

## AMERICA'S FAMILY FARMERS FINDING "SEED CAPITAL" IN A NEW PLACE: THE RISE OF COMMUNITY INVESTING

*Non-Traditional Financial Sources Aid Otherwise Underserved Ag Operations;  
Nine Institutions Recognized for Focus on Lending & Business Assistance*

WASHINGTON, D.C.///September 28, 2004///A network of seven organic dairies in Oregon ... a third-generation vegetable farm in Maine ... and a Hispanic, woman-owned, specialty-food growing and processing operation in New Mexico. These are just some of the small and family farm operations across America that are finding much needed expansion funds and business growth counseling from a relatively new and fast-rising source: "community investing."

In recognition of this agriculture financial trend, the Community Investing Program, a project of the Social Investment Forum Foundation and Co-op America, singled out nine organizations from across the United States that **"best exemplify the building of economic opportunity for small farmers through community investing."** The nine organizations recognized today by the Community Investing Program for their support of family farmers are: Coastal Enterprises, Inc. (Wiscasset, ME); Mountain Association for Community Economic Development (Berea, KY); New Mexico Community Development Loan Fund (Albuquerque, NM); Northcountry Cooperative Development Fund (Minneapolis, MN); Rudolph Steiner Foundation (San Francisco, CA); Self-Help Credit Union (Durham, NC); ShoreBank Pacific (Ilwaco, OR); Southern Development Bancorporation (Arkadelphia, AR); and Vermont Community Loan Fund (Montpelier, VT).

In this context, "community investing" refers to financing and other assistance provided by individual investors, banks, credit unions, loan funds, venture capital firms, foundations and other organizations. The help supports smaller family farms that often are overlooked by "traditional" financial institutions. The support that community investing and business assistance gives to farmers is particularly important in difficult economic times such as the present, where a slow economic recovery has not yet reached or altogether bypassed many rural areas.

Jean Pogge, Community Investing Program chair and senior vice president of Mission-Based Deposits for ShoreBank, America's first and leading community development and environmental banking corporation, said: **"Small farming is moving into a much more entrepreneurial space, where a focus on organics and niche markets are becoming more and more popular. Capital is vital to these endeavors. With rapidly changing markets, receiving information in a timely and effective manner to help design business plans has also become crucial to farmers. Community investing helps provide the needed capital and information; it now plays a key role in the growth and success of small farmers throughout the country. Community investing is a powerful tool – not just for basic loans but also for organizational assistance, partnerships and coops, along with marketing materials. "**

Wally Holmgren, owner of Holmgren Dairy in Myrtle Point, Oregon and Shorebank Pacific lendeer said: **I run a successful organic dairy farm, currently milking 225 cows every day. Shorebank Pacific has been instrumental in helping my farming business grow. Several**

**banks we contacted were not interested in helping us with our loan. Then I remembered an individual who had come out to visit the farm from Shorebank Pacific. You can't imagine my surprise when, in my first phone call to them, they said yes. 'Come over – we'll help you figure this out and make it work.' Simply put, they were just there to help us."**

Sid Stutzman, owner of Stutzman's Vegetable Farm in Sangerville, Maine and recipient of a grant from Coastal Enterprise's Maine Farms Program said: **"The Maine Farms Program really helped our farm. We're in our third generation – it was time to make some changes. Everything from methods and practices to equipment had been handed down through generations. The program helped us make our farm even more successful."**

A 2003 study from the Social Investment Forum shows that community investing is the fastest-growing category of socially responsible investing in the United States: Total assets held by community development financial institutions (CDFIs) nearly doubled from \$7.6 billion to \$14 billion between 2001 and 2003.

### **EXAMPLES OF LENDING TO SMALL/FAMILY FARMS**

Examples of the work of the groups being honored today include the following:

- *Holmgren Dairy of Myrtle Point, OR.* - This farm is one of seven organic dairies in the Coquille Valley of Oregon. When in full production, the pasture-based operation will support 325 head of Jersey cows. The milk produced is sold under the Organic Valley label through the Coulee Regional Organic Produce Pool (CROPP), a co-operative group of over 200 farm members in 13 states. ShoreBank Pacific in partnership with ShoreBank Enterprise Pacific (a non-profit lender) jointly helped finance loans to this farm family. This farm led the way in the valley to change from conventional to organic dairy farming. As of 2004, all but one dairy are organic in this valley. CROPP distinguishes itself in one very important way: all farms are pasture-based, which means cows graze outside in fields on grass instead of being in barns or feed lots during their producing lives.
- *Stutzman's Farm of Sangerville, ME.* Stutzman's is a family farm with a reputation for handpicked freshness in all the high quality fruits and vegetables it sells. It is a 100-acre, third generation vegetable farm selling wholesale potatoes and assorted vegetables and fruit. Their goal is to improve the economic viability of Stutzman's Farm so that it can be sustainable and maintained as a working farm into the next generation. This will be accomplished through a number of improvements and changes including transitioning from cultivating wholesale potatoes to higher grossing per acre retail vegetables. Improving and expanding the farm store, introducing labor-saving devices, and upgrading the soil tillage practices in order to conserve the soil. The Stutzmans received a \$25,000 grant through the Maine Farms Program's Farms for the Future (FFF) program, which is a program that CEI developed and now runs in partnership with the Maine Department of Agriculture. FFF provides substantive, individualized, team-based technical assistance leading to an investment-grade business plan (for a farmer who wants to innovate or expand operations in some manner). After the business plan is developed, the farms are

then eligible for a grant (of up to \$25,000 or 25 percent of the cost of implementing that business plan).

- *La Carreta Farm of Dixon, NM.* The New Mexico Community Development Loan Fund assisted this woman-owned and operated farm, which grows and produces high quality, organic specialty food products, including preserves, jams, syrups and vinegars, much of which is sold in area farmers' markets. *La Carreta* products are inspired by Southwestern traditions. Northern New Mexico is famous for its beautiful orchards. Its ancient waterways, called *acequias*, bring snow melt from the *Sangre de Cristo* mountains to the high valleys where our delicious fruits and herbs are grown. *La Carreta's* home is a small farm in the Embudo Valley. It is the scene of beautiful sunsets, summer thunderstorms, spring showers, rainbows, winter snows and periods of hot and cool summer weather. The company and the farm reflect a relationship with nature. No pesticides or artificial fertilizers are used. The products are a culmination of the experience of being with the fruit trees, irrigating the soil, and watching in continual wonder the way things grow.

For a fact sheet that provides detailed information about each of the nine organizations recognized today by the Community Investing Program, go to [www.communityinvest.org](http://www.communityinvest.org) on the Web.

## **HOW TO BECOME A COMMUNITY INVESTOR**

Any individual or institution can become a community investor. The Social Investment Forum Foundation and Co-op America encourage all investors to direct at least one percent of their assets to community investing. One of the most popular ways to invest in communities is by opening an account at a community development bank or credit union. Most investors open money market accounts or certificates of deposits. Checking and savings accounts, CDs and IRAs also may be provided through community development banks or credit unions, which will use the deposit to strengthen the local community. If there is not a community development bank or credit union in their local community, many investors open up accounts in community development financial institutions in other locales

Another approach is to invest in community development loan funds, pooled funds, and venture capital funds. These investments can support local or international projects that are serving low-income communities. For individuals and institutions wanting to invest in mutual funds, some mutual funds have a community investing component as well.

For a comprehensive list of community investing alternatives, go to <http://www.communityinvest.org> on the Web.

## **ABOUT THE COMMUNITY INVESTING PROGRAM**

The Community Investing Program is a joint partnership of the Social Investment Forum Foundation and Co-op America. The Social Investment Forum Foundation is a national nonprofit organization providing research and educational programs on socially responsible investing. Co-op America is a national nonprofit organization founded in 1982 that provides the economic strategies, organizing power and practical tools for businesses and individuals to address today's social and environmental problems. The program's Web site is <http://www.communityinvest.org>.

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**FOR MORE INFORMATION:** To hear a Web-based replay of the national news event held today, go to <http://www.communityinvest.org> after 6 p.m. EDT on September 28, 2004. A detailed fact sheet containing information on each of the nine honorees will also be available at the same Web site.