



FIGHTING HUNGER AND POVERTY

CAPITAL CAMPAIGN SUMMARY

The Community FoodBank of New Jersey distributed 37 million pounds of groceries in 2010. Because our food distribution has grown by more than 60 percent from 2008 to 2010, we need additional space, infrastructure improvements and an upgrade of our fleet and equipment. We are embarking on a capital campaign to raise the funds to meet these needs.

The greater capacity and greater efficiencies that will result from the components of our capital campaign will allow the FoodBank to increase its distribution by an additional 20 percent over the next few years. Because of current economic conditions and forecasts, we believe that such an increase in the need for emergency food in New Jersey is very likely.

Initiatives to be addressed through the capital campaign are as follows:

1. Facility Renovation and Expansion (\$8 million)

Increasing our food distribution, child-feeding programs, and job-training initiatives will require more space than we currently have at our Hillside warehouse headquarters. The FoodBank plans to buy more space, nearby, or to construct new space. In addition, the Hillside warehouse, 285,000 square feet, is more than 30 years old and needs work on its roof and facade, and upgraded heating and lighting.

Our Southern Branch, in Egg Harbor Township, has outgrown its warehouse space. This capital campaign will allow us to expand the Southern Branch warehouse by 10,000 square feet and to add the refrigeration and racking needed for the Branch to serve as our produce-distribution hub. Starting this year, the FoodBank will be receiving 2 million more pounds of fresh produce from local growers--nearly doubling our current annual distribution of fresh produce. Storing and distributing the produce from the Southern Branch, near the South Jersey growers, is the most efficient and cost-effective way of distributing these fresh fruits and vegetables. Through this Capital Campaign, we also plan to expand the Branch's loading facilities and parking area, which are inadequate for current operations.

2. Expansion and Upgrade of Truck Fleet, Warehouse Equipment and Information Technology (\$2 million)

More than half the trucks in our fleet--so crucial to the FoodBank's expanding food distribution--are more than 10 years old. Our operations would benefit greatly if some of these trucks were replaced with more reliable, fuel-efficient trucks and if we could expand our fleet. This capital campaign includes the purchase of 10 new vehicles, including two tractor-trailers, for the pick-up and distribution of food. An expanded truck fleet would support the FoodBank's Supermarket Gleaning program. In today's perfect storm of rising costs and rising need, the FoodBank sees expansion of our Supermarket Gleaning Program as crucial to our ability to provide food for the most vulnerable New Jerseyans. During the last two years, the FoodBank expanded this program by more than 500 percent, to its current size of 2.5 million pounds annually. By adding trucks, purchased through the Capital Campaign, to the Supermarket Gleaning Program, the FoodBank can glean an additional 4 million to 5 million pounds annually.

In addition, this Capital Campaign will allow the FoodBank to expand and upgrade warehouse equipment, including forklifts, refrigeration, and racking, and to upgrade its information technology, including servers, software and automated inventory-control systems.

3. Program Expansion (\$2 million)

Through this Capital Campaign, one of the ways the FoodBank will increase its food distribution is by strengthening and expanding its network of nonprofit organizations that feed the hungry, which now numbers 1500. The FoodBank will strengthen its food-distribution network by identifying capacity-building needs among its member agencies, such as additional staffing, computers, cooking equipment, and refrigeration, and providing the funding--or partial funding--for these needs.

The FoodBank will also expand its mobile pantry program to distribute food in neighborhoods without an adequate number of food pantries or in neighborhoods where the need has outstripped the capacity of existing food pantries.

Another program slated for expansion with this Capital Campaign is the Food Stamp Outreach Initiative. This program, started in 2009, provides education about the Food Stamp Program, including eligibility rules, to the poor and low-income. Further, it provides assistance in the Food Stamp application process for those who lack access to the Internet or who cannot read English well enough to fill out the application. The need for Food Stamp Outreach is particularly high in New Jersey, where approximately 50 percent of those who qualify have not applied for Food Stamps, compared to the national average participation rate of 67 percent.

4. Sustainability Reserves (\$3 million)

To help ensure that the Community FoodBank can continue to keep pace with the need for food throughout the state, we plan to build our cash reserve fund to cover 12 months of operating expenses. The FoodBank currently has 7 months of operating funds in reserve. Adding \$3 million from the capital campaign would bring the reserve fund to 10 months of operating expenses, much closer to our goal of 12 months. Experience shows that unforeseen national emergencies, such as the events of Sept. 11, 2001, and Hurricane Katrina in 2005 can cause a sudden, dramatic shift in philanthropic dollars. Our reserve fund cushions against such a shift.

In addition to protecting our operating budget against income fluctuations, a larger reserve fund will provide protection against potential decreases in the amount of food and food-purchasing funds provided to the FoodBank through the state and federal Departments of Agriculture.