



# Fair Food Fund

## Message from our Team

We are excited to share news about four investments in the second quarter – supporting businesses that spark local economies, and in some cases, have national reach, such as Pharmacy Foods, a Detroit-based meal-subscription service providing healthy, affordable food options in their area, to Seal the Seasons, stocking freezer sections with locally grown produce from coast to coast.

The four deals made in Q2, adding up to seven total in 2022, mark new momentum for our fund. For comparison, in 2021 we secured a total of seven investments and four in 2020. And we are poised to partner with more promising businesses as our fund grows. As we reflect on the success of this quarter, much of it was due to the combination of using our own balance sheets and catalytic capital paired with customized, creative capital products—including microloans and credit enhancement tools—to fill gaps and unlock investments that meet entrepreneurs where they are.

Microloans (loans that are \$25,000 and under) are expanding Fair Food Fund’s ability to support early-stage food businesses needing such investments. We also offer credit enhancements, through our Collateral Initiative, that help us reduce the risk of a loan for other lenders’ loans. The credit enhancement unlocks financing for owners and operators who would likely not have been able to receive it without the credit enhancement. These two products have helped remove barriers to financing for food enterprises, especially during the challenges of the ongoing pandemic, as they try to pivot and/or grow their business to nourish their communities.

This quarter’s deals grew out of relationships our investment team built over time with food entrepreneurs. We supported Pharmacy Food in 2021 to hone its brand strategy, including a website refresh. Our partnership with 88 Acres began years ago when the business was in its earliest stage. We have watched their business grow and the timing was right for us to step in and provide an equity investment in the second quarter. This financing—which is a part of a larger investment they received—will assist this expanding, national seed-based snack bar and butter venture with increased production.

Our team is excited when such relationship-building by our investment team, matched with holistic support, leads to needed financing and growth for these businesses.

It remains a challenging time for food businesses to grow and nourish their communities, even though the need is so great. With the ongoing pandemic, we continue to see the mounting burdens related to, among others, inflation and the food-supply chain on food entrepreneurs. We are dedicated to thinking creatively and critically to find solutions to these issues and more to help mission-aligned food ventures thrive.

We are excited about this work and are leaning into the immense learning from our investments and the needs of such promising food businesses in the marketplace. Thank you for your support in making it possible.

— Fair Food Fund Team

## Quarterly Highlights

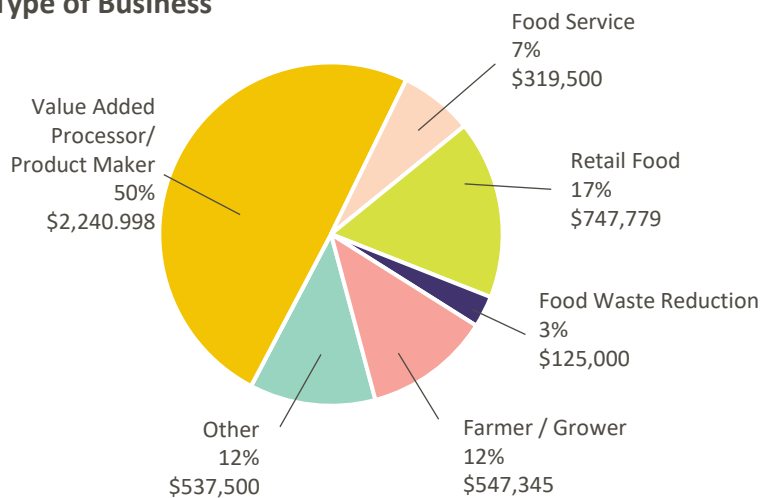
- **Pharmacy Food**, a Detroit-based, Black-owned wellness company, offers a meal subscription service to people in Detroit, serving affordable, healthy food with locally sourced ingredients. Our team facilitated marketing support last year and provided a loan in Q2 to help increase its capacity and meet growing demand. See profile below.
- Another Q2 investment: **Soldadera Coffee**, an early-stage cold brew coffee company, produces an innovative product inspired by the founders' Mexican heritage. Fair Food Fund’s financing is helping Soldadera prepare inventory for its launch into Meijer Inc. grocery stores.
- **88 Acres**, a Boston-based, women-led, national snack bar and granola company uses seeds and simple ingredients in its products, and hires from the local community received an equity investment from Fair Food Fund in Q2.
- Our team also funded a loan to **Seal the Seasons**, a national frozen food company that sources produce directly from farmers and sells their products in grocery stores local to where they are grown. Our loan is supporting the growth of the company. See profile below.
- Finally, Fair Food Network hosted the “**Food Finance Essentials**,” where six Detroit-area food entrepreneurs received 20-plus-hours of training from a diverse group of their culinary peers and financial experts to tune up their business model and prepare for financing.

## Portfolio Overview

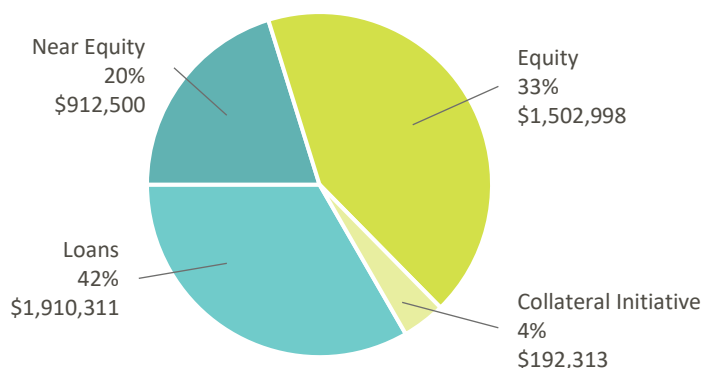
Financing Committed	\$4,518,122
Financing Outstanding	\$3,462,701
Investment Income	\$1,526,826

Default Rate: As of June 30, 2022, the annualized default rate since the Fund's inception (2012) is .51% or 4.9% cumulatively. This includes all realized write-offs on an investment capital pool of \$7.8 million.

## Type of Business



## Type of Structure



## Investment Spotlights



### Seal the Seasons

CEO Patrick Mateer's idea for **Seal the Seasons** came from working at a farmers market. He witnessed the incredible passion that family farmers had for growing healthy food for their communities as well as its customers' love for local food, flavor, and quality food.

He wanted to strengthen the farmers-community connection and does so by freezing farmers' products for year-round use and selling them in grocery stores local to where they are grown.

Mateer and his business partner, Alex Piasecki, co-founded the national company in 2014. To date, they work with nearly 100 family farmers across the country, including places like Michigan and the Northeast. Seal the Seasons just began sourcing wild blueberries from the Passamaquoddy Tribe in Maine, who have cultivated their 2,000 acres for millennia.

We were excited to provide a loan to support more sourcing with local farmers across the country, with an emphasis on farmers of color.

### Farmacy Food

**Farmacy Food** launched during the pandemic, bringing a new healthy, affordable meal subscription service to its Detroit-area customers and much more. That "more" is that it's become a pillar in the Detroit food community, selling a locally sourced plant-and meat-based menu with Ethiopian, Indian, Caribbean, and Mexican influences that's generated a 1,000-plus-person waitlist. Co-owners CEO Kwaku Osei and Chief Culinary and Operations Chef Phil Jones started the business with limited resources.

Fair Food Fund first partnered with Farmacy Food to provide business assistance, helping to bolster its brand strategy, website, and social media presence. Our loan in Q2 is helping the meal-subscription service hire six staffers through the City of Detroit's job program, Detroit at Work.