



THE FIBERS ROADMAP

Integrated Capital Opportunities
to Support Revitalization of
U.S.-Grown Fiber, Textiles,
and Leather

WEBINAR #2: CASE STUDIES FROM THE ROADMAP

Collaboration | Equity | Respect | Stewardship | Integrity



**SUSTAINABLE AGRICULTURE
and FOOD SYSTEMS FUNDERS**

WELCOME SPEAKERS



- Jesse Meyer, Pergamena Parchments & Leathers, NY, and Jacqueline Smith, Central Grazing Company, KS



- Fred Briones, Native American Fiber Program, CA, and Ernie Stevens III, Oneida Nation Council, WI



- Ricardo Garay, Circular Systems



COMMON THREADS
CONSULTING

- Sarah Kelley, Project Director/ Consultant, SAFSF Special Project on Sustainable Fiber and Textiles

ACKNOWLEDGEMENTS

Advisors

Sarah Bell, 11th Hour Project

Rebecca Burgess, Fibershed

Virginia Clarke, Sustainable Ag & Food Systems Funders

Scott Cullen, GRACE Communications Fund

Sarah Ebe, Patagonia

Eric Henry, TS Designs

Arani Kajenthira, Walton Enterprises

Scott Leonard, Indigenous Designs

Roger Milliken, Baskahegan Company

Esther Park, Cienega Capital

Lewis Perkins, Apparel Impact Institute

James Rogers, JCR Consulting / Form. The North Face

Mark Watson, Boston Impact Investors/Fair Food Fund

Team: Sarah Kelley, Jenny O'Connor, and
Calla Rose Ostrander

Funding support from: 11th Hour Project,
Globetrotter Foundation and the #NoRegrets
Initiative, Jena and Michael King Foundation, One
Earth, and an RSF Donor Advised Fund

Other support from Island Foundation, RSF Social Finance

60 Project Interviewees
12 Case Study Businesses

A project of Sustainable Agriculture and
Food Systems Funders (SAFSF)

BACKGROUND

WHY THE FIBERS ROADMAP?

Food and fibers are connected.

- Funders saw a need for specific data and case studies on this sector to:
 - Help make the sector concrete and actionable.
 - Create the most impact from funding and investment support.
 - Support resilient U.S. supply chains.

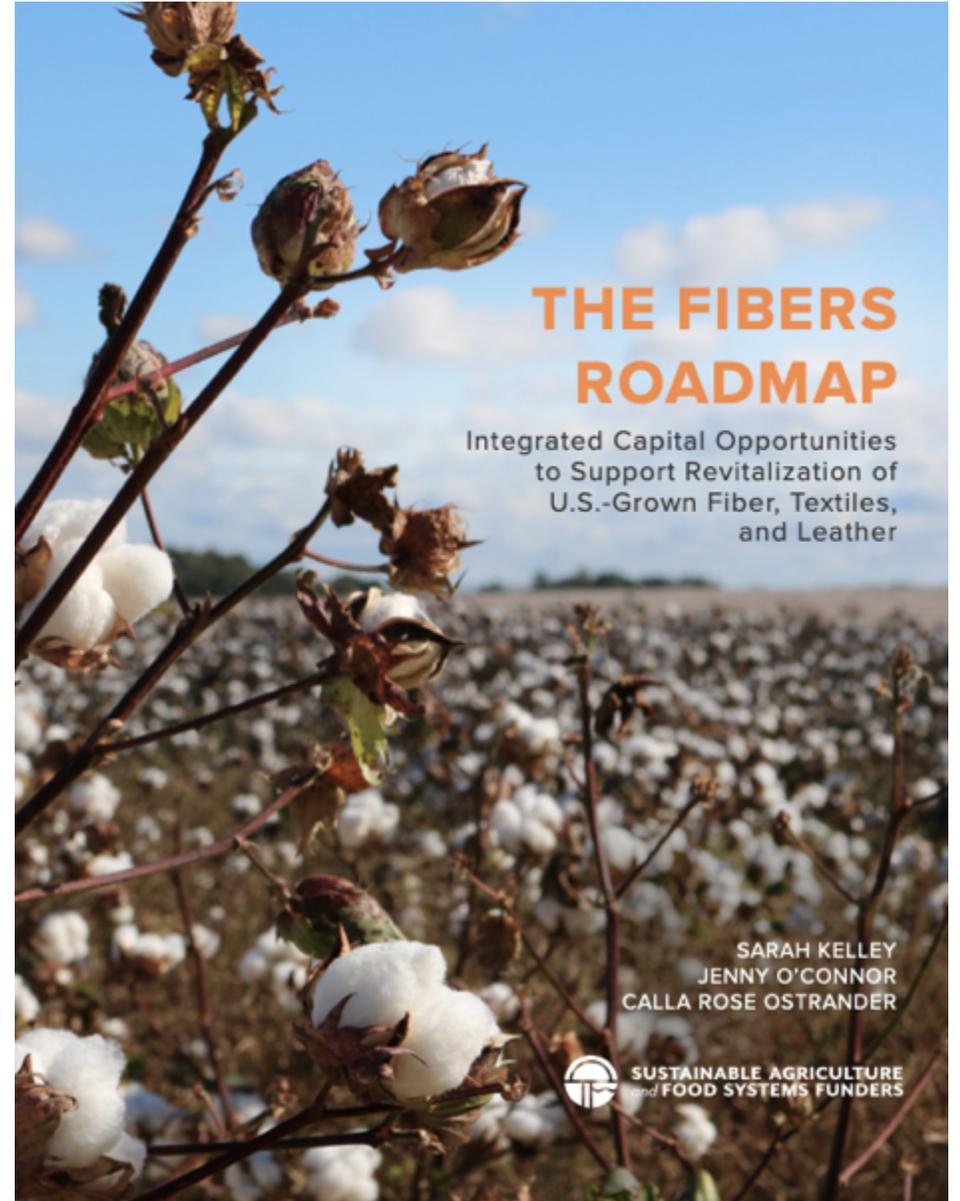


BACKGROUND

THE FIBERS ROADMAP

- **Goal:** Coordinated Roadmap for funding and financing opportunities in U.S. textile production/processing.
- **Audience:** Investors, funders, family offices, and brands that provide grant support and other investment.
- **Scope:** Mid-scale U.S. fiber production and processing, soil-based fibers. Not synthetics; not just apparel.
- **Priority:** Equity, racial justice, and Just Transition

Over 60 interviews synthesized into **7-year financial Roadmap** identifying **5 key Gaps and Levers**.



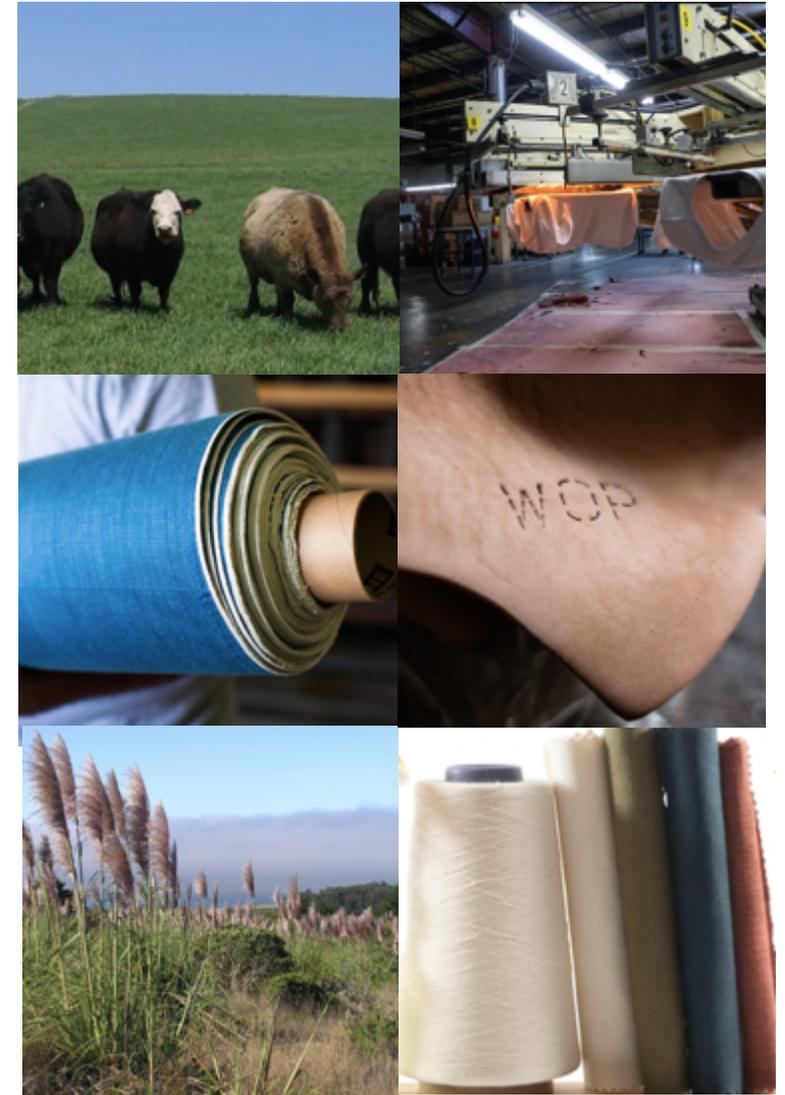
CASE STUDY MAP

The 12 Case Studies included here represent just a small slice of the innovative, place-based fiber system businesses that exist or are emerging across the country. Each one offers opportunities for funders and

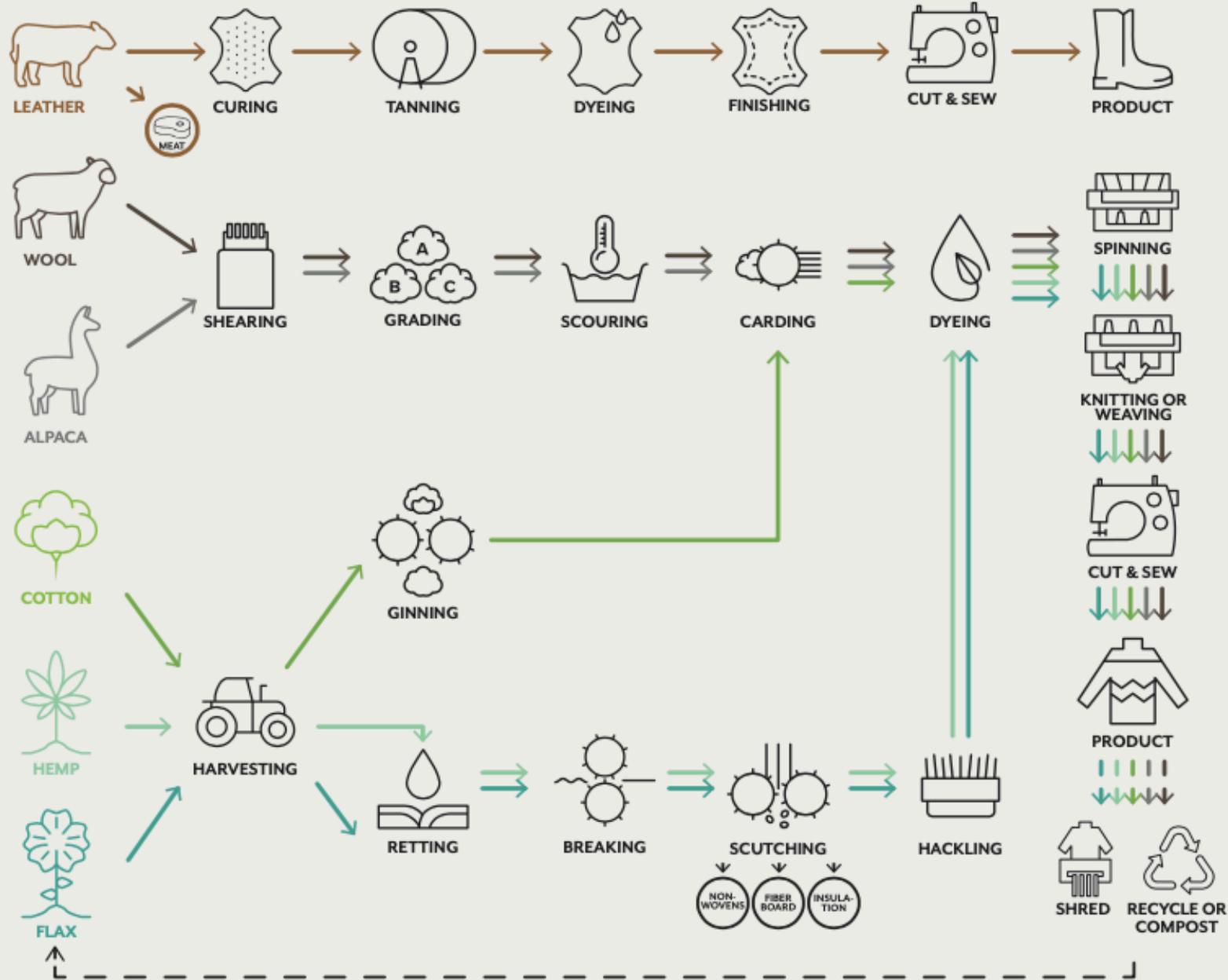
- | | |
|---|--|
| 1. Anishinaabe Agriculture Institute/Winona's Hemp, LLC | 7. Native American Fiber Program |
| 2. Apparent Ventures LLC | 8. Other Half Processing SBC |
| 3. Botanical Colors | 9. Pergamena Parchments & Leathers, Inc. |
| 4. Circular Systems SPC | 10. Stony Creek Colors |
| 5. Fibrevolution LLC | 11. TS Designs / Solid State Clothing |
| 6. Huston Textile Company | 12. Wild Valley Farms |



ICON KEY



THE FIBER SUPPLY CHAIN





CENTRAL
GRAZING
COMPANY

OUR VALUES

Our story is rooted in respect and reflected in our core beliefs. Everything we do connects to and is driven by our commitment to animal welfare, regenerative farming, a healthy local economy and traceable supply chain.

WHAT DRIVES US

CENTRAL GRAZING COMPANY



Regeneratively producing food and fiber that respects people, animals, and the planet.

Jacqueline Smith, Founder
Contact: jacqueline@centralgrazingco.com



Based in Kansas & shipping nationwide
centralgrazingcompany.com

SUMMARY

Central Grazing Co. is restoring the midwestern prairie through holistic and regenerative land management, by producing sustainable food and fiber, and by creating economic incentives for independent, regional, and diversified farms.

MARKET OPPORTUNITY

200 million pounds of American lamb are sold each year in the United States. Consumers are searching for better meat and they are shopping brands they trust. Central Grazing Co. is addressing the rising demand for regenerative protein, whole animal husbandry, traceability, and fiber processing that benefit the environment and regional economy. Major fashion retailers are increasingly indicating a move to sustainability and cite a lack of access to sustainable materials as their main barrier.

ACCOMPLISHMENTS & TRACTION

Successful direct-to-consumer monthly lamb boxes sold throughout the US and retail program with a current 134% YOY gross sales rate and projected sales of \$1M in 2021. In the apparel channel, Central Grazing Co. is a current vendor to Patagonia, is in product development with Eileen Fisher, and sells 100% traceable leather goods through their website.

CAPITAL FINANCING NEEDS

Central Grazing Co. is currently raising a round of blended capital. \$1.5M to expand land and flock infrastructure, streamline breeding schedules, and hit projected sales targets. \$900k for scaling capacity and team.



IT ALL BEGINS WITH THE SOIL

Our regenerative farming practices produce food and fiber that respect the people working the land...the animals we care for...and the planet that sustains us all.



CASE STUDY:

Pergamena Parchments & Leathers Inc.

Montgomery, NY Founded in 1550

CEO/PRESIDENT: Jesse Meyer | COO: Stephen Meyer

ABOUT PERGAMENA

Family owned and operated, Pergamena is a boutique tannery using traditional vegetable tanning processes. With an eye on sustainability and traceability in the supply chain, we provide manufacturing and supply capability to the domestic fashion, furniture, and leather goods industries. We work in a transparent manner with accountability back to the farm where the animals were raised.

MAIN BARRIERS OR NEEDS

We currently face a major gap in scale between our current capacity and the demand we are receiving. We have the capacity to tan approximately 80-100 hides per month depending on hide size, but we have received interest in orders as high as 700 hides per month. This scaling challenge and R&D needs are our main barriers.

We are also currently working on a regionally sourced leather we could market to the NY metro area which could be a model for similar facilities in other areas.



IMPACT AREAS



Economic Development/
Job Creation

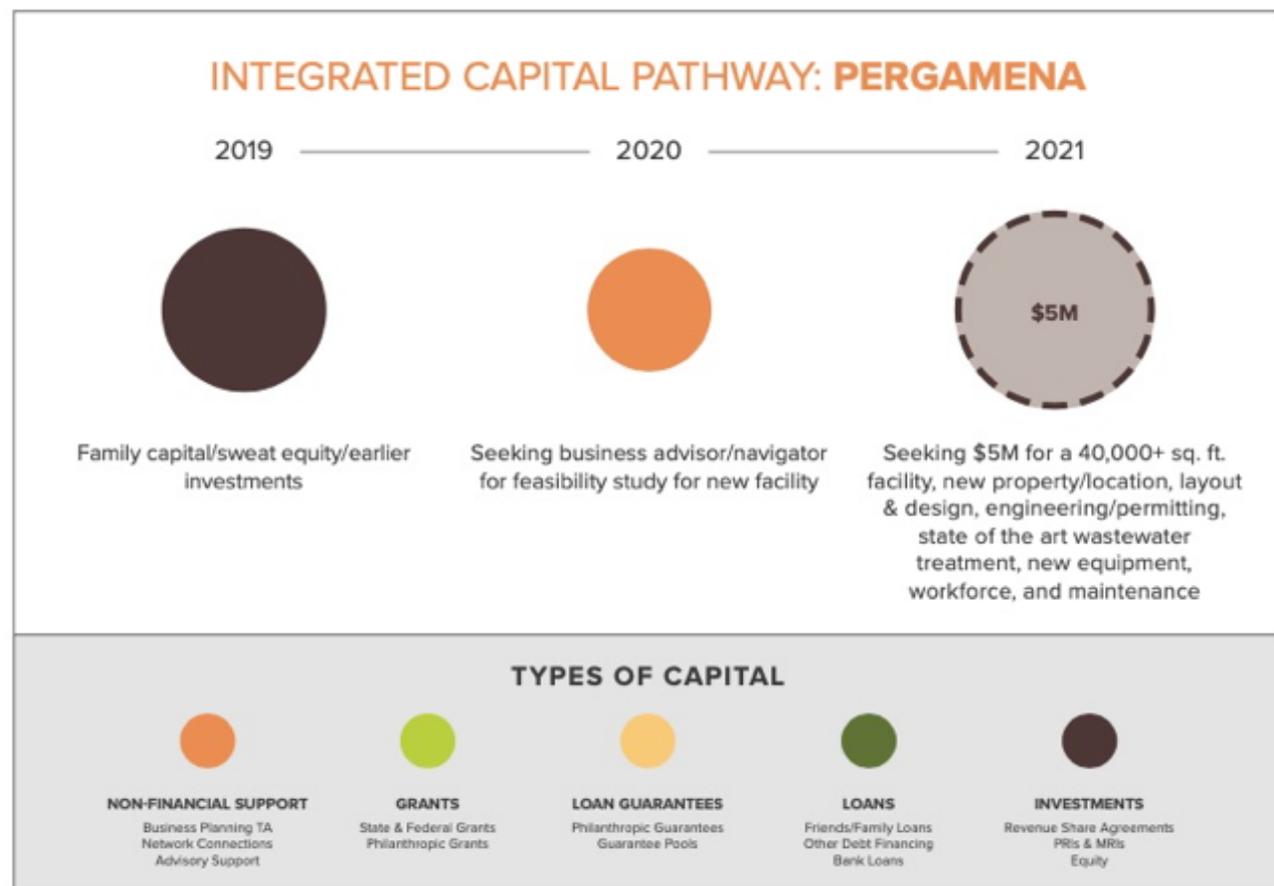


Water Regulation



Waste Reduction

CURRENT CAPITAL STACK A/O INVESTMENT TO DATE	Other than a small line of credit, no prior fundraising. 100% family owned.
TYPE AND MAGNITUDE OF INVESTMENT SOUGHT	<p>We are seeking capital to build a new state of the art tanning facility with enough capacity to handle regional demand and current customers, plus potential additional demand owing to increased visibility.</p> <p>We estimate needs of \$5M for a 40,000+ sq. ft. facility, new property/location, layout & design, engineering/permitting, state of the art wastewater treatment, new equipment, workforce, and maintenance.</p>
KEY RISKS	We are facing a dilemma in that we have been approached by many customers (even with having done very little marketing) asking for traceable vegetable tanning services, but they are looking for quantities we can't produce in our current facility. However, investing in a new facility means we need a guaranteed volume to meet the loan payment and necessary margins.





www.nativeamericanfiberprogram.com | www.regenerativeagriculturefoundation.org

CASE STUDY:

Native American Fiber Program

Regenerative Agriculture Foundation Founded in 2019

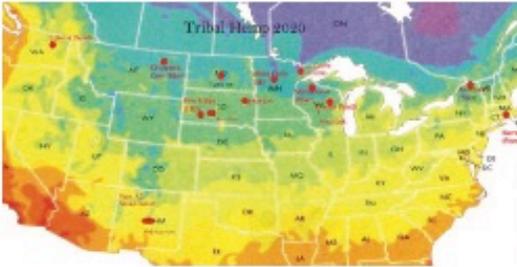
NAFP DIRECTOR: Fred Briones | ONEIDA NATION: Ernie Stevens | MENOMINEE NATION: Marcus Grignon | TURTLE MTN: Sheldon Thomas
NDSU Center of Bioplastics and Biocomposites (CB2)

ABOUT NAFP

The purpose of the Native American Fiber Program is to support communities and practitioners who still maintain place-based fiber practices, as well as support the production of fiber in tribal communities utilizing regenerative agriculture practices. Its mission is to perpetuate Indigenous fiber knowledge, arts, and economic opportunities.

MAIN BARRIERS OR NEEDS

The barriers include inclusion of traditional ecological knowledge, access to capital, and laboratory test results for hemp auto parts and sustainable building materials.



IMPACT AREAS



Waste Reduction



Carbon Sequestration



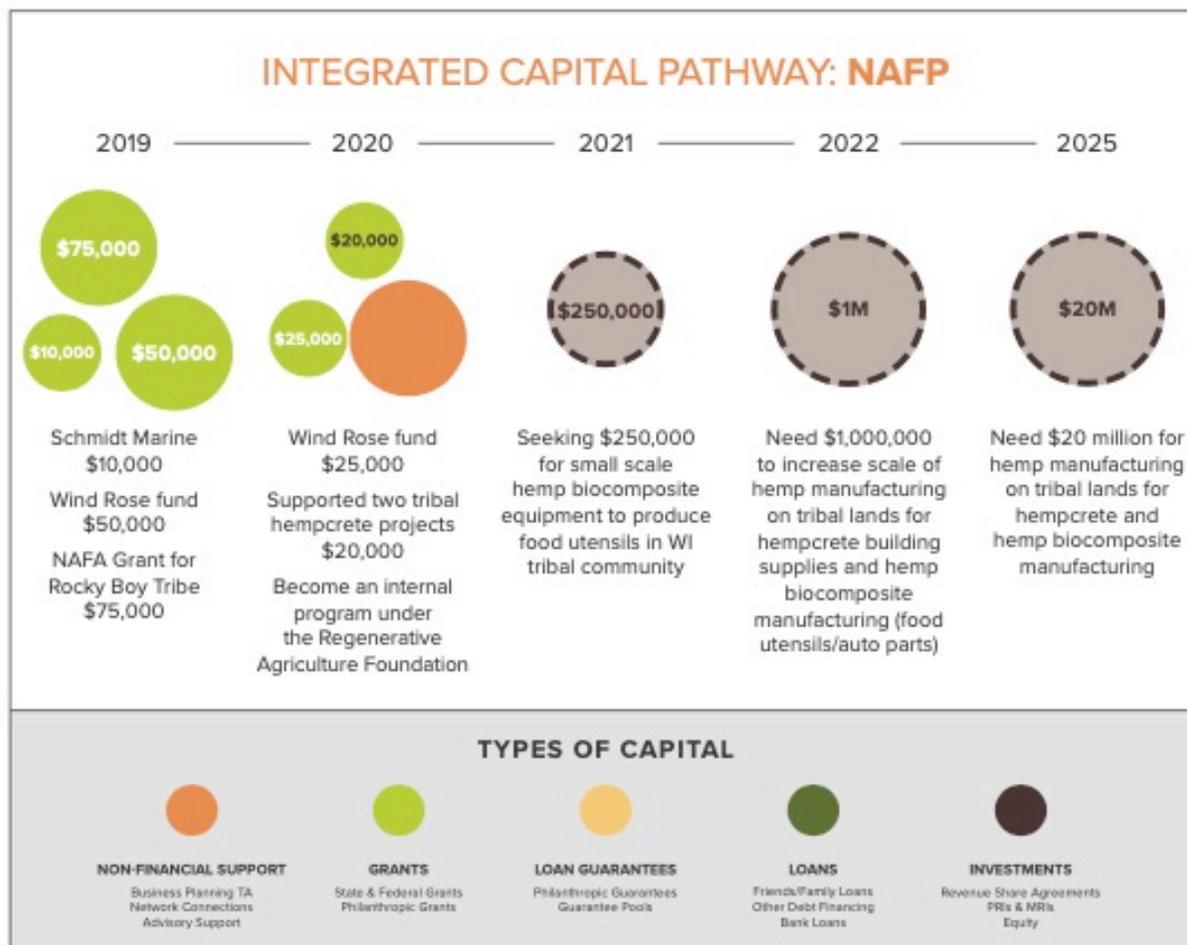
Economic Development/
Job Creation



Equity and Justice/
Indigenous Sovereignty

The leadership at the NAFP is focused on developing a hemp industry that would serve both Indian Country and nation-wide product markets, with a priority on spiritual healing in Indian Country. The program is currently creating an entire supply chain within Indian Country that protects the environment and provides multi layered job opportunities while improving capital infrastructure at Native CDFI's.

CURRENT CAPITAL STACK A/O INVESTMENT TO DATE	In 2019, the NAFFP was first funded by the WindRose Fund, then fully added into the Regenerative Agriculture Foundation. In 2020, the NAFFP made available 200 acres for basket weavers and raised over \$50,000 for both traditional and hemp fiber projects.
TYPE AND MAGNITUDE OF INVESTMENT SOUGHT	Seeking \$250,000 for small scale hemp biocomposite equipment to produce food utensils in an WI tribal community.
REVENUE MODEL & PROJECTED PROFITABILITY TIMELINE	With the NAFFP's membership at CB2, we are networking with several large U.S. corporations for product development and test rating approval. In the year 2025, the program forecasts tribal hemp industrial manufacturing supported by Native CFDI's.
KEY RISKS	Lack of hemp fiber production experience combined with undetermined CB2 hemp auto parts research results.



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CASE STUDY: Circular Systems SPC

Los Angeles, CA Founded in 2017

CEO: Isaac Nichelson | CTO: Yitzac Goldstein | COO: Geof Kime | CSO: Scott Leonard | EMPLOYEES: 25

ABOUT CIRCULAR SYSTEMS

The Agraloop™ Bio-Refinery system transforms food crop waste into a multitude of high value and regeneratively produced products including BioFibre™. The bio-refinery system is fully integrated allowing it to produce all required chemicals and energy requirements intrinsically. The resulting system and products result in positive global impact to society, planet and economy.



HEMP



FIBERS FROM
"WASTE"



FLAX

MAIN BARRIERS OR NEEDS

Regional access to Infrastructure:

- Yarn spinning capacity on the West Coast
- Fiber processing equipment
- Raw material maturity—hemp is an emerging market that has only recently been legalized.



IMPACT AREAS



Water Regulation



Carbon Sequestration



Waste Reduction



Soil Improvement



Emissions Reduction



Economic Development/
Job Creation

Circular Systems™ is dedicated to the creation and dissemination of regenerative textile systems through the scaled deployment of its closed-loop Agraloop™ Bio-Refinery. These mini-mills are capable of processing 30,000 metric tons of agricultural waste per year. The mills are modular by design and are intended to leverage the resources of the bioregion to maximize the net-positive impacts creating renewable co-products intrinsic to the system; fertilizer, bio-energy, and technical materials.

CURRENT CAPITAL STACK A/O INVESTMENT TO DATE

There have been several fundraisers: Grants, Fund Raising, Revenue: **Total: \$2,185,000**

- Proof of Concept Revenue: US **\$120,000**—since inception (2017)
- Friends and Family Round: US **\$250,000** in equity (Feb 2018)
- Global Change Award Grant: US **\$365,000** (May 2018)
- Pre-Seed Round: US **\$1.4M** in equity (March 2019)
- Levis Grant: **\$50,000** (2019)

TYPE AND MAGNITUDE OF INVESTMENT SOUGHT

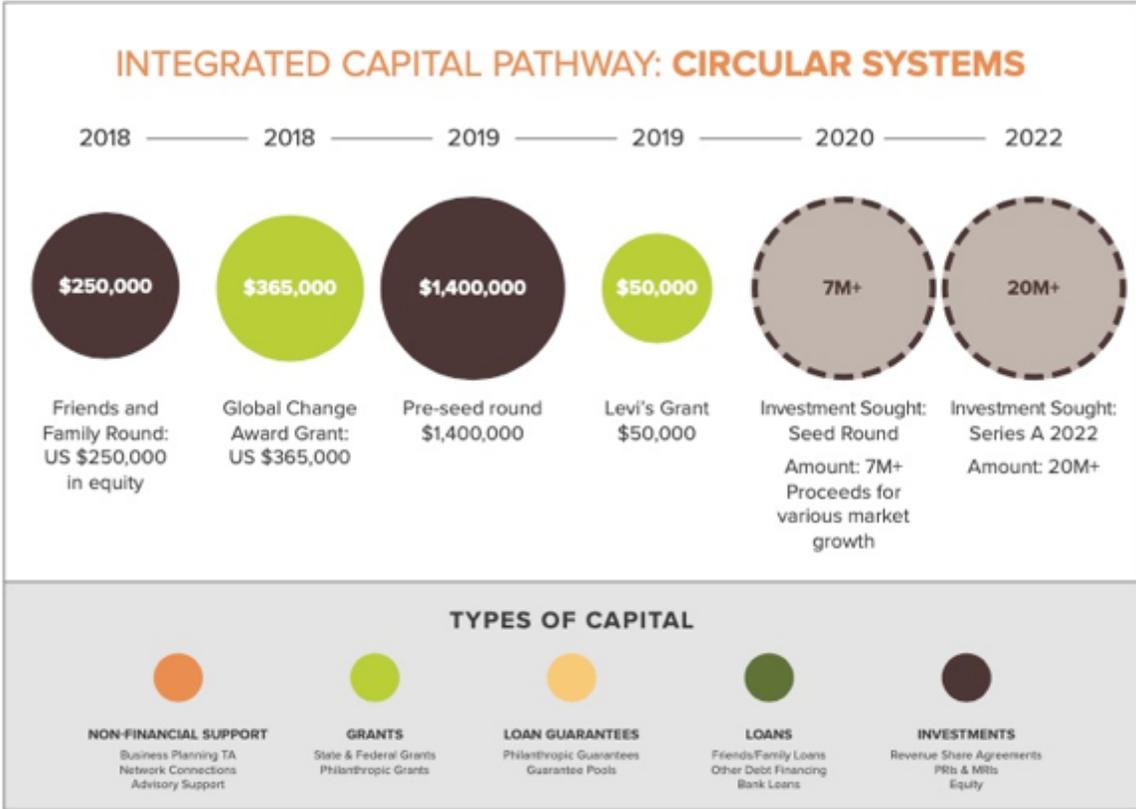
- Investment sought: Seed Round 2020
- Amount: **7M+**; Proceeds for various market growth
- Investment sought: Series A 2022
- Amount: TBD (**20M+**)

REVENUE MODEL & PROJECTED PROFITABILITY TIMELINE

\$4M+ over the next 12 months. Unofficially projected to be profitable in 2021. Detailed cap table and revenue projections available on request.

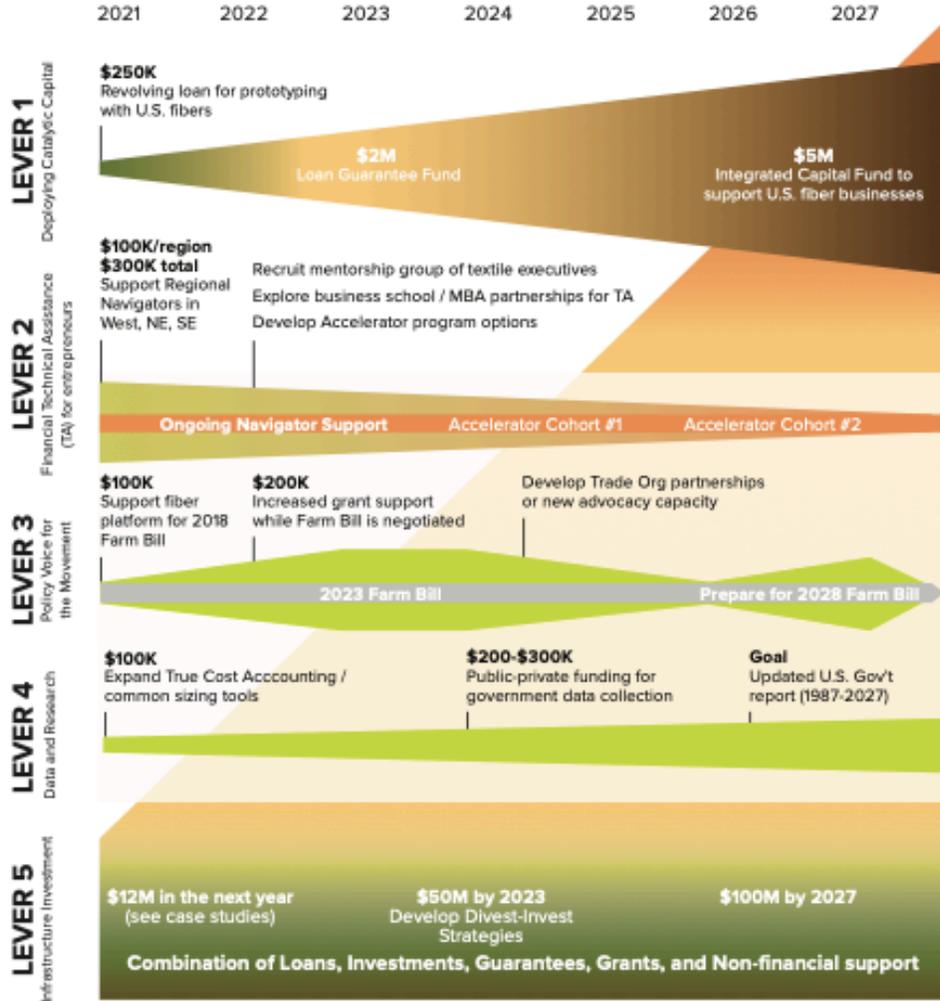
KEY RISKS

Regional factors can affect unit economics dramatically as well as quality of raw materials. Competition for raw materials across sectors. Bio-refineries competing for waste materials.



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THE VISUAL ROADMAP



TYPES OF CAPITAL

- 
 NON-FINANCIAL SUPPORT
- 
 GRANTS
- 
 LOAN GUARANTEES
- 
 LOANS
- 
 INVESTMENTS

NEXT STEPS

Read the Fibers Roadmap and Case Studies
www.safsf.org/fibers

Upcoming Webinars

- **Strategy Session on Roadmap Levers and Next Actions**
December 3, 2020 @ 11:00 am – 1:00 pm PT

- Discussions underway on fund vehicles, advisory structures, and partnerships
- **Connect with us** (fibers@safsf.org) or the case study businesses
- **Sign up for our email list:** mailchi.mp/safsf/fibers

Q & A

