Local Food Promotion Program (LFPP)
Final Performance Report

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to LFPP staff to avoid delays:

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

Report Date Range: *(e.g. September 30, 20XX-September 29, 20XX)*	September 20, 2015 to March 31, 2016
Authorized Representative Name:	Deborah Gibbs
Authorized Representative Phone:	530-272-4994
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Recipient Organization Name:	Nevada County Grown
Project Title as Stated on Grant Agreement:	A Planning Study to explore a Nevada County Food Hub
Grant Agreement Number: *(e.g. 14-LFPPX-XX-XXXX)*	15-LFPP-CA 0132
Year Grant was Awarded:	2015
Project City/State:	Grass Valley, CA
Total Awarded Budget:	$25,000

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?
☒ Same Authorized Representative listed above (check if applicable).
☐ Different individual: Name: _____; Email: _____; Phone: _____

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1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. "new objective", "new contact", "new consultant", etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.

   Nevada County Grown (NCG) is a non-profit that has provided print and online marketing and advertising support to farms and ranches since 2008. NCG performed this planning study to determine how a food hub might expand the current producer sales in Nevada County.

   i. Objective 1: Establish a communication system to obtain advice from stakeholders and the community to present goals, progress and final conclusions on the planning study.
      a. Progress Made:
         - We officially announced the Food Hub at a Farm-to-Table event we hosted in October, 2015, when we received the Planning grant. Invitees included the Agriculture Commissioner, UC Extension Agent, farmers, ranchers, and supporters of local agriculture. We gave a presentation, handed out information sheets, and got press coverage of the event.
         - We created a Food Hub section of the Nevada County Grown (NCG) website. We use both the NCG website and Facebook page to keep people updated on food hub progress. We also post on the Local Food Coalition (LFC) list serve, an agricultural list serve which is widely used and read in Nevada County and neighboring counties.
      b. Impact on Community:
         - Since this was a planning grant, it was an educational and research phase. However, we got predominately positive reactions as well as unsolicited offers of assistance.

   ii. Objective 2: Identify the local grower base that would be interested in participation in the hub and estimate the potential revenue stream based on sales to wholesale consumers.
      a. Progress Made: We created an online survey for Farmers and Ranchers and reached out to the local agricultural producers for their input.
         - 31 Producers (farmers/ranchers) took the survey, which is a good response rate for our small rural area. Respondents ranged from small to large businesses, fairly new to decades-old farms. Thus we reached a good cross-section of Producers.
         - The 19-question survey covered information such as acreage, crops, years in business, etc. The first two questions in this table were designed to measure Producer interest in a Food Hub.

Survey Question	**Yes**	**Maybe**	**No**
Would you use the hub to sell some or all of your products?	67%	15%	18%
Are you willing to increase production?	73%	20%	7%
Are you interested in participating in a focus group meeting?	48%	28%	24%

- We had an informative and productive focus group meeting and ALL of the participating farmers said they would like to participate in a limited launch of the food hub during summer 2016, prior to receiving the Implementation Grant.
- We have projected sales based on available County Agriculture reports and worksheets completed by Producers at our focus group meeting.

b. Impact on Community: We are still in planning stages, but there is clear interest among Producers. We have also talked to new or prospective farmers who are looking forward to the hub helping them with marketing their products and learning which crops are in demand.

iii. Objective 3: Identify the wholesale buyers such as grocers, schools, restaurants, nursing homes, and hospitals, and project the demand for each type of product and desired prices and services.

RESTAURANTS & CATERERS

a. Progress Made: We created an online survey. We hired a consultant who is well connected with the local restaurants and caterers. She contacted them by phone, email and in person, requesting their participation in the survey. Note: It is pure coincidence (not a typo) that the number of respondents and the number of survey questions was the same for both surveys.
    - 31 Restaurants and Caterers responded, ranging from small to large business and from fairly new to well-established. Thus we reached a good cross-section in this category
    - The 19-question survey covered information such as size of business, years in business, etc. The following specific questions were designed to measure their interest in and likely use of a Food Hub.

Survey Question	**Yes**	**Maybe**	**No**
Do you think there is a customer demand for locally sourced food?	97%		3%
Would you use local foods in seasonal specials?	97%		3%
Can you use imperfect produce for some menu items	90%		10%
Would the food hub that we describe encourage you to purchase more food from local farms/ranches?	79%	21%	0%
Are you interested in participating in a focus group meeting?	50%	42%	8%

    - The restaurant focus group meeting was particularly useful as the attendees provided examples of the produce and the service they would like. Most of the restaurants that attended said they would like to participate in a limited launch of the food hub during summer 2016.

b. Community Impact: We are still in planning stages, but there is enthusiasm for a food hub among Restaurants and Caterers

GROCERY STORES

a. Progress Made: We limited our initial grocery store research to smaller local stores since the food hub will not initially be able to provide the volume required by the large chain grocery stores. We hired a pair of consultants to personally interview the owners of 6 local markets.
    - These grocers are interested in carrying locally sourced food and some are already purchasing one-on-one from some local producers.
    - These stores are very price-sensitive because a large percentage of their customers are very price-sensitive. This may reduce the amount that the hub can sell to these customers, but we will work with them further when the hub is fully operational.

b. Community Impact: Not applicable – planning grant.

HOSPITALS & NURSING HOMES

a. Progress Made: We have approached hospitals but, due to their tight restrictions on food sources, we are putting them on the back burner until the food hub is fully operational and able to "prove ourselves". It will be a while before we have a need to expand markets beyond those we are initially targeting.

b. Community impact: Not applicable.

SCHOOLS

a. Progress Made: Sierra Harvest, another local non-profit, has been working closely with schools. We will be partnering with them to increase sales of locally sourced foods to schools and we expect this to be successful.

b. Community impact: Not applicable.

iv. Objective 4: Review food hub operations and software companies for examples of food stocking, ordering and distribution systems and choose a model that is most compatible with Nevada County.

a. Progress Made:
    - SOFTWARE: Several food hub software packages were reviewed. The field was narrowed to the two top candidates: Local Food Orbit and Local Food Marketplace. After online demonstrations and extensive Q&A via phone and email, Local Food Orbit was selected for its user-friendly interface.
    - FOOD HUB OPERATIONS: Extensive internet research was done on both new and well-established food hubs throughout the country. We analyzed several published reports that documented both successes and failures, with "lessons learned". We spoked to food several food hub operators and visited a 4-year-old successful food hub that will be comparable scale to ours. We also visited a local food bank which faces many of the same food storage and handling issues as a food hub.

b. Impact on Community: Planning grant – not applicable.

v. Objective 5: Conduct research on specifications and cost of facilities and equipment needed to store, deliver, and handle the likely mix of products and develop a facility/equipment Plan.

a. Progress Made:
   - We have secured a facility and are working on getting refrigeration installed. We are getting use of the facility at a significant rent reduction to $700/month for the first 2 years because the owner wants to support us during our startup phase.
   - Based on research conducted in Objective 4, we have our initial list of equipment, plus expansion plans as the hub grows.
   - We have worked closely with the Environment Health office to ensure that all of our plans meet food safety and handling requirements.

b. Impact on Community: Planning grant – not applicable.

vi. Objective 6: Identify the personnel requirements for operation of the hub including marketing, administration/supervision, financial management, packaging, safety and quality control. Estimate the cost of the staffing plan.

a. Progress Made: After reviewing descriptions and reports on other food hubs, we developed a staffing plan that related to the basic operation of the food hub only and operation of the hub and significant marketing and outreach to promote local food and expansion of local farming. The Director position is crucial, and will be the person supervising all activity and conducting sales efforts. The second crucial position is the production manager who will receive and aggregate the food and do deliveries. These 2 positions would require around $86,000 a year for salaries and fringe. An outreach coordinator to work with the farming and ranching community is the third position, and would be hired probably on a part time basis until the hub generated enough revenue to provide funds for a full time staff. All other staff would be acquired on a contract basis as needed and as funds are available.

b. Impact on Community: Planning grant – not applicable.

2. Quantify the overall impact of the project on the intended beneficiaries, if applicable, from the baseline date (the start of the award performance period, September 30, 20__). Include further explanation if necessary.
   i. Number of direct jobs created: N/A – planning grant
   ii. Number of jobs retained: N/A – planning grant
   iii. Number of indirect jobs created: N/A – planning grant
   iv. Number of markets expanded: N/A – planning grant
   v. Number of new markets established: N/A – planning grant
   vi. Market sales increased by N/A – planning grant
   vii. Number of farmers/producers that have benefited from the project: N/A – planning grant

3. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how? N/A – planning grant.

4. Discuss your community partnerships.
    i. Who are your community partners?
    ii. How have they contributed to the overall results of the LFPP project?
    iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?

NCG sought help and input from a broad array of members in the agriculture community, the business community and from non-profit and government agencies. The Food hub concept is one that supports economic development for all of these entities.

Nevada County Grown—our member producers were major contributors. They provided advice through focus groups and ongoing conversations. From this constituency, we acquired a core group of farms that were interested in launching a food hub. From our restaurant focus group we also acquired a small group willing to conduct a test, and one farm to table restaurant is especially crucial as we proceed. Our list of major partners and our past and future relationship are as follows:

Tahoe Food Hub—has provided support and information on operations. We attended a farmer training session they provided and obtained useful materials on crop planning and food safety. They share many of the same farms as our planned food hub (but have different buyers), so these farms are already familiar with a hub's operation. Our hub will serve as one of TFH's mini-food hubs for drop and pick up and we plan to meet regularly to coordinate activities of mutual interest.

Nevada County Agriculture Commissioner—provided technical assistance in reviewing and interpreting agriculture data sources. They will adapt the current data system to include data of importance such as value of produce, number of farms and acres of land in production. They will also provide advice on agriculture laws and requirements.

Sierra Harvest—provided valuable advice and support through their farm events and conferences and farm to school projects. We will work in collaboration with them to train farmers, locate landowners with land to establish new farms, develop resource materials to direct producers to the most appropriate training and financial support and educate the community on the importance of local agriculture.

University of California Extension Service—shared training information and material and resources on agricultural programs in Nevada County. They have extensive expertise in farming and ranching activities, food preparation and safety and business planning. They will provide training for new farms, upgrading the skills of existing farms on agriculture methods and business planning for farmers involved with the Hub.

Banner Grange—provided meeting space and volunteer support. They will continue to provide staff support for basic operations such as food deliveries, food storage and aggregation, and facility set up until the Hub can fully staff its operation.

NCTV—provided technical assistance on video informational materials. They will help the Hub prepare programs and marketing material on agricultural matters that educate consumers, restaurants and farmers.

Three Forks Bakery and Brewery—a well-respected local farm to table establishment that hosted our restaurant focus group and helped us to develop a survey for local restaurants. Will continue to advise us on food ordering and marketing aspects as the hub progresses.

City of Grass Valley—helped us with City requirements for our facility, and the Vice Mayor, who is an Advisor to Nevada County Grown, will continue to support our efforts and connect us with supportive community members.

BriarPatch Grocery Store—is our fastest growing market. They sell primarily organic foods and source the majority of their produce locally or regionally. They have shared their crop planning methods and will continue to support the hub's connections with small farms.

Interfaith Food Ministry Food Bank—Provided technical assistance on the interior design of our hub. Will be a source for accepting food that farms are unable to sell before spoiling.

5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project? The staffs used to complete the work were contractors. The consultants were involved in various aspects of agriculture and had specific experience relevant to their tasks. They were able to effectively network with producers, restaurants and grocers with considerable legitimacy and rapport. A secondary benefit was that all consultants could be evaluated as potential employees once the hub was operational. Thus much time would be saved on recruitment and training.

6. Have you publicized any results yet?*
   i. If yes, how did you publicize the results?
   ii. To whom did you publicize the results?
   iii. How many stakeholders (i.e. people, entities) did you reach?

a. SURVEY RESULTS: We referenced selected survey results in section 1, Objectives 2 and 3 above. The full survey results are posted on our website: www.NevadaCountyGrown.org/hub

b. PUBLICITY: We have done the following publicity in order to educate the public about the food hub, to gain support from the agricultural producers, buyers and general public, and to gauge general interest in having a food hub in our community. Publicity has included

- October, 2015: Food Hub section of was added to the Nevada County Grown website (www.NevadaCountyGrown.org)
- October, 2015: Official launch of the food hub project at a farm-to-table event hosted by Nevada County Grown. Poster, handouts and presentation. Approx. 160 people in attendance, representing agriculture and general community.

- January, 2016: Information table, poster, and lunch-time presentation plus Q&A at the annual Food & Farm Conference in Grass Valley. Several hundred people in attendance at conference; lunchtime meeting was very well attended.
- April, 2016: 1/2 page color announcement in 2016 Nevada County Grown Farm Guide, which is produced by Nevada County Grown. Print circulation: 22,000. Also available as App, downloaded by several hundred. (File attached in the transmission of this report).
- April 23-24, 2016: Publicity booth at annual Home & Garden Show with poster, handout, and staff to discuss and promote the food hub.

*Send any publicity information (brochures, announcements, newsletters, etc.) electronically along with this report. Non-electronic promotional items should be digitally photographed and emailed with this report (do not send the actual item).

7. Have you collected any feedback from your community and additional stakeholders about your work?
   i. If so, how did you collect the information?
   ii. What feedback was relayed (specific comments)?

   As we progressed, it became obvious that a critical need for our small farmers was a food hub with a physical site to conduct food aggregation and delivery and the ability to do marketing. We met with a farmer who had set up a virtual marketplace hub that was unsuccessful. We believe that failure was because our small farms must aggregate foods together in order to ensure that wholesale buyers are provided a continuous supply of food. And delivery on a specific schedule is important. Additionally, aggressive marketing to reach potential markets is necessary. Our most successful farms now direct market at farmers market or through CSA's. In short, small farms need marketing and delivery to save them valuable time to farm, and wholesale buyers want to place one order to acquire a predictable supply of food.

8. Budget Summary:
   i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report: ☒
   ii. Did the project generate any income?

   No, planning grant only. But data was reviewed to determine the potential sales and future viability of the food hub without outside support. We estimate that the current sales of around $3 million for produce can be expanded by 25% through hub sales. With the addition of meat and poultry, and value-added products, these sales could sustain the food hub operation.

   a. If yes, how much was generated and how was it used to further the objectives of the award? NA

9. Lessons Learned:
   i. Summarize any lessons learned. They should draw on positive experiences (e.g. good ideas that improved project efficiency or saved money) and negative experiences (e.g. what did not go well and what needs to be changed).

We learned that talking about the potential food hub with anyone who would listen was quite helpful and led to resources that we may not have otherwise acquired. Case in point is the acquisition of a facility (a former grocery store) from an acquaintance of one of our consultants. The owner wanted to help incubate small operations, and supported our food hub. Having this facility enabled us to envision how to set up the hub, and what logistical considerations were important.

ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:

iii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:

An interesting comment came from the conversations held with the general community. Many were enthusiastic about the hub, and were especially excited about using the food hub order process for their own grocery purchases. While they were a bit disappointed when we explained our initial objective was wholesale so more local food was available in restaurants and schools, we added that we would explore the retail market at a future time. Since CSA's are often popular, we believe at some later point, a retail customer could order a basic CSA and add in value-added items such a bread, soap, honey, etc. Or, there may be a market for "imperfect" CSA produce boxes.

10. Future Work:

i. How will you continue the work of this project beyond the performance period? In other words, how will you parlay the results of your project's work to benefit future community goals and initiatives? Include information about community impact and outreach, anticipated increases in markets and/or sales, estimated number of jobs retained/created, and any other information you'd like to share about the future of your project.

Our plan was to immediately apply for an implementation grant. The community support for the food hub was overwhelmingly positive and so strong, that we felt we must begin a limited launch at the conclusion of our planning study to maintain momentum and get a head start on next year's growing season. Since we have a facility, this allows us to do a limited test in 2016 with a small group of very committed farms and restaurants. The success and refinements will prepare us to move ahead with our marketing for 2017 with some experience under our belt.

ii. Do you have any recommendations for future activities and, if applicable, an outline of next steps or additional research that might advance the project goals?

A conclusion that shaped our vision for the implementation grant application was an issue expressed by our local grocers and other nearby hubs—the importance of matching supply and demand. Demand for local, organic food is growing rapidly, and can occur quickly. Supply takes planning and does not occur overnight, especially in communities like Nevada County where farms are small.

For this reason, our plan is to heavily focus on guiding and training new farmers, helping farmers acquire resources for production growth using sustainable methods, and developing marketing tools that support the importance of purchasing local foods even at a price premium for consumers. Most farmers today must hold a second job to survive financially. Helping producers to develop a business model that ensures their viability is vital.