



**FOODSHED  
CAPITAL**

**2021 ANNUAL REPORT**





# GRATITUDE

**Gratitude is the most important message I want to convey in this annual report.** It's customary to focus on the numbers, our impact, and what we've accomplished, and we'll get to that. However, nothing's more vital, in my opinion, than to convey to you how grateful I am to be part of this organization. We have certainly been tested over the last two years with a global pandemic, the glare of racial injustice, and an unending string of natural disasters. But I always try to remember the words of David Steindl-Rast: *"...not for everything that's given to you can you really be grateful. You can't be grateful for war, or violence, or sickness, things like that. 'Can you be grateful for everything?'—no, not for everything, but in every moment."*

**In every moment I remain grateful** for our staff and our board. We have assembled an amazing group of people whose perspectives and contributions deserve to be acknowledged. I am grateful for the farmers and entrepreneurs with whom we collaborate to foster a more equitable and regenerative food system. Visiting their farms and seeing them in action is the best part of the job, even when cows try to pickpocket you! I am grateful for the many organizations devoted to building a more just and resilient food system and the growing number of partnerships we have with them. In a time of so much division, it's powerful to see what we can accomplish when we work together.

Last but definitely not least, **I am grateful to all of you**, those who support our work with donations, grants, and investments. Many of you have been behind us from the very beginning. **Thank you for sticking with us!** We hope we have honored your support, and we are pleased to share this report of what we've accomplished in 2021.

Warmly;

Michael Reilly  
Executive Director





## OUR MISSION

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To promote an equitable and regenerative local food economy through patient, low-cost capital and business-focused technical assistance.

**Strengthening our local communities is at the heart of what we do.**

We believe the communities that can feed themselves will be more resilient to multiple threats—from climate change, social unrest, and global supply chain shortages. The pandemic has shined a light on how fractured and vulnerable our existing food system is. We believe a robust, connected, and local food system has the potential to inoculate us from supply chain disruptions, as well as heal the environmental wounds we've created through our modern industrial food system. Regenerative agricultural practices can build healthy soil, foster biodiversity, and encourage natural photosynthetic cycles that capture and sequester carbon. This work can also heal injustice by re-creating a local food economy that ensures access to nutritious and culturally appropriate food for every single human being.

**A strong local food economy is essential**, yet too many small local farms and food enterprises—especially those owned by women and people of color—are denied access to the capital they need to grow and improve their businesses. Foodshed Capital is dedicated to changing that narrative.

By providing the capital small farmers need and partnering with them through sustained support, **we are helping build resiliency and equity into our local communities.** What's more, we are making good on our responsibility to expand what's possible for the children growing up today, tomorrow, and for generations to come.





# FOODSHED CAPITAL TEAM



**Michael Reilly**

Michael co-founded Foodshed Capital in 2018 and now leads the team as Executive Director.



**India Brahm**

Our first Lending Director, India led the phenomenal growth in our lending in 2021.



**Bri Stevenson**

Bri joined us in April 2021. As Diversity Coordinator, she helps with outreach to BIPOC farmers.



**Erica Hellen**

Joining us in Aug. 2021, Erica's ten years' experience as a farmer adds much value to her role as Director of Operations.



**Heather Lyons**

Heather started working with FoodCap as a bookkeeper in 2021 and joins us as Controller in 2022.



**Francesca Costantino**

Francesca was a board member for more than a year and joined the staff in late 2021 as a project manager.

# BOARD OF DIRECTORS



**Hunter Hopcroft (Chair)**

Foodshed Capital Co-Founder,  
Conservation investment professional  
*Richmond, VA*



**Harrison Roday (Treasurer)**

Partner, American Industrial Partners  
Founder, Bridging VA  
*Richmond, VA*



**Tracey Wiley (Secretary)**

Minority Business Development  
Professional  
*Richmond, VA*



**Kristen Suokko**

Executive Director,  
Local Food Hub  
*Charlottesville, VA*



**Shantell Bingham**

Black Membership Organizer,  
Climate Justice Alliance  
*Atlanta, GA*



**Michael Carter, Jr.**

Farmer and VSU Small Farm  
Outreach Coordinator  
*Orange, VA*



**Darrow Isaacman-VanWertz**

Senior Loan Officer,  
Self-Help Credit Union  
*Blacksburg, VA*



**John Wilson**

Organic farmer, entrepreneur,  
writer, and speaker  
*Virginia Beach, VA*



**Leesa Christian, CPA**

Associate Director,  
Markel Ventures  
*Richmond, VA*



## 2021 HIGHLIGHTS

- *27* new loans made
- *\$510,500* in capital deployed
- *4* new staff hired
- *3* new board members appointed
- *114* hours of technical assistance (TA) provided
- *2* new states entered (NC & MD)
- *\$250,000* USDA RFSP grant awarded
- *\$50,000* SBA PRIME grant awarded

## CUMULATIVE IMPACT



*61* TOTAL  
LOANS MADE



*\$774,800* TOTAL  
CAPITAL DEPLOYED



*302* HOURS OF  
TA PROVIDED



*70%* OF LOANS  
MADE TO OPERATIONS  
LED / CO-LED BY WOMEN



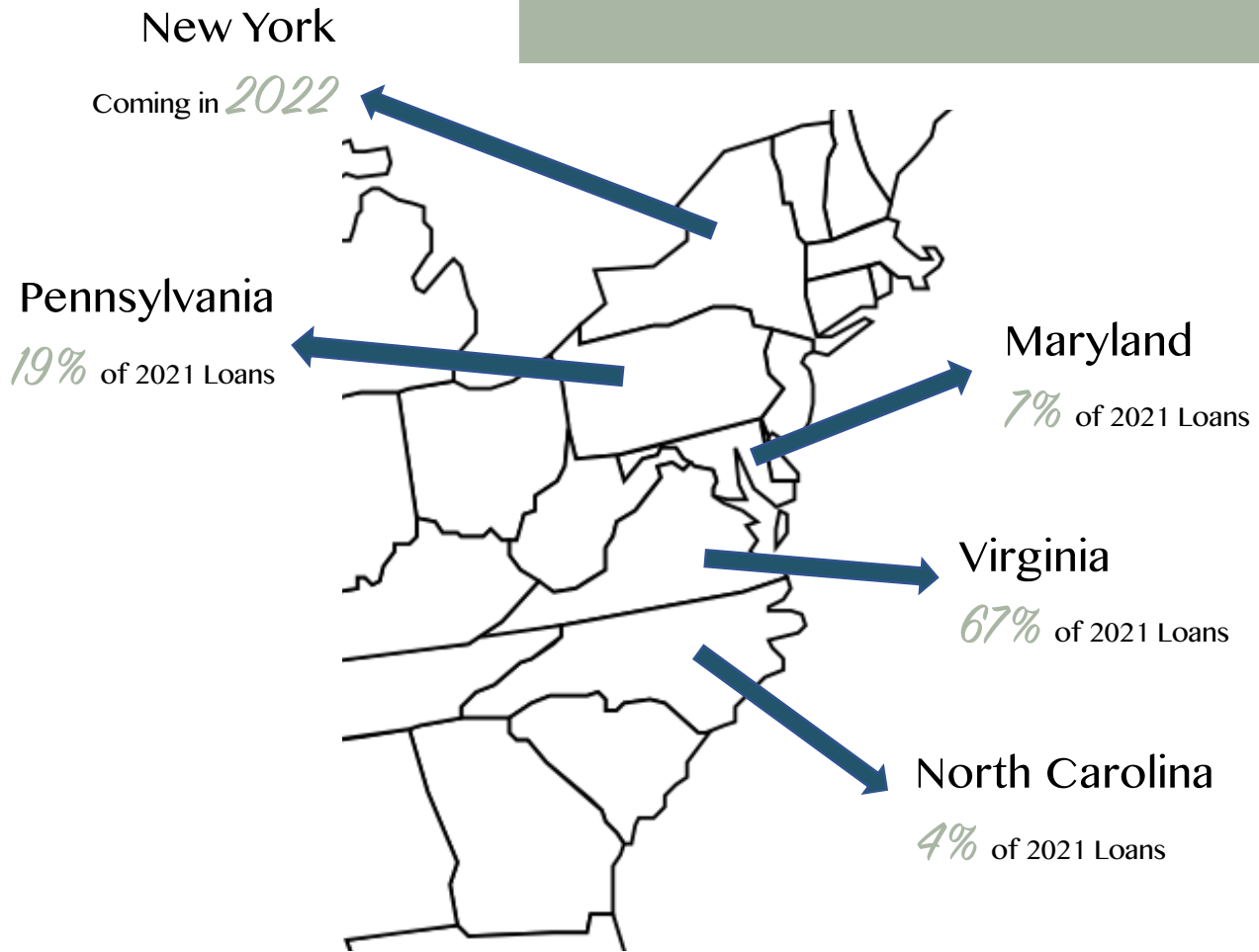
*26%* OF LOANS MADE TO  
OPERATIONS LED / CO-LED  
BY PEOPLE OF COLOR



*292* TOTAL  
FOOD & FARM  
JOBS SUPPORTED



# OUR FOOTPRINT



## Supporting:

13,820

REGENERATIVE  
ACRES

51

INDIVIDUAL  
FARMS

11

NON-FARM FOOD  
BUSINESSES

# THEORY OF CHANGE:

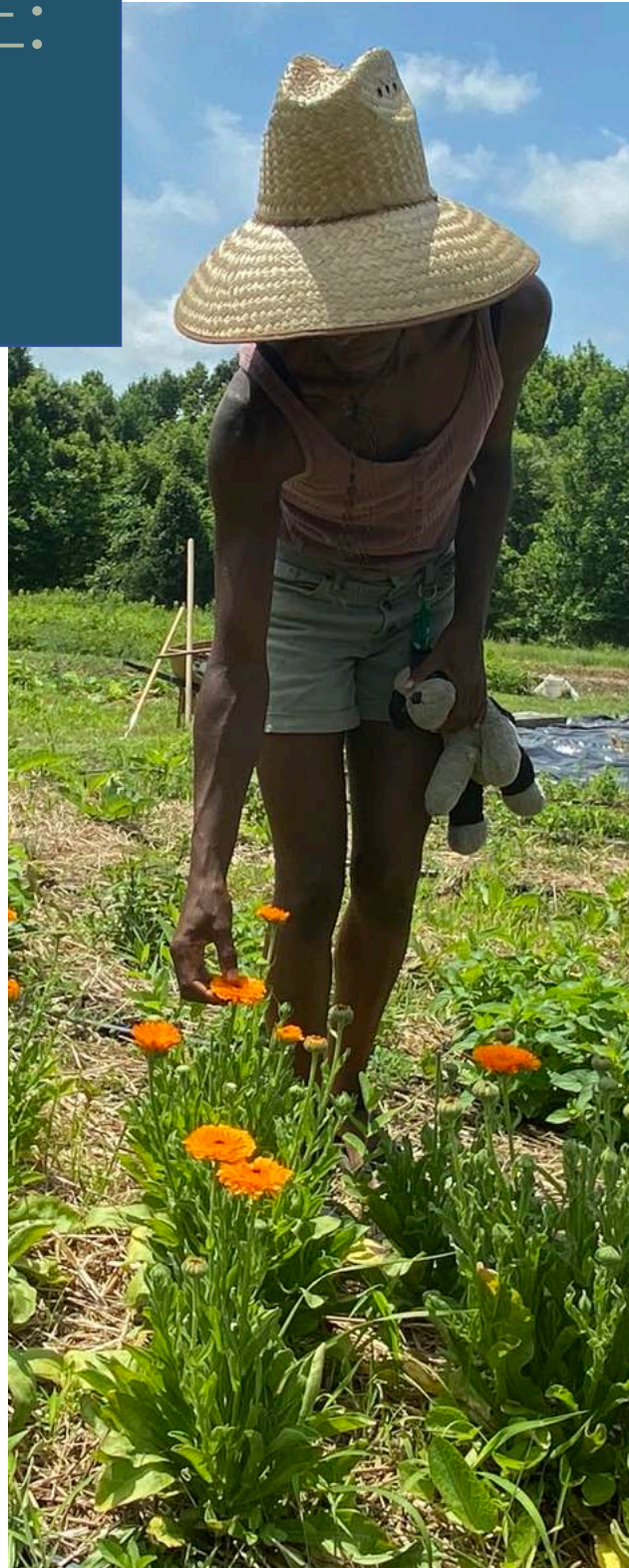
## Capital Access & Regional Partnership

Our theory of change starts with the conviction that **small-scale, diversified farms are underserved by the financial sector.**

There's no shortage of opinions on the degree to which smaller scale farms fit into the future of food, and there is some well-founded concern about the financial viability of small-scale farming as it stands within the existing system. But we have no doubt that **these farms produce the most nutrient dense, climate friendly food on the planet,** and we believe writing them off does a disservice to our communities, our bodies, and our planet.

We are homing in on new ways to increase small farmers' access to capital and facilitate the development of robust regional farm partnerships. These "foodsheds" are areas where small, regenerative farmers can better share resources, **working collectively or collaboratively rather than competitively.**

Our theory of change goes a step further by deeply examining how capital is delivered, particularly to socially disadvantaged farmers. **Not only do we have to think outside the box, we have to break down the boxes** that exist around underwriting, repayment terms, collateral, and credit worthiness.





# 2021 HIGHLIGHTED LOANS

Q1

## BROADFORK FARM // Mosley, VA

\$50,000 low-interest loan

January 2021



Broadfork Farm is a Certified Naturally Grown vegetable farm southwest of downtown Richmond. The farm has been owned and operated by wife-and-husband team Janet Aardema and Dan Gagnon since 2011. They have developed a robust and financially sustainable business through a farm share membership program and savvy marketing. They are both outspoken leaders on behalf of regenerative agriculture and equity in farming. Our loan to Broadfork Farm helped them pay for construction of a building on their property which will provide space for employee housing—a huge step toward demonstrating the capability of small farms to improve employee working conditions.

## THIRD WHEEL CHEESE // Philadelphia, PA

\$20,000 low-interest loan

March 2021



Owned and operated by Ann Karlen, Third Wheel Cheese began as a wholesale distributor of local and regional cheeses serving restaurants and specialty retailers. Third Wheel sources from nearly two dozen small-scale local and regional dairy farms and cheesemakers committed to regenerative agriculture and animal welfare, and wholesale to Third Wheel are a significant source of revenue for its farmer partners. The pandemic forced Third Wheel to shift its business from restaurants to retail and now their business is growing rapidly, necessitating a move to a 1,200 square foot space with a walk-in cooler and the ability to create a retail storefront. Their FoodCap loan allowed Third Wheel to prepare this space for full-service operation and maintain its support of regional farmers.



# 2021 HIGHLIGHTED LOANS

Q2



## CROW FLY FARMS // Marion, NC

\$15,500 low-interest loan

April 2021

Crow Fly Farms is a regenerative livestock farm located in the foothills of Western North Carolina run by wife and husband team Laura Mikos and Jake Puckett. They launched the farm in 2021, returning to their home state after running an artisan bakery in Colorado. They are raising 100% grass-fed beef and forest-raised pork. Our loan to Crow Fly was our very first in North Carolina and allowed them to install much-needed perimeter fencing and on-farm storage. The loan is also part of our Regenerative Financing initiative in collaboration with Robinia Institute, the regional hub of the Savory Institute, which works collectively to advance holistic managed grazing, implement regenerative verification, address processing obstacles, and collaborate on new supply chain opportunities.



## JUNIPER'S GARDEN // Brandywine, MD

\$25,000 zero-percent loan

May 2021

Juniper's Garden is a start-up veggie, herb, and meat-bird farmstead located in Brandywine, Maryland. Co-owners Blain Snipstal and Samaria King launched Juniper's Garden in 2019 as an intensive market garden, with the intention of creating a space for the intersection of herbalism, community education and wellness, and food production. Together, Blain and Samaria have more than 15 years experience in agriculture. Foodshed Capital's 0% loan through our Black Farmer Equity Fund was put toward various equipment and infrastructure needs that are crucial to the growth of Juniper's Garden. This was our first loan in Maryland.



# 2021 HIGHLIGHTED LOANS

Q3

**GRAZE AWAY CATTLE CO. // Rappahannock, VA**  
\$50,000 low-interest loan  
August 2021



After extensive experience raising vegetables, fruit, and livestock around the US and in South Africa, Deon and Amanda Mac de Villiers settled in Rappahannock County, VA and founded Graze Away Cattle Co. in early 2020. With a focus on management-intensive, high-density cattle grazing, they've devoted the early stages of their operation to soil and pasture improvement as well as streamlining the genetics of their herd. Looking ahead to 2022, they will expand into direct-market retail and wholesale beef sales. Their loan funds helped them streamline their breeding season so they can grow the herd, more easily plan processing and beef availability for their customers, and expand their custom grazing services.

**SILLER POLLINATOR CO. // Scottsville, VA**  
\$15,000 low-interest loan  
September 2021



Based in Scottsville, VA, Allison Wickham, Erin Buchanan, and Emily Olsen are beekeepers and bee habitat enthusiasts who have joined forces to “help people help pollinators.” Recognizing the vital role pollinators play in facilitating the reproduction of flowering plants, the team provides an array of services—hosting bee camps and beekeeping lessons, managing hives at homes and businesses, installing pollinator-attracting gardens, re-homing swarms, and harvesting honey. Their loan funds helped them meet the overwhelming demand for their services by hiring and training a new staff person ahead of their busy season beginning in March 2022.

# 2021 HIGHLIGHTED LOANS

Q4

## THREE SPRINGS FARM. // Aroda, VA \$45,000 low-interest loan December 2021



Three Springs Farm in Madison County, Virginia has been operated since 2016 by husband-and-wife team Evan and Karen Boone. Both Air Force veterans, the couple started their farm to fulfill their dream of raising food responsibly for both their family as well as their community. They raise a variety of livestock, including sheep, cattle, and pigs, using regenerative practices and rotational grazing. Presented with the opportunity to expand operations onto a large parcel with a long-term lease, Three Springs received a low-interest \$45,000 loan from Foodshed Capital in December 2021 to stock the new acreage with additional sheep and cattle. They will also use the funds to develop a new revenue stream by beginning their own breeding program.

## NORTHSIDE COALITION // Richmond, VA \$35,000 0% interest loan December 2021



Anchored by historic Brookland Park, Richmond's Northside Community is the home to a proposed new farmers market in 2022. The initiative is led by the Northside Food Access Coalition. In 2021 the Coalition received a \$50,000 grant from the Virginia Food Access Investment Fund (VFAIF) to convert an existing community-owned building into a cold storage unit and to hire a person to help run the market. Because the grant is a reimbursement grant payable upon completion of work, the Coalition was in need of funds to get the project started. Foodshed Capital stepped in with a \$35,000 bridge loan at 0% interest through our Black Farmer Equity Fund.



# TECHNICAL ASSISTANCE:

The second pillar of our work

## 2021 ACHIEVEMENTS

**We have always viewed our borrowers as long-term partners.** In 2021, our increased capacity allowed us to expand the business guidance and technical assistance (TA) we can offer to ensure our borrowers are fully equipped to grow and manage debt. Either in-house or in collaboration with the stellar partners listed below, we provide one-on-one services and group trainings covering:

- Bookkeeping
- Business Development
- Financial Modeling
- Funding Opportunities
- Marketing



## KEY TA PARTNERSHIPS IN 2021



# BLACK FARMER EQUITY FUND:

## Systemic Change through Reparative Lending

Foodshed Capital launched the Black Farmer Equity Fund in 2021 to demonstrate our continued dedication to breaking down barriers for farmers of color. Our key objectives:

- To ensure the continuance of 0% patient, unsecured loan capital for Black farmers
- To provide Black farmers with technical assistance at no- or low-cost, specifically supporting bookkeeping, marketing, product development, and market access needs
- To support other creative ways Foodshed Capital can lift up Black farmers.



## 2021 ACHIEVEMENTS

- *\$60,000* in loans deployed at 0% interest
- *\$12,000* grant to the Minority and Veteran Farmers of the Piedmont in Virginia to support development of mobile markets
- *\$1,300* in supplies purchased for Piedmont Progressive Farmers Co-op in Caswell County, North Carolina
- *\$4,000* toward business training and technical assistance for Black-owned farms

## KEY PARTNERSHIPS





# COMMON WEALTH PARTNERSHIP: Building the Foodshed

In November 2021, Foodshed Capital was awarded a *\$250,000* grant through the USDA's Regional Food Systems Partnership (RFSP) Program. The grant will help fund a two-year project—the **Common Wealth Partnership**—to plan for the development of a regeneratively verified meat value chain in the Mid-Atlantic.



## BORN FROM THE CONVICTION THAT:

- Small-scale farmers need more sales channels beyond farmers markets and restaurants.
- Scaling requires a regional, foodshed-wide approach and coordination along the value chain. We call it "scaling out" instead of "scaling up."
- Mapping gaps and assets regionally informs strategic investment.
- Larger wholesale and institutional markets can and should be available to small-scale producers through aggregation and distribution networks.
- Meat must be produced regeneratively to protect the land and the environment, and outcomes must be verifiable.

# COMMON WEALTH PARTNERS



CDFI certified lender,  
partnership lead



Savory Institute Hub, regenerative  
education, EOV verification



Regional Food hub



Sustainable agriculture advocacy  
and marketing programs

KITCHEN TABLE  
CONSULTANTS



Farm & food system  
business consultant

HATCH

Full-service incubator and  
production space for  
value-added products



Farmland preservation; promotes  
sound farming practices



Farmer education &  
advocacy network





# 2021 FINANCIAL SNAPSHOT



## REVENUE

Grant funds for operations	\$280,750
Grants for loan fund equity	\$65,000
General donations	\$24,315
Black Farmer Equity Fund	\$94,658
Interest Income	\$3,995
PPP Forgiveness / Other Inc.	\$7,788
<b>Total Revenue</b>	<b>\$476,506</b>

## GROWTH OVER 2020

Revenue  
**+51%**

Net Assets  
**+55%**

Impact  
Investments  
**+363%**

## EXPENSES

Program Services	\$212,437
Management & General	\$36,720
Fundraising	\$13,312
Interest Expense	\$1,706
<b>Total Expenses</b>	<b>\$264,175</b>

**CHANGE IN NET ASSETS \$212,331**

*\* 2021 Audited financials expected by March 2022*

# LOOKING AHEAD:

## Plans for a productive 2022



- We'll begin deploying \$555,00 in funding awarded in January 2022 through the Virginia Small Business Resiliency Fund
- We'll close a record volume of loans in the 1<sup>st</sup> quarter, including several through our Black Farmer Equity Fund
- We'll collaborate with Agrarian Trust on their Agrarian Commons projects in the Southeast
- We'll begin making loans in upstate New York through our partnership with ANCA
- We'll pursue more projects in the Appalachian region
- We'll host a series of technical assistance workshops provided to farmers free of charge through our SBA grant
- We'll expand our team, both the staff and the board
- We'll advance the Common Wealth Partnership



# WITH GRATITUDE

Once again, our continued thanks go to all of you—the donors, grantors, impact investors, and creditors who have sustained our operations over the last year. Thank you for your mutual dedication to a more regenerative, resilient, and equitable local food economy. It is your financial support that enables our unprecedented approach to lending and allows us to connect with farmers one-on-one about their unique needs. We are deeply dedicated to this approach and are so grateful to have your support.



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CAPITAL**