

Statement for the Record

On U.S. Senate Agriculture Committee Field Hearing “2023 Farm Bill - Growing Jobs and Economic Opportunity: 2023 Farm Bill Perspectives from Michigan”

Chairwoman Stabenow and Ranking Member Boozman:

Thank you for hearing my testimony today about Northern Initiatives and our business.

My name is Tom Vear. My wife, Jennifer Ray, and I own and operate Donckers and the Delft Bistro in Marquette Michigan, Da UP.

Food and Agriculture have been part of my life for quite some time. I graduated from DePauw University in Greencastle Indiana, a small rural farming community, and spent the next twenty years trading corn and soybean futures at the Chicago Board of Trade. Then, another twenty years ago, my wife and I changed chapters in our life and moved to rural Marquette with our three young children, where we were meant to be.

In 2007, we bought Donckers, a 112 year old family business from Fred Donckers, the grandson of the founder. The building, a 1909 historic property in downtown Marquette, caught my eye. My love for historic renovation encouraged us (with Jen kicking and screaming) to try our hand at restaurants and chocolate making. In 2015, we also purchased the Delft Theater, built in 1914. We converted the property to a more upscale lunch and dinner restaurant, with a movie concept.

Our choice to be in Marquette was influenced by our 3 children and the desire to be in a small, rural community. All three have worked in our business and graduated from the University of Michigan.

I have been on the board of Northern Initiatives for 12 years and both strongly believe in and enjoy the mission of this CDFI (Community Development Financial Institution). NI's loan funding, through Rural Development has helped to create many successful businesses as well as job creation, including our two businesses.

Donckers and The Delft Bistro have both borrowed funds from NI to further develop our restaurant and our chocolate making. When we originally purchased Donckers, Fred, the 78 year old grandson, agreed to stay on and teach us the fudge making process, which was part of the business 100 years ago. We saw an opportunity in the chocolate business and for the past twelve years have been growing that part. Just this past week, with the help of a revolving loan from NI, we purchased a fifty thousand dollar candy coating machine. Last year, we made a half million of our Signature hand dipped sea salt caramels. Sample enclosed! We anticipate five to seven times that amount this year.

When getting products for our restaurants, we try our best to source locally. We work with local farmers for our eggs, greens, syrup, meats, and coffee. We have also been using the expertise

of the Michigan State Extension, a resource to help us with our packaging requirements. In addition, we have been working hard on getting our businesses B-Corp certification.

Being a part of the growth and influence of Northern Initiatives has been a great pleasure. The board and staff members are fully committed to the mission of rural development as well as job creation.

Over the past ten years, NI has established itself as the state wide CDFI lender that rural and women and minority owners seek out for their business development. The organization is headquartered in Marquette with office locations throughout Michigan. Northern Initiatives provides loans and business services to entrepreneurs and small business owners who create jobs and help their communities thrive. Starting in 1994, as a program of Northern Michigan University's College of Business to help build rural economic resiliency in the face of declining resource extraction in Michigan's Upper Peninsula, today, NI serves 83 counties in Michigan and Northern Wisconsin.

Since 1994, NI has provided 1,507 loans totaling over \$88 million and helped to create or retain nearly 7,000 jobs. Nearly 85% (approximately \$67M) of these loans have been to small businesses in rural Michigan. Of the top 20 counties NI served in 2021, 16 were rural. In 2021, 66% of NI's loans were to startups, a third were to manufacturing businesses, a third were to women-owned businesses, and 72% were to small businesses located in low-income areas.

USDA Funding sources have been instrumental in NI's ability to support small businesses - including those Jenn and I own. As our businesses have grown, we've needed additional capital. When we opened The Delft, Northern Initiatives utilized IRP resources to help us purchase our kitchen equipment. RMAP funds have been utilized to finance many of our rural neighbors and to provide those businesses the technical assistance to manage their cash flow and market their goods and services.

To date, NI has deployed 252 IRP and RMAP loans, totaling \$18,814,845 and creating and retaining 1,283 jobs.

The RMAP and IRP included in the Farm Bill are important sources of job creation for rural and low income communities. They support small businesses and help communities thrive.

Thank you again for the opportunity to submit a statement for the record.

Contact Information:

Tom Vear
Donkers/ The Delft
139 W Washington Street
Marquette, MI 49855
906-250-8883

Elissa Sangalli
Northern Initiatives
101 W Washington Street, Suite 9
Marquette, MI 49855
616-204-2201
esangalli@northerninitiatives.org