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Investment fund supporting farmers, food businesses looks to attract investors



ole Gibson cores cabbage for sauerkraut at Real Pickles in Greenfield, one of the businesses that has received financing through the Pioneer Valley Grows Investment Fund. Staff File Photo/Paul Franz » [Buy this Image](#)



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GREENFIELD — As it approaches its seven-year anniversary in October, the Pioneer Valley Grows Investment Fund (<http://www.pvgrows.net/>) has reworked its community investment offerings to invite more potential investors.

The new Social Impact Pool has a lowered investment threshold of \$500 — down from \$1,000 — with up to 2% interest and a three-year investment term, rather than the original offerings of five- or eight-year terms. These investments go into the Pioneer Valley Grows Investment Fund, and the money is then used to support local farmers and food entrepreneurs' businesses.

More than 80 investors have raised \$2.2 million for 55 farms and food system businesses through the Pioneer Valley Grows Investment Fund's first seven years in operation, and Senior Program Manager Rebecca Busansky said the organization's new goal is to raise \$5 million by inviting more people to participate with the lower thresholds. The Pioneer Valley Grows Investment Fund is a program administered by the Greenfield-based Franklin County Community Development Corporation.

"Investing is a big word for a lot of people," Busansky said. "They don't think of themselves as an investor and we're hoping to reach more people who buy local, who are members of CSAs (community supported agriculture). ... This is just a whole other way to invest."

Among the businesses financed by the investment fund are Simple Gifts Farm in Amherst, Many Graces Farm in Hadley, Mycoterra Farm in South Deerfield and Real Pickles in Greenfield.

Current investor and Orange-based Seeds of Solidarity farmer Deb Habib said working with the investment fund has been a positive experience for new investors.

"The PVGrows Investment Fund has made it easy and welcoming for everyone to feel they can invest in our local food system," Habib said in a press release. "As farmers as well as first-time investors without significant funds, my partner and I continue to feel how much it matters, and it feels more proactive than a CD or savings account."

With the lowered threshold and shorter investment term, Busansky said the Pioneer Valley Grows Investment Fund's goal of letting more people get involved in community investing is possible. Additional investors, she added, can help ensure more local food systems can receive the financing they need to grow their businesses.

“We built this fund around the idea of democratizing capital,” Busansky said. “We think it’s important to make it available to more people.”

The process is straightforward: if someone is interested in investing, they can fill out the Social Impact Pool investment agreement form and mail it back with a check. Once the Pioneer Valley Grows Investment Fund gets the investment, it is added to the community fund, waiting for a local food business or farm to apply for financing. Those applications are then reviewed by the Fund Advisory Committee, which “ensures that loan applicants are a good mission fit, identifies technical assistance needs” and provides those services as needed, according to the fund’s website.

All Massachusetts residents are eligible to participate in the investment fund, along with folks living in Connecticut, Maine, New Hampshire, New York, Rhode Island and New Jersey.

Investing in local businesses comes with the same risks people associate with investing in Wall Street. With the lower threshold, Busansky said leery investors can get their foot in the door at a lower price and see how the experience is before choosing to put a greater amount of money into the process.

Once financing is reviewed and approved, the community investors share in the interest’s returns, which are paid out annually, and prorated if investing mid-year.

“There are certainly some risks involved in it,” Busansky clarified, but the community impacts are tangible, unlike investing in a big corporation. “It has meaning behind it. You have the whole social impact of helping our local farms or food system.”

For people interested in learning more about the Pioneer Valley Grows Investment Fund, the program will be hosting two virtual information sessions. The first will be held Thursday from noon to 1 p.m. and will feature Dave Schrier, co-owner of Easthampton’s Daily Operation restaurant, who borrowed from the investment fund. The other information session on Monday, Oct. 3, from 5 to 6 p.m. will feature Kel Komenda from Many Graces Farm in Hadley.

Busansky said the goal of these events is to introduce people to the investment fund and also give “current investors a chance to talk about why they invest.”

An in-person event was held at Crimson & Clover Farm in Florence, where owner Nate Frigard said his use of a bridge loan from the Pioneer Valley Grows Investment Fund helped the farm secure a Massachusetts Food Security Infrastructure Grant to build an all-season washing and packing area.

“Getting that grant felt life-changing,” Frigard said, “and securing a bridge loan from PVGrows and the FCCDC (Franklin County Community Development Corporation) made me feel like anything was possible.”

Those interested are encouraged to RSVP for an information session by visiting [pvgrows.net](http://www.pvgrows.net) (<http://www.pvgrows.net/>).

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