

Testimony of Jessika Tantisook  
Co-founder and Owner of  
Starvation Alley Social Purpose Corporation



*Starvation Alley's Stated social purpose is to increase farmers' livelihoods while decreasing the harmful impacts of farming on the environment & communities.*

April 16, 2014

*For U.S. Senate Field Hearing in Vancouver on Small Business Lending with Senator Maria Cantwell*

## TESTIMONY

My name is Jessika Tantisook and I'm a co-owner of Starvation Alley Social Purpose Corporation, a cranberry company in Southwest, WA. We make local & organic cranberry juice that's unsweetened and undiluted.

Before I started this juice company, I was a cranberry farmer. Being foodies and interested in the agriculture system, my partner Jared Oakes and I moved back in Washington four years ago to see if we could be the first farmers in the state to grow Washington Organic cranberries. What we found was that it is possible to grow cranberries organically, in fact we became the first certified organic acreage of the 1,700 acres grown here last fall, however it was more difficult than we thought. One of the major reasons was finding financing for our "risky" organic venture.

As a farm, we talked to our local bank and Farm Credit Services about funds to help support us in our organic transition process. They turned us away, saying our business model wasn't proven and we were already over-leveraged and that the working capital needs we had could not easily be collateralized through traditional banking methods.

With growing national trends in Organic and healthy food options, this didn't seem like a complicated idea to us--especially in the Northwest. We'll grow organic cranberries, make quality products and sell them in our region. Most cran options you can find on the shelves are not local. We are.

We funded our first two and a half years through income from our family's fishing business, working multiple jobs and through personal debt. We realize without these support options our company wouldn't be here today. We also know that many other farmers who would also like to make environmentally and socially conscious business decisions, these options aren't always available.

Last year, we started Starvation Alley SPC, named after the road where our farm is located, to be the company that we wished existed when we started farming. One that would pay farmers what their fruit was really worth, significantly above commodity pricing. A price that would support them growing in more sustainable ways. Starvation Alley SPC would be an independent juice company, one that was not burdened by the debt of a family farm, but could become a dependable customer for our farm and those of our neighbors looking for a new way to grow both cranberries and their livelihoods.

The first loan we received was through a new company out of Seattle called Community Sourced Capital in February 2013. CSC helps hundreds of people compile small loans into one loan for a business, and they make the repayment easy and manageable. We benefited from one of these loans thanks to 110 people in our network sharing \$12,000 so we could buy a juice press. Since then, we've repaid almost a fifth of our loan to our 110 lenders.

With the new juicer as our core piece of equipment we were in a position to grow, selling juice directly to the top restaurants in Seattle and starting to sell in farmers markets. To develop these markets and obtain the inventory we would need a much larger piece of financing was still required.

We heard about Craft3, a Southwest Washington Community Development Finance Institution, through a friend and found they were a clear fit for a mission-aligned lender. Craft 3 prioritized our community and values alongside our business plan and profitability and after much due diligence; we received our first substantial loan last October. Craft 3's willingness to provide needed capital to early stage businesses when few others could or would gave us the monies Starvation Alley needed to scale sales in Seattle and expand to Portland. This meant keeping our jobs, hiring 3 new employees and being able to support two sustainable farms in Southwest Washington last year through purchasing their fruit.

Starvation Alley isn't quite out of the red and needs more outside investment. We are exploring all options including taking advantage of Federal Grant opportunities like the Value Added Producer Grant funds which will announce award recipients in June. We are in talks with Craft 3 for a second round of financing because we still don't qualify for SBA loans. They might be a great option for well-established businesses with assets to leverage as collateral, but as banks administer them the profitability of smaller loans for these banks makes them a low priority or not even considered. Working with innovative community finance companies fits both the character and the needs of our business, but eventually the goal would be to be able to grow into utilizing more traditional means of accessing capital, but first we must be successful.

Thanks for your time.

### **More about Jessika Tantisook**

*Jessika is a small business owner and food systems aficionado. As co-founder of Starvation Alley Social Purpose Corporation, a cranberry company located in Southwest Washington, Jessika spends much of her time building a new business that supports regional cranberry farmers through the organic certification process. Though she is passionate about farmers, her favorite part about her job is getting to partner with many other inspiring Pacific Northwest food producers to create collaborative value-added products. In 2012, Jessika aided in the design of Seattle's Bainbridge Graduate Institute's first Certificate program in Sustainable Food and Agriculture. Jessika's other experiences include receiving her Master's in Business Administration, starting 2 community gardens and working on an organic vegetable farm. She lives in Ilwaco, Washington near Starvation Alley Farms with her partner Jared Oakes and two dogs.*

### **More about Starvation Alley SPC**

*Starvation Alley consists of 10 acres of cranberry bogs with juicing facilities in Long Beach, Wash. It was founded in 2010 by Jared Oakes and Jessika Tantisook with the aim of producing local, sustainable cranberries of exceptional quality. The main bog sits on Birch Street, which was nicknamed "Starvation Alley" during the Great Depression. Oakes and Tantisook named their farm Starvation Alley as an homage to the hard-working farmers who worked the land that is now the state's first organic cranberry farm. [www.starvationalley.com](http://www.starvationalley.com)*

### **More about Community Sourced Capital SPC:**

*Community Sourced Capital builds innovative financial systems for communities. CSC provides loans to small businesses using funds sourced directly from people in their community. Communities fund loans using something called a Square, a \$50 unit of a larger loan. Squares are really simple loans: \$50 in and \$50 out. It's not a donation, it's not an investment, it's a right-sized mechanism for moving money to businesses while still getting paid back. As of April 2014, CSC has helped 17 businesses borrow \$300,000 from nearly 2000 Squareholders. Community Sourced Capital makes it easy for people to lend money to local businesses they love. It's great for businesses that need value-adding capital, and it's an amazing way to involve a community in a new kind of finance—finance based on collaboration and relationship building. [www.communitysourcedcapital.com](http://www.communitysourcedcapital.com)*

### **More about Craft3 CDFI: [www.craft3.org](http://www.craft3.org)**