




A Program of the New Hampshire
Community Loan Fund
7 Wall Street
Concord, NH 03301

 This piece was printed using soy-based inks on 100% post-consumer waste fiber paper produced in New Hampshire with the renewable energy of low-impact hydroelectric turbines.

The Stonyfield Farm/CROPP Organic Conversion Fund



What is the Organic Conversion Fund?

The Stonyfield Farm/CROPP Organic Conversion Fund is a financing tool designed to help dairy farmers convert to organic production. The fund is administered by MicroCredit-NH, a program of the New Hampshire Community Loan Fund, which is a statewide non-profit organization.

The Conversion Fund supplies a **no-interest loan** for up to 60 months, for farmers who sign on with CROPP as their milk processor. (Farmers who sign with other milk processors are still eligible for the loan, but pay 8% interest.) The goal of the fund is to ease the financial costs associated with converting to organic and to increase the profitability of individual farms.

Why is this fund being offered?

Stonyfield Farm and CROPP believe that the organic milk market is, and will continue to be, strong. The market continues to grow, increasing the demand for locally produced and processed organic milk. Organic milk pricing, in contrast to that of conventional milk, has gradually increased. This stability in the organic market helps farmers better plan for the future. However, the year required to transition from conventional to organic can be financially difficult for the farmer, who has to pay the higher price for 100% organic feed, while still receiving the lower conventional pay price for the milk. This fund has been created to help address the financial hardship that can arise during that transition year.

Who can participate?

Any New Hampshire dairy farmer converting to organic, or any qualified individual starting up an organic dairy and converting cows to organic production, may apply to participate in this program. The fund is limited to costs associated with dairy cow conversion to organic production, not those associated with land conversion. (See MicroCredit-NH web page for other resources). Prior to applying for the transition money, the farmer must have a signed milk contract with an organic milk processor. The organic dairy must operate in New Hampshire.

What is unique about this program?

Farmers who enter into a buying contract with CROPP/Organic Valley are eligible for both a conversion grant and a no-interest loan to assist in the conversion process for a combined total of approximately \$4 cwt. Farmers can delay all payments on this 0% interest loan for up to 32 months following the start of their transition.

Some ways these funds can be used include:

- Ongoing working capital. Grant dollars assist in the month-to-month cash flow needs of the farm, such as feed, fuel costs, etc., and help reduce the differential between organic costs and conventional milk prices for the transition year.
- Up-front capital needs. Loan dollars may be used to purchase new animals, equipment or other immediate needs of the farmer.

Farmers may also apply to MicroCredit-NH for additional loan dollars (up to a maximum of \$25,000) to refinance existing debt down to an 8% interest rate. Application decisions for both the conversion fund and refinancing are made by a staff loan committee of MicroCredit-NH and the Loan Fund. This committee looks at the applicant's entire financial picture and evaluates future farm opportunity.

What is the connection between Stonyfield Farm and CROPP/Organic Valley?

Stonyfield Farm uses organic milk, supplied by CROPP, to produce premium yogurts. Stonyfield Farm is committed to supporting family farmers and to increasing the presence of organic products in the marketplace. CROPP (Cooperative Regions of Organic Producer Pools) is a cooperative of family farmer-owners that sells milk and other products to organic processors (like Stonyfield), and also markets its own brand under the name of Organic Valley. Formed in 1988, Organic Valley is the nation's largest organic farmer cooperative.

For more information:

To determine the best option for your farm and how the Stonyfield Farm/CROPP Organic Conversion Fund may assist you, please contact John Cleary, CROPP/Organic Valley New England Region Pool Coordinator at (612) 803-9087 or john.cleary@organicvalley.coop.

For more information about the loans call David Deziel, Director of MicroCredit-NH, at (603) 224-2069. An entire application is available online: www.microcreditnh.org/organicfund. Since specifics of the program are subject to change, please see the web page for the most current information available.

For more information on organizing partners:

www.stonyfield.com
www.organicvalley.coop
www.microcreditnh.org/organicfund
www.theloanfund.org

