietorships, this could include a food hub or a food hub related business. There are three project phases; for more information, visit the website above.

Funding limit:

Each phase of the project has a different funding limit ranging from \$100,000 to \$450,000.

Financing geographic area:

United States

USDA Rural Development

Small Socially-Disadvantaged Producer Grant (SSDPG)

http://www.rurdev.usda.gov/bcp_ssdpg.html

How it works:

The goal of this grant program is to assist small and socially-disadvantaged agricultural producers with technical assistance through cooperative development centers. A food hub considered a cooperative or a cooperative development center seeking to assist socially-disadvantaged agricultural producers would be eligible to apply for this grant.

Funding focuses on:

The funds must go to socially-disadvantaged producers in rural areas in need of technical assistance.

Qualifications:

Must be a cooperative or a cooperative development center.

Funding Limit:

Maximum grant amount is \$200,000.

Financing geographic area:

United States

State of Michigan
Department of Agriculture and Rural Development

Specialty Crop Block Grant Program

http://www.michigan.gov/mdard/0,1607,7-125-1568_51684---,00.html

How it works:

This is a grant administered by each State's Department of Agriculture. The State Department of Agriculture will grant funds to competitive specialty crops. Specialty crops are described as **fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture)**. Food hubs or food hub related businesses working with a specialty crop may consider applying for this grant program.

Funding focuses on:

The program aims to improve the competitiveness of specialty crops pertaining to the issues of:

- Food Safety
- Marketing
- Nutrition
- Plant Health
- Value Added/Industry Development

Qualifications:

Funds will only be awarded to stakeholders who focus on the promotion of specialty crops.

Funding Limit:

Varies by state

Financing geographic area:



State of Michigan
Department of Agriculture and Rural Development

Strategic Growth Initiative (SGI) Grant Program

http://www.michigan.gov/mdard/0,1607,7-125-1568_51684---,00.html

How it works:

The goal of the grant is fund projects that provide a **positive impact on the Michigan food and agriculture industry.**

Funding focuses on:

MDARD's SGI Grant Program seeks to fund projects that aims at increasing:

- the economic impact of the food and agriculture industry
- agriculture exports
- food and agricultural jobs
- improving access to healthy foods
- sustainable food and agriculture systems

Funding limit:

Grant maximum is \$200,000; additionally, only one proposal per applicant will be considered.

Qualifications:

- Groups eligible to apply are: agricultural cooperatives, producer networks, producer associations, non-profits, business entities, economic development agencies, and educational institutions.
- Must submit an abstract, limit of two pages. A decision will be made within 30 days of submission.

Financing geographic area:



USDA, National Institute of Food and Agriculture

Sustainable Agriculture Research and Education (SARE)

http://www.usda.gov/wps/portal/usda/usdahome?contentid=kyf_grants_nifa6_content.html

How it works:

This competitive grant aims to improve sustainable innovations in American agriculture.

Funding focuses on:

Four grants are offered including:

1. research and education grants
2. professional development grants
3. producer grants
4. others depending on the region

Funding Limit:

Varies by state, although depending on the type of project, funds typically range from \$1,000 to \$200,000.

Qualifications:

Non-profit organizations, researchers and individual producers.

Financing geographic area:

United States

Michigan Initiative for Innovation & Entrepreneurship (MIIE)

Talent, Innovation & Entrepreneurship Fund

<http://miie.org/about.html>

How it works:

Michigan Initiative for Innovation & Entrepreneurship (MIIE) is an association of all 15 Michigan Public Universities working **together to help foster an economy based on new entrepreneurship and innovation**. The universities work together with foundations, economic development organizations, government agencies, and private enterprises to research and enhance Michigan's economy.

Funding focuses on:

Funds for this grant go towards supporting Michigan's **entrepreneurship development**. This fund seeks to leverage assets in the university such as people, expertise, infrastructure, curriculum, etc. into a project that fosters **economic development** for Michigan. A group of people in a university working collaboratively with a partner agency on a food hub or food hub related business could apply for this grant.

Funding Limit:

Maximum of \$100,000 per project

Qualifications:

Proposals will only be accepted from the 15 Michigan Public Universities. Projects collaborating with partner institutions are encouraged.

Financing geographic area:



Michigan Initiative for Innovation & Entrepreneurship (MIIE)

Technology Commercialization Fund

<http://miie.org/about.html>

How it works:

Michigan Initiative for Innovation & Entrepreneurship (MIIE) is an association of all 15 Michigan Public Universities working together to help foster an economy based on **new entrepreneurship and innovation**. The universities work together with foundations, economic development organizations, government agencies, and private enterprises to **research and enhance Michigan's economy**.

Funding focuses on:

Funds for this grant go towards supporting a university-owned **technology out of the university and into the marketplace**. A food hub business model or concept seeking to put theory to practice (in other words, actually establishing a food hub or a food hub related business) may apply for this grant. A food hub online market tool would be a great candidate.

Funding Limit:

Maximum of \$150,000 per project, a 50% project match is required.

Qualifications:

Proposals will only be accepted from the 15 Michigan Public Universities. Projects collaborating with partner institutions are encouraged.

Financing geographic area:



Michigan

Michigan Small Business Development Center

The Business Accelerator Fund

<http://www.sbdcmichigan.org/baf/>

How it works:

Funds seek to award specialized businesses in the state of Michigan **acceleration services commercializing in advanced technologies**. A food hub in the early stages of business development using advanced technologies would be a good candidate for this grant.

Funding focuses on:

Making business accelerator services available to early stage technology companies, aid high-target projects seen as a priority to the Michigan economy, build relationships between new companies and strategic partners, and provide business consulting.

Qualifications:

Business accelerators may have their own selection criteria, see the website above for more information.

Funding Limit:

Up to \$50,000

Financing geographic area:



USDA, Rural Development

Value-Added Producer Grants (VAPG)

http://www.rurdev.usda.gov/BCP_VAPG.html

How it works:

The VAPG grant program helps agricultural producers enter into **value-added activities** and process or **market value-added products**. A food hub or food hub related business interested in agricultural value-added activities or products should consider taking a closer look at this grant.

Funding focuses on:

Projects that implement business plans, identify market feasibility of bottled milk, evaluate benefits of marketing and selling meat as opposed to live animals, and expand that market capacity of local and regional food systems.

Funding limit:

Between \$100,000 and \$500,000 depending on what stage the project is on.

Qualifications:

Independent producers, farmer or rancher cooperatives, agricultural producer groups, and producer-owned business ventures, including non-profit organizations.

Financing geographic area:

United States

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