



Rural Development
Finance Corporation
GROWING COMMUNITIES

North Dakota Food Impact Fund

Expanding Independent Meat Processing Opportunities

A revolving loan fund is available to support start-up and expanding meat processing facilities in North Dakota! Funded through a \$10 million USDA Meat and Poultry Intermediary Lending Program grant, this initiative aims to:

- Increase market opportunities for livestock producers
- Improve access to locally processed meats for North Dakota residents and visitors

Eligible Uses

Loan funds can be used for:

- Real estate acquisition
- Building projects
- Equipment purchases

Who Qualifies?

To qualify, loan recipients must meet USDA Food Safety and Inspection Service (FSIS) standards or be licensed as custom exempt.

What is custom exempt?

A custom exempt establishment can process meat for: producers; individuals who purchase livestock directly from producers; game animal owners. Custom-exempt products must be labeled "not for sale" and can only be consumed by the owner of the animal.

Retail Exemption: *Many facilities also operate under a retail exemption, allowing them to purchase meat and poultry from approved inspected sources; further process and sell directly to customers at their retail counter*

Flexible Financing

Under this program the Rural Development Finance Corporation (RDFC) participates with banks and regional lending groups to leverage funding and reduce financial barriers for rural communities, farmers, ranchers, and businesses looking to strengthen the food supply chain.

Loan Program Guidelines:

- Loan participations with another lender are generally preferred. If for equipment only, a direct loan may be considered.
- Participation level: loans may not exceed 80% of project funding.
- With loans for an existing business to expand or for other additional needs, refinancing of existing debt may

also be considered at a level not to exceed 50% of the total loan.

- Rates: Generally a 2% interest rate with a one-time 1% origination fee (no less than \$500).
- Repayment terms: commensurate with components being financed, such as 30 years for real estate, 3-7 years for equipment, and 1-3 years for working capital (terms on loan participations will match lead lender).
- Applicants applying for a direct loan are responsible to reimburse RDFC for costs incurred related to the potential loan, such as an environmental review or legal services.

**Policies are subject to annual board review and approval.*

The North Dakota Food Impact Fund is here to help!

Strengthening the Food Supply Chain

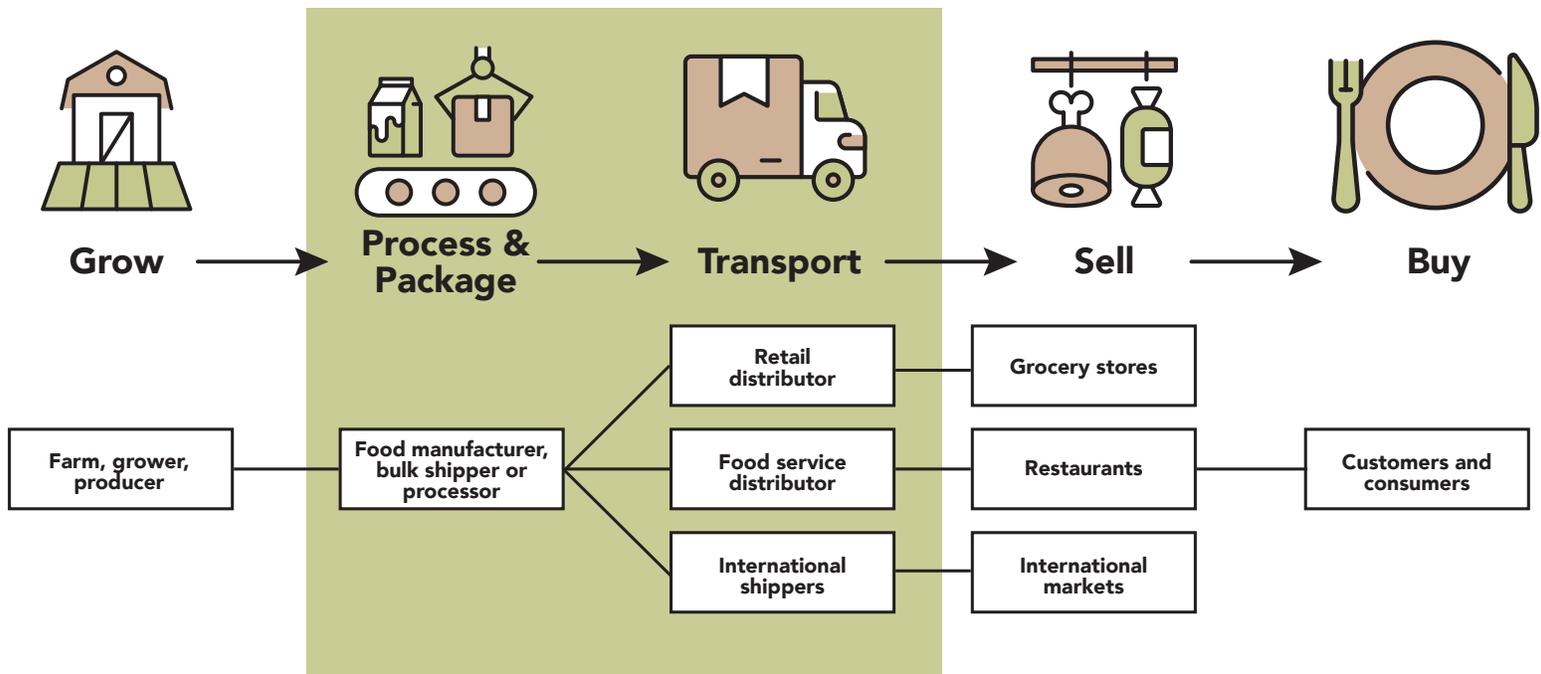
As the fund revolves, these dollars also can be loaned to entities engaged in the middle of the overall food supply chain.

Eligible projects include:

- Food distribution
- Storage
- Transportation
- Aggregation
- Manufacturing
- Wholesale
- Processing



Eligible Projects Are in the Mid-Tier of the Food Supply Chain



About the Rural Development Finance Corporation

The Rural Development Finance Corporation (RDFC) plays a valuable role in financing for North Dakota communities through its revolving loan programs. Its mission is to encourage economic diversification and community vitality.

The RDFC has two revolving loan pools:

- Overall rural development and small business projects, providing community capital loans, participation loans and assistance with interest buydowns to communities with populations of 10,000 or fewer.
- The North Dakota Food Impact Fund for meat processing and food-related projects.

The RDFC is directed by electric and broadband cooperatives operating in North Dakota, the North Dakota Association of Rural Electric Cooperatives (NDAREC) and Broadband Association of North Dakota (BAND).

For loan guidelines and application forms, plus additional information visit www.ndarec.com/RDFC.

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