During an unprecedented year when investments in local businesses were needed more than ever, Fair Food Fund stepped up.

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2020 was a year of unprecedented upheaval and disruption. In addition to staggering food insecurity nationwide, supply chain disruptions strained food businesses and shuttered many. This was especially true for those led by Black and Brown entrepreneurs, who continue to suffer the brunt of the health and economic devastation wrought by the pandemic.

As the COVID crisis exploded, we moved quickly.

We reached out to our existing portfolio of businesses to support them through the pandemic. While some struggled, others saw lifts in revenue and we are thrilled to share that all portfolio companies survived this unprecedented year and indeed helped other businesses in their communities stay afloat.

We also accelerated new investments. We made four new investments in businesses that are not only growing healthy food access, creating jobs, and supporting family farmers, but are also aligned with our commitment to get more capital to women and BIPOC-led enterprises (Black, Indigenous, and people of color).

Finally, we launched a Collateral Initiative. We are offering this grant-funded pool of capital to other community-based lenders to promote their continued support to businesses in their portfolios. As we enter 2021, we are starting to make our first Collateral Initiative investments, which are providing critical follow-on capital and business assistance to mission-aligned enterprises impacted by COVID.

In the face of all this, 2020 sparked continued introspection that informed the evolution of our approach. As a national fund that works locally, we believe in building solutions with communities in ways that catalyze not just entrepreneur success, but broader systems change. The past year saw the seeding and deepening of such place-based initiatives, which will continue to grow in the year ahead.

While 2020 presented many uncertainties, it shined a bright light on the power of food entrepreneurs to be engines of a more equitable future. It also affirmed the power of partnerships as we work together to imagine a new way forward.

Thank you for your commitment and leadership in investing for impact with this work. Together, we are growing healthier, wealthier, more equitable communities.

Onward,

Mark Watson  
Senior Investment Strategist

Oran B. Hesterman, PhD  
Founder & CEO
No two places are the same. Neither are the solutions. 
As a national fund that works locally, we partner with communities to build solutions together.

In addition to our partnership with the Michigan Good Food Fund, current places of work include Camden, New Jersey and the Northeastern United States including Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont.

Community Resilience

in Camden, New Jersey

A new effort is emerging in Camden, New Jersey to support community regeneration. It is being spearheaded by a collective including Camden Community Partnership, Inc., Campbell Soup Company and the Campbell Soup Foundation, Fair Food Network, The Heart of Camden, Inc., and New Jersey Community Capital, among others. Leveraging the power of the food sector, this collaborative will deploy integrated investments in area food businesses as means to grow community health and economic resilience, including through increased ownership and wealth-building opportunities for Camden families.
From Farm to (every) Fork

_with the Michigan Good Food Fund_

In 2015, Fair Food Network helped launch a first-of-its-kind statewide healthy food financing initiative in Michigan in partnership with Capital Impact Partners, Michigan State University (MSU) Center for Regional Food Systems, and W.K. Kellogg Foundation. Since 2015, the Michigan Good Food Fund has collectively deployed nearly $17 million in loans and grants supporting 300+ enterprises.

We’ve been honored to lead pipeline development, marketing, and business assistance in partnership with MSU Center for Regional Food Systems.

_Starting in 2021, Fair Food Network is honored to step into management of this statewide initiative._ As we look toward the next chapter of this collaborative, there is a need to further center racial equity in this work as well as deepen community engagement. We also aim to continue growing our lending network and moving from individual transactions to the development of entrepreneur cohorts.

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Our Roots

_in the Northeast_

_The Fair Food Fund has been working in the Northeastern United States since our 2012 launch._ Our work in the region continues on three fronts: Partnering with other lenders to support anchor food businesses; Targeted business assistance to high-impact companies; and Continued partnership with many of our portfolio companies who call the Northeast home. 2020 laid the groundwork for many 2021 investments in the region, including those that will leverage our Collateral Initiative.
Investments

This year we made four investments in businesses across Michigan and the Northeastern United States.

Cooking with Que

Black woman-owned Detroit-based café and demonstration kitchen with catering and prepared meals.

**FINANCING**
$35,000 Loan

**BUSINESS ASSISTANCE**
Pre-financing brand accelerator & post-financing customized support focusing on financial operations and marketing

**IMPACT**
Integrated support helped expand catering and prepared meal service in response to COVID. Today, the business is on the rise with four new employees. 2020 sales were also up 75 percent compared to the previous year.

Forty Acres Soul Kitchen

Black-owned business weaving together culture, community, and authentically American soul food.

**FINANCING**
$50,000 Loan

**BUSINESS ASSISTANCE**
Post-financing curated support with industry experts focusing on operational opportunity assessment

**IMPACT**
Support helped business pivot to provide delivery and curbside pickup plus expand its catering operations while building toward a long-term vision of expansion.
Chelsea Business Foundation

Nonprofit on a mission to promote a healthy business economy and support Latino and small businesses.

FINANCING
$37,500 Line of Credit in partnership with Boston Impact Initiative

IMPACT
Funding allowed it to continue a business support grant program serving small and Latino-led businesses, approximately half of which are in the food sector. To date, 36 businesses have participated in this program, which is helping them weather the COVID pandemic and grow their customer base to emerge stronger.

Our business assistance meets entrepreneurs where they are.

Food Finance Essentials

Our Food Finance Essential training supported entrepreneurs in growing their financial knowledge to support them in securing financing. Five Detroit-based businesses participated in the multi-week training including group sessions and 1:1 mentoring. Entrepreneurs walked away with increased financial knowledge plus three months of free accounting services. We continue to work with participating businesses into 2021 including developing business pitch decks.

Crooked Face Creamery

Women-owned artisan cheese maker supporting Maine dairy farmers.

FINANCING
$10,000 Loan

BUSINESS ASSISTANCE
2017 business boot camp and additional customized pre-financing support

IMPACT
Investments supported expansion into new facility plus working capital during the pandemic. Cheese sales grew more than 1,000 percent from 2019 to 2020 with plans to hire first part-time employee so owner can focus exclusively on cheesemaking.

Local First

With our Michigan Good Food Fund work, we brought together 13 early-stage grocers from across the state to explore how to elevate local food in the grocery setting. Leading the charge was Argus Farm Stop, a hybrid café and year-round farmers market that directs 75 cents of every $1 spent on local produce back to the farmer that grew it. Over a three-day virtual training, the Argus team shared knowledge, tips, best practices, and lessons learned from its business model. From infrastructure to culture, it set the stage for a new group of food leaders to launch businesses that generate benefits from farm to (every) fork.
FINANCING COMMITTED
through December 31, 2020
$3,414,076

FINANCING OUTSTANDING
$2,428,003

INVESTMENT INCOME
$627,607

TOTAL INVESTMENTS
since inception
18

DEFAULT RATE
As of Dec. 31, 2020, the annualized default rate since the Fund’s inception (2012) is 1.3% or 11% cumulatively. This includes all realized write offs on an investment of a capital pool of $3.58 million.

Type of Business

Type of Structure
These financial statements show income and expenses generated by the Fair Food Fund in 2020 as well as the Fund’s financial position as of December 31, 2020. The Fund’s financial statements were internally prepared by Fair Food Network and have not been audited by a third party. The financial statements are inclusive of complimentary business assistance activities related to the Fund and provided by Fair Food Network.
Vision 2021

We continue to make catalytic investments that are enabling deals that otherwise might not be possible. Our business assistance is meeting entrepreneurs where they are. And our integrated approach is generating not just entrepreneur success, but broader systems change. With a growing team in place, we have no doubt 2021 will be even more impactful.

Highlights Ahead

Collateral Initiative Investments enabling deals that otherwise might not be possible in partnership with other lenders.

Michigan Good Food Fund Manager & Lender bringing equity and near equity products while leading redesign of this statewide initiative.

Camden Collaborative to Launch including investments aimed at building community wealth and resilience.

A New Partnership with Black Farmer Fund. BFF, an emerging community-governed investment fund, is launching a pilot fund that will connect Black farmers and food business entrepreneurs in New York state to non-extractive capital. BFF brings an innovative community-governance model wherein a group of 12 Black farmers, business owners, and organizers from across New York is structuring the fund and leading its decision making. BFF has invited Fair Food Fund to support the administration and execution of deployment decisions made by the Pilot Community in this initial pilot.
We are a team of industry experts with decades of experience in community-based impact investing, food and agriculture, and entrepreneurship.

**Our Team**

**Jean Chorazyczewski**  
Program Director

**Oran B. Hesterman, PhD**  
Founder & CEO

**Kyama Kitavi**  
Investment Manager

**Kate Krauss**  
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**Michael Rozyne**  
Founder & Evangelist  
Red Tomato

**Jeff Scheer**  
Director  
Pathstone Federal Street

**Lisa Sebesta**  
Founder  
Sitari Capital

**Daniel Tellalian**  
Principal  
Angel City Advisors

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**Thank you to Jeff Scheer for his support of this work as he moves off the Investment Committee in 2021.**
We are deeply grateful for our supporters who help make this impact possible. With your partnership, we’re not just investing in entrepreneurs, we are growing healthier, wealthier, more equitable communities. **THANK YOU.**

Ann Arbor Area Community Foundation  
Anonymous  
Bank of America Foundation  
Campbell Soup Foundation  
CapShift  
Domino’s Pizza  
Elmina B. Sewall Foundation  
The Fred A. and Barbara M. Erb Family Foundation  
Henry P. Kendall Foundation  

The John Merck Fund  
Mighty Arrow Family Foundation  
Ralph C. Wilson, Jr. Foundation  
Surdna Foundation  
United Way for Southeastern Michigan  
The Wege Foundation  
W.K. Kellogg Foundation  
“You Have Our Trust” Fund of New Hampshire Charitable Foundation

Fair Food Fund is the impact investing arm of Fair Food Network, a national nonprofit on a mission to grow community health and wealth through food.