

Cold Storage Financing Program for Small to Mid-Scale and Limited Resource Farmers of Produce, Meat and Shellfish



Natural Capital Investment Fund

provides financing and support to small- and mid-scale and limited resource farmers of produce, meat and shellfish to acquire portable or stationary cold storage units or refrigerated vehicles. A loan from NCIFund is paired with a grant that “buys down” the cost of purchasing cold storage units.

Why Cold Storage Units?

Cold storage is critical to extending the shelf-life of fruits, vegetables, meats, and shellfish. Every additional day gives a grower a chance to recoup the costs of production; time is indeed money! In addition to maintaining the freshness of produce, proper cold storage is essential for the safe distribution of dairy, meat and shellfish.

Who's Eligible?

North Carolina farmers who:

- Currently have no or inadequate on-farm or mobile cold storage.
- Earn at least 50% of their revenue from farming/mariculture.
- Currently sell vegetables, fruit, meat or shellfish (or other products that require cold storage) into wholesale markets (in other words, not just direct-to-consumer).
- Reported less than \$750,000 of gross revenue on their latest annual tax return.



How Does the Financing Work?

Grant

The grant will cover 20% of the cost of the unit, up to a maximum of \$3,000 per borrower. A grant of \$3,000 will be available for units costing more than \$15,000.

How Does the Financing Work?

Loan

- **Use of funds:** Purchase of a professionally-manufactured cold storage or forced air/vacuum cooling unit, refrigerated vehicle; or construction of a cold storage unit.
- **Amount:** \$3,000-\$50,000 based on size and number of cold storage units.
- **Term** depends on loan size:
 - \$5,000 or less: up to 2 years (24 months)
 - \$5,000-\$25,000: 3-7 years (36-84 months)
 - \$25,000-\$50,000: 8-10 years (96-120 months).
- **Guarantee:** Personal guarantee by farmer.
- **Interest rate:** fixed rate (6-8% as of 3/19); Interest rate for loans with terms > 5 yrs. are reset after 5 years.
- **Origination fee:** \$100 for loans up to \$10,000; 1% of loan amount for loans > \$10,000.
- **Collateral and Insurance:** A first lien on the cold storage unit; additional collateral may be required for self-constructed units or purchased units > \$10,000. Insurance on the unit, with NCIFund listed as the loss payee is required.

How Do I Participate?

- Obtain a quote or prepare an estimate for the purchase and installation of the unit.
- Consult with Mike Boyette at NC State (mike_boyette@ncsu.edu), (919) 515-6790 on the design.
- Complete the NCIFund application with the Cold Storage Addendum, available at: https://www.ncifund.org/images/Files/NCIF_app_w_cold_storage_addendum_fillable_1017.pdf
The NCIFund application process includes a credit report and last 3 years tax returns.
- Participate in training on the use of cooling for post-harvest handling of produce or other perishables. Training will be provided by the Center for Environmental Farming Systems and partner organizations.
- Provide NCIFund with annual tax returns including all statements for the life of the loan.
- Participate in NCIFund data gathering related to use of the equipment and its impact on sales.

For general inquiries or to get started, contact:

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Who is NCIFund?

NCIFund is a community development lender affiliated with [The Conservation Fund](#) specializing in natural resource and environmental enterprises, with NC offices in Chapel Hill, Winston-Salem and Asheville. NCIFund supports the development of a thriving local food system with loans and business advisory services to growers, aggregators and end markets. We are committed to increasing the participation of limited resource and minority farmers in NC's local food system. Click [here](#) for more information or visit www.ncifund.org.