



CEI Capital



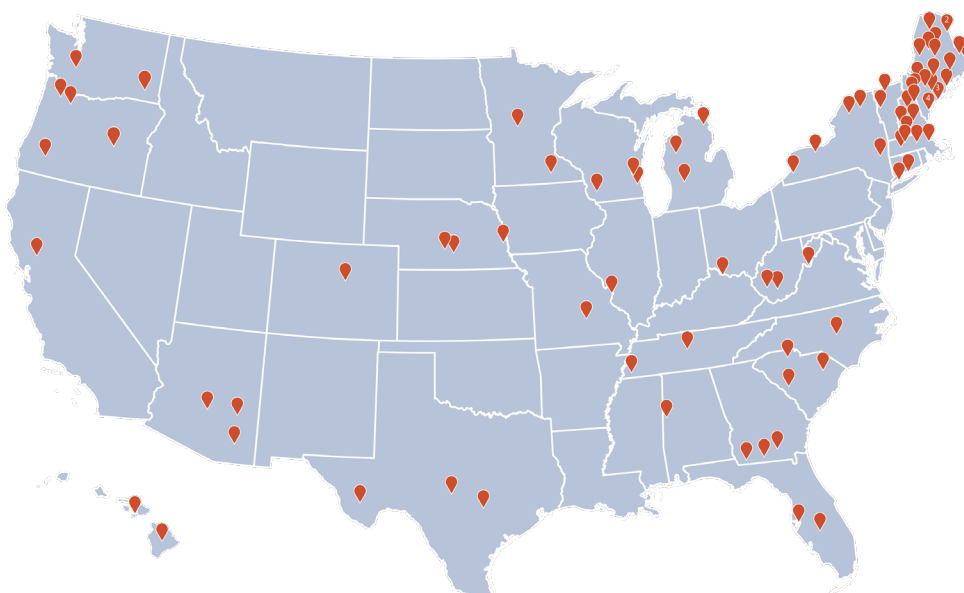
IMPACT  
REPORT  
**2022**

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Supporting Good  
Jobs in Rural  
Manufacturing



# 18 YEARS OF IMPACT



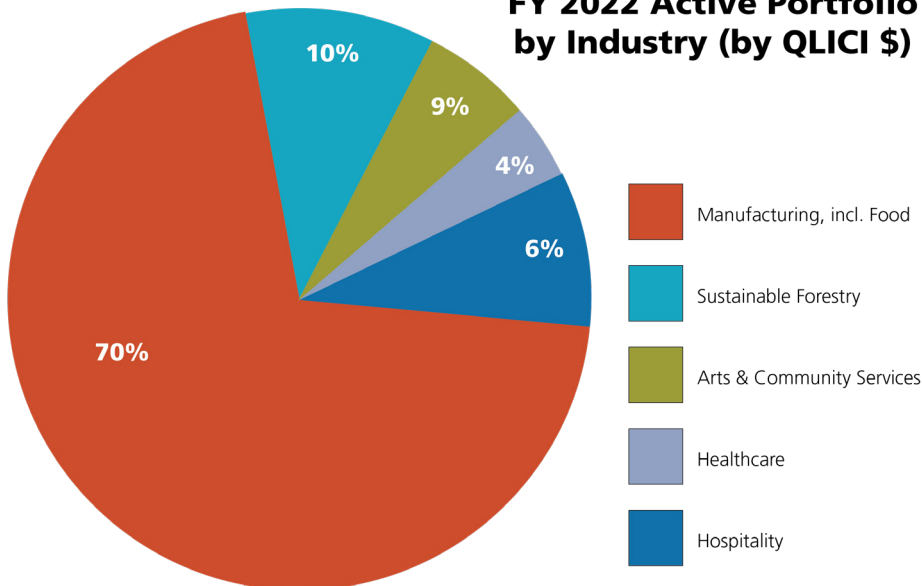
## CUMULATIVE IMPACT as of 9/30/2022

**\$1.02b**  
DOLLARS INVESTED

**96**  
HIGH-IMPACT PROJECTS

**12,097**  
FTE JOBS CREATED/PRESERVED<sup>1</sup>

## FY 2022 Active Portfolio by Industry (by QLICI \$)



## FY2022 IMPACT as of 9/30/2022

**\$19.5M**  
DOLLARS INVESTED

**\$55.6M**  
NMTC UNWINDS

**\$113.6M**  
ACTIVE PORTFOLIO

<sup>1</sup>All data is tracked through borrower's annual Transaction Level Review reporting. The data represents cumulative jobs from Coastal Enterprises, Inc. and CEI Capital Management LLC's NMTC portfolios.



FROM  
THE  
CEO

Rural workers disproportionately work in low-wage jobs with limited benefits: 40% of rural workers earn less than \$15/hour compared to 29% of urban workers.

The lack of good jobs that provide at least a living wage and basic benefits means that 43% of adults in rural communities have a high likelihood of material hardship and have the least amount of flexibility to adjust to pressures like inflation.

The data bears this out: rural household disposable income fell by 38% from 2021 to 2022, twice as much as in urban households. Of the 353 Persistent Poverty Counties in the U.S., 85% are rural, as are 92% of counties with child poverty rates above 40%.

Since 2001, manufacturing jobs in rural areas have declined by 21%.

**Manufacturing businesses provide one of the few pathways to quality jobs, particularly for those with lower levels of formal education.**

This is particularly important in rural areas, as rural counties account for 85% of counties where at least 20% of workers lack a high school diploma.

This is why CCML targets its NMTC investments to rural manufacturing businesses that create good jobs with living wages, comprehensive benefits and training. By targeting projects that create quality jobs accessible to workers with a high school diploma or less, we help provide a pathway to economic mobility.

*- Traci Vaine*

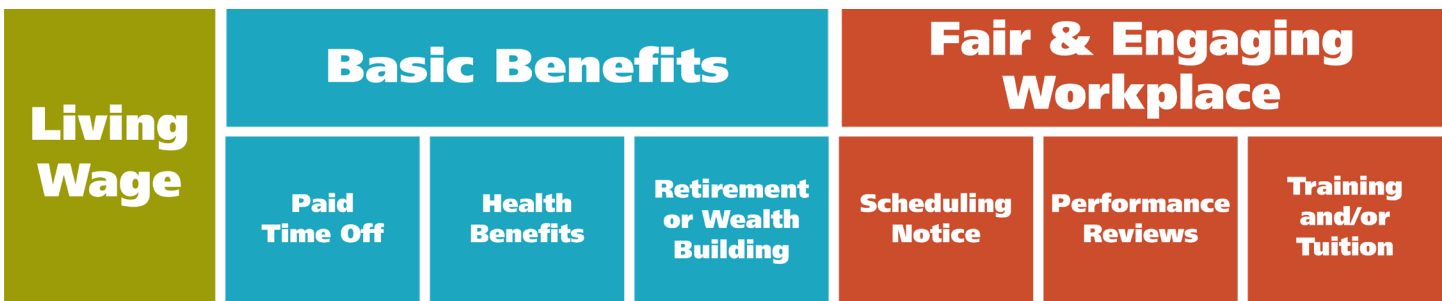


# THE GOOD JOBS FRAMEWORK

**Good jobs are jobs that provide economic stability, a workplace that treats you with respect and opportunities for career advancement and wealth-building.**

At CCML, we share more than just a mission with our nonprofit parent, CEI.

When CEI developed their Good Jobs Framework as a baseline of what constitutes quality employment, we immediately saw how it could apply to New Markets investments, and specifically the rural manufacturing sector, to help boost economic security.



# 63%

OF CURRENT PORTFOLIO OF COMPANIES MEET COMPLETE CEI GOOD JOBS DEFINITION

ALL DIRECT JOBS CURRENTLY MEET AT LEAST

# 6 of 7

CEI GOOD JOB DEFINITION REQUIREMENTS



# 71%

## OF CURRENT DIRECT JOBS ARE ACCESSIBLE TO THOSE WITH A HIGH SCHOOL DIPLOMA OR LESS

	WAGES	BASIC BENEFITS	FAIR & ENGAGING					JOB ACCESSIBILITY					
	% of Employees making Single Adult Living Wage (as defined by MIT calculator)	% of employees eligible for healthcare	Offers retirement savings plan	Offers PTO	Offers Training & Educational Opportunities	Has regular performance reviews	2 weeks schedule notice	% available to individuals w/ a HSD/GED or less	% available to individuals w/ less than a 2 year degree	% available to individuals w/ less than 4 year degree	% available to people with low-incomes	% available to people w/ barriers (long term unemployed, formerly incarcerated)	Partnerships/efforts to increase Accessibility of Jobs
QALICB A	100%	100%	✓	✓	✓	✓	✓	74%	88%	88%	100%	100%	✓
QALICB B	72%*	100%	✓	✓	✓	✓	✓	75%	90%	90%	100%	100%	✗
QALICB C	100%	100%	✓	✓	✓	✓	✓	50%	75%	75%	100%	100%	✓
QALICB D	100%	100%	✓	✓	✓	✓	✓	25%	25%	25%	100%	100%	✗
QALICB E	100%	100%	✓	✓	✓	✓	✓	100%	100%	100%	100%	100%	✓
QALICB F	100%	100%	✓	✓	✓	✗	✓	85%	98%	99%	75%	75%	✓
QALICB G	100%	100%	✓	✓	✓	✓	✓	100%	100%	100%	100%	100%	✓
QALICB H	100%	100%	✓	✓	✓	✓	✓	90%	90%	90%	100%	90%	✓
QALICB I	34%†	100%	✓	✓	✓	✓	✓	75%	75%	85%	100%	75%	✓
QALICB J	<b>BORROWER DOES NOT HAVE ANY DIRECT EMPLOYEES</b>												
QALICB K	48%	100%	✓	✓	✓	✓	✓	29%	32%	57%	100%	100%	✓
QALICB L	100%	100%	✓	✓	✓	✓	✓	100%	100%	100%	100%	70%	✓

\* 28% of Employees who do not make living wage are tip-eligible.

† In FY 2021, 100% of employees made a living wage. In FY 2022, Living Wage for the area rose by 13.5%. Company reported the largest wage increase in its history.



## When Premium Peanut presented its first five-year service awards last year, it was a true celebration.

The young company is in Douglas, Georgia, a major peanut growing region that has historically experienced persistently high unemployment and low family incomes. Since forming in 2014 the company has rapidly grown to be the largest single shelling facility in the world. They boast 235 employees, 450 grower-owners and 11 buying points. Premium Peanut handles over 10 percent of the peanut crop in the United States and its customers consist of major snack, candy, and peanut butter manufacturers domestically, as well as customers in more than 30 countries around the world.

With confidence in a dedicated team, the company management grew its product line fast, adding a peanut oil plant in 2017 and a seed research and development operation, leading to hiring about 80 new positions. Many of those recognized for their five-year work anniversary have been with the business from the start, typically promoted to leadership positions over their tenure.

This scale of job creation, especially good quality jobs that pay a living wage, provide at least basic benefits, and offer opportunities for training and advancement, is challenging for businesses in rural areas. Seven years ago, when the company first broke ground, residents hoped the project would be a game-changer for the local economy and employment landscape, but success wasn't guaranteed. As a start-up with no historical performance in a competitive commodity market the company struggled to secure traditional bank financing for equipment and facilities.

**“When CEI Capital Management considers an investment, good job creation is front and center. Premium Peanut’s job creation, workforce development and career advancement practices exemplify the approach CCML prioritizes.”**

**- Traci Vaine , CCML CEO**

The federal New Markets Tax Credits (NMTC) program provided an opportunity to bring the required investment capital to the project through the partnership with Truist Bank, the bank's regional community investment office, and a Maine-based NMTC management firm, CEI Capital Management LLC (CCML).

The NMTC Program was designed by Congress to stimulate private investment and economic growth in low-income communities that lack access to the patient capital needed to support and grow businesses, create jobs, and sustain healthy local economies. The seven-year NMTC investment cycle has just concluded for Premium Peanut.

The jobs created by Premium Peanut are meaningful in a rural area where opportunities are few and far between. Management focused on strengthening opportunities for advancement, and as the business grew, they responded to the expanding workforce needs by investing in their people, like Safety and Training Coordinator Ashlie Thornton, who joined the company six years ago as a temporary sanitation worker.

Ashlie decided she wanted to build a career with Premium Peanut. Her supervisors encouraged her, assigning her jobs as a quality control technician and stock operator. Ashlie learned how to run the cleaners, the shellers, and every aspect of the plant that she could access. After a year and a half, she was recruited to the safety department, where she found her passion. When her supervisor left for another position, Premium Peanut saw an opportunity to build from within.

"At that time, Premium Peanut could have gone outside of the company, and got someone who already had the knowledge to fill that position. Instead, they said, 'Hey, let's grow the employee that we have,'" Ashlie recalled. "They have provided me with every tool necessary to be successful in my position."

Ashlie is now OSHA certified, a member of the American Society of Safety Professionals, and well-equipped to keep the plant compliant and its people safe as the company's lead safety employee.

"My reward every single day is my employees going home safe. That's my number one goal, to ensure that these employees go home to their families the way they came in. Employees are constantly looking out for each other."

**"Premium Peanut could have went outside of the company, got someone who already had the knowledge, the education to be able to fill that position. But instead of doing that, they said, 'Hey, let's grow the employee that we have.' And that is exactly what they did. They have provided me with every tool necessary to be successful in my position today."**

**- Ashlie Thornton,  
Safety & Training Coordinator**  
(photo: far left in green)





That culture extends throughout the business. After COVID, the company contracted a free mobile clinic to be at the plant for two hours every day. The company pays bonuses twice a year, and has fresh fruit delivered weekly. For fun, it sponsors all-staff picnics and held a forklift rodeo for workers and their families. Its rural location helps foster a sense of community. “Most people are seeing their coworkers in the grocery stores and at the sides of the little league games,” says CFO Marshall Spivey.

Farmer shareholders also have a voice in the operations. Premium Peanut has paid \$54 million in dividends to their 450 farm families in the last five years, with another round of dividend payments expected in 2023. This is money that stays in the community. Growers can buy new farm equipment, invest in their infrastructure, buy more land, and more. The dividend has kept farms in business that might not have made it.

The company sponsors an annual shareholder retreat with the farmers, and leadership visits buying points around the region, all mutually sharing information. CFO Spivey says that’s where the idea for a new sustainability initiative came from. Growers noted how peanuts require comparatively little water to grow when compared to almonds, making them a naturally sustainable nut. The company created new grower liaison positions to work with the farmers in the fields and at the buying points, performing field assessments on crop sustainability. Farmers can earn an extra \$10 per ton for participating.

Such benefits ripple through the community, illustrating the power of NMTCs in rural places. “Absolutely any time you go out into the community, and you go out with your Premium Peanut shirt on, everybody you talk to has something nice to say,” Ashlie said.

Premium Peanut is also investing in the next generation of their workforce. A community benefits agreement with CCML directed \$80,000 to the University of Georgia and Wiregrass Technical College to fund scholarships and training programs.

**“I know that this is just the beginning for me with this company. I know that they’re going to continue to help me grow in every aspect that I can to do my job successfully,” Ashlie said.**





## COMMUNITY BENEFITS AGREEMENTS IN ACTION

In January 2023, CEI Capital Management LLC (CCML) announced that it has made a \$60,000 donation to the Oasis Free Clinics to support their work to providing health, dental, mental health and prescription assistance for adults with low-incomes and no insurance between 18 and 64 who live in Freeport, Brunswick, Harpswell, the Islands, Durham and Sagadahoc County. Funds for this donation were generated as part of Community Benefits Agreement with one of CCML's New Markets Tax Credit (NMTC) investments. The Agreement stipulated that a portion of the funds from the NMTC loan repayment would go to support organizations that serve populations with low incomes.

Oasis is the only medical and dental clinic whose sole purpose is to provide free care to uninsured adults in southern Mid-Coast Maine. Through their health and dental programs, Oasis serves uninsured adults living at or below 200% of the Federal Poverty Level. They also assist low-income, insured adults with access to free medications. Services are provided by a small paid staff and a network of volunteer medical, dental, and mental health providers. Oasis provides free medical, mental health and dental care as well as administering the region's Community Prescription Assistance Program (CPAP). The Medical Clinic serves 450 patients and provides wellness and prevention visits, women's health care, acute sick care, chronic disease care, limited mental health counseling services, and referrals to specialty care.

"We are thrilled to be the recipient of this incredible donation from CEI Capital Management," said Anita Ruff, Oasis Free Clinics Executive Director. **"These funds come at a great time and will help us purchase necessary medical and dental supplies, provide staff with training, and assure that we are providing culturally and linguistically appropriate care. We are grateful for this investment in Oasis and our community."**

"At CEI Capital Management, we use Community Benefits Agreements like these to deepen our impact in both the project community and our own backyard by increasing community resiliency and fostering economic equity," said CEI Capital Management CEO, Traci Vaine. "We are honored to support the work of the Oasis Free Clinics in providing health care services to those most in need, including immigrants and asylum seekers, with respect and compassion."

In addition to CEI Capital Management's donation to the Brunswick-based Oasis Free Clinic, a \$50,000 donation was made to the Upper Rio Grande Workforce Development Board, Inc. in El Paso, TX, which serves the area where the NMTC project was located.

CEI Capital Management LLC (CCML) invests in companies in rural communities nationwide committed to building accessible good jobs that provide living wages, comprehensive benefits and opportunities for training and advancement in alignment with CEI's Good Jobs Framework. Since 2004, CCML has placed over \$1.02 billion in 96 different projects across the U.S through the federal New Markets Tax Credit and Maine New Markets Capital Investment Tax Credit programs

CCML is a wholly owned subsidiary of Coastal Enterprises, Inc. (CEI), a Maine-based nonprofit community development financial institution.

CCML is an equal opportunity provider.

Learn more at [ceimaine.org/CEICapital](http://ceimaine.org/CEICapital)

