



**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.
- Food insecure families are more likely to be obese.<sup>2</sup>

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 to buy groceries for poor Americans 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.<sup>1</sup> 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 causes<sup>2</sup>.

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.

# Our innovations let us sustainably sell groceries for just \$2 / serving.

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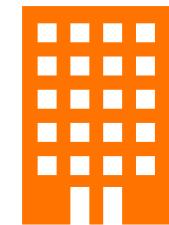
## Low customer acquisition cost

Schools are incentivized to recruit families



## Avoid last-mile delivery

Simpler logistics than Blue Apron or Fresh direct.



## No real-estate

We don't have to sign costly leases.



## 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 investors 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
<b>Boxes sold</b>	280	960	1,600	3,200
<b>COGS / box</b>	\$56.04	\$29.68	\$23.16	\$18.10
<b>Gross Margin</b>	-180%	-48%	-16%	10%

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



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.\*

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



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

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