



Impact Report

Nurturing People & Our Planet



FAIR FINANCE FUND

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Message from the Fund

2022 has been a banner year here at the Fund; the year began explosively, as we doubled applications and loans in a few short months. By September, 30 loans had been placed across Ontario. Our clients have made a noticeable and growing impact on their local economies, supporting 238 new or maintained jobs, almost \$4 million in local food sales and over 300 regional suppliers.

Investments also climbed steadily, with investors seeking the Fund to make a modest return but an even greater impact with their dollars. We fully subscribed our offering in July, raising another \$1 million in catalytic capital for local food and farm entrepreneurs, and came closer to our target of \$3 million in Assets Under Management.

Mentorship and business support continue to be a priority of the Fund, supporting not only clients but other local food and farm social enterprises, strengthening our community at large. Clients receive mentorship from experts with business and sub-sector food and farming experience, helping them navigate and overcome challenges and host business/financial workshops for clients and social purpose enterprises where we share knowledge and resources.

The team, Board, and committees planned and implemented the FAIR report card, tracking Equity, Access, Diversity and Inclusion at the Fund and within the Fund's portfolio.

Over the last year, the team launched the Inclusive Prosperity project to consult with experts, access training, and developed a feasibility study on ways to increase access to farmland for black and indigenous farmers.

Larger investments also allowed the Fund to reach more clients for greater impact. With these numbers, the Fund exceeds targets for 2022, and has developed plans for a \$10 million fund to meet the overall demand. The average risk continues at 2.4%, well below the loan loss reserve funds.

The average impact based on the Fund's mission, vision, values and alignment with the Sustainable Development Goals is over 70%. As we move into a new growth phase and practices, we look forward to the future as we grow and expand!



**Project Manager,
Fair Finance Fund**

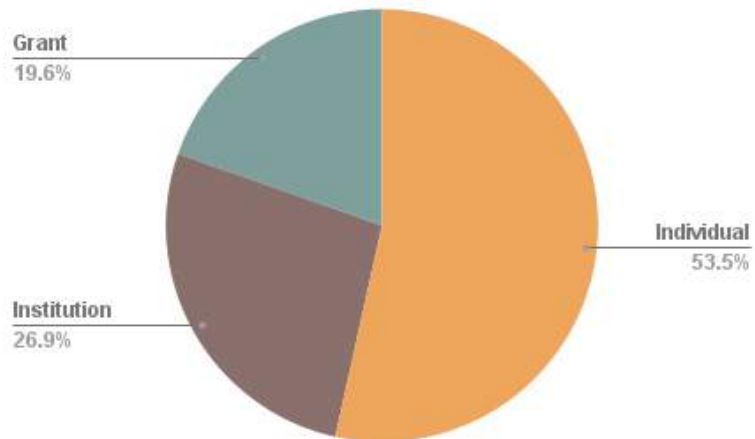


Investment Portfolio

Number of Investors	Total Committed by Investors
70 +	\$2,600,000 +
Total Loans Disbursed	
\$2,200,000 +	

Investment by Type

The largest group of investors remains the individuals, although institutional investments increased in 2022.

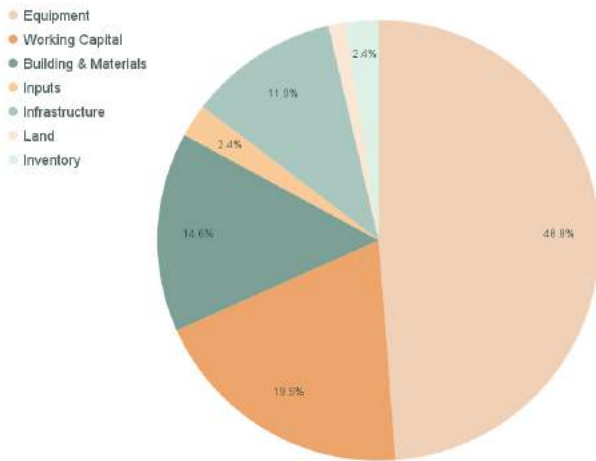
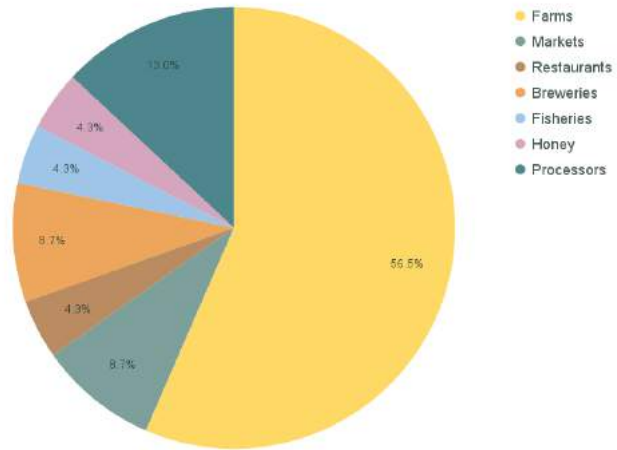


"Who doesn't love the idea of their financial investment building the world we all want to see? One in which our local farmers and food producers are thriving and our food system is more able to withstand global supply chain shocks, the fragility of just-in-time delivery, and the off-shoring of our most critical life-giving commodity - food."

Mara Shaw
Individual Investor

Types of Businesses Invested In

The largest category of clients is in agriculture, although the Fund supports entrepreneurs across the food system.

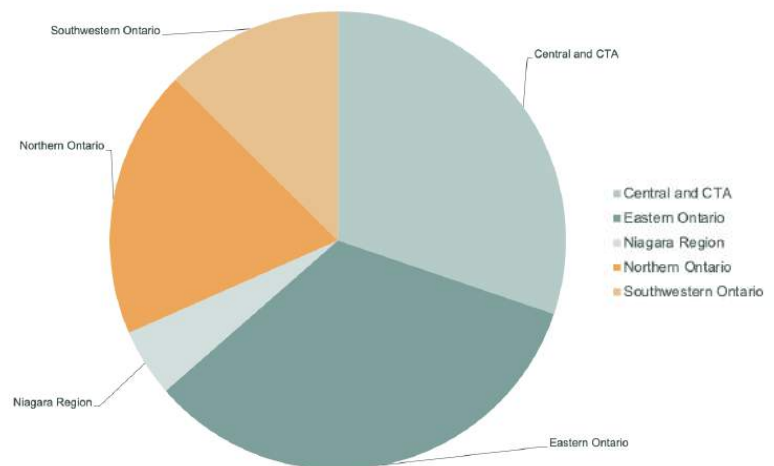


Projects Invested In

Equipment remains the most common purpose for the Fund's support. The Fund is open to a wide range of needs and supports.

Investments by Region

We have continued to receive a large number of applications from eastern Ontario, almost 36% by number of clients. Northern Ontario continues to rank relatively high as well. The numbers continue to show that Niagara and southwestern Ontario regions have access to other sources of funding. The following table shows the distribution of approved loans.



Annual Inflows/Outflows

The Fund balances investments with loans to ensure a low amount of idle capital. Our long-term forecast shows Assets Under Management growing steadily as the cumulative impact from loans expands. All repaid principal is placed with a new client; operational funding comes solely from interest on loans, minus the bond interest to investors.



The bond interest rates and loan interest rates are not market dependent; they are set based on the minimum amount needed for operations. Operational funding comes from the difference between the loan interest and the bond interest rate. In 2023, the Fund will be able to be fully self-sufficient from grants for core activities, a year earlier than predicted.



"Dragonfly Ventures is proud to be a supporter and investor of the Fair Finance Fund. It's a wonderful way to support a diversity of food-focused companies committed to many of the things we care so deeply about: an equitable and just food system, the health of our land and soil, the protection of our freshwater resources, building our resilience to a changing climate, and reducing toxins entering our bodies and the earth. We are grateful to be a part of a community dedicated to an equitable and sustainable food system in Ontario."

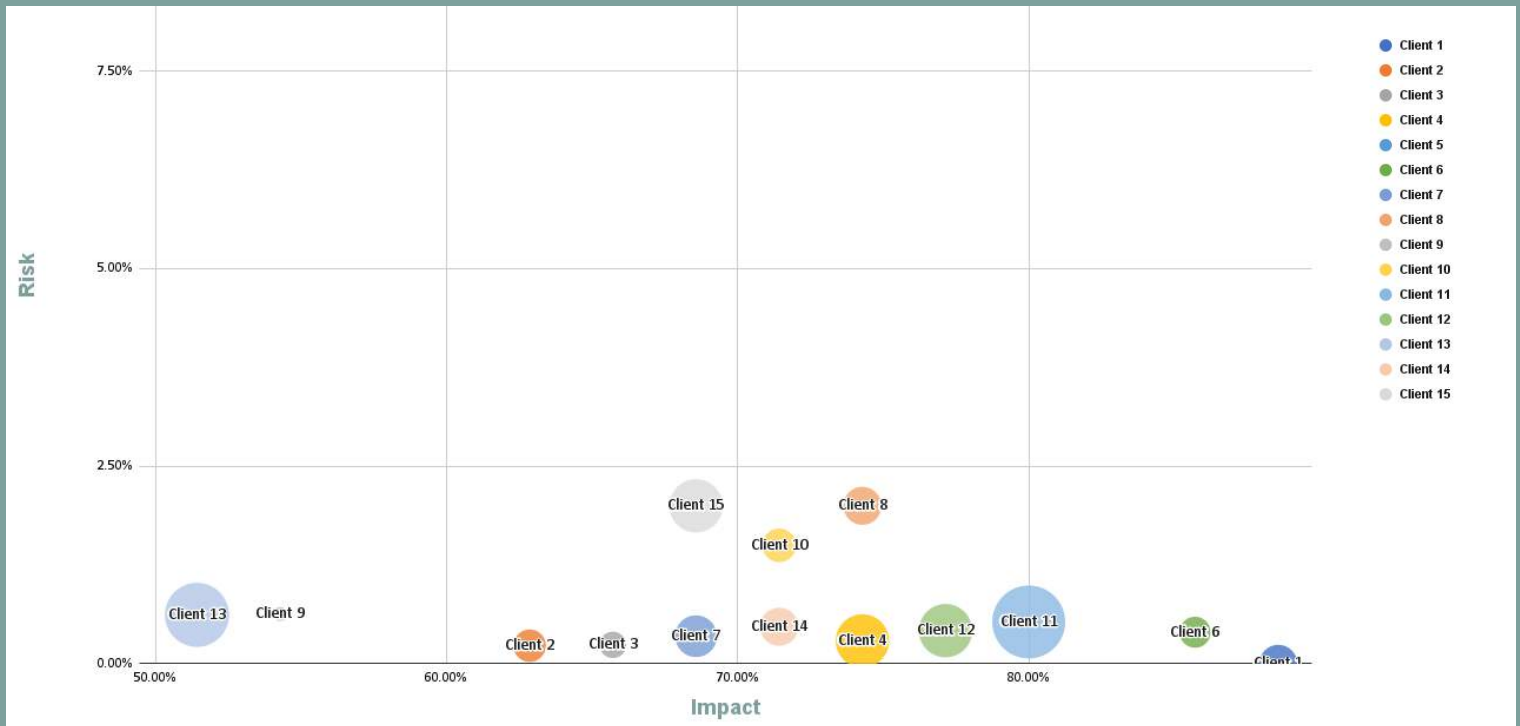
**Institutional Investor
Dragonfly Venture**

Investment Impact (Changing the Social Finance Landscape)

Financial returns are only a small part of the Fair Finance Fund’s contribution to Ontario's economy. The following chart shows the significant economic and social impact our clients make as well. Our investors receive a modest financial return while doing good in Ontario. For example:

- Improving people’s work lives.
- Increasing the resilience of our local food system.
- Reducing water and energy use on farms and food processors.
- Reducing waste from the food ecosystem from farm to fork.

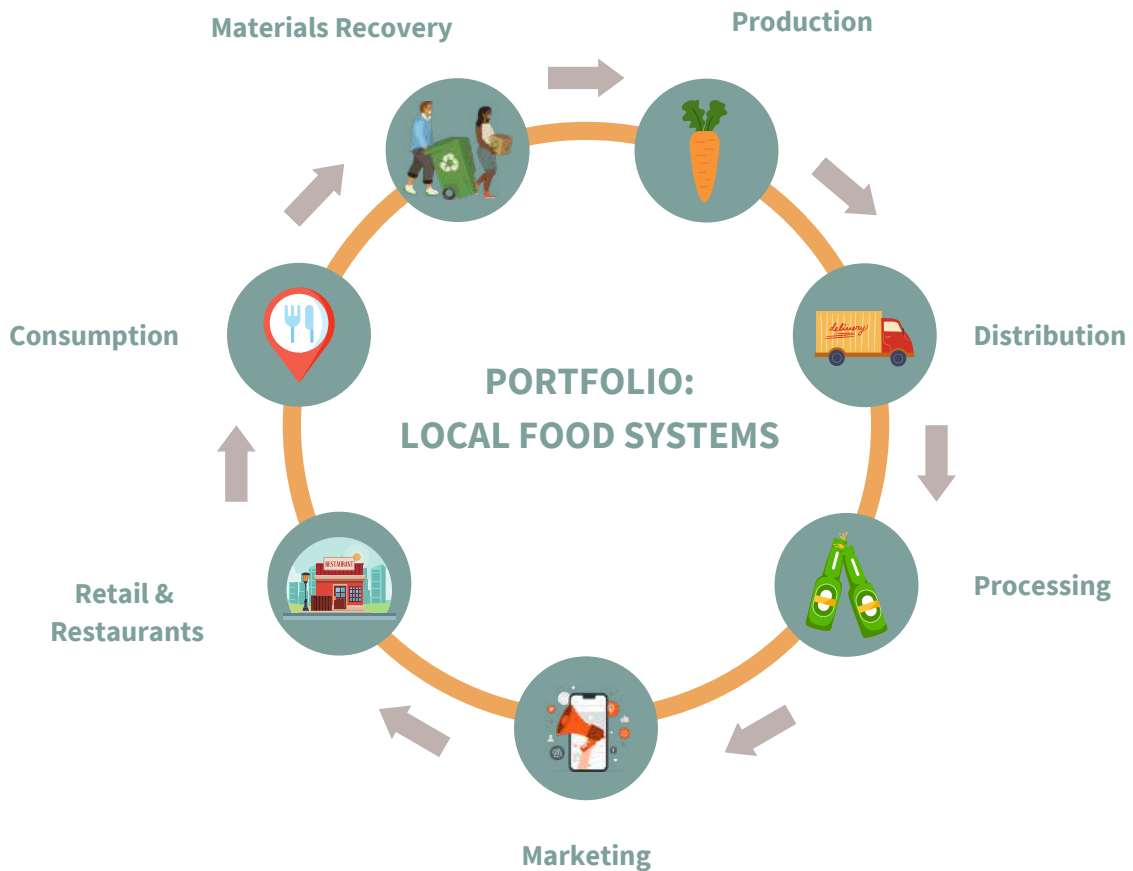
The following table shows the risk compared to the impact for the majority of clients. Average risk remains well below 2.5% based on a variety of factors, while impact can be above 80% for those clients who rank high on all impact indicators. The size of the bubble indicates the size of the loan. Size of loan and impact are not strongly correlated.



New Investments

Type of Social Enterprises Invested In

Farms need good markets; good markets need excellent suppliers, for both produced and processed products. Good processed food producers need a strong ecosystem of stable farms and scale-appropriate distributors and retailers. The Fair Finance Fund supports them all, building resilience against climate crisis and strengthening Ontario's food systems.



Our portfolio assesses a range of goals, including the following from the portfolio impact:

Climate Change Adaptation			Food Insecurity	Supporting Underserved Communities		Job Creation		Support Creation of Local Food Economies and Distribution Networks		
<p>The mission of the organization is oriented around mitigating climate disturbance. Techniques used are either new or proven methods. This can be done in many ways, such as increasing biodiversity, reducing or eliminating GHG, reducing or eliminating waste and water usage etc.</p>			<p>The organization's mission is to directly or indirectly decrease food insecurity. They involve activities such as; reducing dependence on global supply chains, increasing access to affordable and nutritious food etc.</p>	<p>Activities of organizations support marginalized communities. This can be through increased access to food, food and agriculture education, support networks, employment, resources or community activism.</p>		<p>The organization focuses on creating employment with living wages, fair working conditions, benefits, training and apprenticeship opportunities etc. The organization is increasing the number of local jobs.</p>		<p>Organizations increase the local circular economy and strengthen regional distribution and supply chain networks. This can be through local markets, supporting local suppliers, participating in local community groups, creating co-operatives or other methods which strengthen the communities' independence.</p>		
Community Engagement and Education						Democratic Governance				

Customers, community stakeholders and affected groups are engaged in a meaningful manner. This could be through facilitating workshops, educational programs, on-site tours, webinars and more. Engagement seeks to help understand the community's needs and bring awareness to the organization's work and impact.

The organization has a systematic method for sharing the decision-making processes among stakeholders. This could be formal employee feedback programs, cooperative voting models, working groups and external stakeholder meetings.

Risk metrics are developed in a formula matching the risk of default to a range of attributes such as diversity of products, exposure to supply chain shocks, climate resilience, performance to date on payments, etc.





Economic Impact

In addition to the financial statistics of jobs and sales, other economic changes have been implemented by our clients. Vintage Soil hired staff for the first time and closed in on the goal of providing a living wage. All this is on draft power alone, except for 6 hours of tractor use to spread manure. Conscious Kitchen also prioritizes living wages, as well as equity-deserving staff. Moondance has engaged the community and other food producers with Pop Up Markets every month, bringing 20-30 vendors and 100-200 customers to their farm. Lowlands has achieved a phenomenal pace with the second mobile pizza oven supported by the Fair Finance Fund, offering their pizzas (full of local ingredients) at 75 events by the end of June!

Social Impact

Our clients are leaders in educating and engaging communities. Escarpment Labs has created an educational centre with a smart TV for in-person and online training in kombucha and other ferments they are introducing. Humble Bee reports great success with their in-person workshops, including trainings for sites where they host beehives. Canadian Organic Seed Company has collaborated with another farmer to offer seminars every other week, garnering a big turnout. Flowers of the Field is planning to join the Quiet Garden Movement: “We want this property to be a place of beauty and solace in a world that often seems hectic and stressed.”

Environmental Impact

Mulberry Moon reported on the ongoing manure saga of their soil health. They found switching compost types from turkey litter to cow reduced productivity. Back to turkey litter! They also had successful on-farm events that engaged the community. Over in eastern Ontario, Rooted Oak reports that they were able to irrigate entirely from the pond that was supported with a loan from the Fund. Brewery clients all reported reduced demand for cans and increased demand for kegs (more environmentally friendly) as restaurants opened up again. Split Rail produced 54% more while using the same amount of energy on their canning line. Shacklands installed various solar systems to reduce the use of grid energy, giving us beer from the sun! Evermeadow chimes in with acreage returned to perennial grasses, protecting soil and feeding biodiversity; now they have 44 acres in perennial grasses, doubled in 6 months.

New Investments

Since our last Impact Report, the Fund has placed 10 new loans in 2022 and reported no 2022 defaults. The new investments since the latest Impact Report include farms and honey producers, distributors, prepared food distributors and a market garden focused on engagement and education with indigenous women.

- [Escarpment Labs](#)
- [MacFarlane Farms](#)
- [Agri-Tech North](#)
- [The Conscious Kitchen](#)
- [We Will Plant Lodge](#)
- [The Barking Bee Company](#)
- [Moondance Organic Gardens](#)
- [Shacklands Brewing Company](#)
- [North Folk Cafe](#)
- [White Pines Artisan Market](#)

Investment Highlight

Agri-Tech North | Dryden, Ontario

AgriTech North is an Indigenous-(Métis), -disabled-and LGBTQ-owned indoor farm located in Dryden, Ontario. Agri-Tech North focuses on growing fresh produce year-round, helping contribute to food security throughout Northwestern Ontario. Using vertical hydroponic systems, the farm uses 90% less water, 60% fewer nutrients, and no pesticides, herbicides, or fungicides compared to conventional farming methods.



Financial Need

Agri-Tech North received a loan from the Fair Finance Fund to purchase specialized hydroponic growing equipment. The equipment will help the farm harvest waste energy, heat and carbon from the industrial process and increase production capacity to increase access to healthy, nutritious food in Northern communities.

Impact of Project Over Loan Term

- Increase of \$300,000 in local food sales
- Two new jobs
- Increase in healthy, nutritious food through Northwestern Ontario, including Far North Indigenous communities, improving food security in the region
- Reduced water and energy use through hydroponic growing methods
- Reduced waste through harvesting heat, energy and carbon from industrial waste streams



Investment Highlight

Escarpment Labs | Guelph, Ontario

Escarpment Laboratories is a social enterprise located in Guelph, Ontario, that grows microbes for the beer industry and recently expanded into food ferments. In 2016, the founders noticed that there was no yeast supplier regional to Ontario. They took this opportunity to leverage their academic knowledge in microbiology to seize this untapped spot in the marketplace. Since then, the company has grown from its three founders to a staff of over 30, supplying yeast to local brewers, the country and internationally.

Financial Need

Escarpment Labs received a loan from the Fair Finance Fund to support their new facility's construction of a multipurpose lab and teaching space for their community. This room will function as a training space for lab techniques, food fermentation and brewing-related skills. It will also be home to the Food Ferments department and is complete with its own electrical needs, HVAC system, and equipment infrastructure.

Impact of Project Over Loan Term

- One new job created, and two jobs expanded at a living wage
- Two to four new regional suppliers supported
- Increase of \$85,000 in local food sales
- Environmental stewardship through water waste diversion and other innovative practises
- Community building and engagement for their local community through education and training events on the techniques and benefits of fermentation



Investment Highlight

Conscious Kitchen | Guelph, Ontario

The Conscious Kitchen is a farm-to-table meal delivery service that provides local, ethical, and sustainable food to the Guelph, Kitchener-Waterloo, and Collingwood areas. Working with local producers and growers, they craft meals that focus on local, seasonal, plant-based ingredients at affordable prices. Their mission is to create a community-based hub that connects people with sustainable food, where they know where it comes from, how it is grown and its impact on the planet.

Financial Need

The Conscious Kitchen received a loan from the Fair Finance Fund to expand their current production space on their farm property. The commercial kitchen will be expanded to include a loading dock, increased receiving and packaging space, doubled sink and wash area, and doubled oven capacity. The capital will play a key role in keeping up with business growth and their business goals.

Impact of Project Over Loan Term

- 10 - 15 new regional suppliers supported through purchases
- Increase of \$200,000 in local food sales
- Increase well-being and job security by paying employees a living wage
- Increase access to healthy, nutritious and sustainable food in the Guelph, Kitchener-Waterloo and Collingwood areas
- Reduce plastic waste through zero-waste packaging
- Improve economic stability of producers and farmers



Investment Highlight

We Will Plant Lodge | Manitoulin Island, Ontario

The Ga Gitigemi (We Will Plant) is a project to empower Indigenous women and 2SLGBTQQIA+ people to reclaim their place as the traditional agricultural leaders in their communities by helping them repatriate land and (re)learn their ancient traditions. Their philosophies center on decolonizing agriculture and upholding social justice and anti-racist approaches to rebuilding resilient local food and farming systems for Indigenous people and communities.

Financial Need

The Ga Gitigemi Gamik (We Will Plant Lodge) received a loan from the Fair Finance Fund to help support the start-up operational costs of the project. The capital will support living wages of staff members, equipment and operational costs.

Impact of Project Over Loan Term

- Increase well-being and job security for Indigenous women and 2SLGBTQQIA+ people
- Increase access to land, food, food literacy and traditional ecological knowledge and reclaiming traditional leadership roles in agriculture for women
- Increase knowledge-sharing of plants' spiritual, ecological, biological, and chemical needs to rebuild Indigenous foodways.



Investment Highlight

North Folk Cafe | Perth, Ontario

North Folk Café is a local cafe located in the historic town of Peth, Ontario. The cafe is passionate about good food and good coffee, focusing on locally-inspired small, batches artisan food and beverages. Owner, Dasha Smolentseva, aims to provide a welcoming space for the local community, create meaningful job opportunities, and support other local producers, processors and artisans from the Ottawa Valley.

Financial Need

North Folk Café received a loan from the Fair Finance Fund to purchase equipment, expand patio and indoor seating, and for operational expenses. The loan will help the business improve efficiency, financial stability, and capacity.

Impact of Project Over Loan Term

- Decent and meaningful work for women, youth, and the BIPOC and LGBTQ+ community
- Community building and engagement through hosting events and workshops Access to healthy, locally produced food in the Ottawa Valley region
- Reduced waste through eco friendly packaging, reusable containers, whole ingredients

Our Team



Sally Miller



Deirdre Fehr



Jessica Cherry



Sarah Bakker



Sophie Duncan



Courtney Miller



Lynn Moreau



Keshiv Kaushal

Thank you to our funders and partners

We are grateful and honoured for the support from funders and partners that has got us to this point. At the end of 2022, we look to self-sufficiency in our core operations. We may still seek funding support for new projects and initiatives. However, self-sufficient operations from within have been the long-term goal, to ensure the ability of the Fair Finance Fund to be there for local food and farm entrepreneurs for decades to come.

