

FoodMap NY

Leveraging Private-Sector Innovation
and Investment for Food Security

FINAL PROJECT REPORT

Food Finance

Increasing Access to Healthy,
Affordable Food for All New Yorkers:
What Role Can Private Capital Play?

November 2024



Center for
Sustainable Business



Mother Cabrini
HEALTH FOUNDATION



Cornell
SC Johnson College of Business
CENTER FOR SUSTAINABLE GLOBAL ENTERPRISE

Executive Summary

The NYU Stern Center for Sustainable Business, in collaboration with Cornell University and funded by the Mother Cabrini Health Foundation, launched FoodMap NY in 2022. This initiative explored how private capital can play a role in reducing food and nutrition insecurity across New York State. Through research, stakeholder engagement, and incubation of pilot projects, it became clear that many mission-focused food businesses require patient and flexible capital to serve low-income and nutritionally insecure communities. Traditional financing sources do not adequately meet these needs, highlighting a unique opportunity for impact investors, foundations, and mission-driven farms and food businesses to engage.



From the Food Finance Forum hosted in April 2024. Photo credit Gustavo Mamo

The Challenge: Food and Nutrition Insecurity in New York

Over 2.2 million New Yorkers experience food insecurity, with the burden disproportionately affecting lower-income communities and communities of color. Nutrition insecurity, defined by the USDA as lacking access to affordable, nutrient-dense foods, is even more pervasive and leads to chronic diseases such as diabetes, obesity, and heart disease. Addressing this challenge requires innovative private sector approaches to complement government assistance and philanthropy.

The Opportunity: Private Capital's Role in Building a Resilient Food System

FoodMap NY identified private capital as an underutilized, yet essential, component in creating sustainable food systems that prioritize affordability, accessibility, and health. By supporting mission-driven farms and food businesses, impact investors and philanthropic organizations can build new markets and expand access to healthy food across New York State. These businesses, however, need steady, patient, and flexible capital that can accommodate the inherent risks and sometimes lower financial returns associated with investments seeking social and economic impact.

Key Insights and Investment Opportunities

1. A Growing Sector Serving Food-Insecure Markets

Businesses that prioritize food-insecure consumers are emerging across New York State. These businesses, many of which rely on public policy and philanthropy for support, use innovative strategies to make healthy food more affordable and accessible. Examples include Headwater Food Hub, GrowNYC, Slate Foods, and Matriark Foods which operate at scale to lower food prices through efficiencies in sourcing and distribution. These, and others, seek investment to expand their impact.

2. Patient Capital is Essential

Mission-driven businesses in the food sector often rely on blended capital—grants, loans, and equity—to develop financially sustainable models. Some capital providers, such as Potlikker Capital and Black Farmer Fund, specialize in providing flexible financing, but more mission-driven capital is needed to scale these efforts.

3. Collaboration Between Investors and Entrepreneurs

Greater collaboration is necessary to align investors with the needs of food entrepreneurs. Many mission-driven businesses struggle to secure appropriate financing, underscoring the need for platforms that connect entrepreneurs with patient capital providers. Philanthropy can play a key role in bridging this gap by offering grants and program-related investments (PRIs), as well as by collaborating with impact investors to create blended finance.

4. Community-Based Organizations (CBOs) as Catalysts

CBOs are well-positioned to deliver healthy, affordable food to nutritionally insecure populations. Leveraging their assets and infrastructure to develop revenue-generating businesses can amplify their impact. Investing in capacity-building and technical assistance for these organizations will support sustainable business development in low-income communities.



From the Food Finance Forum hosted in April 2024. Photo credit Gustavo Mamao

Recommendations for Impact Investors and Foundations

1. Expand Access to Patient and Blended Capital

Foundations and impact investors should prioritize investments in mission-driven food businesses through blended capital structures that combine grants and low-interest loans. This type of capital supports businesses during critical growth stages and enables them to innovate and scale.

2. Educate Philanthropy on the Power of Capital in the Food Sector

Foundations traditionally focus on grant-making, but they can also leverage their assets for mission-driven investments (MRI) or program-related investments (PRIs) to support food businesses directly. Raising awareness and providing education on these financial tools can unlock new sources of capital for the sector.

3. Facilitate Knowledge Sharing and Collaboration

Establish platforms for ongoing dialogue among investors, entrepreneurs, and community organizations to share best practices, identify investment opportunities, and explore innovative financial models. Collaborative efforts will lead to better-informed investment decisions and stronger outcomes for nutritionally insecure communities.

4. Support Nonprofit-Led Business Development

Encourage CBOs to develop for-profit ventures that leverage their existing infrastructure, such as commercial kitchens or mobile food markets, to increase access to healthy food. Providing start-up capital and business development support will enable these organizations to build financially sustainable models.

5. Develop Low-Cost Financing Tools for Grant-Dependent Organizations

Many food businesses rely on reimbursement-based grants, which can create cash flow challenges. Developing low-interest bridge loans or lines of credit for these businesses will ensure that they can implement projects without the financial strain of waiting for grant reimbursements.



From the Food Finance Forum hosted in April 2024. Photo credit Gustavo Mamao

Conclusion

Impact investors, foundations, and mission-driven food businesses all have a critical role to play in reducing food and nutrition insecurity in New York. By providing patient capital and fostering collaboration, private capital can help build a more equitable and resilient food system that ensures access to healthy, affordable food for all. Implementing these recommendations will not only improve public health, but also create sustainable market opportunities for businesses and investors committed to social impact.

Food Finance

The NYU Stern Center for Sustainable Business (NYU Stern CSB) initiated FoodMap NY, a two-year special initiative funded by the Mother Cabrini Health Foundation, to explore the role of the private sector in enhancing food and nutrition security in New York State.

“We need to get away from the donation model to address food insecurity.”

BUSINESS OWNER WHO SUPPLIES
HEALTHY FOOD TO FOOD BANKS AND SCHOOLS*



NYU Stern CSB partnered with Cornell University and launched FoodMap NY in April 2022. Since then, FoodMap NY has conducted a broad landscape analysis and has developed six pilot projects to support food and nutrition security across five areas: Controlled Environment Agriculture (CEA), Healthy Food in Retail Environments, Food and Nutrition Assistance Programs, Food as Medicine, and Supply Chain & Infrastructure Improvement. Each potential pilot requires financial investment to launch and sustain operations.

Through extensive research and stakeholder engagement, the FoodMap NY team came to recognize that many NYS farms and food businesses **could** provide healthy food to customers who are nutritionally insecure **if they had access to the financing necessary to develop the capacity to serve that market.** These businesses need patient capital at terms not available through conventional financing sources. Understanding this financing opportunity became the sixth area of focus, and is the subject of this research report.

PREPARED BY:

Marianna Koval
Director, FoodMap NY, NYU Stern
Center for Sustainable Business

Karen Hiniker Simons
Principal, Hudson Varick Resources

Rosalie Sheehy Cates
Senior Advisor, The Giving Practice

Mark X. Jacobs
Senior Mediator and Program
Director, Meridian Institute

**The quotes throughout this report were gathered from our research, outreach, and convenings.*

The Problem:

Food and Nutrition Insecurity in New York State

Nearly one million households in New York State – 11.3% of households and more than 2.2 million New Yorkers – experience food insecurity.¹ Despite decades of government and philanthropic efforts, levels of food insecurity are increasing. Defined by the USDA as “a household-level economic and social condition of limited or uncertain access to adequate food,”² food insecurity in New York State is:

- greater than 35% in lower income communities; and
- more than 20% in communities of color.³

While access to adequate *quantities* of food can prevent hunger, the federal government, policymakers and advocates are increasingly focused on food and nutrition security,⁴ recognizing that there may be even more people who are nutritionally insecure as they lack access to affordable, nutrient dense foods for a variety of reasons. Nutrition security as defined by the USDA, is “having consistent access, availability, and affordability of food and beverages that promote well-being and prevent (and if needed, treat) disease, particularly among racial/ethnic minority populations, lower income populations, and rural and remote populations.”⁵

The impacts of food and nutrition insecurity are enormous. Lack of access to healthy food is the leading cause of poor health in the United States, contributing to chronic diseases like diabetes, hypertension, heart disease, and obesity, robbing millions of people of their quality life, and costing billions in preventable health care costs.⁶

“Farms and food businesses are the pillars of our food system. I’m calling on philanthropy to provide grants to farms and food businesses. They want to support food security, but they only fund nonprofits.”

NONPROFIT FARM INCUBATOR



One Part of a Solution: Building New Markets and Strengthening the Food System with Private Capital

Though food and nutrition insecurity has many causes, it is largely a symptom of systemic socio-economic challenges that burden many in our communities, including discrimination, economic inequality, and environmental injustice. Food and nutrition *security* can be shaped by the availability and affordability of healthy food in communities, the presence of healthy food retailers, and accessible transportation infrastructure. Government and philanthropy provide social safety net and other programs to improve food and nutrition security. Based on its research findings, FoodMap NY has come to believe that the private sector can also be a vital component of effective solutions.

FoodMap NY's overarching goal is to enhance food and nutrition security by supporting new markets and strengthening the food system. This is a report of our exploration of how private capital providers – impact investors and philanthropic organizations – can help achieve food and nutrition security for all New Yorkers by investing in businesses that help deliver healthy, affordable, and accessible food across New York State. We share here our research findings having delved into this topic over the past year, and we offer several recommendations to increase access to private capital for businesses that could be providing healthy, affordable food to New Yorkers who now lack access. In doing so, private capital can play a critical and complementary role to public benefits, public capital expenditures within the food system, public policy, and private philanthropy.

“If we can lower the cost of capital for the ecosystem we can unlock a higher rate of growth [for mission-focused businesses].”

COOPERATIVE CHARTERED BANKER

Research Hypothesis, Methodology and Context

This research explored the hypothesis that more farm and food businesses could supply healthy, affordable food to New Yorkers at risk of food and nutrition insecurity if businesses were supported by steadily-available and properly-structured capital investments. This hypothesis informed three overarching research questions:

- What are the potentially investable businesses operating in this market channel in New York State?
- How are these businesses capitalized? How do the cost, terms, or availability of capital limit their operation or growth?
- Who are the investors providing capital to these businesses and with what terms?

More than 50 stakeholders with roles across the food supply chain were interviewed between September 2023 and March 2024. Stakeholders included 20 capital providers;⁷ 12 farm and food businesses that sell products and services through market channels that reach nutritionally insecure people;⁸ six foundations active in funding food systems, especially food access programs (one was also an active investor and a second is starting to invest in food businesses); and three nonprofits developing for-profit businesses. Fourteen researchers, consultants, or organizations active in New York State food systems and the food and nutrition security sector were also interviewed.

Informed by these interviews, NYU Stern CSB, the Cornell Center for Sustainable

Global Enterprise, and the Community Development team at the Federal Reserve Bank of New York (FRBNY) hosted over 40 stakeholders to discuss this topic in April 2024. Participants included New York entrepreneurs and farmers operating for-profit and nonprofit businesses that increase access to affordable healthy food, experienced philanthropic food funders, impact investors who have capitalized New York businesses in the food sector, community organizations building food and nutrition security in New York, and representatives from New York government agencies. The Meridian Institute facilitated the gathering (a list of participants is included in Appendix C).

The objectives of the convening were to:

- Increase understanding of financing opportunities and challenges among businesses, investors, intermediaries, and philanthropists who share a common commitment to establishing and growing businesses that increase access to healthy, affordable food in New York State.
- Identify research needed to better understand a) the scope of the opportunities and barriers for development of viable businesses in this space and b) the types of financing needed to realize those opportunities.
- Identify the respective potential roles of philanthropy and the private sector in supporting further development of this space and explore how they might collaborate to identify and pursue opportunities.
- Identify potential participants and supporters for the next phase of the project.

The format was discussion-based, with topics introduced by subject matter experts. The discussion topics included:

- community based organizations' potential for creating financially sustainable solutions to providing healthy affordable food to those who are nutrition insecure;
- existing barriers and emerging strategies for funding diversified farms;
- capitalization of value added food businesses serving the market;
- capital needs and financing strategies for food hubs;
- and, the potential of a systems-based investing approach to food systems transformation to enhance sustainability, health and equity for nutritionally insecure people (See Appendix D).

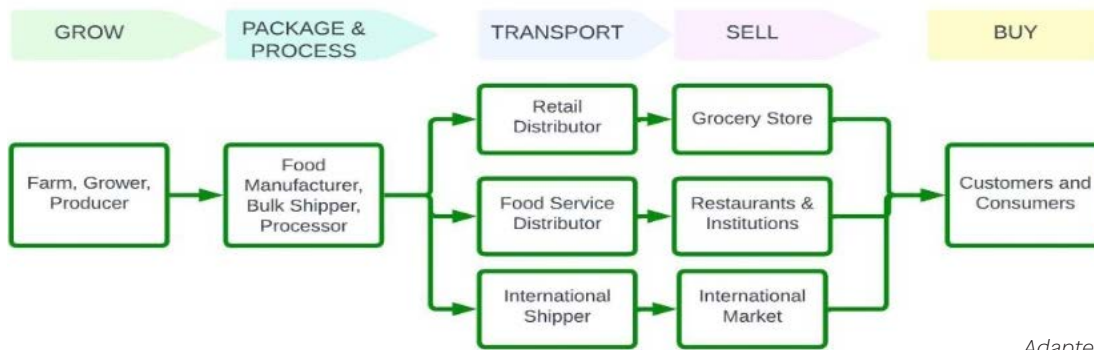
The day concluded with small group discussions and reflections on future opportunities to advance this initiative.

The research effort sought to encompass food and farm businesses throughout the food supply chain, illustrated in Figure 1.

“In philanthropy, there often isn’t thinking about where philanthropic capital can fit into the capital stack. We need to think about where our investments make sense, instead of just the issues.”

FOUNDATION PROGRAM OFFICER

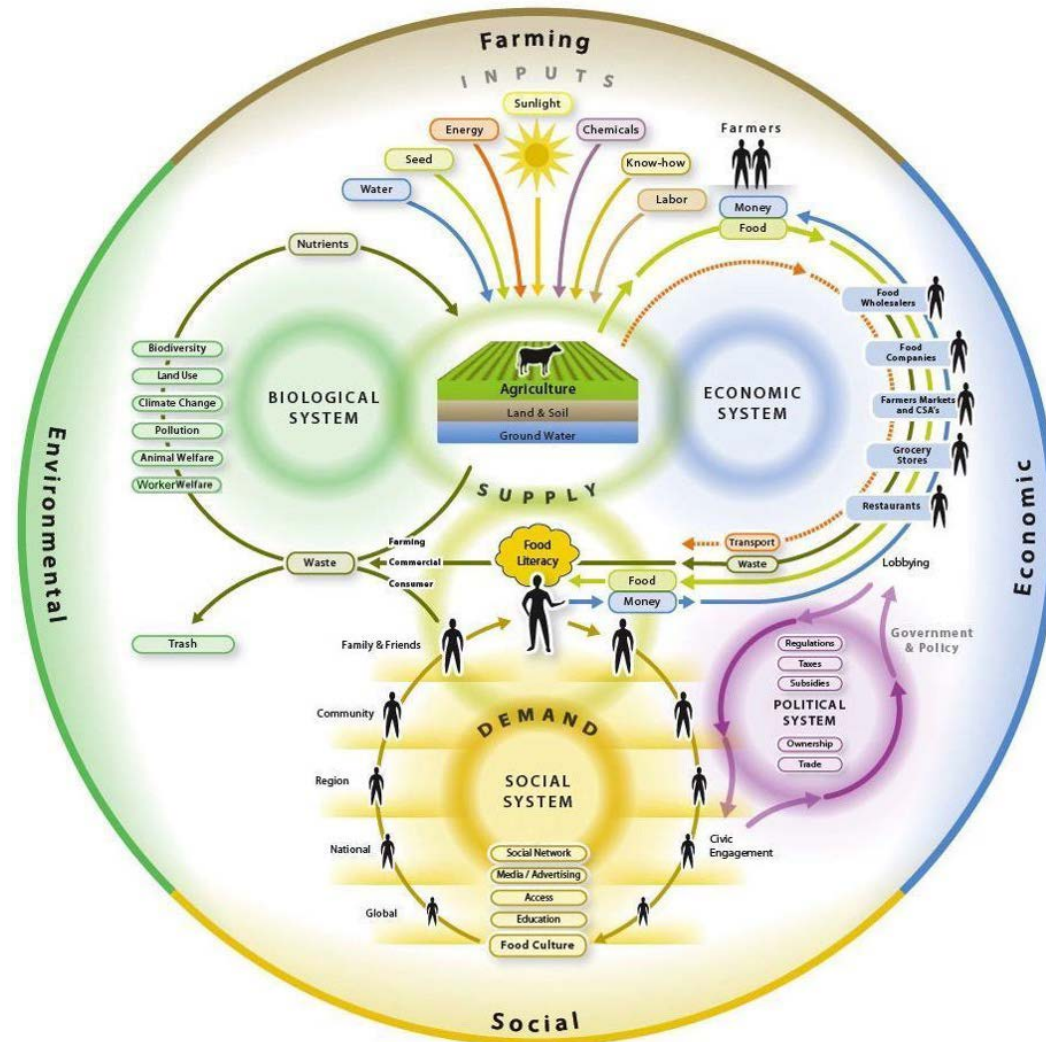
Figure 1. The Food Supply Chain



Adapted from learnaboutag.org

This seemingly linear food supply chain exists within a larger, more complex food system, as mapped below by [Nourish](#) (Figure 2). The system map highlights the intricate, interrelated subsystems that determine whether healthy food is available and affordable to all New Yorkers. Financing cannot be considered in isolation—it is one piece of a complex puzzle that includes cultural, economic, and policy factors affecting the availability of healthy, affordable food for New York State's residents who lack access.

Figure 2. The Food System



Many of the stakeholders interviewed emphasized that the viability and health of the entire New York state food supply supply chain is the first building block of a resilient New York food system that prioritizes human health. While the supply chain issues are beyond the scope of this research, the Center of Agriculture Development and Entrepreneurship (CADE) lays out comprehensive recommendations for a viable, healthy New York food supply system in its publication [Vision 2050](#), as does the [Western New York Regional Food System Initiative Report](#) for Western New York.

“Private capital can make government funding more effective.”

NEW YORK STATE DEPARTMENT OF AGRICULTURE AND MARKETS

Research Findings and Analysis

Many complex factors affect why a business succeeds or fails in delivering healthy, affordable food to New Yorkers, especially to those facing food and nutrition insecurity. We researched the impact of access to financing for businesses in the sector that are, or have the potential to be, funded by private capital. This report distills the research into key takeaways. It is clear that we have just begun to understand how to best structure investments in more farm and food businesses that supply healthy, affordable food to New Yorkers at risk of food and nutrition insecurity. The insights gleaned from the research, although based on a relatively small sample, offer valuable information about directions for further exploration through research, pilot projects, and outreach.

A significant diversity of businesses and business strategies operate in the sector

Research uncovered a nascent and growing New York State businesses sector oriented around food-insecure people, especially those served by public emergency food, nutrition and health programs. The businesses selected for study were those operating in New York State, directly serving food-insecure New Yorkers, and capable of receiving private investment. They used various strategies to meet the income constraints and logistical challenges of food-insecure customers.

The sector relies heavily on markets created or supported by public policy and philanthropy

While not all of the businesses studied depend on markets created or heavily supported by public policy, most rely on markets supported by local, state, and federal policy and grant funding. The most commonly mentioned programs included [Nourish NY, 30% NYS Initiative](#) and [NYS' Regional School Food Infrastructure Grant Program](#). These programs serve dual public purposes: providing healthy food to build out NYS's local/regional food supply chains and improving rural economic development. Food and nutritional justice as a public policy priority is gaining traction at local, state, and federal levels. Many stakeholders however, noted that the most impactful policies for increasing food and nutrition security are those that bolster family incomes and provide a financial safety net.



**Serving Food and Nutrition Insecure Markets with Healthy Affordable Food:
Selected New York State Business Strategies and Models**

STRATEGY	EXAMPLES
<p>Drive efficiencies in sourcing, production and distribution to lower the price of healthy food</p>	<p>Everytable: A Los Angeles-based fast-casual concept focused on healthy meals. Retail storefronts offer low-cost, healthy meals to go, often located in low-income neighborhoods. Everytable lowers food prices via relentless focus on efficiencies in all aspects of the business, including use of a central kitchen, low-cost storefronts, recipe development, store clustering, and city-wide scale. (Please note that Everytable is thriving in Los Angeles; it was expanding to NYC at the time of the research but closed its NYC locations with the turmoil in the capital markets.)</p>
	<p>Headwater Food Hub: A for-profit food hub sourcing from 200 farms and distributing statewide. The internal information system is at the heart of efficiencies in 1) demand sensing and 2) all aspects of operations and logistics. Efficiencies help Headwater keep food costs in an affordable range for customers, most of which are public and philanthropic institutions.</p>
	<p>GrowNYC: A nonprofit operator of over 60 NYC farmers markets and farm stands, with a majority located in low-income neighborhoods. The business is centralizing and scaling with a new \$45 million food hub at Hunts Point, allowing it to distribute traceable, affordable, healthy food to farm stands, community organizations and NYC institutional buyers.</p>
<p>Tailor products and services for institutional customers that have procurement funds from public programs</p>	<p>Many food hubs and processors sell to K-12 schools, public institutions, and food banks whose purchases are subsidized by public programs like Nourish NY or 30% NY. Business models tend to straddle multiple public goals to gain this market as programs often have public goals outside of food health – e.g., the viability of NYS farm/ food system, economic development, etc.</p>
	<p>Matriark Foods: A for-profit launched in 2023 providing vegetable stew in a shelf-stable carton using NYS produce, surplus vegetables, and upcycled broth. Product line is expanding. Eligible for Nourish NY and now being sold to NYS food banks and on the Feeding America national marketplace. Also selling in food service and retail markets.</p>
	<p>Headwater Food Hub: Tracks provenance of all products with a system tailored to compliance auditing for any purchase. The system syncs with various procurement programs offered in NYS and used by Headwater customers.</p>
	<p>Slate Foods: Sources livestock from farms practicing judicious antibiotic protocols and produces beef for k-12 and food bank markets, statewide. Competitive and unique advantage is intimate knowledge of livestock procurement, processing, school and food bank customers, and advocacy at the state level.</p>
<p>GrowNYC: Has a significant customer base that uses public funding to purchase healthy food (community based-organizations, food banks and pantries, emergency and senior meals services, etc.).</p>	

STRATEGY	EXAMPLES
<p>Sell in retail markets serving customers who use food dollars provided by public nutrition and health programs</p>	<p>Many farms, food hubs, processors and technology businesses rely on customers who are able to spend SNAP and other food or health program benefits at retail locations like groceries and farmers markets. Food delivery and online ordering are increasingly common aspects of this strategy.</p>
	<p>GrowNYC: The majority of GrowNYC farmers markets and farm stands are located in low-income neighborhoods. Their mission includes improving access to fresh, healthy, locally-grown food for all residents, including those with limited financial resources. They often participate in programs like SNAP to ensure that low-income individuals and families can purchase fresh produce directly from local farmers.</p>
<p>Create technologies to lower costs and increase access to healthy food</p>	<p>Mercato: A for-profit grocery-ordering app for small independent grocers. Mercato works directly with the NYC public health system to directly integrate health-food vouchers into the food purchasing functions of the app.</p>
	<p>Homeplate: A startup for-profit tech platform that aggregates community-based organization's food purchases from large suppliers such as Sysco, to achieve lower shared purchasing costs.</p>
	<p>Buffalo Go Green: A nonprofit organization developing a payment app for farmers markets that incorporates customers' SNAP payments and food prescription vouchers.</p>
<p>Values-based local sales</p>	<p>Within short distances of farms and food hubs, farms and food hubs often have relationship-based channels that reach food insecure residents. These sales may have concessionary pricing and even donation, and are part of the civic responsibility "baked into" many farm and food business models.</p>
<p>Incubate and innovate new business strategies</p>	<p>The Doe Fund: A nonprofit organization testing a business model within an ex-felon reentry training nonprofit, making prepared meals that are sold via mobile pop-up markets.</p>
	<p>Buffalo Go Green: A developing a tech business (farmers market payment platform, described above). Also partnering with a health services corporation, to provide food prescriptions to Buffalo residents.</p>
	<p>Everytable: Testing the thesis that consumers will choose healthy food if it is affordable, convenient and delicious. (Affordability strategies described above.)</p>

Sector relies on patient capital and blended capital stacks

Selected businesses were interviewed to understand their capitalization strategies, where they sourced capital, and potential financing opportunities. Figure 3 details the traditional financial instruments for financing food and farm businesses and the typical risk/reward for the investor.

Figure 3. Capital Continuum



Source: Vermont Farm to Plate's Issue Brief: Access to Capital

Conventional investors, including banks, the farm credit system, and CDFIs, can and do serve food businesses in this sector. Research showed that the innovative business models explored require capital that is patient, comfortable with risk, and/or below market rate. Access to this type of capital appears to be very limited for businesses serving the healthy affordable food sector. However, there are some capital providers that specialize in funding mission-driven farm and food businesses, such as the Slow Money NY network, alternative loan funds, and one new Community Development Financial Institution in Hudson Valley.

Mission-driven organizations striving to enhance access to healthy food for nutritionally insecure people require flexibility and room to innovate in order to find a financially sustainable business model. They need patient capital, particularly in the early stages of business development, to achieve success. All the businesses studied were funded by mission-driven capital providers and had blended capital (a combination of grants, loans and equity) that created a low cost capital stack.

Below are summaries of the capitalization strategies of eight business models:

- **Matriark** financed operations and infrastructure through equity raises, conventional bank products, and grant funding. Equity investors in Matriark ranged from Slow Money to mission-driven investment funds.
- **GrowNYC** financed a \$45 million food hub facility through a complex capital stack that combined public funding (federal, state, city), philanthropic grants, bank loans, and new market tax credits.
- **Slate Foods** was self-funded by the entrepreneur.
- The for-profit businesses launched by **The Doe Fund** and **Buffalo Go Green** (nonprofits) were grant-funded.
- **Headwater** was funded through equity raises from mission-driven friends-and-family investors and internal cash flows.
- **Homeplate** is in the early stages and was in the midst of raising private equity through a friends-and-family round.
- **Everytable** raised at least \$113 million through multiple rounds of equity raises. Its investors sought market or near-market returns, with many being mission-oriented.

Innovative, mission-driven financial intermediaries serve the sector, but not as their primary focus

Few private capital providers prioritize investments in businesses that offer healthy, affordable food to nutritionally insecure people. Capital providers most often funded this sector as a by-product of their work in "adjacent" food system issues, such as supporting small and mid-sized farms, increasing access to financing for BIPOC food and farm businesses, improving soil and water health, building regenerative food markets and brands, increasing climate resilience, etc. Few had food and nutrition security as a primary interest. For this study, capital providers funding "adjacent" food system issues were evaluated if the targets of their funding increased access to healthy food for nutrition insecure populations as part of their business models (e.g., a capital provider that lends to farms growing healthy food where the farmer sells into food-insecure communities or donates excess products to the community).

Each capital provider studied was mission driven, targets specific business types along the food supply chain, and employs distinct and often innovative strategies to make capital available to businesses in the sector. These intermediaries communicated that patient capital is needed for lending to food and farm businesses as these businesses' financial returns are often lower and healthy cash flow takes longer to establish, than in other sectors. Recognizing the need for patient capital, these newer financial intermediaries (the oldest has been lending for 10 years) raise and fund their lending operations with blended capital in order to offer more flexible terms and rates than traditional lenders. With the blended capital, these intermediaries are able to better address the unique financing needs of businesses in the food and farming sector.

- **Black Farmer Fund:** A mission-driven nonprofit providing community wealth and social capital to Black farmers and food businesses in the Northeast. They make grants, loans, and provide technical assistance to their clients. BFF is funded through a combination of grants and low or no-interest notes.
- **Desert Bloom:** A mission-driven equity venture fund investing in transformational consumer brands in the food system. Funds for investment are raised from impact investors.
- **Dirt Capital Partners:** A for-profit impact-first investment company that invests in land in partnership with regenerative farmers and ranchers to help grow their land under management and increase profitability. They raise funds from accredited impact investors, including individuals, family offices, and foundation endowments, and aim for impact outcomes across ecological stewardship, farmer equity, community benefits, and field-building.
- **Potlikker Capital:** A mission-driven, national non-profit, alternative blended capital provider funding underserved and BIPOC farmers, processors, and aggregators. They provide grants, loans, and technical assistance to their clients. Potlikker is funded through grants and low or no interest notes.
- **Slow Money NYC:** A NY-based nonprofit network aiming to build a diverse community of investors and entrepreneurs financing local, sustainable food businesses. They inspire and educate through events and public forums, and catalyze new investment opportunities in food and farm businesses to create a better food system for all. Funding for investments is sourced from individually accredited investors.

“Integrating public and private dollars is critical to strengthen regional food systems.”

FROM AN ACADEMIC SPECIALIZING
IN FOOD SYSTEMS

- **Walden Mutual Bank:** A newly chartered mutual bank, cooperatively owned by its depositors, dedicated to funding sustainable food, agriculture, and natural resource-based businesses with a focus on the Northeast US. Walden's funds are primarily from FDIC insured general deposits; the savings accounts of values-aligned individuals and businesses. Walden also utilizes philanthropic capital to support various types of loans through guarantees and other structured programs.

CAPITAL STRATEGIES

The following examples underscore the pivotal role patient, blended capital can play in enabling mission-driven businesses to innovate, scale, and ultimately thrive in delivering healthy affordable food to nutritionally insecure people.

Blended capital: One entrepreneur highlighted the significance of patient blended capital for her business. Initially, grant funding provided crucial support, enabling her to establish a financially sustainable model. This funding was accessed through prior relationships with funders, cultivated through her work in the nonprofit sector, and participation in a food accelerator program. With the grant capital facilitating early-stage growth, through the accelerator she was able to build relationships for future funding rounds. With continued business model refinement, she successfully raised an equity round from impact investors she had connected with during her accelerator experience and through Slow Money NYC. She noted that accelerator programs served as effective support mechanisms for early-stage businesses.

Inventory financing: Another example of the important role financing plays for many healthy food processors is the impact of inventory financing. In New York, the short growing season means produce may be harvested, purchased and processed over a short time period (in some cases 2-3 weeks) while sales might occur over 12-18 months. The purchases are generally financed through a Line of Credit (LOC) at current market rates. As a result, the interest rate on the LOC increases the cost of the food and makes the healthy NYS processed food more expensive and less affordable. If NYS processors had access to low cost LOCs, the carrying costs of the nutritious processed food inventory would be less, ultimately increasing affordability and adding an incentive to work with more NYS farms to deliver their nutritious food to those in need.



Recommendations

The following recommendations are based on both the research undertaken and the discussion among food entrepreneurs, investors, philanthropists, and financial intermediaries, at the convening held at the Federal Reserve Bank of New York in April, 2024.

- 1 **Expand sources of flexible, patient, low cost capital including by leveraging philanthropic dollars to enable capital providers to make loans tailored to the needs of farms and food entrepreneurs**

BACKGROUND AND RATIONALE:

Alternative lenders like Potlikker, Black Farmer Fund (BFF), and Dirt Capital employ a mix of grants and loans to support lending to mission-driven businesses. Grant funding appears to play a crucial role in creating blended capital structures and business access to flexible financing. In addition to subsidizing the interest rate charged to the borrower, grant capital can serve as "first loss capital," which allows lenders to absorb losses without jeopardizing the financial stability of the financial intermediary and/or returns to the financial intermediaries' capital providers. Financial intermediaries utilizing blended capital to lend to food and farm businesses can be a crucial link for supporting businesses that sell healthy affordable food to nutritionally insecure people. These intermediaries are currently addressing the financing gap that currently exists between traditional lending institutions and mission-driven businesses. With intentionally directed capital from impact investors, there may be an opportunity to guide these institutions to lend more to businesses that focus on selling healthy, affordable food to nutritionally insecure people.

EXAMPLES:

Potlikker utilized grant money to establish a loan loss reserve, enabling them to extend loans to borrowers for longer terms and/or with higher perceived risk. Similarly, BFF predominantly relies on grants to support early-stage farm operations until the farming operation reaches a level of maturity to support start-up loans. Grant funding thus provided risk mitigation for mission-driven financial intermediaries and facilitated increased lending to early-stage entrepreneurs. Walden Mutual also leverages a mix of traditionally sourced bank capital and philanthropic capital to offer more flexible terms to borrowers. For instance, Walden collaborated with a foundation to guarantee a working capital line of credit, a transaction that would not have been possible without the guarantee.

SUGGESTED ACTIONS:

Educate Investors: Support and promote initiatives that educate investors on providing patient, flexible capital to food and farm businesses dedicated to offering healthy, affordable food to nutritionally insecure populations.

Support Business Incubators: Invest in business incubators and other platforms that connect funders with entrepreneurs, fostering collaboration and innovation in the food sector.

Philanthropic Funding: Encourage philanthropic funders to offer low-to-no-cost financing options to support the growth and development of mission-focused food and farm businesses.

Expand Mission-Focused Lenders: Explore additional measures to support, expand, replicate, and scale mission-focused lenders, ensuring they can effectively serve the food sector.

Develop Capital Pools: Create pools of capital to provide funding or risk reduction, thereby increasing lending to the sector. This could include establishing a mission-driven fund that deploys resources to financial intermediaries.

2 Educate and engage philanthropy to play a pivotal role in creating blended capital structures.

BACKGROUND AND RATIONALE:

Grants play an important role in funding businesses that sell healthy affordable food, whether directly or indirectly through intermediaries. However, the foundations interviewed for this project typically addressed food and nutrition insecurity through grants to non-profit CBOs. None of the foundations interviewed had made grants to for-profit businesses operating within the sector. While foundations have the ability to make grants directly to for-profit entities as long as Internal Revenue Service Guidelines are followed,⁹ this approach is underutilized in the food system. However, a recent example of this approach is The PATH Foundation's grant to 4P Foods, a for-profit food hub. 4P Foods reported that PATH's grant for their new warehouse gave them breathing room to innovate and develop a financially viable business model!¹⁰

Foundations can also leverage their assets to make mission-driven investments (MRI) or program-related investments (PRI) to provide flexible, mission-driven capital to businesses or financial intermediaries. While MRI and PRI investing has gained traction in recent years, and more foundations are aligning their investments with their missions, many program officers may lack expertise in utilizing financial tools effectively and in understanding the nuances in capitalizing these businesses. In interviews and at the Forum, philanthropists highlighted the need for greater financial understanding and expertise on the grantmaking side in order to effectively evaluate and support capital structures.



SUGGESTED ACTIONS:

Raise Awareness and Educate: Generate awareness and educate philanthropic organizations about the diverse financial tools available for creating impact.

Educational Materials and Convenings: Develop educational materials and organize convenings and individual sessions to familiarize foundations with the financial tools available for funding both non-profit and for-profit businesses, as well as financial intermediaries.

Engage Donor-Advised Funds (DAFs): Collaborate with organizations hosting donor-advised funds to enhance understanding and encourage DAF investments in this sector.

Support Research and Case Studies: Invest in research and case studies that explore the impact of different capital structures on mission-focused businesses, providing valuable insights to inform future investments.

- 3 Invest in knowledge dissemination, capacity building, and collaborative learning to enable capital providers to better understand the sector and its capital needs and to make more informed decisions.

BACKGROUND AND RATIONALE:

Investors emphasized the need for more information sharing and collaboration among all types of capital providers to streamline the investment process and maximize the impact of available capital. Furthermore, both philanthropic and private sector investors expressed challenges in accessing information and opportunities related to investing in New York's food systems. These issues align with the findings of [Impact in Place](#), a recent report commissioned by the Federal Reserve Bank of New York on community investing, highlighting the importance of shared information in overcoming barriers to investment in this sector. Moreover, stakeholders expressed the desire for regular, facilitated conversations involving a diverse range of stakeholders, including corporations and health insurance companies. These discussions could foster the development of new investment models and approaches for the sector.

Despite the desire for enhanced coordination, a unified platform for organizing stakeholders across the capital spectrum does not currently exist. The closest model identified that coordinated investors was Slow Money NYC, which serves as a platform for bringing together impact investors. However, the network is geared more toward retail investors rather than the full range of private and philanthropic capital. This desire for collaboration is not new. A 2013 report titled "[Financing a Better Food System: A Study of Infrastructure Needs and Available Financing in the Hudson Valley](#)," also identified the need for collaboration in financing food and farm businesses. It went further and suggested a financing model that could create strong system partnerships that could bring together different investor types to address the need for blended finance. Unfortunately, the financing model was never developed. A similar recommendation was made by Food Future Western New York in its 2021-2022 report.¹¹

A Forum participant suggested that TWIST (Together We Inspire Transformational Change), a network that educates stakeholders on participating in a values-based economy and encourages the sharing of investment case studies, could be a vehicle for collaboration. A vehicle such as Slow Money or TWIST, tailored specifically to bring together philanthropy and impact investors to discuss the capital needs of businesses providing healthy, affordable food to nutritionally insecure people could support increased capital to the sector.

SUGGESTED ACTIONS:

Conduct Landscape Analysis:

Perform a comprehensive analysis of stakeholders and for-profit business models in New York State that currently, or have the potential to, provide access to healthy, affordable food to nutritionally insecure populations.

Foster Stakeholder Collaboration:

Promote collaboration among stakeholders to share knowledge, best practices, and innovative investment approaches within this sector.

Establish Dialogue Platforms:

Create platforms for regular dialogue, including networking events and forums, where investors, entrepreneurs, policymakers, and community organizations can exchange ideas and collaborate.

Develop Case Studies and

Research: Produce case studies and conduct research on optimal capital structures for stakeholders in this sector, providing valuable insights and guidance.

Facilitate Knowledge Sharing

and Pilot Models: Actively connect and convene various types of capital providers to share knowledge and pilot new capitalization models.

Assess Specialized Intermediary

Potential: Evaluate the feasibility of a specialized intermediary to systematically bring together capital providers and structure blended transactions.

4 Facilitate coordination between capital providers and capital seekers to overcome barriers in food financing.

BACKGROUND AND RATIONALE:

The lack of coordination and communication between capital providers and entrepreneurs appears to be a significant barrier for increasing investment into this sector. Entrepreneurs expressed difficulty in navigating the often conflicting and opaque information about potential investors, leading to wasted time and resources in seeking appropriate funding. Moreover, the current system demands financial sophistication that many of the entrepreneurs did not possess, further complicating fundraising efforts. Entrepreneurs wanted a better, easier, faster way to connect with appropriate capital providers.

Currently, no comprehensive database of farm and food system investors exists that provides information on the types of investments capital providers make. Some fundraising guides exist but these guides quickly become outdated or the guides are focused on only one aspect of capital (grants or public funding, etc.). As part of this research, a list of food systems funders was developed (Appendix E). The information is static, however, and requires additional research to identify funding parameters. Research did uncover a non-profit under formation, Soil Upside, that intends to focus on connecting farmers with financial resources for regenerative agriculture through an online platform. A platform such as this could serve as an invaluable resource for entrepreneurs seeking capital if it targets this sector, offers a searchable database, and regularly updates information on funding sources.

Entrepreneurs also expressed a desire for clearer metrics and standardized approaches for working with impact investors, highlighting a critical need for transparency and guidance. One forum participant gave the example of support from accelerator programs as an effective approach to supporting entrepreneur's knowledge and access to impact capital. Establishing working groups, supporting initiatives to improve connections between capital seekers and providers, and working to standardize impact investing in the food system could address these challenges and facilitate more effective capital allocation.

SUGGESTED ACTIONS:

Establish a Working Group on Capital Connections:

Form a working group to study, develop, and fund initiatives aimed at enhancing connections between capital seekers and providers.

Develop Guidelines for Impact Capital:

Create a working group to study and establish standardization and guidelines for impact capital, improving transparency and facilitating more efficient investment processes.



5 Develop low cost financial tools to decrease the cost of implementing reimbursable grants.

BACKGROUND AND RATIONALE:

Entrepreneurs and capital providers expressed a strong interest in the development of financial tools that could address specific financial barriers they faced. At the Forum, participants identified a pressing need to provide low-cost capital to businesses that had been awarded federal and state reimbursement grants. This issue has become particularly acute with the disbursement of significant grant funds from federal initiatives such as the Inflation Reduction Act of 2022. Many of the organizations awarded grants are capital-constrained and are concerned about maintaining sufficient cash flow to support the grant work or finding affordable financing until they could apply for reimbursement, posing a risk to project implementation. To address this challenge, participants advocated for the development of a flexible, low-to-no-interest lending facility specifically designed to support businesses participating in reimbursement grant programs.

Example: A food hub operator shared his experience at the Forum, explaining how grant funding for the construction of a warehouse was provided on a reimbursement basis and how the reimbursement aspect of the grant impacted their services. The hub had successfully secured funding from various funders including federal, state, local, and philanthropic sources, as well as new market tax credits. Much of the funding was reimbursement based, requiring the hub to borrow from a conventional bank at traditional rates. When the hub encountered unexpected construction challenges, resulting in cost overruns and further delaying reimbursement, the hub found itself with more loans and less available cash flow to fulfill its mission of providing healthy, affordable food to nutritionally insecure people. The hub emphasized the potential impact of replacing the outstanding loan with a low-cost bridge loan, such as a 0-2% interest rate Program-Related Investment from a foundation. A low cost PRI could redirect significant funds towards serving nutritionally insecure people rather than paying interest to banks. A low to no interest rate fund that offered lines of credit or operating loans to businesses that are awarded reimbursement grants would address these issues.

SUGGESTED ACTION:

Establish a Bridge Loan Program: Develop and support a bridge loan program that offers low-cost capital to organizations that have received reimbursement grants, easing cash flow challenges and facilitating project implementation.



6 Use capital support to leverage the assets of community based organizations (CBOs) to increase availability of healthy affordable food to their communities.

BACKGROUND AND RATIONALE:

Community based organizations (CBOs) play a pivotal role in bridging the gap between food producers and food-insecure individuals within their communities. With dedicated assets and deep-rooted connections, CBOs serve as essential conduits for delivering healthy, affordable food to those in need.

Some CBOs already directly operate significant food system businesses and others show up as important customers, who buy food from farms, food hubs and processors, to serve people who are nutritionally insecure. Notably, food banks and emergency food CBOs are among the most important customers in the business models we found. For example, Headwater, Slate Foods, Matriak and GrowNYC all sold directly to food banks and/or community based organizations. GrowNYC estimated that 90% of its sales were to these types of organizations. Equally important, CBOs bring place-based knowledge and connections to the ecosystem that serves nutritionally insecure people. They play a vital role in advocating for affordable healthy food, identifying community needs, and physically connecting healthy food to consumers.

Recognizing their important role, some CBOs are also investigating how to leverage their underlying infrastructure, such as commercial kitchens, to build earned income. Two non-profits interviewed were in the process of developing businesses that utilized the skills and assets of the non-profit to start for-profit businesses. Good Food Works, an outgrowth of The Doe Fund, sells grab and go sandwiches prepared in the Doe Fund's kitchen in disadvantaged communities from a sprinter van. Citymeals on Wheels, in conjunction with The Samuels Foundation, is piloting a revenue generating business that uses existing infrastructure to make nonperishable, healthy meals to sell to organizations who are focused on increasing access to healthy affordable food. Both were in the early stages of developing their businesses and struggling to secure start-up funding. These new businesses were also concerned about securing additional supportive funding for the businesses until a financially self-sustaining business model was developed. CBO representatives explained it was difficult to find capital for these types of projects and that technical assistance was needed to develop business skills and a for-profit mindset.

SUGGESTED ACTIONS:

Support Nonprofit Business Development: Encourage and fund nonprofit community-based organizations (CBOs) to develop for-profit businesses that leverage existing assets.

Enhance Technical Assistance and Capacity Building: Provide business technical assistance and capacity building support for nonprofit organizations to strengthen their operations and impact.

7 Educate stakeholders on a systems-based investment approach to food system transformation.

BACKGROUND AND RATIONALE:

Most of the investors and businesses that were interviewed for this research believe that supporting access to healthy, affordable food for nutritionally insecure people is a systems issue. Many also shared a growing concern about the high social, environmental, cultural, and climate costs that they see in the global food supply system. At the Forum, the potential impact of adopting a systems-based approach to investing as a way to address these issues and catalyze transformational change in the food system was discussed. A systems-based approach requires shifting the investment analysis process from the typical linear supply chain approach, as illustrated earlier in Figure 1, to taking into consideration the impact of the investment on the full food system as illustrated in Figure 2. Systems-based investing strives to look beyond individual investment analysis and targets fundamental systemic factors that perpetuate unhealthy food dominance and identifies high impact investments that can enact lasting change. This approach was particularly attractive to participants at the Forum as systems-based investing requires thinking about racial equity, especially when talking about food. Systems-based investing is a comprehensive approach to addressing structural issues in providing healthy affordable food to nutritionally insecure people and should be further explored.

SUGGESTED ACTIONS:

Educational Initiatives:

Increase understanding among stakeholders about the importance of a systems-based approach to investing. This can be achieved through workshops, training sessions, and educational materials targeted at investors, entrepreneurs, and other relevant actors in the food sector.

Innovative Funding Mechanisms:

Explore and develop funding mechanisms that prioritize systemic impact, such as impact investment funds and other financing vehicles specifically designed to address systemic barriers in the food system.

Research and Evaluation:

Invest in research and evaluation efforts to better understand the impact of systemic investments in the food sector. This includes conducting studies, case analyses, and impact assessments to evaluate the effectiveness of various systemic investment approaches. Share findings with stakeholders to inform decision-making and drive continuous improvement in investment strategies.



Conclusion

Mission-focused farm and food businesses have the potential to significantly increase the supply of healthy, affordable food for all New Yorkers, provided they receive consistent and well-structured capital investments. Research indicates that patient and blended capital are powerful tools for funding these businesses, yet this type of capital is currently in limited supply. To unlock more private capital, it is essential to address the existing barriers to funding. By fostering opportunities for collaboration and education, and rethinking the distribution and utilization of capital, the impact of private capital and philanthropic missions can be maximized. Implementing these recommendations will enable stakeholders to collaboratively address systemic barriers to healthy, affordable food, enhance food security, and create a more equitable and sustainable food system for all.

FOOD FINANCE TEAM MEMBERS

Marianna Koval

*Director, Invest NYC SDG,
NYU Stern Center for Sustainable Business*

Rosalie Sheehy Cates

Senior Advisor, The Giving Practice

Kendra Gibbs

*Associate Director, Invest NYC SDG,
NYU Stern Center for Sustainable Business*

Julie Hanash

*Graduate Research Assistant,
NYU Stern Center for Sustainable Business*

Mark X. Jacobs

Senior Mediator and Program Director, Meridian Institute

Aindrilla (Andy) Mukherjee

*Graduate Research Assistant,
NYU Stern Center for Sustainable Business*

Sophie Waskow Rifkin

*Associate Researcher,
NYU Stern Center for Sustainable Business*

Jackie Shiff

Founder, Abloom Ventures

Karen Simons

Principal, Hudson Varick Resources

Research Definitions

Below are some of the key terms and vocabulary used in this paper.

Businesses: For-profit and nonprofit businesses selling a food product or servicing the food production and supply system that have the intent of making a profit or achieving financial sustainability.

Capital Providers: A spectrum of asset holders who can provide debt, equity, and in a few circumstances, grants to business businesses. In this discussion we are focusing on private capital providers.

Food Access: Includes all the issues that create barriers to finding and/or purchasing healthy, affordable food, which the USDA measures in the following ways:

- Accessibility to sources of healthy food, as measured by distance to a store or by the number of stores in an area [a food desert]
- Individual-level resources that may affect accessibility, such as family income or vehicle availability [a food mirage]
- Neighborhood-level indicators of resources, such as the average income of the neighborhood, stores that only offer cheap, unhealthy food options, the availability of public transportation¹² [a food swamp]

For these research purposes, “access” is defined as healthy food available within any New Yorker’s physical location and economic means.

Healthy Food: Various defined, even by federal agencies. For research purposes, the term means food that is nutritionally dense and minimally processed. That includes fresh fruits and vegetables, whole grains, lean proteins, beans/legumes, nuts/seeds, low fat/no-fat dairy products,¹³ as well as some frozen and canned fruits and vegetables.¹⁴ Agricultural production methods can also be important to growing healthy food.¹⁵

Investors: People or organizations that provide money to businesses with the expectation of being paid back in full and, usually, with a financial return. Impact investors refers to investors who factor social and environmental impact into their investing choices and terms. Impact investors may seek market-rate returns, or they may offer below-market rates and terms. Foundations can be impact investors. For purposes here, however, foundation program grants are not referred to as investments.

List of Interviewees

CONTACT(S)	COMPANY
Pres Adams	LISC
Claude Arpel	Slow Money NYC
Kobla Asamoah	Caminus Ventures
Kristie Baker	Chobani
Mark Bardeau	Food Bank of the Southern Tier
Jennie Berger	Mercato
Noel Bielaczyc	Michigan State University College of Agriculture
Cheryl Blinks	Cornell Cooperative Extension Harvest NY
Marty Broccoli	Cornell Cooperative Extension of Oneida County
Donald Brown	Chobani
Nevil Cohen	CUNY Urban Food Policy Institute
Anthony Corsaro	Regenerative Brands
Charlie Cummings	Walden Mutual Trust
Allison DeHoney	Buffalo Go Green
Todd Erling	Hudson Valley AgriBusiness Development Corp
Stacey Faella	Woodcock Foundation
Jason Finder	The Doe Fund
John Fisk	Bluestem Consulting
Vincent Gauthier	Environmental Defense Fund
Sarah Geddis	Soletide Consulting
Liz Geiger	City Meals on Wheels
Melissa Gordon	DoorDash
Anna Hammond	Matriark Foods
Gray Harris	US Department of Agriculture
Molly Hartman	Self Help
Christophe Hille	Consultant
Jason Ingle	Third Nature Investments
Jacob Israelow	Dirt Capital
Ken Jaffee	Slope Farms
Micah Josephy	Cooperative Fund of the Northeast
Justin Kamine	Homeplate
Karen Karp	Karen Karp & Partners
Beth Kennedy	Independent Consultant
Marge Lambert	Former retail meat buyer

CONTACT(S)	COMPANY
Chris Laughton	Farm Credit East
Martin Lemos	Dirt Capital
Tracy Lerman	GrowNYC
David LeZaks	Food Systems 6
Alex Lundt	Armonia
Kate Masuch	Novo Nordisk
Gary Matteson	Farm Credit System
Julia McCarthy	New York Health Foundation
Steve Mendola	Headwater Food Hub
Joel Moyer	Fair Food Network
Tina Owens	Snowehaven
Katherine Pease	Pathstone
Sam Polk	Everytable
Randi Quackenbush	Food Bank of the Southern Tier
Erica Rami	Fair Food Network
Daniel Riff	DoorDash
Phoebe Schreiner	CADE
Anim Steel	Mau Loa Foundation
Hans Taparia	Desert Bloom
Phil Taylor	Mad Ag
Myron Thurston	Cornell Cooperative Extension of Oneida County
Adam Tiberio	Tiberio Custom Meats
Julio Urbina	The Fan Fox & Leslie R Samuels Foundation, Inc.
Julia van Loon	Slate Foods
Marcel van Ooyen	GrowNYC
Daniel Wallace	Coastal Enterprises Inc
Mark Watson	Potlikker Capital
Lauren Weisenfeld	The Fan Fox & Leslie R Samuels Foundation, Inc.
Chris Zuelsdorff	Iroquois Farmland Trust

Food Finance Forum Attendees

NAME	ORGANIZATION
Melanie Allen	Black Farmer Fund
Claude Arpels	Slow Money NYC
Koblah Asamoah	Caminus Ventures
Rochelle Bellin	DAISA
Emily Cook	NYS Department of Agriculture and Markets
Charlie Cummings	Walden Mutual Bank
Allison DeHoney	Buffalo Go Green
Humaira Faiz	W.K. Kellogg Foundation
Jason Finder	The Doe Fund
Kendra Gibbs	NYU Stern Center for Sustainable Business
Hanaa Hamdi	Federal Reserve Bank of NY
Anna Hammond	Matriark Foods
Kendall Hough	NYS Department of Agriculture and Markets
Jason Ingle	Third Nature
Jacob Israelow	Dirt Capital Partners
Mark X. Jacobs	Meridian Institute
Marianna Koval	NYU Stern Center for Sustainable Business
Carlos Lenin Valery, Jr	Orinoco Cattle Products and Farms
Alex Lunt	Armonia
Julian Macrone	Federal Reserve Bank of NY
Mariah Maldonado	NYU Stern Center for Sustainable Business
Gustavo Mamao	DAISA
Julia McCarthy	New York Health Foundation
Stephen Mendola	Headwater Food Hub, Inc.
Mark Milstein	Cornell Center for Sustainable Global Enterprise
Chantella Mitchell	New York Community Trust
Sophie Rifkin	NYU Stern Center for Sustainable Business
Phoebe Schreiner	CADE
Rosalie Sheehy Cates	Independent Consultant
Jackie Shiff	Abloom Ventures
Javier Silva	Federal Reserve Bank of NY
Karen Hiniker Simons	Hudson Varick Resources
Bronwyn Starr	Mother Cabrini Foundation
Hans Taparia	Desert Bloom Foods
Julio Urbina	The Fan Fox & Leslie R Samuels Foundation
Julia Van Loon	Slate Foods
Marcel Van Ooyen	GrowNYC
Mark Watson	Potlikker Capital

Food Finance Forum Agenda

Objectives:

- Increase understanding of financing opportunities and challenges among enterprises, investors, intermediaries, and philanthropies who share a common commitment to establishing and growing enterprises that increase access to healthy, affordable food in New York State.
- Identify research needed to better understand a) the scope of the opportunities and barriers for development of viable enterprises in this space and b) the types of financing needed to realize those opportunities.
- Identify further conversations, creative problem-solving opportunities, and collaborations seeking to advance efficient delivery of financing for a range of promising enterprises in this space.
- Identify the respective potential roles of philanthropy and the private sector in supporting further development of this space and explore how they might collaborate to identify and pursue opportunities.
- Identify potential participants in and supporters of the next phase of research and outreach.
- Gauge interest among participants in further research and outreach to inform and engage private sector investors and philanthropy interested in enterprises that deliver healthy, affordable food to communities lacking access.

For more information about the Food Finance Forum, see the full agenda below.

[view resource](#)

APPENDIX E

Food Investor Landscape

Food investors come in all shapes and sizes and run the gamut from foundations to family offices to impact investors to venture capital. Linked here is a spreadsheet that provides a sortable list, that we hope will continue to grow and change.

[view resource](#)

- ¹ Rabbitt, M.P., Hales, L.J., Burke, M.P., & Coleman-Jensen, A. (2023). *Household food security in the United States in 2022*, at 28. (Report No. ERR-325). U.S. Department of Agriculture, Economic Research Service. <https://doi.org/10.32747/2023.8134351ers>
- ² <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/definitions-of-food-security/#:~:text=Food%20insecurity%E2%80%94the%20condition%20assessed,may%20result%20from%20food%20insecurity>.
- ³ Ibid at 17-20.
- ⁴ "Several federal agencies and efforts have committed to moving beyond food security and dedicating resources to combat nutrition insecurity: the National Strategy drafted after the 2022 White House Conference on Hunger, Nutrition, and Health includes multiple pillars focused on nutrition security; the USDA announced a 4-pillar strategic approach to tackle nutrition security; and the 2020–2030 Strategic Plan for NIH Nutrition Research underscores the significance of nutrition security." Local Food System Approaches to Address Food and Nutrition Security among Low-Income Populations: A Systematic Review. <https://www.sciencedirect.com/science/article/pii/S2161831323014436>
- ⁵ The United States Department of Agriculture. Food and Nutrition Security. National Institute of Food and Agriculture: Food and Nutrition Security. <http://www.nifa.usda.gov/topics/food-nutrition-security>
- ⁶ Berkowitz SA, Basu S, Gundersen C, Seligman HK. State-Level and County-Level Estimates of Health Care Costs Associated with Food Insecurity. *Prev Chronic Dis* 2019;16:180549. DOI: <http://dx.doi.org/10.5888/pcd16.180549>
- ⁷ Thirteen were intermediaries that pool capital, mainly from impact-motivated investors, to invest in farm and food businesses. (Some intermediaries invest beyond food systems as well.) Six were impact investors, including one venture capital fund, a number of individuals (some with family offices), and one investment advisor who places funds for other investors. One was a foundation that actively invests in food and farm businesses.
- ⁸ Three of these businesses were structured as nonprofits. Three were in the start-up phase, while the balance were established going concerns. These businesses include a farm, a food hub, a restaurant chain, three food processors, two technology platforms for food purchasing, a ready-made salad business, and a shelf-stable meal business.
- ⁹ <https://cof.org/content/expenditure-responsibility-step-step>
- ¹⁰ Catalyzing a Local Food System: 4P Foods Demonstration Project http://hudsonvarick.com/catalyzing_a_local_food_system.pdf
- ¹¹ https://static1.squarespace.com/static/65aa9281806e42526e08f61c/t/65e1f53158e58d7e336ab945/1709307200174/039595_wny_foodinitiative_report_digital_full_report.pdf
- ¹² Food Access Research Atlas. USDA ERS. <https://www.ers.usda.gov/data-products/food-access-research-atlas/documentation>.
- ¹³ "Toward a New Definition of "Healthy" Food: Issues and Challenges," <https://pubmed.ncbi.nlm.nih.gov/37197022/>
- ¹⁴ <https://www.munsonhealthcare.org/blog/12-foods-with-the-healthiest-bang-for-your-buck>
- ¹⁵ New research is demonstrating that production methods that focus on the health of the soil, such as regenerative agriculture, are directly correlated to foods that are significantly more nutrient dense than conventionally produced foods. <https://www.bionutrientinstitute.org/2020datareport> Many New York stakeholders support regenerative agriculture understanding that the nutrient dense food produced and the range of co-benefits (addressing climate change, decreased exposure for farm workers to chemicals, and increased biodiversity) address multiple societal issues.