



Q4 2023
Report

Fair Food Fund

Message from our Team

As another year comes to a close, we'd like to reflect on the impact we made in 2023 with your support. Fair Food Fund's 17 investments, totaling \$1,432,000, leveraged the strong relationships we've built with community stakeholders in the Northeast and Michigan, demonstrating the impact that Fair Food Fund, its investing partners, and food entrepreneurs can achieve by working together.

This is especially true of our work as administrators of the **Michigan Good Food Fund**, a collaborative of CDFIs, nonprofit loan funds, and technical assistance providers that invest in food and farm entrepreneurs across the state. Fair Food Network's work alongside our partners supports a shared mission of promoting health and wealth while building resiliency and equity in Michigan communities. Through collaboration, our impact is greater than the sum of its parts.

In 2023, Fair Food Fund's catalytic capital deals continued to showcase food businesses that promote community health and wealth and enable investments that wouldn't otherwise be possible. A contractual guaranty from Fair Food Fund's collateral initiative pool helped **Myers Produce**, a Vermont-based and woman-owned food distributor, secure a loan with **Walden Mutual Bank**. We leverage our collateral pool to assist partners like Walden Mutual, a regional bank that is focused on lending in the food system, to make loans they might otherwise view as too risky. And in this case, Fair Food Fund's collateral capital secured a reduced interest rate for Myers Produce,

too — savings the distributor can invest in their own business as they increase their capacity to deliver more healthy food to more places in New England.

Fair Food Fund's commitment to broadening food access led to two additional Q4 deals in Michigan — a microloan to **Lakeshore Depot**, an Upper Peninsula retail market that focuses on local products and sources from nearly 100 local farmers and food vendors, and a loan to **Michigan Farm to Freezer**, a West Michigan processor strengthening the food system by providing locally grown frozen fruits and vegetables to Michigan institutions, schools, and families.

Also in 2023, we welcomed two new team members, **Carlos Santacruz** and **Christina Ellis** — both of whom are helping us further our relationships with food and farm entrepreneurs and our many valuable partners across Michigan.

Reflecting on what we've learned over the past year, we look forward to making an even greater impact in 2024 as we continue to make investments and provide technical support that furthers our priorities of supporting healthy people, vibrant communities, and a sustainable food and agriculture system that works for all of us.

Thank you for your continued support.

— Fair Food Fund Team

Quarterly Highlights

- **Lakeshore Depot** is unique in its Marquette, MI community for its focus on local and regional foods and its participation in the Double Up Food Bucks and Fresh Food Access programs. Fair Food Fund provided Lakeshore Depot with a microloan to refinance expensive business cash advance debt and sustain the business as it prepares for future financing from a community lender.
- Woman-owned regional distributor, **Myers Produce**, has been offering freight and distribution services to growers in the Northeast for more than a decade. Fair Food Fund provided the business with a contractual guaranty from its collateral pool to support a loan to increase its distribution and storage capacity with the purchase of a 30,000-square-foot facility in Hatfield, MA.
- **Michigan Farm to Freezer (F2F)**, a processor that distributes frozen produce exclusively sourced from Michigan farms, is committed to offering local growers a competitive price — often upwards of two and three times what other processors pay. A Fair Food Fund loan helped the company to purchase a new facility in Caledonia, MI that increases its capacity for in-house production and enhances Farm to Freezer's potential for regional expansion.
- Coming up: Fair Food Fund's Director of Investments Joel Moyer will be attending **Confluence Philanthropy's 2024 Practitioners Gathering**, March 5-7 in Denver. We hope to see you there.

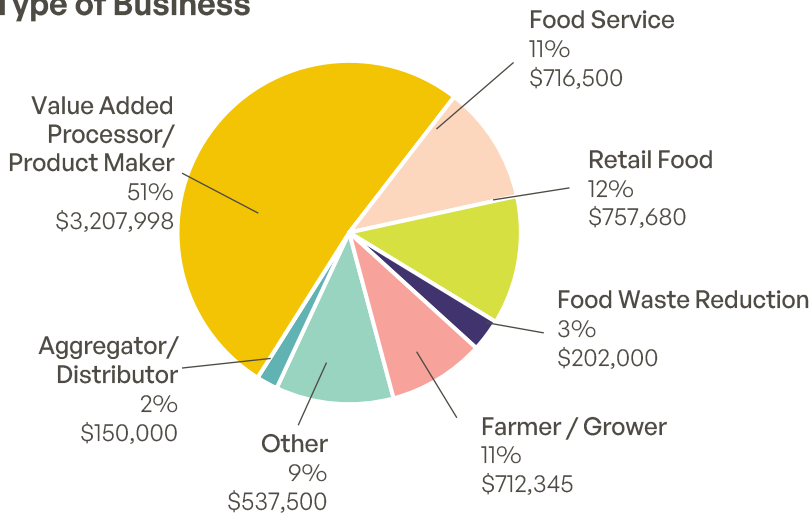


Portfolio Overview (Fund Lifetime)

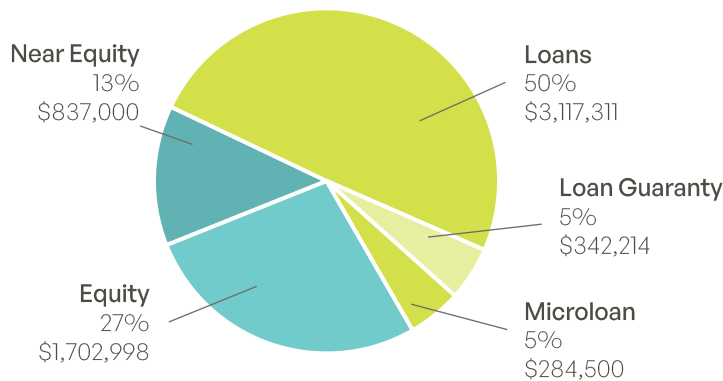
Financing Committed	\$6,284,023
Financing Outstanding	\$4,583,586
Investment Income	\$1,791,831

Default Rate: As of December 31, 2023, the annualized default rate since the Fund's inception (2012) is .64% or 7.2% cumulatively. This includes all realized write-offs on an investment capital pool of \$8.3 million.

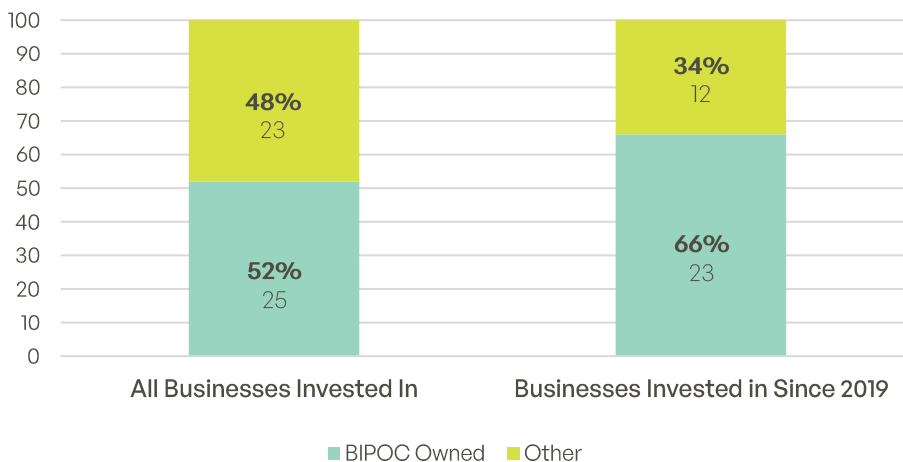
Type of Business



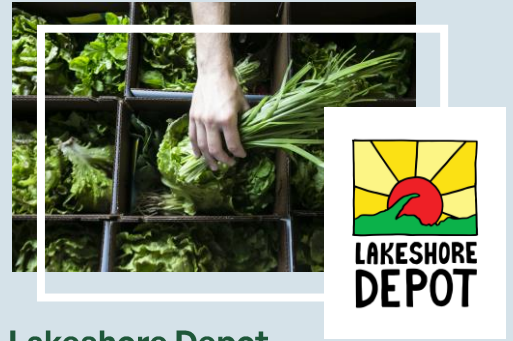
Type of Structure



Portfolio by Demographics (Race)



Investment Spotlight



Lakeshore Depot

When the COVID-19 crisis disrupted supply chains and shut down small businesses, Michael Hainstock had a clear view of its impact on our food system and its consequences for his community. But he also had a vision for a solution — improving access to healthy, local food while maximizing the financial return for regional food businesses. **Lakeshore Depot**, opened in 2020, serves as a “farm stop” (a hybrid grocery store/farmers market) that exclusively features local and regional foods and seasonal, fresh produce.

“I wanted the store to have an impact felt throughout our local community, one that carries real and positive change moving into the future,” says Hainstock.

Wholly owned by Hainstock, Lakeshore Depot is located in the largely rural Upper Peninsula community of Marquette, Michigan, and has two full-time and eight part-time employees. Until recently, Hainstock had either self-financed his venture or obtained less-than-favorable terms on loans to sustain his business. Fair Food Fund's microloan to Lakeshore Depot will serve to refinance the balance of these loans, helping to bridge the farm stop during slow times before the busier spring and summer seasons and prepare the business for future financing that will support their long-term growth plan, including hiring a manager and increasing product selection.

“We are delighted to now have a dedicated resource [with Fair Food Fund] that not only has extensive experience with the food system, but is also aligned with our business' core values,” said Hainstock. “Our entire staff is looking forward to the technical and financial assistance we'll begin receiving in the near future, and our community as a whole is excited about the growth to come as a result.”