Fair Food Network’s Fair Food Fund provides financing and business assistance to good food enterprises that connect small and mid-size, sustainable farms with consumers hungry for local, sustainably grown food.

By filling these two critical gaps many entrepreneurs face, the Fund is helping entrepreneurs succeed and growing the good food economy with direct benefits to farmers.

Focused on the Northeastern United States, the Fund continues to make steady progress since its 2012 launch including financing new projects, providing business assistance via the Consulting Corps and annual Business Boot Camp, and raising more than $6 million in committed funds.

This report highlights 2015 activities and the impact supported businesses are having on four key areas: supporting small and mid-size farms across the Northeast, promoting environmental sustainability, sparking local economic development, and increasing access to local food.
Fair Food Fund Impact by the Numbers.

- **$1.2M**: Financing committed
- **$150K+**: Business assistance provided
- **303**: Small & mid-size farms supported including 138 organic farms
- **$3.2M**: Local food purchased & distributed
- **28**: Fund-supported enterprises in Maine, Massachusetts, New Hampshire, New York, Rhode Island, & Vermont
- **16**: Full-time jobs added

The impact data in this report is based on information supplied by Fund-supported enterprises through an online survey. Survey respondents were supported by the Fund between Dec. 1, 2014 and Nov. 30, 2015; the online survey was administered to those participants in late 2015 and early 2016.
Our Work.

2015 Financing Projects

Fair Food Fund provides flexible, patient capital to good food enterprises working to support vibrant working farms and resilient local food economies. The following projects were financed in 2015. Additional opportunities are in the pipeline for 2016.

**Fresh Source Capital**
freshsourcecapital.com

- **Investment**: $500,000
- **Structure**: Equity

**Radicle Farm Company**
radfarm.co

- **Investment**: $200,000
- **Structure**: Convertible Debt

Enterprise
- Based in Cambridge, Massachusetts, Fresh Source Capital is an investment fund that focuses on sustainable food and agriculture businesses in the Northeastern United States. It supports growth-stage businesses that are further along in their life cycle than those targeted by the Fair Food Fund.

**Financing Purpose & Date**
This December 2015 investment supports Fresh Source Capital's financing work. Fair Food Fund and Fresh Source Capital are also exploring joint business assistance offerings.

**Impact**
Fresh Source Capital is growing the ecosystem of food system investors and bringing a wealth of investing and operational experience to the sector.

Enterprise
- Launched in Newark, New Jersey in 2014, Radicle Farm Company grows and distributes “living salads” in recyclable containers that continue producing fresh greens for up to two weeks. Radicle has also launched a “cut greens” product line.

**Financing Purpose & Date**
July 2015 financing is helping Radicle purchase new equipment, build inventory, support marketing, and achieve organic certification.

**Business Assistance**
As part of the investment, we are also assisting Radicle in establishing an advisory board and implementing best practices in greenhouse production and operations.

**Impact**
As of March 2016, Radicle has a 50,000 square foot greenhouse filled with greens ready to go to retailers and restaurants across New York, New Jersey, and beyond.
Enterprise

Dahlicious

Founded in 2007, Dahlicious makes lassi, an Indian style drinkable yogurt, prepared with milk sourced from New England grass-fed dairies.

Investment

$250,000

Structure

Royalty Financing

Financing Purpose & Date

Financing is supporting Dahlicious’ sales, marketing, and working capital needs to expand production in their new facility. The loan was closed in June 2015.

Business Assistance

Dahlicious also received Consulting Corps business assistance to work with a CPA and compile its historical financial statements and enhance its accounting system.

Impact

With the Fund’s support, Dahlicious launched its new state-of-the-art processing facility in Leominster, Massachusetts along with the rollout of its new branding in Summer 2015.

Enterprise

Urban Farm Fermentory

Launched in 2010, Urban Farm Fermentory (UFF) produces kombucha, hard cider, and meads featuring ingredients sourced from small and mid-size New England farms. UFF distributes its products in Maine, Massachusetts, New York, and Vermont and sells seasonal products at its Portland, Maine tasting room.

Investment

$250,000

Structure

Convertible Debt

Financing Purpose & Date

Executed in May 2015, this financing has allowed UFF to purchase equipment, support increased marketing and distribution, expand its tasting room, and build inventory.

Business Assistance

UFF received Consulting Corps business assistance to develop a cash flow forecast ahead of Fund financing. We are also assisting UFF in establishing an Advisory Board and upgrading financial management processes.

Impact

In 2015, UFF launched refreshed branding for its kombuchas and ciders, opened an expanded tasting room, and purchased new equipment. Expanded production will create jobs and boost revenue for local farmers that supply UFF ingredients.
2015 Business Assistance Projects

Fair Food Fund lending is bolstered by business assistance, which strengthens the financing pipeline and builds entrepreneurial capacity in the food system. The fund offers one-on-one Consulting Corps support as well as a three-day annual Business Boot Camp for selected entrepreneurs.

Consulting Corps

The Fair Food Consulting Corps provides one-on-one, targeted assistance to good food enterprises at a price they can afford. We provide up to $10,000 in funding per project for selected participants and cover as much as 80 percent of total project cost.

Select 2015 Consulting Corps projects include:

**ARC (Agrarian Resource Collaborative)**
- An innovative farm model based on small-scale four-season farming to supply Maine’s wholesale and retail markets with fresh, local, year-round, soil-grown, organic produce. Financial planning and cost modeling.

**Berkshire County Food Hub**
- A food hub that would serve farmers and food producers in Western Massachusetts. Food hub feasibility study.

**Crown O’ Maine**
- crownofmainecoop.com
- Aggregator and distributor of Maine-produced food throughout Maine and parts of New Hampshire and Massachusetts. Enhance financial management capability.

**Downeast Dayboat**
- downeastdayboat.com
- Marketing and distribution of day boat scallops to high end chefs and consumers. Financial planning and marketing for expansion into new geographies.

**Fresh Food Generation**
- freshfoodgeneration.com
- Farm-to-plate food truck and catering business with a mission of improving access to healthy food. Cost accounting and financial management.

**Northern Girl**
- northerngirlmaine.com
- Producer of value-added products made primarily from root crops sourced from Aroostook County, Maine farms. Food safety planning.

**Real Pickles**
- realpickles.com
- Producer of pickles sourced from local farmers. Marketing strategy, brand identity.

**Tide Mill Organic Farm**
- tidemillorganicfarm.com
- A ninth-generation family farm. Food safety planning and financial management assistance.
Business Boot Camp
The annual Business Boot Camp provides an opportunity for selected good food entrepreneurs to learn the vital skills they need to grow and thrive. The three-day program culminates in a pitch competition where entrepreneurs compete for an award of up to $10,000 in Fair Food consulting services.

2015 Boot Camp participants included:

**Thirty Acre Farm**
thirtyacrefarm.com
A farm and fermented food producer. *Boot Camp Pitch Competition Winner.*

**SecondsFirst**
eatsecondsfirst.com
A start-up processor of imperfect produce and under-appreciated seafood.

**Humble Pie**
humblepiepvd.com
A producer of sweet and savory pies using local ingredients.

**Vermont Chevon**
vermontchevon.com
A producer of goat meat (chevon) for regional markets.

**Kriemhild Dairy Farms**
kriemhilda.com
A producer of butter and other products from grass fed cows.

“This program has been very helpful giving me the tools and confidence I need to ensure our business is successful.”

~ 2015 Business Boot Camp Participant
Our Impact.

This section looks at the impact Fund-supported businesses are having on farm viability, environmental stewardship, economic development, and local food access.

Supporting small and mid-size farms across the Northeast.

Fund-supported enterprises sold to or purchased from 300+ Northeast farms in 2015, supporting vibrant working farms by:

- Providing consistent and guaranteed markets.
- Creating markets for new, higher value crops and for farm products that would otherwise have no value.
- Increasing the connectivity between farmers and consumers with both information and transportation.

“Thank you for supporting producers in the Northeast to advance agriculture that will survive the changes happening around us. Your support makes a huge difference.”

~ Cellars at Jasper Hill, Consulting Corps Client
Promoting Environmental Sustainability.

Nearly half of the farms which Fund-supported enterprises worked with were certified organic. And nearly all supported enterprises reported working exclusively with or giving priority to producers who use sustainable farming practices.

Supported enterprises also minimized their environmental impact with 80 percent doing one or more of the following:
- Reusing and recycling (byproducts sold/used, packaging material).
- Optimizing transportation costs through local focus and delivery coordination.
- Utilizing energy-efficient systems.

Number of Farms that Fund-supported Enterprises Worked with in 2015.

<table>
<thead>
<tr>
<th></th>
<th>CT</th>
<th>MA</th>
<th>ME</th>
<th>NH</th>
<th>NJ</th>
<th>NY</th>
<th>PA</th>
<th>RI</th>
<th>VT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Farms</td>
<td>3</td>
<td>21</td>
<td>137</td>
<td>7</td>
<td>3</td>
<td>73</td>
<td>16</td>
<td>4</td>
<td>39</td>
<td>303</td>
</tr>
<tr>
<td>Certified Organic</td>
<td>1</td>
<td>11</td>
<td>45</td>
<td>2</td>
<td>-</td>
<td>46</td>
<td>13</td>
<td>1</td>
<td>19</td>
<td>138</td>
</tr>
</tbody>
</table>
Sparking local economic development.

Supported enterprises reported growth in revenue, payroll, and full-time jobs from 2014 to 2015—indicators with a strong ripple effect of benefits for local economies.

**Revenues: +21%**

- Revenue $ (Million): $14.3 to $17.3

**Payroll: +36%**

- Payroll $ (Million): $2.8 to $3.8

**Jobs: +16%**

- Full-Time Jobs: 99 to 115

2014 2015

Sparking local economic development.
Increasing access to local food.

In 2015, Fund-supported enterprises purchased and distributed $3.2 million worth of local food, including:

- Supplying to institutions, including hospitals and schools, restaurants, retailers, and locations that serve at-risk populations.
- Delivering to community centers and worksites.
- Providing incentives to employers that offer workplace CSAs.
- Offering subsidized shares of fruits and vegetables to low-income families.
# Fair Food Fund

*By The Numbers.*

## Program Income Statement

**January 1, 2015 - December 31, 2015**

<table>
<thead>
<tr>
<th>INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Government Grant Income</td>
<td>$134,000.00</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$48,002.38</td>
</tr>
<tr>
<td>Other Income</td>
<td>$1,392.92</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$183,395.30</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Operation Expenses</td>
<td>$206,095.04</td>
</tr>
<tr>
<td>Technical Assistance Expenses</td>
<td>$158,331.32</td>
</tr>
<tr>
<td>Investment Expenses</td>
<td>$46,351.65</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$410,778.01</strong></td>
</tr>
</tbody>
</table>

**NET INCOME**                        **$-227,382.71**
These financial reports show income and expenses generated by Fair Food Network’s Fair Food Fund program in 2015 as well as the program’s financial position as of December 31, 2015. Fund financial statements were internally prepared by Fair Food Network and have not been audited by a third party.

### Program Balance Sheet

#### As of December 31, 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,535,610.17</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>$1,356,869.00</td>
</tr>
<tr>
<td>PRI Loans Committed</td>
<td>$333,333.00</td>
</tr>
<tr>
<td>Fair Food Fund Investments Outstanding</td>
<td>$837,359.83</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$5,063,172.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES &amp; NET ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Payable</td>
<td>$1,300,000.00</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>$27,438.00</td>
</tr>
<tr>
<td>Unrestricted Net Assets</td>
<td>$44,681.93</td>
</tr>
<tr>
<td>Temporarily Restricted Net Assets</td>
<td>$3,691,052.07</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td><strong>$5,063,172.00</strong></td>
</tr>
</tbody>
</table>
“We love Fair Food Fund! Without you, our business would not be where we are today.”

– Radicle Farm Company Financing Recipient
Thank you to our funders who help us move this work forward.

FAIR FOOD FUND is a program of Fair Food Network, which pioneers solutions that support farmers, strengthen local economies, and increase access to healthy food—especially in our most underserved communities.

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