



Fair Food Fund

Message from our Team

Collaboration is at the heart of what we do at Fair Food Fund.

From the moment we made our first investment, Fair Food Fund has worked in partnership with fellow lenders, technical assistance providers, food system practitioners, and community partners to invest in place-based food businesses that are making a difference in their communities.

Over the years, our approach has evolved to meet the needs of food entrepreneurs, but our commitment to working together to build thriving regional food systems and help local food entrepreneurs secure greater food sovereignty for themselves and their communities has always been a constant at Fair Food Fund.

A big way we're leveraging the strong relationships we've built with community stakeholders is by providing catalytic capital that pulls investors off the sidelines to participate in lending opportunities that might not otherwise be possible. In Q3, we were the first to invest in convertible note financing to support **Unity Vibration Kombucha**, encouraging additional lending as the business expands to new markets, from California to Massachusetts to Florida.

Less visible, but equally important, is the way that Fair Food Fund collaborates with entrepreneurs to get them "right fit" capital – financing in the right amount at the right time to support their business as they take it to the next level.

This quarter, we provided microloans for working capital to three growing food businesses: **Moss Man**, **Global Village Foods**, and **Milk & Froth**.

All three of these businesses previously received financing from Fair Food Fund or one of our partners. All three are using that financing to broaden the reach of their business. And all three of these growing businesses are making bold moves that have the potential to not only improve their bottom line but deepen their impact on the people they serve.

But where traditional lending ends, Fair Food Fund sees opportunity. Global Village is moving into a new sales channel with their new facility; Moss Man is venturing into a new retail space; Milk & Froth is constructing a second location. And since these types of ventures always come with unexpected costs, Fair Food Fund goes beyond conventional lending practices, collaborating with business owners to get them the working capital they need to continue "business as usual" while they leverage larger loans to meet growth milestones and expand their business to new markets.

We want to thank you for your generous support of the Fair Food Fund – everything we do to support the community impact of healthy food businesses is made possible by your continued support!

— Fair Food Fund Team

Quarterly Highlights

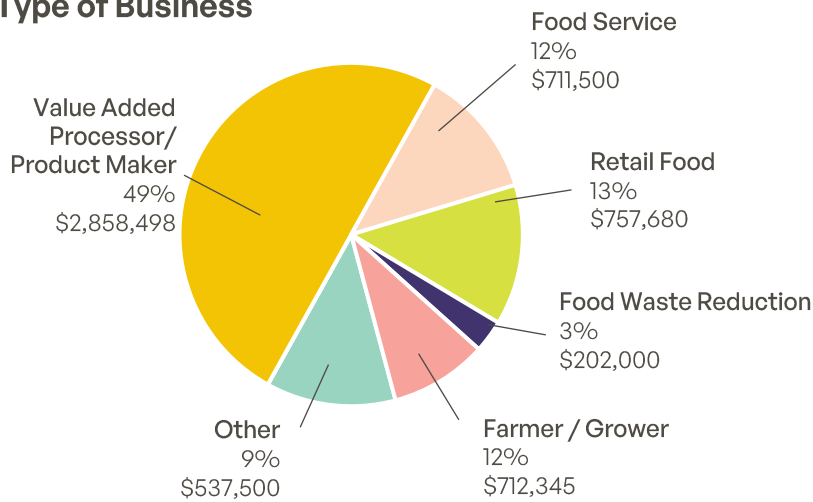
- **Moss Man** received a line of credit from Fair Food Fund for working capital to increase employee hours and inventory expansion as production of its signature sea moss shifts to an incubator kitchen and the business moves to a dedicated retail space, featuring a smoothie and juice bar, in East Lansing, MI.
- Fair Food Fund became the lead investor in the planned expansion of **Unity Vibration Kombucha**, a manufacturer of alcoholic and non-alcoholic kombucha, as it implements a new marketing strategy, increases its inventory and storage capacity, and prepares to open two new tasting rooms in Ann Arbor, MI and Florida.
- **Global Village Foods** received an investment of working capital to supplement a joint loan with Fair Food Fund and lead investor **Vermont Flexible Capital Fund**, as it ramps up production to expand into the food service market, providing its African-inspired, ready-to-eat offerings for colleges based in the Northeast.
- Fair Food Fund provided **Milk & Froth** with a microloan for working capital as it finalizes its new Ann Arbor location, which is currently under construction and financed with an earlier joint loan from Fair Food Fund and **Michigan Women Forward**.

Portfolio Overview

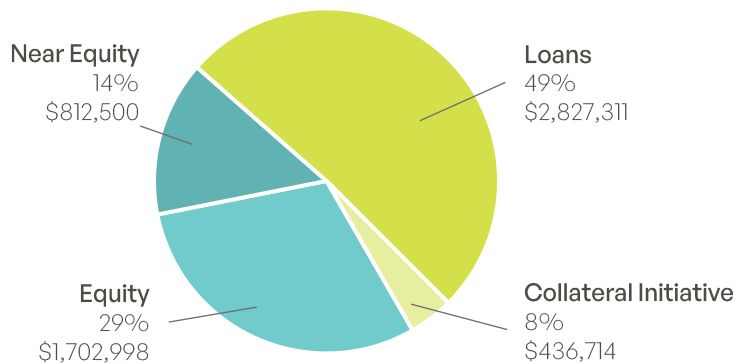
Financing Committed	\$5,779,523
Financing Outstanding	\$4,412,103
Investment Income	\$1,755,280

Default Rate: As of September 30, 2023, the annualized default rate since the Fund's inception (2012) is .47% or 5.2% cumulatively. This includes all realized write-offs on an investment capital pool of \$8.4 million.

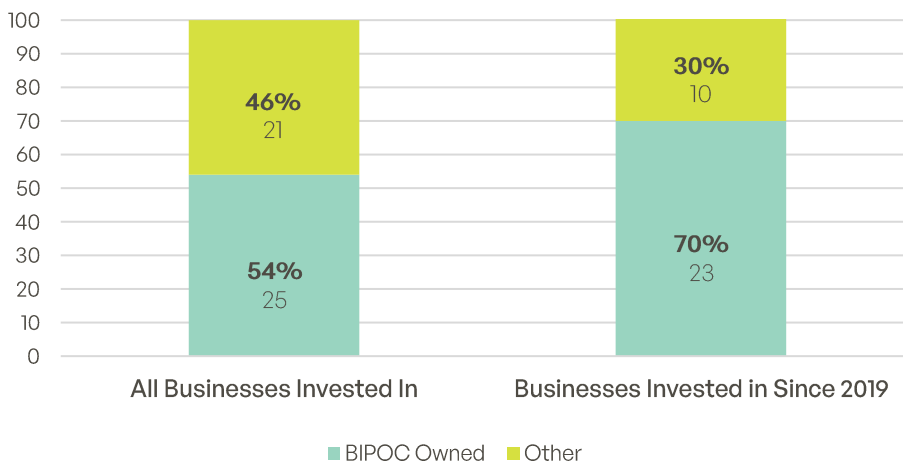
Type of Business



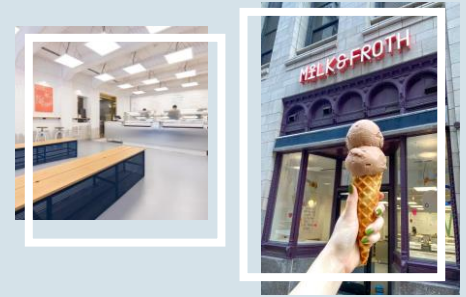
Type of Structure



Portfolio by Demographics (Race)



Investment Spotlight



Milk & Froth

When you hear “artisanal ice cream,” maybe you think of a dense pint of dairy delight made in small batches. And maybe, like a lot of people, you think “artisanal” is just a fancy way of saying “expensive.”

But **Alexis Matteson and Deion Cao**, co-founders of **Milk & Froth**, started their ice cream business with the intention of “democratizing artisanal ice cream.” They envisioned a premium ice cream made from locally sourced products and free of additives, but at a price that makes their ice cream accessible to a wider audience.

Milk & Froth opened in 2018 as a food truck where customers could find the unique flavors conjured by Matteson and Cao, including Honeycomb — a raw honey-infused custard with chunks of honeycomb brittle — and Malt Cherry Chocolate, made with roasted Michigan cherries.

But Milk & Froth’s made-from-scratch flavors aren’t the only thing that sets them apart from their competition. Their ingredients are locally sourced, and they’re committed to providing their employees a living wage while selling their ice cream at a price that’s accessible to more people.

Milk & Froth’s business model proved so successful and their customer base so loyal that in 2021 Matteson and Cao opened their first brick-and-mortar location in Detroit. When the time came to open a second location, Matteson and Cao approached Fair Food Fund and Michigan Women Forward for financing to build out a leased space in Ann Arbor. Fair Food Fund supplemented the original loan with a microloan to address the business’ immediate needs and remove barriers to expansion.

We’re proud that Milk & Froth and Fair Food Fund are partnering to dole our democracy by the scoop and by the pint!