

WKKF Program Investments Food Scan

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Overview

- Program Related/Driven Investments (PR/DI) Food Scan Overview
- Key Findings
- WKKF PR/DI Key Elements
- WKKF in the PR/DI Food Continuum
- Establishing a PR/DI Program
- Scope of Food Activities & Potential PR/DI Deals
- Proposed Performance Indicators
- WKKF Next Steps

Purpose of PR/DI Food Scan

- WKKF's Food Legacy
- Why a Separate PR/DI Food Scan?
- What did the Food Scan Entail?
- Reach of the Food Scan
- Implications for Food, Health and Well Being Team Efforts

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PR/DI Food Scan Key Findings

- Most food-related Program Investments for safety gap measures
- More analyses are needed related to sustainable food enterprise
- Limited examples on how to establish Program Investment loan programs focused on food
- PRI programs that use some combination of grants and technical assistance increase the likelihood of repayment.

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PR/DI Food Scan Key Findings

- Systematic funding strategies across foundations and include government could afford deep impacts
- Identified 10 groups that would be ready to receive loan funds within the next 6-24 months
- Most potential lendees need technical assistance on a range business development issues along with capital
- More diverse organizations need considerable technical assistance and grant funds over a 3-10 year period before taking on debt

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Spectrum of Potential PR/DI Categories

Kitchen Incubators	Grocers and Coops	Urban Farms and Support Systems	Distribution and Logistics	Processing	Good School Food
Acenet	People's Grocer	Growing Power	Community Services Unlimited	Hawthorne Valley Association	Farm to Table
Taos County Economic Development Corp	Detroit Economic Growth	Jones Valley Farm	McIntosh Seed	Foodlink	ASAP
East Baker Historical Society	Janus Youth	NOFFN	SEEDCO Financial Services	Fresh New London	CFJ
Eastern Market	Northside Association for Community Development	New Harvest			City Harvest
Centro Latino de Salud	Healthy Solutions Graffiti and Grub	Urban Tree Connection			
Oakland Food Connection		Neighbor Federation			
Seven Harvest					

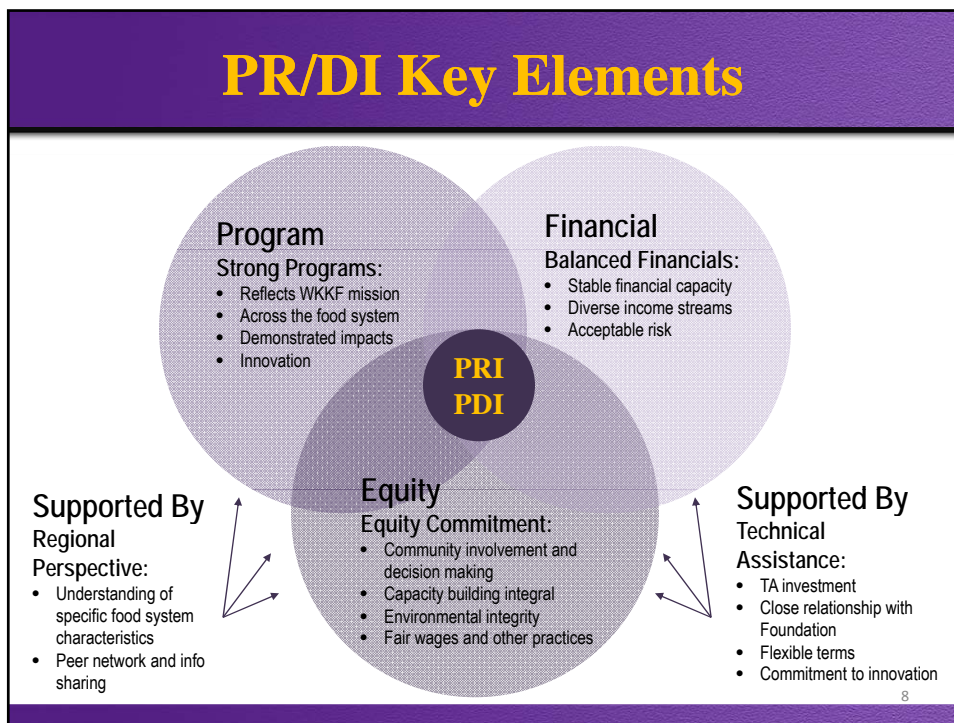
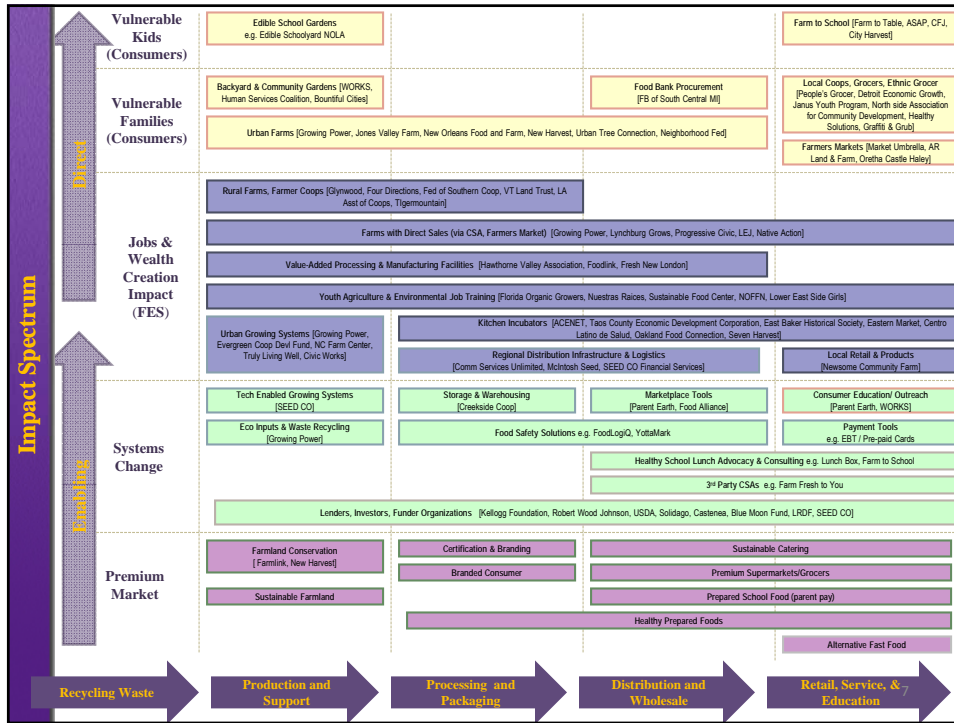


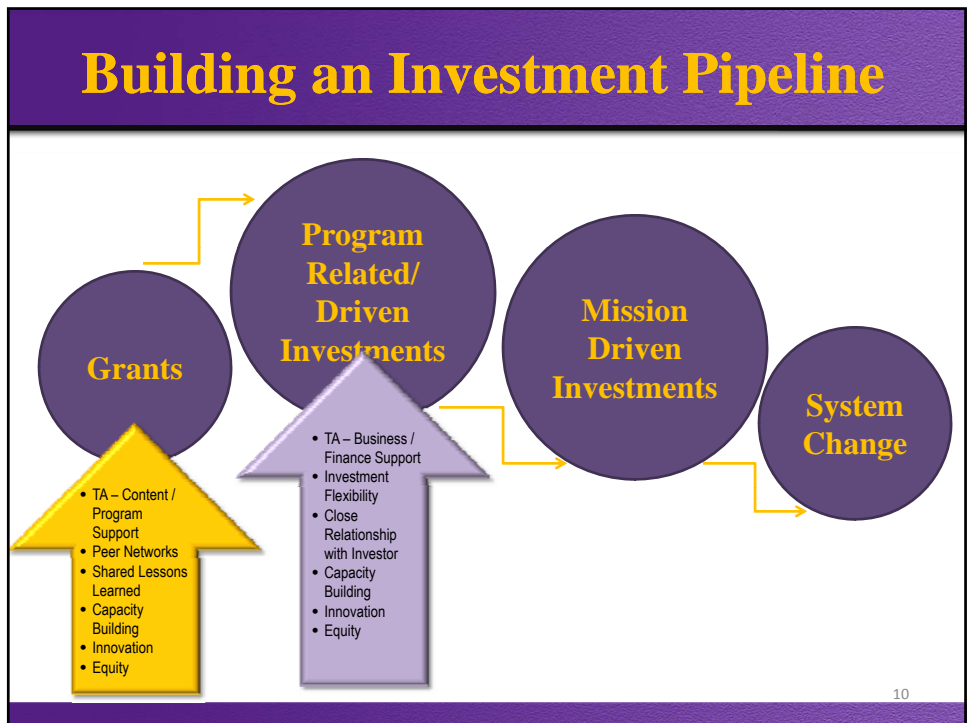
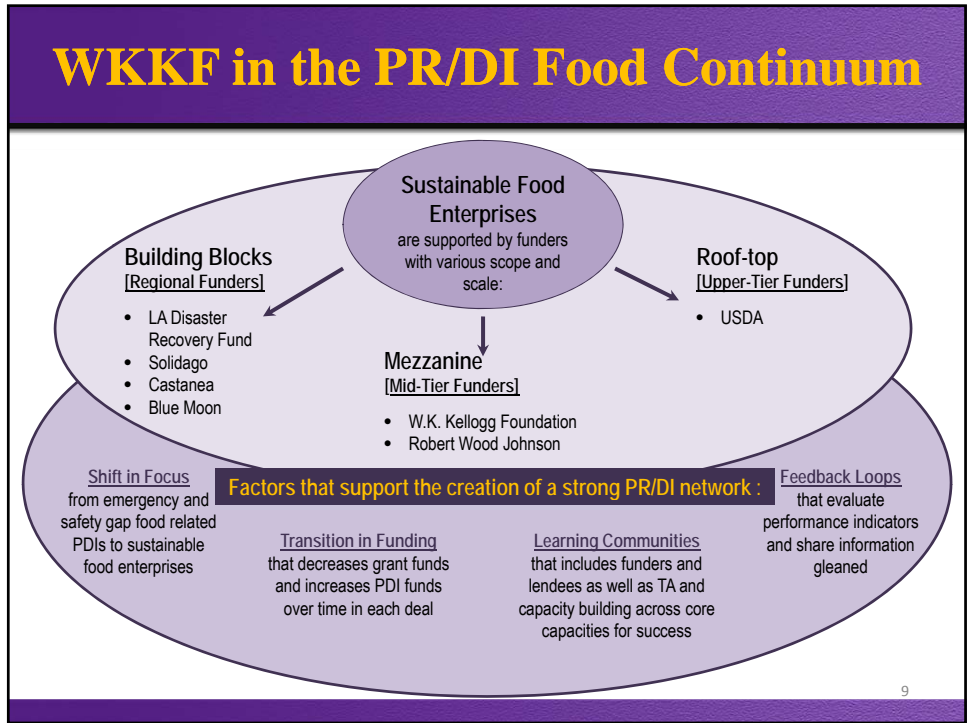
Organizations with the greatest alignment with PR/DI criteria

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WKKF Program Related/Driven Investments

Food Scan Presentation





Establishing a PR/DI Program

- **Proposed Financial Criteria**
 - Organizations
 - Both emerging high impact organizations as well as mature organizations
 - Able to execute business plans
 - Able to repay debt
 - Able to leverage capital and resources
 - Projects
 - Deliver high social impact
 - Profit generating

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Establishing a PR/DI Program

- **Proposed Financial Criteria**
 - Repayment Terms
 - Returns of between 0% to 3%
 - Maturities between 18 months and 10 years
 - Structured and either secured or unsecured
 - Interest only or as an amortizing loan
 - Proposed transactions range: \$500,000 to \$3 million
 - Asset classes
 - Equity, Subordinated Debt, Senior Debt, Loan Guarantees and Deposits

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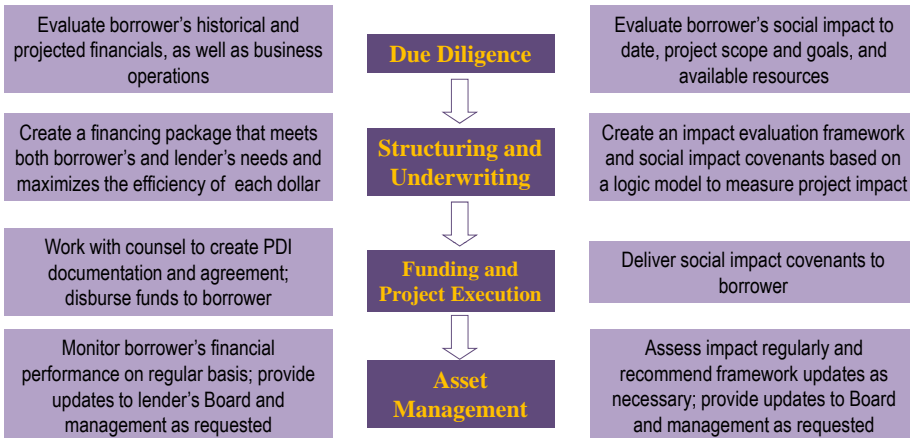
Establishing a PR/DI Program

- Programmatic Criteria
 - Good Food
 - Increased Supply
 - Improved Access
 - Multi-Sector Food Systems Impacts
 - Equity
 - Leverage
 - Innovation
 - Participation in Learning Community

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Proposed Program Related/Driven Investment Underwriting and Management Process

A multi-faceted Program Related/Driven Investment process that aims to maximize financial and social impacts and returns



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Potential PR/DI Deals – At a Glance

	Year of Report	Amount Requested	Net Income	Deal/Lens Experience	Potential Financial Impact	Summary Use of Funds	Prog Impact	Deal/Venture Sectors Impacted	Direct Food	Race/Ethnicity	Locality	Innovation	Technical Needs
1	6+	2.5m	150k		High	To develop a grocery store financing program		Ret/Srv/Ed	†				N/A
2	5	300k	20k	200k	High	Building a shared community kitchen + commissary facility		Prod/Supp Dist/Waste Ret/Srv/Ed	†				Business planning Marketing anal Mgmt skills Organizational development Food systems
3	6+	1m	-251k	90k	Med	Build an online directory of food buyers & sellers		Dist/Waste Ret/Srv/Ed	↓				Food systems Organ devel
4	6+	800k	-130k	150k	Med	Investment in marketing capacity + address standards and systems issues limiting certification program growth		Dist/Waste Ret/Srv/Ed	↓				Business planning Organization development
5	6+	2.5m	TBD	120k	TBD	Broad range of food enterprise opportunities including energy renewal		Recycling Prod/Supp Prod/Supp Dist/Waste Ret/Srv/Ed	†				Business planning Child wellness Financial mgmt Management skills Market anal
6	4	1.7m			High	Sustain more small businesses including food businesses in New Orleans and surrounding rural parishes		Prod/Supp Dist/Waste Ret/Srv/Ed	†				Food systems
7	6+	500k	20k	50k	High	Develop an energy efficiency company employing community young people		Prod/Supp Prod/Supp Dist/Waste Ret/Srv/Ed	↓				N/A at launch stage
8	6+	500k	6k	1m	High	Assist in financing ownership of grocery store- have busn plan, land and eqpt. Closed May 2009		Prod/Supp Ret/Srv/Ed	†				Child wellness Financial mgmt Food systems Management skills Market anal Food prod
9	5	2m	840k	30m	High	Develop local processor/distributor capacity		Fisheries Prod/Supp Prod/Supp Dist/Waste Ret/Srv/Ed	†				Food systems Staff devel Market anal
10	6+	600k	-24k	500k	High	Building and facility upgrades & additional classrooms		Recycling Prod/Supp Dist/Waste Ret/Srv/Ed	†				Business planning Market anal Energy tech Mortgage refi

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Tracking PR/DI Performance

- Proposed PR/DI Food Systems Indicators
 - Recirculation of repayment funds into new food enterprise
 - Additional external funds generated to support sustainable enterprise
 - Improved credit accessibility among lenders
 - Number and types of jobs created
 - Number and types of local food businesses/enterprises established

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Tracking PR/DI Performance

- Proposed PR/DI Food Systems Indicators
 - Amount of food system related income generated
 - Establishment of relationships that promote action toward Good Food values
 - Enhanced organizational stability across the core technical assistance themes
 - Increased vertical integration of food system (increased number of access points along the food system spectrum)
 - Change in agricultural practices favoring methods that offset carbon imprint

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Tracking PR/DI Performance

- Proposed PR/DI Food Systems Indicators
 - Number of food miles displaced
 - Increased access to healthy food
 - Increased amount of local food produced
 - Change in local policies that affect food systems and child wellness
 - Change in short and/or long term wellness indicators in children

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WKKF Potential Next Steps

- Pilot Limited Number of PRIs/PDIs with Consultant Assistance for Due Diligence and Structuring
- Payout Loans over Multiple Years with Grant Funds in Decreasing Amounts Each Year
- Implement Learning Community
- Track Performance Indicators
- Disseminate Scan Findings to Larger Food Funding Field

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