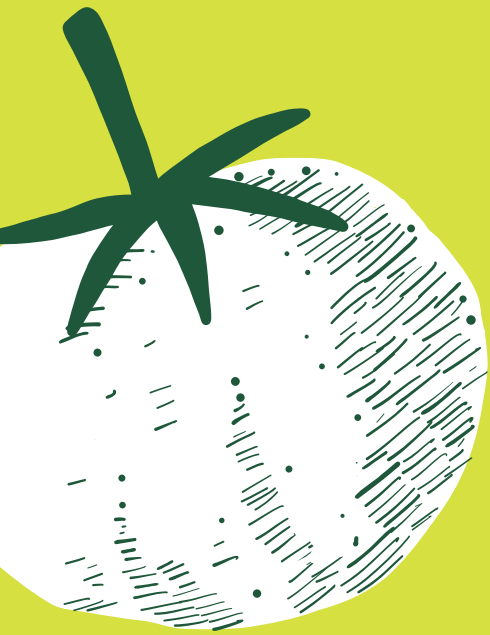




FAIR FOOD FUND

2021 Impact Report

Meeting the Moment



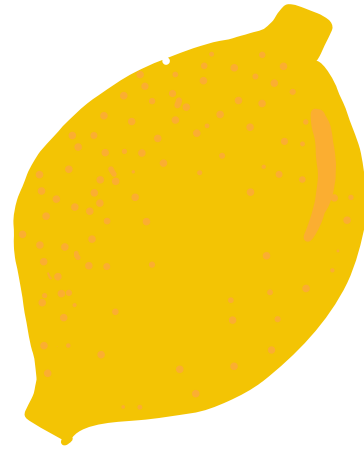
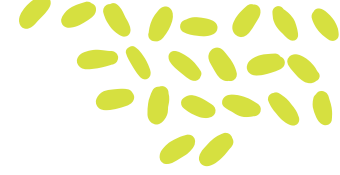


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A letter from our team

It's hard to believe it has been nine years since the Fair Food Fund was first seeded. What started as a small pilot has over the past decade bloomed into a national effort with deep roots in the Northeast, a growing presence in Fair Food Network's home state of Michigan, and an expanded vision of what's possible.

Fair Food Fund began with a hypothesis that is core to my beliefs: Investing in local food businesses holds potential for big change.

Such businesses are sources of community nourishment and culture, economic opportunity, and environmental stewardship. And as the pandemic showed us, they build a food system, rooted in place, that is more resilient.

At five years, we were able to show that this was an investment that worked: Every dollar invested was generating nearly \$9 in community benefits inclusive of jobs and local purchasing circulating resources in the local economy.

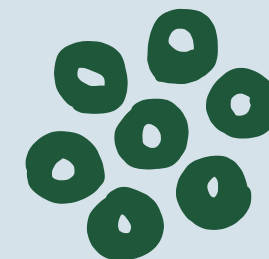
Even before the COVID induced shockwaves of 2019, our aperture for what was possible – and necessary – had widened. In 2019, we made moves to support a broader national vision alongside continued local impact. This included our staff leading this work. At a mission level, we made new commitments to environmental stewardship and social equity, particularly racial equity, with the goal for 50 percent of our investments to support people who are most often overlooked by traditional investors, particularly people who have been marginalized due to their race, ethnicity, and/or genders. We also reaffirmed our blended investment approach and, when needed, long-term partnerships with high-impact entrepreneurs with a commitment to layering support over time.

The challenges COVID-19 exacerbated affirmed this new approach and spurred additional needs. One innovation to emerge from the economic crisis was the development of our Collateral Initiative. This credit enhancement tool was designed to support other business lenders in making investments that may not otherwise be possible. We see this as an ecosystem move that affirms the additive role we aim to play in partnership with other local lenders. In 2021 alone, the Collateral Initiative led to four investments, leveraging \$976,500 in support of mission-driven food businesses that are anchors in communities across Michigan and the Northeast.

In addition to our direct investments and business assistance, we also expanded our place-based ecosystem work. This includes two place-based collectives, the emergent Camden Community Food Fund and the Michigan Good Food Fund, where we now serve as administrative manager. While each effort is unique to its local context, what unites these two projects is the commitment to organize an ecosystem of diverse, local stakeholders to come together in support of community-identified priorities. See more on these projects below.

As we reflect on the past decade and these charged past few years, a through line for me is the power of partnerships. This includes:

- The **entrepreneurs** we're honored to support: Your passion, creativity, and resilience inspires us daily and keeps us going.
- Our **lending and business assistance partners**: You are leaders and innovators in building a more just and inclusive economy. Collaboration with you makes our work possible – and better.



And finally our **funders and investors**: Thank you for your resolve to make capital work better and for entrusting us with your support.

As we look toward the next chapter of work and impact, I know we will continue to meet the moment. And I can't wait to do it in partnership with this inspiring community.

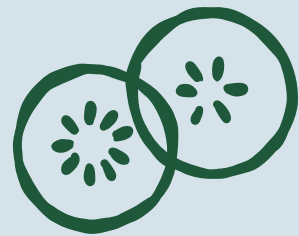
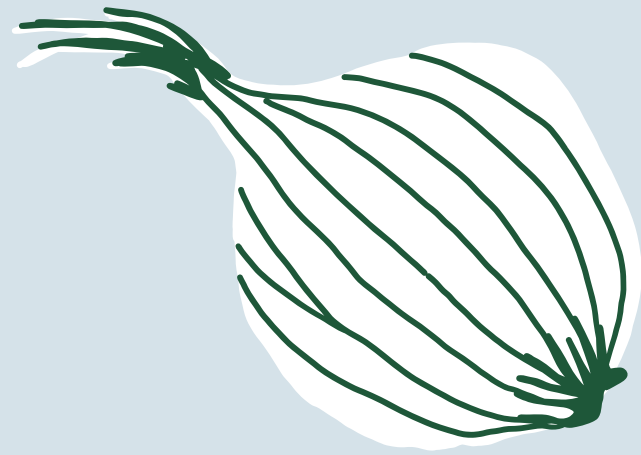
In addition, the team leading this charge at Fair Food Network & Fund has never been stronger. Holly Parker, who has been with Fair Food Network since 2017, was promoted to Chief Strategy & Program Officer, bringing increasing synergy between our programming and impact investing work. And Joel Moyer, who has been a grounding force in our investing work since 2012, was promoted to Director of Investments.

In the year to come, we will be focused on creating more opportunities to harness the potential of food to create a more fair and resilient future. We hope that you'll join us.



Kate Krauss

Executive Director & Incoming CEO
Fair Food Network



Rooted in Place

While our vision is national, our work – and impact – is always local.

Beyond our direct investments, we've been honored to help lead two place-based investment initiatives: The Michigan Good Food Fund and the emergent Camden Community Food Fund.

While each is responsive to its local context, what unites these projects is their anchoring in community-defined priorities. For lenders like us, this includes using our own balance sheets to support investment priorities set by local stakeholders.

This work is at the intersection of place-based investing, racial equity, and power shifting, and we hope the insights and new norms seeded through these projects help accelerate our collective journey towards justice.



Community-Driven Financing

with the Michigan Good Food Fund

This year we assumed administrative management of the Michigan Good Food Fund, a statewide food financing collaborative designed to support food entrepreneurs sparking positive change in their communities.

This shift came at a significant moment. Partners had collectively infused \$17 million in loans and grants and served 300 Michigan-based food businesses since the collaborative's inception in 2015. Despite this initial success, Michigan Good Food Fund partners recognized the need to anchor its next phase of food investments in community voice and pivot to meet the most pressing needs facing local businesses.

As founding members, we asked ourselves: Are we meeting the needs of those we intend to serve? Are there gaps in our capital product offerings? What is the role of technical assistance? And ultimately, what does success look like for those on the ground leading the charge in their communities?

This reflection set off a year-long journey of listening sessions, working groups, and collaborative co-creation to re-ground this place-based initiative in the vision and priorities of the Michigan entrepreneurs it seeks to support.

As we closed 2021, a new Stakeholder Board was established to define the investment priorities for the Michigan Good Food Fund moving forward. The group sparked thinking about what the future can hold – including ways the collaborative can create greater impact for the state's mission-led good food businesses with a focus on people who are most often overlooked by traditional investors, particularly people who have been marginalized due to their race, ethnicity and/or gender.

Read on for highlights from a conversation with Jean Chorazyczewski, one of Fair Food Network's leads on behalf of the Michigan Good Food Fund, who has shepherded this work on what we've learned, where we're still learning, and the work ahead.



Why a Stakeholder Board?

JC: The purpose of our Stakeholder Board is to integrate community input and participation in our work. This group ensures our work going forward addresses—and is held accountable to—community-identified needs. The Stakeholder Board's role is to co-create Michigan Good Food Fund's vision of success, set investment policies and priorities, inform strategies, and maintain accountability of the collaborative's partners to impacted beneficiaries. Stakeholder Board members also help connect the collaborative's partners to community and entrepreneurial networks across Michigan, ensuring investments respond to community-identified needs.

What did you learn in your listening sessions?

JC: After stepping into administrative management of this initiative in early 2021, Fair Food Network started by deep-dive listening sessions with the collaborative's existing partners. At the same time, our team organized working groups with a broader network of partners, including entrepreneurs. We wanted to learn their perspectives on three specific topics: Mission and metrics, community voice, and capital and technical assistance providers and offerings.

Our extended conversations raised successes and strengths as well as missteps, gaps, and challenges. It also led to some "ah-ha" moments and planted the seed for broader paradigm shifts. Across discussions, common themes included:

- Addressing global issues, such as climate change and growing inequity, through food
- Defining who Michigan Good Food Fund aims to serve and do better in identifying needs in different communities
- Better connecting business assistance to real capital, especially for businesses owned and operated by people of color
- Understanding the role of healthy food and how it's defined in the collaborative moving forward
- Expanding our reach to food entrepreneurs in every corner of the state

Fair Food Network compiled themes, insights, and recommendations for consideration by an independent Steering Committee. The Steering Committee then nominated candidates for the new Stakeholder Board to take these ideas and chart the course forward for the collaborative.

Who is included in the Stakeholder Board?

JC: Our collective intention was to re-ground this work in community voice by bringing together knowledgeable, representative voices from across Michigan and the food value chain. This meant farmers, local food entrepreneurs, grocers, and community leaders working alongside business assistance and capital providers to chart the work forward and have a shared voice in its work.

What strategic shifts is the Stakeholder Board making?

JC: The Stakeholder Board developed a new mission, investment policies, impact objectives, and portfolio performance targets that ushered in significant shifts.

This included a commitment to more diverse capital products and a shift from independent business assistance and capital deployment to integrated and sustained investments. In addition, instead of prioritizing loan readiness and healthy food as primary filters, the collaborative recognized that some projects take years to come to fruition. Michigan Good Food Fund wants to partner with entrepreneurs to co-create outcomes and help them reach their future goals rather than invest solely in what's happening today.

Finally, the Stakeholder Board elevated an "act local, think global" ethos that reframes local food financing as a tool to address some of the most pressing issues we face globally, including climate change and growing inequalities. We've continued to discuss its relevance in the collaborative's work in 2022.



Fair Food Network serves as both an administrator of the initiative as well as a lender with its Fund. What role can a nonprofit Fund play in this network?

JC: As a social impact organization, Fair Food Network can focus on mission-aligned investments. This allows us to be more impact-oriented and less beholden to traditional financing structures.

In practice, this means much more creative and catalytic investments. Fair Food Network's investment can take early action, providing a signaling investment so others can come behind us. We can take bets on "riskier" entrepreneurs when we feel the potential impact is high. We understand the food financing landscape and when there's a sticking point, and we can work to unlock others' capital – financing food businesses that may otherwise be declined. As a private impact fund, we're also not locked into any single capital product. Our Fund aims to start with the entrepreneur's needs and craft an integrated financial solution that fits their needs.

While our Fund is still growing, we hope this flexibility allows us to break new ground and be an additive partner to the broader community of food lenders and impact investors.

What lessons learned would you share with others?

JC: We learned about the importance of patience in the process. It takes time to engage stakeholders and bring them up to speed on progress and, ultimately, let them decide where success lies. For a can-do organization like Fair Food Network, it was challenging to pause and spend the time it takes to truly listen and learn.

That said, it was well worth it. There is not only empowerment and enthusiasm in engaging the community, but also incredible ideas offered by those proximate to the problem. Our collaborative remains grateful to our partners, work groups, Steering Committee, and Stakeholder Board who invested their time and shared their knowledge to chart a new path forward for the Michigan Good Food Fund.

What would you elevate for a potential funder or investor?

JC: The Stakeholder Board has defined what success looks like and set our vision. A diverse network of partners, including representatives from across the state and various sectors, are now at the table. In addition, more than a dozen groups providing capital to food entrepreneurs in Michigan have signed onto this community-driven collaborative.

The Michigan Good Food Fund is a unique opportunity for funders and investors looking to deploy values-aligned capital, aligned with community-defined priorities and oversight, at scale.



Orchestrating an ecosystem

with the emerging Camden Community Food Fund

While 2020 saw the seeding of new work in Camden, 2021 saw it coalesce and root locally.

Camden is a city with strong civic ties and an entrepreneurial spirit. It is home to esteemed universities, hospitals, and corporations and in recent years has seen an influx of new investments and community development.

Despite such assets and the success of the broader Northeast region, Camden's majority Black and Brown residents have often been left out of the opportunity, wealth, and power surrounding them.

Local groups recognized that more equitable growth required aligning future investments in the vision, priorities, and entrepreneurialism of its residents.

In 2020, a new collective began to emerge that aimed to do just that. They focused on the food sector, where local businesses are both the backbone of every neighborhood and the key to job creation and healthy food access.

Support for this work was seeded by Campbell Soup Company and the Campbell Soup Foundation, rooted in Camden for over 150 years. **We were honored to be invited to support the design phase and initial partnership development leveraging our experience with place-based investment collectives.**

2021 saw the coming together of more than a dozen partners including local community development corporations, community engagement groups, Rutgers University-Camden, and The Food Trust among others. It also saw the emergence of the Community Foundation of South Jersey as the local leader to take this effort into implementation.

2022 will see the establishment of a majority resident



based community engagement. The Board will be responsible for setting the fund's vision and investment priorities in support of local food businesses. It will also hold community accountability to the work through implementation.

This work is at the intersection of equity and power, modeling how we can better meet local entrepreneurs where they are while also ensuring the flow of capital and investments supports food access alongside racial equity and community self-determination.

What makes this effort stand out is not just its commitment to community voice, but its work to orchestrate an entire ecosystem of partners around community-identified priorities, including for lenders using their own balance sheets.

We look forward to continuing to partner in this innovative collective and support future investments for a more equitable and resilient Camden.

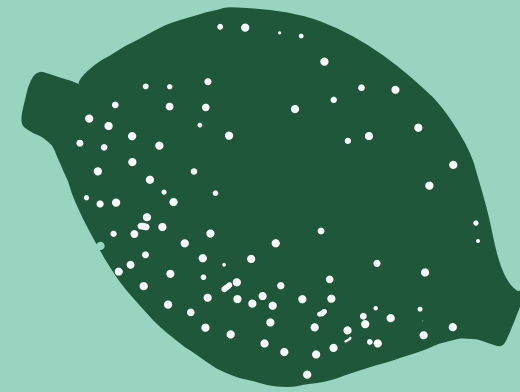




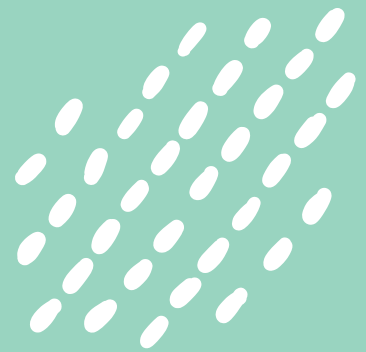
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It's been nothing but hands-on support. If I have a question pertaining to the business, I have someone to turn to for advice.

Jerome Brown
Co-Owner, Detroit Soul



Highlights from 2021



This year we supported 25 businesses across Michigan and the Northeastern United States with financing and business assistance.

While we continue to support businesses from farms to families, 2021 saw a concentration of work supporting local grocery projects. In addition, the majority of this year's financial investments leveraged our Collateral Initiative, which we launched in the wake of the COVID pandemic.

We're excited to feature four investments here. Together, they highlight key tenets of our approach including the additive role we aim to play in local ecosystems; our commitment to enabling investments that might not otherwise be possible; and our laser focus on local businesses and entrepreneurs being sources of community nourishment and culture, economic opportunity, and environmental stewardship.



Daily Table

Grocery Chain on a Mission Brings Together Double Up and Financing

INVESTMENTS

\$125,000 Line of Credit

BUSINESS ASSISTANCE

Double Up Food Bucks partner since 2018

LOCATION

Dorchester and Roxbury, Massachusetts

“America’s food system is a paradox: We have hunger alongside sky-high rates of obesity and diet-related illnesses, often in the same places,” says Michael Malmberg, Chief Operating Officer of Daily Table, a nonprofit grocery store chain in Massachusetts. “Healthy foods, especially fruits and vegetables, are economically out of reach for a lot of families. It’s not just a shortage of calories; it’s a shortage of affordable nutrients.”

Daily Table is on a mission to change that equation.

It provides fresh produce, grocery staples, and made-from-scratch prepared foods at prices low enough to fit within every budget, including families who rely on SNAP (Supplemental Nutrition Assistance Program, formerly known as food stamps).

It also roots in communities most in need, starting in the diverse Boston neighborhoods of Dorchester and Roxbury. “We had a customer tell us that she was able to buy berries for the first time because otherwise they’re beyond her budget. The barriers to healthy eating are truly economic,” Malmberg reiterates.

Daily Table’s unique model is the brainchild of Doug Rauch, former president of Trader Joe’s. There are some similarities: Daily Table stores have a small footprint at 3,000 to 4,000 square feet, a fraction of some of the grocery superstores, which can top out at 25,000 square feet. This keeps costs low and builds on the Trader Joe’s-like experience: Far fewer products (at about 500) and a more personalized shopping experience.

Daily Table also makes a concerted effort to be a bright,

upbeat, and welcoming place for everyone. “We don’t have security guards following you around, which I see in a lot of urban markets,” Malmberg says. “It goes back to treating people with dignity. We want to earn your patronage just like any other store.”

But what makes Daily Table stand out is its produce-first focus and its methodical commitment to low prices, offering customers 30 percent in savings compared to other grocery stores.

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“As a nonprofit, we can take advantage of favorable pricing from suppliers who value our mission, volunteers to help with tasks in our kitchens, and discounted or donated foods, which a for-profit entity could not do as easily,” says Malmberg. In addition, its nonprofit status opens opportunities, including accessing grants and donations from the local community and philanthropic donors.

While most of Daily Table’s food is purchased from traditional vendors, a unique aspect of its supply chain is sourcing products that are closer to their “sell by” date than could be sold to a traditional retailer. While still high quality and safe, these products are often available at steep discounts or even donated. This allows Daily Table to pass along savings to its customers, while balancing out the razor thin margins on many of its other products.

For families that rely on SNAP, their food dollars have gone even further at Daily Table since it launched the healthy food incentive program Double Up Food Bucks in 2018. With Double Up, shoppers get 50 percent off fruit and vegetables bought with their SNAP dollars, up to \$5 a day.

Oran Hesterman, our founder and CEO, was thrilled with Double Up’s success at Daily Table. “It was the fastest start we’ve ever seen with Double Up. Daily Table was doing more business in three months than other stores were able to do in one year.”

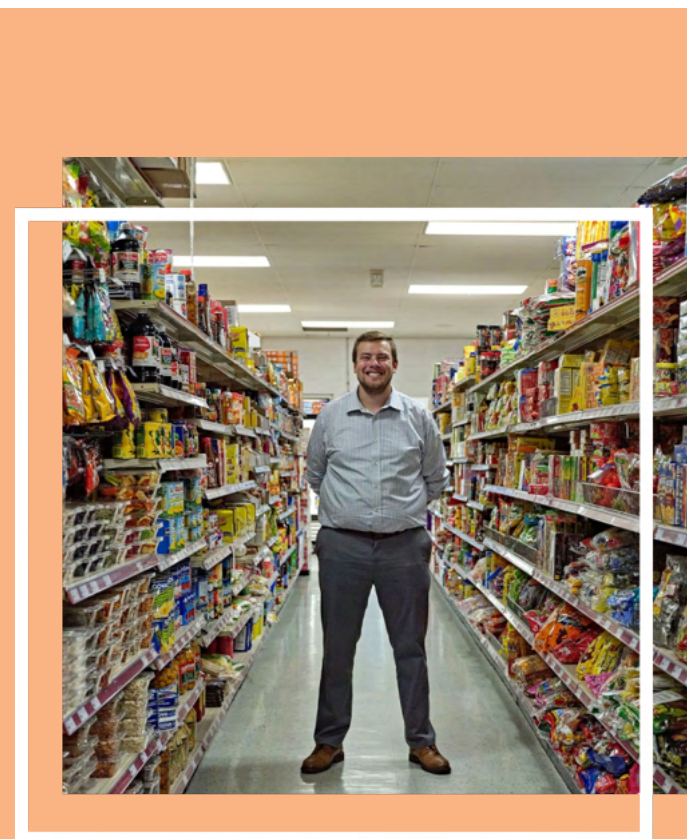
As COVID pushed one in eight Americans into hunger, Daily Table’s grocery stores became even more essential.

Massachusetts saw a nearly 60 percent increase in the state’s food-insecurity rate, one of the largest increases in the country. Daily Table’s SNAP and Double Up purchases soared: In 2020, Daily Table had nearly \$200,000 in Double Up Food Bucks redemptions, a 54 percent increase over 2019.

To expand its reach, Daily Table opened a third location in Central Square, Cambridge in 2021 and is in the process of launching two additional stores in 2022 — all of which is growing its need for working capital.

To help fill the gap, Daily Table turned to Fair Food Network’s Fair Food Fund for a \$125,000 line of credit. This investment will free Daily Table from having to tap its grant dollars for inventory purchases or overhead costs, instead prioritizing those dollars to support Double Up redemptions.

Such flexible financing will provide Daily Table with a crucial bridge through low-cash periods during this expansion phase, particularly in between grant cycles or when philanthropic funding is low.



For our Fair Food Fund, it was a natural fit.

“With its focus on affordable, fresh food and its commitment to paying livable wages and hiring directly from the neighborhoods it serves, Daily Table is a natural mission fit,” says Hesterman. “Overlaying financing with our Double Up partnership was a win-win.”

As Daily Table expands to new locations, Hesterman is excited not just for communities in Massachusetts but beyond. “If this model can work economically, it has massive implications for communities across the country that lack healthy food options.”

Malmberg agrees. “We are working hard to further develop and refine the Daily Table model in Boston in the coming year with the goal to expand to new geographies. We believe that Daily Table can be the first truly scalable solution to

Supermercado Mexico

Local Grocery Chain Triples Its Footprint to Meet Local Demand

INVESTMENTS

\$100,000 participation in a \$346,800 loan with Northern Initiatives, a fellow Michigan Good Food Fund lender

LOCATION

Grand Rapids, Michigan

Supermercado Mexico is a local grocery chain with three stores in Western Michigan’s Grand Rapids metro area. The Division Street location opened in 2011 in a corridor of businesses serving a largely Mexican and Mexican-American clientele. It has since become the company’s anchor grocery location featuring a full-service butcher, produce, baked goods, and other culturally relevant products and services.

The stores are owned by Olvera Enterprises, which is led by brothers Javier and Pablo Olvera, who have years of food-retail service experience. In addition to the three grocery stores, they also own a taqueria and bakery in town

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Yet the Olveras' commitment to supporting Hispanic-owned businesses in the Grand Rapids community runs deeper: In the works is also Placita Olvera, an ambitious multi-use project that aims to transform an old factory building into a multi-use space featuring a brewery, multiple Mexican restaurants, as well as office space for Hispanic-led businesses and nonprofits in the area. The Olveras also envision hosting an outdoor farmers market to bring fresh food into a neighborhood that lacks many other options.

As Supermercado Mexico's store outgrew its Division Street location, the Olveras purchased a building next door to expand. This move tripled the size of their flagship store and bumped up staffing needs to 20 more employees.

This all required an upfront infusion of capital.

In response the Olveras turned to one of their trusted lending partners, Northern Initiatives. Through its role as a lending partner with the Michigan Good Food Fund, Northern Initiatives had also provided a 2018 loan supporting the Placita Olvera project.

While Northern Initiatives was unable to commit to the full amount needed, they saw the potential in the project and brought it to other Michigan Good Food Fund lending partners for consideration and collaboration.

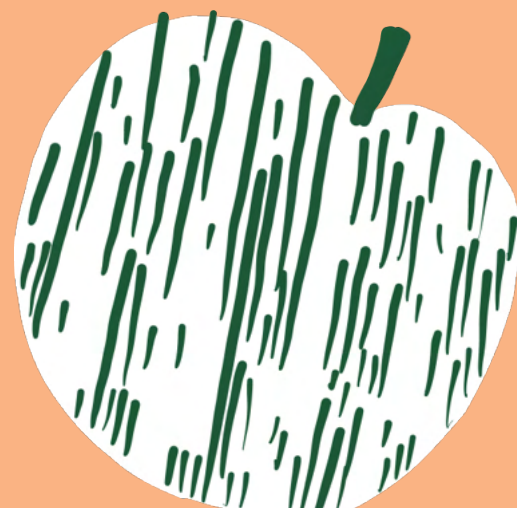
Given the strong mission fit for Fair Food Fund, we were excited to work together to make this investment possible.

In July 2021, Fair Food Fund provided a \$100,000 participation in a \$346,800 loan with Northern Initiatives. December 2021 saw follow-on financing also in partnership with Northern Initiative. Together, these investments are supporting building improvements, equipment, and working capital for the expanded store.

"Supermercado Mexico is a longtime Northern Initiatives customer. We were pleased that the Fair Food Fund joined us in supporting their latest expansion since we share the same goal – healthy, thriving communities," says Elissa Sangalli, President of Northern Initiatives.

Today, Supermercado's doors are open, welcoming the community to a beautiful new store. From the outside's street appeal to the inside's vibrant colors and hand-painted murals celebrating different states in Mexico, the new store has created a buzz. Store manager Benjamin Cochran notes that they're seeing many new faces with a considerable number of people stopping in to see the murals and find their home state.

"The Supermercado Mexico and Olvera Enterprises teams poured their hearts into making this store everything it could be and more," says Cochran. "This is all for the betterment of the community; without the community, none of this would be possible. They deserved better, so we wanted to give them better. More space, new installations, a larger product selection, but with the same great service and experience they've known for years. We are so proud of all our teams for all their hard work and look forward to providing the community with all their needs in one stop!"



Detroit Soul

Detroit Entrepreneurs Redefine Soul Food

FINANCING

\$50,000 Collateral Initiative investment enabling financing from Detroit Development Fund

BUSINESS ASSISTANCE

Marketing including building a new website

LOCATION

Detroit, Michigan

In 2010, Detroit residents Jerome Brown and Samuel Van Buren started a catering business that served homestyle cooking, but with healthful substitutes. "My childhood memories are family gatherings where we all got together around food. But we wanted to make it better for you. The same soulful flavors, just made with lighter options," says Brown.

So, collard greens are cooked with smoked turkey, not ham hock. Lard is swapped out for vegetable oils. But the meals still pack a flavorful punch. Turns out, others agreed too. While working full-time jobs for nearly ten years, and with the support of their wives, Brown and Van Buren built a robust customer base for their catering and to-go meals through Detroit Soul. In 2015, they went from operating remotely to a brick-and-mortar location where customers could call in and pick up orders. By 2020, they conquered the traditional 50 percent failure rate for small businesses and saw sales soar.

"We wanted to be that neighborhood place, where people could turn to for a good nutritious meal, and not have to go to fast-food establishments, which are everywhere," says Brown.

To make it more affordable, particularly during the pandemic, they started offering half portions that were priced well under \$10, ideal for one person. "We really didn't want someone to feel like it was out of their reach," he adds.

But there was one thing that Brown and Van Buren had not been able to do: Provide a place for folks to sit, gather, and have a meal together. They wanted a sit-down restaurant, in addition to their carry-out spot.

"Many people have been asking us, 'why not have a proper place where I can come and bring my family,'" Brown says. "So we started looking at how to finance it, knowing that restaurants are not an easy business."

Their first venture had been self-funded for years. But to build out a second location, Detroit Soul needed additional financing. Brown and Van Buren were introduced to a local lender, Detroit Development Fund (DDF), as they looked for a loan.

As a nonprofit organization and CDFI, DDF was intrigued, but cautious of making another restaurant investment given the number of other restaurants in its portfolio and the challenges facing the food service industry with the pandemic. In addition, because DDF makes loans of up to \$250,000, this one was erring on the larger size.

To help de-risk the investment, DDF worked with Fair Food Network as a like-minded partner in the Michigan Good Food Fund. Fair Food Network contributed \$50,000 to Detroit Soul's deal from its Fair Food Fund Collateral Initiative. In fact, it was during the pandemic when many small businesses, especially those led by Black and Brown entrepreneurs, were at risk of being washed away, that Fair Food Network launched the Collateral Initiative as a credit enhancement tool to help de-risk investments for other business lenders like DDF.

With this additional collateral in place, DDF was able to fund the entire expansion loan, which closed in July 2021. "Had it not been for the Michigan Good Food Fund partners and the Collateral Initiative this deal may have been much harder for us to pull together," says Angelia Sharp, a senior loan officer at DDF, and a patron at Detroit Soul.

But the support was more than just funds to live out their dream of a dine-in restaurant, Brown says. "It's been nothing but hands-on support. If I have a question pertaining to the business, I have someone to turn to for advice."

Follow-on business assistance is part of the Collateral Initiative, too. After the loan, Fair Food Network helped the duo with other business needs, such as marketing and building out a robust website, to further support the business' success.

North Flint Food Market

A Blueprint for Food Sovereignty

FINANCING

\$100,000 bridge loan

BUSINESS ASSISTANCE

1:1 multi-year embedded support over five years

LOCATION

Flint, Michigan

After the Flint water crisis in 2014, the last two major grocery stores left the city's north side, leaving residents without access to healthy food at the moment it was needed most.

Pastor Reginald Flynn, a Flint native who returned to the city 13 years ago to minister at the Foss Avenue Baptist Church, was not surprised. Nor was he going to beg them to come back.

Instead, spurred by residents, the North Flint Reinvestment Corporation, a place-based nonprofit led by Pastor Flynn, decided to open a new grocery store — one that was by and for the community.

Says Pastor Flynn, "This is a place where corporations come and go at their will. We don't want to be subjected to that. We want to be the solution."

The journey has not been without financial and bureaucratic hurdles. Yet after six years, North Flint Reinvestment Corporation raised over \$7 million and the North Flint Food Market broke ground, revitalizing a long-vacant and obsolete building.

Fair Food Fund was part of the capital stack, providing a critical bridge loan that helped cover transaction costs — a common hurdle, especially for community-based developers that lack deep balance sheets to prepay such hefty expenses.

Beyond financing, we've been honored to know and partner with Pastor Flynn over the past five years through our work with the Michigan Good Food Fund.

Given Fair Food Network's deep work in Flint with our Double Up Food Bucks SNAP incentive program, we recognized early on the importance of this grocery project. In addition to bringing healthy food to North Flint, the coop was the first step toward a broader vision of community-first development and cooperative economics.

This was a project that needed to come to fruition, and we wanted to help. We engaged a member of our Fair Food Fund investment committee, Daniel Tellalian, founder and CEO of Angel City Advisors. With expertise in healthy-food retail and community-development finance, Tellalian served as an embedded thought partner and collaborator with Pastor Flynn, tackling the financial plan, brokering connections, and coordinating a complex capital stack.

It has been a long-haul adventure — more than five years, 12+ sources of funds recruited, tax credit financing, hundreds of hours, and a few thousand emails. Yet it is this type of integrated, long-term support that demonstrates the reimagined healthy-food financing that's often needed to support good food enterprises.

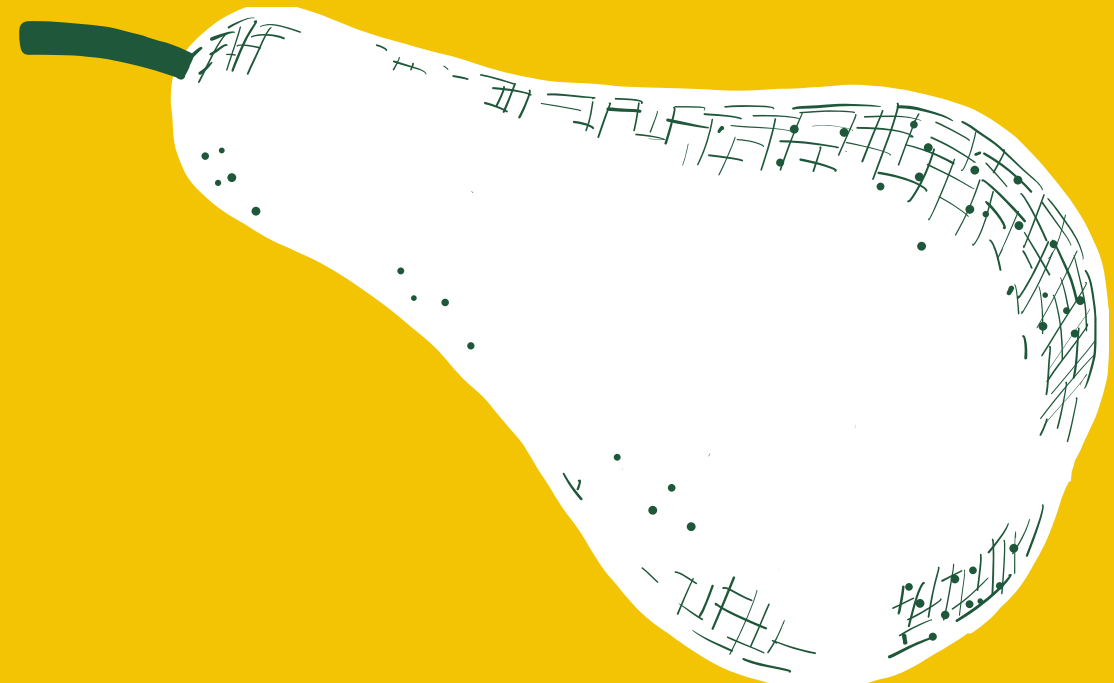
Follow-on business assistance is part of the Collateral Initiative, too. After the loan, Fair Food Network helped the duo with other business needs, such as marketing and building out a robust website, to further support the business' success.



As part of Fair Food Network's business assistance, a new website and culturally relevant content were developed to speak to the rich history of Detroit and the food Detroit Soul serves up daily. With the right marketing support, Brown and VanBuren could focus on other aspects of opening a new location.

Even with the experience of a corporate career, Brown and Van Buren joke that navigating all the regulations in the food industry have been mind-boggling. They got their first taste of forms, paperwork, and compliance regs when the two scoped out a kitchen for Detroit Soul. Brown says, "I remember spending a full 8-hour day going from city office to city office, asking why I had been charged certain fees and what were all the inspections I needed to be in business. There needs to be a roadmap for these kinds of things. I persevered, but many would have given up."

Working alongside Fair Food Network and other local partners, Detroit Soul now has funding secured and business support at their disposal. Brown and Van Buren expect to open their second location and launch their new website in summer 2022. They hope to repeat the success of Detroit Soul once again.



Portfolio

FINANCING COMMITTED
(through December 31, 2020)

\$4,127,124

INVESTMENT INCOME

\$1,491,520

DEFAULT RATE

As of December 31, 2021, the annualized default rate since the Fund's inception (2012) is .66% or 6.1% cumulatively. This includes all realized write-offs on an investment capital pool of \$6.3 million.

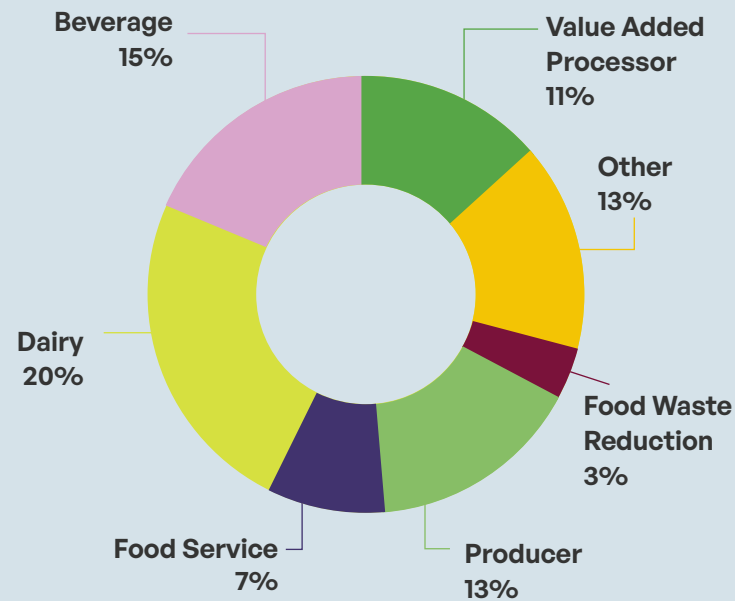
FINANCING OUTSTANDING

\$2,837,272

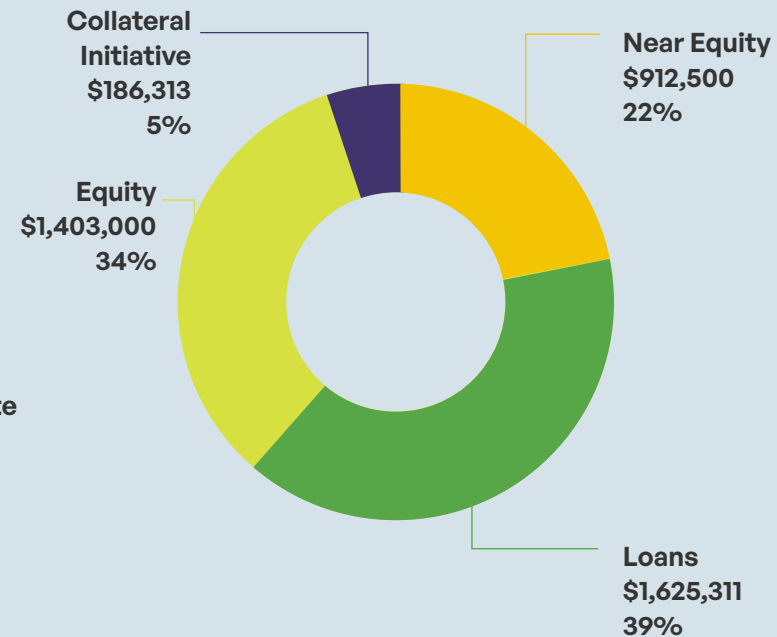
TOTAL INVESTMENTS

25

Type of Business



Type of Structure



Financials

Balance Sheet

ASSETS	
Cash	\$5,848,538
Accounts Receivable	\$64,402
PRI Loans Committed	\$0
FFF Investments Outstanding	\$2,681,053
Total Assets	\$8,593,993

LIABILITIES AND NET ASSETS EXPENSES	
Loans Payable	\$3,089,376
Accrued Interest	\$11,721
Unrestricted Net Assets	\$762,718
Temporarily Restricted Net Assets	\$4,730,178
Total Liabilities and Net Assets	\$8,593,993

Income Statement

INCOME	
Government Grant Income	\$0
Non-Government Grant Income	\$1,150,000
Investment Income	\$863,325
Other Income	\$25,757
Total Income	\$2,039,082

EXPENSES	
Program Operating Expenses	\$1,245,491
Technical Assistance Expenses	\$108,717
Investment Expenses	\$67,308
Total Expenses	\$1,421,516
Net Income	\$617,566

These financial statements show income and expenses generated by the Fair Food Fund in 2021 as well as the Fund's financial position as of December 31, 2021. The Fund's financial statements were internally prepared by Fair Food Network and have not been audited by a third party. The financial statements are inclusive of complimentary business assistance activities related to the Fund and provided by Fair Food Network.

A Vision for 2022

In the year to come, we will be focused on creating more opportunities to bring about transformative change as we invest in food businesses serving their communities. See below for highlights.

Highlights Ahead

Catalytic Capital

We hope to continue to infuse catalytic capital into local ecosystems - partnering with other business lenders as we address entrenched systemic barriers and support the resilience of food entrepreneurs.

Place-Based & Community-Driven Investing

We're honored to continue our engagement in two place-based initiatives, both of which will see community-led boards shaping investment priorities for future work and impact.

Environmental Stewardship

We're excited to champion food-based approaches to environmental stewardship. Future investments will support drivers of both environmental and community health and resilience, starting with more sustainable diets and reduced food waste.

Our Team

We are a team of investors, entrepreneurs, small business coaches, and food systems experts who believe that when we start with food, anything is possible. We thrive on collaboration, finding common ground, and building lasting partnerships. Together, we're supporting local food businesses as engines for change.



Jean Chorazyczewski
Program Director



Oran B. Hesterman, PhD
Founder & CEO



Kyama Kitavi
Investment Manager



Kate Krauss
Executive Director & COO
Incoming CEO



Joel Moyer
Director of Investments



Holly Parker
Chief Strategy and Program Officer



Lisa Sebesta
Senior Investment Strategist



Daniel Tellalian
Michigan Good Food Fund
Consultant



Gail Turner
Information Manager

Investment Committee

Aviv Aviad

Managing Director
Cornus Consulting

Chris Bentley

Impact Fund Manager
Serious Change
Investments & Sustain VC

Oran B. Hesterman, PhD

Founder & CEO
Fair Food Network

Kate Krauss

Executive Director & COO
Incoming CEO
Fair Food Network

Michael Rozyne

Founder & Evangelist
Red Tomato

Lisa Sebesta

Founder
Sitari Capital

Daniel Tellalian

Principal
Angel City Advisors

Mark Watson

Co-Founder & President
Potlikker Capital

Our Supporters

We are deeply grateful for the many funders and investors who make this work possible.

THANK YOU.

Ann Arbor Area Community Foundation

Anonymous

Campbell Soup Foundation

CapShift

Domino's Pizza

Elmina B. Sewall Foundation

Henry P. Kendall Foundation

The Indigo Revocable Trust

The John Merk Fund

Lawson Valentine Foundation

Max M. & Marjorie S. Fisher Foundation

Mighty Arrow Family Foundation

Natural Investments, LLC

Oppenheim Family Charitable Fund

Ralph C. Wilson, Jr. Foundation

Surdna Foundation

Swift Foundation

W.K. Kellogg Foundation

The Wege Foundation

"You Have Our Trust" Fund of New Hampshire Charitable Foundation



Working alongside Fair Food Network to overlay financing and its Double Up Food Bucks program in our stores expanded access to healthy, affordable food choices in our

Michael Malmberg

Chief Operating Officer,
Daily Table

When the people that provide our food thrive, we all thrive.

We keep local food businesses at the center of our work, knowing that they create a foundation for health, wealth, and environmental stewardship.

Join us in supporting local entrepreneurs as engines for change.

FairFoodNetwork.org



Fair Food Network is a national nonprofit and investor that grows community health and wealth through food.

Learn more and connect with us at:
FairFoodNetwork.org

