



# CDFA FOOD SYSTEMS FINANCE WEBINAR SERIES

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Access to Capital Tools &  
Food Systems



## Anneliese McClurg

Coordinator, Research & Technical Assistance  
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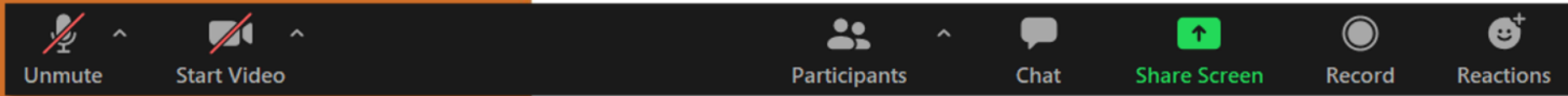
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# Join the Conversation



**Submit your questions by  
using the chat function!**

# Defining the Food System Asset Class



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With support from the W.K. Kellogg Foundation, CDFA has been researching how development finance agencies can become more engaged in developing localized food systems through traditional finance approaches. The premise of this project is to suggest and then prove that, if organized and defined properly, the food system can become a defined asset class worthy of traditional investment. Through this work, CDFA aims to advance opportunities and leverage capital to scale local food systems, increase access to better food, and create new living wage jobs in communities across the country.

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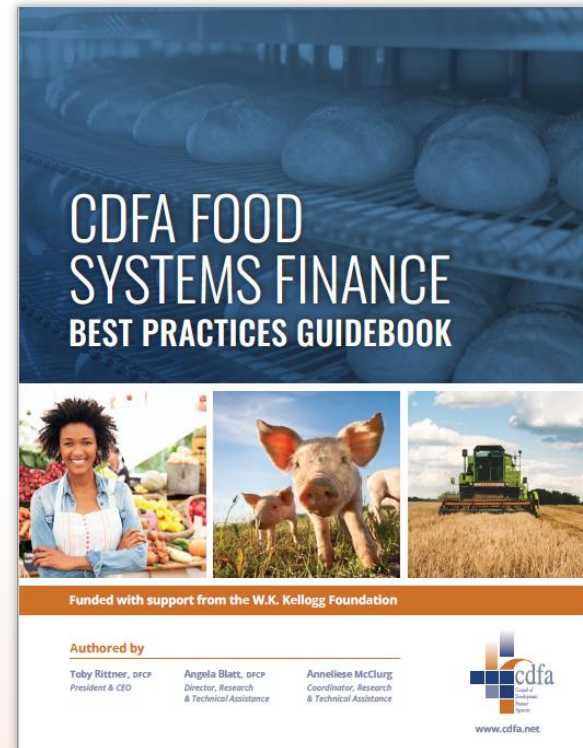
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# Access to Capital Tools & Food Systems



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## Dan Miller

Founder & CEO  
Steward

## Cole Mannix

Founder & President  
Old Salt Meat Company

## Brett Doney

President & CEO  
Great Falls Montana Development Authority

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# Access to Capital Tools & Food Systems



## Dan Miller

Founder & CEO  
Steward  
New York, NY





Equipping regenerative farms with the capital they need to grow.



## Background

Dan Miller | Founder & CEO of Steward



WESTERN DEVELOPMENT CORPORATION



FUNDRISE



Steward

Maternal family has been farming on the Eastern Shore of Maryland since 1884.

Western Development Corp, Washington DC-based family real estate company, has developed more than 20 million square feet.

Co-Founder, President, and Director of Fundrise, the first and largest US real estate crowdfunding platform with \$3.5bn AUM and 400,000 investors

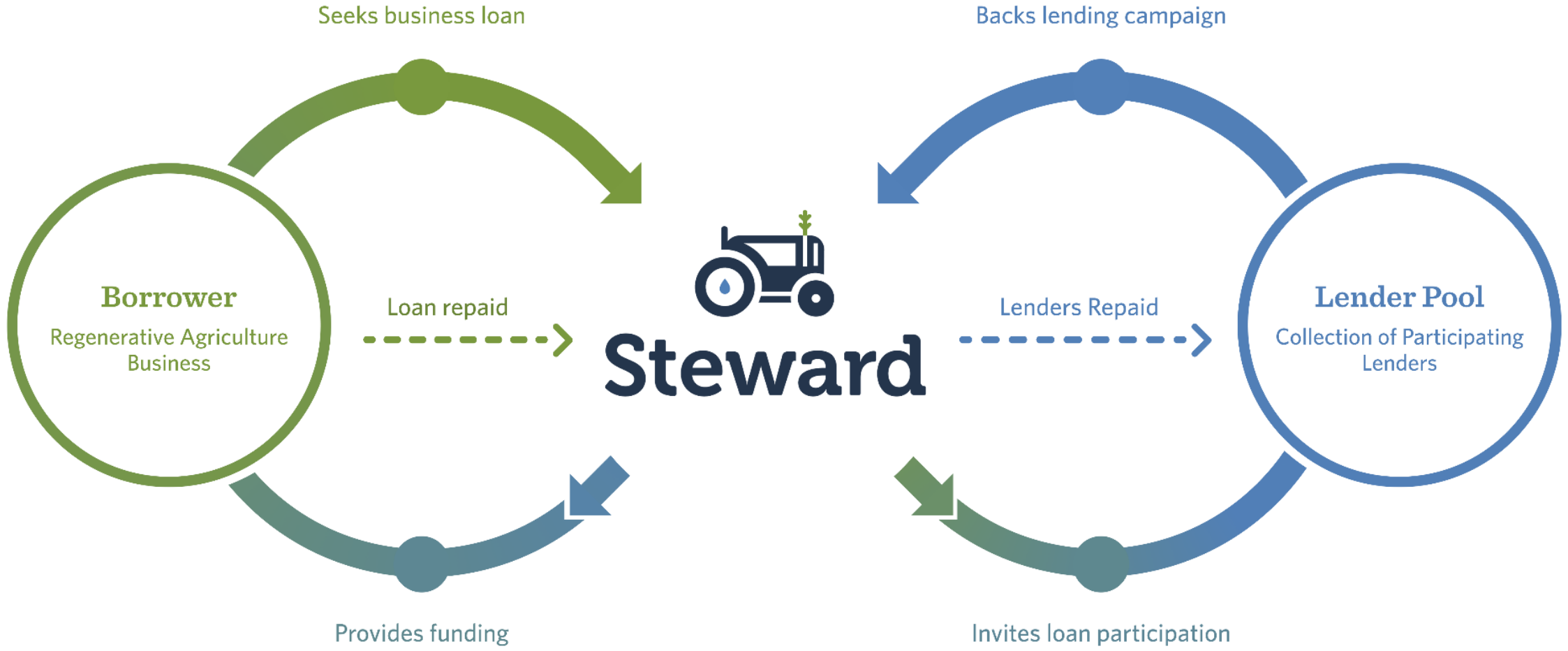
Founded Steward in 2017 to apply learnings from real estate crowdfunding to regenerative agriculture



“I am talking about the idea that as many people as possible should share in the ownership of the land and thus be bound to it by economic interest, by the investment of love and work, by family loyalty, by memory and tradition”

WENDELL BERRY - THE UNSETTLING OF AMERICA (1977)

# The Steward Framework







## CASE STUDY

# Studio Hill

A fourth-generation poultry and sheep farm that practices holistic management for more fertile and abundant fields.

Location: Shaftsbury, VT

Loan Structure: Bridge Loan to Participated Loan

Loan Size: \$1,410,000

Interest Rate: 6.0%

Term: 7 Years

Use of Funds: Purchased two neighboring properties: (1) a 50-acre hilltop parcel with a 5 bedroom, 4 bathroom house and sweeping pasture views, and (2) a 24-acre forested property with a cabin used to accommodate the increasing number of visitors. The extra acreage has allowed Studio Hill to expand its herd size and ramp up pastured sheep and poultry production.



dan@gosteward.com

202-489-7377

“The care of the earth is our most ancient and most worthy and, after all, our most pleasing responsibility. To cherish what remains of it, and to foster its renewal, is our only legitimate hope.”

- WENDELL BERRY





# Access to Capital Tools & Food Systems



## Brett Doney

President & CEO  
Great Falls Montana Development Authority  
Great Falls, MT

# Access to Capital Tools & Food Systems



## Cole Mannix

Founder & President  
Old Salt Meat Company  
Helena, MT



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# OLD SALT CO|OP



## MORE THAN A MEAT COMPANY

Meat | Processing | Restaurants | Festival

Meat with integrity from ranches that enhance Montana's landscape.

*The Land is Kin. Let's leave it better.*



# Initial Ranches

LF Ranch, Rocky Mountain Front



J Bar L Ranches, Centennial Valley



Mannix Ranch, Blackfoot Valley



Sieben Livestock Co, Chestnut Valley



# Team



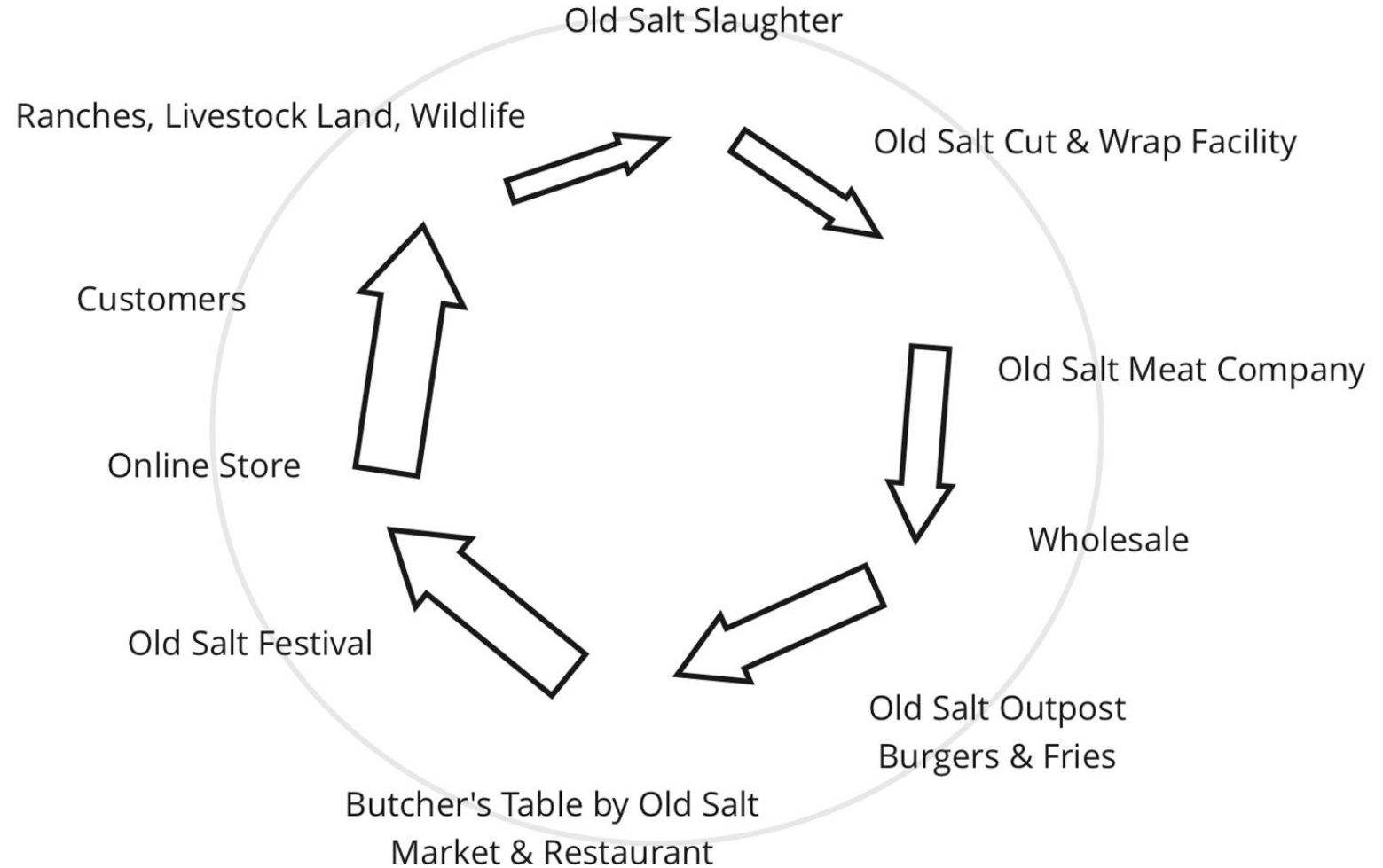
*Old Salt employs 24 people, increasing to 60 within two years; Learn more about [the core team here](#).*



# Business Model

## Multiple Enterprises:

- Provide QC
- Resiliency
- Meat brand can grow gradually
- Flywheel to win direct customers













— OLD SALT —  
GRASS-FED BURGERS & BEEF-FRIED POTATOES  
— OUTPOST —







# Overview

- Problems to solve
  - The meat supply chain is capital intensive, yet:
  - Ranches have very little cash compared with land asset value
  - Unwilling to sell or encumber land they intend to steward for generations
  - Wary after observing repeated failures to regionalize meat production
  - Even “wild success” in this sector means only modest financial upside
  - Need to drive long term value back to land stewardship, not create a lucrative exit
- Structure: LLC parent company with Co-op principles built in
  - Class A - Ranches (majority of Managers, patronage eligible)
  - Class B - Workers (minority of Managers, patronage eligible)
  - Class C - Preferred, Non-voting Interest
  - Class D - Profits Interests

# Capitalization

Round 1				
Source	Amount	Item	Type	Date
Ranches	\$20,000	Class A Memberships	equity	Early summer 2021
Ranches	\$60,000	Livestock Marketing Credit	other	Early summer 2021
Private investors	\$250,000	Revenue-based financing	unsecured private loans	Fall 2021
Private investors - Round 1	\$1,548,000	Preferred, Class C non-voting interest	equity	July 2022 -Early spring 2023
Grant	\$422,000	USDA Local Food Promotion Program	grant	Awarded fall 2022
Grant	\$150,000	State Department of Ag Value Added Producer	grant	Awarded summer 2022
Bridge Loan	\$613,000	Steward Lending	senior debt	Secured July 2022

Round 2 (Prospective)				
Source	Amount	Item	Type	Date
Private Investors - Round 2	\$1,000,000	Preferred, Class C non-voting interest	equity	Spring 2023
Subordinate debt via USDA MPILP	\$1,750,000	Great Falls Development Authority	debt	Spring 2023
Senior debt	\$4,500,000	Steward Lending	senior debt	Spring 2023

Long term: pursue additional grants, refinance debt with programs like Small Business Credit Initiative, use New Market Tax Credits for additional growth equity, Livestock marketing credit support



**OLD SALT**  
CO|OP

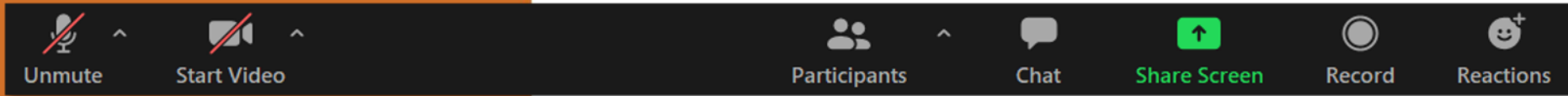
The land is kin, let's leave it better.



Thank You!



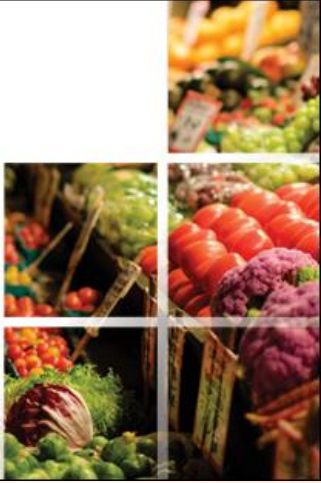
# Audience Questions



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Feb 28 | Apr 25 | Jun 27 | Aug 29 | Nov 28

### Targeted Tools & Food Systems

June 27, 2023 / 2:00 PM - 3:30 PM Eastern

### Investment Tools & Food Systems

August 29, 2023 / 2:00 PM - 3:30 PM Eastern

### Restoring Local Food Systems Through Finance

November 28, 2023 / 2:00 PM - 3:30 PM Eastern

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# Upcoming Events at CDFA

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### **Intro Revolving Loan Fund Course**

May 1-2, 2023

Daily: 12:00 PM - 5:00 PM Eastern

### **Advanced Revolving Loan Fund Course**

May 3-4, 2023

Daily: 12:00 PM - 5:00 PM Eastern

### **CDFA Tribal Finance Webinar Series: Promoting Access to Capital for Tribal Small Businesses**

May 9, 2023

2:00 PM - 3:30 PM Eastern

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# Contact Us



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