

For Immediate Release

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Hawai'i Island food producers gain new access to business capital *Online crowdfunding catalyzes local matching fund loan program*

KAMUELA, Hawai'i—August 18, 2014—A new no-interest loan program is available for Hawai'i Island farmers and food producers, in an effort to increase local food production, reduce dependence on imports, and strengthen local businesses.

The Kohala Center, with support from the County of Hawai'i, has created the Hawai'i Island Food Producers Fund to increase access to capital for the island's food producers. The new fund provides 0% interest loans to farmers and value-added food producers through Kiva Zip, which is a pilot program of Kiva.org, the world's first and largest non-profit micro-lending website.

Information about the Hawai'i Island Food Producers Fund is available online at <http://www.kohalacenter.org/microloan-kiva>.

Kiva Zip has increased its focus on supporting farmers and food producers because of their popularity amongst Kiva Zip lenders and their high repayment rate. In 2014, lenders supported more than 200 farmers and food producers nationwide.

Small businesses in the United States consistently report access to capital as a considerable barrier to growth. Rather than using traditional lending practices, Kiva Zip takes an innovative approach that relies on social capital and considers factors such as a borrower's character and trust network—rather than their credit score, collateral, or cash flows—in making underwriting decisions. Through Kiva Zip, individual lenders around the world collectively “crowdfund” entrepreneurs and small businesses that are typically excluded from conventional lending avenues and have significant social impact potential. By lending \$5 or more, lenders collectively provide interest-free loans up to \$5,000 (and up to \$10,000 for farmers).

The success story of a local food producer who used a crowdfunding website to raise capital for his business has prompted two agencies to create a matching fund loan program to leverage the crowdfunding approach for more producers. In 2013, Hawai'i Island farmer Tane Datta received a \$2,500 loan from Kiva Zip to finance a new roof on a greenhouse that had deteriorated to the

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point of being detrimental to crops due to leaks and loss of quality light. The money was raised in four days from 74 people across the globe in Asia, Europe, North America and Hawai'i. Datta is also the president of Adaptations, Inc., which runs the Fresh Feast Community Supported Agriculture service on Hawai'i Island as well as a marketing and distribution company that supplies all the islands with locally grown food from more than 100 farmers. He is also the chair of the Hawai'i County Agriculture Advisory Commission. Impressed by Kiva Zip's potential to expand access to capital for farmers and other food producers on Hawai'i Island, Datta approached the Agriculture Advisory Commission, Hawai'i County Mayor Billy Kenoi, the county's Office of Research and Development, and The Kohala Center to explore Kiva Zip as an avenue to stimulate local food production.

"Almost all local cultures, clans, and families have ways of helping each other. Everyone on the island appreciates locally produced food, community, and the spirit of aloha. Kiva Zip offers all of us the structure to bring our natural tendencies to reach out to each other into a social media format that can tangibly support island-wide food self-sufficiency," said Datta. "Mayor Kenoi and his administration, the AAC and The Kohala Center have been instrumental in providing funding that I hope will be a catalyst for the rest of the agricultural community. I hope many others will join us as borrowers, lenders, trustees and most importantly as healthy eaters of local food."

To further boost the amount of capital available to local food producers, the Hawai'i Island Food Producers Fund matches Kiva Zip loans dollar for dollar through a grant from the county. Farmers and food processors utilizing at least one Hawai'i-grown ingredient are eligible for the program. The Fund will revolve with Kiva Zip until exhausted, allowing the county's initial grant of \$25,000 to generate up to \$275,000 in loans to local food producers.

Kiva Zip representative Justin Renfro commented that "Kiva Zip's ability to connect farmers in Hawai'i with thousands of lenders around the world is a very exciting opportunity for us. Farmers like Tane exemplify the spirit of Kiva Zip, to empower good people to invest in the betterment of themselves, their families, and communities."

Individuals and organizations can support local food producers by becoming a Kiva Zip lender or trustee. Trustees factor heavily in the overall loan process, as Kiva Zip requires borrowers to have a trustee who can publicly vouch for the borrower's character and support their business throughout the loan term. Trustees have no financial or legal liability for Kiva Zip loans.

Trustees can include individuals, small businesses, neighborhood associations, religious groups, student groups, professors, nonprofits, mentors, retail outlets, suppliers, small business development centers, economic development corporations, and startup incubators. For

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information on becoming a lender, visit <https://zip.kiva.org/loans>. For information on becoming a trustee, visit <https://zip.kiva.org/trustees>.

Kiva Zip accepts loan applications online at <http://www.borrowers.kivazip.org>. For more information on the Hawai‘i Island Food Producers Fund, please visit <http://www.kohalacenter.org/microloan-kiva>.

About The Kohala Center

Founded in the year 2000, The Kohala Center (<http://www.kohalacenter.org>) is an independent, community-based center for research, conservation, and education. We turn research and traditional knowledge into action, so that communities in Hawai‘i and around the world can thrive—ecologically, economically, culturally, and socially.

About Kiva Zip

The Kiva Zip pilot project (<https://zip.kiva.org>) launched in November 2011 as a direct lending model with three objectives: 1) Expand borrowers’ access to capital, by making loans to people who may not qualify for conventional loans, 2) Lower financial costs of borrowers by leveraging new technologies, and 3) Cultivate community between borrowers and lenders by enabling them to communicate directly through the Kiva Zip website.