

# Pipeline Foods Organic Transition Loan

**Critical transitions:**



**Innovation:** Supply chain innovations

**Geographic focus:** North America (USA)

**\$:** n/a



**Pipeline Foods and Rabobank partner to drive the transition from conventional to organic agriculture**

Pipeline Foods and Rabobank have teamed together on a new Organic Transition Loan.

Founded in 2017, Pipeline Foods is the first U.S.-based supply chain solutions company focused on accelerating the availability and reliability of organic, non-GMO, and regeneratively grown food and feed. Its purpose is to contribute to a healthier, traceable, and more sustainable food system.

In 2019, Pipeline Foods partnered with Rabo AgriFinance, a subsidiary of Rabobank and a leading financial services provider for agricultural producers and agribusinesses in the United States, on the development of a new financial mechanism to support farmers seeking organic certification. The joint project delivered a financial framework that gives farmers the flexibility to receive the capital needed for up-front costs and to schedule repayments when they receive the additional revenue from selling certified organic goods.

The U.S. Department of Agriculture (USDA) requires a three-year transition period for farmers to certify their land as organic – a period that has proven to be financially challenging due to yield losses and the incapacity to collect organic premiums during the conversion period. Yet, market and consumer demand for organic food and ingredients continue to grow. The new Organic Transition Loan now bridges this incongruity.

Pipeline’s relationship with Rabobank goes beyond the Organic Transition Loan. In September 2019, Pipeline announced the successful completion of the renewal of its operating syndicated loan led by Rabobank’s Wholesale Banking North America franchise, in cooperation with ING Capital and CoBank. The loan is crafted in adherence with the ICMA Green Loan Principles and helps Pipeline contribute to sustainable development as outlined by the United Nations Sustainable Development Goals.

**Stakeholders:**

Rabobank; Rabo AgriFinance; Amerra Capital Management

**Status:**

● Operational