



**Development Chenango Corp.
Business Assistance Loan Fund**

Hillcrest Lavender Farm LLC
239 Stone House Road, Sherburne
607-244-5135
Contact: Eric Turner Owner

Loan Request: Development Chenango Corporation has received a request to participate in financing the expansion for Hillcrest Lavender Farm LLC owned by Eric Turner.

Amount & The Finance Committee and Full Board will consider a loan request for \$68,000 at 3% interest for a

Terms: term of 7 Years from the Agricultural Revolving Loan Fund.

Background & Hillcrest Lavender Farm LLC located at 239 Stone House Road, Sherburne, was established by Eric Turner

Project: Hillcrest Lavender Farm LLC was formed in 2017 by Eric and Kathy Turner using land rented from the members. The farm is in Sherburne which is in central New York. The seven acres of land is on a hillside with a southern slope and panoramic views. In 2018 the farm purchased a tractor and implemented a zero percent 5-year loan. In 2020 a copper still was purchased to begin extracting lavender essential oil and in 2021 the farm purchased a portable storage building to use as a gift shop. The farm currently has about 1250 mature lavender plants from which they harvest the flowers to sell, distill for essential oil and to use in the production of other products. Hillcrest Lavender Farm offers U-pick events, fresh and dried bunches of lavender flowers, value-added products using their own distilled lavender oil and hydrosol, related handcrafted products and culinary items from another lavender farm. Research clearly indicates a growing interest in natural lavender-based products as well as a strong demand for lavender oil and hydrosol in the wholesale markets. The lavender-based US market is expected to grow to \$124m by 2024. The farm’s plan is to grow the business into a destination while serving the wholesale and retail markets.

Sources & Uses Overview:

Source	Amount	Term	Use	Security
Personal Funds	\$5,000	N/A	Cost overruns- not expected	Owner Investment
Development Chenango	\$68,000	7 Years	Expansion costs	Mahindra Tractor.
Total:	\$73,000			

Management: Eric Turner

Professionals: N/A

Employment: Hillcrest Lavender Farm LLC currently employs 3 full-time. The proposed project will assist in the retention of these jobs and the creation of 29 additional full-time position within the next two years.

Job Classification	Pay Range	Employed at Present	In one year	In two years	In Three Years
Part-time unskilled labor	\$15-17/hr	0	4	4	6
Field Manager	\$30k Year	0	0	0	1
Total		0	4	4	7

Financial

Overview: All financial information for Hillcrest Lavender Farm LLC, has been analyzed and a summary is provided below. Overall, Hillcrest Lavender Farm LLC appears to be a healthy business, and Mr. Turner appears to be credit worthy.

Financial

Summary: According to persistence market research Pvt. Ltd. In 2017, the US lavender market is projected to grow from \$76M in 2016 to \$124M in 2024. Please see attached cash flow projection analysis.

Loan Recommendation:

It is recommended that DCC consider participating in financing expansion revenue for Hillcrest Lavender Farm LLC by Mrs. Nelson. The business shows promise for growth with this expansion.

Proposed term is 7 Years at 3% interest, which yields an approximate yearly obligation of \$11,322.36 or \$943.53 per month.

Collateral for this loan will be the:

Mahindra tractor

Serial number: 38HCL01147

Model number: 25384CHIL