



Fair Food Fund

Message from our Team

As we arrive at midsummer, farmers' fields and farmers markets abound with the colors of the season, and long days and warm nights remind us that it's time to slow down and savor the delicious flavors of the season.

This quarter we invested in a few businesses bringing summertime flavors to their customers, including two food trucks. The food truck industry has expanded rapidly over the last decade, becoming a popular starting point for food entrepreneurs because of its mobility and relatively low startup costs. In Q2, we invested in **EggRollDiva** and **Jetta's Gourmet Popcorn**, both graduates of our Food Finance Essentials training.

Food truck businesses enjoy the flexibility of being on wheels, giving them the opportunity to join a variety of fairs and festivals during the summer months. These events can have a significant positive impact on a business owner's bottom line. Our support of EggRollDiva and Jetta's Gourmet Popcorn centered around working capital to maximize the summer event season enabling them to build inventory, invest in staff, and pay for the event fees in advance.

We also invested in **Tasteful Vegan Frozen Desserts**, bringing summertime flavors year-round. Fair Food Fund provided working capital to support business growth, and we collaborated with our Michigan Good Food Fund partner

Northern Initiatives to finance the purchase and revitalization of a brick-and-mortar ice cream shop. The shop gives Tasteful Vegan Frozen Desserts a space to increase the production of their packaged products for sale in retail grocery stores. The support didn't stop there, owner Kalene McElveen recently won an award at **MSU Product Center's** Making it in Michigan event to invest in her business and attended Food Finance Institute's Financial Management Boot Camp focused on building capacity.

Our five investments in the second quarter are helping Michigan food businesses grow at the height of the summer season. These investments, whether it was providing a first-time loan, or collaborating with another lender to leverage their areas of expertise, were all focused on meeting the entrepreneur where they are. And providing access to capital for these impact-driven entrepreneurs takes time. To assist us in our work, we welcomed Entrepreneur Experience Manager **Christina Ellis** and Investment Manager **Carlos Santacruz** to the team in Q2!

We want to thank you for your support and partnership with the **Fair Food Fund** as we continue to grow food and farm businesses that are creating positive change in their communities.

— Fair Food Fund Team

Quarterly Highlights

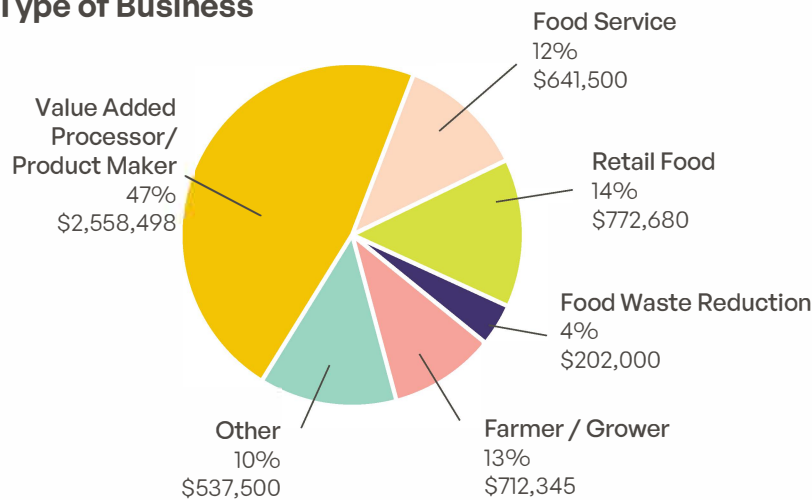
- Fair Food Fund has invested in Detroit's **Breadless**, a black-owned sandwich business providing 100% gluten-free meals, to support its efforts to open two new locations in Michigan. The funds will support lease acquisition, construction, and equipment purchases, and help Breadless continue to offer competitive-wage jobs.
- **EggRoll Diva** received a line of credit from Fair Food Fund to alleviate high-interest debt, helping the business focus on immediate needs and growth opportunities. Our team also provided working capital to help the company secure 15 vendor spots at various festivals throughout the year.
- Our team funded a loan to **Jetta's Gourmet Popcorn** to support production ahead of its busy summer season. After a decade in operation, the popcorn maker recently expanded its business model to include a mobile food truck with the help of a previous Fair Food Network loan.
- **Tasteful Vegan Frozen Desserts** recently purchased and revitalized an ice cream shop in Wyoming, Michigan. Fair Food Network provided a working capital line of credit to support Tasteful Vegan's growth as they enter this new phase of the business that was also supported by Northern Initiatives.
- **Wormies**, a micro-hauling worm composting business, recently acquired 13.5 acres of land to expand its operations in West Michigan. Together with a matching loan from Northern Initiatives and support from Rende Progress Capital, FFF's investment allows Wormies to develop the property and fulfill requirements of a Michigan Department of Environment, Great Lakes, and Energy grant.

Portfolio Overview

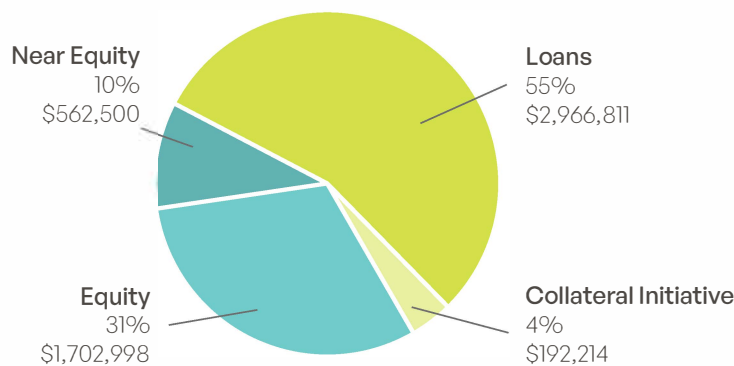
Financing Committed	\$5,424,523
Financing Outstanding	\$4,119,087
Investment Income	\$1,725,820

Default Rate: As of June 30, 2023, the annualized default rate since the Fund's inception (2012) is .48% or 5.2% cumulatively. This includes all realized write-offs on an investment capital pool of \$8.4 million.

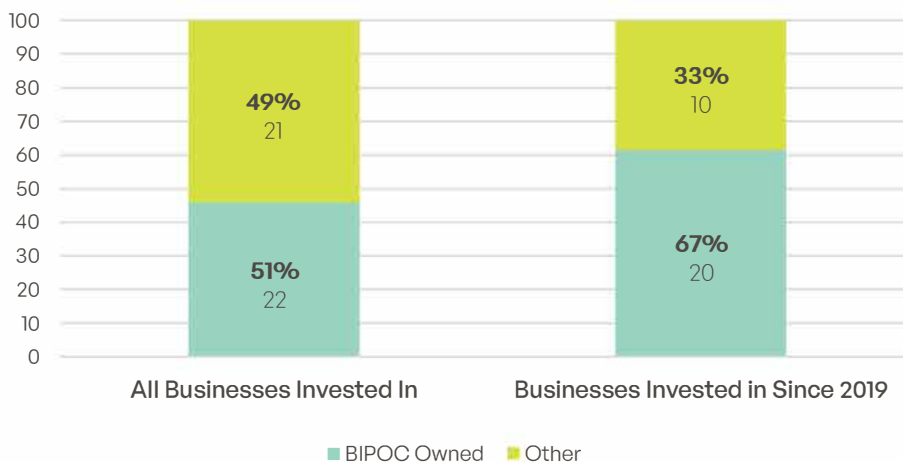
Type of Business



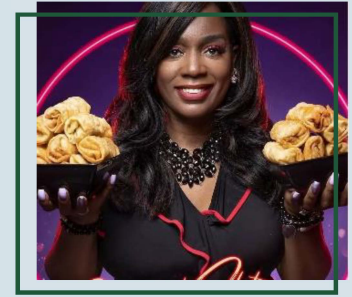
Type of Structure



Portfolio by Demographics (Race)



Investment Spotlight



Egg Roll Diva

Before becoming an entrepreneur, Belinda Beard worked full-time in Corporate America. For years, the Beard family received private catering requests for their mother's legendary egg rolls.

As the eldest of five, Belinda felt called upon to carry on her mother's legacy when she passed away. A friend fittingly coined her "egg roll diva," and it was the jolt of confidence she needed to turn her dream to own her own business into a reality.

Belinda started her business shortly before the pandemic. Despite the many obstacles 2020 presented to the world, **EggRollDiva** began to thrive. Belinda was fulfilling private catering requests and had purchased a food truck – quickly becoming one of the most well-known food trucks in metro Detroit.

EggRollDiva's business growth sparked an increasing urgency to secure its financial footing to meet customer demand, and Fair Food Fund was there to answer the call.

Belinda participated in **Michigan Good Food Fund's Food Finance Essentials**, a multi-week intensive training course led by **Fair Food Network** designed to equip food entrepreneurs with accounting tools and financial know-how to tune up their business plans and prepare them for financing.

EggRollDiva went on to receive business assistance from **Aura Advisory Services** to solidify Belinda's accounting structure. In Q2, Fair Food Fund provided a working capital line of credit, allowing Belinda to pay down high-interest debt, cover fees to attend summer festivals in her food truck and hire additional staff for those events.

Belinda has her mind set on a new food trailer, and an expanded ability to bring food and flavor to the metro Detroit community. We were happy to provide support to a Black women-owned business bringing more jobs and good food to her community.