



Unlocking Development Capital for Agriculture and for Ag Cooperatives

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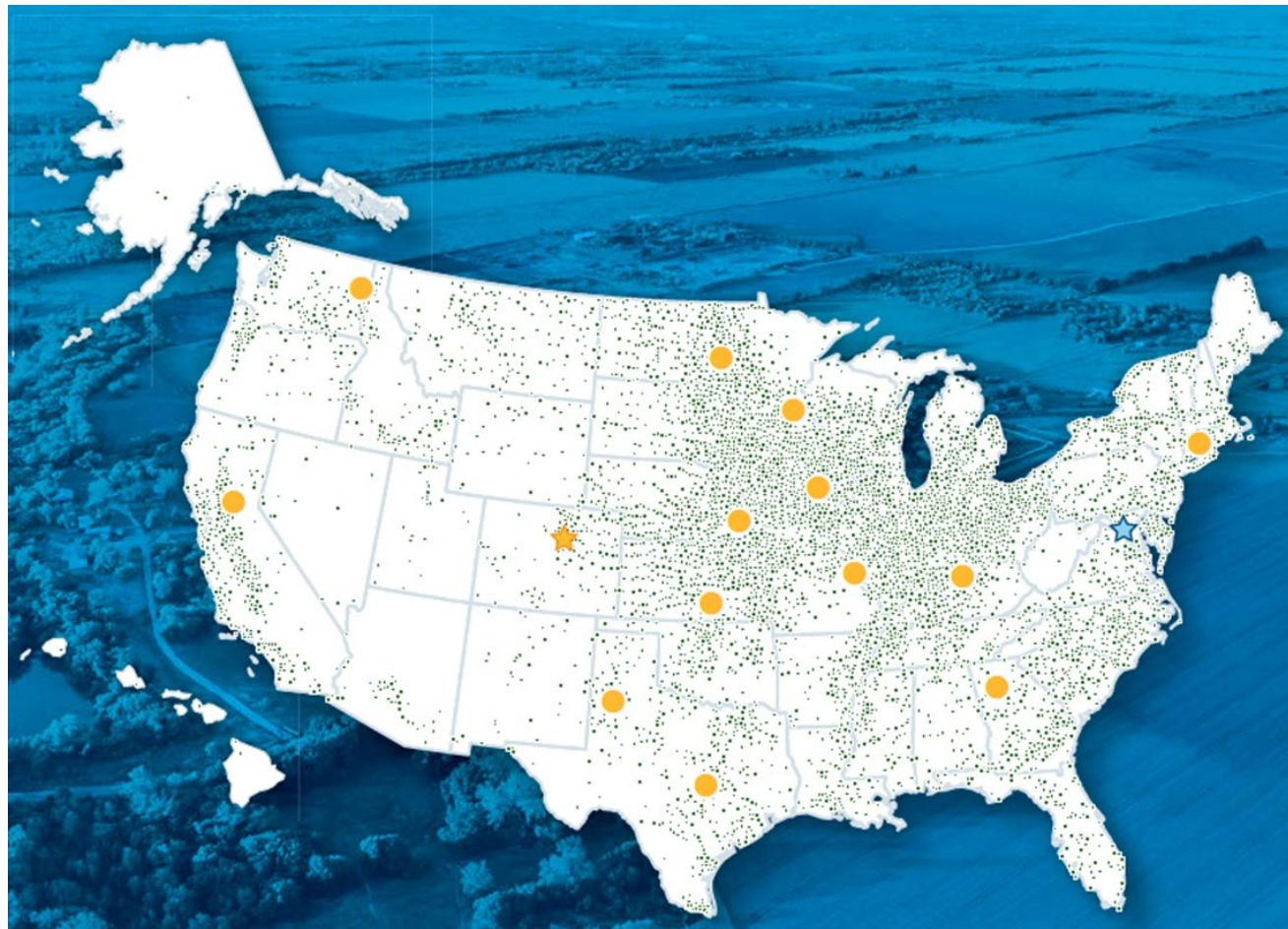


Cooperating to Enhance Native American Food Economies

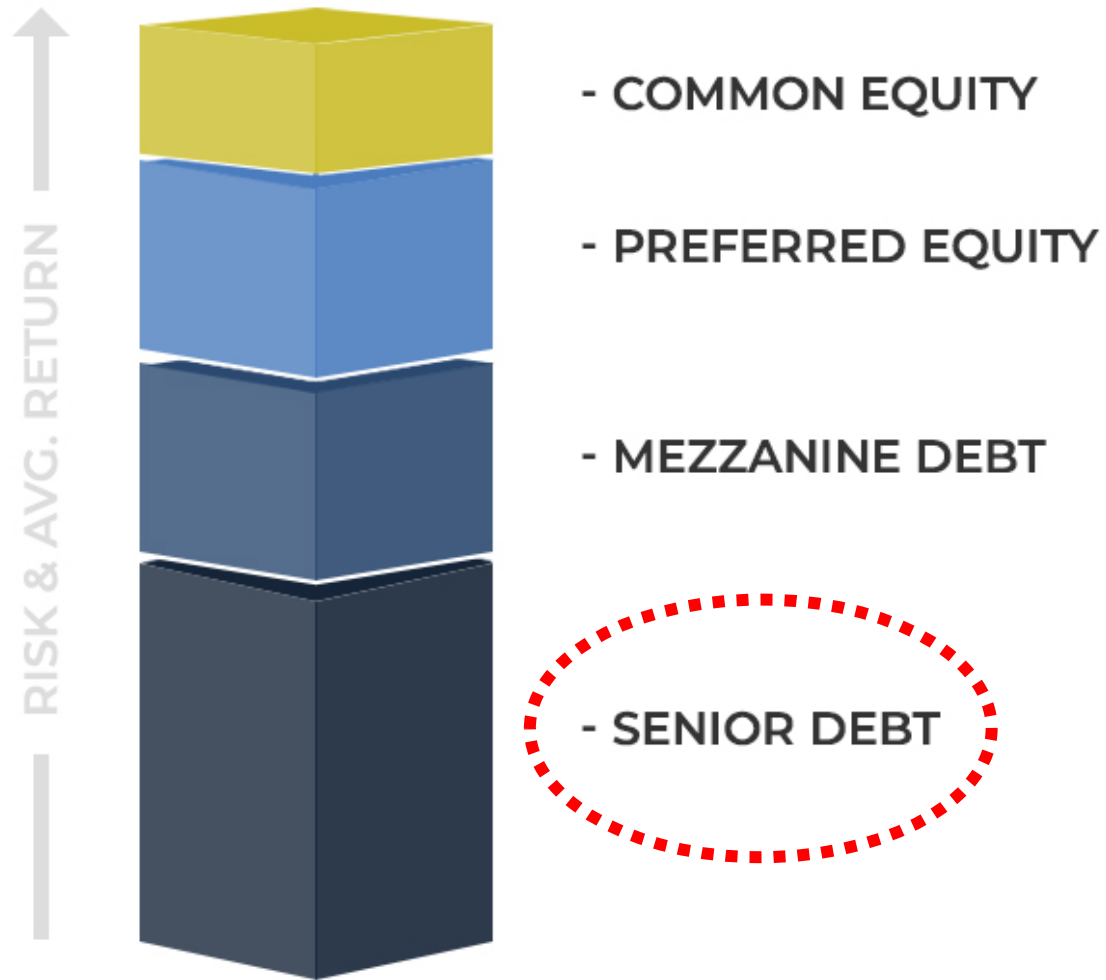
Proud Member of the Farm Credit System 

Who is CoBank?

- The largest member of the Farm Credit System, a network of financial cooperatives dedicated to lending to farmers and the businesses that support them
- A cooperative providing over \$120 billion of loans, leases, and financial services to farmer-owned cooperatives and rural infrastructure providers across the United States



The Capital Stack



Attracting Senior Debt as a Start-Up

- At a minimum:

- Management & Governance

- Character (key component)
 - Dedicated manager
 - Board policies, bylaws, and governance structure
 - Local project champion who has overseen the development and initial success
 - Board and membership who patronize the co-op

- Financial and Operational Information

- Written business and financial plan; marketing plan; feasibility study
 - Developed in partnership with Cooperative Development Center and/or other technical service provider
 - Upfront financial support
 - Positive net worth and working capital
 - Annually prepared financials by an independent third party

Success Strategies

- Never such a thing as too much cash or too much equity in a start-up
 - Debt has a downside
- Plan for challenges
 - Everything has a substitute (i.e., there is always competition)
 - Cost more, take longer, ramp-up slower
- No sacred cows
- Engage experts
- Heighten risk management
- Communicate, communicate, communicate

Questions

