

FARMER LOAN POLICY

Ukiah Natural Foods Co-op (UNF) has a \$50,000 loan fund available to local farmers to assist them in raising the capital needed for expanded production. The Local Farmer Loan Fund intends 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 with a two year loan payback period and an annual loan fee of 3%, payable monthly.

APPLICATION REQUIREMENTS

Applications will be available online at ukiahcoop.com in digital format. Applications and supporting documents are to be submitted as PDFs to board@ukiahcoop.com. Paper copies will not be accepted. The Committee will prioritize processing complete applications from March through September while loan funds last. Any follow-up documentation requested must be submitted within ten days of the Committee's request. Applicants will be notified if their application has been accepted or declined within thirty days of submission.

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, ability, 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 requirements are guidelines the UNF Loan Committee uses to evaluate a project. If you feel your project meets the spirit of the loan program, though only some of the details, we encourage you to go ahead and apply. If you have any questions about the application form or need assistance, please email board@ukiahcoop.com Attention: Farmer Loan Committee in the subject heading.

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 worked on commercial food farms/ranches in Mendocino or Lake 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, photographs and descriptions of the loan project may be featured on the Ukiah Natural Foods website and in marketing materials produced by Ukiah Natural Foods.

FINANCIAL CRITERIA

- The business must employ sound bookkeeping methods.
- A business plan that demonstrates the capability of the business to repay the loan within the two year period.
- Provide financial statements- balance sheet and income statements - for the business. (Three years if available). That should help with filling in the fiscal picture. If three years of statements are not available (newer businesses may not have them) it's not a deal breaker.
- Show the need/use for the loan.
- Products must meet UNF's Merchandising Policy. Merchandising Policy is available on our website.
- Provide local personal and business references.
- Preference is given to easily collateralized loans, such as for equipment.

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UNF LOAN COMMITTEE

The loan committee is comprised of five members:

- UNF General Manager, Produce Manager. three board members total, including one from the Finance Committee.
- Board members and UNF Management are the only eligible Committee members.

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 conjunction with the loan application cycle.

DECISION-MAKING PROCESS

- The Loan Committee functions utilizing consensus.
- When consensus is not possible the Committee will use a majority vote. Each committee member will have one vote.
- The UNF General Manager will decide upon tie votes.
- Decisions require a quorum of at least 3 Committee members to be present.
- The UNF Board of Directors must approve Committee recommendations before approving or declining any loan applications.
- The Committee aims to process all loan requests within a 30-day period of receiving applications.

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.

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.
- All committee members are required to sign a Non Disclosure Agreement.

LOAN APPROVAL OR DECLINATION

- Committee members will review applications in advance of scheduled meetings.
- Review of applications will be based on Loan Fund Criteria, Fair Lending Standards and general information related to application, applicant history, vendor relationship with UNF and other related issues.
- Approved applicants will meet with the UNF General Manager and/or Finance Manager to go over and sign the Loan Agreement, discuss payment schedules, and other pertinent topics.



UKIAH Natural Foods COOP

FARMER LOAN APPLICATION

1. Contact Information

Applicant Name	
Name of Farm	
Physical Address of Farm	
Mailing Address	
Phone	
E-mail	
Website	

2. Farming Information

How long have you been farming as a professional?	
How long have you farmed in Mendocino and/or Lake County?	
How many acres is your farm?	
How many acres are in production?	
What food crops or livestock does your farm produce?	
Check any of the certifications and/or farming practices that you utilize:	<input type="checkbox"/> No Spray (do not utilize pesticide or herbicide spray other than insecticidal soaps and essential oils) <input type="checkbox"/> No Till <input type="checkbox"/> On Farm Compost <input type="checkbox"/> Off Farm Compost <input type="checkbox"/> Biodynamic Certified <input type="checkbox"/> Organic Certified (CCOF, USDA, Renegade) <input type="checkbox"/> Other:
Check any markets that you sell to:	<input type="checkbox"/> Ukiah Natural Foods <input type="checkbox"/> Farmers Markets <input type="checkbox"/> Community Supported Agriculture (CSA) <input type="checkbox"/> Grocery Stores <input type="checkbox"/> Restaurants <input type="checkbox"/> Direct to Customers <input type="checkbox"/> Mendo Lake Food Hub <input type="checkbox"/> Other:
How many people are employed at the farm? Include yourself and any family members	_____ (List number) Full Time _____ (List number) Part Time

3. Financial Information: *If you have a current Profit and Loss Statement, please attach it. You may skip any questions that are covered in that document. **Please note:** the following questions are intended to give us an idea about the financial resources and support systems of farm businesses so that our organization can make educated decisions about the financial need of each business. All information is kept confidential.*

What is your estimated gross farm income for 2024?	
What is your estimated total farm/ranch expenses for 2024?	
What was your gross farm income in 2023?	
What was your total farm/ranch expenses in 2023?	
What was your total reported household income for 2023?	
Of the total current investment in your agricultural operation, if there were significant investments in your operation (land, equipment and stock) from outside sources (family, bank loans, income from off-farm jobs) please estimate how much of the investment in your current operation originated from each source.	Source: _____ Percentage: _____ Source: _____ Percentage: _____ Source: _____ Percentage: _____ Source: _____ Percentage: _____ Source: _____ Percentage: _____
Is your agricultural production your predominant source of income? If not, please briefly describe your overall income sources.	
Do you work off-farm? If so, please describe.	
Do you have any other assets or sources of income? Please describe:	
Do you have any outstanding loans or pending loan applications? If so, please disclose loan amount, terms and current balance. Have you been awarded any grants? If so, please provide an outline of the award and purpose.	

Provide financial statements- balance sheet and income statements - for the business. (Three years if available). That should help with filling in the fiscal picture. If three years of statements are not available (newer businesses may not have them) it's not a deal breaker.

4. Land Access

Do you own or lease the land that you farm?	___ Own ___ Lease
If you lease, how many years is your current lease? Please provide a copy of the lease document.	
If you neither own nor lease the land where you farm, please describe the arrangement that you have:	
How long have you been farming at this location?	
<i>For Lessees Only</i>	
Landowner Name:	
Landowner Phone:	
May we contact the landowner?	
Attach a brief letter of support from the landowner for this project.	

Please provide brief narrative responses (one or two complete paragraphs per question) for the following questions, attaching additional pages as needed.

5. Please describe the general purpose and scope of your agricultural operation. Include your business plan and long-term goals.

6. If you are not currently, is your goal to become a full-time farmer? If so, briefly describe how you plan to grow your farm to achieve that goal, and the time frame you are aiming for. If not, please explain how your agricultural operation fits into your long-term professional plans.

6.a Do you expect that the project will result in the addition of any full or part time employees to your current agricultural operation? If so, please describe.

7. Describe the proposed project. *Please summarize the project, equipment, budget, location, how the loan money will be allocated, and intended impacts of the project. If some items are essential for your success and others are not, please indicate the relative importance of your different requests.*

8. Use the following table to lay out your project needs and budget projections point by point, using bullet points or numbers for clarity.

Budget Category	Calculation (quantity and unit cost)	Amount
Personnel		
Supplies		
Equipment		
Other		

TOTAL REQUEST

8.a Partial Funding: *If Ukiah Natural Foods is only able to partially fund your request please identify which components of the proposal are most important to your operation that could be implemented independently and provide the associated cost of those components.*

9. What is the timeline for your project? Complete the following table, beginning with the date of the loan and extending for the length of the loan payback period. Include all proposed activities associated with the project. Add additional lines as needed.

Task or activity	Completed by:

10. Please describe your financial objectives. Provide 1-2 paragraphs. Describe your farm's current financial situation and how obtaining this loan will specifically improve your stability and further your goals. What positive impacts to the viability of your agricultural operation do you expect to see as a result of the project?

11. How will you measure the success of this project? If awarded the loan, how would you demonstrate and quantify progress, completion, and success?

11.a *Specifically how will the local community benefit (e.g. diversity of local food options, improved price point for local food choices, expanded retail selection or extended seasons for specific local foods, etc.) if your loan is approved?*

12. What are the practices you use on your farm that are environmentally beneficial?

13. If any, describe other resources that you have or will be seeking to complete the project (i.e. volunteer labor, farm loans, other grants, equipment share, etc.)

14. Please list three professional references:

Family members are excluded as references.

Name	
Position	
Address	
Phone	
Email	
Relationship	

Name	
Position	
Address	
Phone	
Email	
Relationship	

Name	
Position	
Address	
Phone	
Email	
Relationship	

15. Please attach the following documentation:

- Certified Producer Certificate
- For Lessees Only: Letter of Support from landowner
- For Lessees Only: Copy of Lease document
- 2022 and 2023 Profit and Loss Statement (If Available)

Applications are to be submitted via email to board@ukiahcoop.com March through September 2024.

If my application receives a loan from Ukiah Natural Foods, I agree to provide Ukiah Natural Foods with documentation of my loan-funded project including photos and a description. Photographs and description of the loan-funded project may be used on the Ukiah Natural Foods website and in marketing materials produced by Ukiah Natural Foods.

I certify that the information provided on this application is true and accurate.

Name:

Date:

Signature: