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Frequently Asked Questions

What is the Michigan Good Food Fund?

Michigan Good Food Fund is a new \$30 public-private partnership loan fund created to provide financing and business assistance to healthy food production, distribution, processing, and retail projects that benefit underserved communities throughout Michigan.

Supported projects will increase access to healthy food, improve the health of children and families across Michigan, and spark economic development and job creation in the communities that need it most.

What are the goals and priorities of the fund?

The Michigan Good Food Fund is working to advance the following goals:

- Increase access to healthy food as a means to improve the health of all Michigan residents.
- Drive economic development and job creation to grow Michigan's economy.

By promoting:

- **Equity:** Ensure equitable access to food, jobs, ownership, and flexible investment capital.
- **Environmental Stewardship:** Encourage sustainable environmental practices.
- **Local Sourcing:** Increase the sourcing and supply of locally grown and regionally produced foods.

How does it work?

The Michigan Good Food Fund provides financing and business assistance to good food enterprises that benefit underserved communities in Michigan.

- **Financing:** We offer multiple financing options to meet the needs of the enterprises we serve. Our lending approach is mission-driven. As such, we are willing to invest in projects often overlooked by traditional sources of financing.
- **Business Assistance:** Lending is bolstered by a range of business assistance services to help entrepreneurs take their ventures to the next level and build a pipeline of investment-ready enterprises.

Who is involved?

The fund was launched by a broad coalition of food sector, nonprofit, higher education, government, and philanthropic partners.

Specifically, an Advisory Council was developed to inform the design and execution of the Michigan Good Food Fund. Partner organizations include: AFPD, American Heart Association, Avivar Capital, Cherry Capital Foods, Detroit Economic Development Corporation, Farmers on the Move, FoodLab Detroit, Governor's Office of Foundation Liaison, Growing Hope, Kalamazoo County Land Bank, the Kresge Foundation, Marquette Food Co-op, Max M. & Marjorie S. Fisher Foundation, Michigan Association of Land Banks, Michigan Department of Agriculture and Rural Development, Michigan Department of Health & Human Services, Michigan Food & Farming Systems, Michigan Healthy Food Access Campaign, Northern Initiatives, Northern Trust, Southeast Michigan Producers Association (SEMPA), and the USDA State Office of Rural Development.

Fund management and execution is led by four Core Partner organizations.

- **Capital Impact Partners** is a nonprofit certified Community Development Financial Institution with a 30-year history lending to projects in underserved communities. It also leverages public and private investments from sources such as the federal Healthy Food Financing Initiative through the CDFI fund as well as private banks and foundations to support fund financing. Capital Impact Partners manages the fund. capitalimpact.org
- **Fair Food Network** is a Michigan-based national nonprofit committed to pioneering solutions that support farmers, strengthen local economies, and increase access to healthy food. Fair Food Network is leading outreach and communications. It also provides business assistance and pipeline development for retail and small-batch processing projects. fairfoodnetwork.org
- **Michigan State University Center for Regional Food Systems** is a research, outreach, and education organization. It is leading business assistance and pipeline development for agricultural production, aggregation and distribution, as well as processing projects. foodsystems.msu.edu
- **W.K. Kellogg Foundation** is one of the fund's supporters and investors. It has made commitments in the form of grants, program-related investments, and mission-driven investments across the capitalization structure. wkkf.org

What is the total financial worth of the Fund to date?

The Michigan Good Food Fund is a \$30 million public-private partnership loan and grant fund created to finance healthy food production, distribution, processing, and retail projects that benefit underserved communities throughout Michigan.

It was initiated in 2013 with a \$3 million federal Healthy Food Financing Initiative award to Capital Impact Partners for use in Michigan.

Additional support has been provided by the W.K. Kellogg Foundation (\$3MM PRI), the Max M. & Marjorie S. Fisher Foundation (\$250M PRI), Northern Trust Corporation (\$1MM PRI), and The Kresge Foundation (\$500M grant), totaling \$7.75MM in grants and PRI investments.

Since launch in June, how many applications have you received?

Since launch, we have received more than 100 inquiries from entrepreneurs interested in obtaining financing and/or business assistance.

We have also received financing 12 applications totaling \$13.5 million.

A pre-launch demand assessment showed that Michigan food enterprises across the value chain could utilize and absorb \$10MM per year in a range of loan size.

Why does Michigan need a healthy food financing fund?

An investment in good food is an investment in Michigan's future.

Michigan is the second most agriculturally diverse state in the nation, with food and agriculture contributing \$101.2 billion annually to the state's economy. Yet more than 1.8 million Michigan residents—including 300,000 children—live in lower-income communities with limited access to the nutritious fruits and vegetables they need to thrive.

The lack of access to affordable and nutritious food has serious implications for the health of our children and families. More than 30 percent of Michiganders are obese—the second highest rate of obesity in the Midwest region—costing the state \$3 billion annually in related medical costs. This is not an urban or rural problem but something that affects places across our state. Communities of color are disproportionately impacted.

The Michigan Good Food Fund responds to these challenges with a financing opportunity.

Are there other healthy food financing funds in the United States? What's been the impact?

Yes. The Michigan fund was modeled after the pioneering Pennsylvania Fresh Food Financing Initiative, as well as the successful California FreshWorks Fund and similar statewide efforts in Illinois, Virginia, and elsewhere.

These other healthy food financing efforts have demonstrated significant impact:

- **Pennsylvania:** The healthy food financing campaign in Pennsylvania resulted in 88 new or expanded grocery stores, created 5,000 jobs, and increased healthy food access for nearly 500,000 people.
- **California:** Based on the evaluation completed for California FreshWorks, which included three retail locations, the approximately \$20 million initial investment in those three retailers led to an estimated \$40 million of initial economic impact with an expected \$30 million annual recurring impact, based on an economic multiplier model.

What makes the Michigan fund unique?

While other healthy food financing efforts exist, the Michigan fund has three attributes that make it unique:

- It will finance good food entrepreneurs across the regional food supply chain with a strong, but not exclusive focus on retail projects.
- The Michigan fund has a serious focus on racial and social equity. This means ensuring equitable access to food, jobs, ownership, and flexible investment capital.
- It will leverage unique Michigan assets. This includes our state's robust infrastructure and capacity—from strong community collaborations to innovative nonprofit efforts. Specifically, the fund will be grounded in the goals of the Michigan Good Food Charter and can serve as its financing wing. We also hope to leverage other innovations such as having Michigan's SNAP incentive program, Double Up Food Bucks, included in supported retail projects.

Who is eligible to apply?

The Michigan Good Food Fund provides financing and business assistance to good food enterprises that benefit underserved communities in Michigan. This includes supermarkets, grocers, community markets, co-ops, food distributors, nonprofits, commercial developers, corner store owners, entrepreneurs, value-added producers, small business operators, farmers markets and vendors, and other innovators that grow, distribute, and sell fresh and healthy food that reaches low-income populations.

What parts of Michigan will be impacted by this new fund?

The goal of the fund is to impact all of Michigan by strengthening its food system, driving economic development and job creation, and creating greater and more equitable access to healthy food.

What is the enforcement/procedural mechanism for those who do not abide by the terms of the contract between the Fund and the applicant?

Policies and procedures are in place to monitor Fund investments against reporting requirements through both quarterly reviews and a formal annual site visit. Borrowers are also required to report social impact metrics on an annual basis for the duration of their loan, which could range from 3 to 10 years.

If infractions occur:

- Fund core partners would provide assistance needed to bring the project back into alignment with agreed upon programmatic objectives.
- From a legal standpoint, signed loan documents contain requirements that the borrower make representations and warranties to verify that projects funded are consistent with programmatic objectives and will remain consistent with programmatic objectives throughout the life of the loan. An event of default occurs when representations or warranties are deemed incorrect, false, or misleading. Upon occurrence of an event of default, the lender can accelerate the loan or pursue another remedy allowed by law.

What's the relationship between the Michigan Good Food Fund and the Michigan Healthy Food Access Campaign?

These are aligned, but distinct efforts.

The Michigan Healthy Food Access Campaign aims to propel the Michigan Good Food Fund, and other food access efforts, by rallying state support through policy initiatives.

This campaign is led by the American Heart Association, the Healthy Kids, Healthy Michigan Coalition and other organizations interested in increasing Healthy Food Access in Michigan.

Together, these efforts will lead to improved health outcomes for residents, spark economic opportunity and job creation, and help transform more communities across our state into places of opportunity.

Where can potential fund recipients, local partner organizations, and the community get more information on the fund?

For more information on the fund please visit www.MIGoodFoodFund.org or email info@MiGoodFoodFund.org. The website includes an online form that interested entrepreneurs can fill out to initiate the application process for financing or business assistance.



Launch Press Release

Michigan Good Food Fund Launches to Grow Michigan's Good Food Future *First of its kind approach working to increase access to healthy food and drive economic development*

June 9, 2015 | Lansing, Mich. – The Michigan Good Food Fund—a new public-private partnership loan and grant fund created to address lack of healthy food access in rural and urban communities alike by supporting good food entrepreneurs across the state—launches today.

The Michigan Good Food Fund addresses the significant need for healthy food access in rural and urban communities alike. While Michigan is the second most agriculturally diverse state in the nation with food and agriculture contributing \$101.2 billion annually to the state's economy, more than 1.8 million Michigan residents—including 300,000 children—live in lower-income communities with limited healthy food access. The lack of access to affordable and nutritious food has serious implications for the health of our children and families—more than 30 percent of Michiganders are obese, the second highest rate of obesity in the Midwest region. Communities of color are disproportionately impacted.

“There are far too many families who have to travel many miles just to get to a grocery store,” said U.S. Sen. Debbie Stabenow, ranking member of the Senate Committee on Agriculture. “The Michigan Good Food Fund is changing that equation in Michigan.”

Created by a coalition of food sector, nonprofit, higher education, government and philanthropic partners, the fund provides financial capital and business assistance to businesses that grow, distribute and sell fresh and healthy food that reaches low-income populations. This effort will increase access to healthy food, improve the health of all Michigan residents and drive economic development and job creation.

Core partners include the W.K. Kellogg Foundation, fund manager Capital Impact Partners, and Fair Food Network and Michigan State University Center for Regional Food Systems who will co-lead business assistance and pipeline development.

“An investment in good food is an investment in Michigan's future,” said Governor Rick Snyder. “The fund is leveraging our state's robust food economy to transform the health of our residents and spark economic opportunity.”

The fund is modeled after the pioneering Pennsylvania Fresh Food Financing Initiative, the California FreshWorks Fund and other similar successful statewide efforts. However, unlike other healthy food financing initiatives, which primarily focus on retail efforts, the Michigan fund will work to create financial and social impact throughout the food supply chain.

The Michigan Good Food Fund supports efforts across the value chain including healthy food production, distribution, processing, marketing and retail projects. It will offer financing through flexible, competitive loans as well as grants investments with a mission-driven approach targeting those enterprises often

overlooked by traditional sources of financing. Lending will be bolstered by business assistance to help entrepreneurs grow their ventures and build a pipeline of investment-ready projects.

At launch, fund investors include the W.K. Kellogg Foundation, one of the largest philanthropic foundations in the United States committed to partnering with communities where children come first, and the Max and Marjorie Fisher Foundation. The goal is to grow the fund to \$30 million.

The fund is committed to supporting projects that benefit traditionally underserved communities through increased access to nutritious food as well as capital and job opportunities. It also encourages the sourcing of locally grown food and sustainable environmental practices. It presents an opportunity not only for entrepreneurs, but also for foundations and other investors looking to amplify their work for greater impact in service to low-income children and families.

“One in five Michigan residents live in lower-income communities with limited access to the nutritious fruits and vegetables they need to thrive,” said La June Montgomery Tabron, W.K. Kellogg Foundation president and CEO. “The Michigan Good Food Fund is fueling our state’s good food economy and increasing access to healthy food with direct benefits for our most vulnerable children and families.”

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About the Michigan Good Food Fund: The Michigan Good Food Fund is a new public-private partnership loan and grant that provides financing and business assistance to healthy food production, distribution, processing, marketing, and retail projects that benefit underserved communities across Michigan. Learn more at www.MIGoodFoodFund.org, or email info@MiGoodFoodFund.org, and join us on [Facebook](#) or [Twitter](#) ([@MiGoodFoodFund](#)) using the hashtag #MGFF.

Launch Op-Ed

Michigan deserves a good food future

Outlet: *Detroit Free Press*

Date: June 16, 2016

Authors: La June Montgomery Tabron, W.K. Kellogg Foundation; Dr. Oran B. Hesterman, Fair Food Network; Rich Pirog, Michigan State University Center for Regional Food System; Terry Simonette, Capital Impact Partners

The State of Michigan continues to rank as the second most agriculturally diverse state in the country, with food and agriculture contributing \$101.2 billion annually to the state's economy, a nearly 15 percent increase from 2010 to 2014.

Despite this abundance, too many Michigan residents lack reliable access to healthy food. More than 1.8 million Michigan residents—including 300,000 children—live in lower-income communities with limited access to the healthy fruits and vegetables they need to thrive.

The implications are dire. More than 30 percent of Michiganders are obese—the second highest rate of obesity in the Midwest—costing the state an estimated \$3 billion annually in related medical costs. Lack of access to healthy food and associated diet-related illnesses affect rural and urban communities alike with communities of color bearing a disproportionate burden.

The answer to this crisis for our state's children is simple. Invest in those enterprises that grow, distribute and sell fresh and healthy food so it reaches those most in need.

Enter the Michigan Good Food Fund, a new public-private partnership loan and grant fund created to help fill a void. The fund provides financing and business assistance to “good food” enterprises that benefit underserved communities across Michigan. The fund is filling a critical gap that has prevented healthy food innovators from taking off because they lack access to financial capital from traditional sources. Yet, where others see risk, we see opportunity. As such, our loans and grant investments are designed to be flexible and meet the needs of the enterprises and people we serve.

We bolster this lending with targeted business assistance to help entrepreneurs grow their ventures and build a pipeline of investment-ready enterprises. With this support we can jumpstart good food projects with direct benefits for children and families, not to mention economic growth and job creation in Michigan cities and rural communities.

This is a new approach working to create financial and social impact throughout the food supply chain. Unlike other healthy food financing initiatives, which primarily focus on retail projects, we're committed to strengthening Michigan's food economy from field to fork—including the integral enterprises that process, distribute and market what we eat. We will ensure financing and employment opportunities benefit traditionally underserved communities. Plus we will encourage the sourcing of Michigan grown food and sustainable environmental practices.



The Michigan Good Food Fund promises to support our state's food and agriculture economy as a means to make healthy food accessible to all and serve as an economic catalyst. This in turn will lead to not only improved health outcomes for Michigan's children and families, but also help transform more communities across the state into places of opportunity.

We invite entrepreneurs as well as interested funders and other partners to join us in building a healthier Michigan.

La June Montgomery Tabron is president and CEO of the W.K. Kellogg Foundation; Dr. Oran B. Hesterman is president and CEO of the Fair Food Network; Rich Pirog is acting director of the Michigan State University Center for Regional Food System; and Terry Simonette is president and CEO at Capital Impact Partners.