



Fair Food Fund

Message from our Team

As everyone who has ever launched a food business knows, no entrepreneur does it alone. Starting a restaurant or food truck, opening a retail store, or launching a value-added product is not a solitary effort. To be successful, it takes a community.

When it comes to launching a food business, that community includes the entrepreneur, of course, but also lenders who bring patient capital and technical assistance providers with the experience and expertise to steer burgeoning businesses toward essential resources and help them avoid common pitfalls. Fair Food Network strives to strengthen networks and create partnerships that help bring more investment dollars off the sidelines and connect entrepreneurs to critical resources so more food businesses can grow and add to the vibrancy of their communities.

This quarter, we provided two loan guarantees, supporting deals from lenders in our network that might not otherwise have happened and paving a pathway forward for Midwest poultry distributor **Tree-Range Farms** and northern Michigan grocery store **Lakeshore Depot**. By de-risking

these loans, we were able to invest in innovative models for aggregating and distributing locally grown and sustainably raised food, allowing the recipients of our collaborative investments to connect growers and consumers in ways that build community health and support resiliency in our local food systems.

We continue to dig into the infrastructure of resilient food systems and the role that grocery and retail can play in connecting communities to the abundance of locally grown food around them. In Q2, we supported a budding local grocery in Detroit, **District 4 Market**, as they aim to increase access to fresh food in their community. This investment, too, was a community effort, with **ProsperUs**, **Motor City Match**, and the **Green Grocer Project** all contributing to the capital stack to support District 4 in its earliest stages and launch the neighborhood grocery in the coming months.

As always, all of our work with partners and food businesses is designed to foster health, wealth, and resiliency in communities. We thank you for your contributions to this effort.

— Fair Food Fund Team

Quarterly Highlights

- **Lakeshore Depot** is a farm stop in Marquette, Mich. that implements Double Up Food Bucks and features exclusively local and seasonal fresh produce. Opened in 2020 in response to the challenges that COVID-19 put on the food system, Lakeshore Depot has received coaching from Fair Food Fund partner, **Argus Farm Stop**, on how best to operate the farm stop model. Lakeshore Depot received a loan guaranty from Fair Food Fund to de-risk a loan from **Walden Mutual Bank** for inventory investments and repairs.
- **District 4 Mini Market** is a Black-owned grocery store located in an under-resourced Detroit community that aims to provide access to locally sourced, fresh fruits and vegetables, as well as partner with local food entrepreneurs to stock the store with affordable prepared meals. Fair Food Fund’s direct investment in District 4 contributed to the capital stack financing the store’s slated opening in August 2024.
- **Tree-Range Farms**, in Northfield, Minn., is a poultry distributor promoting regenerative farming practices that help farmers build sustainable business models and diverse revenue streams. By sourcing its products exclusively from growers using a regenerative model of poultry production, Tree-Range supports resiliency in the face of changing economic and climate conditions. Fair Food Fund’s loan guaranty unlocked debt capital from **Steward** — a lender whose mission is to promote regenerative agriculture — to finance the processing needs of Tree-Range’s farm partners.

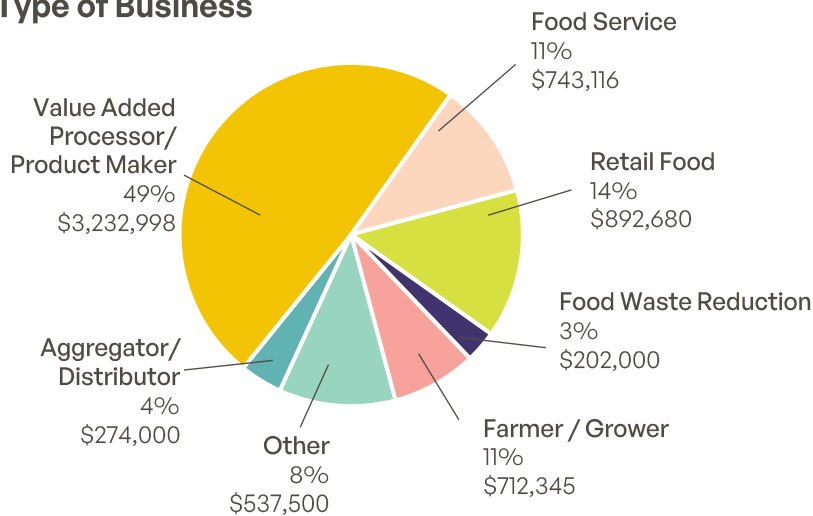


Portfolio Overview (Fund Lifetime)

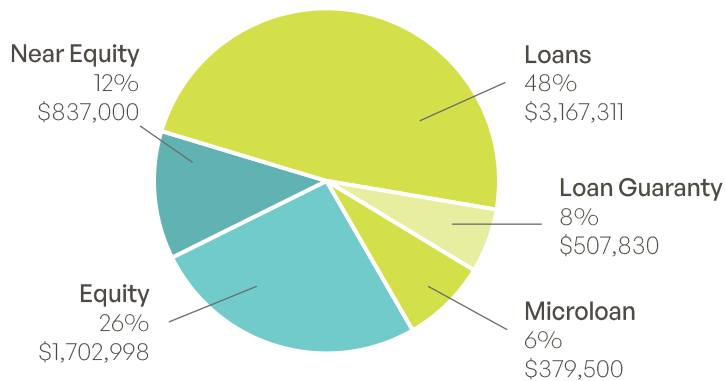
Financing Committed	\$6,594,639
Financing Outstanding	\$4,384,109
Investment Income	\$1,851,951

Default Rate: As of June 30, 2024, the annualized default rate since the Fund's inception (2012) is .61% or 7.2% cumulatively. This includes all realized write-offs on an investment capital pool of \$8.4 million.

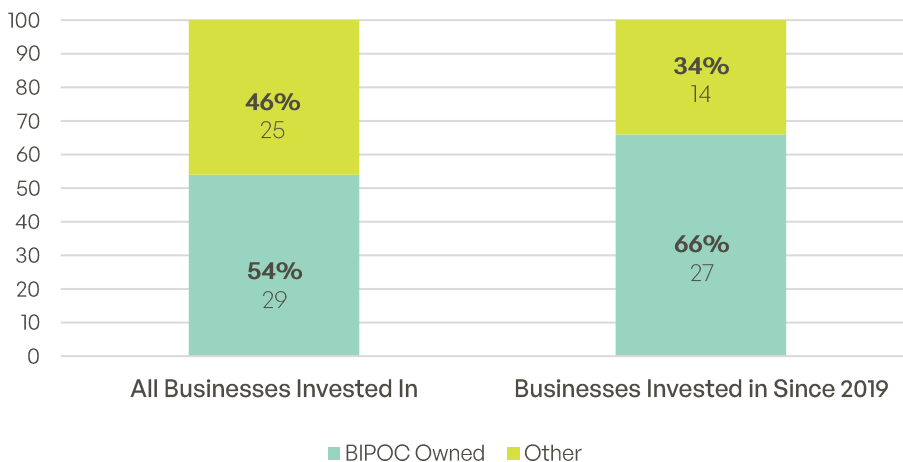
Type of Business



Type of Structure



Portfolio by Demographics (Race)



Investment Spotlight



Tree-Range Farms

In the U.S., 99 percent of the poultry on the market comes from a concentrated animal feeding operation, or CAFO. Also known as factory farms, CAFOs often raise chickens in unhealthy conditions — leading to the need for antibiotics — and have been shown to contribute to water and air pollution.

Among smaller poultry operations, however, there is a growing movement in support of regenerative agriculture practices that are at the same time more humane and sustainable, while revitalizing degraded ecosystems and promoting biodiversity.

Tree-Range Farms, a poultry distributor in Rice County, Minn., trains farmers in its network to raise chickens in a poultry-centered system in which Tree-Range buys the chicks and feed as well as the end product. With training in regenerative agriculture provided in many languages and a relatively low barrier to entry, it's no wonder chicken farmers in Minnesota, Wisconsin, and Iowa are flocking to Tree-Range for their innovative model.

Fair Food Fund recently provided a credit enhancement in the form of a loan guaranty to de-risk a loan from **Steward** that will finance the chicks, feed, and processing of the chickens raised on Tree-Range's partner farms during the 2024 season. Our guaranty to Tree-Range supports a regenerative production model that will produce not only chickens, but berries, nuts, and other crops that will help farmers diversify production to increase resiliency in the face of a changing economy and climate. This investment — our first outside of Michigan and the Northeast — exemplifies our desired impact to grow more resilient food and farm systems across the country.