



2020 CO-OP LOCAL FARMER LOAN FUND

Ukiah Natural Foods Co-op has a \$46,100 loan fund available to local farmers to assist them in raising the capital needed for expanded production. The intent of the Local Farmer Loan Fund is to increase the supply of locally produced food, both in general and for Ukiah Natural Foods specifically.

At this time, we are offering loans between \$2,500 and \$10,000. We offer a 2-year loan payback period and charge an annual loan fee of 3%, payable monthly.

Application Period

Applications will be available only in digital format via the Ukiah Natural Foods website (www.ukiahcoop.com). Applications will only be accepted in digital format via email to board@ukiahcoop.com. No paper copies will be accepted. Applications will be available starting November 15th, 2020. Applications will only be accepted until January 10th, 2021. The applications will be reviewed by the UNF Loan Committee during January 2021, and the applicants will be notified of the loan funding decisions in early February 2021.

Fair Lending Practices

Ukiah Natural Foods is committed to ensuring that all loan applicants receive fair and equal treatment regardless of race, religion, national origin, gender or gender orientation, marital status, familial status, age, military status, receipt of income from public assistance, or any other prohibited basis.

Loan Criteria

The following is a list of criteria for the applicant to consider before applying for a loan from Ukiah Natural Foods. The criteria are guidelines the UNF loan committee uses to evaluate a project. If you feel your project meets the spirit of the criteria, though not all the details, we encourage you to go ahead and apply. If you have any questions about the application form or need help filling it out, please email board@ukiahcoop.com.

General Criteria:

- Loans should be for productive purposes to help you or your business provide goods more efficiently or economically to the community.
- Applicants should be “local,” with a preference for Mendocino and Lake Counties.
- Applicants must have owned or managed a commercial food farm/ranch operation for at least one year in Mendocino, Lake, or Sonoma Counties, or worked on commercial food farms/ranches in Mendocino, Lake, or Sonoma Counties for at least two years. Temporary workers such as interns may not apply.
- Production methods should be environmentally sound, using organic and sustainable production methodology.
- Preference will be given to socially responsible businesses and businesses structured as Cooperatives.
- Preference will be given to businesses who provide food products to Ukiah Natural Foods, or to assist vendors wanting to sell products to Ukiah Natural Foods.
- As a loan recipient, you may be expected to document your project including providing photos and descriptions of the use of the loan. Photographs and descriptions of projects may be featured on the Ukiah Natural Foods website and in marketing materials produced by Ukiah Natural Foods.

Financial Criteria:

- A simple, sound business plan that demonstrates the capability of the business to repay the loan within the two-year period.
- Show the need/use for the loan, including demonstrating increased supply of the product.
- Product should be of good quality and should be available at a reasonable price.
- Sound bookkeeping methods should be employed by the business.
- The borrower might not generally qualify for a conventional bank loan.
- Provide local personal and business references.
- Preference is given to easily collateralized loans, such as for equipment.

UNF Loan Committee

The loan committee is comprised of 5 members.

1. MEMBERSHIP

- Membership in the committee includes the UNF General Manager and Produce Manager.
- Membership includes a total of 3 board members, 1 from the Finance Committee.
- Membership is not open to volunteers. Board members and UNF Management are the only eligible committee members.

2. MEETINGS

- The Loan Committee will meet as needed to review loan applications and to award or decline applications.
- Meetings will be scheduled to award the loans in winter in conjunction with the annual growing cycle.
- Members of the committee will be polled as to best times and days for meetings.

3. DECISION MAKING PROCESS

- The Loan Committee functions utilizing consensus as much as possible.
- When consensus is not possible the committee will use majority vote. Each committee member will have one vote.
- Tie votes will be decided upon by the Co-op General Manager.
- Decisions require a quorum of at least 3 Committee members to be present.

4. CONFLICTS OF INTEREST

- All Committee members must inform the Committee in advance, of any possible conflict of interest, or perception of a conflict of interest, concerning any loan application or applicant and recuse themselves from the related decision-making process.
- Conflicts of interest include but are not limited to familial relationships, ownership or partial ownership interests, prior history or ownership with applicant, etc.

5. CONFIDENTIALITY and COMMUNICATION

- All Committee members must adhere to strict confidentiality of all applications and applicant approval or declination discussions.
- Committee members must agree to speak in public with one voice, even if the overall decision of the Committee on any given subject runs counter to a member's personal opinion.

6. LOAN APPROVAL OR DECLINATION

- Applications will be reviewed by Committee members in advance of scheduled meetings.
- Discussions of applications will be based on Loan Fund criteria, Fair Lending Standards and general information related to application, applicant history, vendor relationship with Ukiah Natural Foods and other related issues.
- Approved applicants will meet with the Coop General Manager and/or Finance Manager to go over and sign the Loan Agreement, discuss payment schedules, and other pertinent topics.