

PRESS RELEASE
FOR IMMEDIATE RELEASE

Contacts: Chris Fullerton, Manager
Tuscarora Organic Growers Cooperative
(814) 448-2173

David A. Kahley, President & CEO
The Progress Fund
(724) 529-0384

Organic Growers to Unveil Expansion
Bigger warehouse, great future fertilized by homegrown Progress Fund loan

Hustontown, PA – May 17, 2004 – Organic rhubarb and strawberry shortcake, organic ice cream, and organic coffee, teas and milk will be on the menu tomorrow when the Tuscarora Organic Growers Cooperative opens the doors of its new 3,600-square-foot warehouse expansion. The real entrée, though, will be organic, locally grown economic development.

The Tuscarora Organic Growers Cooperative, or TOG, has been distributing the fresh, chemical-free products of its member farmers since 1988, and its output has grown 30-fold. But future growth was constrained by the cooperative's 2,700-square-foot warehouse. Based in Huntingdon County with farmers from six counties, TOG members can coax almost anything out of the soil – but not construction financing. Banks “wanted more security than we actually had,” says TOG Manager Chris Fullerton. On a tip, TOG turned to The Progress Fund.

The Fund recently received a \$750,000 loan from the United States Department of Agriculture's Intermediary Relending Program, and is now lending that money to businesses at the crossroads of agriculture and tourism. TOG fit the bill, because some of its produce goes to roadside stands and farmers markets that serve tourists. As a bonus, the bulk of TOG's produce goes to specialty stores and restaurants in and around Washington, D.C., bringing out-of-state money back to rural Pennsylvania communities. “It's a huge benefit to local community farmers that they have a way to pool their resources” through TOG, says Progress Fund Commercial

Loan Officer Jim Gonsman. When TOG approached the Fund for a loan, says Jim, “We said, ‘Let’s do it.’”

The Fund helped TOG hone its business plan and agreed to lend \$65,000 to cover equipment for the warehouse expansion. The Fund is also providing gap construction financing until a \$75,000 loan from the Small Business First Program of the Pennsylvania Department of Community and Economic Development becomes available. TOG growers are putting in \$40,000, for a total of \$180,000 in new investment in the expansion, coolers and information technology upgrades.

The expansion more-than-doubles TOG’s storage capacity. “We’re going to have the space that we need,” says Chris of TOG. “Projections are that we’ll double volume in the next five years.” That means an addition of one to three new farms to the cooperative each year, more varied offerings, and deliveries five days a week, rather than the current two-day-a-week schedule. TOG also expects to add full- and part-time employees.

TOG’s produce “is fresh, it’s local, and it’s certified organic,” Chris says. Now the same can be said of its warehouse – and its financing.

The ribbon cutting for the expanded warehouse begins at 10 a.m. on Tuesday, May 18, and includes a history of the cooperative, remarks, a hay wagon tour of one of the farms, and organic refreshments. Call (814) 448-2173 for details and directions.

The Progress Fund is a Community Development Financial Institution that creates jobs and improves communities by providing entrepreneurial coaching and capital. We serve Pennsylvania and West Virginia, where the resourceful people who forged this nation are exploring a new landscape of opportunities. An outgrowth of Congressman John Murtha's efforts, the Fund was founded in 1997, and has loaned more than \$7.5 million to more than 118 enterprises, creating or preserving more than 750 jobs. The Progress Fund is an Equal Opportunity Lender. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, DC 20250.

#####