

**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: <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 30, 2014 – September 29, 2016
Authorized Representative Name:	Gail M. Chase
Authorized Representative Phone:	207 453-4258 x218
Authorized Representative Email:	gchase@kvcog.org
Recipient Organization Name:	Kennebec Valley Council of Governments
Project Title as Stated on Grant Agreement:	The Pickup Growth Project
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-ME-0084
Year Grant was Awarded:	2014
Project City/State:	Skowhegan, ME
Total Awarded Budget:	\$76,500

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: Sarah Smith; Email: thepickupcsa@gmail.com; Phone: (207) 399-4923

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.

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: Hire a bookkeeper.
 - a. Progress Made: A book keeper has been hired and fully trained.
 - b. Impact on Community: The Pickup CSA needed to grow in order to better support the farmers whose produce it distributes. One CSA Manager did all the ordering and packing, worked with customers, and kept the books. Without increased capacity, time could not be spent on planning and managing growth. The bookkeeper removed some tasks from the CSA Manager, which allowed both positions to focus and to support the overall growth that would benefit producers. This also created a new position, which is being sustained after grant support ends.
- ii. Goal/Objective 2: Hire a CSA Manager
 - a. Progress Made: A new CSA Manager has been hired and fully trained.
 - b. Impact on Community: As the CSA Manager transitioned to a Sales and Marketing Manager (below), a new CSA manager was hired. With more ability to focus on just that position, he has made improvements in the efficiency of operations. As operations have grown, he is managing packing and loading in a new, much larger facility. More produce is being purchased locally, and those local producers are benefitting. Growth also sustains this position.
- iii. Goal/Objective 3: Transition CSA Manager to Sales and Marketing Manager
 - a. Progress Made: The CSA Manager has transitioned to Sales and Marketing Manager.
 - b. Impact on Community: The Sales Manager spent significant time meeting with potential new CSA delivery sites, talking with new Wholesale customers, and designing materials for communicating about The Pickup to both types of accounts. Through the work of the Sales Manager, The Pickup has tried some new marketing strategies including a mobile retail market in conjunction with large population worksite CSA distribution. Additionally, to encourage an increase in winter sales, The Pickup created options for meat, and refrigerated, and pantry items, for the upcoming winter. The Pickup did not have the capacity to obtain new accounts and distribute more locally-grown food without the position. This position will continue even though the grant support has ended.
- iv. Goal/Objective 4: Increase Awareness through branding and marketing
 - a. Progress Made: The website was redone in the spring of 2015, with additional improvements in the spring of 2016. Facebook and Google ad campaigns ran from April through September 2016.
 - b. Impact on Community: Website traffic more than doubled, both for the number of times that the page was visited and the number of people visiting. Duration of the visits increased by more than half. In April 2016, the Facebook page had just over 2000 followers. During the next four months (May to August, 2016), followers increased by 15% to over 2300. During the same period, four times as many website visits originated from Facebook than in the period from May to August, 2016. Farmers will feel the impact, as increased electronic traffic will increase business.
- v. Goal/Objective 5: Create a digital “sales funnel”
 - a. Progress Made: The majority of sales occur online. However, the existing system is difficult for customers to navigate and frustrating to them and to our staff. A new streamlined e-commerce site for smooth and efficient purchasing as well as inventory management has been designed and is now in the trial phase for staff. The digital sales funnel has been running since the beginning of

- March. This feature invites new website traffic to receive 3 targeted emails, each of which will offer specials and feature information about different parts of the business to new prospects.
- b. Impact on Community: With an easier system for making purchases, there is a huge impact on purchasers AND farmers. Customers will be able to see in advance what is going into their box the following week, which will allow them to purchase additional items they are not receiving. Increased sales is at the heart of this project; The Pickup is very excited about this new tool.
- vi. Goal/Objective 6: Research use of space for a cheese cave
- a. Progress Made: A cheese cave feasibility study was conducted, including meetings with the Maine Cheese Guild, and surveys and interviews of cheesemakers and cave managers. The conclusion is that the space at The Pickup and grist mill is appropriate for a cheese cave. Given the experience of others in New England, a cheese cave business would best be run as a sole-proprietorship.
- b. Impact on Community: The cheese cave will allow producers to sell their milk to make aged cheese. The return is greater with aged cheese; as most producers do not have a cave for aging, they make softer cheeses. This will allow farmers to sell milk for another value-added product.
- vii. Goal/Objective 7: Procure consultant to work with growers to create HACCP plans
- a. Progress Made: Consultant Cheryl Wixson created HACCP based food safety plans for seven of The Pickup's growers. A mock recall was conducted for products from each farm in the fall of 2016, with suggested improvements to each operation for the next season. Additionally, The Pickup now has a template for growers who wish to build their own plans: staff will conduct an annual review of these plans and will conduct a mock recall each fall to ensure they are being followed.
- b. Impact on Community: The HACCP based food safety plan will open markets for The Pickup and these farmers. The HACCP plan is now a requirement for GAP certification and any farm selling over \$25,000 wholesale each year will need to comply with food safety requirements under the Food Safety Modernization Act. The Pickup has already been able to procure one new institutional account because these plans are in place, and more are anticipated.
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: 2 - 1 Truck Driver/Mobile Market Manager, 1 Sales Manager
- ii. Number of jobs retained: 4 - CSA Manager, Packing Staff, Bookkeeper and Truck Driver
- iii. Number of indirect jobs created: 5
- iv. Number of markets expanded: 5 – Over the past 6 months, three new worksite distribution sites were added as well as two new independent retail locations for grocery box pickup.
- v. Number of new markets established: Three new wholesale distribution locales have been added. Deliveries are now being made bi-weekly to Portland, and weekly to Coastal Maine and to the Bangor area.
- vi. Market sales increased overall by \$35,214, and increased by 29% for CSA and Wholesale sales combined. Total number of CSA shares were down 3% over the same time period in 2015. However, wholesale sales increased 236% over the same time period.
- vii. Number of farmers/producers that have benefited from the project: 58
Purchases were made from 67 different farms and food businesses since April 1st, 2016.
Percent Increase: The Pickup added 7 new vendors during this time period, and overall purchases from local farms has increased 21%, bringing more profit to the farmers.
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 customer base was expanded through the addition of 5 new CSA distribution sites during this time, and the establishment of wholesale partnerships with 26 new buyers. Of those 26 accounts, 7 are ordering weekly or biweekly. The Pickup continues to work with the other 19 accounts to determine how best to serve their local food needs.

4. Discuss your community partnerships.

- i. Who are your community partners? The Pickup is located in Skowhegan, and works with many different partners in a variety of sectors, including: Kennebec Valley Council of Governments (KVCOG); Somerset Economic Development Corporation (SEDC); Greater Somerset Public Health Collaborative; Skowhegan Family Medicine and Redington Fairview General Hospital; Main Street Skowhegan, Skowhegan Area Farmers' Alliance, Skowhegan Chamber of Commerce, Slow Money Maine and Maine Farmland Trust.
- ii. How have they contributed to the overall results of the LFPP project?
These partners have all contributed in a variety of ways. Economic development entities help to obtain funds for Skowhegan Food Hub businesses including The Pickup, the Somerset Grist Mill, and even to area farmers. Healthcare partners help promote the use of food from The Pickup in their workshops, conferences, and community cooking classes. Additionally, they help spread the word about the benefits of CSAs to potential consumers. Main Street Skowhegan is a downtown revitalization non-profit whose work is solely related to improvements within the historic district of Skowhegan where The Pickup is located. The Pickup participates in many community events hosted by Main Street Skowhegan, including Maple Fest and Holiday Stroll, which help to bring community members into The Pickup's retail space. Finally, the Skowhegan Area Farmers' Alliance coordinates a farmers' market outside of that retail space. The Pickup supports many community projects regarding local food and access to these foods for low income populations.
- iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?
Each of these partners plays an important role in future success either through fiscal ties or direct community ties. The Pickup is a for-profit business, but community vitality and well-being is important in meeting the goals of the business. As an agricultural business, the success of The Pickup results directly in stronger markets for local farmers.

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

Between April and September 2016, The Pickup worked with Nancy Marshall Communications, Caitlin Horigan, Scott Budde, Dairy Foods Consulting, Cheryl Wixson, Vision Design Creative Services, and Event Horizon Technology. Each of these contractors has provided services that have benefitted The Pickup as well as the farmers that The Pickup supports. The work of each contractor is explained under the appropriate goal above.

6. Have you publicized any results yet? Yes

- i. If yes, how did you publicize the results?
Results were sent in a newsletter and by working with the Morning Sentinel on a story for the newspaper.
- ii. To whom did you publicize the results?

Results were publicized to CSA members, wholesale buyers, growers, and also to those who read the Morning Sentinel.

- iii. How many stakeholders (i.e. people, entities) did you reach?
Through the newsletter, 419 CSA members, 96 farmers and food producers, and 115 wholesale were reached. The Morning Sentinel is distributed to over 13,000 households daily.

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?
Two surveys of CSA members were conducted, one asking for information from inactive members and the other from active members. Additionally, 2015 wholesale accounts were surveyed about the service they received and how it might be improved in 2016. Producers were queried at The Pickup's annual growers meeting in January 2016 about how The Pickup could most effectively serve them. The focus was on two areas: 1) sales and marketing on behalf of the producers, and 2) logistics, including direct farm pickup of product. Finally, all CSA customers were surveyed in November 2016, both active and inactive. The feedback from the three subsets was very informative.
- ii. What feedback was relayed (specific comments)?
Here are some comments:
"We have been getting the plow share... it's like a mid-week, grocery grab bag, full of fresh and local goodies. Definitely enjoying the variety of fresh items, it makes our meals more diverse."
"I am loving it!!! I am definitely more mindful of what I buy at the grocery store."
"The eggplant I got made the best eggplant parmesan I've ever made"
"I eat meat again now that I can get it locally and know that the animals are raised in humane ways and are free from nitrates and antibiotics."

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?
 - a. If yes, how much was generated and how was it used to further the objectives of the award?
In total, \$35,214 was generated. It was used to purchase inventory of branded boxes for shipping products more efficiently, to finish the logistics project to help analyze trucking and delivery costs in order to improve margins and better analyze trucking needs, and to support the growth and mobile market trial including an additional staff person.

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).

The purpose of this project was to assist The Pickup in its growth, in order that it could develop larger markets for local producers. The Pickup learned that growth must be managed now, but managed for the future. Positive examples of that include the work that was done to develop HACCP plans with producers. At present, a HACCP plan is a requirement for GAP certification, but some small growers do not plan to sell directly to institutions and may decide

that it is not a necessity **at present**. However, development of HACCP plans resulted in The Pickup obtaining a new institutional account, and will result in more **future** accounts.

Managing for growth also led to the realization that the current space would not be adequate for increased sales. This resulted in The Pickup utilizing a new space, resulting in significant efficiencies in packing.

More detailed accounting made it clear that The Pickup Café was not contributing its fair share to the costs of operations. While that was initially a negative experience, the result was ultimately positive: the café is under new ownership and is completely separate business from The Pickup CSA and Wholesale business. This allowed The Pickup to focus on its core mission.

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

10. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:

Kennebec Valley Council of Governments is the administrator, while The Pickup's Sales and Marketing Manager is the project manager. To best administer a project on where activities are being completed by others, it is essential to keep in regular contact and to establish expectations. It is also very useful to allow enough time for conversations that may reveal successes and difficulties that otherwise might go unmentioned.

11. 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 ultimate goal for The Pickup is that significantly more locally-produced foods are in more kitchens, on more restaurant plates, and in more schools and hospitals. The work done with the support of U.S.D.A. AMS has been invaluable in showing the growth potential of local food consumption. This translates to more profitable and successful producers, which will lead to a reliable source of local produce for larger, institutional markets. This results in more healthful food available to the community at large.

The attached Final Marketing Review shows an increase in a very short period of time (two six-month periods) that predicts increased growth provided that: 1. a focus be maintained on sales and marketing and 2. that every efficiency be employed.

- 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?**

As mentioned above, every efficiency must be employed. The Pickup needs to research the profitability of distribution routes, and what the best and most efficient way there is to distribute local produce. This would include not only vehicular and personnel costs per mile, but also the amount earned per mile for each route. In this way, costs will be kept low to ensure profitability for the farmer.