



Microlending Initiative

Through the Viroqua Food Co+op (VFC) Microlending Initiative, a business or farm selling food or other products they produce to the VFC or Viroqua Farmers Market is eligible for an interest-free loan of up to \$3,000, to be paid back within one year.

The Microlending Initiative was developed in 2012 under the direction of the VFC Board of Directors. The Board was looking at how to make our Co-op more resilient. One path to resilience that they identified was to make sure VFC has many strong, local suppliers. By starting the Microlending Initiative the Board aimed to grow farm and food small businesses and ensure that VFC owners and customers have access to local food and products.

Interest-free loans are opposite of the normal cycle all too many farmers and food producers find themselves in – the cycle of high interest loans, debt, and the inability to reach financial security and true economic viability through their business. VFC's intention is to share the resources that we have to better enable farmers and food producers to provide us with the food and resources needed to live a healthy life.

Applications are due on January 18, 2019. They are evaluated on the criteria listed on the last page of the applicaiton. The VFC Microlending Committee will select a recipient in late January 2019.

Past VFC Microloan Recipients:

- **2018:** B&E's Trees for \$3,500. Financed updating their maple syrup bourbon barrel aging building.
- **2017:** Deep Rooted for \$3,500. Financed building a produce refrigerator.
- **2016:** WiscoPop for \$3,500. Financed converting their soda/sparkling water line to certified organic and launched two new flavors of sparkling water.
- **2015:** Del Sol Chocolate for \$2,000. Financed building a cacao mill and winnowing machine.
- **2015:** Deep Rooted for \$1,250. Financed a research project to compare growing mediums for organic tomato production in their greenhouses.

Questions? Please call or email Bjorn Bergman (bjorn.bergman@viroquafood.coop)

2019 VFC Microloan Application

General Business Information:

Farm/Business Name: _____

Applicant Name: _____

Applicant Address: _____

City: _____ **State:** _____ **ZIP:** _____

Phone Number: _____ **Email:** _____

Website: _____

Farm/Business Location: _____

Farm/Business Description & Mission: _____

Microloan Request:

1. **Amount Microloan Requesting** (up to \$3,000): _____

2. **Project Description:** Please describe your project. How will this microloan help strengthen your farm/business? Feel free to attach additional page(s) if necessary. _____

2019 VFC Microloan Application
 Return by **January 18, 2019** to Bjorn Bergman at bjorn.bergman@viroquafood.coop

3. **Project Budget:** With as much detail as possible, please tell us how you will use the microloan. Feel free to attach additional page(s) if necessary.

4. **Are you a VFC owner?** (circle one) Yes No
 If No, what is your relationship with us? _____

5. **Gross Income:** 2018 Actual: _____ 2019 Projected: _____

6. **Net Income:** 2018 Actual: _____ 2019 Projected: _____

7. **Current Debts:**
 a. Type: _____ Amount: _____
 b. Type: _____ Amount: _____
 c. Type: _____ Amount: _____

8. **Have you completely repaid any loans in the last 10 years?** (circle one) Yes No
 If yes, can you provide documentation of repayment? (circle one) Yes No

9. **Your Preferred Repayment Plan:**
 a. Payment Date(s): _____
 b. Number of Payments: _____
 c. Individual Payment Amount: _____

*Please note: repayment plan must be approved by VFC Microlending Committee

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2019 VFC Microloan Timeline:

- 2018 Application Period: December 1, 2018 – January 18, 2019
- Microloan Recipient Chosen by VFC Microlending Committee: Second half of January 2019
- Microloan Applicants contacted about result of review: Second half of January 2019
- 2019 Microlending Recipient made public in Spring 2019 Pea Soup (mailed March 2019)

VFC Microloan Assessment Criteria:

The VFC Microlending Committee considers each of the following criteria to determine if a potential loan would be prudent for the Co-op:

- Project accomplishes at least one of the following for the applicant:
 - Fills a hole in local food supply system by expanding production and/or distribution of a food and/or products.
 - Project purchases equipment to increase efficiency and profitability.
 - Project helps grow their business.
- Mission, values, and practices of the farm/business furthers VFC's Ends.
- Demonstrated need and plan for implementation of the loan.
- Nature of relationship between VFC and the farm/business.
- Status as an active distributor of product/produce to VFC and/or at the Viroqua Farmers Market.
- Proven track record of effectively managing and paying back loans/investments as demonstrated in application.
- Decent financial position (income would need to support all debts including but not limited to debts to VFC).
- Clear strategy and plan for repayment.

VFC Microloan Guidelines:

- Viroqua Food Co+op limits our Community Investments (including Microloans) in non-federally secured institutions to 5% of our total cash.
- An individual farm or business is eligible for a loan of up to \$3,000 every twelve months.
- VFC Microlending Committee shall use the following Loan Assessment Criteria (see above) to review and recommend applicants for loans.
- The VFC Finance Team shall decide whether to approve the Microlending Committee's recommendation in light of the Co-op's financial status and compliance with the investments policy of the Co-op and the Microloan Assessment Criteria (see above).
- A Promissory Note between Viroqua Food Co+op (Lender) and the Microloan Recipient (Borrower) shall be drawn up by the VFC Microlending Committee, approved by the VFC Finance Team, and signed by the Borrower and Lender.
- VFC Microlending Committee is responsible for working with the borrower to ensure that the terms of the loan are met.
- Loans are repayable by check or cash payment. Terms will be outlined in the Promissory Note.
- Loans must be repaid within twelve months or as agreed upon by Borrower and Lender.