

Proposal Summary
Meeting Date: 11/15/2018

FamilyFarmed
Request # 115750

Project Title:	Accelerating the Impact of Good Food Businesses in Chicago
Duration:	24 months
Request Date:	9/24/2018
Request Amount:	\$450,000 over 36 months
Recommended Amount:	\$300,000 over 24 months
Program Area:	Education\Continuing Education\Adult\Entrepreneurship
Population Served:	Economically Disadvantaged, General Public
Type of Support:	General Operating (GOS)
Grantee Location:	Chicago, IL
Primary Contact:	Ms. Rebecca Frabizio

Project Abstract

The proposal is for support for the organization as it enhances and extends current programming for food entrepreneurs in the Chicago metro area. New offerings would expand the reach of services to a broader range of entrepreneurs, particularly those in low- and moderate-income neighborhoods.

Organizational Background

FamilyFarmed was founded in 1996 with the mission to expand production, marketing, distribution and accessibility of “good food” in order to enhance the social, economic and environmental health and wellness of people and communities. “Good food” is defined as delicious, healthy and accessible food produced as close to home as possible by family farmers and producers who use sustainable, humane and fair practices. FamilyFarmed provides thought leadership in the form of publications on food safety, wholesale marketing and an annual publication which sizes the local food market. It crafts opportunities for producers, distributors, retailers, consumers, entrepreneurs, investors and other Good Food champions to connect, learn, collaborate and do business via its annual Good Food Conference. It leads market development, education, training and technical assistance through its Good Food Accelerator located at 1871 as well as other training programs offered at its own nearby location.

Annual Revenue Sources

Grants	44%	Government	15%	Earned Income	5%
Fees	%	Private Support	27%	Other	8%

Finances

	Budget	Actual	Actual
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	12/31/2018	12/31/2017	12/31/2016
Revenues	\$1,962,859	\$1,804,308	\$1,439,289
Expenses	1,873,931	1,756,165	1,354,877
Surplus (Deficit)		83,309	84,412
Net Assets		\$252,335	\$166,371

Program Description

Since 1996, FamilyFarmed has trained over 14,700 farmers, helped food and farm entrepreneurs scale up and raise more than \$80 million in financing and, for the last 14 years, operated the nation’s first sustainable local food trade show which continues to aid producers in selling hundreds of millions of dollars of food to large and small buyers. Through market development, education, training and technical assistance, FamilyFarmed develops working relationships, skills and capacity where entrepreneurs need them most.

The Good Food Accelerator (GFA), launched in 2014, last April graduated its fourth cohort of eight competitively selected entrepreneurs. Participants in the first four 6-month cohorts have collectively increased their access to markets by 127%, increased sales by 58% and raised over \$15 million in financing. The program, now selecting its 5th cohort, provides participants with business development tools, mentoring, strategic support and access to sources of capital. FamilyFarmed seeks to enhance current Entrepreneurial Programming by adding extension programming to reach more entrepreneurs through an additional cohort program (GFAX) and follow-on coaching (GFA+). Objectives include:

- Continued delivery of the well-established cohort-based Accelerator. Will promote the growth of successful, thriving local food business, including better access to strategic growth and financing tools, and mentoring / education for identifying and assessing financing resources.
- Launch GFA Expansion programming to serve more entrepreneurs, particularly those in low- and moderate-income neighborhoods: GFAX /GFA+: classroom curriculum, workshops and networking opportunities. Will expand the number of overall participants served and the long-term efficacy of assistance; focus on buyer/seller engagement and market readiness; reduce obstacles to market entry for Good Food businesses; promote resilience in targeted low- to moderate-income communities.
- Collect and aggregate longer-term data that informs program development.

GFA Extension (GFAX): 24-week program consisting of classroom work (8 weeks) and intensive coaching (16 weeks). Classes will meet once a week and will focus on giving each client a foundation for understanding the challenges they will face when growing a successful food business. The classroom work will equip students with the knowledge and proper foundation for mitigating these challenges. The coaching program will adopt the Accelerator’s approach to match students with mentors who have the industry experience to help them navigate through the growth process. Class size will be capped at 12 participants for the first round.

Entrepreneurs with “good food” businesses in underserved communities of the Chicagoland area will be the primary beneficiaries of GFAX. GFAX will identify qualified candidates through referrals from the following organizations: Chicago Urban League, Sunshine Enterprises, New Covenant CDC, Bethel New Life, South Shore Chamber of Commerce, Greater Austin Chamber of Commerce, Southeast Chicago Commission, Bronzeville Chamber of Commerce, Chatham Business Association, Women’s

Business Development Center, and Greater Englewood CDC. The first cohort will formally launch in August 2019 and will likely take place at a partner organization site.

GFAx Graduates who successfully complete the 8-week classroom may then be eligible to enroll in the Good Food Accelerator Market Access Program (GFA+). GFA+ will focus on creating greater opportunities to reach new markets through coaching by experienced FamilyFarmed staff. GFA+ will also serve Accelerator graduates for Continuing Education and assistance with specific business needs. It is expected that these clients would have successfully completed another 8-12-week foundation building entrepreneurial training program. Many of these clients will be referrals from other non-profit or other related organizations.

Expected Outcome

- Up to 10 businesses will participate in the Accelerator annually. At least eight will graduate from the 6-month program and complete a business plan, investor pitch, market development plan and financing plan (35 fellows have graduated so far). GFA runs from November to April.
- GFAx will foster development of early stage food businesses with a focus in underserved communities. GFAx will work with 10 Good Food businesses in the first and 20 in the second years.
- GFA+ will support 20 entrepreneurs in the first year and 40 in the second years through ad hoc coaching, workshops, and mentoring. Another 40 beneficiaries will be reached through events.

Program Budget

This two-year general operating award would provide \$150,000 in calendar years 2019 and 2020. The 2019 sum represents approximately 7.5% of the organization's operating budget. The organization recently renewed several one-year programmatic grants, a multi-year general operations grant and secured a new USDA Local Foods Promotion Program Grant in the amount of \$498,000 over the next three years for GFA/x+ initiatives. Other major funders of the organization include Chicago Community Trust, Whole Foods Market and Kenneth Griffin.

Prior Grants

Last Grant Date:	8/23/2017	Number of Prior Grants:	1
Last Grant Amount:	\$125,000	Total Amount Granted:	\$125,000

Recommendation

CFI's initial award of GO support contributed to the advancement of the Accelerator program. We recently funded FamilyFarmed's Entrepreneurial Program Director to attend Experiential Classroom. The organization has established a key contractor relationship with a former employee of Sunshine Enterprises who has experience with many of the neighborhood organizations with whom it intends to partner. The request was for three years of support, but we feel two years is an appropriate timeframe to enable the organization to scale its programs. After that time we can assess results and determine future action.