

Investing in Our Cooperative Future

NCGA's Development Co-op Loan Fund

BY C.E. PUGH

At the National Cooperative Grocers Association (NCGA), our vision is to see more food co-ops serving more people in more communities. In fact, providing a development mechanism for new and expanding co-ops is one of our global ends. Toward this end, NCGA created a subsidiary Development Cooperative (DC) in 2008 to provide business development and expansion services to retail food co-ops, a venture which to date has supported dozens of projects.

As we continue to pursue accelerated growth for our sector, we recognize that funding is an essential and often challenging aspect of co-op development. NCGA decided to address this with a truly cooperative solution, initiating creation of the DC Loan Fund in 2013 to

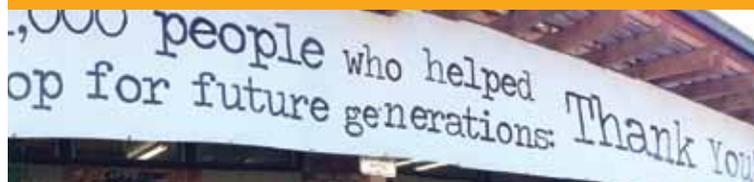


provide an additional financing option for co-ops seeking to grow and expand.

Just over a year later, we are pleased to announce that thanks to generous investments from NCGA member co-ops as well as by NCGA itself, we have reached the \$2 million in subordinated notes needed to officially launch the fund at its full potential. Our co-op investments collectively leverage an additional \$8 million from our financial partner, Capital Impact Partners, for a total available fund of \$10 million, from which we will begin to issue loans to co-ops this summer. The DC will manage the fund, with Capital Impact Partners providing underwriting and loan administration services.

Capital Impact Partners (formerly NCB Capital Impact) is a non-profit community development financial institution pursuing ends that ▶

ILLUSTRATION BY ARTCOU



Isla Vista Food Cooperative
Isla Vista, CA
\$1,200,000 First Mortgage



People's Food Cooperative
Rochester, MN
\$3,000,000 Term Loan

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◀ include the economic advancement of cooperatives and a Healthy Foods Initiative in California. It recognizes the community-anchoring potential of co-op grocery stores to deliver healthy food and invigorate their local economies as a worthy investment toward those ends.

For NCGA co-ops, the fund affords a unique opportunity to invest financially in our own sector and fulfill our commitment to the cooperative principles of autonomy and independence and cooperation amongst cooperatives. Ashland Food Co-op (Ashland, Oregon) also sees the fund as a sound investment. “We are fortunate enough to be in a position where we are looking for places to invest funds not needed for immediate operations,” explains Christina Oliver, Ashland’s financial manager. “What better place to invest than in a fund to help develop fellow food cooperatives?” She adds, “This is a bona fide investment, and we fully expect to be repaid with interest.”*

Oryana Natural Foods Market in Traverse City, Michigan, cites the advancement of cooperatives and our sector as being a primary motivator for their investment. “Oryana is a strong supporter of efforts to promote and expand the cooperative model. Making this investment allows us, our team, and our owners to participate in launching more great grocery co-ops to keep us all vibrant and relevant,” says Oryana General Manager Stephen Nance. “We are also thinking about our own expansion and appreciate that there are resources that we all can share.” ■

For information about the fund or obtaining a project loan, contact NCGA Development Cooperative’s executive director, Dave Blackburn, at dave.blackburn@ncga.coop.

* Subscribers received a disclosure statement specific to the DC Loan Fund.

Loan Fund investors

On behalf of our member and associate co-ops, NCGA would like to thank the following food co-ops for their investments in the NCGA DC Loan Fund:

Ashland Food Co-op—Ashland, Oregon
BriarPatch Co-op Community Market—Grass Valley, California
City Market/Onion River Co-op—Burlington, Vermont
East End Food Co-op—Pittsburgh, Pennsylvania
Flatbush Food Cooperative—Brooklyn, New York
Honest Weight Food Co-op—Albany, New York
Middlebury Natural Foods Co-op—Middlebury, Vermont
North Coast Co-op—Arcata, California
Ocean Beach People’s Organic Food Co-op—San Diego, California
Oryana Natural Foods Market—Traverse City, Michigan
Ozark Natural Foods—Fayetteville, Arkansas
PCC Natural Markets—Seattle, Washington
Skagit Valley Food Co-op—Mt. Vernon, Washington
Ukiah Natural Foods Co-op—Ukiah, California
Valley Natural Foods—Burnsville, Minnesota
Weavers Way Co-op—Philadelphia, Pennsylvania
Wheatsville Co-op—Austin, Texas
Whole Foods Co-op—Duluth, Minnesota

The Original French Style Canning Jar

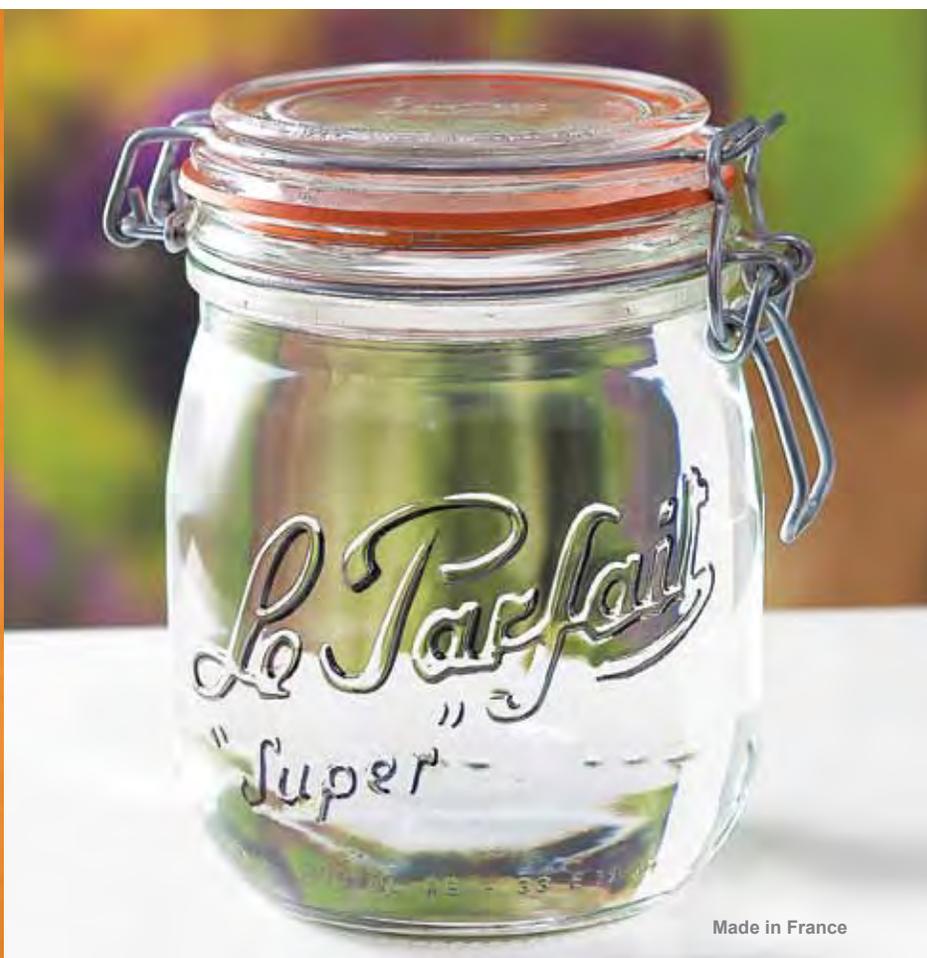
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