

**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, 2015
Authorized Representative Name:	Doug Close
Authorized Representative Phone:	815-315-1541
Authorized Representative Email:	doug@foodshed.coop
Recipient Organization Name:	McHenry County Food Cooperative d/b/a Food Shed Co-op
Project Title as Stated on Grant Agreement:	McHenry County Food Cooperative Market Study, Financial Planning, Store Location and Design
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-IL0057
Year Grant was Awarded:	2014
Project City/State:	Woodstock, IL
Total Awarded Budget:	\$20,250

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: **Market Study**
 - a. Progress Made: **Completed - study determined the target location (Woodstock & Crystal Lake Rt 14 corridor) can be successful once the food coop is open. The consumer demand and market would facilitate a \$4M to \$6M annual revenue cooperative grocery store due to the demand for local, natural, and organic foods.**
 - b. Impact on Community: **A cooperatively-run natural food store will bring more fresh and local food to the community and enhance demand for local farmers. During startup and once open, the Coop will educate consumers to promote and foster better food choices. Better paying full time jobs will be created in the community compared to traditional grocery stores.**
 - ii. Goal/Objective 2: **Financial pro forma**
 - a. Progress Made: **The initial draft was completed and provided financial models to show capital required and expected financial performance over a 10 year period. The initial draft was created to plug in scenarios based on potential sites selected, financial assistance and many other variables. Training and insight on how to use the tool was provided by a professional consultant to Food Shed Board Members.**
 - b. Impact on Community: **The Coop will cultivate and strengthen our local economy by keeping dollars in our local community through more local purchases. The professional assistance provided by experts had a significant impact and greatly enhances our business plan and financial representation to investors.**
 - iii. Goal/Objective 3: **Store Design & Volunteer Coordination**
 - a. Progress Made: **The Food Shed solidified a marketing brand including logo, color scheme, branding, signage, values, and mission that is providing a cohesive message and presence moving forward. A Volunteer Coordinator was hired and a formal process for onboarding volunteers established. Volunteers are now staffing on average 5 public events a month to promote the Food Shed Co-op opening and mission. Some of our store design and branding components can be viewed publicly at https://www.facebook.com/foodshedcoop/photos_stream. The Food Shed Co-op core values were established and validated by owners as: Promote and foster better food choices, Cultivate and strengthen local economy, Inspire and empower community, and Champion environmentally responsible practices.**
 - b. Impact on Community: **Our branding and message is educating the public on cooperative business models and the need for more local and healthy food. Community members are self-organizing to bring about positive change to support local sustainable agriculture and promote existing local businesses that share the same values. The Coop will stand as a model for others to follow.**

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: **1 part time volunteer coordinator position, 1 full time General Manager expected later in 2016, and approx. 20 jobs upon store setup and opening.**
 - ii. Number of jobs retained: **1 (all jobs will be retained once opened)**
 - iii. Number of indirect jobs created: **n/a**
 - iv. Number of markets expanded: **Based on Common Ground, a local food cooperative in Urbana, IL, local food increased local food markets (within 100 miles) from \$200K in 2008 to nearly \$1.3M in 2014. The Food Shed Co-op will be modeling our operations on Common Ground's success.**
 - v. Number of new markets established: **We expect to create tremendous demand for more year round food production of natural and organic foods locally, driving expansion of hydroponics, aquaponics, hoop houses, and greenhouses.**
 - vi. Market sales increased by \$n/a and increased by n/a%. **Upon opening, the Food Shed Co-op is estimated (by a professional market study) to generate \$4M in revenue growing to \$6M within 4 years.**
 - vii. Number of farmers/producers that have benefited from the project:

Percent Increase: **Based on Common Ground, a local food cooperative in Urbana, IL, local food increased new local vendors (within 100 miles) by 16 in 2014. The Food Shed Co-op will be modeling our operations on Common Ground's success.**

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? **The Food Shed Co-op actively promotes ownership across all ethnic groups and is setting up a diversity committee to expand our efforts. A low income owner fund exists to provide financial assistance to those in need and currently funds over 20 new owners. These new owners take pride in being a founding owner in this important community effort.**

4. Discuss your community partnerships.
 - i. Who are your community partners? **The USDA grant helped the Food Shed gain the support of many community partners, including: Woodstock School District 200, McHenry County College, University of Illinois Master Gardeners, McHenry County Environmental Defenders, McHenry County Conservation District and many more. We also have the support of many influential local farmers. A partial list of supporters\partners can be viewed at http://www.foodshed.coop/shop_local**
 - ii. How have they contributed to the overall results of the LFPP project? **Many of these organizations are critical to our success in reaching 500 local community owners. They promote and share the Food Shed Co-op mission and values by donating money, goods, time, and partnering in marketing promotions.**
 - iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? **All current supporters and future supporters are becoming more and more generous as they learn the importance of our mission and how it will positively impact our community. The generosity we are experiencing will be reciprocated back to the community once the Food Shed Co-op is open and**

successful. The Food Shed Co-op already has a positive impact on networking resources and folks in the community. Consumers are getting closer to the local producers and businesses as we continue to host events, educate, and support them.

5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project? **Yes, outside of our ongoing volunteer work, all the resources of the LFPP grant have gone to professional consulting services. We primarily leveraged the resources of the CDS Consulting Co-op; they specialize in supporting food cooperatives. Their work is extremely valuable and we will continue to leverage their resources in the future. During the grant period we contracted with an expert market study consultant that executes assessments for hundreds of natural food stores and coops, a financial analyst consultant that is the premier expert in coop finances, an expert coop store design consultant, and a local volunteer coordinator whom we continue to employ.**
6. Have you publicized any results yet? *** Yes, the high level results of the market study and the store design branding is publicly communicated with ongoing activity. The Financial pro forma will be published to potential investors in the near future.**
 - i. If yes, how did you publicize the results? **All our current public messaging includes the market study determination that we can be successful in our target market. More details were presented at the Annual Owners meeting at McHenry County College in Oct 2015.**
 - ii. To whom did you publicize the results? **Public and Owners**
 - iii. How many stakeholders (i.e. people, entities) did you reach? **Our public newsletters reach over 1300 people, owner communications reach 400+ people, our social media reaches 2300+ people, personal interactions with hundreds of events and our news coverage is undetermined, but can be viewed at <http://www.foodshed.coop/media>**

***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 collect supplier info surveys online, conducted an owner survey on coop values, solicit feedback at quarterly owner meetings, and we held a farmers advisory meeting at the local farm bureau.**
 - i. If so, how did you collect the information? **We leverage online forms to collect supplier info and are in the process of publicly aggregating the info with other regional coops. We use handouts at meetings for feedback and recently conducted an owner wide values survey along with questions about their food choices.**
 - ii. What feedback was relayed (specific comments)? **We are in the process of relaying the owner values feedback as we just completed a comprehensive assessment of the results.**
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 directly but we did raise \$58K in owner equity during the grant period that was influenced by the grant win and market study.**

a. If yes, how much was generated and how was it used to further the objectives of the award? **The revenue generated will go towards the ultimate goal of opening a food coop to support local farmers and improve consumer food choices.**

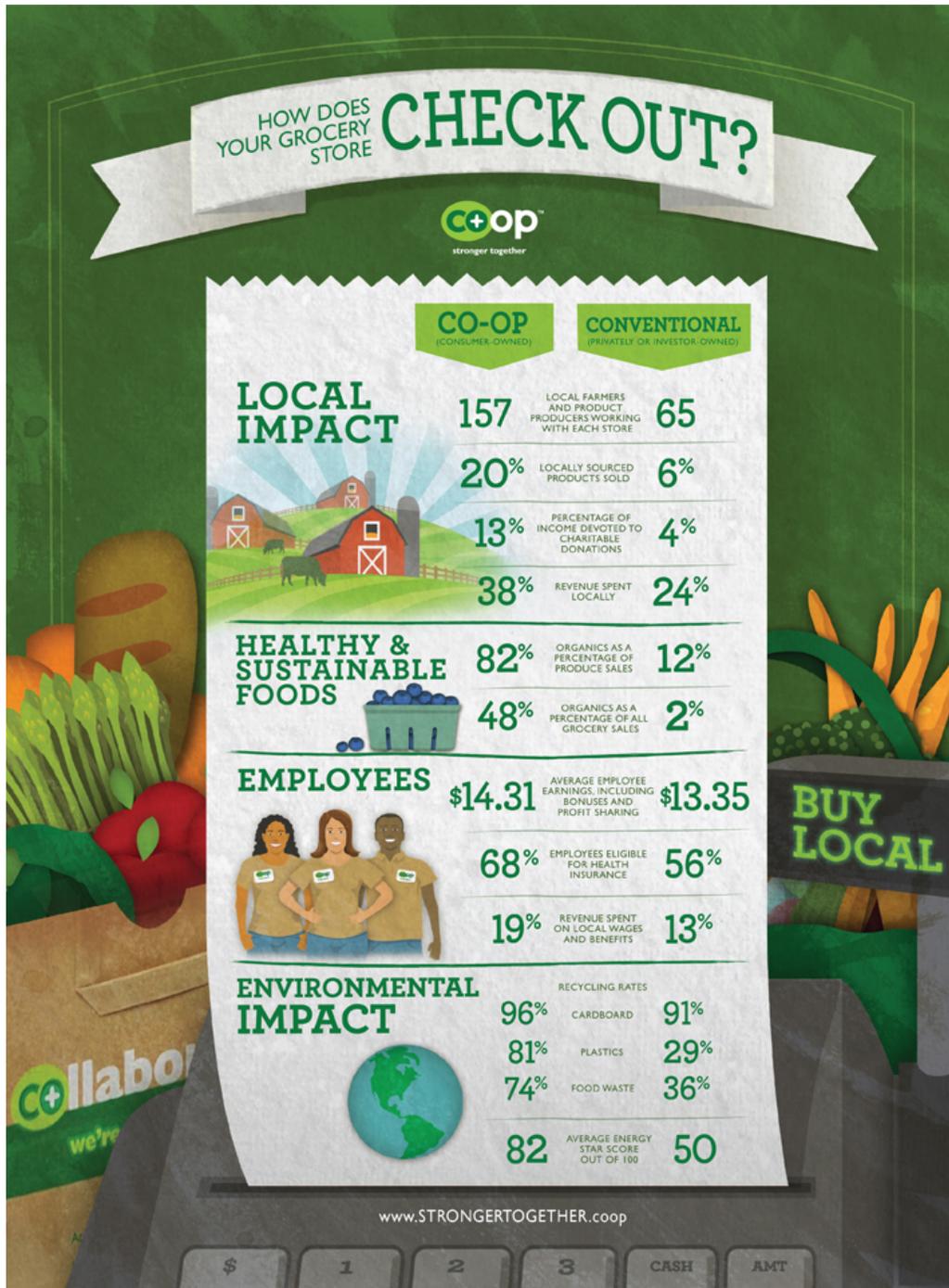
9. Lessons Learned:

- 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 interaction with professional consultants was well worth the investment as they have far more expertise than we expected but on the negative side, we should have started engaging them earlier. We as a volunteer organization did not have the time/dedicated effort to use the full amount of the grant, so only 75% was utilized. Overall the consulting facilitated by the grant has greatly accelerated our time to open the store. This is based on feedback from other startup coops we have communicated with. We are much farther along in our timeline than most based on our startup date.**
- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving: **Our timeline to open the coop is directly related to owners providing capital and we probably had expectations that were too high. So although we reached most of our grant goals, we did not meet owner number goals nor have enough volunteer resources engaged to ensure we leveraged the full grant capacity. We were unable to complete the full store design and financial pro forma due to not having selected a specific location yet, but have the foundation ready when we start here in early 2016.**
- 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: **A Food Coop startup requires several dedicated, motivated volunteers to provide time and skills to gain the community support and capital through ownerships to get off the ground. Do not underestimate these volunteer resources and time required to properly plan and achieve goals in the development model shown below.**

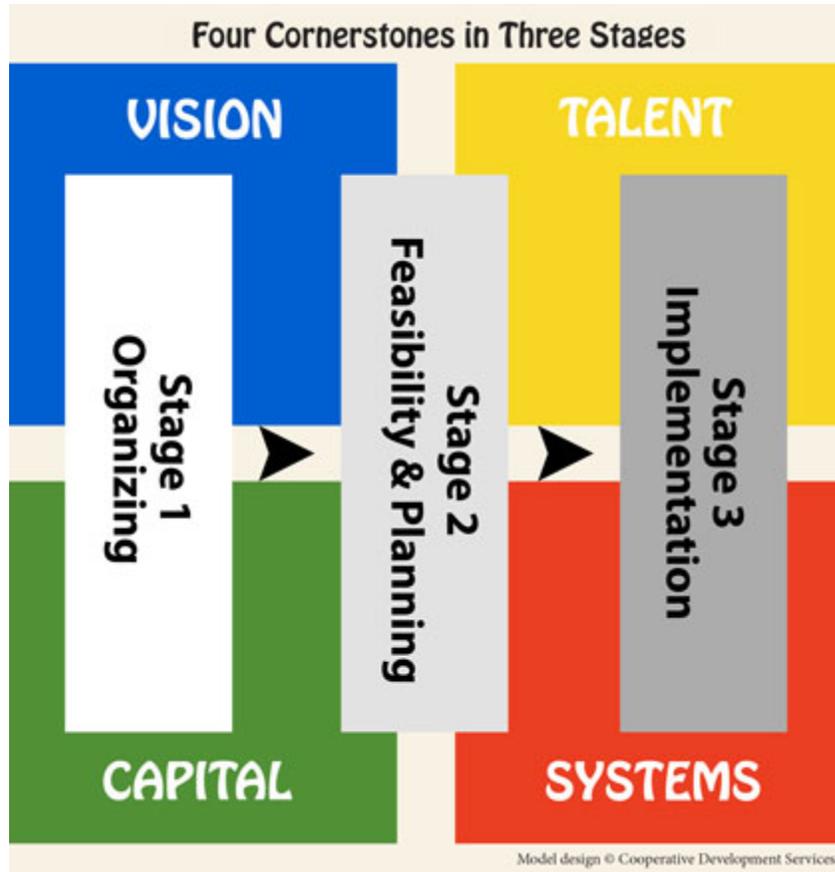
10. Future Work:

- 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 Food Shed Co-op will continue to build community support through networking and finding local owners (currently now in the 400s). This work will continue through community outreach, awareness, and education to build capital and find a store location. The results of this grant provided us the expert advice and data to move forward knowing a food coop would be successful in our target area and we now have the tools to confidently move forward. Our updated timeline can be viewed at http://www.foodshed.coop/our_timeline as we move into stage 2B. We are most impressed with successes in providing awareness and education on what a cooperative is and how it will benefit our communities by supporting local farmers and promote sustainable practices. Our county and surrounding counties lack a food cooperative in the spotlight to provide this awareness. We expect the Food Shed Co-**

op impact to replicate if not exceed another coops we are closely following including Common Ground Food Co-op in Urbana, IL. Their impacts are documented annually in their impact report with the latest found at http://issuu.com/cgfc/docs/impacts_report_20140-issuu_981ed8c7a9af3e Some of the highlights we expect to replicate include funding good food education, promoting a vibrant community, strengthen the cooperative movement and promoting sustainable local food. In 2014, Common Ground provided nearly \$1.5M in annual sales to local farmers within 100 miles. The Food Shed Co-op expects to generate \$4M-\$6M in annual revenue focusing procurement on as much local as possibly viable. The following infographic shows the average impact of a coop on local communities the Food Shed is expecting to exceed.



- 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 Food Shed Co-op is following the New Food Coop Development Model**



The Food Shed Co-op has completed Stage 1 and currently moving from Feasibility to Planning in Stage 2. <http://www.foodcoopinitiative.coop/about/model>

The Food Shed Co-op recommends all startup food coops leverage this model and the resources from the Food Co-op Initiative and CDS Consulting Co-op.