



Fair Food Fund

Q2 2021
Report

Message from our Team

As a national fund that works locally, we believe in building solutions with communities in ways that catalyze not just entrepreneur success, but broader systems change.

As part of this work, we're committed to growing the field of impact investing in ways that increase access to capital — in all its forms — for more entrepreneurs. This includes examining questions of power and capital design to ensure that our collective work does not extract from the very communities it aims to serve.

As such, we were honored when Black Farmer Fund invited us to partner with it in launching its new pilot fund designed to support Black food and farm businesses that have consistently been redlined from traditional financing.

Black Farmer Fund is a nonprofit community-governed impact investing organization. In addition to providing financial capital via low-interest community notes and grants, it also offers non-financial capital, including network building, technical assistance, and community organizing — all with the goal of supporting Black-led businesses that are building a sustainable and equitable food system in New York State.

The Black Farmer Fund team brings years of relationships and expertise in food systems work and recognized the need for Black farmers and food entrepreneurs to have more control in the financial ecosystem.

To address this, it brought together a group of 12 Black farmers, business owners, and organizers from across the state who together will determine which projects will be funded with what type of financial products.

Known as the Pilot Community, this group knows better than anyone else the business sectors, models, and challenges entrepreneurs face, bringing deep lived experiences to the financial decision making. In this way, Black Farmer Fund is infusing businesses with flexible financing while also placing the wealth distribution power back into the hands of the community.

Black Farmer Fund's vision and innovative governance is a model for the field, and Fair Food Network is honored to be a part of its story. In partnership, we are bringing our experience structuring a food-focused impact fund — from creative financing to back-end administration knowledge. During this pilot phase, our team is also advising on individual loan terms and structure and providing guidance on overall portfolio balance to support the deployment decisions made by the Pilot Community.

Black Farmer Fund has received 50+ applications to date and plans to announce its first round of investments this fall. For more information on this project, visit blackfarmerfund.org or contact Melanie Allen, Program Director at melanie@blackfarmerfund.com.

ICYMI: The results are in. While 2020 presented many uncertainties, it shined a bright light on the power of food entrepreneurs to be engines of a more equitable future. It also affirmed the power of partnerships as we work together for a new way forward.

Dig into our NEW interactive Fair Food Fund 2020 Impact Report to see how our work continued to meet entrepreneurs where they're at as the COVID crisis exploded.

— Fair Food Fund Team

Quarterly Highlights

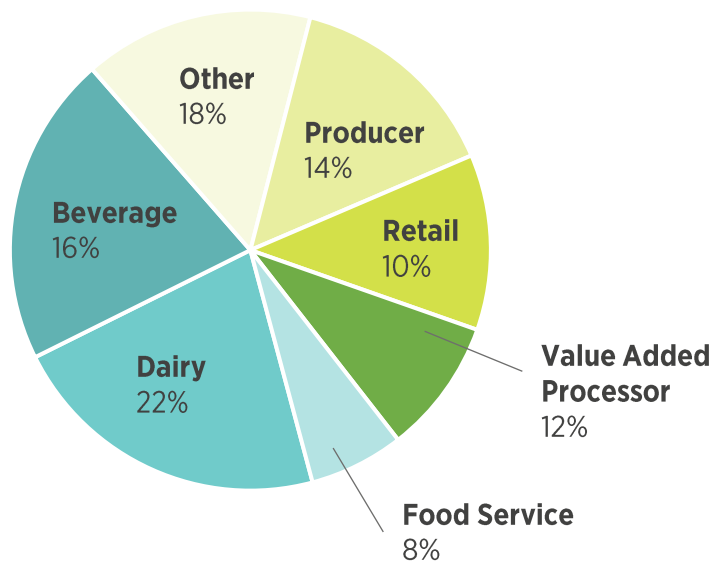
- Fair Food Fund featured in **Integrated Capital Investing's Transformative 25**, a list of top funds making finance work for people and the planet.
- We're thrilled to announce a **new Collateral Initiative investment in Boston Public Market** in partnership with CEI of Maine. *See more on back.*
- Our team and work has been spotlighted in national media and events including Confluence Philanthropy, Presidents' Council on Impact Investing, ImpactPHL, Sustainatopia, Transformative, and Ann Arbor Area Community Foundation Investor Salon, among others.

Portfolio Overview

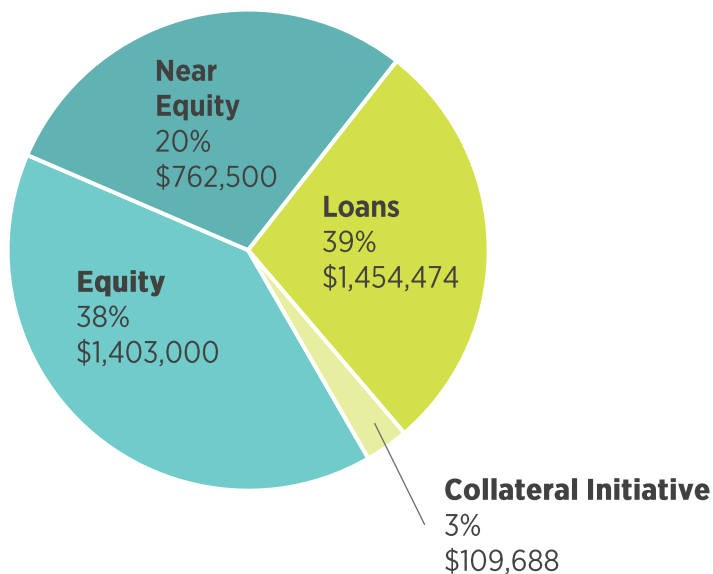
Financing Committed	\$3,729,662
Financing Outstanding	\$2,562,217
Investment Income	\$710,404

Default Rate: As of June 30, 2021, the annualized default rate since the Fund's inception (2012) is .87% or 7.65% cumulatively. This includes all realized write-offs on an investment of capital pool of \$5 million.

Type of Business



Type of Structure



Borrow Spotlight: Boston Public Market



Done in partnership with Coastal Enterprises, Inc. (CEI), a Maine-based CDFI, our latest investment leveraged our Collateral Initiative to support the Boston Public Market, a year-round indoor marketplace.

In addition to featuring healthy food sourced from artisans and food producers from across New England, the market is also a valued community-building space that brings together farmers, fishers, food entrepreneurs, and residents.

Like many farmers markets, it was shuttered for months due to the pandemic and had limited hours when finally able to reopen in September. While it was able to weather these disruptions, it significantly impacted market revenue.

A May 2021 \$55,000 Collateral Initiative investment supported Boston Public Market with a guarantee that freed up its assets for working capital as it works to bounce back from the devastating economic impacts of the past year.

We're thrilled to support the success of this anchor institution and collaborate with CEI, which provided the market a loan in 2019 and is a long-time and valued partner in the Northeast.

Business Assistance: Deeply Rooted Produce

Deeply Rooted Produce is on a mission to bring fresh fruits and vegetables to Detroiters while maintaining quality and affordability. It pairs online ordering, including a food subscription service, with a mobile market that brings fresh food directly to residents. In addition, it features produce from its own farm as well as from other farms across Metro Detroit. This quarter we supported founder Dazmonique Carr in developing financial projections and an updated operating budget to support its next stage of growth and community impact.