

**Local Food Promotion Program (LFPP)
Final Performance Report**

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, 2015- September 29, 2016
Authorized Representative Name:	Beatriz Zuluaga
Authorized Representative Phone:	(202)332-4200 ext.1013
Authorized Representative Email:	bzuluaga@centronia.org
Recipient Organization Name:	CentroNía
Project Title as Stated on Grant Agreement:	Market Research and Business Planning for a Local Processing and Distribution Food Business Serving Early Childhood Education Centers in the District of Columbia
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPDC0101
Year Grant was Awarded:	2015
Project City/State:	Washington, DC
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:

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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: Conduct market research

- a. Progress Made: We hired a consultancy firm to conduct market research in order to gain a deeper understanding of the market needs, which we needed to create our business strategy. We gave the consultant a list of contact information for key catering companies and early child education centers in the area. We also created a survey of questions to ensure that the consultant collected the information that we needed. The consultant called each of the identified catering companies and early childhood education centers and administered the survey. Most of the companies and centers in the list answered the survey, although it was hard to reach some of them. At the end, we collected information from 13 competing catering companies and 21 Early Childhood Education (ECE) centers in the DC area. The information that we collected was critical to understand the dynamics of the catering market in the District of Columbia. It also gave us more detailed information on the needs of potential clients and on the use of local produce by competitors.

- b. Impact on Community: As a result of the market research, we were able to develop a business strategy for our catering business that allows us to meet the unique needs of ECE centers in the District and increase our local procurement. For ECE centers it is particularly important to find a caterer that can deliver high quality meals at an affordable price. There is also a need for caterers that can make meals for children younger than 3. The current market is highly disaggregated and most affordable meals are low quality. Additionally, caterers are most likely to focus on production of meals for schools rather than ECE centers. Because of this, we decided to tailor our strategy to the ECE niche market.

- ii. Goal/Objective 2: Conduct a feasibility study

- a. Progress Made: After we designed our business strategy, we needed to conduct a feasibility study to ensure that our strategy was cost effective. We completed a financial analysis with a forecast of the business for the next 5 years. We conducted the forecast by using financial data from the previous years and assessing the increase in revenue and expenses according to the estimated demand growth and the increase in local procurement. Through the feasibility study we were able to determine the capital expenses required to expand the business.

- b. Impact on Community: The feasibility study was a key determinant in deciding to continue with the project. We learned from the market research that there was a great need for the type of services that we wanted to offer other ECE centers. Still we knew that making local procurement a priority would most likely raise our food expenditure. Thus, we were only capable of moving forward once we saw that our model was feasible and sustainable in the long run.

- iii. Goal/Objective 3: Business Plan
 - a. Progress Made: Once we conducted the market research and feasibility study, we were ready to create a full business plan for our catering services. The business plan contained key areas such as company overview, mission & vision statement, products and services, procurement, strategy and implementation plan, marketing plan, management plan, market analysis, and financial plan. We completed the business plan in a period of 8 months with the help of an advisor. We had weekly meetings with the advisor to brainstorm, discuss key topics and learn about effective business strategies. We used online business plan software called *Liveplan* to write our business plan. The software was extremely helpful since it already has a template with prompts for each section. It also has a financial forecast section which creates all the necessary financial statements based on inputted information.
 - b. Impact on Community: The creation of the business plan gave us a skeleton for the interworking of the company. It also allowed us to identify key opportunities for growth and key weaknesses. Additionally, with the business plan we were able to gain permission from CentroNía's Board to continue with the expansion of the business. Because of that, we are now able to offer catering services to ECE centers in the District of Columbia.
- iv. Goal/Objective 4: Creation of Marketing Materials
 - a. Progress Made: After the business plan was finished, we focused on the branding for the catering business. We hired a consultant to create the logo, promotional materials and a video. The branding piece was a long process because we had to get an input from quite a lot of people from the organization. We had many meetings to decide on a name, colors, design, etc. The process was delayed because the project team decided on key areas of the branding early on without the input from upper management. Because of this, many changes had to be made to the initial design after their review. Finally, we were successful in pinning down a name, design and logo. With those components, the consultant created promotional materials which included the letterhead, envelopes, folders, stickers and postcards. The last piece was to create an animated video, which took longer than expected but had a successful outcome as well. For the video we had a series of meetings with the consultant to discuss the message we wanted to convey and each of the scenes that should be included. We wrote the script and gave it to the designer who created the animations.
 - b. Impact on Community: The marketing materials will allow us to promote our services among ECE centers that are in need of our services. If we increase demand, we will be able to cater nourishing and delicious meals to more young children in the District, thus improving health outcomes and increased demand for local produce in the long term.
- v. Goal/Objective 5: Dissemination of Findings
 - a. Progress Made: We wanted to disseminate our findings about the challenges that ECE centers face in catering meals as well as the type of services that they might need. We also wanted to share more information on the importance of procuring from local sources and strategies to do so affordably. With that purpose, two representatives of CentroNía attended the Farm-to-Cafeteria conference and presented a poster to share their findings, particularly on how to procure locally by ECE centers. We applied to present at the conference and prepared the poster

a couple of months in advance of the conference. The conference also gave us a chance to meet and exchange ideas with others organizations across the country that are working on similar projects as ours.

b. Impact on Community: Through our presentation, farmers and other ECE center directors were able to learn more about local procurement practices in early childhood. We also had the opportunity to promote our new business and make partnerships with other community organizations from the District of Columbia.

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, 2016). Include further explanation if necessary.

- i. Number of direct jobs created: 1 new local procurement coordinator
- ii. Number of jobs retained:
- iii. Number of indirect jobs created:
- iv. Number of markets expanded: 1, CentroNía expanded its services and products to another childcare center and it is expecting to serve 4 new centers by the end of the year.
- v. Number of new markets established:
- vi. Market sales increased by \$40,000 and increased by 10%.
- vii. Number of farmers/producers that have benefited from the project: We started procuring from 4 new local farmers.
 - a. Percent Increase: 100%

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?
Our new customer Bell serves 47 children of low-income teen mothers who are mainly of Hispanic origins.

4. Discuss your community partnerships.

i. Who are your community partners?

Our community partners include: Community Foodworks, DC Central Kitchen, Farm-to-school Network, pcf, Bambini Play & Learn Child Development Center, Bell Teen Parent & Child Development Center, DC Bilingual Charter School, Derek Kilmer from Kilmer's Farm, and the Office of the State Superintendent of Education (OSSE).

ii. How have they contributed to the overall results of the LFPP project?

Community Foodworks and DC Central Kitchen have been key players in increasing our procurement of local products and increasing awareness on the importance of consuming local foods. They have established partnerships with farmers and are able to work with CentroNía catering to establish a stable product chain to procure to other ECE centers in the district. Other partners like DC Bilingual Charter School, Bell and Bambini have provided feedback on the business idea and current operations and have committed to continue supporting the mission of CentroNía Catering. Finally, partners like the Farm-to-School Network and pcf have highlighted the importance of developing programs like this one and sharing our best practices so that others can learn and replicate the project.

- iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?

CentroNía has worked collaboratively in the past with all of our partners and we foresee that these partnerships will strengthen and continue far beyond the grant. We will continue to procure locally from our partners as we are currently doing. We also plan to continue catering to the centers and schools that have supported us in this process. Through this project, CentroNía will model an efficient and affordable local food procurement process that has the potential to dramatically improve the food quality and nutrition in District ECE centers and, eventually, ECE centers in Maryland and Virginia.

5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?

We hired Veris Consulting to do the market analysis of the competing catering companies and Early Childhood Education centers providing us with useful data for the feasibility report and benchmarking strategies. We worked with Quality Management Resources, Inc, who provided consultancy services for writing the business plan and strategizing the managerial structure of the catering service within CentroNía. Jomo Design was hired to create the branding package as well as the promotional video and web page. These materials will be used to promote local foods in ECE centers in conferences and with other ECE centers in the DC area.

6. Have you publicized any results yet?*

- i. If yes, how did you publicize the results? We presented the poster "Early Start, Healthy Future: CentroNía's Successful Farm-to-Preschool Program" in the 8th Farm-to-Cafeteria Conference in Madison, WI on June 03, 2016.
- ii. To whom did you publicize the results?
The results were shared with farmers, chefs, hospital administrators, school nutrition professionals, teachers, students, and policymakers from the US.
- iii. How many stakeholders (i.e. people, entities) did you reach? About 1,300 attendees.

*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? Yes.
 - i. If so, how did you collect the information? We created a survey on Survey Monkey to collect information about the quality of our service. We also gather feedback from verbal and written communication with our teachers and families.
 - ii. What feedback was relayed (specific comments)? Feedback has been positive. We have also incorporated suggestions such as increasing variety in our recipes, by using more seasonal recipes and different snacks that the children can enjoy.

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? Not at this point but we expect to get income during the implementation period.
 - 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).

Through the grant period we learned important lessons to move forward with the project that might be useful for other organizations wanting to broaden the market for local products in childcare settings. First of all, we discovered that it was more cost efficient to create the business plan in house and hire consultants to review our work. This was a good thing since it gave CentroNía the flexibility when outlining how the services will be structured. We also benefited from attending conferences since we were able to create strong partnerships with organizations that share common goals with CentroNía. We realized that procuring local products while trying to comply with Federal and State meal regulations can be a challenge, thus we have foreseen to hire an expert consultant on the subject for the implementation portion of the project. Another challenge has been working with childcare center directors, many of whom don't value the incorporation of local products into the child's diet. For this reason, we created easy to understand materials like a video and a poster, to highlight the benefits of incorporating local products from an early start.

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

On the administration side of the project, we reevaluated our budget during the grant implementation and found more cost-effective options for many of our budget items. This allowed us to accomplish more goals that we had foreseen. We learned that speaking with designers can take a lot of time thus starting the process early with them is a good idea.

10. Future Work:

- i. How will you continue the work of this project beyond the planning 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.

CentroNía is applying for the LFPP 2016 Implementation grant. After writing the business plan and creating the feasibility report we have set the following goals for the next five years:

Goal 1: CentroNía will double the number of local farmers from whom it procures and increase its local procurement by at least 30% of its total food expenditure

Goal 2: 17 ECE centers will increase consumption of local foods by 30% of their current total food procurement.

Goal 3: Of the licensed ECE centers in DC, 25% will have a favorable perception of purchasing local products and supporting the local economy as a result of the education component of our program.

Goal 4: The number of ECE centers participating in the Healthy Tots Act will increase by 212% based on current registration numbers.

The intended beneficiaries for the implementation grant are 13 farmers, 1200 children consuming local foods, 100 ECE centers that will learn about benefits of serving local food and how to procure local and community members since we foresee the creation of seven new careers for kitchen staff and two new jobs for drivers. We foresee an increase in customers and sales of local and regional agricultural products from \$379,552 to \$1,388,984 and by 266 percent. Customer counts will increase from 1 to 17 customers and by 1600 percent during the project performance period.

- 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?

Future activities include creating and delivering educational material and a best practices handbook for ECE centers who want to procure local foods. The handbook will also be a guide for farmers who want to enter this market.