

# GREENER PASTURES FOR NEW FARMERS

## CASE STUDY CROWDFUNDING MODEL

### SHADEFUND

The ShadeFund | <http://www.shadefund.org/>

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Established in 2011 by The Conservation Fund with a startup capital grant from the U.S. Endowment for Forestry and Communities, the ShadeFund pools tax-deductible contributions from individuals, companies, and foundations to provide green entrepreneurs with loans to grow their businesses and create jobs. The ShadeFund is the web-based microlending arm of Natural Capital Investment Fund, a nonprofit Community Development Financial Institutions (CDFI) affiliated with The Conservation Fund that targets and supports forestry-related businesses and small-scale agricultural producers in central Appalachia and the Southeast. The Conservation Fund was founded in 1985 and works to preserve America's natural resources by investing in conservation and communities across the United States.

The ShadeFund makes loans ranging from \$5,000 to \$50,000 to entrepreneurs who work in forestry and forest products, small-scale agriculture, ecotourism, natural food and medicines, biomass, or energy efficiency fields. The majority of their loans are \$20,000 or less. ShadeFund interest rates vary between 4 and 9 percent, according to loan amount, available collateral, and creditworthiness. In addition to providing direct loans, the ShadeFund supports green entrepreneurs by accepting referrals from commercial banks, co-lending with commercial banks, or participating in originated loans, which are loans approved and disbursed through another lending institution.



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