



Q1 2021
Report

Fair Food Fund

From the Field

More than one year into the pandemic, it continues to affect nearly every corner of our lives. Despite the disruptions and uncertainty, an enduring resilience alongside sparks of innovation continue to show us what's possible as we imagine the way forward.

In the Northeast, where the Fair Food Fund first launched in 2013, Maine Harvest Federal Credit Union (MHFCU) brings local financing to Maine's farms and food producers. Launched in 2019, MHFCU is committed to growing a healthy, more resilient local food system in Maine.

Fair Food Fund is thrilled to announce our first Collateral Initiative with MHFCU in support of South Paw Farm, of Freedom, Maine. This woman-owned farm grows a diverse mix of vegetables and crafts a line of value-added products using produce grown onsite. South Paw Farm is on a mission to grow its profitability and provide fresh produce to families in Maine experiencing poverty.

The Collateral Initiative was designed to support projects and partners like this. Using a grant-funded pool of capital, this Initiative offers a credit enhancement or loan guarantee to mission-driven enterprises when collateral runs thin, thereby enabling deals that otherwise might not be possible. This Initiative is catalytic by design, with every dollar leveraging \$4 from local lenders. To further bolster the success of projects, Fair Food Fund also offers follow-on business assistance.

By putting money on deposit at MHFCU and providing a bridge loan, Fair Food Fund helped South Paw Farm secure a \$15,000 loan for a solar array that will support the farm's energy needs.

We hope this is the first of many Collateral Initiative partnerships and looking forward to continued collaboration with MHFCU in support of Maine's local food system.

The Collateral Initiative is an exciting opportunity for investors. Whether through grants or recoverable grants, it support mission-driven entrepreneurs while catalyzing broader community and systems change.

In other news, our team continues to grow. I am excited to announce the hires of Kyama Kitavi, Investment Manager, and Xana Williams, Business Assistance Manager, both of whom are focused on our place-based efforts with the Michigan Good Food Fund. We're also expanding the involvement of our Investment Committee, which is allowing the emergence of place-based leads, bringing local context and a deeper bench of leadership to our collective efforts.

With this expansion, my role is shifting to focus on strategic vision, developing external partnerships, and overseeing our place-based work in Michigan with the Michigan Good Food Fund as well as a burgeoning project in Camden, NJ.

And finally, we have been busy building a strong pipeline and look forward to closing some impactful deals in the coming quarter.



Mark Watson
Senior Investment Strategist

Quarterly Highlights

We've been honored to share our work at various gatherings, including:

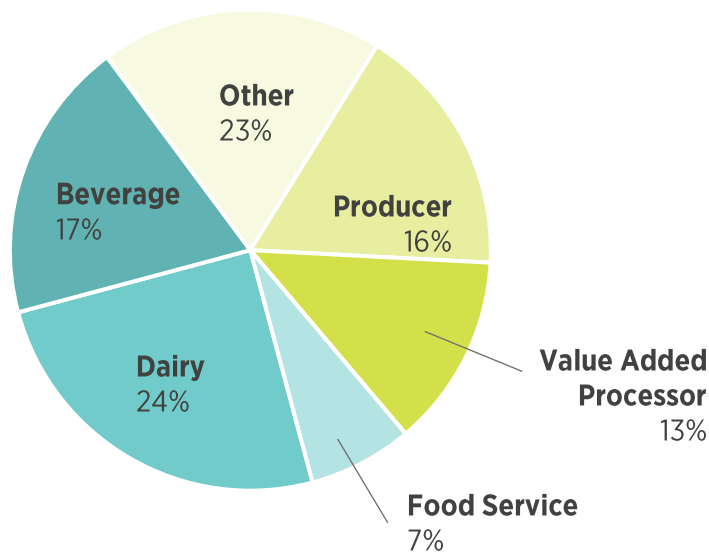
- **Social Venture Circle and American Sustainable Business Council** for an interactive discussion on Restorative Finance for the NEXT Economy.
- **Sustainatopia** on transformative funds focused on community resilience.
- **Transformational Investing In Food Systems (TIFS) Learning Community** exploring our place-based approach that incorporates the national resources of Fair Food Network alongside the voice of community stakeholders.
- **Canadian speaker series** exploring social finance

Portfolio Overview

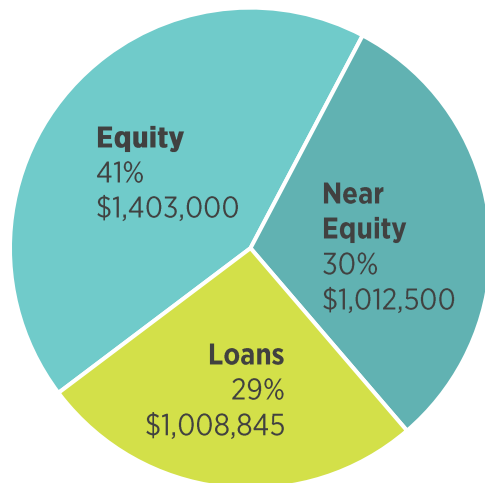
Financing Committed	\$3,424,345
Financing Outstanding	\$2,409,393
Investment Income	\$638,943

Default Rate: As of March 31, 2021, the default rate since the Fund's inception (Dec. 2013) is 9% cumulatively. This includes all realized write offs on an investment of capital pool of \$4.2 million

Type of Business



Type of Structure



Malamiah Juice Bar has been serving up fresh juices since 2013.

It brings a commitment to healthy living as well as creating jobs and leadership opportunities for young people in Grand Rapids, MI. We first connected with Malamiah through our business boot camp with the Michigan Good Food Fund. Today, we've engaged industry experts JPG Resources to help owner Jermale Eddie map out a sales channel strategy with the goal to grow key retail accounts in the community while expanding to other geographies.



While 2020 was a harrowing year for portfolio company Radicle Farm, it was also one of its most successful to date thanks to the company's pivots.

The pandemic prompted major disruptions in the food industry as demand from food service plummeted overnight, while grocery, and meal delivery services struggled to keep up with surging demand. Radicle was able to pivot its production and customer base, including securing a meal kit contract. Ultimately, 2020 sales grew 35% year over year, with clamshell greens sales up 229%. Radicle hired five new employees at its Newark, NJ facility and anticipates transitioning current part-time staff to full-time positions.

As the economy begins to resettle, it remains hard to predict 2021 demands. But Radicle's nimbleness in the face of last year's challenges is setting it on strong footing for whatever may come.