

# GREENER PASTURES FOR NEW FARMERS

## CASE STUDY NONPROFIT MODEL

**NORTHEAST ORGANIC FARMING ASSOCIATION OF VERMONT REVOLVING LOAN FUND**  
NOFA-VT | <http://nofavt.org/programs/farm-financial-resources/revolving-loan-fund>

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NOFA-VT is a nonprofit association of farmers, gardeners, and consumers working to promote an economically viable and ecologically sound Vermont food system. NOFA-VT was founded in Putney, Vermont, in 1971 and currently has over 1,300 members throughout the state. They strive to increase the acreage of certified organic land in Vermont while also increasing the access of local organic food to all Vermonters. NOFA-VT provides assistance to farmers through a number of programs, including their Revolving Loan Fund and Business Planning. The NOFA-VT Revolving Loan Fund was jointly established in 1994 by NOFA-VT and People's United Bank's Socially Responsible Banking Fund as the result of an increasing number of loan requests from small-scale organic farmers. This \$90,000 fund provides loans ranging from \$2,000 to \$15,000 to farmers in Vermont who either currently employ sustainable or organic practices or want to transition to sustainable or organic farming practices. Loan recipients are permitted to use the funds for working capital; to finance the purchase of short-term assets, such as advertising or seeds; to purchase equipment; to purchase other long-term assets, such as livestock; or for farm improvements and business management investments. The loans have a fixed interest rate of 5.75 percent. The payback period can range from one month to five years. Loans of over \$2,500 are required to be collateralized at a loan-to-value ratio of 90 percent.

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