

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.

Report Date Range (e.g. September 30, 20XX-September 29, 20XX)	October 1, 2015 – March 31, 2016
Authorized Representative Name:	Ed Garner
Authorized Representative Phone:	231/724-3172
Authorized Representative Email:	egarner@muskegonareafirst.org
Recipient Organization Name:	Muskegon Area First
Project Title as Stated on Grant Agreement:	President/CEO
Grant Agreement Number: (e.g. 14-LFPPX-XX-XXXX)	15LFPPMI0126
Year Grant was Awarded:	2015
Project City/State:	Muskegon, MI
Total Awarded Budget:	\$24,955

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

Same Authorized Representative listed above (check if applicable).

Different individual: Name: Marty Gerencer, lead consultant on the project;

Email: [marty@morseconnections.com](mailto:marty@morseconnections.com); Phone: 231/638-2981

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1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. "new objective", "new contact", "new consultant", etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.

i. Goal/Objective 1:

Develop a solid business plan for the Muskegon food hub/retail storefront operation to aggregate local product from mid-size growers in the surrounding counties and distribute around Muskegon, including low-income areas, other regions around Michigan, and Chicago, Illinois.

a. Progress Made:

The business plan and financial projections report has been developed completed for the Muskegon food hub and is available at [www.morseconnections.com/initiatives/muskegon-food-hub-feasibility-study](http://www.morseconnections.com/initiatives/muskegon-food-hub-feasibility-study)

b. Impact on Community:

Impacts on the community include the potential for a new local foods-related business located in Muskegon County that could provide up to 20 jobs, composed of up to 6 full time positions and up to 14 part time positions. Jobs will include fork lift drivers, truck drivers, packers and sorters, and will also include a general manager and two office staff. It is anticipated the food hub will produce up to \$2 million in sales over the first 5 years of the business. Also, up to 3 other local food businesses are in planning stages to expand their business operations in Muskegon County, due to in part to the development of the Muskegon food hub. Up to 100 fruit and vegetable farmers will have access to new markets in the first year of the operation.

ii. Goal/Objective 2:

Increase healthy food access to low-income communities in Muskegon and the west Michigan region through partnerships with local and regional food access organizations.

a. Progress Made:

The food hub core team approached the following businesses and organizations because they are successfully sourcing healthy foods and delivering them to children and families in low-income neighborhoods in Muskegon and the west Michigan region. The purpose of our discussion with these organizations was to determine their interest in purchasing locally grown fruits and vegetables from the Muskegon food hub that could be included in their offerings to low-income neighborhoods.

- Kids' Food Basket is a nonprofit organization attacking childhood hunger to help young people learn and live well. This organization has agreed to purchase Michigan fresh products such as carrots, blueberries and apples from the Muskegon food hub. The organization now serves

over 6,000 kids each weekday in greater Grand Rapids and Muskegon. Their Sack Suppers program provides kids a well-rounded evening meal with nutrition that's critical to the development of kids' brains and bodies. [www.kidsfoodbasket.org](http://www.kidsfoodbasket.org).

- YMCA Veggie Vans are west Michigan's first and only mobile farmers markets, running year round, and making daily stops in urban neighborhoods throughout Grand Rapids, Muskegon, and Ottawa County. The Veggie Van program has also agreed to purchase Michigan fresh fruits and vegetables from the Muskegon food hub. This innovative program makes locally grown, top-quality fruits and vegetables accessible in communities that otherwise have limited access to fresh produce. Additionally, SNAP, WIC, and Senior Project Fresh/Market FRESH benefits are accepted. <https://www.grymca.org/community-programs/community-based-programs/veggie-van/>
- Feeding America – West Michigan approached the Muskegon food hub core team because of their interest in sourcing and stocking locally produced fruits and vegetables in their food pantries around west Michigan. This organization has agreed to purchase and accept donations from the Muskegon food hub and will then distribute locally produced foods to area food banks in the Muskegon community and the west Michigan region.
- Scott Meats, an area retailer of high quality meats in the low-income community of Muskegon Heights, has agreed to a pilot test of west Michigan grown fruits and vegetables such as asparagus, apples, blueberries, peaches, green peppers and cucumbers in their new store location in 2017. Over 60% of sales for Scott Meats come from area citizens in Muskegon Heights which includes EBT sales. This pilot test will determine interest from Scott Meats current customers in purchasing local fruits and vegetables from their store using EBT and through regular sales.
- Taste the Local Difference is a local foods marketing and promotional program based in Traverse City, Michigan. TLD approached the Muskegon food hub core team to discuss ways to collaborate in the future. While TLD does not source or sell produce, one outcome of this partnership for 2016 is to produce a local foods resource guide for Muskegon County to build awareness of local foods with the community and with area buyers.

**b. Impact on Community:**

Many areas in Muskegon County are low-income and do not have access to grocery stores or other sources of fresh produce and obesity rates are some of the highest in Michigan and the nation. Most of the convenience stores in the

cities of Muskegon and Muskegon Heights do not currently offer fresh fruits and vegetables.

By intentionally partnering with community food access organizations and neighborhood businesses like Scott Meats, the Muskegon Food Hub is positioned to make an important impact by increasing the availability of fresh local produce in low income communities and creating viable new markets for west Michigan's farmers.

iii. Goal/Objective 3:

Increase commerce of local and regional economies through increased jobs, increased profitability of area producers, and more local food into the marketplace.

a. Progress Made:

The Muskegon County economy is primarily comprised of manufacturing, healthcare, tourism, and retail sectors, employing over 70% of people working in the County. Community leaders and stakeholders believe that a local food enterprise could produce additional economic, environmental, social and health benefits to the citizens in Muskegon County and throughout the region.

In addition to supporting implementation efforts for the Muskegon food hub, local government and partner organizations have sought to upgrade their city farmers' markets, and have developed hundreds of small community gardens. The local hospital now houses a community urban farm on their property and purchases their seasonal products. A new established incubator kitchen near the farmers market is a key partner of the Muskegon food hub project. Food entrepreneurs from the incubator kitchen will eventually sell their value added products to the Muskegon farmers market and to the Muskegon food hub.

b. Impact on Community:

The Muskegon food hub business plan and financial projections have been developed. It is anticipated that up to 20 jobs will be created in the implementation phase of this project (2016 - 2017), including about 6 full time positions and up to 14 part time positions. Jobs will include fork lift drivers, truck drivers, packers and sorters, and will also include a general manager and two office staff. It is anticipated the food hub will produce up to \$2 million in sales over the first 5 years of the business. Up to 100 fruit and vegetable farmers will have access to new markets, and up to hundreds of pounds of local food products will be distributed to the community.

iv. Goal/Objective 4:

Develop a stronger relationship with buyers in Chicago through a partnership with FamilyFarmed to distribute Michigan products in the Chicago community.

a. Progress Made:

FamilyFarmed of Chicago, Illinois has introduced and assisted with relationship building between the Muskegon food hub and up to 3 regional buyers in the Chicagoland area. These buyers have expressed interest in purchasing Michigan

fresh and value-added products from the Muskegon food hub. One broad line distributor in Chicago has agreed to write a letter of intent to purchase Michigan products that meet buyer requirements from the Muskegon food hub when it is in operation.

b. Impact on Community:

Relationships that have formed between Muskegon County, FamilyFarmed and individual buyers in Chicago have opened potential market channels for the Muskegon food hub and area growers. One Chicago buyer has also expressed initial interest in pilot testing locally produced fruits and vegetables distributed from the Muskegon food hub and transported by boat via a cross-lake shipping route from Muskegon to Chicago. Transporting food by water could be a cost-savings to Muskegon food hub and to the buyers in Chicago.

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, 2015). Include further explanation if necessary.

Since this is a planning grant, the Muskegon food hub core team anticipates additional quantitative data will be accumulated and supplied in the next phase through implementation.

- i. Number of direct jobs created: 20 (anticipated in implementation phase)
  - ii. Number of jobs retained: 20 (anticipated in implementation phase and beyond)
  - iii. Number of indirect jobs created: 10 (anticipated in implementation phase)
  - iv. Number of markets expanded: at the onset of this project, very few buyers in Muskegon County were purchasing locally produced foods
  - v. Number of new markets established: new school, restaurant, hospital and small grocery store buyers in the following locations; Muskegon community, west Michigan region, Detroit, Michigan, Chicago, Illinois, and Milwaukee, Wisconsin
  - vi. Market sales: Projecting \$2 million (1-5 years during implementation phase)
  - vii. Number of farmers/producers that have benefited from the project: 100 fruit and vegetable farmers (anticipated in implementation phase)
    - a. Percent Increase: 100% (anticipated in implementation phase)
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?

Many areas in Muskegon County, particularly in Muskegon and Muskegon Heights, are low-income communities and have little or no access to grocery stores or locally produced foods. Many business owners and buyers from Muskegon area restaurants, grocers, hospitals, and schools have responded to surveys and attended food hub discussions to express their support and interest in purchasing more locally produced foods for their businesses, some of which are located in low-income communities.

Through this project, the Muskegon food hub has strengthened and forged new relationships throughout the west Michigan 13-county region, to Detroit, Michigan. Early discussions were also held with buyers in Milwaukee, Wisconsin and in Chicago, Illinois. West Michigan is an

agriculturally dense region for fruits and vegetables with up to 3600 farmers just in Muskegon County and the surrounding three counties of Oceana, Newaygo, and Ottawa. The Muskegon food hub could secure a consistent supply and high volume of quality produce required to access larger markets and buyer demands for local product.

Lastly, Little River Band of Ottawa Indians Tribal Community has entered into discussions with the Muskegon food hub core team and has expressed interest and a willingness to purchase locally produced fruits and vegetables for their casino in Manistee, Michigan and eventually in their new casino in Muskegon County due to open in the next few years.

4. Discuss your community partnerships.

i. Who are your community partners?

- Cherry Capital Foods is a food hub in Traverse City, Michigan and has shared knowledge with the Muskegon food hub team through the project, based on their experience in operating a food hub since 2009.
- Little River Band of Ottawa Indians has expressed a willingness to become an anchor buyer of local fruits and vegetables for their current casino in Manistee, Michigan and a new casino to be built in Muskegon County.
- Muskegon Area First has served as fiduciary for this USDA LFPP grant and has provided economic development guidance during the term of the grant period.
- County of Muskegon has served on the advisory council and has provided insights about the best locations to build the food hub in the County based on proximity to multiple modes of transportation and assets of the property.
- Community Foundation for Muskegon County is leading multiple efforts to increase healthy food access throughout Muskegon County and has served on the advisory council for this project.
- Muskegon Deep Water Port Advisory Committee has provided insights on ways to use the port for cross-lake shipping of locally produced products to Milwaukee, WI and Chicago, IL.
- Muskegon Lakeshore Chamber of Commerce has offered meeting room space and has brought multiple community stakeholders into food hub related discussions based on their relationships and client base.
- City of Muskegon has served on the advisory council and has provided guidance on city policy affecting the food hub operation.
- Kids' Food Basket is a food access organization and has agreed to purchase locally produced fruits and vegetables from the Muskegon food hub for suppers offered to low-income children in the community and throughout the region.
- Muskegon Farmers Market and Kitchen 242 have served on the advisory council and have brought many farmers into food hub discussions and encouraged partnerships between farmers and Muskegon food hub.
- Muskegon Public Schools and the Farm to School program team have served on the advisory council and are interested in purchasing locally produced fruits and vegetables from the Muskegon food hub.
- FamilyFarmed (Chicago) is key partner on this project and has assisted in building relationships between the Muskegon food hub team and three Chicago buyers. FamilyFarmed arranged several meetings and discussions for the Muskegon food hub and continues to support this effort.

- Eastern Market (Detroit) served on the advisory council and has shared best practices and knowledge based on their experience in Detroit.
- Michigan State University – Center for Regional Food Systems Michigan Food Hub Network has served as a base of support, connection to resources and knowledge, and funding to support the Muskegon food hub project.
- University of Wisconsin and the Wisconsin Food Hub have engaged with the Muskegon food hub in an early discussion to determine likelihood of transporting locally produced fruits and vegetables from Michigan by boat to Milwaukee and then loading the boat with Wisconsin locally produced products such as cheese and dairy products to transport back to the Muskegon food hub for distribution throughout the region.
- Consumers Energy is key funder of this project and has served on the advisory council through the term of the project.

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

The community partners have served on the project advisory team, have helped with funding support, building new relationships, made connections to farmers and retailers, provided input into the implementation plan and have agreed to purchase locally produced products from the Muskegon food hub.

iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? All of the above partners have verbally committed to be involved in this project through the implementation phase of the Muskegon food hub. Many of the partners are interested in eventually purchasing locally produced products from the Muskegon food hub and the economic development organizations are committed to supporting the development of the Muskegon food hub in Muskegon County based on the feasibility findings and the strength of the business plan.

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

Morse Marketing Connections, LLC is the lead contractor for this project. Cherry Capital Foods and FamilyFarmed have provided supporting consulting roles for the project. Together the core team has provided leadership for the project, conducted the research and advisory meetings, and developed the implementation plan and final reports for this project. FamilyFarmed provided leadership to connect the Muskegon food hub to buyers in Chicago who would be interested in purchasing Michigan produced fresh and value-added products.

6. Have you publicized any results yet?\*

i. If yes, how did you publicize the results?

It is anticipated that the results of the Muskegon food hub implementation effort will be publicized to the following media venues after the terms of the business partnerships are completed, anticipated in 2016: Mlive Muskegon (150,000 people in Muskegon County area) and Facebook pages, twitter feeds and websites of Muskegon Area First, Muskegon Lakeshore Chamber of Commerce, Community Foundation for Muskegon County, Morse Marketing Connections, FamilyFarmed, and the MSU CRFS Michigan Food Hub Network listserv (500 people).

- ii. To whom did you publicize the results? Audiences of above publications and social media also noted above.
- iii. How many stakeholders (i.e. people, entities) did you reach? Anticipated: 300,000

\*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).

Please see link below for posted articles and publications:

<http://www.morseconnections.com/initiatives/muskegon-food-hub-feasibility-study/>

7. Have you collected any feedback from your community and additional stakeholders about your work? The feedback from the community, farmers and buyers was done during the feasibility phase of this project.

Please see link below for detailed information about feedback provided by the community, farmers, buyers contained the Muskegon food hub feasibility study report:

<http://www.morseconnections.com/initiatives/muskegon-food-hub-feasibility-study/>

- i. If so, how did you collect the information? Noted in the Feasibility Report (link above)
  - ii. What feedback was relayed (specific comments)? Noted in the Feasibility Report (link above)
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? NO
    - a. If yes, how much was generated and how was it used to further the objectives of the award?
9. Lessons Learned:
  - i. Summarize any lessons learned. They should draw on positive experiences (e.g. good ideas that improved project efficiency or saved money) and negative experiences (e.g. what did not go well and what needs to be changed).

- In the early phases of this project, the project leadership role was assigned by community stakeholders to a food systems consultant with food hub experience and based in Muskegon County. The locally based food systems consultant launched the project with strong relationships and the trust of community stakeholders and knew well some farmers and many buyers in the community and throughout the region. It was identified by the advisory council that hiring a locally based food systems consultant with the knowledge of food hubs and strong relationships assisted in moving the project along much faster than hiring a consultant without relationships in the local area.

- Muskegon County has historically been a heavy industrial-based area and hadn't identified food and agriculture as a growth area for the region. This project brought forth new findings about assets of Muskegon County and its close proximity to some of the most agriculturally dense counties in the state of Michigan. The community's support of the Muskegon food hub to provide more access to healthy, locally produced food, and economic development through agriculture was embraced faster than anticipated at the onset of the project. The team identified mid-way through the project that there was a very low inventory of existing buildings to be looked at for the Muskegon food hub operation due to the strengthening economy in the west Michigan region. The team then needed to begin looking at land to build a new facility. Because new facilities are expensive to build, the team needed to bring developers into the discussion that would be willing to build the facility and lease it to the Muskegon food hub.

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

The fiduciary, community advisory committee and state partners provided strong support throughout this project. In addition, these partners provide resources and information that were important to the success of the project. Partnerships, communication, and adhering to project timeline also ultimately provided for a successful project.

#### 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.

a. The next step for the Muskegon food hub is to seek funding for the preparation and implementation phase; issue a Request for Proposal to identify an owner/operator of the hub, build the hub, hire staff, implement policies and procedures, develop training programs for farmers, create buyer readiness tools, solidify sources of supply (farmers and products), solidify sources of demand (buyers, quantities and types of products), and launch the operation.

- 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 next phase of work for the Muskegon food hub will commence in April 2016 with a plans to break ground on the new facility during the spring 2017. The action items identified by the core team and advisory committee are outlined below:

- a. Seek funding to support implementation of the Muskegon food hub. It is anticipated that we will break ground during the spring 2017. The facility should be completed in 2017 with a potential of some aggregation and distribution of products in the same year. Staff will be hired, policies and procedures will be customized and implemented, supply quantities will be identified based on demand from area buyers, and financial statements will be developed.
- b. The existing Muskegon food hub advisory committee will be invited to continue an advisory role with the Muskegon food hub core team to guide and assist with implementation decisions related to the food hub and to serve the food access needs of the community.
- c. Farmer capacity building programs (business training and food safety training) for farmers interested in supplying the food hub will be developed and conducted by the Muskegon food hub as funding is secured.
- d. It is anticipated the Muskegon food hub will work with existing nonprofit partners on social mission related programming in Muskegon County.
- e. A planned fruit and vegetable retail pilot program will occur in 2017 with a retail store in an underserved area of Muskegon County. This retail store has verbally agreed to participate in the fruit and vegetable pilot program with the Muskegon.