

Michigan Good Food Fund 2023 Overview



Message from our Director

When I took on the role of Director at **Michigan Good Food Fund**, I knew it would bring its fair share of successes and challenges. At the end of my first year, I can say that we've gained significant momentum and achieved impressive outcomes by increasing both our annual capital deployment and the number of businesses we support through technical assistance (TA) and investment deals. Our collaborative of **lenders and TA partners** recognize the significance of investing in food and farm entrepreneurs along our state's food value chain and support our collaborative efforts to advance racial equity, generate employment opportunities, and enhance access to nutritious food. And thanks to our team's proactive approach, we were able to quickly adapt to the evolving needs of our partners and entrepreneurs and the challenges they faced.

While our absolute performance against our portfolio goals matters, the relative performance compared to 2022 determines if we are winning. By many measures, Michigan Good Food Fund came a long way in 2023:

- Capital deployment grew from \$833,113 to \$2,738,864.
- The cumulative number of investments grew by 30%, and unique businesses receiving financing or business assistance rose by 14%.
- 79% of all companies supported through financing or business assistance were BIPOC-owned.

Some significant challenges we tackled included:

- Improving engagement with our partners and customizing partner incentives through surveys and rounds of active listening.
- Reimagining our pre- and post-investment business assistance and better equipping entrepreneurs to apply for financing through peer mentors.

- Strengthening our internal culture to promote collaboration and re-establish mutually beneficial relationships with our partners.

In the coming year, we have significant goals for capital deployment, geographical and food value chain impact, and supporting underserved communities. Success starts with investing long-term in entrepreneurs, partners, and employees and a bold strategic map to execute the performance objectives outlined by the **Stakeholder Board**.

In 2024, we will:

- Establish formal local and regional programming partnerships, undoubtedly a win-win situation that guarantees Michigan Good Food Fund collaborates with existing efforts instead of replicating or competing with them.
- Curate a customized suite of capital partner incentives.
- Ensure our team understands what success means, what it looks like, and where they fit and see themselves in the picture.

These past 12 months were indeed a year of growth, challenges, and opportunities. I want to express my deep appreciation for the guidance and support of our Stakeholder Board. In my first year as Director, our Board members' expertise, insight, and leadership have been invaluable in the collective's short-term success and in shaping our long-term strategic direction. The Michigan Good Food Fund team is also grateful to entrepreneurs for your business and trust, our partners for your hard work and collaboration, and **Fair Food Network** for your leadership and support.

Sincerely,

Aaron W. Jackson
Director of Michigan Good Food Fund

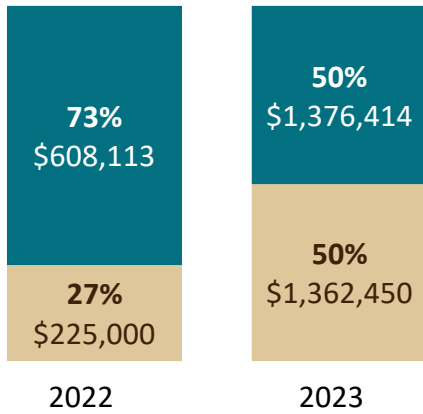
Looking Ahead

- In 2023, we solidified the collaborative's first regional partnership with Build Institute in Detroit. Michigan Good Food Fund will partner with **Build Institute** as we welcome a new cohort of food and farm entrepreneurs to our Food Finance Essentials course in 2024.
- Building on the success of its first year, Michigan Good Food Fund will offer another round of **Seed Awards** in 2024.
- The **Healthy Food Financing Initiative** awarded Michigan Good Food Fund \$3 million that will allow us to further our long-term goals and strategy by unlocking the capital of our lending partners and expanding our collaborative network to bring lenders, service providers, and entrepreneurs together for greater impact.

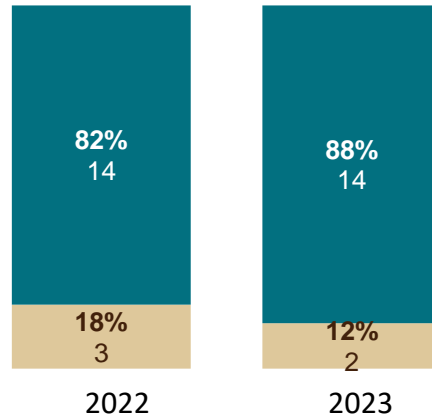


Capital Deployment by Race

Total Capital Deployed



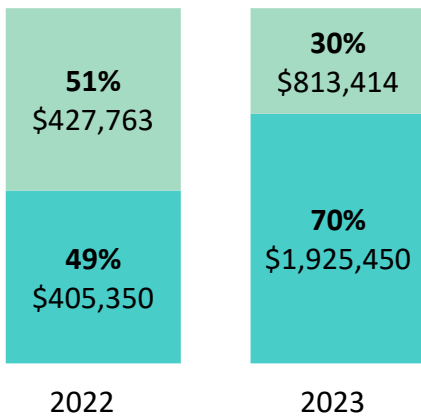
Total Number of Businesses Receiving Capital



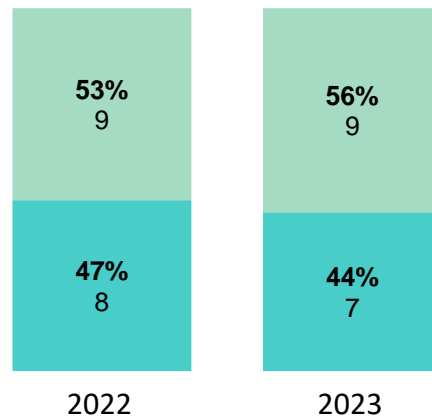
■ Other ■ BIPOC Owned

Capital Deployment by Gender

Total Capital Deployed

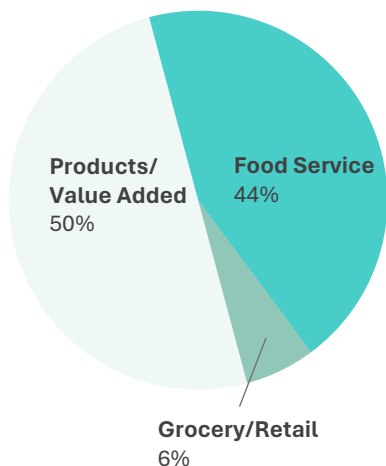


Total Number of Businesses Receiving Capital

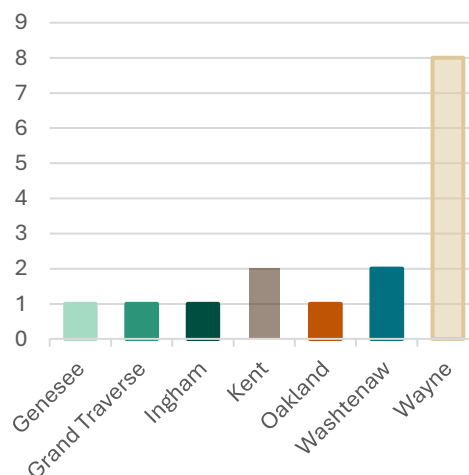


■ Other ■ Woman Owned

Type of Business



Number of Businesses Receiving Capital by County



2023 Investment Highlights



Michigan Good Food Fund is shifting its approach to investment and wraparound business services. Moving forward, we'll look to **our partners** to provide direct investment in Michigan food businesses, with **Fair Food Network** de-risking loans through guarantees and credit enhancements. In addition to professional consultation, technical assistance will include counsel from a business owner and Michigan Good Food Fund investee with shared experience. Our investment in Detroit-based **More Life Foods** is an example of this new approach, with a \$20k microloan from our lending partner, **ProsperUs**, supported by a 34% guaranty from **Fair Food Network**. Technical assistance will be provided to More Life Foods by a peer, Hamissi Mamba, whose experience launching a well-known restaurant, **Baobab Fare**, and food truck provides insight into the new business' anticipated challenges. "You will always need CPAs for financial statements," says Michigan Good Food Fund Director Aaron Jackson. "But you also need someone with lived experience in the cost of good labor and the unique challenges of being a food business owner."

Our **Seed Awards** program provides a pool of funding directly to our **Stakeholder Board** members to allow them to award grant funding to the food businesses they believe have the greatest impact on the communities they serve. The program leverages **our Stakeholder Board's** deep connections with the farmers and food entrepreneurs in the communities where we work, offering food enterprises who might not otherwise be able to obtain financing grant funding to accelerate their path to capital, growth milestones, and long-term business success. In its first year, the Seed Awards program had more than 300 applicants from across the state and awarded 11 food and farm businesses a total of nearly \$150,000 to propel their business forward.