



THE FIBERS ROADMAP

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

WEBINAR #3: STRATEGY SESSION

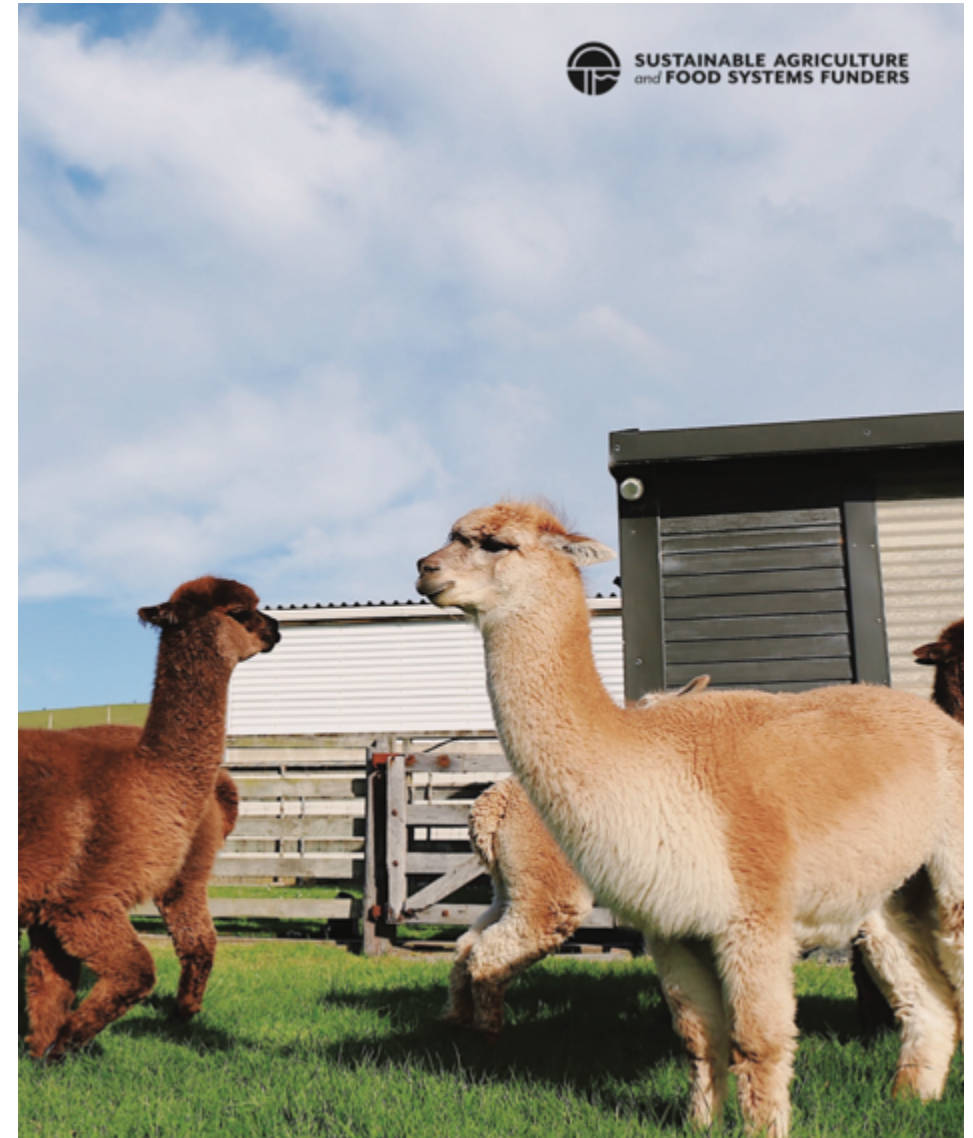
Collaboration | Equity | Respect | Stewardship | Integrity



**SUSTAINABLE AGRICULTURE
and FOOD SYSTEMS FUNDERS**

WEBINAR #3 GOALS

- Explore all five Gaps and Levers in the Roadmap.
- Share updates on partnership conversations.
- Hear from YOU in breakouts on your questions, ideas, models, and areas of interest.
- Use input to create a more detailed workplan with next actions for each lever in 2021.
- **Starting point:** Fibers funding range to date: **\$3,084,000 - \$7,450,000.**



ACKNOWLEDGEMENTS

Advisors

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

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60 Project Interviewees
12 Case Study Businesses

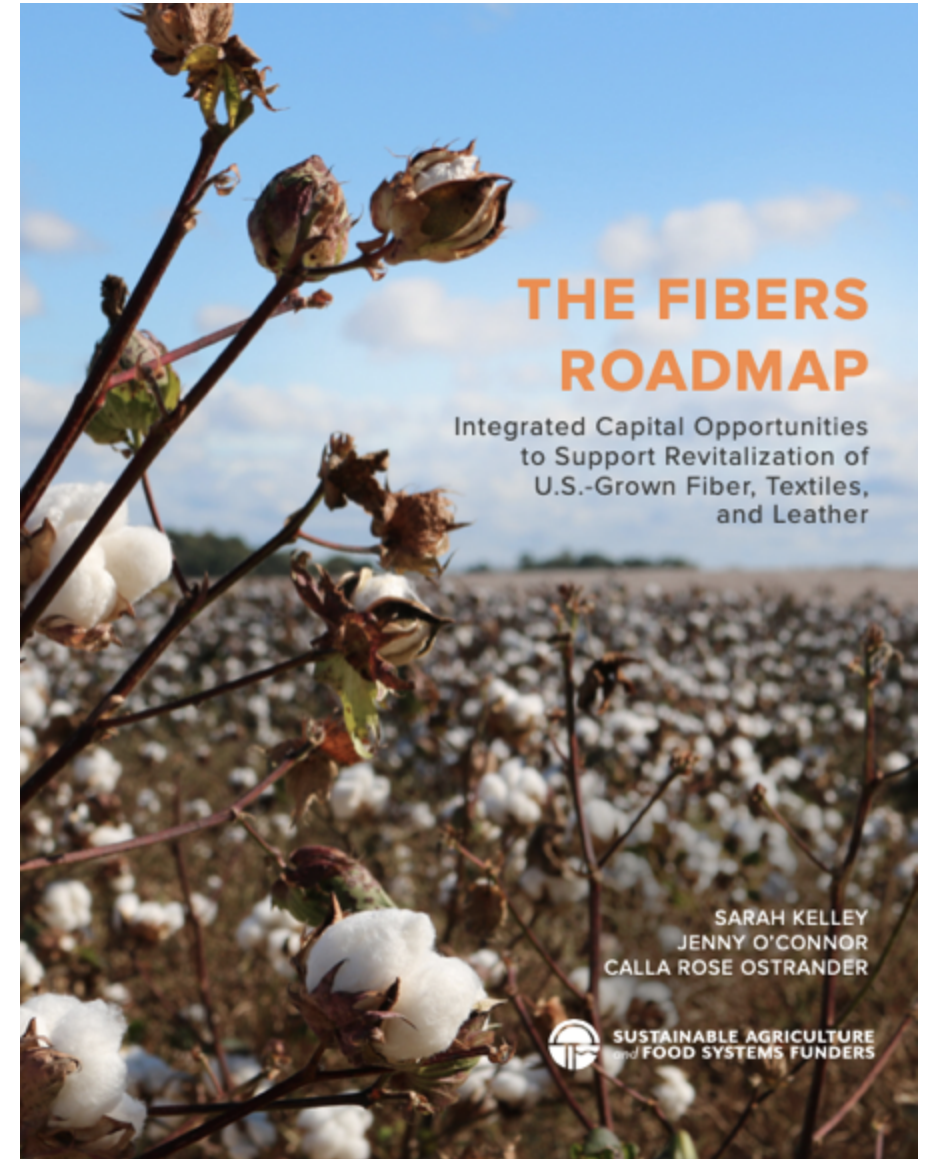
A project of Sustainable Agriculture and
Food Systems Funders (SAFSF)

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**.



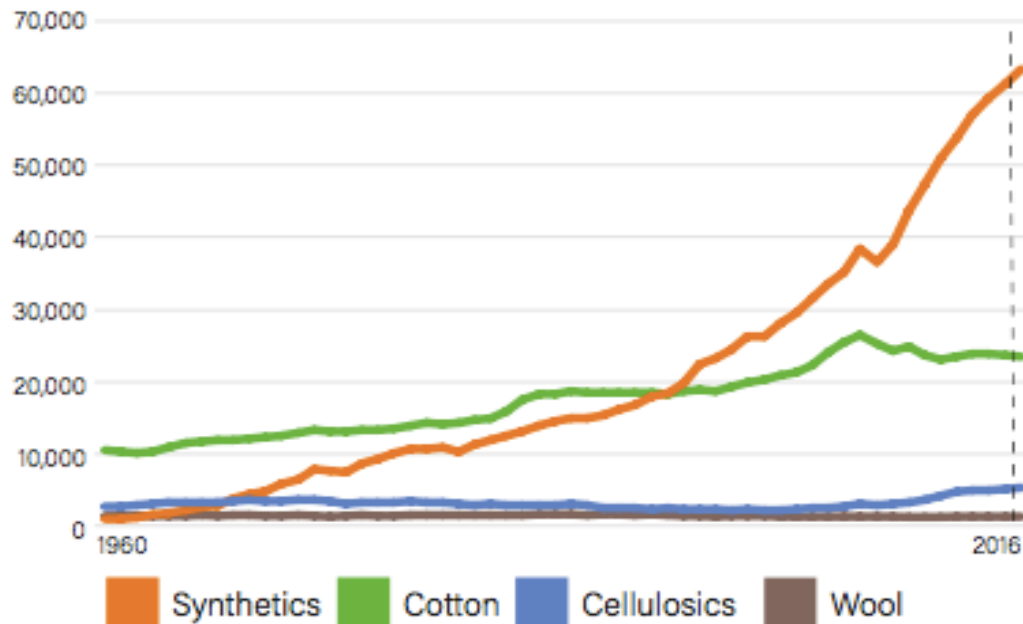


BACKGROUND EQUITY & JUSTICE

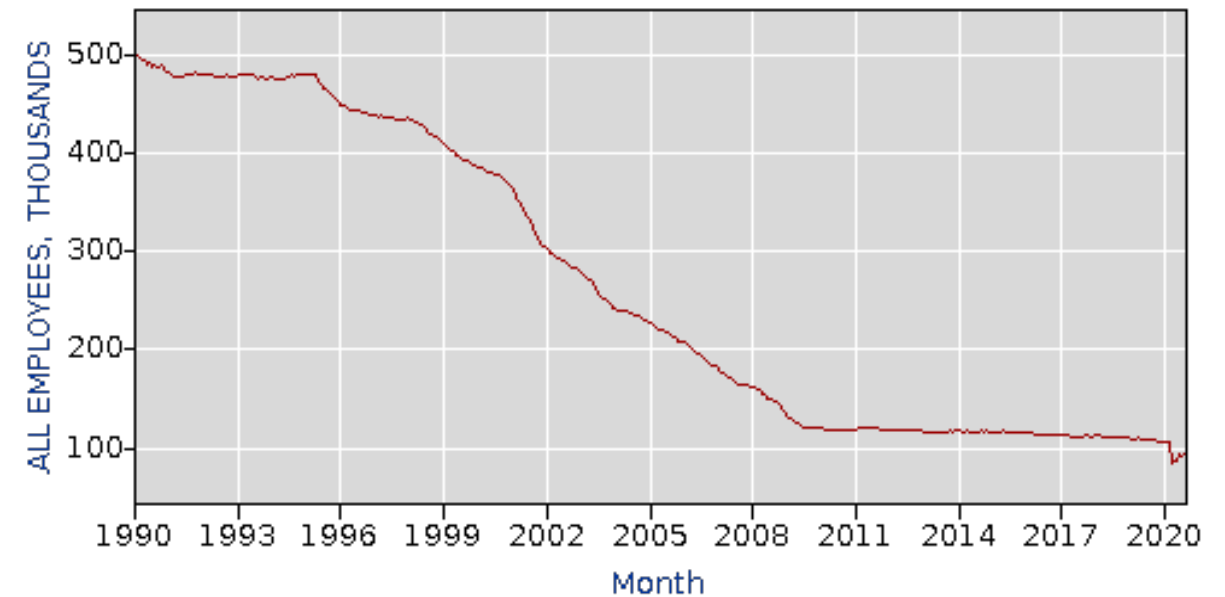
BACKGROUND

INDUSTRY IMPACTS

GLOBAL FIBER CONSUMPTION TREND³



U.S. Bureau of Labor Statistics, Textile Mill Employment



BACKGROUND

THE CASE FOR RESHORING

Key benefits:

- Reconnection
- Transparency
- Wealth Creation
- Waste Reduction



BACKGROUND

INTEGRATED CAPITAL FRAMEWORK

- We can't rebuild a regenerative, just fiber system with old extractive financial models.
- The RSF Social Finance Integrated Capital Framework gives us one tool for understanding new approaches.

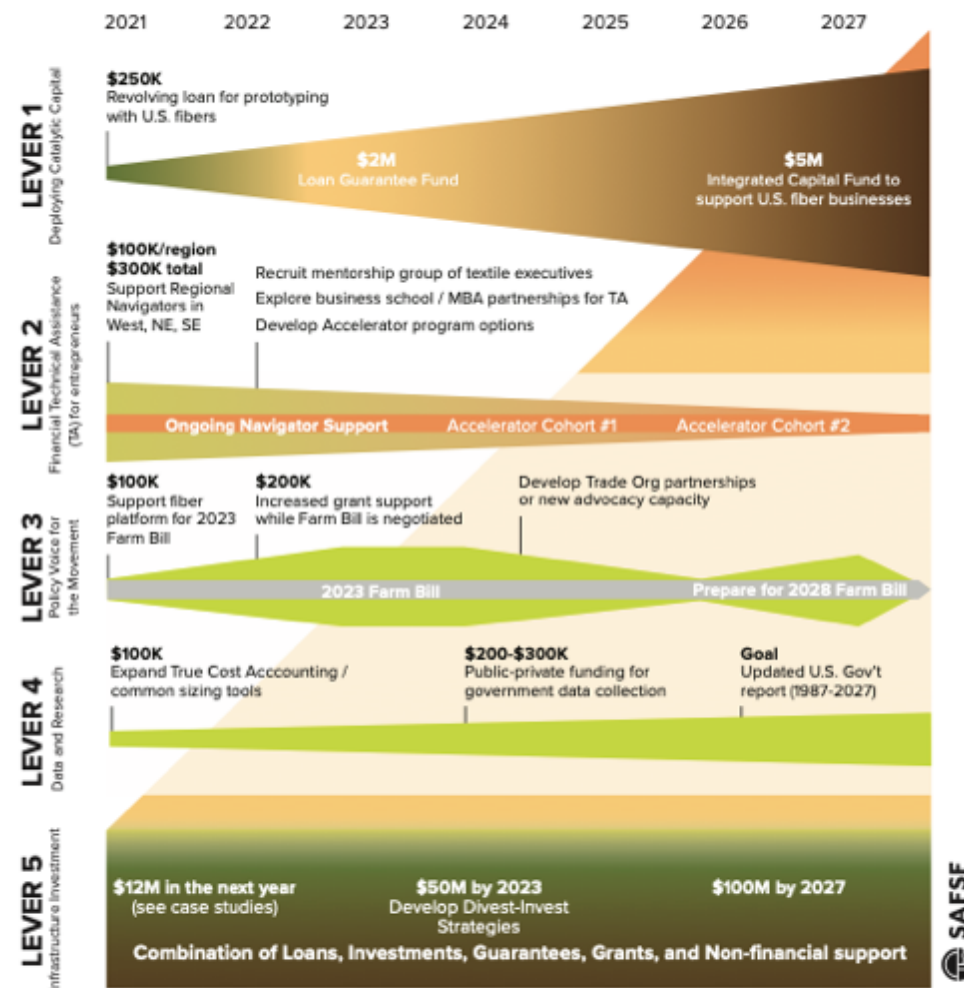


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GAPS AND LEVERS SUMMARY

- **Lever 1:** Deploying catalytic capital to overcome barriers
- **Lever 2:** Business technical assistance (TA) for fiber entrepreneurs
- **Lever 3:** Policy voice for the movement
- **Lever 4:** Data and research
- **Lever 5:** Infrastructure investment

THE VISUAL ROADMAP



TYPES OF CAPITAL



GAP 1

The Commitment Catch-22

- Brands want a **guaranteed scale of production** before they will commit to contracts.
- Fiber system entrepreneurs **needs contracts** for guaranteed revenue to increase scale.

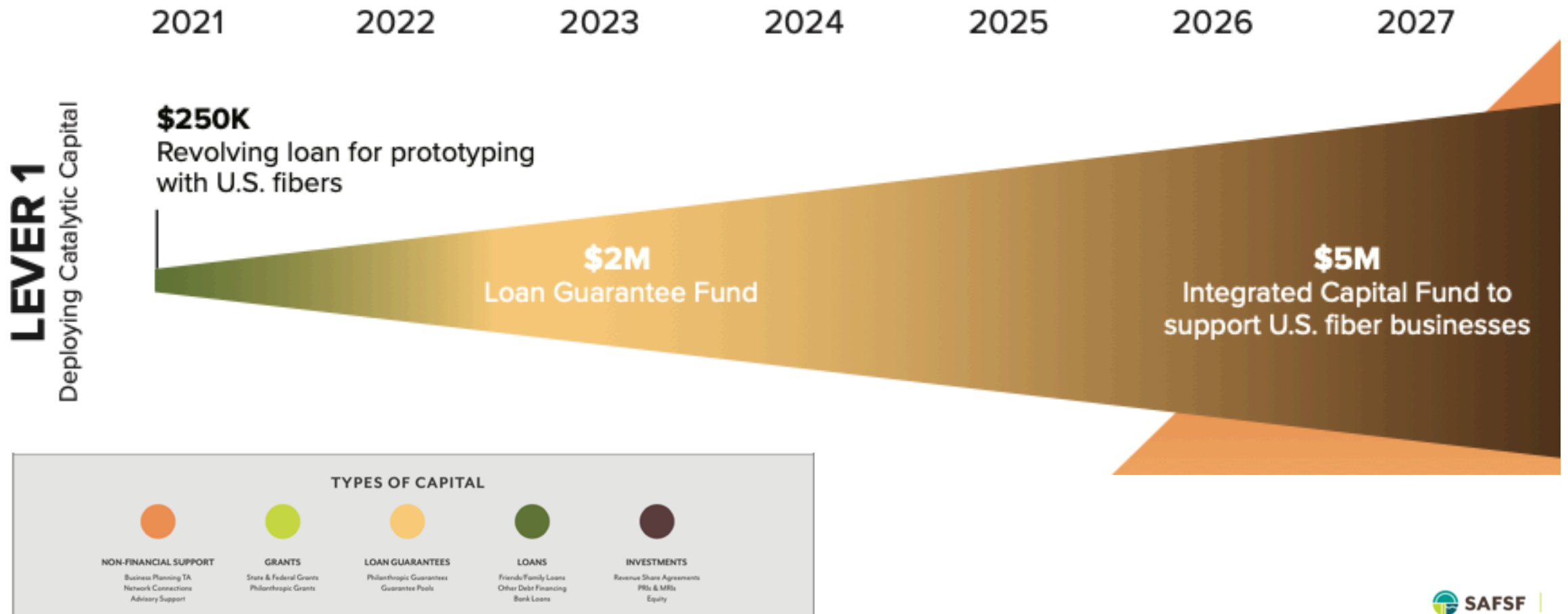
Equity Gaps Compound the Commitment Catch-22:

“They [banks] are saying, ‘we have an open-door policy’—and we can walk through that door as much as we want to. . . ***we’re just not leaving with the funds.***”

- Jason Lindsay, Southeastern African-American Farmers’ Organic Network (SAAFON)

LEVER 1

Deploying catalytic capital to break the Commitment Catch-22



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GAP 2

Financial Technical Assistance (TA) for entrepreneurs

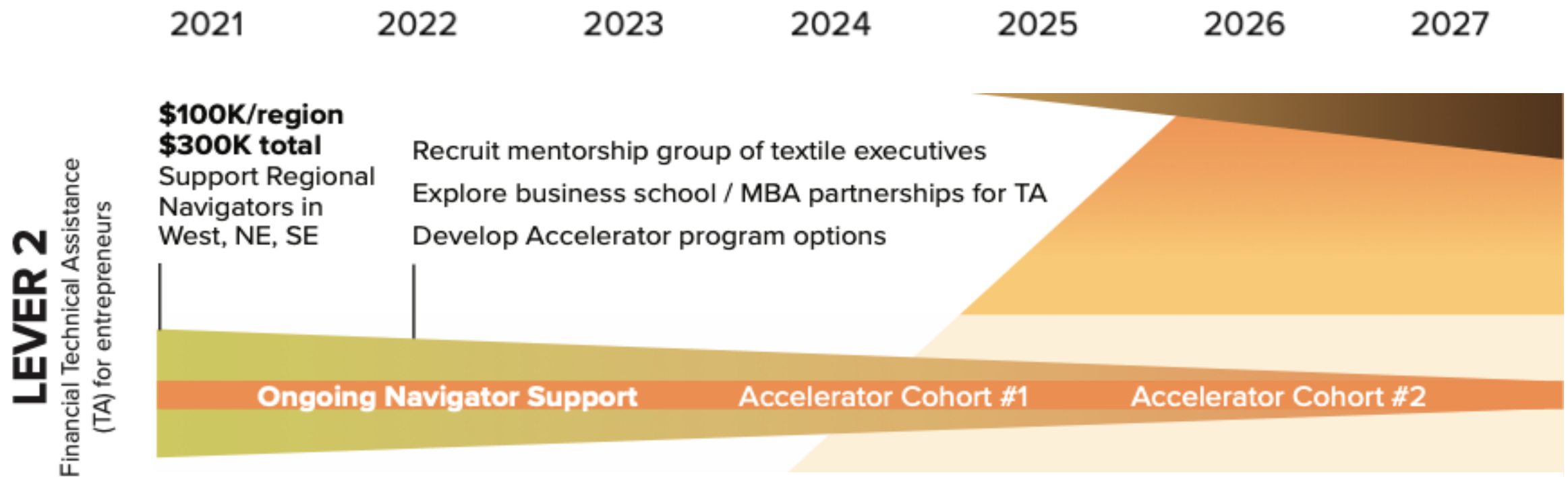
- While skilled in production, U.S. fiber system entrepreneurs often lack financial TA.
- 5th generation tannery: **“We know how to make leather; we don’t know how to grow a business around this service** that people may not even know they’re looking for yet.”
- Experienced investor: “. . . in any early-stage financing, **the TA is actually more important than the money.** Because if you can wrap an entrepreneur in knowledgeable TA, the capital will come in more easily.”



Photo courtesy Botanical Colors

LEVER 2

Support tiered, equitable TA for fiber entrepreneurs



GAP 3

Policy Voice

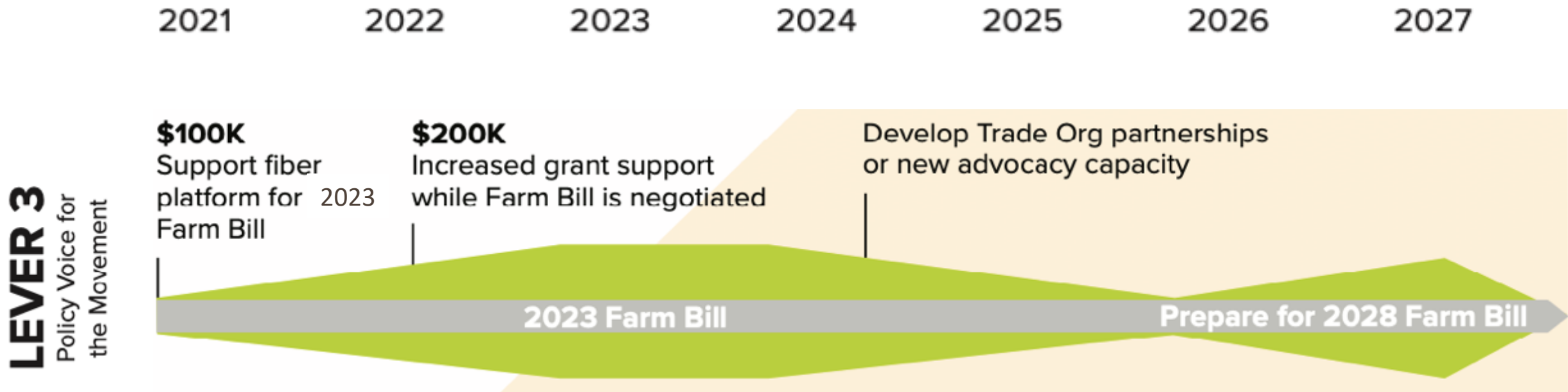
Interviewees named a range of policy issues:

- “**Lack of supportive policy**, and the favoritism toward big ag, corn, soy, etc.”
- Need for clearer regulations for industrial fiber hemp production.
- Garment Worker Center’s SB 1399 to eliminate piece-work pay.
- Trade Policy: U.S-Mexico-Canada Agreement (USMCA), China trade war.
- Policies on single use plastics.

The movement lacks a unified voice to engage on these policy issues.

LEVER 3

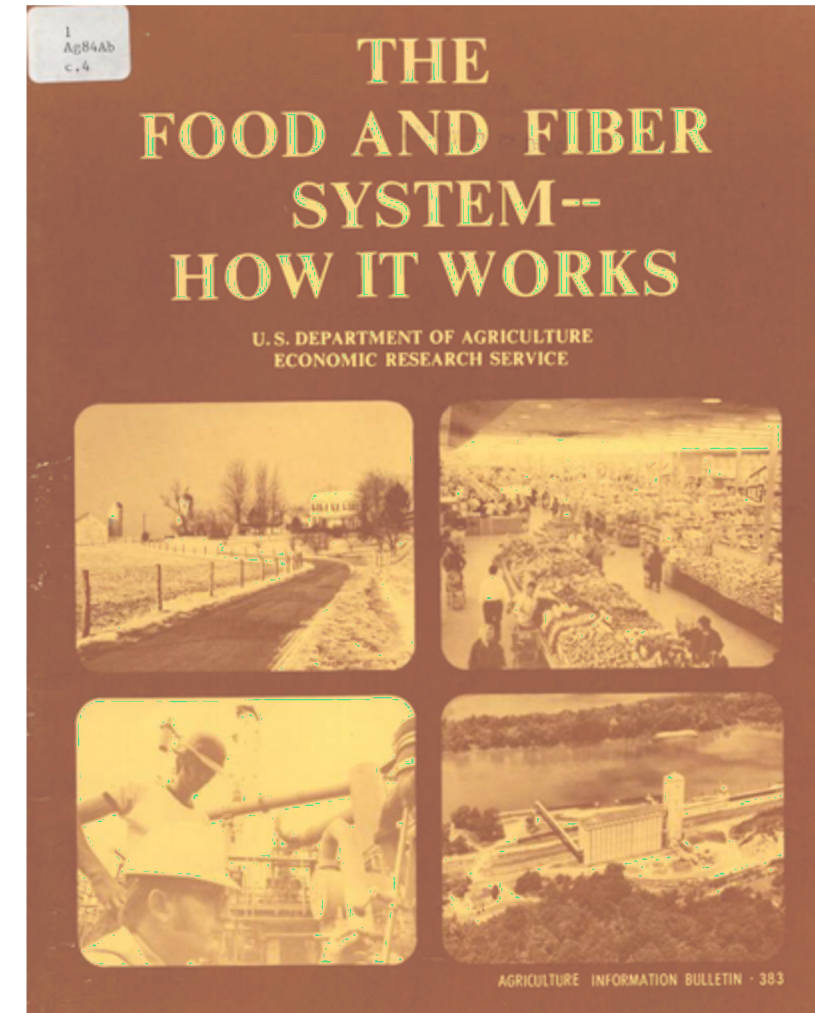
Support existing or new policy advocacy capacity



GAP 4

Data and Research Needs

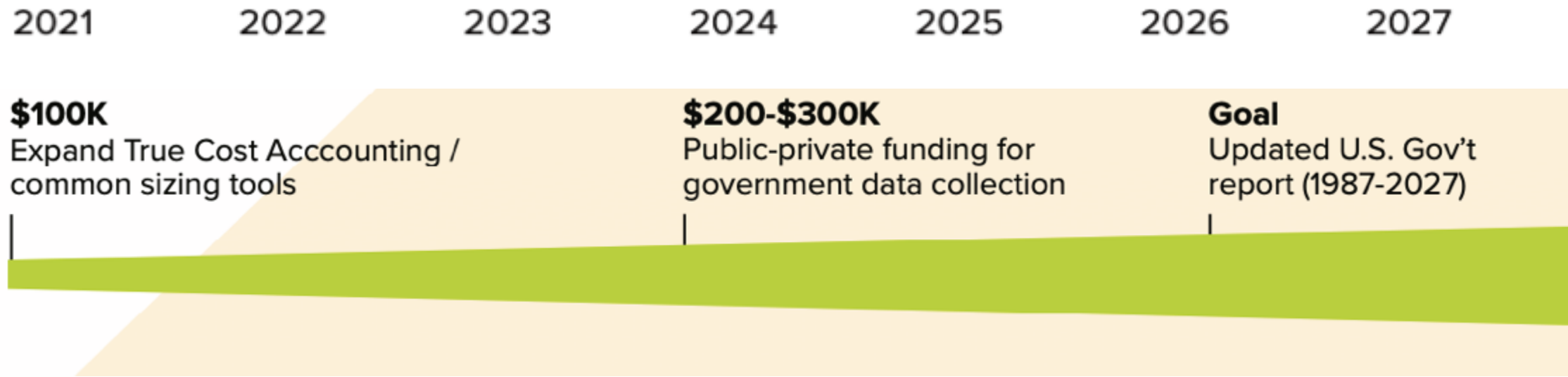
- Last full U.S. government report on U.S. textile industry was in 1987.
- USDA Census of Ag includes little data for fiber crops other than cotton.
- Research needs on production and processing for U.S. fibers and leather.
- Data on regenerative ag practices/impacts, especially C sequestration in fiber crops.
- More consistent financial assessment tools:
 - **True Cost Accounting** systems to assess brands' externalized costs.
 - **Common sizing** tools to give investors textile industry benchmarks.



LEVER 4

Public-Private Funding for updated data and research

LEVER 4 Data and Research



GAP 5

Infrastructure Investment

U.S. fiber processing infrastructure is fragmented, fragile, and in need of modernization.

- Case Study businesses seeking **\$12M by 2021 and \$50M in support over next three years.**
 - Fibershed RFMI has identified other investment needs in West, including processing for wool, hemp, and flax, and vegetable tanning for leather.
 - Other Half Processing identified a need to incorporate on-site hide processing equipment in new slaughterhouses.
- 
- Draper Knitting, Canton MA. Photo by Charlotte Atkinson, Via SENE Fibershed
- **Infrastructure investments must be integrated with funding for field-building, TA, data, and policy to fully succeed.**

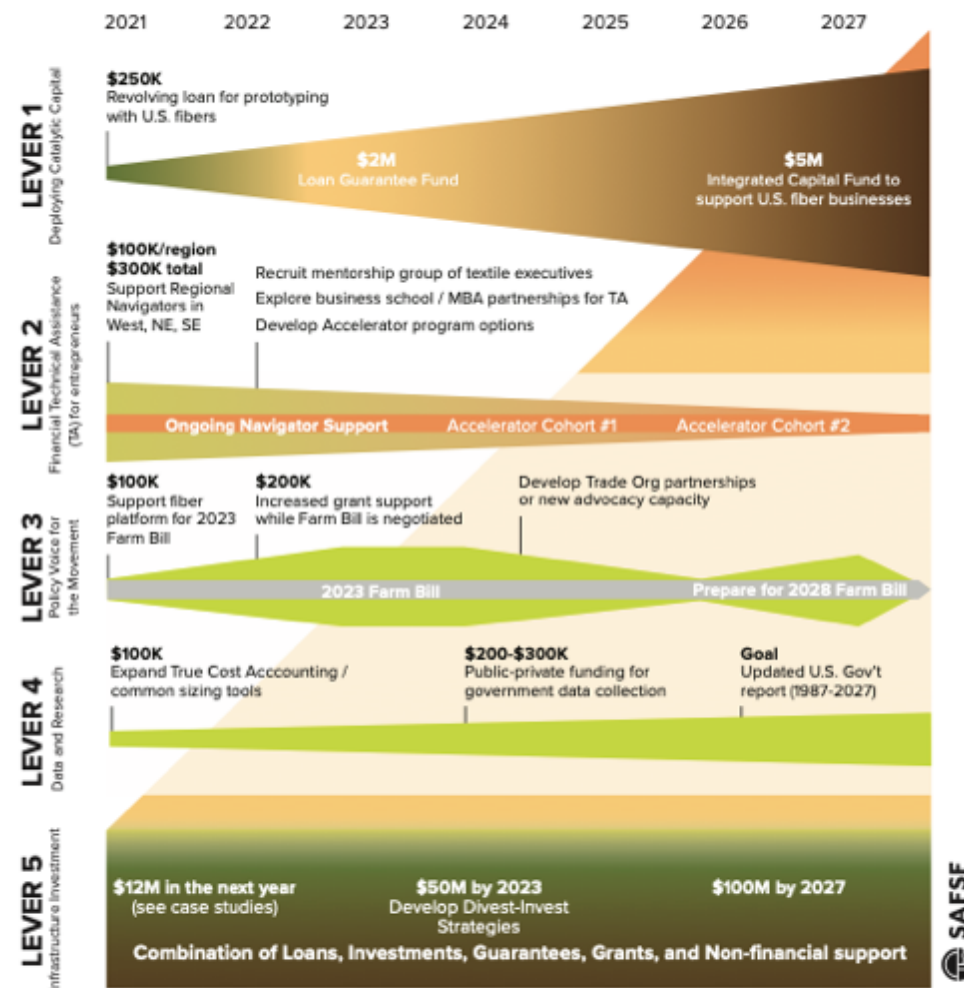
LEVER 5

Integrated Infrastructure Investment



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THE VISUAL ROADMAP



TYPES OF CAPITAL



BREAKOUT GROUPS:

- **Lever 1: Deploying Catalytic Capital (Moderator: Sarah K.)**
- **Lever 2: Business TA (Moderator: Jenny)**
- **Lever 3: Policy Voice (Moderator: Traci)**
- **Lever 5: Infrastructure Investment (Moderator: Calla Rose)**

**Please rename yourself in zoom
to indicate your breakout group.**

BREAKOUT GROUPS PLAN:

- Welcome/intros
- 3 prepared questions
- Your questions and discussion
- Take notes on google slide

REPORT BACK

- 3 bullets / 3 minutes per group

SLI.DO POLL – 3 questions + 3 words on fiber

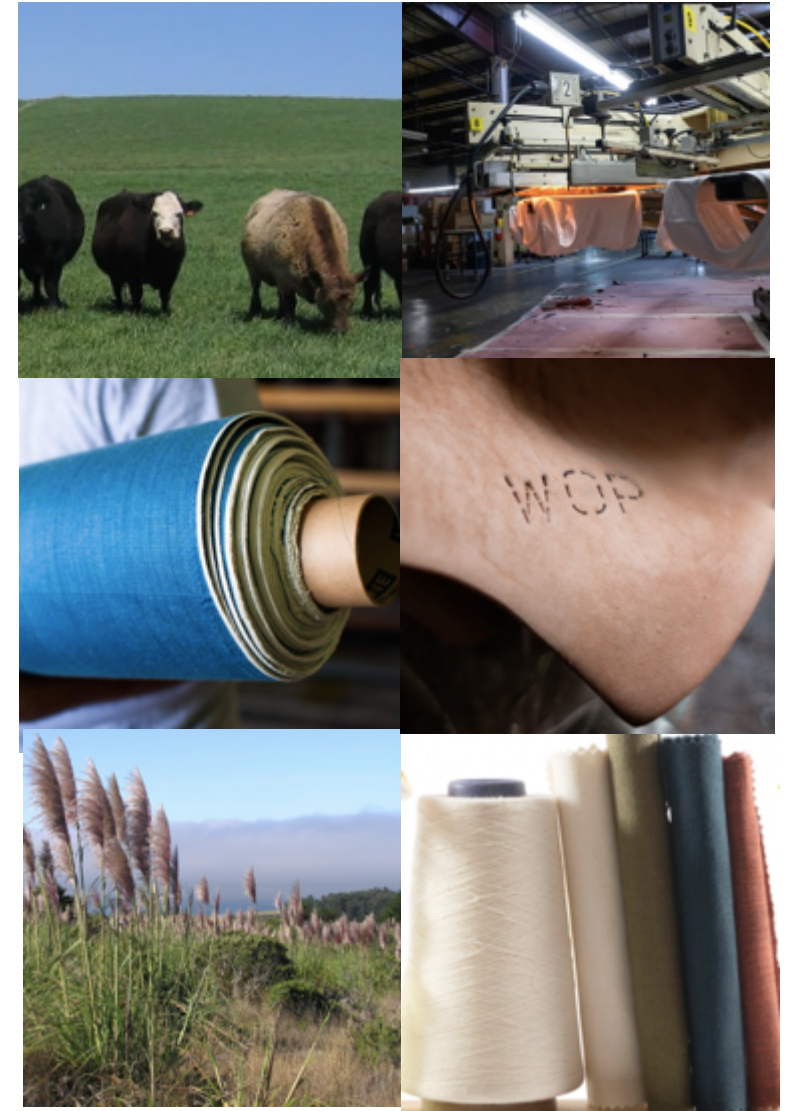
CASE STUDY MAP

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 investors to deploy integrated capital approaches.

- | | |
|---|--|
| 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



NEXT STEPS

Roadmap and Case Studies available at:
www.safsf.org/fibers

Upcoming Webinars:

- **SAFSF Fiber Systems Stakeholder Webinar – Thursday Jan. 14**
 - **Other funder/investor webinars in development to feature all Case Studies**
-
- Follow-up on breakout group action items and next steps for 2021
 - **Connect with us** (fibers@safsf.org) or the case study businesses
 - **Sign up for SAFSF email list:** mailchi.mp/safsf/fibers

THANK YOU





SUSTAINABLE AGRICULTURE
and **FOOD SYSTEMS FUNDERS**

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