



Natural Capital Investment Fund



**NC GROWING TOGETHER**

Connecting Local Foods  
to Mainstream Markets

## Cold Storage Financing Program for Small to Mid-Scale and Limited Resource Farmers



**Natural Capital Investment Fund** and **NC Growing Together** (a project of the Center for Environmental Farming Systems) are teaming up to provide financing and support to small- and mid-scale and limited resource farmers to acquire portable or stationary cold storage units. A low interest loan from NCIF is paired with a NC Growing Together grant that “buys down” the cost of purchasing cold storage units.

### Why Cold Storage Units?

Cold storage is critical to extending the shelf life of fruits and vegetables. Every additional day gives a grower a chance to recoup the costs of production; time is indeed money! In addition to maintaining the freshness of produce, proper cold storage is essential for the safe distribution of dairy and meat items.

### Who's Eligible?

North Carolina farmers who:

- Earn at least 50% of their revenue from farming.
- Currently sell vegetables, fruit or other products that require cold storage into wholesale markets (beyond direct-to-consumer).
- Currently have no on-farm or mobile cold storage.
- Reported less than \$750,000 of gross revenue on their latest annual tax return.



### How Does the Financing Work?

#### Grant

The NC Growing Together grant will cover 20% of the cost of the unit, up to a maximum of \$3,000 per borrower. A grant of \$3,000 will be available for units costing more than \$15,000.

## How Does the Financing Work?

### Loan

- **Use of funds:** Purchase of a professionally-manufactured cold storage or forced air/vacuum cooling unit equipment, or construction of a cold storage unit.
- **Amount:** \$3,000-\$50,000 based on size and number of cold storage units.
- **Term** depends on loan size:
  - \$5,000 or less: 2 years (24 months)
  - \$5,000-\$25,000: 3-7 years (36-84 months)
  - \$25,000-\$50,000: 8-10 years (96-120 months).
- **Interest rate:** 4% annually for loans < \$10,000; market rate for loans > \$10,000 with 5 year interest rate reset.
- **Origination fee:** \$100 for loans up to \$10,000; 1% of loan amount for loans > \$10,000.
- **Collateral:** A first lien on the cold storage unit; additional collateral may be required for self-constructed units or purchased units > \$10,000.
- **Guarantee:** Personal guarantee by farmer.
- **Borrower equity:** A minimum of 5% required on loans >\$7,500.

## How Do I Participate?

- Obtain a quote or prepare an estimate for the purchase and installation of the unit.
- Consult with Mike Boyette at NC State ([mike\\_boyette@ncsu.edu](mailto:mike_boyette@ncsu.edu)), (919) 515-6790) on the design.
- Complete the [NCIF application with the Cold Storage Addendum](#). The NCIF application process includes a credit report and last 3 years tax returns.
- Participate in training on the use of cooling for post-harvest handling of produce or other perishables. Training will be provided by the Center for Environmental Farming Systems and partner organizations.
- Provide NCIF with annual tax returns including all statements for the life of the loan.
- Participate in NCIF data gathering related to use of the equipment and its impact on sales.

### For general inquiries or to get started, contact:

#### T.F. Congleton

Natural Capital Investment Fund  
[tcongleton@conservationfund.org](mailto:tcongleton@conservationfund.org)  
(252) 916-5211  
[www.ncifund.org](http://www.ncifund.org)

#### Rebecca Dunning

NC Growing Together  
[rebecca\\_dunning@ncsu.edu](mailto:rebecca_dunning@ncsu.edu)  
(919) 389-2220  
[www.ncgrowingtogether.org](http://www.ncgrowingtogether.org)

#### Rick Larson

Natural Capital Investment Fund  
[rlarson@conservationfund.org](mailto:rlarson@conservationfund.org)  
(919) 951-0113  
[www.ncifund.org](http://www.ncifund.org)

## Who is NCIF?

NCIF is a community development lender affiliated with The Conservation Fund specializing in natural resource and environmental enterprises, with North Carolina offices in Greenville, Chapel Hill, Winston-Salem and Asheville. NCIF supports the development of a thriving local food system with loans and business advisory services to growers, aggregators and end markets. We are committed to increasing the participation of limited resource and minority farmers in NC's local food system. Click [here](#) for more information or visit [www.ncifund.org](http://www.ncifund.org).

## Who is NC Growing Together?

NC Growing Together is a five-year (2013-2017) USDA-funded project that aims to expand the production and consumption of locally-produced foods by supporting growers' expansion into wholesale markets (market channels other than direct-to-consumer). The project is supported by the Agriculture and Food Research Initiative competitive grant no. 2013-68004-20363 of the USDA National Institute of Food and Agriculture. [www.ncgrowingtogether.org](http://www.ncgrowingtogether.org)