



The Common Market Georgia Prospectus for Social Investment

A request for partnership in creating sustainable social impact through
local food systems infrastructure





Packing milk from grass-fed cows at Sparkman's Cream Valley in Moultrie, GA



Georgia Tech procures from local farms through CMGA


HEALTHY FRESH LOCAL

Director's Invitation

It is an honor to be a part of the local food movement in Atlanta at such a pivotal period of its development. As a lifelong Atlantan, I celebrate our city's rising prominence and our continued development of new ideas that go beyond traditional notions of farmers markets, urban farms and farm to table.

I believe the unique strength of our local food movement—what really sets Atlanta apart—is rooted in our shared vision of community, one that ensures the health and economic well-being of all people in our region. At The Common Market Georgia (CMGA), we build the infrastructure to support regional food systems that facilitate wholesale market access for small family farms while improving the accessibility of local food for all people. We are particularly focused on improving economic opportunity and health outcomes for the most vulnerable in our communities.

Please join me by supporting our growth so that we can ensure that Atlanta's local food movement becomes a force that builds the health and economic well-being of all people in our region. Your support will enable The Common Market to reach ambitious goals—creating 534 jobs in farm communities by 2022 and distributing a cumulative \$13M of farm food, enough to prepare 8M healthy meals in the next 5 years.

Sincerely,

Lily Rolader, Director

Delivering local food for the common good.

The Problem

Why We Need Just and Local Food in Atlanta

The Center for Disease Control and Prevention reports that heart disease, type 2 diabetes, some cancers, and obesity—all among the top 10 leading causes of death—can be prevented by eating a diet rich in fruits and vegetables as part of an overall healthy diet. However, almost half of adolescents in Georgia eat fruits and vegetables less than once a day. Lack of access to produce is prevalent in low-income communities of color, rural and urban areas alike. As a result, these communities have higher rates of chronic disease.

Over the last several decades, changes in agriculture have lessened the availability of healthy food in Atlanta communities. Regional food systems connecting the healthy foods of family farms to urban communities in Atlanta have broken down. Rural communities are hurting—the number of farms in Georgia declined 14% in the last decade and the average age of farmers in Georgia is 60 years old, according to the latest Census of Agriculture.

The need for a transformation is unquestionable. Georgia currently spends \$2.4 billion on obesity-related health care costs each year, according to the Georgia Department of Public Health—and health systems change alone will not address this issue. Healthcare leaders are themselves recognizing the importance of food as evidenced by hospital-sponsored farmers' markets, food prescriptions, and the desire of hospitals to partner with The Common Market to bring local food to their cafeterias. This indicates both an emerging demand and readiness for The Common Market and the broad systems changes really needed to impact population health.



43%↓

Adolescents in Georgia
eat fruits and vegetables
less than once a day



14%↓

Farms in Georgia
in the last decade
(2002-2012)



\$2.1 B

Georgia currently spends
on obesity-related health
care costs each year



The Common Market Farm Share at Drew Charter School in Atlanta

The Solution

The Common Market Georgia's Model

The Common Market Georgia is a 501(c)3 nonprofit local food distributor with a mission to connect communities with good food from sustainable family farms. The organization strives to improve food security, farm viability, and community and ecological health. The Common Market was founded to empower, strengthen and connect two vulnerable populations: low income communities and local farmers. The vision for The Common Market arose from the desire of sustainable agriculture and food access advocates to come up with a viable model that could solve the issues—infrastructural, social, and logistical—that prevent rural and urban communities from mutually supporting each other.

The primary population targeted by The Common Market's work are urban low-income communities and communities where access to healthy fresh food is scarce, hunger is high, and diet-related diseases are

prevalent—most often communities of color due to historical and ongoing structural racism in the US.

With equal emphasis, the secondary population impacted by The Common Market are small farmers and their rural communities that have been excluded from market opportunities and who are struggling to keep their farms viable. African American and other minority farmers have especially faced exclusion from market opportunities and discrimination from government agricultural agencies until very recently. The Common Market's model creates a mutually beneficial link between rural and urban communities to help both thrive. Our approach to local food distribution is informed by the need to serve people of all incomes and backgrounds to reach large enough economies of scale to make local food affordable to the communities that have traditionally lacked access.

Social Impact 2015-2017



Farm Jobs
Supported at
40 Farms



Meal
Equivalents
Distributed

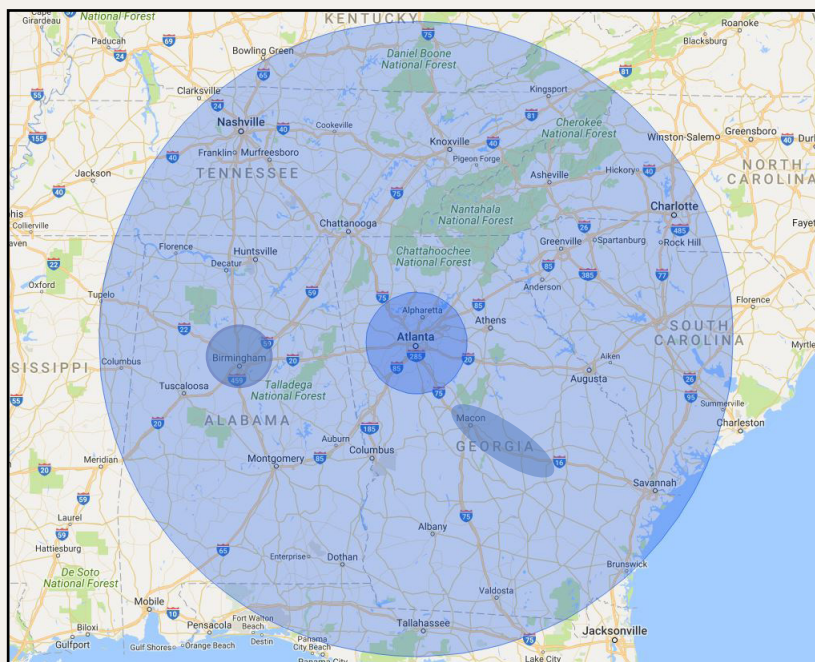


Local
Food Sold
to Wholesale
Customers



Percentage
of Food Sold
from Farmers
of Color

Our Regional Foodshed



CMGA's Regional Food Area (Light Blue) & Customer Distribution Area (Dark Blue)

We provide an efficient delivery system at scale for local buyers to purchase from multiple farms throughout the region. We run refrigerated box trucks to and from farms, store and ship wholesale quantities food out of our warehouse directly to Atlanta institutions and community organizations. Thousands of pounds of food from local, family owned farms move through our warehouse each week to make it into the mouths of community members. Most small family farms cannot get their products to large scale markets, and many farmers of color have had unequitable access to these markets. Buyers from across the metro area can reach their local sourcing goals by supporting multiple farms by partnering with the Common Market.

The CDC recommends a variety of strategies to increase consumption of fruits and vegetables- many of which are advanced by The Common Market's regional food hub model. For example, The Common Market aggregates and distributes food from sustainable farms to anchor institutions that reach low income, minority, and vulnerable populations. These include schools, hospitals, food banks, elder care facilities, and early childcare sites. We also collaborate with other organizations to implement other CDC-recommended strategies such as healthy food retail, farmers' markets, and

healthy food prescriptions. The Common Market's role in these collaborative efforts is to distribute local food to more accessible community venues.

Food hubs aren't a new or unproven concept. In fact, a 2017 USDA report proves that food hubs have a 90% survival rate, much higher than the industry standard, while only 44% of small business survive more than four years. Established in 2008, first in Philadelphia, The Common Market has already demonstrated its viability as a sustainable intervention, reaching profitability in 2013 and stimulating over \$20m in sales for local farms. Already, our team in Atlanta has developed relationships with over 40 producers and over 100 customers. While over 300 wholesale "food hubs" have popped up in the last 5 years, according to the USDA, The Common Market is unique among them for its depth of relationships with institutions—the knowledge and systems that allows The Common Market to do so make it well positioned to serve institutions serving low-income communities. In Georgia, we are leveraging The Common Market's relationships with national food service companies to open up the largely untapped institutional market for small and mid-size farms.

A farmer helps load a CMGA truck at Gravel Ridge Farm in Fairview, AL



Conducting inventory control in the CMGA warehouse cooler



Examples of Our Impact - Return on Social Investment

Farm to Community

The Common Market supports community organizations that seek to increase equitable access to healthy foods and high quality foods grown locally. While The Common Market doesn't provide direct services to communities, we act as a procurement fulfillment partner to organizations on the front lines of food insecurity issues. One of our most effective strategies is the **Food Access Fund**, which awards a discount to community-based organizations, effectively providing local food at cost. Qualifying recipients like the MARTA Markets use the Fund in a variety of food access programs.

The Common Market has been providing local and healthy foods to four farm stand markets located at key transit hubs in predominantly low-income and Af-

rican-American neighborhoods in Atlanta. The MARTA Markets are a novel take on transit-oriented development, providing a convenient access point for local food for thousands of commuters. The markets are located in the West End, Five Points, College Park, and H.E. Holmes MARTA Stations, serving multiple areas with limited food access. Each stand operates one-day per week, providing fresh produce on MARTA from Tuesday to Friday at a different station each day. The markets accept cash, credit and debit, as well as EBT/SNAP. SNAP is doubled at the market, meaning that \$5 swiped is worth \$10 to spend. Our participation helps the markets incorporate local and high quality produce into its offerings throughout the season, helping the program's stability and scalability.

Partners

- Metropolitan Atlanta Rapid Transit Authority (MARTA)
- Organix Matters
- Georgia Food Oasis
- Wholesome Wave
- Community Farmers Markets
- Atlanta Community Food Bank

The MARTA Markets incorporate food from local farms into their offerings through partnership with CMGA

Underground Atlanta →





Farm to Healthcare

Working with multiple stakeholders to transform the food environment at Grady Memorial Hospital, Atlanta's largest public hospital. Ensuring that staff, patients, and visitors have access to fresh, healthy, and environmentally sustainable food within hospital walls is a reflection of a commitment to preventative care and an opportunity to reduce the risk of chronic disease. The hospital also has commitment to working with diverse vendors, including CMGA (a women-led nonprofit). The Common Market makes it possible for our partners to provide food from multiple local farms in their on-site food programs by obtaining supply chain approvals, including food safety certifications and insurance.

Partners

- Grady Memorial Hospital
- Morrison Healthcare and Sodexo food service
- Wholesome Wave Georgia Fruit & Vegetable Prescription Program

Farm to School

Providing healthier foods to public schools in Atlanta and new market opportunities for black farmers. Farm to school enriches the connection communities have with fresh, healthy food and local food producers by changing food purchasing and education practices at schools. When schools serve local food, 33.1% of students eat more fruits and vegetables, according to Pew Charitable Trusts and Robert Wood Johnson Foundation. Farm to school can serve as a significant financial opportunity for farmers by opening doors to an institutional market worth billions of dollars. The Common Market makes it possible for schools to menu food from family farms by eliminating logistical and food safety barriers of working directly with many small farmers.

Partners

- City Schools of Decatur
- Georgia Organics
- West Georgia Farmers Cooperative

Farmer Technical Assistance

The Common Market’s work with producers is leading to business growth and to improvements in sustainable growing practices. Since our launch in 2016, many producers reported making changes to their methods or to their infrastructure and operations as a result of their relationship with The Common Market. The technical assistance provided to producers supports them in making these improvements. Our procurement staff provide guidance on industry food safety protocols, and work with farmers to develop practical and affordable means of achieving those standards. The Common Market addresses food safety concerns by supporting farmers in preparation for third party audits in Good Agricultural Practices (GAP)—a certification requirement for many institutions and retailers and a necessity for success as a wholesale farm. Additionally, The Common Market provides info to farmers about how customers would like products processed and packaged. The Common Market conducts crop planning each winter with farmers, based on our annual demand

projections, which gives farmers greater assurance of market trends that allows them to confidently make investments in their business, and helps to ensure financial success.

Partners

- Global Growers Network
- West Georgia Farmers Cooperative
- Southeast African American Farmers Organic Network (SAAFON)
- Southwest Georgia Project

Key Farm Impact Metrics	2017
Number of Producers	50
% of Food Purchased from Farmers of Color	38%
Median Farm Size	64 Acres
Sustainable Acres Supported	4,500+
Farm Jobs Supported	250+ Jobs
Average Producer Sales to CMGA	\$12,760



West Georgia Farmers Cooperative, Hamilton, GA

The Common Market Georgia Growth Plan

The Common Market Georgia seeks to raise approximately \$2M to fund our organizational and social impact growth through the next 5 years. Funding will support our assistance to farmers and outreach to institutions and other customers serving vulnerable children and communities. Our ambitions are high, and we aim to achieve the following outcomes by 2022:



Build a Regional Supply Chain of **128 Farm Partners**



Serve over **300 Institutions and Wholesale Buyers** Annually



Support over **8000 Acres** of Sustainable Family Farmland



Move **\$4M** of Local Healthy Food Annually

These are four core metrics that indicate the social impact of our work, and by which we evaluate our organization's efficacy. The biggest indicator of our success at supporting local farms, improving healthy food access, and democratizing local food is **local food sales**. It is an indicator of the scale of our aggregation and distribution operations, and our organizational financial sustainability. However, food sales alone cannot support all of our activities or our growth. Key programs, like our farmer technical assistance, leverage philanthropic support groups at different points in the value chain towards permanent viability and participation in the local food system.

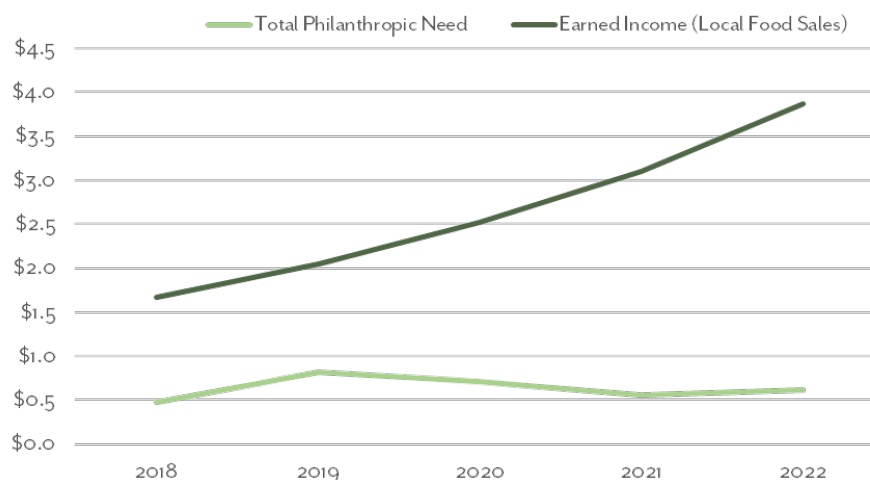
Our **total philanthropic need** is composed of two categories:

- **Growth Capital Needs** include the cost of building out new cold storage, essential facility renovations, and purchasing new trucks. This physical infrastructure is essential to providing services to our local food system and for building economies of scale for our work that keep food prices fair for both farmers and communities.
- **Program Expenses** include staff, communications, farmer technical assistance, our Food Access Fund, and administrative expenses.

Local food sales will cover the vast majority of our expenses across the organization, allowing our need for grants and donations to stay flat despite leaping growth in our reach and impact. Funding will be used for critical local food systems infrastructure improvements—like building a freezer in 2019-2020—and for supporting farm-side and community-side technical assistance and programmatic activities, such as the Food Access Fund, which fall outside the scope of our normal operations.

	2018	2019	2020	2021	2022
Growth Capital Needs	\$175,000	\$485,000	\$335,000	\$135,000	\$135,000
Total Program Expenses	\$296,000	\$330,000	\$373,000	\$420,000	\$483,000
Total Philanthropic Need	\$471,000	\$815,000	\$708,000	\$555,000	\$618,000

Philanthropic Need and Comparison to Sales (\$M)



5 Year Growth Plan - Pro Forma

		2018	2019	2020	2021	2022
Sales						
	Community Programs	\$ 58,215	\$ 67,697	\$ 78,751	\$ 91,644	\$ 114,555
	Distributors & Logistics Services	\$ 33,476	\$ 41,846	\$ 52,307	\$ 65,384	\$ 81,729
	Education	\$ 703,374	\$ 859,931	\$ 1,052,735	\$ 1,290,413	\$ 1,613,017
	Healthcare	\$ 167,382	\$ 192,489	\$ 221,363	\$ 254,567	\$ 318,209
	Restaurant	\$ 200,858	\$ 251,073	\$ 313,841	\$ 392,302	\$ 490,377
	Retail	\$ 251,073	\$ 313,841	\$ 392,302	\$ 490,377	\$ 612,971
	Work Places	\$ 259,442	\$ 325,140	\$ 407,554	\$ 510,968	\$ 638,710
Total Sales		\$1,673,820	\$2,052,016	\$2,518,853	\$3,095,655	\$3,869,568
Cost of Goods Sold						
	Total Product Cost	\$ 1,231,667	\$ 1,508,838	\$ 1,850,791	\$ 2,273,082	\$ 2,841,352
	Warehouse	\$ 33,837	\$ 45,026	\$ 52,259	\$ 59,548	\$ 64,935
	Transportation	\$ 87,434	\$ 107,190	\$ 131,576	\$ 161,706	\$ 218,944
	Sales Personnel	\$ 66,953	\$ 82,081	\$ 100,754	\$ 123,826	\$ 154,783
	Trucking Personnel	\$ 75,322	\$ 92,341	\$ 113,348	\$ 139,304	\$ 174,131
	Warehouse Personnel	\$ 58,584	\$ 71,821	\$ 88,160	\$ 108,348	\$ 135,435
	Personnel Taxes & Benefits	\$ 30,129	\$ 36,936	\$ 45,339	\$ 55,722	\$ 69,652
	Total Personnel COGS	\$ 230,987	\$ 283,178	\$ 347,602	\$ 427,200	\$ 534,000
	Satellite Office Rent	\$ 6,695	\$ 8,208	\$ 10,075	\$ 12,383	\$ 15,478
	Bad Debt	\$ 588	\$ 721	\$ 885	\$ 1,088	\$ 1,360
Total COGS		\$ 1,591,209	\$ 1,953,161	\$ 2,393,188	\$ 2,935,006	\$ 3,676,069
Gross Profit (Loss) from Sales Before Depreciation		\$ 82,611	\$ 98,855	\$ 125,665	\$ 160,648	\$ 193,499
	Fee for Use of Assets (trucks, warehouse, etc.)	\$ 84,728	\$ 112,264	\$ 134,050	\$ 156,264	\$ 178,764
Gross Profit (Loss) from Sales		\$ (2,117)	\$ (13,409)	\$ (8,385)	\$ 4,384	\$ 14,735
Programmatic						
Revenues						
	Foundation and Government Grants	\$ 350,000	\$ 350,000	\$ 400,000	\$ 425,000	\$ 450,000
	Corporate, Individual, and Board Donations	\$ 2,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000
Total Program Rev Streams		\$ 352,000	\$ 375,000	\$ 425,000	\$ 450,000	\$ 500,000
Program Salary & Fringe						
	Total Programmatic Salary & Fringe	\$ 127,413	\$ 140,154	\$ 154,170	\$ 169,587	\$ 187,200
	Commons Management Fee	\$ 92,060	\$ 112,861	\$ 138,537	\$ 170,261	\$ 212,826
Program Expenses						
	Administration & Overhead	\$ 18,050	\$ 18,050	\$ 18,050	\$ 18,050	\$ 18,050
	Sales & Marketing	\$ 6,500	\$ 7,000	\$ 9,000	\$ 9,000	\$ 11,000
	Misc. Program	\$ 51,914	\$ 52,391	\$ 52,883	\$ 53,389	\$ 54,000
Total Program Expenses		\$ 76,464	\$ 77,441	\$ 79,933	\$ 80,439	\$ 83,050
Gross Contribution from Programming		\$ 56,063	\$ 44,544	\$ 52,361	\$ 29,713	\$ 16,924
Net Profit (Loss)		\$ 53,946	\$ 31,135	\$ 43,976	\$ 34,097	\$ 31,659
Growth Capital Expenditures						
	Inventory Fund	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Freezer	\$ -	\$ 150,000	\$ -	\$ -	\$ -
	Warehouse Renovations	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -
	Delivery Trucks	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Total Capital Expenditures		\$ 175,000	\$ 485,000	\$ 335,000	\$ 135,000	\$ 135,000



CMGA staff in the warehouse cooler

Historic Financials

- **COGS** include food, warehouse, and trucking expenses
- **Program Expenses** include staff, communications, technical assistance, and administrative expenses.
- Our **Earned Income** model puts us on a fast track to organizational stability while exponentially leveraging the support of philanthropic giving for impact.

	2015	2016	2017
Earned Income	\$4,908	\$262,516	\$696,822
Grants Revenue	\$141,295	\$330,343	\$466,321
COGS	\$4,337	\$237,509	\$865,545
Program Expenses	\$74,573	\$460,739	\$290,199
Net Income	\$67,293	-\$105,389	\$7,399
<i>Grants as % of Revenue</i>	97%	56%	40%

Major Funders to Date

- Susan and Michael Dell Foundation
- W.K. Kellogg Foundation
- Kresge Foundation
- Schmidt Family Foundation
- Surdna Foundation
- US Department of Agriculture
- Ellis Family Foundation
- CSX
- Kaiser Permanente Community Benefits of Georgia

Professional Advisors

Legal Counsel Ballard Spahr LLP

Auditors Renzi Bernardi Suarez Co., P.A.

The Common Market Georgia Board

- *Chair*—Cicely Garrett, Deputy Chief Resilience Officer, City of Atlanta
- *Acting Treasurer*—Christina Szczepanski, Managing Director-Southeast, Reinvestment Fund
- *Secretary*—Robin Chanin, Executive Director, Global Growers
- Suzanne Girdner, Atlanta Local Food Initiative Director, Georgia Food Oasis
- Kate Reddy, Project Officer at Center for Disease Control and Prevention Division of Nutrition, Physical Activity, and Obesity
- John Bare, Vice President of Programs, The Arthur M. Blank Family Foundation
- Lenny Scranton, Regional Vice President, Morrison Healthcare Food Services
- Akia Lewis, Project Manager, Georgia Family Connection Partnership
- Haile Johnston, Chief Development Officer, The Common Market



Let's talk.

Connect with us to advance sustainable food systems.

LILY ROLADER

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Photos © The Common Market

Front Cover Top Photo: Drew Charter School; Atlanta, GA

Front Cover Bottom Photo: Rise N' Shine Farm; Calhoun, GA

Back Cover: Taylor Orchards; Reynolds, GA

thecommonmarket.org

Delivering local food for the common good.