

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: <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 30, 2014-September 29, 2016
Authorized Representative Name:	Thomas Nelson
Authorized Representative Phone:	530-867-4926
Authorized Representative Email:	thomas@capayvalleyfarmshop.com
Recipient Organization Name:	Capay Valley Growers, Inc.
Project Title as Stated on Grant Agreement:	Capay Valley Farm Shop: Strengthening local farms by supplying wholesale markets in Northern California
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-CA-0014
Year Grant was Awarded:	2014
Project City/State:	Esparto, CA
Total Awarded Budget:	97,985

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.

i. Goal/Objective 1: Increase wholesale sales by 88% over 2 years, thereby returning \$900,000 to Capay Valley growers.

a. Progress Made: Over the course of the project Capay Valley Farm Shop (CVFS) returned just shy of \$700,000 to our small and mid-scale farms and ranches in the Capay Valley and Yolo County, CA through growth of wholesale sales through our rural food hub. Sales grew 46%—less than expected but still a healthy market expansion for our farmers. Moreover, we have diversified the number of accounts we serve focusing on values-aligned tech companies and retailers in northern California.

A few core accounts have also been keen to partner on crop planning and growing their support for our farmers. We are excited about the positive network of partners in our market niche. Cultivating a diverse mix of consistent, valued accounts helps to provide dependable income flows around which we can plan efficient logistics and operations.

b. Impact on Community: CVFS is proud to work with an amazing community of more than fifty small and mid-sized farms and ranches in our area, most within a 20-mile radius. The farms value the fair pricing, source transparency, volume orders and ease of logistics the food hub offers to access market opportunities collaboratively.

We onboarded 13 new farms during the project bringing our current network to 51. Our partnership with the California Farm Academy continues to strengthen. We also engaged in crop planning between two new large corporate accounts and small farms to ensure markets for crops planted during the reporting period. Matching farms with specific accounts who, for example, need eggs, meat, and olive oil helps balance farm production planning with market access.

ii. Goal/Objective 2: Upgrade delivery and storage infrastructure by leasing and maintaining a refrigerated box truck and purchasing a 3-door reach-in freezer.

a. Progress Made: At the start of the project, CVFS leased a 2014 Mitsubishi FE180 16’ refrigerated box truck. The vehicle expanded our delivery capacity, upgrading our fleet to be entirely refrigerated, reducing maintenance and repair expenses significantly.

We also purchased and installed a used 6’ x 6’ walk-in freezer. The equipment expands our frozen product inventory management capacity significantly.

Both assets continue to serve our value chain well. The leased truck provides a reliable addition to our small fleet and keeping our maintenance and repair

expenses stable and predictable. Likewise, the walk-in freezer is in use every day providing critical storage for managing our local meat inventory.

b. Impact on Community: The modest investments in infrastructure are critical to serving the farmers we work with. Increased freezer capacity has allowed us to plan harvest dates with ranchers and store more frozen product. The new truck has contributed to a logistically smoother year providing reliable trucking and on-time delivery.

The freezer and truck combined with market development allowed us to create a regular production schedule with several of our farms. The food hub provides needed community infrastructure to access new markets.

iii. Goal/Objective 3: Grow volume and number of producers who are wholesale-ready by offering training and technical assistance on marketing, sorting and packaging, food safety, and postharvest handling.

a. Progress Made: On December 12, 2014 CVFS co-hosted the Wholesale Success training by FamilyFarmed.org. Thirty producers attended. We partnered with North Coast Opportunities and UC Cooperative Extension – North Bay to engage growers from three counties. The day-long workshop presented by farmer and trainer Atina Diffley covered food safety, marketing to wholesale channels, and food safety. The afternoon included a mock audit walk around at Say Hay Farm. The dynamic and engaging workshop and farm visit received positive reviews from participants.

We distributed more than 20 Wholesale Success manuals to our local producers. This extensive, practical guide is accessed often and serves as a lasting resource for many farmers plus the copy at our office. Since the Wholesale Success workshop, we referred many times to the manual growers had received. For example, we worked with a new organic vegetable farmer to refine his pack and sort by consulting the page in the manual pertaining to summer squash.

Participants stated that they learned from both the classroom presentation and hands-on walk around of a working farm. CAFF's food safety expert also met with three farmers in our network to discuss their food safety plans as well as an in-depth meeting at our food hub facility with key CVFS staff. We have made good progress on updating our plan and practices, standardizing SOPs (standard operating procedures) and modifying activities to conform to our plan.

b. Impact on Community: Beyond the individual training, we built relationships with organizations and farmers from outside our immediate region. We worked with NCO and UCCE for them to visit four of our farms the day before the workshop.

Our community is concerned about the impact FSMA (Food Safety Modernization Act) will have on their operations. The training and resources through this project helped many farmers to understand the regulations. Providing fact-based information and training demystifies the process and helps

our farmers to focus on practical steps to create a culture of food safety on their farms and ranches.

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: 0. We maintained a streamlined staff in line with our sales performance.
 - ii. Number of jobs retained:
 - iii. Number of indirect jobs created: 0.25. During the project period our meat processing expense increased threefold which in turn supports our neighboring business USDA-inspected meat processor.
 - iv. Number of markets expanded: 25. These are existing accounts with whom we do business.
 - v. Number of new markets established: 27. These have been primarily corporate foodservice accounts in the San Francisco Bay Area.
 - vi. Market sales increased by \$305,639 and increased by 46%.
 - vii. Number of farmers/producers that have benefited from the project: 100.
 - a. Percent Increase: We ended the project with an active network of 51 producers, a 34% increase since the start of the project. We reached more producers through the training workshops and community partnerships supplying the with information and resources.
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.? Yes. If so, how? We reached 27 new accounts during the project. Key accounts are cafes at a number of medium and large-sized tech companies with a commitment to sourcing sustainably and locally grown ingredients. We have learned that a high-touch, referral-based lead generation program works. Further, targeting the tech company segment has helped us to reach new populations that our farmers otherwise could not access due to insurance, delivery and other vendor requirements.
4. Discuss your community partnerships.
 - i. Who are your community partners? Community Alliance with Family Farmers (CAFF) co-sponsored, Capay Valley Vision (CVV), and Bi-Rite Markets co-sponsored the food safety workshop with us. Our work with North Coast Opportunities (NCO) and the University of California expanded through the creation of the Northern California Food Hub Learning Community which met for the first time during the reporting period. We continue to communicate regularly with the Yolo County Department of Agriculture and Center for Land-Based Learning (CLBL) with our president participating in the hiring committee for the latter organization's new director of the California Farm Academy (Academy). University of California Sustainable Agriculture Research and Education Program (UC SAREP) convenes a statewide food hub learning network.
 - ii. How have they contributed to the overall results of the LFPP project? We are grateful for the collaboration with CAFF and the other sponsors to conduct the food safety training workshop and farm visit. CVV secured the location and Bi-Rite covered the refreshments while CAFF used existing funds to cover the training portion, making the event no cost to us to produce. CLBL's Farm Academy provides a pipeline of small, beginning farmers, several graduates with whom we work with today.

- iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? CVFS is excited to work with several new farmers in Yolo County recently graduated from the Farm Academy. The Food Hub Learning Community convened by UC SAREP also creates a way to regularly learn from our peers. We are exploring opportunities to work together to expand product availability that serves our customers and strengthens markets for small and mid-scale farms.

- 5. Are you using contractors to conduct the work? Yes. If so, how did their work contribute to the results of the LFPP project? We worked with CAFF to conduct the food safety training as well as to provide one-on-one consulting toward the creation of individual food safety plans.

- 6. Have you publicized any results yet? Informally, yes.
 - i. If yes, how did you publicize the results? We say informally because the publicizing comes in the form of conversations with farmers and food hub managers.
 - ii. To whom did you publicize the results? We actively share our experience, lessons learned, and help answer questions with our farmers and fellow food hubs.
 - iii. How many stakeholders (i.e. people, entities) did you reach? 50 farmers and 10 food hub managers.

*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? We have collected informal feedback.
 - i. If so, how did you collect the information? Our primary, feedback comes through conversations with our farmers and buyers.
 - ii. What feedback was relayed (specific comments)? Our wholesale buyers appreciate having access to a network of growers. "Awesome Spring list!" They respond positively to active communication and working with them to meet their needs. "Thank you so much for a special pick of strawberries to make compost cake possible!" "We're looking forward to our summer peppers planted just for us...thank you for coordinating the conversation between us and the farm." Our farmers regularly say thank you for providing them access to markets, a location for cross-docking, storing, shipping.

- 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.
 - 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). The biggest lesson learned during the project was the need to tightly focus our sales strategy in relationship to

streamlining logistics and operations. By targeting sales growth around corporate foodservice in the San Francisco Bay Area we went from 6 delivery runs per week down to 3. Average order value jumped and total value per truckload more than doubled decreasing our operating overhead significantly.

- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving: The primary goal not achieved was in not fully completing the food safety work to the degree we had hoped. The key person providing contracting services left her position just after the midway point of the project and was not immediately replaceable. It was a positive that we frontloaded most of the activities, including the training workshop and one-on-one consulting with farmers and our hub. Nonetheless, the desired food safety plans are still being worked on and we will be seeking assistance to help our producers comply with FSMA regulations.
- 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: During the project we continued to strengthen our finance and accounting systems. This was achieved largely through hiring a senior accounting manager with strong skills and experience with financial management. This greatly aids the efficiency of generating reports and meeting reporting requirements.

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. The project helped us to grow wholesale sales, improve infrastructure, and strengthen our farmers' capacity to serve new accounts. For the year ahead, we are well-positioned to sell more to existing customers as well as onboard new accounts. In 2017, we plan to bring on 12 new accounts, add a delivery run, and hire a new part-time operations position.

We also anticipate growth in the area of grower services, in essence, leveraging our capacities to aid our farmers with their shipping, storage, packaging, and crop planning needs.

We are excited to continue sharing our experience with fellow food hubs through a California learning community convened by UC SAREP. Our aim is to make our food hub and viable and integral farm community asset and to serve as an example and resource for the development of food hubs elsewhere.

- 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 are particularly interested in ways that organizations can partner with farmers and food hubs to proactively support diverse agricultural economies. We believe advance planned supply agreements would be a positive advance for farms that want the

stability of knowing that the crops they are sowing already have a market that pay a fair price.