

# COMMUNITY FOOD BANK + STARLING REALTIME

ReFED Accelerator Showcase  
12.5.19

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COMMUNITY  
FOOD BANK  
OF SOUTHERN ARIZONA



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*A better system for food banks to deliver fresh produce.*

—  
DANA YOST

COO at *Community Food Bank of SA*

[www.communityfoodbank.org](http://www.communityfoodbank.org)

[dyost@communityfoodbank.org](mailto:dyost@communityfoodbank.org)

# EQUITY DELIVERED by BETTER SYSTEMS.

In support of our social mission to feed the hungry today and build a healthy, hunger-free tomorrow.

Community Food Bank of SoAz is working with Starling Realtime to digitize the produce rescue supply chain, from produce donors to end customers, starting with food bank hubs, to double rescued produce distribution out of Nogales Arizona.

**App store-simple onboard**  
**One-click order**

## NOGALES PRODUCE RESCUE



CFBSA  
DCs

Southwest Produce  
Co-Op Members

Other Food Bank  
Beneficiaries



## GROWING MISSION REQUIRES BETTER SYSTEMS

*“We enter information in from Nogales when we are working with donors, but then we have to enter it multiple times into different information sharing platforms, and it is all a manual process. We have a full-time employee whose job is just reconciling data.”*

ILIANA LEY  
Produce Operations Manager  
at **Community Food Bank SoAz** (Nogales)



# STARLING IS A NEW AFFORDABLE SUPPLY CHAIN SOFTWARE FOR FOOD BANKS

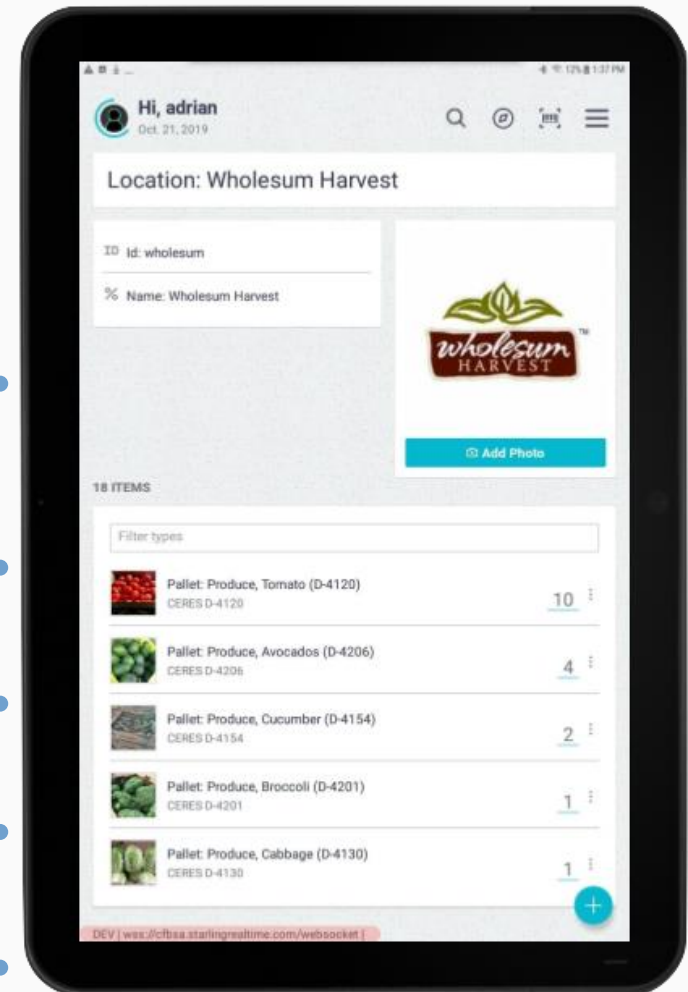
Realtime (*vs. batch*)

Supply Chain-Centric (*vs. company-centric*)

Open Standards (*No Patents*)

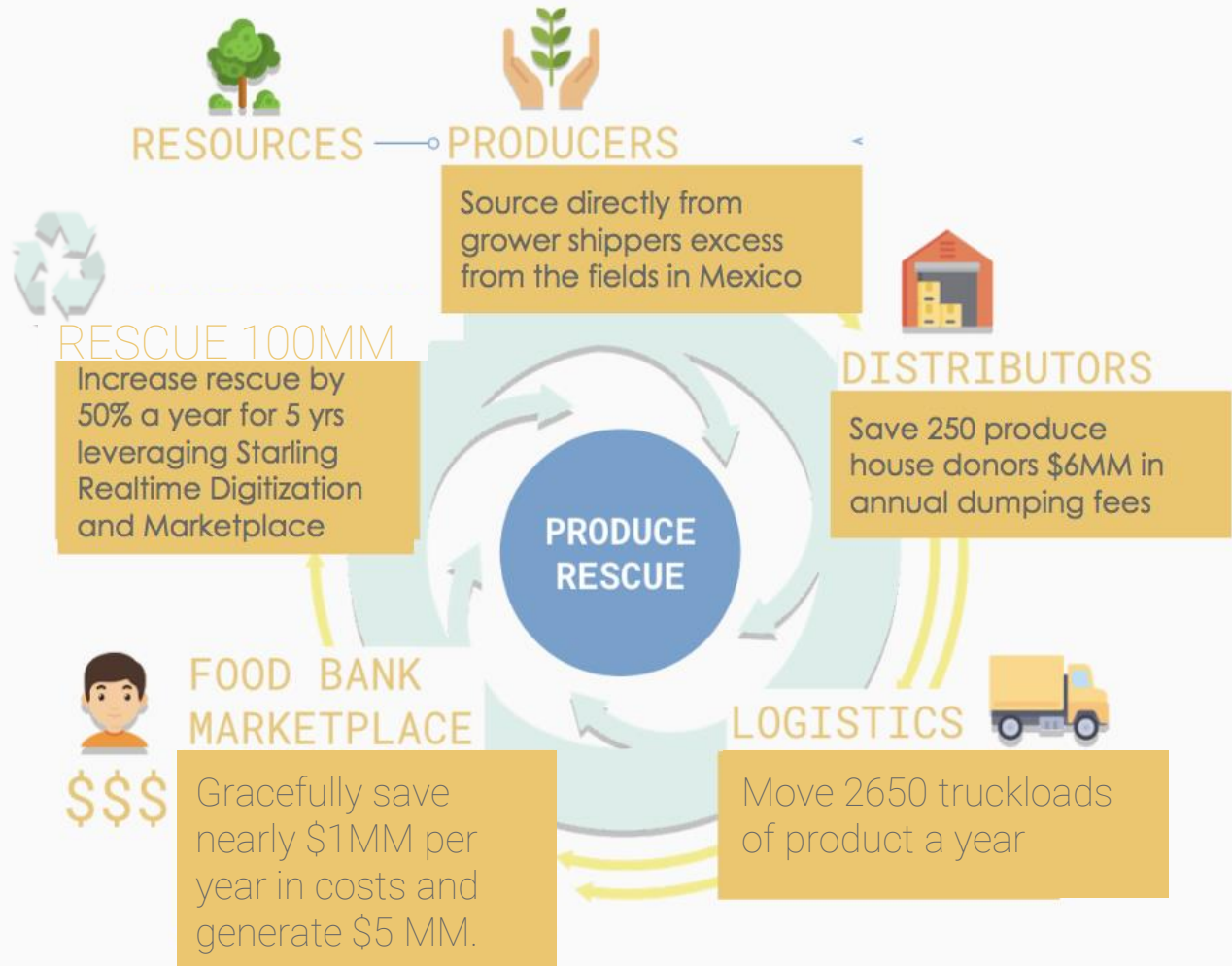
Flexible

Affordable



## OUR SHARED MISSION

Improve existing communication and tracking systems for produce rescue across the supply chain, with a focus on Food Bank Hubs



# GROWING MISSION REQUIRES DIGITIZED SYSTEMS

*“Sometimes paperwork gets lost because it is handled by too many people. During the busy season 10% gets lost and lots of time gets spent looking for it. We have to go through receipt books by each driver and look through them all for our auditors.”*



ELSA PRATT

Sourcing Operations Coordinator


Community Food Bank (Tucson)

The image shows three overlapping forms from the Community Food Bank of Southern Arizona. The top form is a 'RECEIPT' with fields for Date Received (10/1/19), Donor's Name (W. Franchise Farms), Donor's Address (2986 W. Franchise Rd, Chandler, AZ 85245), and Cash Amount (\$5645). The middle form is a 'DONATION INVOICE' with fields for Trailer # (4804), Driver (Adrian), and a table for product types and quantities. The bottom form is a 'Niguel Ceres Product Intake, Transfer, and AOR Worksheet' with fields for LOAD ID#, DATE RECEIVED (10-1-19), and a table for product intake, transfer, and AOR.

## GROWING MISSION REQUIRES MARKETPLACE SYSTEMS

*"I think we have gotten as far as we can go with the current tools that we are working with. It will not be possible to grow to meet the food donors needs and growing SW Coop's demand with the current systems in place. We need a new technology solution."*

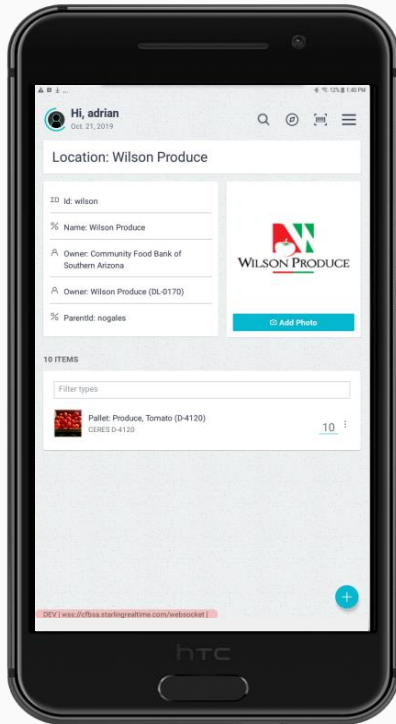


APRIL BRADHAM  
Vice President of Programs   
Arizona Association of Food Banks



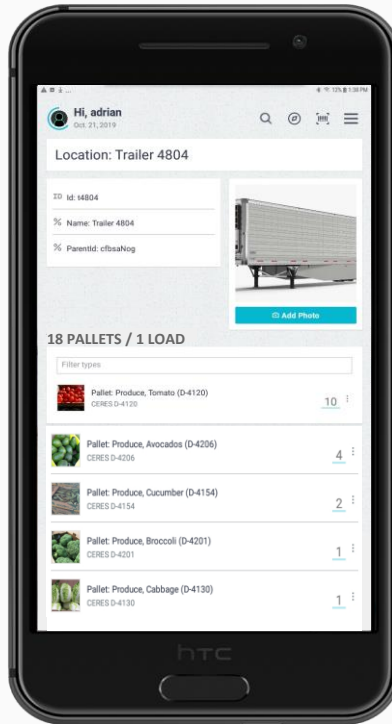


# STARLING IS DELIVERING THE DATA **WHERE** AND **WHEN** IT'S NEEDED, ON YOUR PHONE



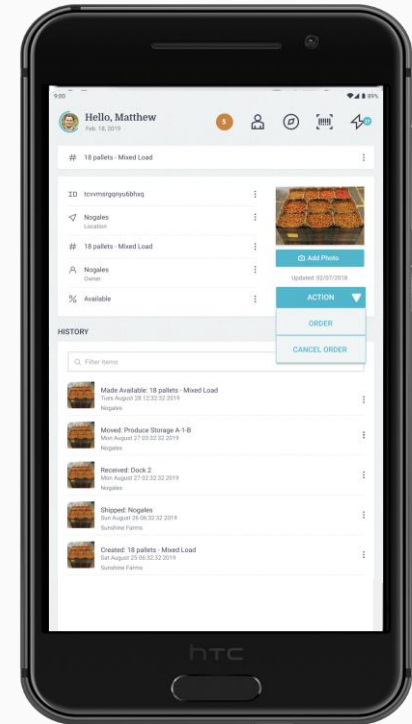
One

Donated produce is  
**RECEIVED** and  
**SCANNED**



Two

Movement is planned and  
tracked in **REALTIME** for  
all authorized users



Three

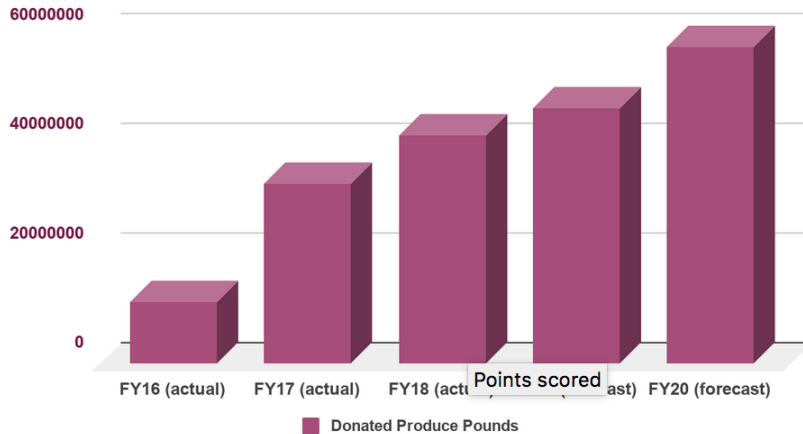
Ordering is **INSTANT**  
and product history is  
**TRANSPARENT**



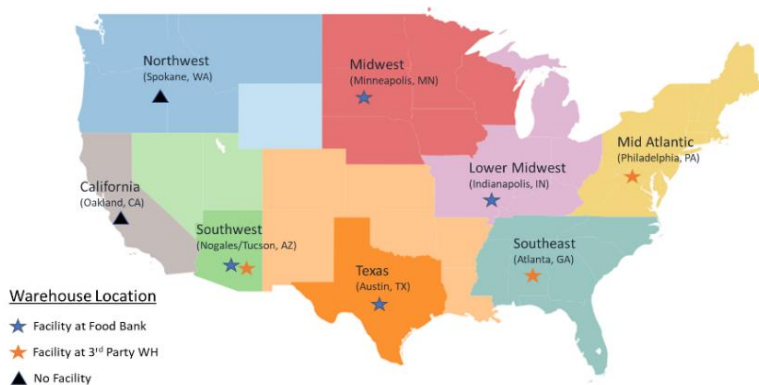


# TRACTION, REPLICABILITY, and MARKET RESEARCH

Community Food Bank Southern Arizona - Nogales



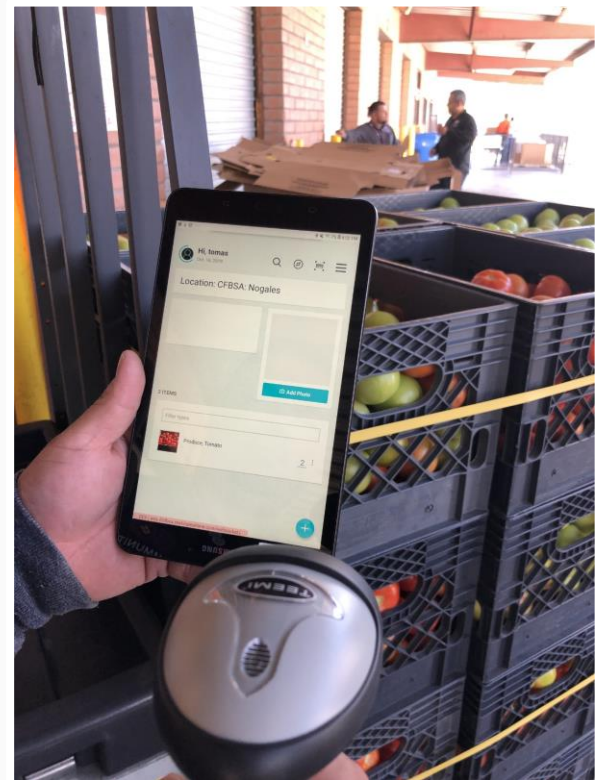
**Eight Regional Cooperatives are now serving as sourcing and distribution “hubs” for food banks in their region**



Name	Starling Systems	Fusion Ware	Spoiler Alert	Meal Connect	Isolve Produce
Company Profile	Start-up for-profit	Start-up for-profit	Start-up for-profit	Non-profit	Small for-profit
Platform/Solution Profile	Cross-org. Platform for inventory mgt. Cloud.	Single org. Sales, inv, and logistics cloud modules.	Add-on to existing ERP for shrink mgt. On prem.	Cross-org. Donation management site.	Single org. Sales and inventory modules. On prem.
INVENTORY MANAGEMENT					
Supply chain focused (vs. company focused)	✓			✓	
Natively real-time	✓	✓			
Simple to use & deploy	✓				
Private cloud based for scalability & security	✓	✓			
Unique item granularity for reconciliation	✓				
CONTROLS & ACCESS					
Cross organization visibility (real-time)	✓				
Remote multi-user access (mobile)	✓	✓			✓
Different user views and permissions	✓	✓	✓	✓	✓
Mechanisms to protect data integrity	✓	✓	✓		

## ReFED Accelerator MVP in NOGALES (Oct. 2019)

Digitized supply chains



Realtime marketplace



## VALUE OF REALTIME VISIBILITY

*“The California Association of Food Banks could source up to 200 more loads a year from the Southwest Produce Coop, and would happily increase our ability to invest in the Nogales-based sourcing system as it would benefit our ability to access variety of produce more consistently, using improved communication systems.”*



STEVE LINKHART  
CA Association of Food Banks

*“We could pay more per load—if that meant that we would move the produce faster. This will save me money because it will streamline my sourcing system with one major partner and an established system.”*

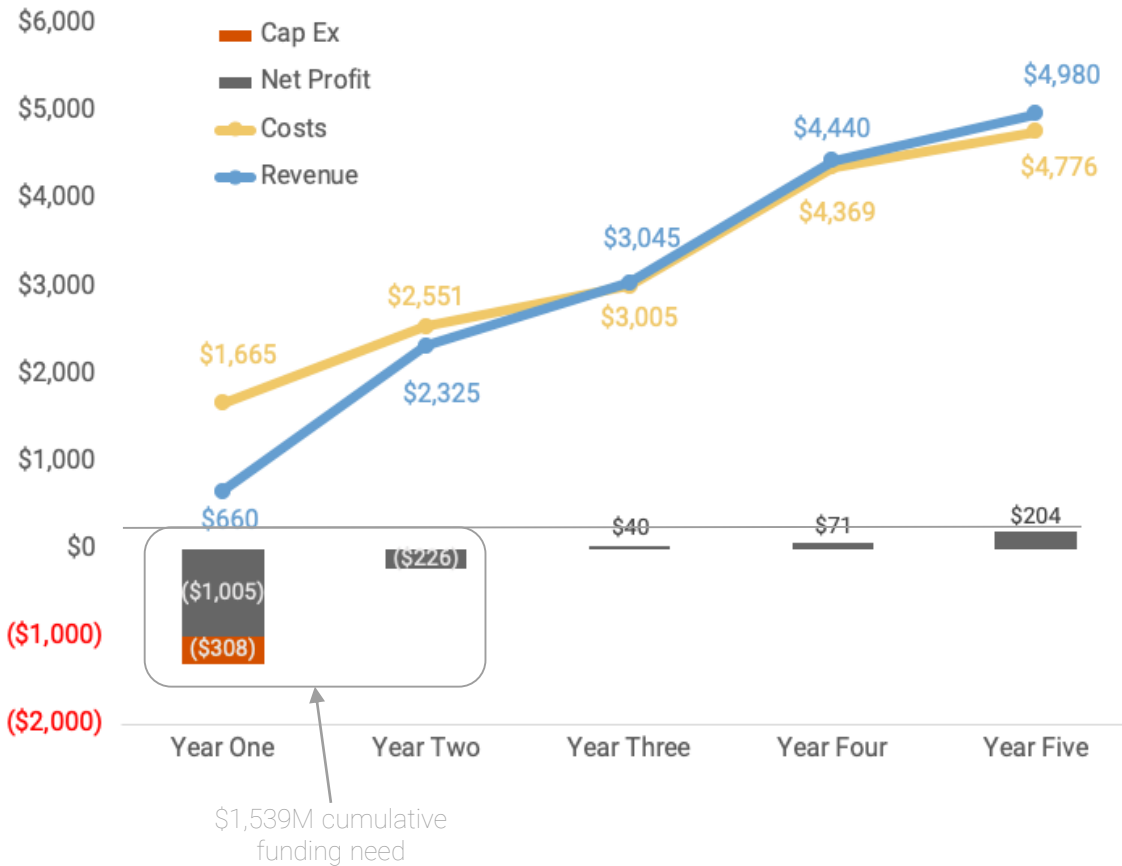


LEILA KHAN  
Three Square Food Bank, Las Vegas



# FINANCIAL PROJECTIONS

**Financial Projections**  
(000s)



## Revenues:

Realtime Marketplace, push button ordering drives higher volumes, in conjunction with sliding scale pricing for new customers.

## Operating Costs:

Digitization of inventory tracking and ordering enables cost leverage.

## Funding Sources (projected):

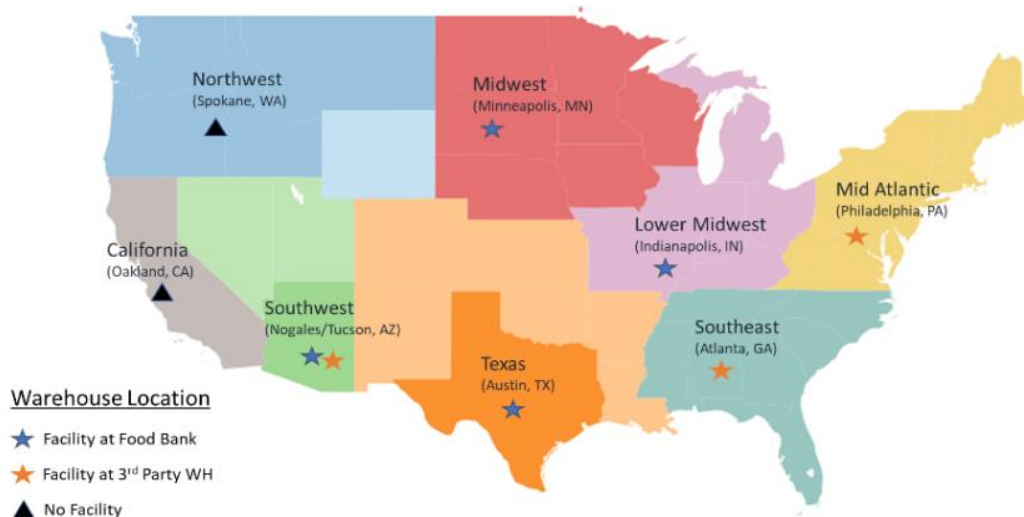
	\$ 100K ReFED Prize
+	\$ 300K Starling PRI
+	\$ 618K Grant
	Funding
+	\$ 521K GAP
=	\$1,539M TOTAL



# ALIGNING OPERATIONS, TECHNOLOGY, BUSINESS DEV.

## Impact of \$521k (Yr1-Yr2)

**Eight Regional Cooperatives are now serving as sourcing and distribution “hubs” for food banks in their region**



- 1 | Rescue an estimated **2 billion servings** of fresh produce for the US food security orgs
- 2 | Avoid close to **\$6MM** dollars of **dumping fees** and lost revenue for produce donors
- 3 | Secure the US food bank network a **seat at the table** with produce sourcing in MX
- 4 | Build a STARLING REALTIME **replicable HUB model** for rescue, sourcing and distribution of fresh produce



## ReFED Accelerator Prize ~ \$100k

The ReFED Accelerator Prize will be dedicated to an ~~expert team member to support the first year of launch~~ of Starling Realtime for the Community Food Bank, Southwest Coop, and select National partners

**Join us in open collaboration,  
connecting our future food system,  
together.**

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DANA YOST

COO at *Community Food Bank of SoAz*

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# APPENDIX

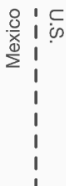
*Additional Information*



## BUSINESS MODEL (execution)



Farms



Produce Houses



Rescue Programs



Food Banks

### Customer Segment #1

National Food Bank Hubs  
\$0.04 - 0.06 / lb sliding scale

### Customer Segment #2

Paying SW Coop Members  
\$0.02 - 0.04 / lb sliding scale

### Customer Segment #3

Non-Paying SW Coop  
\$0 / lb - internal branches

### Year 1

### Year 3

### Year 5

18 MM lbs

42 MM lbs

73MM lbs

15 MM lbs

15 MM lbs

15 MM lbs

12 MM lbs

12 MM lbs

12 MM lbs

Revenue

\$660 k

\$3 MM

\$5 MM



# UNIT ECONOMICS DIRECT REVENUES AND COSTS

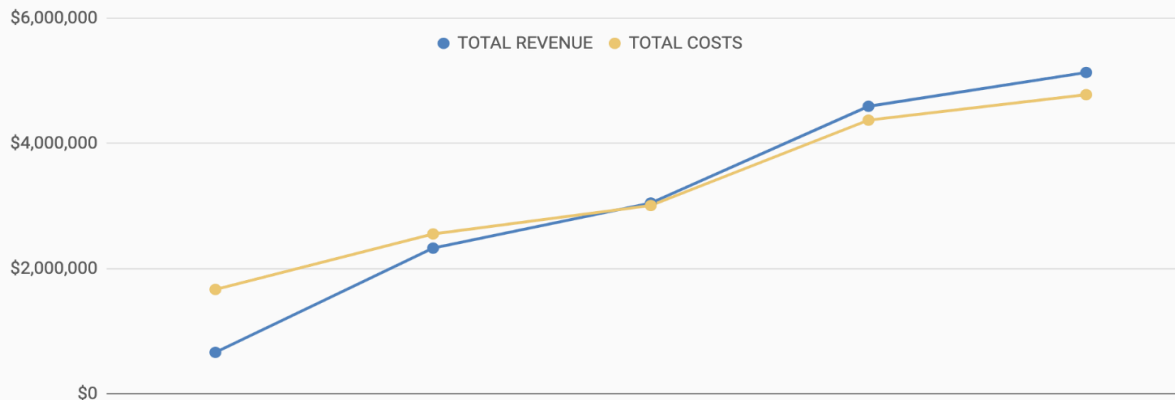
Customer Segment #1 - NATIONAL FOOD BANKS	Year One	Year Two	Year Three	Year Four	Year Five
Total (pounds) Sold	18,000,000	30,000,000	42,000,000	64,000,000	73,000,000
Price / Unit	\$ 0.02	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Cost / Unit	-	0.03	0.04	0.04	0.04
Total Revenue	\$ 660,000.00	\$ 2,325,000.00	\$ 3,045,000.00	\$ 4,440,000.00	\$ 4,980,000.00

\* includes SW COOP Yearly 15MM lbs /@ 0.02 - 0.04 contributing an average of \$525,000 a yr to Nogales sourcing

Gross Margin %	97%	61%	58%	42%	41%
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**Starling Realtime Marketplace will drive Mission Growth.**  
*Per pound product cost starting Yr 2 for increased sourcing directly from growers, delivering longer shelf life and multiple days of advance notice.*

Revenue vs. Costs



*Increase product pricing, decrease logistical costs with Starling moving 362MM pounds and breaking even Yr3*



## SCALING UP PLAN

SCALING UP 5 YR PLAN Increased sourcing and distribution per customer segment (pounds a year)		National Customers	Paying SW Coop	Non-Paying SW Coop
		18MM to 73 MM	15 MM	12 MM
DISTRIBUTION (Load = 36,000 lbs)	YR1	500	516	330
	YR3	1167	516	330
	YR5	2027	516	330
PER FOOD BANK SIZE AND CAPACITY	YR 5	100 paying food banks will source an average of 34.5 loads / yr (btwn 10 - 57 loads / yr)	5 SW Produce Coop food banks will stay consistent in 5 yrs. sharing hub logistics	2 Non-paying SW Coop members will jointly source the remaining volume

There are 8 Regional Hubs serving food banks in their region, and Nogales produce will mainly be dedicated to food banks in SW, TX, CA, NW to replicate the Starling Realtime approach with Digitization and Marketplace capabilities.

This model will collaborate with non Feeding America food rescue organizations.



## RISKS AND MITIGATIONS (challenges)

	Variable Conditions	Competition	Logistics
RISKS	Different weather, market and political variables can affect Nogales supply	Other similar technology solutions that are further along in development could get more traction quicker.	Transportation continues to be a huge challenge for Nogales to get product to food banks affordably.
MITIGATIONS	Starling Realtime upstream the supply chain will allow for advance notice on any unexpected changes.	Starling Realtime will build flexibly to remain open to integrations with other paralel solutions and promote collaboration.	More consistent supply, will lead to investment in the hub logistics model, that will justify a shared fleet of trailers for the SW Coop.

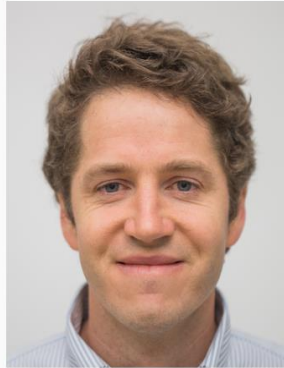


ROBERT O'BRIEN  
Produce Sourcing and Logistics  
**St. Mary's Food Bank Alliance**  
(Southwest Produce Coop #1 Recipient)

***"Oh man, that would be amazing,  
if I could just scan the pallets as  
they are being weighed, and not  
have to enter the data manually!"***



# THE TEAM



**ZACH BUCKNER**  
CEO

- ▶ Technologist and Entrepreneur
- ▶ Founded Relay Foods, an online grocery startup focused on local produce distribution; sold to Door to Door Organics in 2016



**RICK SCHNIEDERS**  
CHAIRMAN

- ▶ Retired Chairman and CEO of Sysco Corporation
- ▶ Former Board Member at Revolution Foods
- ▶ Co-founder MoGro



+100 YEARS  
of PRODUCE  
EXPERTISE



SOLVING  
our FOOD  
SECURITY  
PROBLEM

