Show me the money: Five sources of green

By GAIL OBERST
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EUGENE, Ore. — Farmers and ranchers need money to start or expand their operations, but where will it come from?

New sources of money range from crowd-sourcing campaigns and local investors to grants and loans, said a panel of funders and recipients at a recent Local Food Connection conference. More than 250 people attended the annual event connecting growers and producers with buyers and distributors.

Following are five potential sources of funding for agricultural producers in Oregon:

Crowd-sourcing campaigns: Jeremy and Ashli Mueller wanted to expand production at their 1½-acre Excelsior Farm market garden near Pleasant Hill, so they opted to ask for money to build a greenhouse through a campaign on www.kickstarter.com. The website is one of several in which groups can ask for money for projects.

Community public offering: A new Oregon law that allows small businesses to raise $250,000 to $1 million from local investors via the community public offering process could work well for food producers, said Erin Ely, of the Slow Money South Willamette Valley, a nonprofit that works to connect local food producers with local investors and other funders.

Aggie Bonds: Getting low-interest loans may be difficult for a first-time or expanding farm owner, said Ivan Maluski, director of Friends of Family Farmers, a Salem nonprofit organization. The new bond program aims at providing funds specifically for those with farms or farm expansions that are six acres and smaller. The loans are arranged through the applicant's lender and bonded by a state agency, Business Oregon. Information about the Aggie Bond program and many others that help new or growing farms can be accessed at www.oregon4biz.com or www.friendsoffamilyfarmers.org.

NEDCO: Lynn Meyer, of the Neighborhood Economic Development Corp., provides assistance to Lane, Marion and Clackamas counties' producers who are looking for financia help. NEDCO's Community LendingWorks program helps producers access loans, grants or investors, but also provides support that aims at business success. Essential is a good business plan that describes who you are, how much you need, how you use the money and how you will pay it back or create a profit, Meyer said. "Paint a picture for that lender. Walk us through the process." Information about NEDCO and its affiliated services is at http://nedcocdc.org.

USDA resources: Government loan and grant programs are good resources for food producers, said Tom Simonson of USDA Rural Development. Among them: Value Added Producer Grants, www.rurdev.usda.gov/BCP_VAPG.html, available to those who want to process their own farm products (Champoeg Farms turkey producers took advantage of this one); Rural Energy for America program, which awards grants and loans for including solar and hydro energy in farm and ranch activities; the Rural Micro-entrepreneur Assistance program, which provides small loans for micro-enterprise projects; the Intermediary Relending program, which aims at medium-sized operations applying for loans on projects from $50,000 to $250,000; and the Business & Industry Loan Guarantee program, which can provide up to $10 million to large commercial businesses.

Links to these and other programs are at www.rd.usda.gov/or.