



Q1 2022 Report

Fair Food Fund

Message from our Team

We are excited to share a milestone in our work with the **Michigan Good Food Fund** with the formation of a new Stakeholder Board.

This the culmination of a yearlong journey to regroup this place-based initiative in the vision and priorities of local stakeholders centering the entrepreneurs it was designed to support.

The Stakeholder Board brings together local food entrepreneurs, capital and technical assistance providers, food system practitioners, and community partners from across Michigan. Together, they have established new investment priorities and performance targets that are ushering in changes including a commitment to more diverse capital products and a goal of sustained investments in high-impact businesses.

More broadly, the Stakeholder Board has brought about deeper shifts that prioritize relationships over transactions and shift from a standardized definition of “healthy” food to one that recognizes food as a lens for community health and vitality in all forms. They also elevated an “act local, think global” ethos that harnesses the tool of food financing to address some of the most pressing issues we face namely, climate change and growing inequalities.

The Michigan Good Food Fund launched in 2015 as a statewide fund designed to increase healthy food access and spark economic opportunity by investing in local food entrepreneurs.

Since its launch, it has infused \$17 million in loans and grants supporting 300 Michigan-based food businesses, which in turn have created or retained more than a thousand jobs.

Following the racial reckonings spurred by George Floyd’s murder alongside the food system disruptions brought on by COVID, we collectively recognized the need to reevaluate and adapt.

The Stakeholder Board and the roadmap it has created pull from more than a year of listening sessions, working groups, and collaborative co-creation where local stakeholders have told us what success looks like for their businesses, in their communities.

We’ve been honored to foster this process at Fair Food Network in our role as administrative manager of the Michigan Good Food Fund.

Through initiatives like the Michigan Good Food Fund and the emergent Camden Community Food Fund, partners truly are trying something new. This is about radical listening, power sharing, and aligning our independent resources toward a collectively determined vision. **This isn’t just about centering community voice but orchestrating a range of players across an entire ecosystem to work together in new ways to advance community-determined priorities.**

For lenders like Fair Food Fund, this includes using our own balance sheets and catalytic capital to fill gaps, unlock investments, and continue to deliver customized creative capital products that meet entrepreneurs where they are.

We are excited about this work and leaning into the abundant learning of the journey. Thank you for your support in making it possible.

— Fair Food Fund Team

Quarterly Highlights

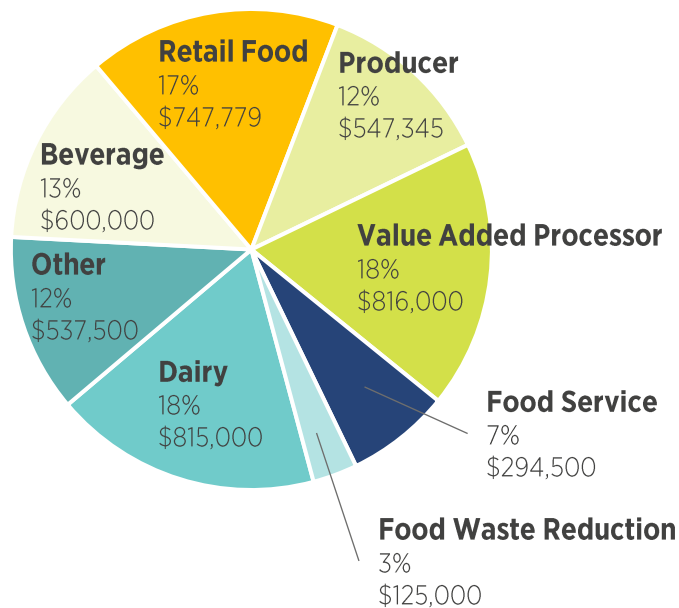
- Our investment team closed and funded a loan supporting **Argus Farm Stop**, a Michigan-based year-round farmers market and café, which has paid out more than \$10 million to local farmers since its 2014 launch. See profile below.
- Another Q1 deal is an investment **Nadine’s Fish Tips n Wings**, one of the few Black-owned and operated businesses in the West Michigan community of Holland. We were excited to help enable this investment in partnership with **Rende Progress Capital**, a racial equity loan fund and emerging Community Development Financial Institution.
- This quarter also saw a **webinar in partnership with Grow Eastern Market and portfolio company Cooking with Que**. Called “On the Menu,” it focused on what it takes to feature local ingredients and maintain businesses profitably.
- **Our Team is Growing!** Fair Food Network’s Holly Parker was promoted to Chief Strategy & Program Officer - a new role overseeing the organization’s programming and impact investing work. In addition, Joel Moyer, who has been a grounding force in our investing work since 2012, was promoted to Director of Investments. Meet our full team [here](#).

Portfolio Overview

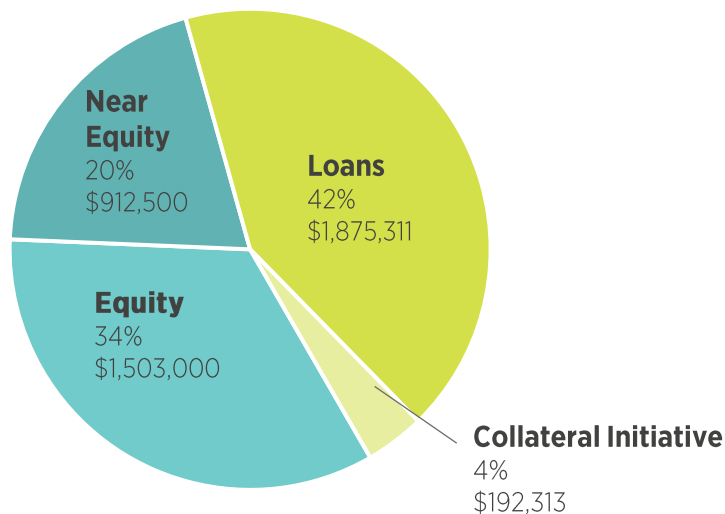
Financing Committed	\$4,483,124
Financing Outstanding	\$3,054,350
Investment Income	\$1,505,593

Default Rate: As of March 31, 2022, the annualized default rate since the Fund's inception (2012) is .55% or 5.23% cumulatively. This includes all realized write-offs on an investment capital pool of \$7.3 million.

Type of Business



Type of Structure



Investment Spotlight: Argus Farm Stop



Argus Farm Stop is the farmers market's market—and much more. With an investment from Fair Food Fund, that “more” means expanding to ensure critical sales channels for local farmers.

Argus co-owners and spouses Kathy Sample and Bill Brinkerhoff started Argus with a desire to help small, local farms succeed. In 2014, they launched as a one-stop shop where farms can sell locally-grown goods to consumers, all year long. In its model, farmers own the produce, set the price, and keep 70 percent of every sale. **Since 2014, Argus has already paid out \$10 million to a network of 200 local farmers.** Argus also offers our Double Up Food Bucks program, supporting affordability alongside access.

As the pandemic spurred disruptions for local farmers and farmers markets, Argus stepped up to fill the void, launching two new business lines including a produce box delivery and online ordering.

To sustain this growth, Sample and Brinkerhoff realized they needed to expand. Given our long-standing collaboration, they turned to Fair Food Network and our Fund.

With its foundational commitment to local farmers and healthy food access, it was an unquestionable mission match.

The \$150,000 investment allowed Argus to consolidate its retail grocery, produce box, and online ordering operations at a new location. They also reconfigured the other locations, refocusing one to feature an expanded café with prepared foods and tavern options. Structuring the investment as a convertible note enabled Argus runway to secure the new location and given all locations time to optimize before principal payback begins.

“We’ve worked with Fair Food Network for years with Double Up and other food access initiatives,” says Sample. “Now, we have the opportunity to work with the Fair Food Fund, We have found the process and people to be excellent to collaborate with.”