



Fundraising Deck

Work in Progress

“Daddy, I’m hungry”

Can you imagine putting your kids to sleep hungry?

- One in four urban households with children are food-insecure.¹
- Food insecure families are more likely to be obese.²

1. No Kid Hungry hunger facts

2. Food Research Action Center - more info in appendix





A NEW APPROACH TO THE HUNGER PROBLEM

Our product is a new way for poor Americans to buy groceries that ends stigma, improves nutrition and stretches tight budgets.

We magnify our impact by pairing a not-for-profit structure with a startup ethos.





A UNIQUE HYBRID BETWEEN STARTUP AND NON-PROFIT.

Founder and CEO Alex Godin started and sold a venture backed internet company.¹ He was ready to start another...

But, when Donald J. Trump won the presidency he pressed pause and organized a telethon to raise money for progressive causes².

When they raised a quarter of a million dollars in four hours he decided to dedicate himself to helping people who need our help.

Farmstand is the culmination of a year of opportunity validation. We're a non-profit that blends the startup ethos with a laser focus on improving outcomes.

1. **Dispatch** (funded by Thrive Capital, Box Group, SV angel, acquired by Meetup)
2. **The Love-a-thon** (\$230k in 4 hours with Jane Fonda, Chelsea Handler, Judd Apatow)



WE'RE HERE TO HELP

We sell healthy meal kits at a low-cost and distribute them through channels that our customers already frequent.



What it looks like for a customer:



Order via text message.

Specify your family size & meal preferences.



Pick up ingredients.

Our initial pickup points are Head Start day care centers.



Prepare with the help of a recipe.

Each kit comes with multiple recipes to match cultural diversity. Prep takes less than 30 minutes.

The economics of most meal kits are weak. Our innovations let us sustainably sell groceries for just \$2 / serving.



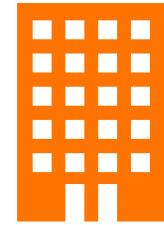
Low customer acquisition cost

Schools are incentivized to recruit families



Avoid last-mile delivery

Simple logistics that maintain the cold chain end to end.



No real-estate

Centralized distribution means we don't need a footprint in each neighborhood we serve.



Zero food waste

We only deliver what we sell.



PRE-SEED ROUND

**We are ready to kick off a pilot
with two Head Start programs.**

To do this, we're raising a **\$1M pre-seed round**. Just like any startup, this round gives us a year of runway to validate customer demand and unit economics.

We're assembling a family of value-add seed donors that want to help us end hunger and obesity in America.

All donations are 100% tax-deductible.



A NON-PROFIT, NOT A CHARITY

Our model creates a sustainable engine.*

This isn't a one time band-aid. When economies of scale kick in, we're able to sell boxes at break even.

In Q4, we hit positive gross margins. At 196 schools, we're 100% sustainable forever.

	Q1	Q2	Q3	Q4
Boxes sold	280	960	1,600	3,200
COGS / box	\$56.04	\$29.68	\$23.16	\$18.10
Gross Margin	-180%	-48%	-16%	10%

*See the appendix for a detailed breakdown of the model and a year one financial forecast.



Backed by a world class team of donors and advisors:



**Scott
Heiferman**

Founder Meetup



**Jesse
Beyrouthy**

Partner, iA ventures



**Henrik
Werdelin**

Founder, Bark & Co.



**Hursh
Agrawal**

Founder Branch (acq.
Facebook).



**Meeta
Gournay**

Partner, prehype



**Avi
Flombaum**

Founder, Flatiron School.



**Chris
Muscarella**

Founder, Field Skillet,
MobileCommons,
KitchenSurfing.



**Joe
Killian**

Music Impresario.
Founder Central Park
Summer Stage.



**Chris
Fralic**

Partner, First Round
Capital.



**Nicholas
Thorne**

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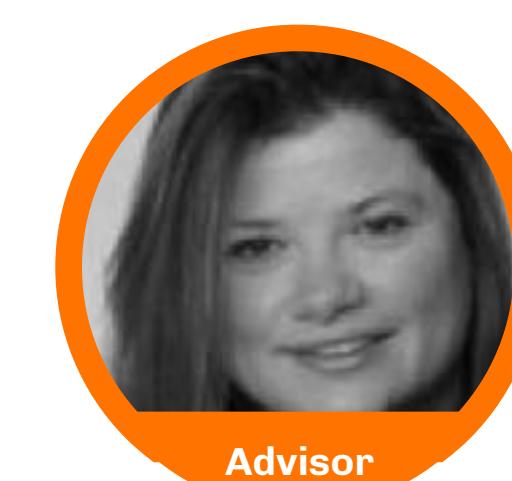


GIBSON DUNN

Advisor

**Gibson
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Pro bono legal services.
David Wilfie & Brian
Kriesly Partners.



**Patti Jo
Wilson**

Fmr. Education
Director Cardinal
McCloskey Community
Services

A recent study found that 85% of low-income families want to make healthy meals at home for their kids, but only 50% are able to do so most nights a week.*

Let's fix that together.

*No Kid Hungry 2016 fact sheet.



APPENDIX

Key drivers of the model explained.



The food-insecure are more likely to be obese.*



Creating healthy habits is hard

Low-income parents are bombarded with healthy eating messages, but it's hard to put them into practice.



Access to healthy food isn't universal

Food deserts put healthy, affordable food outside the reach of 23 million Americans.



Food budgets are tight

The SNAP budget is less than \$4.50 per day. 70% of recipients have no other form of earned income.

*Journal of the Academy of Nutrition and Dietetics, 112(99), 1403--11409..



The math behind low delivery costs:

$$\text{Boxes per school} \times \text{Servings per box} = \text{Servings per school}$$

$$\text{Servings per school} \div \text{Cost to deliver to school} = \text{Transit costs per box}$$



THE MATH BEHIND LOW DELIVERY COSTS

Key Driver 1

Boxes per center

We cut down on transport costs by dropping off multiple boxes per distribution point.

The more boxes we sell at a center, the more we can spread out the cost of the truck and driver.



THE MATH BEHIND LOW DELIVERY COSTS

Key Driver 2

Servings per box

The more servings in a box, the more we can further spread the cost of delivery.



The reason our raw ingredients are so cheap:

1/3

**The United States throws away
one third of all food it produces.**

By taking pre-orders, operating a limited menu and only ordering the food we know we'll sell, we're able to deliver groceries at near wholesale prices.



The strategy behind low customer acquisition cost.

We sign up a school.

We use lists of federal grantees to identify Head Start programs.

These programs are mandated by law to partner with community organizations like us.

The school signs up parents.

Programs invite us to demo to parents.

Thanks to the stamp of approval of a trusted community hub, these demos convert extremely well.



Putting it together: **The cost of a box.**

	Ambitious	Conservative
Servings / box	12	7
Cost of ingredients / serving Our ingredient costs go down as we scale and unlock better wholesale terms.	\$1	\$1.5
Cost of ingredients / box Cost of ingredients x number of servings	\$12	\$10.5
Packing and delivery costs / box Our delivery costs go down as more families at a school sign up.	\$4	\$6
Total cost / serving	\$1.33	\$2.36



Putting it together: **Year one rough financial estimates.**

	Q1	Q2	Q3	Q4
Total Schools (at end of quarter)	4	10	20	40
Boxes delivered	280	960	1,600	3,200
Total Revenue	\$5,600	\$19,200	\$32,000	\$64,000
COGs	\$15,692	\$28,492	\$37,056	\$57,912
Gross Margin	-180%	-48%	-16%	10%
Overhead	\$40,417	\$56,250	\$53,333	\$100,000
Loss	\$50,509	\$65,542	\$85,056	\$93,912