HARVESTING INVESTMENT DOLLARS FROM THE 99%
Cutting Edge Ways To Fund Your Food Business

March 15, 2012
Presentation Outline

- Technical Orientation
- NGFN Overview

Jeff Farbman
Wallace Center at Winrock International

- Harvesting Investment Dollars from the 99%
- Questions and Answers
- Upcoming Opportunities, etc.
Moving more good food to more people
NATIONAL GOOD FOOD NETWORK: VISION
NATIONAL GOOD FOOD NETWORK: GOALS

Supply Meets Demand
- There is abundant good food (healthy, green, fair and affordable) to meet demands at the regional level.

Information Hub
- The National Good Food Network (NGFN) is the go to place for regional food systems stories, methods and outcomes.

Policy Change
- Policy makers are informed by the results and outcomes of the NGFN and have enacted laws or regulation which further the Network goals.
Study and support regional aggregation and distribution entities “food hubs” across the country.

- Collaborate with USDA AMS, PPS, NAPMM and others
- Create a Resource Guide (Spring 2012)
- Establish and support a food hub Community of Practice
- Convene hub managers and supporters
- Provide technical assistance
- Document and communicate impacts, innovations, and models of success

http://foodhub.info
FIELD GUIDE TO THE NEW AMERICAN FOODSHED

Provide example-based education to producers and other participants in the food system to increase access to capital.

• Explain new opportunities for success in today’s market
• Illustrated by case studies
• Lenders can learn that their innovative investment is solid
• Comprehensive outreach program

• [http://foodshedguide.org](http://foodshedguide.org)
• November 2011 NGFN webinar – [http://ngfn.org/webinars](http://ngfn.org/webinars)
EVALUATING AND IMPROVING EDUCATIONAL INSTRUMENTS AND OUTREACH FOR BEGINNING FARMERS

Increase effectiveness of financial skills and business literacy of beginning farmers by supporting trainers.

• Collaboration with Farm Credit
• Collect a “toolkit” of top-quality resources
• Create and nurture a Community of Practice for trainers
• Create a rubric for evaluating training programs
• Targets the Southern US states
NATIONAL GOOD FOOD NETWORK: VISION
NATIONAL GOOD FOOD NETWORK: LOCATIONS
NATIONAL GOOD FOOD NETWORK

www.ngfn.org
contact@ngfn.org

... and for the Food Hub Collaboration:

www.foodhub.info
contact@foodhub.info
Presentation Outline

- Technical Orientation
- NGFN Overview
- Harvesting Investment Dollars from the 99%

Michael Shuman
Cutting Edge Capital
Business Alliance for Local Living Economies

- Questions and Answers
- Upcoming Opportunities, etc.
Harvesting Investment Dollars from the 99%

13 Cutting Edge Ways to Fund Your Food Business
Local Business Financing Today

- House
- Credit Cards
- Banks
- Equity Investors
25% Food Shift Opportunities: Boulder County (2012)

Jobs = 1,899

Wages = $81 million

Value Added = $138 million

Taxes = $12 million
Capital Requirements for 25% Shift in Boulder ($103M)

<table>
<thead>
<tr>
<th></th>
<th>Capital Needed</th>
<th>ST Savings</th>
<th>LT Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 Millions</td>
<td>$0</td>
<td>$5,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>$5,000</td>
<td></td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>$10,000</td>
<td></td>
<td></td>
<td>$15,000</td>
</tr>
<tr>
<td>$15,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$25,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$30,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Household & Nonprofit Assets (2010)

- Tangible Assets
- Other
- Business Equity
- Securities
- Banks
Our Current Investment Strategy
Household Finance
(~$30 Trillion)

Assets ($ Trillions)

- Stocks: $8.5
- Bonds: $1.8
- Life Insurance: $1.3
- Pensions: $13.1
- Mutual: $4.7
The Impact of $15 Trillion Shift
The Accredited Investor

- $200-300k Income
- $1 Million Wealth
- $5 Million Institution
Tapping the Other 99%
(1) Specialty CD’s:

The E. F. Schumacher Society
Linking people, land, and community by building local economies

SHARE Microcredit Program
(1) Specialty CD’s:

**Alternatives Federal Credit Union**

Where Good Things Happen

Business

Business Services

Over twenty years ago a group of small businesses wanted to expand and couldn’t get capital from the banking system.

Alternatives Federal Credit Union was chartered to address that problem. It's stated directly in our Mission Statement: Alternatives provides "Capital investments in individuals, small business and non-profits." Serving small business, as well as non-profits, is promoting smart community development. Small businesses, especially start-ups, are engines of local economic development. Small businesses play a major role in job creation in New York, creating 80% of all new jobs.

Most banks ignore businesses when they have less than a million dollars in annual sales. Small business or "micro-enterprise" lending is our specialty. Alternatives designs products and services to meet the needs of small businesses: retail, service, small manufacturers, home-based businesses, cooperatives, worker-owned businesses, non-profits and start-ups.
(1) Specialty CD’s:
(2) Coop Investment

- **Member Capital**
- **Member Lending**
- **Coop Loan Funds**
- **Investing Coops**
- **Worker-Owned Coops**
(2) Coop Investment

- Member Capital
- **Member Lending**
- Coop Loan Funds
- Investing Coops
- Worker-Owned Coops
(2) Coop Investment

- Member Capital
- Member Lending
- **Coop Loan Funds**
- Investing Coops
- Worker-Owned Coops
(2) Coop Investment

- Member Capital
- Member Lending
- Coop Loan Funds
- **Investing Coops**
- Worker-Owned Coops
(2) Coop Investment

- Member Capital
- Member Lending
- Coop Loan Funds
- Investing Coops
- Worker-Owned Coops
(3) LION’izing
(4) Sponsorships

Brickside Brewery, Copper Harbor's first Microbrewery.
Project by Jason D Robinson • send message

78
BACKERS
$8,140
PLEDGED OF $20,000 GOAL
38
DAYS TO GO

THIS PROJECT WILL ONLY BE FUNDED IF AT LEAST $20,000 IS PLEDGED BY SATURDAY JUL 9, 9:44AM EDT.

PLEDGE $5 OR MORE
You get a brick with your name on it for the brewery wall, a custom Brickside

About this project

Like 353 people like this.
Tweet EMBED http://kck.st/lqvw9

Kickstarter
(5) Internet Lending
(5) Internet Lending

![Internet Lending Platforms]

- **PROSPER**
- **Funding Circle**

**Lending Club**

Investors earn better returns, borrowers pay lower rates.

A smarter way to invest

- Better Returns: Invest like a bank and earn more.
- More Control: Choose the risk and return of your investment.
- Fast and Easy: Build a diversified portfolio of Notes in minutes.

See For Yourself

9.65% Investors have earned average returns of 9.65% as of 03/09/10. Notes offered by LendingClub, filed with the SEC. Compare Returns.

... and borrow.

Check Your Rate

- How much do you need?
- What is it for?
- How is your credit?

Up to $20,000 with great rates based on your good credit. Learn More.
(6) Slow Munis
(7) Pre-Selling
(8) Local Stock
(8) Local Stock
Pending Legislation
The Future of DPOs
(9) Local StockExchanges
(10) Grassroots Loan Funds
(10) Grassroots Loan Funds
(11) Investment Clubs

The “No Small Potatoes” Investment Club

Over the summer, a group of Mainer's met through our common interest in the Slow Money Movement. We formed an Investment Club to provide working capital in the form of low-interest loans to Maine Farmers and Food Producers. Currently, we meet quarterly as a group to discuss loan opportunities that our members want to support. At this point, we make individual self-directed loans to Maine farmers and food enterprises; soon, however, we plan to pool our funds and make loans as a group.

Our loans have ranged from $3,000-$15,000. The investment commitment to join our club is $5,000. We hope you will consider joining our fun, productive, and worthwhile Investment Club.

Our first set of loans helped these three wonderful Maine companies:

Heine Tole of Camden Maine
Lahela Farm of Dresden Maine
Thirty Acres Farm of Whitefield Maine

We invest in growing Maine families

Maho & Ami, Jeff & Ina
Iyana & Makeda
Otti & Will

We invest in growing Maine food

Creamy and digestible handcrafted tofu
Naturally fermented, wonderful tempeh
Raw, tangy, effervescent cultured vegetables

Get involved

Please contact Eleonor Kimney at 800-215/6727 or ekimney@mac.com or Chris Halloweaver at 279-5049/chris.halloweaver@gmail.com for more information about our loan fund.
(12) BIDCOs
(13) Self-Directed IRAs
Once The Dam Cracks...
How We Can Help
For More Information:

Michael Shuman
202-669-1220
shuman@igc.org
www.cuttingedgecapital.com
Questions and Answers

Michael Shuman
Cutting Edge Capital
Business Alliance for Local Living Economies

202-669-1220 | shuman@igc.org
www.cuttingedgecapital.com

Jeff Farbman
Wallace Center at Winrock International

www.wallacecenter.org
www.ngfn.org
Moderator
Webinars are Archived

TOPICS!

http://ngfn.org/webinars
NGFN Webinars

- 3rd Thursday of each month
  3:30p EST (12:30p PST)

http://ngfn.org/webinars

- April – Month off
  Take time to review our archives!
Three Notable Websites

- **www.FoodHub.info**
  - Food Hub “hub”
  - Research, case studies, list and map of hubs across the country, much more.

- **www.HUFED.org**
  - About the initiative
  - Grantee profiles
  - Library of many of the best food access resources

- **www.FoodshedGuide.org**
  - Case study-based business and financial training
  - Includes a “One Page Business Plan” and a “One Page Financial Plan”
Get Connected, Stay Connected

http://ngfn.org/database

National Good Food Network Database
Click to learn more

Search for: Wallace Center

YouTube

contact@ngfn.org

Twitter

WALLACE CENTER
WINROCK INTERNATIONAL

NATIONAL GOOD FOOD NETWORK