

**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>	October 1, 2015 – December 31, 2016
<b>Authorized Representative Name:</b>	Jana Nairn
<b>Authorized Representative Phone:</b>	209-634-8448
<b>Authorized Representative Email:</b>	<a href="mailto:jana@aglink.com">jana@aglink.com</a>
<b>Recipient Organization Name:</b>	Ag Link, Inc.
<b>Project Title as Stated on Grant Agreement:</b>	Ag Link Food Hub
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPCA0073
<b>Year Grant was Awarded:</b>	2015
<b>Project City/State:</b>	Ballico, CA
<b>Total Awarded Budget:</b>	99,280.00

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: Grow consumer and buyer awareness of and access to locally produced products.**

- a. Progress Made:

Ag Link’s Farm 2 School division focuses on getting local products into school food service. For this market its buyers are food service agencies at schools who serve school children as their consumers. This is the progress made in this market by Ag Link through this grant:

- Hired a new Sales Representative to represent the company, build relationships and carry out the marketing campaigns. This person is responsible for networking and building relationships with all stakeholders in our local food system. She helps implement and carry out the marketing plans that are developed by the company and provides support to customers to help them plan for and use more local products. She represents our company at monthly industry association meetings, trade shows and educational events as well as regular one-on-one meetings with current and potential buyers. She also works with producers so that she is fully versed on all of the local products that we carry.
- Hired a Marketing Associate to develop and manage marketing campaigns for the company. A number of different campaigns were launched by Ag Link through this grant, as detailed below. This person designs the campaigns including all of the printed materials for distribution. She also manages the online social media campaigns with regular creative updates and campaigns.
- Developed marketing campaigns and materials for Farm 2 School
  - Updated and revised Harvest Calendar. Ag Link’s Harvest Calendar for school food service is one of the most popular resources we’ve created. This update gave it a new fresh look and changed it from a chart to a calendar layout that is much more user friendly and helpful for schools food service to use for meal planning.
  - “Eat In Season, For a Reason” campaign was used for both schools and consumers markets to really help focus their attention to local seasonal products available throughout the year. The campaign helped stakeholders understand the value and benefits to eating what is in season. The slogan was printed on all promotional materials to remind people of the many benefits of seasonal eating.
  - Expanded “Healthy Bites” campaign. Ag Link’s Healthy Bites are one page fliers for each of the products it sells to the school food service market. Each flier includes a map of where the product comes from, some information and a picture of a featured producer (grower) of the product along with some Fun Facts about the products suitable for children or adults to enjoy and learn from. We’ve also added sizing charts and nutritional data to the back of these as school food service has been requesting that information.
  - “It’s Cool To Eat Lunch At School” campaign. This campaign was targeted specifically to school children and parents to support the notion that eating lunch at school is not only “cool” but that the food is fresh, healthy and great body fuel. This campaign was shared with school food service directors and also promoted directly to students and parents at events for them. There’s even a chant that we teach the kids that compliments the campaign so they will remember it longer.

- Developed weekly snapshots and driver handouts. Ag Link's weekly Snapshots are an email marketing campaign that goes out to all food service directors in California with quick information about what US/CA grown produce is available each week. This campaign is also printed on hard copy and passed out with each weekly delivery that Ag Link makes so as to reach even more people.
- Designed and produced unique promotional items that were functionally useful in spreading the marketing messages. The favorite items were aprons, shirts and hats for the food service directors and their staff, parents and students. We also had ½ cup measuring cups printed because schools are required to serve ½ cup servings of fruit with their meals so they liked having a tool to verify fruit serving sizes for their audits.
- Purchased a color printer which improved the capacity to produce in-house marketing materials
- Ag Link participated in and exhibited at a number of food shows and events to increase awareness of the local products it distributes. Using the marketing campaigns described above Ag Link attended the following events: Super Co-Op, California School Nutrition Association Annual Conference, Merced County Farm 2 U Day, Stanislaus County Farm 2 Fork Event, Manteca Unified Ag Day, Ballico-Cressey School District Ag Day and Chatom Elementary Ag Day.

In addition to the school food service market, Ag Link used this grant to further explore farm to consumer market options.

- Ag Link hired a retail market manager and tested the opportunities to sell local products to the local community. Ag Link built relationships over 100 different local producers that were interested in expanding their local consumers markets. Ag Link used the Local Orbit platform to connect these producers to local consumers and offered home delivery service to a 2 countywide local region. In addition, Ag Link started selling some items in a retail outlet at its new facility. Ag Link produced signage for the market, developed social media campaigns and ran radio ads in the local markets to promote the products and producers it was promoting.

#### b. Impact on Community:

The communities impacted by the Farm 2 School efforts are school food service directors and staff, along with their customers including school children, parents, families and other school staff. They have been positively impacted by exposure to and education about locally produced products. They have gained awareness of California produce grown locally and in-season for use in school meal programs. School meal programs have limited funding and historically have not included very much variety of fresh local produce. Ag Link has been instrumental in moving the bar from canned fruit, bananas, apples, oranges and iceberg salad mix to a new world of school food where more than 30 different local produce products are now available for school meal programs, all of which meet their standards for serving sizes and price points.

In addition the local producers of these farm fresh products have been positively impacted by the growth in this new market niche. The grower/packers that we work with have begun to pay attention to what our school market demand is asking for and acknowledging that this market has both short and long term benefits for their companies and industries.

The long term impact on school children will be significant as we introduce their palettes to new healthy food choices we are impacting their families today and their health for the rest of their lives.

ii. **Goal/Objective 2: Provide a marketing and distribution supply chain solution specifically for locally produced products.**

a. Progress Made:

- Ag Link offered its marketing resources and support to local producers, through which it supported a local dairy's development of a new on-farm bottling operation and product launch. Ag Link assisted Top Line Milk with market research, brand and label development and development of marketing materials for their product launch.
- Ag Link expanded the reach of 100 local producers and trialed a local products home delivery service. Using Ag Link's distribution capacity and seasonally slow summer, Ag Link developed a home delivery service in the local region. Through the Local Orbit platform, Ag Link connected consumers to local products and provided home delivery service of those products.
- Ag Link led an effort with a small group of local producers to explore a retail outlet opportunity in downtown Modesto. A number of meetings were held with the producers and the City of Modesto's Economic Development Agency to develop a business plan and evaluate a location the City was promoting.
- Ag Link expanded its service capacity and resources. Getting set up in their new warehouse facility and adding more trucks, employees and resources allowed Ag Link to provide more local distribution services of more local products to local markets.
- Opened a new retail outlet. With the launch of Top Line Milk, Ag Link began offering the new local milk product to the local community at its facility.

b. Impact on Community:

The communities most impacted by this goal are the local producers through new opportunities and outlets for their products. This impact is felt not only in more sustainable farming and local production facilities but also through jobs being maintained and expanded. Top Line Milk is a great example of a local producer who now is serving a whole new market with their value added product. Many of the local producers that have been networked through Ag Link's efforts have shared resources and are continuing to seek cooperative and collaborative opportunities to grow and sustain their businesses together.

Local consumers also were positively impacted by this effort through awareness of and access to locally produced products. Ag Link introduced over 380 new local consumers to new local products and producers. Even though the home delivery service was not deemed to be fiscally sustainable, it did lead to the opening of The Tri-Tipery BBQ sandwich shop where local consumers have a new local outlet to get fresh, local food.

iii. **Goal/Objective 3: Develop a network of foodservice and retail buyers of source-identified, locally produced products from Fresno to Sacramento and the east-bay region of California.**

a. Progress Made:

- Ag Link was instrumental in starting a regional food network of local stakeholders, originally called the Stanislaus Food & Nutrition Network. The stakeholders include public agencies and private businesses that share common goals of healthier communities through local products.

This group recently changed its name to the Regional Food & Nutrition Network as its reach has expanded over the past 4 years to a 3 county regional effort. The group developed a 3-year cycle Harvest of the Month calendar for all stakeholders to use that features items actually produced in the region. The group also hosted its first community outreach workshop called Healthy Schools, Healthy Kids Symposium. The efforts are now being expanded from Stanislaus County to neighboring Merced and San Joaquin Counties. Through this effort more food service directors are networking regionally to share resources and improve together.

- Ag Link developed a new working relationship with The Center for Ecoliteracy that hosts the California Thursday's campaign for school food service. By networking our two programs, we have been able to share resources and work together to help grow awareness of and access to local products.
- Ag Link's sales representative and marketing campaigns expanded and strengthened relationships with food service directors throughout northern California. Ag Link and its messaging around fresh, local, in-season products is now well known throughout the northern California school food service industry.
- Ag Link engaged local producers in exploring new opportunities for local retail or home delivery service. Ag Link helped local producers develop a social media following and network of buyers that are looking for local products in this region.

b. Impact on Community:

The community impacted by this objective again is the school food service agencies and everyone that it impacts in turn. School food service is one of the most complex and challenging operations to run and therefore the opportunity to network and share resources with others is extremely beneficial. The trends in school food service are definitely headed in a positive direction with more agencies realizing that local, fresh products are not only healthier but can be more fiscally beneficial as well. The efforts that Ag Link has been able to expand through this grant are helping to support and expand the positive benefits of that movement.

iv. **Goal/Objective 4: Enhance the efficiencies and compliance of Ag Link's aggregation and distribution processes.**

a. Progress Made:

- Hired Warehouse Manager to facilitate the move-in and set up of the facility. This person developed and implemented a food safety plan for the facility and successfully got the facility inspected and permitted by Merced County Public Health. He helped coordinate the necessary warehouse equipment, supplies and systems to optimize efficiencies. Ag Link added security and implemented a pest management system as further safeguards.
- Ag Link migrated its companywide order processing to a new system called Reserva. Reserva is a cloud-based enterprise platform for agribusiness. Prior to the migration, orders processed by buyers through Ag Link's e-commerce system had to be hand entered into Ag Link's old accounting system for order management and logistics. The migration to this new system included working closely with Reserva to customize the new software to meet Ag Link's needs along with contracting with Ag Link's e-commerce developer to integrate the two systems. As the company has grown over the past few years, this has been a significant costs savings and improvement to efficiencies and customer service.

- Ag Link purchased additional computer hardware and electronically connected its warehouse to its office to improve employee access to all systems for improved efficiencies.

b. Impact on Community:

The positive impact on the community from achieving this goal is through a more sustainable local business that has grown in the number of jobs it is offering. This has an overall positive impact to the local economy. In addition, indirectly as Ag Link is more sustainable and continues to grow it then in turn is supporting even more local producers and school food service programs, making their entities more efficient and sustainable, providing jobs and supporting the local economy as well.

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: 24 new jobs were created at Ag Link
  - ii. Number of jobs retained: 6 jobs were retained at Ag Link
  - iii. Number of indirect jobs created: 2 new jobs were created at Top Line Milk  
Number of markets expanded: Ag Link expanded its markets adding 200 new registered users to its network representing 70 school districts throughout this grant. Ag Link developed a network of over 600 local consumers and more than 4000 followers on social media
  - iv. Number of new markets established: Ag Link added 26 new districts as customers that are buying on a regular basis. Ag Link established one new local market outlet here at its facility selling Top Line Milk to the public and opening a local restaurant that uses locally sourced ingredients.
  - v. Market sales increased by \$625,125 and increased by 31%.
  - vi. Number of farmers/producers that have benefited from the project: More than 100 local producers including packers and their growers were benefited from this project.
    - a. Percent Increase: Ag Link has 23% more local producers and purchased 78% more local products as a result of this 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?

Ag Link's target market is school food service, many of which are rural school districts throughout northern California service children of many ethnicities and income/access populations. So, yes as Ag Link expands its service to reach more schools it in turn expands its outreach to additional low income/low access populations.

In addition, the opening of The Tri-Tipery has offered what was a food desert region of northern Merced County a new outlet for fresh local food and products. This area is not only a food desert with limited food options less than 10 miles in any direction, it is also a low income/low access region.

4. Discuss your community partnerships.
  - i. Who are your community partners?

Ag Link primarily partners with its customers and suppliers to accomplish a common goal of increasing markets and access to local, in-season produce and products. Its customers are mainly school district food service agencies and now with the retail/café it is reaching consumers as well. Ag Link's supplier partners are local farm product producers including produce packing houses throughout California and also even more hyper-local farmers and manufactures of artisan local farm inspired products.

In addition, Ag Link partners with others who also support its common goals and mission. Ag Link's involvement with the Regional Food & Nutrition Network has led to partnerships with The UC Cooperative Extension, Stanislaus Grown, Stanislaus Health Services Agency and more who are working together to improve the local food system for the 3 county region. Ag Link has also partnered with the Center for Ecoliteracy and their California Thursday campaign. Ag Link is partnering with Community Alliance with Family Farmers in an effort to add even more local producers to its network of suppliers and offer supply chain solutions to link those suppliers to new markets.

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

Ag Link's valuable partners offer resources and expertise that expand the value of Ag Link's service to its customers, vendors and the local community.

Ag Link's partnership with other local stakeholders through the Regional Food & Nutrition Network has resulted in active movements in Stanislaus and Merced Counties whereby district decision makers are networking and sharing resources to improve their meal programs by working with local producers and offering local products.

Ag Link's partnership with Community Alliance with Family Farmers is opening the doors for small family farmers to start working with schools as part of the supply chain.

These partnerships help to insure that buyers and sellers alike have the necessary resources to continue to improve and access new products and markets so that consumers can get access to fresh, healthy, local food.

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

The partnerships, networks and relationships established through this grant by Ag Link and its partners have attained sustainable momentum and buy-in from other stakeholders so as to insure that the movement will continue into the future.

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

Ag Link used a number of independent contractors namely in the areas of technology and system implementation throughout this grant to achieve its goals. The expertise of specialists helped Ag Link hone in on areas of need and establish long term solutions.

6. Have you publicized any results yet?
  - i. If yes, how did you publicize the results?

As a member of the Regional Food & Nutrition Network, Ag Link reports out regularly on its programs and progress. This public setting has served as a good method to share Ag Link's information with many others in the local community.

As a result of this grant, Ag Link was featured in a number of articles and on television. This was an excellent method of publishing the Ag Link's growth and impact from this project.

- ii. To whom did you publicize the results?

Results were broadcasted to the local communities through media channels and public meetings.

- iii. How many stakeholders (i.e. people, entities) did you reach?

Over 300,000 local consumers were reached through print media and many more through the TV interview (no viewership stats are available, but TV is the best and highest value). Channel 47 is a CBS affiliate in Fresno, CA (the heart of the Central Valley of CA).

Print articles are attached to this report. Here is the YouTube link to the TV interview - <https://youtu.be/fUcnLxLnLXE>

7. Have you collected any feedback from your community and additional stakeholders about your work?
  - i. If so, how did you collect the information?

Yes, Ag Link conducted surveys of its customers, local school children and parents.

- ii. What feedback was relayed (specific comments)?

90% receive our weekly snapshot (update of in-season products/pricing)  
100% like learning what products are in-season and available  
63% use it to get updated pricing  
45% enjoy the farm updates  
36% said their staff awareness of local products has increased  
27% said their student awareness of local products has increased  
27% said they've used our Healthy Bites posters (as of the time of this survey)  
36% said they've seen an increase in kids eating fruits & veggies  
Ag Link got an overall customer service rating of 2.5 out of 3  
Ag Link's prices were considered competitive with a 1.8 rating (2 being competitive)

An average of 84% of school children said they eat lunch at school  
Reasons for not eating at school were cost and allergies  
Favorite school meals were pizza, chicken nuggets, spaghetti, burritos  
Favorite fruits and vegetables were apples, carrots and grapes  
If kids got to be chef for a day they would serve pancakes, burritos and hamburgers

Students report on ways/meals to improve or add in:

Larger portions (HS student)      Too long of lines, need a longer lunch period

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

Ag Link generated \$625,125 more gross sales in fiscal year 2016, than fiscal year 2015 as a result of the efforts in this grant.

The majority of Ag Link's gross revenue goes to COGS which is the cost of the products Ag Link is selling. The balance is Ag Link's gross margin that covers its operating expenses primarily for payroll and fuel for its trucks which includes the matching funds.

9. Lessons Learned:

- i. Summarize any lessons learned. Draw from 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).

Marketing and education efforts were successful. Messages must be tailored to the target market – for example there are different messages and strategies for consumers than food service buyers. But all enjoy the educational components and learning new information and reasons why things happen that affect their industry.

Relationships are critical to sustainable supply chain solutions. From sales reps to delivery drivers, it is important that all of them understand why we do what we do and what it is that we do for our customers so they can clearly articulate messaging and build solid sustainable relationships.

Ag Link learned that although there was interest from the local community that the population density of this region was not suitable to sustain a home delivery service. Ag Link learned that a good quality restaurant with fresh, local food can sustain in a rural area and be an opportunity for consumers to access local food products.

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

Ag Link exceeded its goals and outcome measures of this grant.

- 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:

Ag Link did not have any difficulty administering the grant, especially after the initial reporting cycle. The USDA AMS team was very helpful in the beginning, so my advice for first timers would be to get to know your grant manager as they will help you understand the reporting requirements and how to complete the required forms.

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.

Ag Link will continue to focus on its Farm 2 School market niche. It will support this by parlaying its efforts with community partnerships and additional opportunities from USDA programs and grants.

School food service is continuing to change and improve with continued emphasis on fresh products that are locally grown and produced. Ag Link's mission is in line with this trend and therefore Ag Link plans to continue to creatively and efficiently play a critical role in the industry. Ag Link will look to continue to provide value added support and services to school food service in addition to a great variety of fresh, locally produced products for use in school meals.

Ag Link's direct to consumer efforts will be channeled through capitalizing on the popularity and draw of The Tri-Tipery to offer consumers more outlets to local products. This will be done by using and cross-promoting local products in The Tri-Tipery menu along with cooperative events that The Tri-Tipery will host on site and/or participate in offsite to cross promote local products.

As our company continues to grow and expand we will be able to offer more jobs and continue to benefit the local economy. We know that by supporting other local businesses that they too will continue to be more sustainable, provide more jobs and benefit the local economy. Through our efforts with Community Alliance with Family Farmers we also plan to continue to add small family farms to our network of suppliers.

- 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?

The produce distribution business is challenging in that margins are very thin, especially when working with schools that have such tight budgets. Optimizing operational and logistical efficiencies is a top priority to achieve a sustainable business model. A challenge for the industry as a whole is helping schools meet their strict purchasing guidelines to insure public dollars are being spent most effectively, yet still get the best quality products at the most affordable prices.

Ag Link's priorities and next steps are as follows:

Farm 2 School – Ongoing marketing campaigns and sales support and enhance the use of local products in school meals; continued involvement and support of regional food networks; building the network of local producers that are capable and interested in the school market; improving efficiencies to manage the growth of the business and sustain optimal customer service.

Farm 2 Consumer – Open a local marketplace for local producers to sell to The Tri-Tipery patrons, develop a mobile market campaign to cross market The Tri-Tipery with local food outlets like Farmers Markets and Farm Stands.