



# Strengthening Our Food Economy



## Fair Food Fund 2016 Annual Report







# A Message from Our President & CEO



**At Fair Food Network, we believe nothing is as important to our future as food.** When we launched Fair Food Fund in 2012, we saw both the need and the opportunity to fuel entrepreneurship in our food system with direct benefits for American families, farmers, and local economies.

**This work has never been more important.** Many agricultural businesses and family farms have taken hits this past year with net farm income down across the sector. In many cases, rural communities are struggling. But where there are problems, there is also potential for multi-win solutions—especially now, as the demand for locally grown food continues to expand.

Entrepreneurs and innovators are jumping in to meet that demand. While they bring the passion and the commitment for this work, they need financing and business assistance to build business acumen, accelerate growth, and achieve long-term success.

**This year we expanded the focus of our work.** We now support a broader range of good food enterprises in the Northeast. From local brands, processors, and distributors to sustainable fisheries and local meat processors, we know all types of enterprises are needed to support resilient local food economies.

**The results are worth it.** Through the single leverage point of food we can generate multiple

wins: greater economic stability for family farmers, sustainable agriculture practices, increased access to locally grown and sourced food, economic development and job creation along the value chain, and revitalization of rural and urban communities.

**We hope you'll join us in this important work.**

Together we can fuel entrepreneurship and in the process build vibrant local food systems that nourish families, support American farmers, and stimulate local economies.

Onward,

A handwritten signature in black ink that reads "Oran B. Hesterman".

**Oran B. Hesterman, PhD**  
President & CEO  
Fair Food Network



# Investments with Impact

## Our Work

Our work went a long way in 2016, creating jobs and adding value across the Northeast.

**\$738K+**

Financing &  
Business Assistance  
to Good Food Entrepreneurs.

**31**

Enterprises Supported  
Including Two Investments

From sustainable fisheries to a farm-to-plate caterer and cafe.

**7**

States

Supported businesses in  
Maine, Massachusetts,  
New Hampshire, New  
Jersey, New York, Rhode  
Island and Vermont.

## The Impact

The impact of supported good food businesses speaks for itself.



**444**

Farms  
Including 205  
organic operations.



**\$8.8**

Million  
Local food  
purchased.



**\$10**

Million  
Increase in revenue of  
supported businesses from  
2015 to 2016—a 30% bump.



**31%**

Increase  
Payroll growth of supported  
businesses from 2015 to 2016.



**61**

Jobs  
Full-time  
positions created.





**“Investing in Fair Food Fund is a high-leverage opportunity which is unlocking the capabilities of good food entrepreneurs and, in turn, fueling the transformation of our food system.”**

**- Andy Kendall  
Executive Director  
Henry P. Kendall Foundation**





# Money Matters: 2016 Financing Projects

**Fair Food Fund** provides financing to good food enterprises that support vibrant working farms and independent producers, reinforcing resilient local food economies in the Northeastern United States. We bring a unique mission-driven lens and work with borrowers to match their needs with the right financing structure.

**In 2016, we financed two exciting enterprises—including our first direct equity investments.**



# A Brand for Farmers & Shoppers to Love

## Five Acre Farms

### Investment

**\$350,000**

### Structure

Equity Financing

### Enterprise

Five Acre Farms brings its local milk, egg, and apple products to more than 150 retailers and 75 restaurants and coffee shops in New York, New Jersey, and Connecticut. Founded in 2010, its mission is to find sustainable farmers, pay them fairly, and make their products accessible to average Americans. Since 2014, it has paid a total premium of more than \$700,000 above market price back to the farmers that produce its goods.

### Purpose

November 2016 financing is helping Five Acre Farms launch new products and expand its staff.

### Impact

This investment will have a ripple effect of benefits: more jobs at Five Acre Farms, increased sales for its growing farmer network, and more healthy, locally grown food for area consumers.

# Craft Oil, Made in Vermont

## Full Sun Company

### Investment

**\$200,000**

### Structure

Debt & Equity

### Enterprise

Founded in 2012, Full Sun Company produces extra virgin craft canola and sunflower seed oils. Its seeds are sourced from area family farms with each bottle of oil traceable to the farm that grew it. Full Sun Company is providing a new market for area farmers and, as New England's first non-GMO verified oil mill, supporting non-GMO crop production in the region. Based in Middlebury, Vermont, it also sells the byproduct of oil production as livestock feed and soil amendment to local farmers.

### Purpose

October 2016 financing is helping Full Sun Company purchase a second oil press to increase production. Additional working capital is supporting sales and marketing.

### Impact

This investment will double Full Sun Company's production, allowing it to purchase more canola and sunflower seeds from small family farms in the area.



## A Fresh Approach to Farm-Fresh Shopping

### Five Acre Farms Makes Life Easier for Farmers & Customers

**Five Acre Farms** takes the “buy local” ethos beyond the farmers market, meeting customers where they are—the grocery store—with farm fresh, sustainably produced food.

That’s because Five Acre Farms buys directly from the farmers themselves—sourcing within a 275-mile radius—offering egg, dairy, and apple products that can be traced back to the farms that produced them.

It’s grocery store simplicity with farmers market accountability: a supermarket-friendly brand that puts farmers front and center.

**“We’re trying to be a turnkey solution to a supermarket or distributor who wants to get into local,”** said founder and CEO Dan Horan.

Five Acre Farms pays farmers fairly, offering above-market rates. It’s also committed to an everyday kind of “local,” placing products in community grocery stores and pursuing a middle-pricing strategy between conventional and organic.

The result is multiple wins: better access to local food, shoppers connected to area farmers, environmental

sustainability and farmland preservation, and stronger rural farm economies.

This socially conscious thinking—and the impact it stands to have on our food economy—is what made Fair Food Fund excited to commit \$350,000 in equity financing.

**“Good food—local, healthy food—has the power to change not just our food system but our entire economy.”** said Oran B. Hesterman, Fair Food Network president and CEO. **“Five Acre Farms is imagining brand new ways to do that, and benefiting shoppers and producers in the process.”**







# Smart Support: 2016 Business Assistance Projects

**Fair Food Fund** bolsters financing with business assistance to help entrepreneurs translate their passion into success in the marketplace. There are two business assistance services available: one-on-one support through the Consulting Corps program and an annual Business Boot Camp.



“Fair Food Network is a great organization helping farmers and food producers navigate a marketplace that is full of obstacles and challenges.”

– Thirty Acre Farm  
2015 Business Boot Camp Participant  
2016 Consulting Corps Recipient

“This is a great program that has had a very positive impact on our business.”

– Cellars at Jasper Hill  
2016 Consulting Corps Recipient





## Good food businesses supported in 2016:

- Bree-Z-Knoll Farm
- Brookford Farm
- Cellars at Jasper Hill
- Commonwealth Poultry
- Dahlicious
- Downeast Dayboat
- The Farm Bridge
- Five Acre Farms
- Fresh Food Generation
- Full Sun Company
- Harvest Moon Pizza
- Heiwa Soy Beanery
- Herbal Revolution Farm & Apothecary
- Humble Pie
- Kitchen Garden
- Kriemhild Dairy Farms
- Maine Crisp Company
- Myers Produce
- Northern Girl
- The Pickup
- Pippin Foods
- Radicle Farm Company
- Real Pickles
- Red Fire Farm
- Rocky Ledge Farm
- Sea to Table
- Seconds First
- Thirty Acre Farm
- Tide Mill Organic Farm
- Urban Farm Fermentory
- Vermont Chevron







# Advice Tailored to Entrepreneurs: Consulting Corps

The Consulting Corps program provides one-on-one, targeted assistance to good food entrepreneurs. Consulting services focus on business planning, financial management, food-safety compliance, marketing, operations management, and more.

The Fund covers up to 80 percent of total project cost or up to \$10,000 per project.

**In 2016, we provided Consulting Corps support to 26 enterprises. Select projects include:**



Financial management systems for **Urban Farm Fermentory**, a Portland, Maine, business that produces and sells kombucha, hard cider, mead, and fruit-style beer made from Maine-sourced ingredients.



Distribution and sales strategy for **Thirty Acre Farm**, a producer of certified organic fermented foods made from Maine-sourced ingredients.



Financial management systems for **Commonwealth Poultry Co.**, Maine's only USDA-inspected poultry processor, which purchases birds from Maine and Pennsylvania farmers.



Cost accounting and financial reporting system development for **Fresh Food Generation**, a farm-to-plate catering company, food truck, and cafe that serves affordable Caribbean comfort food sourced from local farms to underserved neighborhoods in Boston, Massachusetts.



Cash flow planning for **Kriemhild Dairy Co.**, a grass-fed dairy in upstate New York supplying locally sourced butter and crème fraiche to customers in New York and beyond.



Design of inventory accounting system and five-year financial projections for **Sea to Table**. This company partners with independent fishermen and commercial docks in 44 traditional fishing communities to provide wild, domestic seafood that is sustainably harvested and traceable to the point of landing.



## A Place to Park

### A Values-Driven Food Truck in Boston Puts Down Roots

**What happens when you've got a brilliant idea**, put it into action, and then realize you need to pivot? That's what happened to entrepreneurs Cassandra Campbell and Jackson Renshaw, whose Fresh Food Generation food truck drew accolades as soon as it began traversing Boston in 2015.

Campbell and Renshaw met a decade earlier when both were teenagers working at The Food Project. With a friendship founded in food justice, they set forth a bold vision: serve up affordable Latin American and Caribbean food sourced from local farms to underserved neighborhoods a few days a week and then

hit downtown Boston the rest of the week. The menu is the same, the audience is different. They also launched a farm-to-plate catering business.

But less than a year in, they found themselves considering taking over a cafe in a health center in Dorchester. Their hip business on wheels was the antithesis of bricks and mortar, but could this be the right move?

They went to Jen Faigel, who provided them business assistance through the Consulting Corps program—the prize for winning the pitch fest at the Fair Food Business Boot Camp in 2014. Faigel, the director of Commonwealth Kitchen where Fresh Food

Generation does its food preparation, has since become a mentor.

Faigel went to work, connecting them with potential funders, scoring two used refrigerators, and finally, **“giving us the confidence,”** said Campbell.

Fresh Food Generation's goal has always been to educate consumers by introducing them to good food that tastes good.

**“The cafe allows us to do this on a daily basis,”** continued Campbell.

Today, Fresh Food Generation is still driving that truck, but they've also found a place to put down roots.







## Building Better Businesses: Business Boot Camp

This three-day intensive training helps good food entrepreneurs learn the skills they need to take their businesses to the next level. Topics include marketing, telling your story, break-even analysis, understanding financial statements, fundraising, and more.

This annual event is free for selected enterprises and culminates in a pitch competition with the chance to win \$10,000 in awards.

### The 2016 Boot Camp featured five Northeastern good food businesses:

#### **Vermont Bean Crafters** **Winner of Judges' Award**

This company markets regionally sourced beans and bean products to schools, institutions, and retail outlets across the Northeast.

#### **All Souls Tortilleria**

This Vermont company produces certified organic, additive-free, traditional masa dough and corn tortillas. Made from regionally sourced heirloom corn, its tortillas can be found in retail and institutional markets.

#### **Farm to Table Logistics**

Based in New York, this delivery and trucking company provides farmers, food hubs, and food processors with reliable transportation services to effectively deliver local food from farm to market.

#### **World PEAS Food Hub** **Winner of Audience Choice Award**

A New Entry Sustainable Farming Project enterprise, World PEAS Food Hub is a multi-farm CSA plus technical assistance provider for beginning, immigrant, and refugee farmers.

#### **Common Market**

This regional food distributor connects communities with good food sourced from sustainable family farms. Headquartered in Philadelphia, it currently operates across the Mid-Atlantic and Georgia.

### Thank You to Our 2016 Boot Camp Supporters:

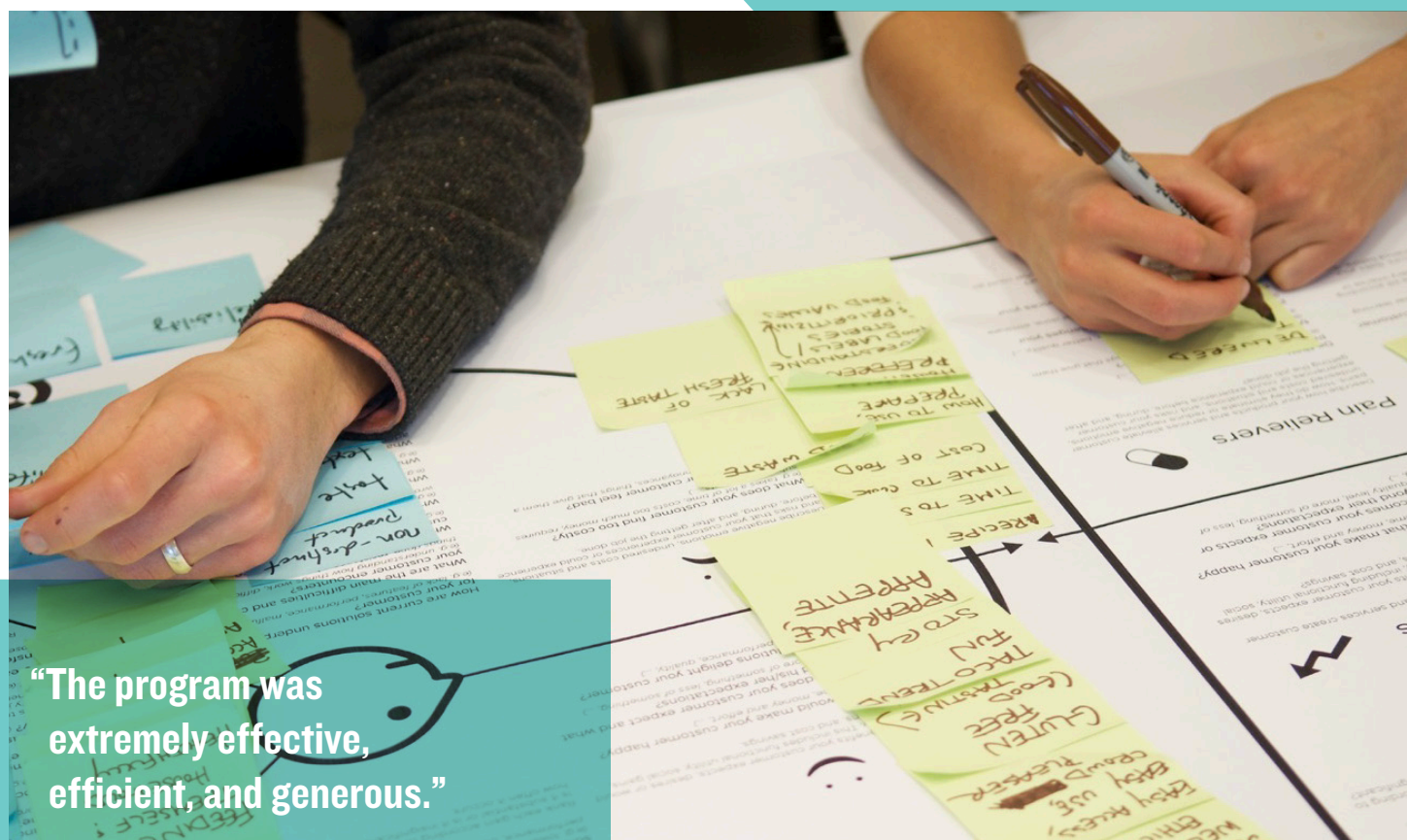
**College of The Atlantic,  
FoodSol, Harvard Pilgrim  
Health Care Foundation,  
Partridge Foundation,  
and You Have Our  
Trust Fund of the NH  
Charitable Foundation.**





**“This experience was priceless.”**

– 2016 Boot Camp Participant



**“The program was extremely effective, efficient, and generous.”**

– 2016 Boot Camp Participant



# Taking a Farmer-Focused Food Hub to the Next Level

## This 2016 Boot Camp alum is getting ready for long-term success

**World PEAS Food Hub's** work is as large as its name suggests. A program of the New Entry Sustainable Farming Project (NESFP), it includes a warehouse and CSA, low-income food access programming, plus technical assistance for beginning, immigrant, and refugee farmers.

But recently, it found itself in a slump, with sales down and declining CSA membership. It needed a plan to get back on its feet.

To figure it out, NESFP director Jennifer Hashley attended the 2016 Fair Food Business Boot Camp.

The boot camp sessions were challenging but productive, digging right into the crux of World PEAS' challenges and potential solutions.

The hard work paid off.

World PEAS won the \$5,000 audience choice award with a pitch that described its drop in sales, plus its hopes to use the award to map out how to maintain its mission while generating a profit.

The prize wasn't the only payoff, though. The knowledge gained set them on a smarter track.

**"The Business Boot Camp is a unique and incredible opportunity,"** said Hashley. **"To sit with fellow entrepreneurs and learn from true subject matter experts was a true gift that is already reaping returns for our business as well as the farmers we serve."**





# Fair Food Fund By the Numbers

## Fund Income Statement

January 1, 2016 - December 31, 2016



### INCOME

Government Grant Income	\$121,868.75
Non-Government Grant Income	\$169,000.00
Investment Income	\$88,047.40
Other Income	\$18,557.84
<b>Total Income</b>	<b>\$397,473.99</b>



### EXPENSES

Program Operating Expenses	\$392,685.36
Technical Assistance Expenses	\$188,757.38
Investment Expenses	\$27,964.30
<b>Total Expenses</b>	<b>\$609,407.04</b>

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<b>NET INCOME</b>	<b>-\$211,933.05</b>
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These financial reports show income and expenses generated by Fair Food Network's Fair Food Fund in 2016 as well as the Fund's financial position as of December 31, 2016. Fund financial statements were internally prepared by Fair Food Network and have not been audited by a third party.

# Fund Balance Sheet

As of December 31, 2016

## ASSETS

Cash	<b>\$1,631,074.25</b>
Grants & Other Accounts Receivable	<b>\$1,307,722.63</b>
PRI Loans Committed	<b>\$333,333.00</b>
Fund Investments Outstanding	<b>\$1,717,969.50</b>
<b>Total Assets</b>	<b>\$4,990,099.38</b>

## LIABILITIES & NET ASSETS

Loans Payable	<b>\$1,300,000.00</b>
Accrued Interest	<b>\$37,656.25</b>
Unrestricted Net Assets	<b>\$116,517.31</b>
Temporarily Restricted Net Assets	<b>\$3,535,925.82</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$4,990,099.38</b>



**We deeply  
appreciate our  
supporters  
who make this  
work possible.  
Thank You.**

**Common Capital, The David and Lucile Packard Foundation, Elmina B. Sewall Foundation, Harvard Pilgrim Health Care Foundation, Henry P. Kendall Foundation, The John Merck Fund, Lydia B. Stokes Foundation, Maine Community Foundation, The Osprey Foundation, Partridge Foundation, RSF Social Finance, The Seattle Foundation—Bangs Family Fund, Solidago Foundation, Surdna Foundation, USDA Agricultural Marketing Service, USDA Rural Development, Wallace Center at Winrock International, Linzee Weld, Wells Fargo, and You Have Our Trust Fund of the NH Charitable Foundation.**

## **Investment Committee**

**Richard Fletcher**  
Chief Lending Officer  
**Beneficial State Bank**

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Founder & Evangelist  
**Red Tomato**

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President & CEO  
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## **Fair Food Fund Team**

**Sarah Andrysiak**  
Fund Consultant

**Alex Linkow**  
Director

**Joanne Baldini**  
Associate

**Joel Moyer**  
Manager

**Oran B. Hesterman, PhD**  
President & CEO









**FAIR FOOD NETWORK** is founded on the belief that vibrant local food systems can create health and economic opportunity for all. A national nonprofit, we work with a diverse network of partners and pioneer solutions that support farmers, strengthen local economies, and increase access to healthy food—especially in our most underserved communities.

**[fairfoodnetwork.org](http://fairfoodnetwork.org)**

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Cover photos provided by Kari Paine for Fair Food Network, Five Acre Farms, Sea to Table, and Trustees of Tufts College.

