FAIR FOOD NETWORK
GROW THE GOOD

Fair Food Fund

Investing in Community Health & Wealth

2013 - 2018

FAIR FOOD FUND **FIVE-YEAR IMPACT REPORT**

How do we grow community health and wealth through food?

For every **$1 Fair Food Fund invested,** we helped generate nearly **$9 in community benefits.***

We Invested
$3.7MM
in Financing &
Business Assistance

80 Businesses

9 States

BUSINESS GROWTH

$24MM+ **Revenue Growth** of Businesses

FARM VIABILITY

1,300+ **Farms Supported** with 560+ Organic

JOB CREATION

155 Full-Time & 52 Part-Time **Jobs Created**

ECONOMIC DEVELOPMENT

$27.9MM **Local Food Purchased**

*Calculated by value of jobs created plus value of local farm purchasing, divided by value of financing and business assistance deployed.

To Our Partners,

When we launched Fair Food Fund as our impact investing arm, we could not imagine the field transformation that would parallel our growth.

Since 2013, markets of all kinds have woken up to food and agriculture opportunities. Investors from private foundations, as well as individuals are also increasingly curious about the power of impact investing and turning to food enterprises as a means to generate financial and social returns.

On the ground, there has never been more innovation and ingenuity fueling change across the food industry. From enterprises transforming food waste into fertile soil, to sustainable aquaculture ventures, to new food products that are creating markets for American farmers and healthier options for our families, new ventures are emerging daily that are reimagining our food system from farms to families.

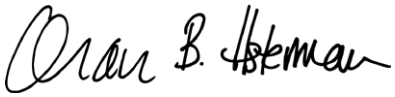
Yet despite this upswell in activity and attention, too many promising entrepreneurs—especially in underserved communities—still can't get the right capital they need because they don't fit the mold of traditional lenders or investors. Many also lack the business acumen needed to translate their passion into profit. In a highly competitive marketplace, these businesses too often fail. And when they do, our communities suffer.

The Fair Food Fund was designed to meet these entrepreneurs where they are and take them where they want to go. Since 2013, we have invested more than $3 million in 13 food businesses. Just as important is supporting these businesses on the road to profitability; that's why we've also invested more than $700,000 in business assistance, offering more than 70 enterprises solutions that range from multi-day intensive trainings to customized one-on-one support.

This is an investment that works: more than $8.90 in community benefits for every $1 invested. Plus our work is generating a ripple effect of benefits that includes greater healthy food access, family farm viability, the creation of new jobs, and more inclusive economies.

We are proud of what we've been able to accomplish but know we can—and need—to do even more to ensure that everyone can harness the power of food to transform their communities for good. Thank you for your support and partnership on this journey.

Onward,



Oran B. Hesterman, PhD
Founder & CEO
Fair Food Network

Journey of an Entrepreneur

We meet entrepreneurs where they are and take them where they want to go.

Fresh Food Generation is a farm-to-table catering service, food truck, and community café that serves up healthy, locally sourced food plus jobs in Boston's Dorchester neighborhood.

We've had the honor of working with co-owners Cassandria Campbell and Jackson Renshaw since 2014 providing both business assistance and financing as they grow.

2014

- Attends business boot camp, winning the pitch competition along with a spotlight in *The New York Times* feature on our event

2016

- Fresh Food Generation opens a community café in DotHouse community health center in the heart of Dorchester
- 1:1 consulting support increases menu profitability and builds business acumen with financial management processes and growth scenario analysis

2017

- $11,000 bridge loan
- 1:1 consulting support designs more efficient café processes and procedures

2018

- $5,000 bridge loan, $125,000 convertible note, plus $12,500 line of credit

> “We quickly learned that access to small business financing is extremely difficult. We were continually denied funding from traditional lenders because we did not have collateral or a lengthy operating history. Thank you Fair Food Fund for being visionaries and dreaming with us.”
>
> — Fresh Food Generation

Impact

Business Growth via Expanded Catering Business & Launch of New Community Café

580% Sales Growth

5 New Jobs Created

2019

- 1:1 follow-on support develops website, marketing collateral, media engagement, plus advisory board service from Fair Food Fund team

We are honored to have supported the following businesses since 2013.

9 Miles East Farm
Agrarian Resource Collaborative
Al FreshCo
All Souls Tortilleria
American Agro
Aroostook Meats
Artifact Cider Project
Artisan Beverage Coop
Blue Ox Malthouse
Bluet
Bree-Z-Knoll Farm
Brookford Farm
Brooklyn Bouillon
Cellars at Jaspar Hill
City Fresh Foods
Commonwealth Poultry
Corsello Butcheria
Crooked Face Creamery
Crown O’ Maine Organic Cooperative
Crystal Spring Community Farm
Dahlicious
Downeast Dayboat
Empanaderia
Farm Fresh Rhode Island
Farm to Table Logistics
Farmers’ Gate Market
Five Acre Farms
Food Connects
Franklin County CDC
Fresh Food Generation
Fresh Source Capital
Full Moon Ghee
Full Sun Company
Fungi Ally
Green City Growers
Grow Compost of Vermont
Harvest Moon Pizza
Heiwa Tofu
Herbal Revolution Farm & Apothecary
Heron Pond Farm
Humble Pie
In Season Food Shop
Kitchen Garden Farm
Kriemhild Dairy Farms
Local Roots NYC
Maine Crisp Company
Maine Grains
Maine’s Own Organic Milk Company
Marty’s Local
Mei Mei Restaurant
Micro Mama’s
Mundo Artisan Foods
Mycoterra Farm
Myers Produce
New Entry Sustainable Farming
New York Distilling Company
NH Community Seafood
North Country Market
North Spore
Northern Girl
Ostera Luna Farm
Pemaquid Mussel Farms
Penn’s Corner Farm Alliance
Pippin Foods
Radicle Farm
Real Pickles
Red Fire Farms
Rocky Ledge Farm
Sanctuary Kitchen Catering
Sea to Table
SecondsFirst
Shadow Valley Farm
Shire Beef
Sutter Meats
The Common Market
The Compost Plant
The Farm Bridge
The Fresh Connection
The Pickup
The Splendid Spoon
Thirty Acre Farm
Tide Mill Organic Farm
Urban Farm Fermentory
Valley Malt
Valley Poultry
Vermont Bean Crafters
Vermont Chevon
Vermont Elderberry
Vermont Switchel Company
Vermont Tortilla Company
Victory Hemp Foods
Wellspring Cooperative

Financing

Every $1 invested by Fair Food Fund leveraged $5+ in additional funding.

We provide the capital entrepreneurs need including patient debt, royalty financing, convertible notes, and equity investments.

We target our support for early-stage food entrepreneurs leveraging Fair Food Network's decade-plus national leadership in this field.

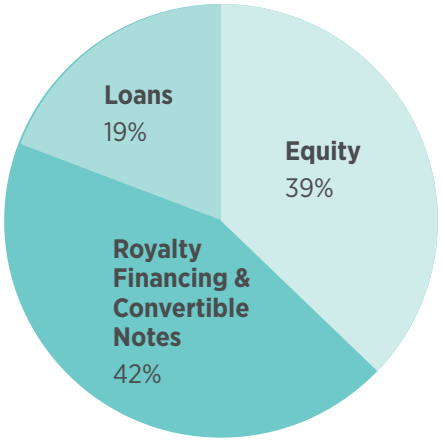
> "As an investor, Fair Food Fund knows this space, which makes a difference. Their willingness to come in as an early investor was really important. They didn't push us outside of a growth level that we thought was sustainable or the right thing to do. Rather their support gave us a check mark that enabled us to scale and become profitable.
>
> — Tony Gibbons
> Radicle Farm

Fair Food Fund at a Glance

Total Fund Commitments	$3,496,727
Total Investments	13
Percent of Commitments Invested	88%
Total Invested Capital	$3,079,227 (through Dec. 31, 2018)
Default Rate	12.5% with 3 closures since 2013; 3 businesses profitable in 2018
Income Earned	$340,000+ in interest and royalty payments
Principal Returns	$156,000+

Fair Food Fund Investments

by Structure



Business Assistance

We come to the table with more than money.

Our innovative blended capital approach combines customized financing with business assistance ranging from group trainings to one-on-one consulting with industry experts or advising from the Fair Food Network team. This work is building a more diverse investment pipeline, increasing entrepreneurial capacity, and mitigating investment risk.

Based on research commissioned in 2017, business boot camp participants are:

Succeeding.

85% of participants are still in operation, 60% above the national average.

Growing faster than the national average.

Businesses are experiencing growth **six times higher than the national average** for peer enterprises.

Raising additional investments.

Participants raised an average of $272,000 since the boot camp, **a 7x+ multiplier on the initial boot camp investment.**

> "I went into the business boot camp with a laundry list of things to tackle, then tore apart my business and rebuilt it with a totally new way of operating. Working with Fair Food Fund leveraged me to this new place, and I am so excited about where we're going."
>
> — Amy Rowbottom
> Crooked Face Creamery

Our Team

Our team brings extensive financing knowledge backed by decades of experience supporting entrepreneurs in food and agriculture and beyond.

FAIR FOOD FUND TEAM

Oran Hesterman, PhD
Founder & CEO
Fair Food Network

National leader in food & farming; philanthropist invested $200MM+ in local food movt: fundraised $51MM+

Mark Watson, MBA
Fund Advisor & Managing Director, Boston Impact Initiative

Investment manager & pioneer in community-based impact investing

Jean Chorazyczewski
Business Assistance Director

Business assistance architect

Charlotte Young-Bowens
Business Assistance Manager

Entrepreneur & mentor to good food advocates

Joel Moyer, MBA
Fund Manager

Financial management expert leading deal sourcing & analysis

INVESTMENT COMMITTEE

Oran Hesterman
Founder & CEO
Fair Food Network

Aviv Aviad
Managing Director
Cornus Consulting

Daniel Tellalian, JD/MBA, CPA
CEO
Angel City Advisors

Kate Krauss
COO
Fair Food Network

Michael Rozyne
Founder
Red Tomato

Mark Watson
Managing Director
Boston Impact Initiative

Jeff Scheer
Director
Pathstone Federal Street

Thank you to previous Investment Committee members:

Alex Linkow, former Fair Food Fund Director

Rick Lejeune, CEO, Heath and Lejeune

Dan Pullman, Founder & Managing Partner, Fresh Source Capital

Dick Fletcher, former Executive Vice President & Chief Lending Officer, Beneficial State Bank (deceased 2018)

Jennifer Murtie, Managing Partner & Senior Wealth Advisor, Ballentine Partners

Our Finances

2018 Snapshot

BALANCE SHEET

Assets

Cash	$1,161,959
Accounts Receivable	$10,687
PRI Loans Committed	$0
FFF Investments Outstanding	$2,669,161
Total Assets	**$3,841,807**

Liabilities and Net Assets

Loans Payable	$1,050,000
Accrued Interest	$58,563
Unrestricted Net Assets	$308,956
Temporarily Restricted Net Assets	$2,424,288
Total Liabilities and Net Assets	**$3,841,807**

INCOME STATEMENT

Income

Government Grant Income	$0
Non-Government Grant Income	$285,000
Investment Income	$131,293
Other Income	$1,476
Total Income	**$417,770**

Expenses

Program Operating Expenses	$444,220
Technical Assistance Expenses	$119,851
Investment Expenses	$51,278
Total Expenses	**$615,349**
Net Income	**-$197,580**

These financial statements show income and expenses generated by the Fair Food Fund in 2018 as well as the Fund's financial position as of December 31, 2018. 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.

> “Fair Food Network has been innovative from day one in designing programs that leverage the dollars invested into it. Instead of offering a predetermined investment product, its Fair Food Fund works with entrepreneurs to create financing structures that fit the goals of each business. This model allows the Fund to meet entrepreneurs where they are and focus on impact.”
>
> — Stacey Faella, Executive Director, Woodcock Foundation

Our Supporters

We are deeply grateful for our supporters who helped make our first five years of impact possible. With your partnership, we’re not just investing in entrepreneurs, we’re growing the health and wealth of entire communities.

Thank you.

Apple Pickers Foundation

The Bangs Family Fund

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

Linzee Weld

Lydia B. Stokes Foundation

Maine Community Foundation, Inc.

Osprey Foundation

Greg and Hannah Ostroff

Partridge Foundation

Local Initiatives Fund of RSF Social Finance

Slow Money Boston

Solidago Foundation

Surdna Foundation

USDA

The Wallace Center

Wells Fargo

Woodcock Foundation

“You Have Our Trust” Fund of the NH Charitable Foundation

Five Acre Farms
Five Acre Farms
GRUNDEN
GRUNDEN

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