



2022

ANNUAL REPORT



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Celebrating another year of building more

EQUITABLE & REGENERATIVE

local food systems



FROM THE DIRECTOR

In 2023, Foodshed Capital turns 5 years old. We launched this organization because we knew many small-scale farmers in central Virginia needed a better way to access capital to grow and sustain their farm businesses, if there was any hope of transforming our food system.

For the first couple years, our dedicated team of part-time volunteers kept our focus on small operational loans to regional farmers. Word spread among farmers and support for our efforts grew, and throughout 2021 and 2022, Foodshed Capital blossomed into the dynamic, disruptive organization that it is today. By the end of 2022, our team had made more than 87 loans and deployed roughly \$1.5 million from North Carolina up to New York.

Supporting regenerative agriculture has always been core to our work. It is imperative that we transform our extractive global industrial food system into enterprising regional foodsheds that prioritize soil health, biodiversity, and animal welfare - and community.

Although I believe we're heading in the right direction, regenerative agriculture remains a movement of primarily white producers. Farmers who are Black and Indigenous People of Color (BIPOC) continue to be left out of the conversation. Even many well-intentioned finance programs striving to uplift BIPOC farmers rely on return-of and return-on capital models that are inherently extractive and paternalistic.

This is a "safe" system. And while it can produce some positive outcomes, it will never come close to achieving equity and justice in the food system. Nor will it heal and redress generations of repression that have stripped BIPOC farmers of hundreds of billions of dollars of farmland, and consequently the right to community-level food security and self-sustainability.

If we're truly committed to equity - not just in our food system, but our society at large - we must throw out the old financial way of thinking. We must be willing to forego the safe, familiar path. We must be innovative, bold, and creative.

If you've been following Foodshed Capital's work for over the last year, I believe you've witnessed our commitment to innovation, boldness, and creativity, particularly in regard to the problem of BIPOC land loss.

Our work is articulated throughout this impact report, and I am so proud of our staff of 8 and our board of directors for the collective passion and resolve that drive us down roads not taken.

As we peer down the road toward the next five years of this journey, the incredible support from all of you gives us the courage to continue bucking the system, evolving our mission, and sharpening our focus.

If you're reading this, it means you've likely been part of this journey to some extent or another—and I cannot thank you enough. I hope and trust you will stay with us for the next five years, and I am confident you'll be part of some truly groundbreaking work.

Michael Reilly
Executive Director



A close-up photograph of vibrant green microgreens with small, dark purple buds, filling the top left corner of the page.

A REFRESHED IDENTITY

Over the course of 2022, we refined our focus and thought extensively about how we present our work to the world. A mid-summer website makeover was the first phase of this work, and in December, we began exploring a new visual identity entirely. Throughout this report, you'll see the refreshed identity we shared with the world in early 2023.

Our new logo was inspired by the many-layered landscapes that make up our local and regional foodsheds, the vital intersectionality between regenerative agriculture and racial equity, and the overlap between producers, processors, purveyors, and eaters that exists in truly diverse and regenerative food systems.

Operating in deep, ongoing partnership with our borrowers—particularly farmers and food entrepreneurs of color—is core to our mission, and we hope our logo reflects the journey we're on to help meet their most critical needs.



LIFETIME IMPACT

OUR MISSION

To build more equitable, more regenerative local foodsheds through mission-driven lending and customized business support.

88 Total Loans Made **\$1,543,814** Total Capital Deployed

55%

of Funding to
BIPOC-Led
Operations

63%

of Loans to
Women-Led
Operations

512

Hours of 1:1
Business
Support

10,207

Regenerative
Acres
Supported

383

Total Food
& Farm Jobs
Supported



OUR GROWING FOOTPRINT

With roots in central Virginia, 2022 saw us continuing to expand our footprint up and down the East Coast with loans in North Carolina and New York. Teaming up with mission-aligned organizations throughout the region makes this expansion possible, both to ensure our borrowers have on-the-ground support and to make good on our commitment to long-term business success.

- ▶ Virginia
- ▶ North Carolina
- ▶ West Virginia
- ▶ Maryland
- ▶ New York
- ▶ Pennsylvania
- ▶ District of Columbia



2022

AT A GLANCE

26

Total Loans Made

\$768,884

Total Capital
Deployed

83%

of Funding to
BIPOC-Led
Operations

77%

of Loans to
Low-Income
Borrowers

210

Hours of 1:1
Business
Support

HIGHLIGHTS

Q1



Sussex Farm + Umma's
Charlottesville, VA

Jen Naylor is beloved favorite at central Virginia farmer's markets, known for her mouthwatering, homegrown, organic Korean cuisine. Foodshed Capital supported her next chapter with a low-interest loan to open Umma's, a brick-and-mortar restaurant in downtown Charlottesville.



Thomas Adams Farm
Crewe, VA

Tony and Charlet Lewis utilize chemical-free, beyond organic practices to produce mixed vegetables and culinary herbs for local sales and mutual aid. FoodCap supported them with a 0% interest loan to help scale up infrastructure and expand to new markets.

HIGHLIGHTS

Q2



New Roots Community Farm

Fayetteville, WV

This women-led, nonprofit farm is one of only a handful of farms growing fresh produce in Fayette county. NRCF is focused on building food systems that are more responsive to community needs and resilient to climate change. FoodCap supported with a low-interest loan to cashflow operations ahead of returns from seasonal produce.



Moore's Produce

Blounts Creek, NC

Moore's Produce is a fourth-generation family farm producing mixed veggies for retail, wholesale, and mutual aid using cover-cropping and seasonal rotation. A 0% loan from FoodCap supported the purchase of new tractor equipment and provided operating capital to expand to new markets.

HIGHLIGHTS

Q3



Big Table Farm
Beaver Falls, PA

Big Table Farm is an urban farm focused on making organic, seasonal produce more accessible. After they received funding from the Pennsylvania Farm Vitality & Ag Infrastructure grant to purchase equipment to extend their season and expand production, FoodCap supported Big Table with a low-interest bridge loan to jumpstart the work until grant funds came in.



Della Terra
Castorland, NY

Della Terra is a small-scale produce farm and budding compost business. Owner Julian Mangano is on a mission to cultivate nutrient dense, chemical free produce and a self-sufficient lifestyle. FoodCap, in partnership with Adirondack North Country Association, supported him with a 0% loan to launch his compost operation.

HIGHLIGHTS

Q4



Northside Food Access Coalition Richmond, VA

In Richmond, VA's Northside community, 56% of residents struggle with food access. The Northside Coalition was formed to connect neighbors with fresh, healthy food and develop neighborhood autonomy. After receiving VFAIF grant funding, FoodCap supported them with a 0% bridge loan to install cold storage and hire market staff.



Three Part Harmony Washington, D.C.

Located on just 2 acres, this small-scale urban agro-ecological farm is growing chemical-free vegetables, herbs, and cut flowers. Co-owner Gail Taylor is a powerhouse community organizer as well as an experienced farmer. FoodCap supported 3PH with a 0% interest loan to expand to expand into poultry production.

SUPPORTING BUSINESS SUCCESS

200+
HOURS OF 1:1
SUPPORT

In 2022, our lending and outreach teams spent over 200 hours supporting farmers and food entrepreneurs in the region with customized business support based on their specific needs. This support extended beyond our borrower portfolio to both folks who weren't quite ready for a loan and to the general public through a zero-cost workshop series. **We provided customized support with:**

- ▶ Leases and land security
- ▶ Website creation + marketing plans
- ▶ Business and expansion planning
- ▶ Financial and cash flow analysis
- ▶ GAP and organic certification
- ▶ Accessing public funding
- ▶ General bookkeeping support, as well as a three-part workshop series with six hours of guided content

SUPPORTING LAND SECURITY

We have long understood that land security is farmers' most critical need. Although our typical lending has supported operational needs rather than land purchase, we're so proud that 2022 saw us teaming up to make genuine land ownership a reality for the first time - for three different BIPOC-led operations.

Rural Beacon Initiative



1

RURAL BEACON INITIATIVE

Rural Beacon Initiative (RBI) is working to create model communities that are replicable, scalable, and address the urgent climate and social issues of our time. They're kickstarting this work on 52 acres in a historic freedmen's community in rural eastern North Carolina and are launching a multi-enterprise sustainability hub that demonstrates renewable energy, regenerative agricultural practices, and increases regional food access.

Foodshed Capital partnered with RBI and Croatan Institute to develop an innovative, integrated financing model that pairs low-cost financing with a loan guarantee and philanthropic support. In March of 2022, the partnership successfully financed the purchase of the land with a 0% interest loan, and in May 2022, Rural Rural Beacon broke ground on the project.



2. PETERSBURG OASIS COMMUNITY FARM

The Petersburg Oasis CommUNITY Farm is located in a classified food desert in central Virginia. Project leads Tryone Cherry III and Duron Chavis are educators and food justice advocates who are dedicated to increasing fresh food access. After over six years of working on the same property, Cherry and Chavis sought a way to secure the land for the long haul. The Central Virginia Agrarian Commons presented them with an opportunity for a 99-year lease, and Foodshed Capital provided 0% interest bridge funding to facilitate their purchase of the land. It will now be protected from further development and give these farmers the security to grow and expand.



3. BUTTS BROS FARM

Butts Bros Farm is a nose-to-tail livestock operation centering environmental stewardship, education, and food access. Owner Justin Butts is a Navy veteran, a certified chef, and a Braiding Seeds Fellow. In collaboration with a variety of funding partners including Trellis Capital and Local Farms Fund, Foodshed Capital is proud to have supported Butts Bros Farm with a 0% interest loan to purchase his 100+ acre forever farm in upstate New York, which will give him the security to invest in permanent infrastructure, make holistic long-term plans for his business, and develop a BIPOC and veteran farmer incubator program.

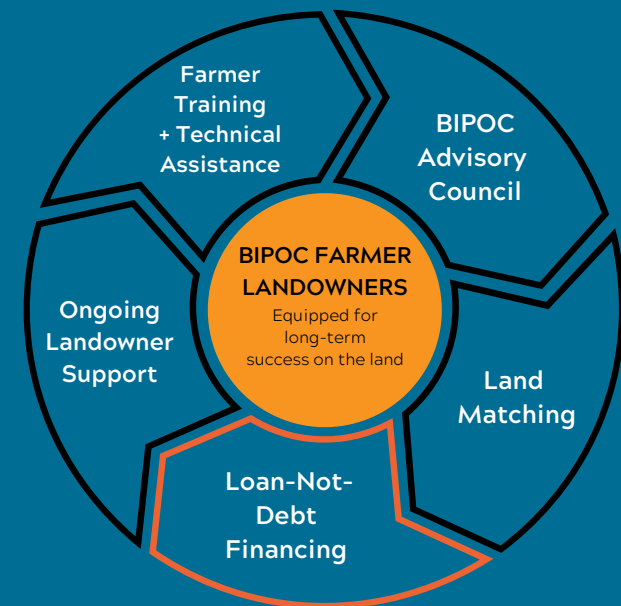
THE LND INITIATIVE:

FORMALIZING OUR COMMITMENT TO LAND SECURITY

In summer 2022, we expanded our mission to include an initiative focused on securing land for BIPOC farmers. This work is prompted by the chronic need for land security we hear about time and again from our borrowers, and rooted in the belief that there is not enough being done about the staggering inequality that exists in this country. Land is the ultimate asset, and yet it is out reach for far too many through generations of exclusion and discrimination. We felt compelled to do something to accelerate the pace of change. Through conversations and collaborations with mission-aligned folks around the country, we designed a comprehensive program that secures farmland with a completely unique financial approach called "Loan-Not-Debt" financing, and pairs it with wraparound farmer support to ensure long-term business success. The LND Initiative is our effort to help right historical wrongs, redistribute wealth , and secure farmland for regenerative BIPOC farmers.

THE INITIATIVE SEEKS TO GIVE BIPOC FARMERS THE ABILITY TO:

- ▶ Make autonomous long-term decisions for their business
- ▶ Build permanent infrastructure tailored to their operation
- ▶ Develop equity so that investments in time and infrastructure aren't subject to loss



CENTERING BIPOC LEADERSHIP

In recognition that people of color have been working to bring justice to their communities long before we conceived of the LND Initiative, we saw a need to ensure their voices were centered in its leadership. To that end, we formed a BIPOC Advisory Council to flesh out the initiative in these early stages, create a roadmap for how it should grow, and provide 1:1 support to our seed project farmers. Our three inaugural members are highlighted here; together they bring a wealth of symbiotic experience, including beginning BIPOC farmer training and production planning, financial health and analysis, and renewable energy and climate smart infrastructure. We are so grateful to William, Sarah, and Sharlene for their willingness to guide this work and share their expertise!



WILLIAM BARBER III

Founder, Rural Beacon Initiative
Legal scholar, climate
justice and renewable energy
advocate, and community
organizer



SARAH SOHN

Co-Director, Braiding Seeds
Fellowship of Soul Fire Farm
Regenerative vegetable farmer
with expertise in supporting
BIPOC + beginner farmers



SHARLENE BROWN

Director of Racial Equity,
Economics, Finance, &
Sustainability (REEFS)
Initiative, Croatan Institute
Microfinance expert and
financial coach

As a white male-founded and led organization, we also see a pressing need to diversify our leadership to ensure we have the most authentic awareness of the BIPOC business owners we strive to serve. Over the next year, we will be striving to continue moving in that direction.

STAFF



MICHAEL REILLY
Executive Director



INDIA BRAHM
Director of Lending



BRIANA STEVENSON
Diversity Coordinator



ERICA HELLEN
Director of Strategy
& Development



EMILY SEPULVEDA
Lending Coordinator



ASHLEY APPOLON
Communications Coordinator



HEATHER LYONS
Controller



FRANCESCA COSTANTINO
Program Manager

BOARD



HUNTER HOPCROFT
Board Chair



HARRISON RODAY
Chair

O



TRACEY WILEY
Secretary



SHANTELL BINGHAM
Director



DARROW ISAACMAN-VANWERTZ
Treasurer



LEESA CHRISTIAN
Director



KRISTEN SUOKKO
Director

2022

FINANCIAL SNAPSHOT

REVENUE

	<u>2022</u>	<u>2021</u>
Grants and contributions	\$1,301,217	\$492,767
Interest Income	\$11,899	\$5,561
Total Revenue	\$1,313,116	\$505,950

EXPENSES

	<u>2022</u>	<u>2021</u>
Program Services	\$555,493	\$215,407
Management & General	\$132,787	\$67,289
Fundraising	\$22,770	\$2,513
Total Expenses	\$711,050	\$285,209
NET ASSETS, END OF YEAR	\$1,208,517	\$606,451

*For a copy of our 2022 audit please see our website

LOOKING FORWARD

**IN
2023:**

- ▶ We'll go all in for land security and complete our first seed project for The LND Initiative
 - ▶ We'll continue expanding our staff and board with a focus on diversifying our leadership
 - ▶ We'll build on 2022 by continuing to extend the majority of our capital to BIPOC farmers
 - ▶ We'll continue offering zero-cost business support to BIPOC farmers and food entrepreneurs
 - ▶ We'll expand our footprint with loans in Georgia, Vermont, and Kentucky
 - ▶ We'll deepen our ties and expand funding in Appalachia
 - ▶ We'll continue to build partnerships with other food, farming, and financial organizations throughout the US.
- ▶ We'll build more equitable, more regenerative food systems - with your help.



WITH GRATITUDE

Thank you once again—donors, grantors, investors, lenders, and cheerleaders—for sustaining our operations over the last year. Thank you for seeing the essential value small-scale, diversified producers bring to our food systems. Thank you for evolving with us, and for understanding that equity is not an option, but an imperative. We're so excited about what's to come, and so grateful to have your support on the journey.

