



FAIR FINANCE FUND



# Impact Report

# 2023

[www.fairfinancefund.org](http://www.fairfinancefund.org) | Toronto, Ontario

# Message from the Executive Director

2023 marked the culmination of five years of work to create a self-sufficient, effective and purpose-oriented fund. At the same time, we are not ones to sit still. Since 2021 we have built the framework to launch Inclusive Prosperity in 2024, a new non-profit that serves equity-deserving farmers seeking land as well as urban food and farm entrepreneurs across Canada. We are proud to share our milestones over the last few years and what we have achieved!

We are looking forward to our ongoing work in the sector. We envision a Canada where the farmers and food entrepreneurs who make the food system more equitable, more climate resilient, and more community-based get the support they need to thrive.

We see transformations ahead in food and agriculture in Canada as justice and climate demand we make rapid changes for a better world. The Fair Finance Fund celebrates the innovations in food and finance for better food access for all, more healthy food, resilient communities, decent workplaces and food justice.

*Sally Miller*

**Executive Director, Fair Finance Fund**

P.S. You can be part of the change. Join us as an investor or volunteer your expertise through participation in our consultations or on a committee.

- 2018**
  - Initial stakeholder consultations
  - Incorporation with first Directors
- 2019**
  - First loans to entrepreneurs
  - Finalized first investments
- 2020**
  - Increased number of loans by 100%
  - Launched REAL Assist mentor program
  - Launched Stepping Stone COVID support program
  - Joined the McConnell Solutions Finance Accelerator inaugural cohort
- 2021**
  - Increased number of loans by 50%
  - Launched Inclusive Prosperity with internal training and planning
  - Partnered with SETSI to grow the Inclusive Prosperity project
  - Launched annual Purpose & Profit webinar series
- 2022**
  - Increased number of loans by 100%
  - Hosted stakeholder consultations for Inclusive Prosperity
  - Launched Path to Purpose website
  - Presented at Sustainable Finance Forum for Members of Parliament
  - Led social finance presentations for OMAFRA and in other conferences
- 2023**
  - Increased number of loans by 60%
  - Deepened Inclusive Prosperity project partnerships
  - Received funding to launch African Canadian Farmers Fund and Nourish Fund for urban agriculture projects
  - Achieved core activity self-sufficiency

# About Us: Fair Finance Fund

## Who We Are

The Fair Finance Fund is a non-profit social finance fund dedicated to providing loans and mentorship services to local food and farm enterprises that value strong local food systems, local economies, and a healthy planet.

## Our Mission

To mobilize equitable and accessible capital for Ontario's food and farm enterprises that create social, environmental and economic benefits.

## Impact Goals

Our portfolio assesses a range of goals, including but not limited to the following UN Sustainable Development Goals (SDGs):



## Investing for the Future

The Fair Finance Fund invests in a range of business needs, including equipment, hiring expert and skilled workers, farmland and facilities development, inventory management, and more.

We work with clients to identify their core needs and ensure their capital support needs, capacity, and projected returns align with the Funds' terms. Clients have access to additional business support from staff, free access to the Path to Purpose Community resource hub, and our team of over 20 REAL Assist mentors before and after receiving the loan. To date, the REAL Assist Program has provided over 300 hours of mentorship to help local food and farm businesses grow and thrive.





# Impact to Date

## Our Impact -Led Model

We continue to identify new needs and to build new understanding of the local food ecosystem. Our ongoing relationship with our clients helps to keep our attention on the changing needs of the sector and the best path forward to resilient food systems in Ontario and Canada.

**52**

**loans disbursed across Ontario since inception**

**6**

**clients successfully completed their loan**

**\$4m**

**distributed to clients across Ontario**

## An Equitable Farming Future

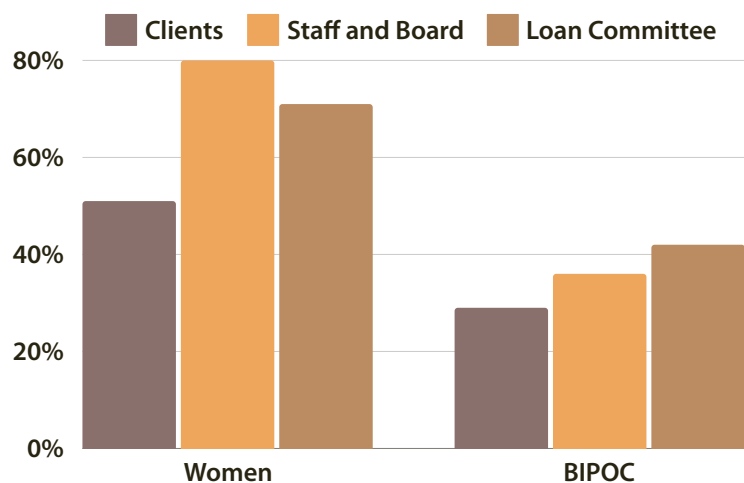
Last year, the Fair Finance Fund conducted a feasibility study to better understand the needs of equity-deserving groups within the food and farm sector. This research led to the initial development of Inclusive Prosperity in 2023: a collaboration with Social Economy through Social Inclusion (SETSI) and the Learning Enrichment Foundation (LEF) to overcome barriers for equity-deserving farmers through access to capital for land purchases.

In 2024, we are excited to be launching Inclusive Prosperity, which will include two new funds dedicated to African Canadian farmers and urban farm and food entrepreneurs. This collaborative project works to overcome barriers for equity-deserving farmers through access to capital for land purchases. By assessing and redressing biases in governance, operations, and lending practices of conventional institutions, Inclusive Prosperity works towards an inclusive farm and food sector across Ontario and beyond.

## Organizational Equity

We recognize the vital need for representation and diversity within the non-profit and social impact sector. A diverse and representative team can help the Fair Finance Fund to better understand and serve the diverse communities we aim to support, ultimately leading to increased trust, credibility, and relevance within the communities served.

The Fair Finance Fund is committed to increasing the number and percentage of women and BIPOC representation within our clients, staff and committees, and Board of Directors.





# Our Investor Community

**82**  
investors to date

**12**  
new investors in 2023

**2%**  
average financial return

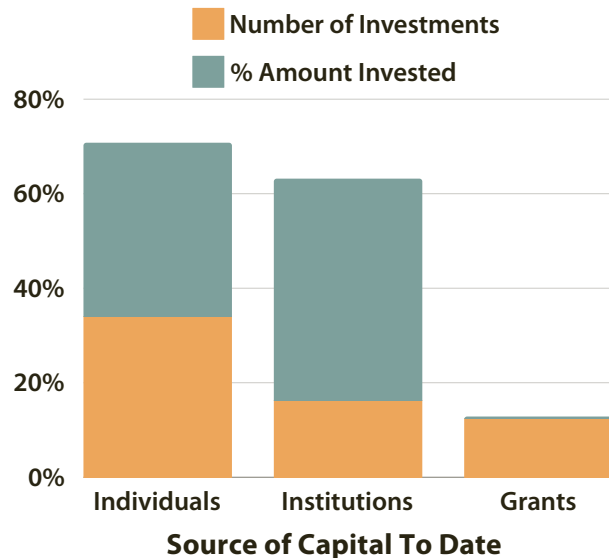
**\$4m**  
assets under management

"I love the idea that my investment has helped hard-working people build a greenhouse or invest in their farm or their production equipment. Maybe those peppers at the farmer's market were affected by my investment—or that local chocolate bar. It brings me so much joy to participate in the Fair Finance Fund."

- Emily Dowling & Aric McBay | Individual Investors

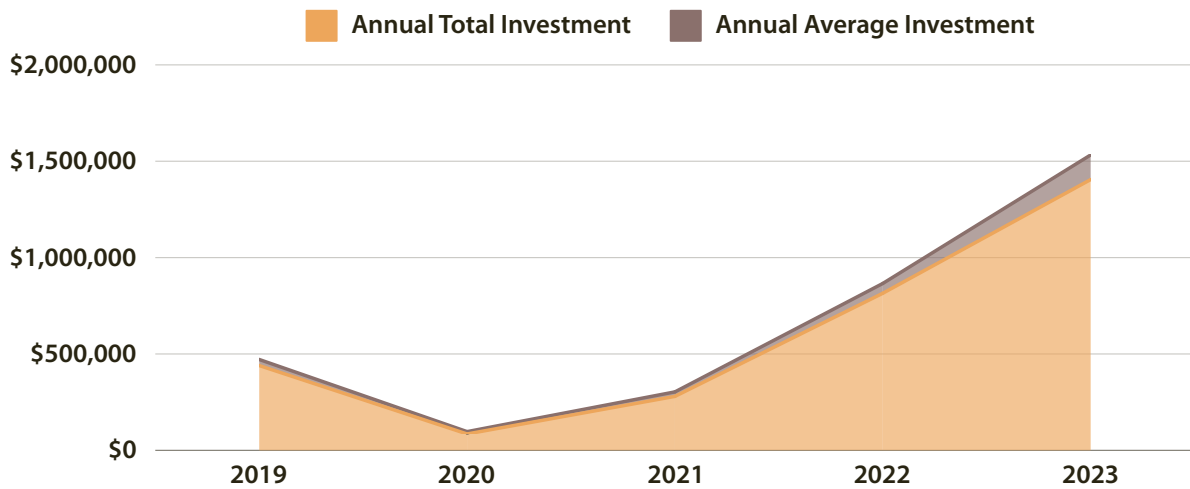
## Investment Diversity

Individual investors make up the majority (80%) of our investment community. In 2023, individuals make up about 69% of the total number of investments and contribute approximately 23.5% of the total investment amount. Institutions make up about 31% of the total number of investments and contribute approximately 76.5% of the total investment amount.



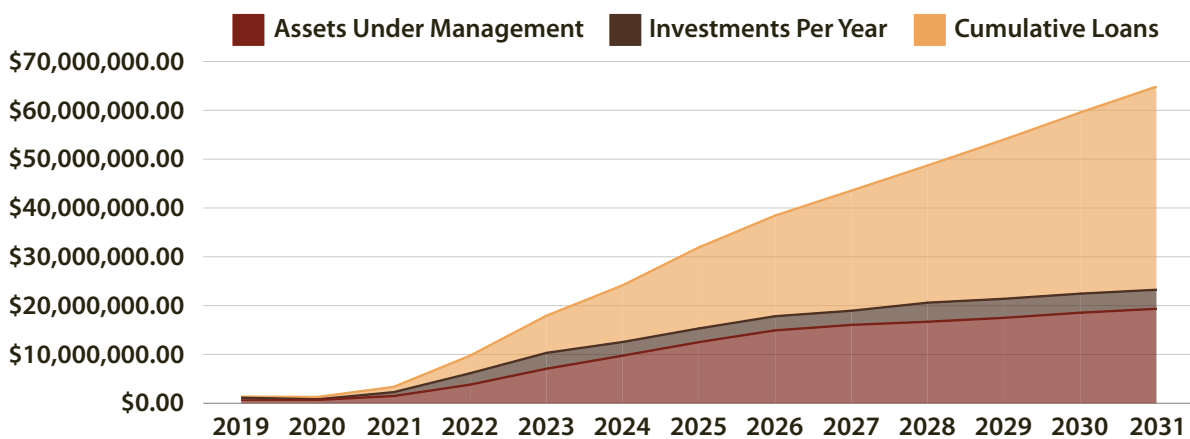
## A Growing Investor Community

Despite facing economic volatility and concerns about greenwashing, the impact investing market in Canada is thriving, estimated to be between US\$500 billion and US\$2.3 trillion<sup>1</sup>. Over the last decade, assets in impact investments have seen a significant surge, pointing to a promising future for the sector. Investment trends for the Fair Finance Fund in 2023 show strong growth; notably, both average and total investments in 2023 grew by over 70% compared to 2022.



## Annual Inflows and Outflows

The Fair Finance Fund balances capital inflow with lending outflow—every dollar invested goes to a loan client. Operational costs are covered by the loan interest received less the bond interest to investors. Additional grants are used to expand projects such as the new Inclusive Prosperity Project.



Fair Finance Fund is a non-profit, focused on purpose and mission first. Thus, bond interest rates and loan interest rates are not market dependent, but 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. As of 2023, the Fund is fully self-sufficient from grants for core activities, a year earlier than predicted.

<sup>1</sup>Social Innovation Canada. "From Challenge to Potential: Looking ahead to 2023." Social Innovation Canada, 21 Dec. 2022, [sicanada.org/2022/12/21/from-challenge-to-potential-looking-ahead-to-2023](https://sicanada.org/2022/12/21/from-challenge-to-potential-looking-ahead-to-2023).

# Investment Risk Analysis

## Risk Metrics

Risk metrics are developed in a formula matching the risk of default to a range of client attributes, such as:

### 1. Operational Risk:

- Exposure to supply chain shocks
- Stability of operations
- Dependence on one or two key personnel
- Network support and embeddedness
- Financial skills in management

### 2. Product Risk:

- Diversity of products
- How essential is the product
- Profitability
- Length of time of profitability
- Established revenue generation / customer base

### 3. Financial Risk:

- Dependence on commodity pricing
- Debt coverage ratio
- Stability of surplus for operations and debt repayment
- Performance to date on payments

### 4. Compliance and Documentation:

- Submission of documents on request
- Progress on project

## Risk Mitigation

Fair Finance Fund also relies on several risk mitigation factors, including first loss capital, check-ins and monitoring of loan clients, access to REAL Assist mentors, knowledgeable staff, marketing support and grace period for new clients.



"As farmers, we know how challenging it is to start a sustainable business. It's not something anyone can do alone. Once we became established, we wanted to invest in community bonds to support the small producers and processors who are making the biggest difference for our food system. We trust the Fair Finance Fund to support those hard-working people, not just with money, but with valuable advice and guidance."

- Emily Dowling & Aric McBay | Individual Investors

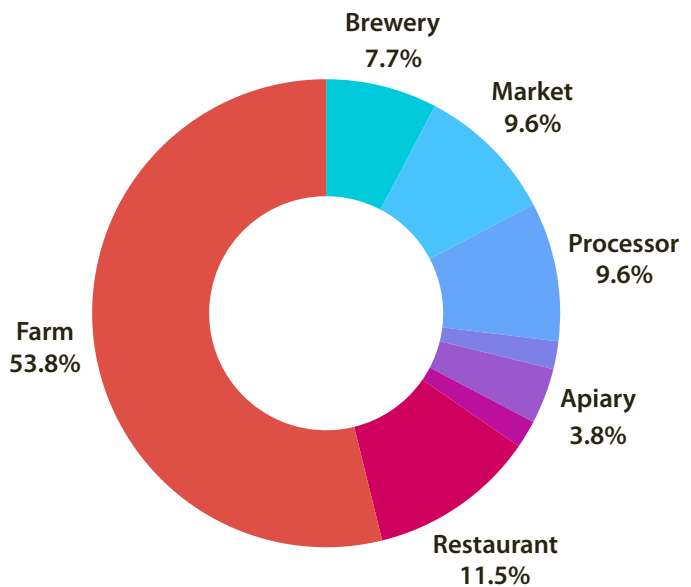


# Our Clients

## Growing a Resilient Food System

The Fair Finance Fund invests in sustainable agriculture and food businesses along every step of the food system. From ecological crop and animal farmers to apiaries, local food retailers and breweries, we recognize that resilient food systems include not only farming but processing, distribution, and diversified market options. By supporting social enterprises at every step, we move towards our shared vision of a thriving and healthy food system across Ontario and beyond.

To date, the Fair Finance Fund has invested over \$4 million in 52 clients across Ontario.



## New Client Spotlight: Lady Day Farms

With their loan, Lady Day Farm was able to cover the essential start-up costs required for market participation, including packaging, market fees, and necessary equipment for setting up booths. At the market, the farm experienced significant success in branching out and networking within the local community, with their products proving to be immensely popular! Looking ahead to the 2024 season, Lady Day Farm aims to expand its booth size at the market and join a second weekly market; they also have ambitions to introduce pullets, meat birds, sheep, and potentially hogs—all made possible with the support of the Fund. The Fund’s assistance allowed the farm to support its local suppliers through the purchase of seed and feed for its microgreens and chickens.

Looking to the future, the Fund has helped position Lady Day Farm for continued success and growth, fostering re-connection with local members while expanding its products and services within the local communities.







## Regional Investments

The Fair Finance Fund recognizes that not all regions across the province have equal access to resources. That is why we are increasingly striving to support clients in equity-deserving regions, including but not limited to Northern Ontario.

# Welcome to our 2023 clients!

- Barbacoa Boyz
- Dalew Farms
- Deeper Roots Farm
- Earth and Soul Farm
- EcoWool Canada
- Estate Microgreens
- Forest and Farm
- Forever Berries
- Fresh City Farms
- H&S (Malting)
- Lady Day Farm
- Mulberry Moon Farm
- Ottawa Market/ Batched
- Pamoja Investment Co-op
- Pitch Creek Farm
- Riverside Oasis Farm
- 13 Suns Vegan Ethiopian Cuisine
- Urban Tractor Farm

**20**  
new loan  
clients

**\$1.5m**  
distributed to  
new clients

**30%**  
Black or Indigenous-  
led businesses

**50%**  
women-led or  
managed businesses

## Client Spotlight: Mulberry Moon Farms

In 2023, Mulberry Moon Farm thrived, achieving increased production, higher sales, and a better work-life balance for its staff and management. They connected with 130 unique members, expanded through online seedling sales, and engaged more customers weekly at the farm store. The farm invested in equipment and improvements to enhance productivity, efficiency, and sales. Looking ahead, the farm plans to complete the installation of a hoophouse and bubbler system in the winter of 2024 to further enhance its operations.

Mulberry Moon's dedication to sustainable practices, community engagement, and operational excellence has positioned it for continued growth and success, aiming to be a reliable source of high-quality, local organic food while maintaining a strong connection with their community.

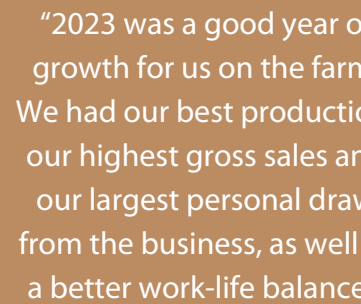




# 2023 Trends

## 1. Financial Determination

Over the past year, several clients experienced financial difficulties or tight cash flows due to the effects of COVID-19 and related financial supports, fluctuating supply prices, and consumer shifts back to in-person shopping. These factors continue to have an impact on business operations and decision-making, yet despite these financial challenges, many clients also saw a significant increase in sales, including reporting sales almost doubling from the previous year. This growth in sales is a positive indicator of increased demand for their products and services.



“2023 was a good year of growth for us on the farm. We had our best production, our highest gross sales and our largest personal draw from the business, as well as a better work-life balance.”



“The roaster purchased with Fair Finance Fund support enabled [us] to develop new coffee options for consumers. This innovation allowed [us] to remain relevant in a highly-competitive coffee market.”

## 2. Diversification & Adaptation

Some of our clients have diversified their activities to adapt to changing market conditions. This includes shifting primary activities, exploring new revenue streams, and adapting to consumer preferences. Clients are similarly responding to market trends and consumer behaviour changes. This includes adjusting product offerings, focusing on customer acquisition and retention, and aligning business strategies with market demands.

## 3. Investing In The Future

Many clients have invested in marketing strategies to drive sales growth and improve efficiency in production processes. This includes hiring marketing professionals, expanding production facilities, and investing in equipment for increased efficiency. Clients are additionally working to add new markets to their operations to reach a broader customer base and increase market presence. Overall, our clients remain optimistic about the future and are excited about the prospects for growth in the upcoming year. Much of this optimism is fueled by past investments and efforts that are starting to yield results.



“We are well on our way now! We have expanded our membership offerings and invited more of our community to take advantage of our vast land, inviting members to come and farm along with us.”



# Collective Impact: Environment

## Growing Climate Resilient Foodscapes & Solutions

We understand that a just and healthy agricultural system cannot be separated from climate resilience. That’s why we’re also proud to say that our clients are committed to using ecological farming methods, incorporating emission and energy reduction practices, and actively working to improve the health of their soil.

**The Fair Finance Fund clients contribute to a more sustainable world every day, making the planet better for all of us.**

**75%**  
using organic  
or ecological  
farming methods

**45%**  
actively  
decreasing  
energy use

**49%**  
increasing  
ecological  
biodiversity

**51%**  
using improved  
energy/ emissions  
equipment

**37%**  
reducing water  
usage in their  
businesses

## Client Spotlight: Forever Berries

Forever Berries farm exemplifies our clients’ commitment to ecological practices. They are converting 250 acres of formerly conventionally cropped farmland to organic production. This includes the introduction of no-till planting, perennial crops, and cover crops. These initiatives aim to reduce carbon emissions and fossil fuel use, capture and store more carbon in the soil, increase soil organic matter, enhance biodiversity, protect soil from erosion, improve surface and groundwater quality, and eliminate the use of toxic synthetic fertilizers and pesticides.

By the end of 2023, Forever Berries has converted just over 18 acres to perennial switchgrass crop and established a winter cover crop on 50 acres, actively addressing erosion problems and further contributing to a resilient farming landscape.



Pictured here, buckwheat is used as a cover crop to increase soil health and reduce erosion.



# Collective Impact: Community

## Nourishing Community Well-Being & Health

Fair Finance Fund clients are dedicated to their local communities. Our clients are improving the lives and livelihoods of individuals and families within their community and beyond by increasing access to healthy and nutritious food, providing staff and community-wide learning and training opportunities, and working in solidarity to grow local food sovereignty.

**Across Ontario, Fair Finance Fund clients are giving back to their local communities, and in doing so are exponentially increasing the impact of each dollar invested through the Fair Finance Fund.**

**24%**  
purposefully increasing  
food security in their  
communities

**22%**  
providing  
training to their  
staff and workers

**24%**  
providing learning  
opportunities for  
their communities

## Client Spotlight: North Folk Cafe

North Folk Cafe excels in community engagement, with a strong focus on ongoing events and fundraising collaborations for local causes such as the food bank, Alzheimer's society, and the Poppy campaign. They generously offer free space for individuals and organizations to conduct workshops on various topics like health, gardening, and meditation. They prioritize inclusivity by providing a safe and welcoming environment for people with disabilities, individuals in wheelchairs, and high school students seeking a warm study space. Plus, through their pay-it-forward coffee program, North Folk Cafe gives back by providing approximately 20 cups of free coffee to those in need every week. Their commitment to supporting the local art community is evident through their practice of featuring a different local artist on their walls each month, free of charge. Customers also have the opportunity to purchase the showcased art, contributing to both the local art scene and providing financial support to artists.





# Collective Impact: Economic

## Circulating Local Benefits

Our clients are working every day to create job opportunities for their communities and to both build and support local supply chains. By doing so, our clients are not only reducing environmental impact by minimizing transportation distances, but also sustaining other local businesses. Furthermore, by keeping money circulating within their communities, our clients are multiplying their impact as this wealth is more likely to be re-spent multiple times within the local economy, benefiting various businesses and individuals.

**Through job creation and local economic well-being, our clients are strengthening the economic fabric of their communities and fostering interconnectedness among residents and businesses.**

**\$27.2m**

**generated in local food and beverage sales**

**244**

**local jobs created in the community**

**\$15.9m**

**purchased from local suppliers**

## New Client Spotlight: Dalew Farms

In addition to five new staff hired just before becoming a Fair Finance Fund client, Dalew Farm has created an incredible four new jobs in the first year of their loan—well exceeding their goal of two new hires within five years! They attribute their growth to their increasing focus on working with local suppliers, and offering more locally sourced products in both their freezer meals and catering services. As they say, “Our customers have thanked us with their consistent purchasing!” Overall, by offering community-subscription services and more delivery choices, Dalew Farms has become a key part of the local community and economy. Dalew Farms has even recently hired a marketing intern to further support talent development and community involvement.



# Our Team



**Sally Miller**



**Deirdre Fehr**



**Jessica Cherry**



**Afua Asantewaa**  
new in 2023



**Rebecca Jacobs**  
new in 2024

# Our Board



**Sarah Bakker**



**Sophie Duncan**



**Courtney Miller**



**Keshiv Kaushal**



**Mike Degagne**

## Thank you to our committees, funders and partners

We are grateful for our investment review committee and expert advisors for their passion and tireless dedication to the food and farm sector. We would also like to extend our gratitude to our funders and partners for the diverse support that has allowed the Fair Finance Fund to develop and grow over the past five years.

