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 your assigned grant specialist 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: *(e.g. September 30, 20XX-September 29, 20XX)*	September 30, 2014-February 1, 2017 (we received an extension)
Authorized Representative Name:	James R. Mansfield
Authorized Representative Phone:	859.325.5188
Authorized Representative Email:	jim@fourhillsfarm.com
Recipient Organization Name:	Four Hills Farm, LLC
Project Title as Stated on Grant Agreement:	Local Lamb Market and Supply Chain Expansion
Grant Agreement Number: *(e.g. 14-LFPPX-XX-XXXX)*	14-LFPP-KY-0066
Year Grant was Awarded:	2014
Project City/State:	Salvisa, KY
Total Awarded Budget:	75,000

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

☐ XX 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: Strengthen supply chain by setting clear standards, improving communications, providing training and formalizing the contractual obligations between FHF and partner farms. Foster expansion of existing farms and recruit new partner farms. Increase size and yields of lambs produced.

        Activity 1: Create Lamb Producers Manual
        Progress Made: This project took the whole period of the grant to finish. In the second year we shifted focus to aim at Global Animal Partnership (GAP) certification because our main customers will demand it in the future. GAP certification includes having a detailed farm plan that encompasses farm production, health, and animal welfare protocols. A set of record-keeping forms is required. We amended our own work and followed the guidelines for the required GAP certification. Additionally we decided to purchase 10 copies of the American Sheep Industry Association's 2015 edition of the Sheep Production Handbook. We gave copies to our 9 most loyal producers. This 1164 page volume answers many of the questions our president fielded regarding diseases, forages, facilities, health, breeding, nutrition and predators.
        Impact on Community: The GAP manual standardizes production practices within the supply chain and supplies the record-keeping forms needed to comply with GAP certification. The ASI handbook is also a tremendous resource for sheep producers. In 2014 the average lamb we marketed weighed 95.3 lbs and yielded 52%. In 2016, the average weight had increased to 99.54 lbs and the yield maintained a consistent 52%. We believe the shared production practices contributed to this increase. Even though the manual wasn't finished until 2016, we had shared FHF practices and protocol within the farm network via the newsletters and written and verbal communications. The increased weight and consistent yield suggested our practices and approaches are on the right track.

        Activity 2: Create and distribute a quarterly newsletter
        Progress made: We produced four newsletters. We included national information, seasonal tips, addressed production practices and issues like predator and parasite control. We put a questionnaire in one asking for concerns or questions and we found out that our current farmers weren't interested much in attending educational workshops because they are too geographically spread out. It was not practical for them to attend. A number of our farmers do not use the internet so we feel a newsletter is an effective mode of communication for the network. We will continue to mail out a newsletter twice a year. A semi-annual newsletter was enough as we also fielded phone calls and made individual farm visits to facilitate communication.
        Impact on community: The newsletter helps create a shared sense of enterprise among serious producers. Some mentioned enjoying it.

Activity 3: Formalize contractual obligations between FHF and partner farms.
Progress made: We worked with KCARD (KY Agricultural and Rural Development) to best identify incentive structures to increase supply, reward producer loyalty, and improve carcass traits. We found that the most important things farmers wanted were a guaranteed price, a guaranteed sale for their lamb when ready, and a timely payment. We issued a survey to producers asking when and how many market sized lambs they would have and created a schedule for buying their lambs. Loyalty incentives don't seem to be as important as we originally thought. With a contract, our lamb supply is protected in case auction market lamb prices sky-rocket, and the farmers have guarantee of price and sale. We gave our most loyal producers the ASI sheep handbook as a thank you.
Impact on community: The contract serves both FHF and the farmers in the network, giving assurance of a supply, a price, dates of delivery, and timely payment.

Activity 4: Document FHF New American Lamb record-keeping
Progress made: We revised our record-keeping documents to fit those of Global Animal Partnership (GAP) for the most part. We have documents to record data about flock health, breeding, and transportation. FHF created additional forms that serve our individual farm business.
Impact on community: These documents will help farmers become certified and will also standardize record-keeping in the network. Farmers who don't use computers receive a three-ring binder with paper documents to fill while the others received files. To be honest, the amount of record-keeping is time-consuming. This may be a challenge for FHF to encourage farmers to keep up with but it's something we need our producers to use.

Activity 5: Foster expansion of farm network through public speaking engagements
Progress Made: During the grant period, the president spoke at 12 conferences in KY, TN, and NV, participated in 5 KY festivals, and presented at 9 potential producer meetings in Kentucky.
Impact on community: Our program has become well-known in the region among farmers and customers. At least a dozen new producers have joined our network as a result of this outreach. We expect at least three farmers new to lamb production to join in 2017.

ii. Goal/Objective 2: Double lamb sales and production volume by expanding our wholesale customer base. In 2013, our lamb sales were $320,000. We wanted to double that figure and expand from selling to five grocery stores to ten.

A. Activity 1: increase marketing activities:
Progress Made: Our president negotiated an increase in orders with grocery store customers. We went from supplying 5 stores to 13 by January 2017. We offered support for the new product line by doing demos and lamb samplings in each location at least once, if not twice, during each calendar year. One measure of quantitative success

was the goal of providing our customers fresh lamb 52 weeks a year. We did that in 2015 but missed that goal by 4 weeks in 2016. Sales orders increased before the lamb supply chain had grown to meet the demand.
Impact on Community: Fresh, healthy, local lamb is now available in 13 stores in Kentucky and Ohio and one in Pennsylvania. This market increase aided farmers in our network by encouraging some to produce more lamb and by attracting new lamb producers to the program.

B. Activity 2: Prepare an advertising plan
Progress made: In-store demos and social media were the backbone of the advertising plan. Each quarter we went to stores and did demos and used social media and our website to advertise and document the events. Early on we paid for print advertising but it was expensive and hard to measure the return. The media marketing coordinator secured local media coverage for farm events as well.
Impact on Community: Our product became well known to customers for its healthy and local attributes, which contributed to the increase in sales.

C. Activity 3: Revision of Four Hills Farm website
Progress made: Our media marketing coordinator worked with the Grow KY program sponsored by the Small Business Administration to update and improve the website. We set up an account with Google My Business and used that to track visitors and comments as well.
Impact on Community: New customers and new farmers used these tools to initiate business conversations with us and the media contacted us for publicity pieces. It was a successful tool to activate.

D. Activity 4: Prepare and distribute quarterly newsletter. (See Goal 1, Activity 2)

E. Activity 5: Plan Field Day and Customer Events
Progress Made: We hosted farm tours for Kentucky State University (30 attendees, mostly women and minorities) and three universities from Missouri (40) for students interested in livestock production. In January 2017, we conducted one of the farm tours offered by the Southern Sustainable Agriculture Workers annual conference. Thirty-five regional producers attended. We hosted one field day for area chefs, grocers, college food service managers, and media in October 2015.
Impact on Community: A Louisville restaurant made us their Farmer of the Month in February 2016; WDRB TV station came to the farm in January 2016 and shot a four minute spot as a result. One local restaurant began carrying our lamb. Other media visited the farm to conduct interviews: American Sheep Industry News, Kentucky Farm Bureau magazine, and filmmaker Peter Byck of carbonnationmovie.com.

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: 1 fulltime job but held by two different people during the grant period as first hire left for a new job, which this one prepared him for.
   ii. Number of jobs retained: 2 fulltime

iii. Number of indirect jobs created: 12 new producers sold lamb to us. Three additional producers, new to the sheep business, will sell us lamb in 2017. We contracted with a media marketing manager for part of the grant cycle. Other indirect jobs retained: Employees at the other 13 partner farms, two distributors, two processors, grocery-store butchers and store employees, media personnel, chefs and restaurant personnel.

iv. Number of markets expanded: 8 new grocery stores

v. Number of new markets established: 4 new restaurants

vi. Market sales increased by $288,00 annually. (2014 sales vs 2016 sales) and increased by 90%. If we'd been able to supply 52 weeks rather than 48 in 2016, we would have met the goal of 100% increase during the course of the grant.

vii. Number of farmers/producers that have benefited from the project: 25 (12 new in past two years) The overall number of partner farms stayed the same but most of the big producers increased lamb production, while the smaller ones dropped out.

a. Percent Increase: 0

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 expansion into the entire state of Ohio and the cities there reached new populations that were not a part of our market in Kentucky. We now have a regular order from a Louisville restaurant whose owner is Mexican. We sold freezer lambs to new customers who found us through social media or who sampled lamb at the Incredible Food Show, the state fair breakfast, or at store demos.
Our farmer network grew more diversified during this period. We have producers in Appalachia, in Amish and Mennonite communities, and have added four women farmers.

4. Discuss your community partnerships.

i. Who are your community partners? Kentucky Sheep and Goat Development Office, Kentucky Sheep and Wool Producers Association, Kentucky Agricultural Finance Corporation, American Lamb Board, Small Ruminant Profit School, University of Kentucky Sheep Research Unit, American Sheep Industry, Kentucky State University, Global Animal Partnership, Kentucky Farm Business Management Program, KCARD, Southern Sustainable Agriculture Working Group, Grow Kentucky, Central Kentucky Agricultural Credit Association, USDA-Ag Marketing, Farm Service Agency and NRCS.

ii. How have they contributed to the overall results of the LFPP project? They've contributed production information, marketing materials, venues, and research, new farmer recruitment opportunities, and given us business and financial advice in some cases and granted or loaned us money in others.

iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? We will continue to participate in services and programs offered by this network of partnerships as necessary.

5. Did you use contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?
We used a contractor for marketing. Her work improved our social media presence, our website, and our contacts with the farmers through the newsletters, website, and social media. She advertised our demos and events, developed the relationship with our best restaurant customer, improved relations with our main processor, and successfully sought out local media coverage.

6. Have you publicized any results yet?*

i. If yes, how did you publicize the results?
1. Farm facebook page, to announce news and store demos. Photos and posts found there. https://www.facebook.com/Four-Hills-Farm-Lamb-369875969771734/

2. Website http://fourhillsfarm.com/
3. Newsletter
4. Google My Business
5. Talks to farm, business, and educational organizations
6. Radio interviews at State Fair and Incredible Food Show (2015)
7. Video produced by Middle Fork Kitchen Bar restaurant ttps://vimeo.com/141779750
8. Feature TV spot on WDRB, Louisville (http://www.wdrb.com/story/31274523/louisville-restaurant-launches-partnership-with-area-farmers)
9. Weekly ad on Tim Farmer TV Show (2015-16)

ii. To whom did you publicize the results? Our farm partner/producers, our web followers, our community partner members, our customers and the general public.

iii. How many stakeholders (i.e. people, entities) did you reach? 25 other farms, 13 grocery stores, 5 restaurants, 2 processors, 2 distributors

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). (Note: We have attached a folder with these. There are representative files of events and documents we did more than once, such as photos of demos and copies of the newsletters.)*

7. Have you collected any feedback from your community and additional stakeholders about your work? Yes, in an informal way. We listen to what people who sample lamb at demos say. We were particularly clued in to their reactions to lamb sausage, a new product for us.
   i. If so, how did you collect the information? Asking, listening, making notes. A number of people want to know how to cook lamb so we provide them with recipes. At demos, we happily show new customers where our lamb is in the meat case and offer cooking advice.
   ii. What feedback was relayed (specific comments)? At our annual meeting with the regional buyers for a grocery store customer, we were told that we are doing well for them and that we will grow as they do. Some customer comments: "I've never tried lamb before." "Wow, that's good." "Best lamb I've ever tasted," Judge at KY Proud Cook-off. "The lamb was delicious," wrote the food critic, for *Insider Louisville*, at the opening of a new café. A Lexington chef, who places a weekly order, raves about the lamb. Chefs at other Louisville restaurants are similarly pleased and feature our lamb as a regular item on their menus. "Jim, the samples of chops were excellent! Best I've ever had! Thank you**!"** said vp of sales at a Louisville distributor. At demos, often customers buy lamb immediately. Others are glad to know it's in the store. Others say they already buy it but are thrilled to meet the farmer who raises it.

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? Increase in annual sales, $288,000. In two years, sales increased 90%.

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).
    ii. 1. A steady supply of a quality product traceable back to the farm is a basic requirement for our wholesale customers. Record-keeping was a necessary implementation to insure animal health, welfare, traceability, and a consistent product.
    iii. 2. Farmers value a stable dependable price and honest business ethics. Our contract guarantees this relationship.
    iv. 3. We had expected that sharing production practices throughout the network would yield heavier lambs with better carcasses. Improving communication throughout the network did improve the production numbers for all of us.
    v. 4. We pursued other markets and other distributors in hopes of increasing sales but some of those did not work out. Not everything works for all involved. That helps define the parameters of the business.
    vi. 5. Chefs change menus so we consider restaurants a supplementary, rather than, target market.
    vii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:

        A. We achieved most of our goals, but what had us playing catch up was that our goal for year 2, which was increase sales and markets, occurred in year 1 before we had completed the tasks of year 1. Then we were full steam into providing twice as many lambs per week as we previously done. Some structural improvements to the lamb supply chain were completed retroactively. It was a good problem to have but it meant that our timeline was different than what we anticipated. It also meant that we didn't have the lamb supply on hand immediately. Because of the standards we require to participate in the network (no antibiotics or added hormones, pasture-raised animals only), we couldn't just go to a stockyard sale and purchase supply to fill in the gap and that prevented us from hitting the 52 week supply in one of the years.

        B. We had hoped to hire our Farm Relations Manager in November of 2014, but it took nearly six weeks to finalize the hire. He began January 12, 2014. That delayed the administration of the grant by five months. However, we were able to get extension at the end of the project and though we didn't work 100 percent within the time frame, we did complete the goals in the stated amount of time.

        C. We had planned to have an annual producers meeting at our farm but it turns out that our farmers were too busy farming to attend. So we changed that goal to hosting groups of students, educators, chefs, customers, and conference participants. Instead, we personally visited each of our lamb producers on their farms as a way to be in contact and to disseminate information.
    viii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:

        Identify fewer goals and focus on those. Sometimes it seemed we were scrambling to complete activities that were a good idea on paper but in practice weren't as effective as we thought. We attempted each and had success in most but some fell by the wayside

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.
We will continue to add partner farms and hire employees as needed to keep up with expanded wholesale marketing opportunities. We hope to garner additional support from the farm community with our marketing efforts. Sheep production is on the rise in Kentucky. We have contributed to that rise by providing a market for Kentucky lambs. Our contract makes signing with us attractive to farmers. The newsletter and the visit to each farm were new activities that fostered better communication within the network. We will continue to do both. These modes of communication helped solidify the supply chain schedule and encouraged current farmers to recruit others they knew to our program. Farm tours and field days were new to us but they were great events that yielded more sales, good will, and publicity within central Kentucky. We know better how to use social media and our website to publicize the business. We were able to expand our markets, which was the main goal. As a result of that success, we are confident that we can take our healthy, fresh, local lamb into new markets in the future. We gained much knowledge in these two years about publicity, marketing, who our customers are, how to reach them, who our farmers are, how to communicate better with them, and how to structure a supply chain so that it meets customer demand. We will build on these skills and relationships as we aim for a wider regional marketing presence in the coming years.

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? Four Hills Farm is committed to aggregating healthy, fresh lamb for consumers in our region. Our farm network is made up of good people who value healthy production practices. We will continue to ensure as best we can that our lamb is affordable and that these farmers receive a good price for their hard work.