

## 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](mailto: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.

<b>Report Date Range:</b> <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	Oct 1, 2014 – May 31, 2015	
<b>Authorized Representative Name:</b>	Joseph Cloud	
<b>Authorized Representative Phone:</b>	(540)434-4415	
<b>Authorized Representative Email:</b>	Joe@tEMEATS.com	
<b>Recipient Organization Name:</b>	Salatin & Cloud LC (dba True & Essential Meats)	
<b>Project Title as Stated on Grant Agreement:</b>	<b>Planning Study for the Expansion of True &amp; Essential Meats</b>	
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPP-VA-0168	
<b>Year Grant was Awarded:</b>	2014	
<b>Project City/State:</b>	Harrisonburg, VA	
<b>Total Awarded Budget:</b>	\$22,320	

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: \_\_\_\_\_

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0287. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable sex, marital status, or familial status, parental status religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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.
  - i. Goal/Objective 1: *To Develop a Physical Expansion Feasibility Study*
    - a. Progress Made: *The Feasibility Study is complete, and has been delivered to T&E Meats. A PDF of this study will be submitted with this Final Report.*
    - b. Impact on Community: *Currently unknown. If implemented, this plan may greatly increase our capability to serve the local Virginia sustainable farming community, and their customers. Implementation will most likely be incremental, occurring over a number of years.*
  - ii. Goal/Objective 2: *To Identify Associated Costs, Allowing for Accurate Financial Planning*
    - a. Progress Made: *The costing analysis is complete, and has been delivered to T&E Meats as a part of the Final Feasibility Study. A PDF of this study will be submitted with this Final Report.*
    - b. Impact on Community: *ibid Goal i.b. above*
  - iii. Goal/Objective 3: *To Identify a Preferred Development Alternative and Appropriate Phasing, and Proceed with Implementation*
    - a. Progress Made: *In the end, the Final Feasibility Study carried two alternatives through to conclusion. While one was identified as the Preferred Alternative, it was clearly more expensive, and both alternatives remain viable. Each Alternative is broken into three or four distinct construction phases, allowing for ongoing plant operations throughout the expansion of the plant. These individual phases are clearly identified in the Final Feasibility Study which accompanies this final report.*
    - b. Impact on Community: *ibid Goal i.b. above*
  
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, 2014). Include further explanation if necessary.
  - i. Number of direct jobs created: *potentially 15 – 20 at full build-out*
  - ii. Number of jobs retained: *17*
  - iii. Number of indirect jobs created: *potentially 5 – 10 FTE’s at full build-out*
  - iv. Number of markets expanded: *Could potentially double or triple existing fresh meat market*
  - v. Number of new markets established: *would create new market for value-added meats by adding cooking and curing capabilities at full build-out.*
  - vi. Market sales increased by *\$N/A* and increased by *N/A%*.
  - vii. Number of farmers/producers that have benefited from the project:
    - a. Percent Increase: *N/A at this time. We provided service to over 250 individual producer accounts in 2014.*
  
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 at this time, until expansion activities occur. Ultimately we hope to. We will expand our customer base by 1) creating new capacity for processing and relieving bottlenecks in the system, allowing for existing*

*producers to expand production, and new producers to enter the marketplace, and 2) by creating new markets for further processed meats, such as bacon, ham, jerky, lard, etc.. Farmers currently have almost no access to inspected processing for these value-added products in Virginia, so they have no access to these markets. If we are ultimately able to implement our expansion plans, then we will be in a position to expand our current market and open new ones.*

4. Discuss your community partnerships.
  - i. Who are your community partners? *Lineage Architects, 250 farmer customers and their customers*
  - ii. How have they contributed to the results you've already achieved? *Lineage Architects are doing a thorough job working on our expansion plan.*
  - iii. How will they contribute to future results? *Our producer base will contribute to future results by expanding their output, given access to reliable and rapid processing capacity, as well as the ability to add new value-added products, which is currently not really possible in Virginia, given the lack of processing capability for the sustainable farming community.*
  
5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project? *Yes, Lineage Architects/Engineers of Verona, VA. We could not undertake this planning study with support of a qualified architect/engineering team such as Lineage. They were very professional, and completed the planning process more or less on schedule, with very satisfactory results. We are submitting a digital version of their final report.*
  
6. Have you publicized any results yet? *\* No, not as of yet. However, we are almost finished with the process, after many years, of completely rebuilding our website. That is expected to be operational within the next two to three weeks. We have a news/blog feature, and we anticipate beginning to discuss our planning process on the site. That information will also be posted on our Facebook page ([www.facebook.com/TEMeats](http://www.facebook.com/TEMeats)) which currently appears to reach about 700 people, based on "likes", and possibly many more.*

*At the same time, we consider this information to be proprietary business information, and are reluctant to share too many details about future expansion plans until they are more concrete. The small plant world has had a lot of activity in the past several years, and we are wary of sharing too much of our plans.*

*We will be sending out questionnaires to all of our customers who pay for inspected meats as part of our future business planning efforts, to get a sense of the market opportunities currently within our customer base. A part of that will be discussing the opportunities for value-added processing. We estimate that that effort will reach 60 – 70 current producers, all in Virginia.*

- 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?

*\*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? *Not as of yet. See response to Question #6 above, regarding planned customer questionnaires.*
- i. If so, how did you collect the information?
  - ii. What feedback was relayed (specific comments)?
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. The project was not intended to produce any income. It was only a planning study to look at the feasibility of expanding the plant.*
    - a. If yes, how much was generated and how was it used to further the objectives of the award?
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).
    - a. *As expected, it is going to cost a lot of money to expand our facility! Now that we have a sense of the financial magnitude of that undertaking, and some options to approaching it, we can begin to carry out the business planning needed to see if it makes sense for us to undertake expansion.*
    - b. *It makes sense to hire professionals to help you work through problems such as facility expansion. Both of the potential options to expansion which we explored through the planning process resulted in quite different outcomes than we had expected going into the process. We came up with more efficient solutions, which were unanticipated.*
    - c. *In addition to the final plans and costing, we ended up with some clear and practical phasing plans that will allow us to manage the construction process while limiting or eliminating the amount of downtime that would be required. Any downtime will greatly affect the financial viability of the project.*
    - d. *We received some very good insights into the permit process in our jurisdiction around water quality and effluent issues, something which cannot be taken lightly in the slaughter business. We now understand many of the requirements and obstacles better than we did before, and can approach the actual design process with an understanding of how to reduce, minimize, or eliminate potential permitting headaches. This is a very big deal for us, particularly in the Chesapeake watershed and in a municipal jurisdiction.*
  - ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving: *We feel that we achieved our goals.*
  - 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: *We recommend to anyone who is planning to doing an hour for hour matching as part of their grant contribution, to be sure to record all of the hours expended in a very disciplined manner as they go along, working through the entire project. It will definitely make it that much easier to do it, as well as appropriately assigning and justifying hours.*

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.

*This Feasibility Plan has identified a road map to future facility expansion for us. The Plan provides us the costing data and space requirements needed to do additional business planning around expansion, understand the necessary capital requirements, and maximize our opportunities as they arise. It is our belief that if we were to ultimately manage to complete the full build-out of this plan, it would allow us to process up to 250% of our current volume. In addition, it would allow us to offer further processing of meats, adding value-added products to our services, something which is currently practically unavailable to our customers. Given that our work force is currently 17 employees, we project that this would allow us to add somewhere between 15 to 25 jobs. From the perspective of the local farming community, not only does it allow them to continue expanding their herds and their marketing efforts, it also allows them the potential for greater profits by offering value-added foods. It does the same for us, as we could think about making our own branded products for local wholesale accounts, such as a local hot dog, for instance.*

- 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?

*We need to start taking immediate practical steps towards our ultimate facility goals. For example, purchasing the necessary equipment identified in the plan, if we are able to accommodate it in the current building footprint. We may need to reorganize now to fit it in, but ultimately it will be used as foreseen. Equipment can be purchased or leased for a lower cost than facility space.*

*More importantly, we need to undertake some serious strategic business planning to understand the larger financial picture. We have only limited capital available, so we need to understand our full capital needs and where we might find those funds, whether as a direct loan from financial institutions, from our customers, by taking on other business partners, etc. We need to do some work to quantify the market demand for these products as well. We think we have an intuitive feel for what that is, given our experience in the marketplace, but those instincts should be buttressed with some quantitative analysis to minimize our risks.*