

## 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](mailto:USDALFPPQuestions@ams.usda.gov); Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

<b>Report Date Range:</b> <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	April 1, 2016 – September 30, 2016
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<b>Recipient Organization Name:</b>	Soul City Hospitality
<b>Project Title as Stated on Grant Agreement:</b>	Soul City Hospitality Central Mississippi Food Hub
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	USDA-AMS-LFPP-2014-EXTEND
<b>Year Grant was Awarded:</b>	2014
<b>Project City/State:</b>	Jackson, MS
<b>Total Awarded Budget:</b>	\$133,400 (\$100,000 from Federal grant funds)

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: initiate a Product Aggregation Pilot involving producers and retailers moving product through the hub.

- a. Progress Made:

There were three steps to our pilot: (1) operationalize an existing cooler by modernizing its compressors and evaporators. We understood from our research and from meetings with producers that few producers in our region had access to functional cold storage and that providing this service would create great value for the food system. The cooler we operationalized was 1,150 sq ft. (2) Initiate an Aggregation pre-pilot. For about a 4-month period starting in late 2015, we began taking in product from growers. This allowed us the opportunity to acquaint ourselves with handling practices for about six different crops and begin to develop working relationships with farmers. In some instances, producers just brought excess product to us because they did not have a place to store it. In other instances, we sought the product out. We found buyers for most of the product that came in—but also understood that at this stage and scale, the goal was not to make profit on every transaction, but to improve practices, develop relationships, and improve planning for future activities. (3) From April 2016 until the end of project, we launched our full pilot with the goals to expand our base of buyers and producers and improve post-harvest handling practices for each crop. We successfully expanded our producer roster from 6 to 32—with about 18 being regular suppliers. We expanded the grocery stores we delivered to from 2 to 17. We thought we would see to more restaurants, but ended up selling to about 8. Restaurant expansion has proven challenging so far because Jackson and Mississippi are small markets for farm-to-table and the few restaurants committed to it have strong relationships already with a handful of local growers. Until we are at a larger scale and can offer more value to those specific farmers, the margin is not worth it for any of the parties. That said, we continue to supply a handful of restaurants (while we focus on wholesale) and have significant interest from restaurants wanting to buy as much bagged fresh-cut as we can provide down-the-line. Our strategy with the grocery stores has been to focus on locally owned franchises who compete with the big-box national groceries, but who see an opportunity to differentiate by marketing local. We have current commitments from franchise owners to let us supply to 25 stores and the opportunity to supply up to 50 as we grow. In all, we handled 26 different crops in 2016, shedding great light into the margins for each and post-harvest quality issues that we also must address. We cannot overstate the importance of spending time piloting at a smaller scale before expanding into something larger. It allowed us to see in practical ways future work we need to establish with the cold chain before the product even arrives at the hub. It also helped us see which crops we should emphasize and which ones we should de-emphasize because of the factors at the wholesale margin.

- b. Impact on Community:

Establishing the cooler filled a critical need in the community. Initially, producers brought us excess product to store for them. As we sold that product and paid them reliably, producers starting planning to move product to us as their principal buyer. Many producers stated to us that they like us because “we pay them, and we pay them on time.” Additionally, we provide support for several community produce stands who lack coolers. One of these stands provides produce to a low-income/low-access community neighboring our hub. Using our cooler has improved the quality and quantity of his stand. We don’t charge him directly for cooler space, as he purchases a lot of our available produce. Wholesale impact: moving local product certainly galvanizes the community and there is a lot of good will at the local ownership level to make it happen. However, retail and grocery managers oversee the day-to-day

details, and incorporating local can impact their time, convenience, and bonus pay (margins). These managers aren't responsible for the bigger picture of economic development or (in many cases) pursuing quality product. Therefore, success at the local wholesale level requires getting strong support at with ownership, educating the community and consumers, and making the process convenient for the workers. The rapid growth of our producer and buyer base shows there remains a high demand for the local product. Areas of growing focus include improving standards for post-harvest handling and supply-chain food safety—which will impact harvesting and packaging practices before the product even arrives at the hub. One practice we had to employ part-way through the pilot was to supply packing boxes to the producers to make sure the boxes we received product in were sanitary. This also created a positive impact on producers as they can now receive their boxes directly from us at the same time as delivering product.

- ii. Goal/Objective 2: coordinate a transparent pricing system and create a Producer Crop Growing Plan based on supply-and-demand assessment.

- a. Progress Made:

We spent extensive time early in the project consulting with our prospective buyers on what crops they want, understanding the nuts and bolts of how they want product delivered, and discussing how we could make the margins work. During this time, we also launched a “Mississippi Farmed” brand and website and renamed our hub “Up in Farms Food Hub.” Though we gained a strong understanding of what we needed in a crop production plan, we realized part-way through the project that our staff lacked the technical depth of experience to create the level of planning detail farmers needed. It's important to note that while Extension helps in many areas, their strong suit has not been helping farmers plan entire growing seasons for wholesale specialty crop markets in ways that are connected to distribution. Therefore, in early 2016, we hired a full-time Sourcing Manager to help us develop an extensive crop-growing plan we could roll out as its own pilot. We started small with a plan for growing 8-9 crops on half-acre plots. 8 producers signed up for a total of about 6.5 acres. The hub provided field boxes, liners, ties, PLU bands, and seed, and we coordinated transplants for some of the producers. Going through this on a small scale was critical to helping us plan for a consistent in-flow of product to match our buyers' needs.

- b. Impact on Community:

The biggest impact this objective had on the community was demonstrating to our producers a different way to approach their farming—one which isn't bound to worrying over the cost of individual cases of produce, but instead reflects expanded earning potential for the grower over the course of a season or an entire year. This also helps producers view themselves as full-time farmers as opposed to something they might do a little of on the side. Sales from the pilot crop plan were diminished significantly due to a drought, but the season produced \$15,000 in revenue for the producers. We believe the program was a success because all the producers who participated signed on for the 2017 “prescribed growing plan” as did an additional 17 producers. One important lesson we learned was how and when to have the conversation about planning. While large meetings are necessary to discuss seeds and handling expectations, exactly what each farmer will grow needs to be worked out individually. For the group, we pre-negotiated what we would pay the producers based on what we expected (worst-case scenario) to get paid by our buyers. We agreed that if we sold above the projected mark-up, we would share those profits with the producers. To our buyers, we are still struggling to demonstrate that we can deliver high-quality product on a consistent basis. We saw breakdowns in handling processes that led to rapid quality degeneration—in part because our growers were not used to timing their harvest for immediate delivery. This is a gap we are working to close that will come with having greater scale and better communication of our expectations. Also, we realized, it's better to over-plan for supply than to under-plan—which could potentially leave us with excess product. To maintain quality, safety, and brand-identity, we need to know our suppliers and not leave ourselves desperate filling short-orders.

We have communicated our activities with our local grocers and they remain committed to working with us as we learn through these early stages of development.

iii. Goal/Objective 3: develop a Local Trade Route Pilot for both pick-up and delivery.

a. Progress Made:

We spent time at the beginning of the project mapping all the grocery stores, produce stands, potential restaurants in the general area and overlaying that will the addresses of potential producers. Our goal was to develop clusters of farmers and buyers through which we could streamline routes and create backhaul opportunities when possible. We activated two specific routes for dropping off at two restaurants, two groceries, and then using back-haul pick-up from four producers. We developed a partnership with the Mileston Cooperative for them to deliver product from their producers and some other nearby producers directly to the hub, and we make that pick-up from them about once every other week. We coordinated a farmer coming up from south MS to pick up from two other producers along the way to the hub. We also analyzed four extended routes for delivery and back-haul that we will implement in the future. Initially we had a 14' refer truck, which has proven adequate for size. However, we needed to replace this truck (outside of project funds) with a different truck equipped with a lift gate. We learned quickly that our pick-up and drop-off locations have great variance in dock/no-dock specifications. Even though we looked at this in planning, we did not anticipate the tangible struggles per difference in site and the impact on delivery time and equipment. In the latter part of the project, we began efforts to work distribution arrangements with delivery partners.

b. Impact on Community:

It's difficult to overstate the importance of coordination of pick-up and delivery in creating the efficiencies necessary to make distribution cost competitive. We helped make our producers partners in this process through giving them backhaul opportunity and reducing their transportation costs to us by allowing them to pick up from other farmers as well. Overall, we did not achieve the kind of efficiencies we hope to achieve because we do not yet have the scale and consistent supply of product to make that possible. But we do see the roadmap for where that is heading as volume improves. More than anything, this type of practical experience delivering product is critical to understand needs and constraints of the buyers, to factor in adequate time per stop, to make sure our branding is working properly inside the stores, and communicate any issues to our buyers that may be specific to local goods.

iv. Goal/Objective 4: place raw and value-added product lines directly in public schools.

a. Progress Made:

Jackson Public Schools Food Director and staff sat down with our group for a series of meetings to identify products we can deliver and discuss how we can develop a value-added production line for them. JPS emphasized the need for us to develop a full GAP supply chain and consulted on specific cuts for pre-cut items. JPS wants us to work through their existing contract vendor and is willing to change their contract to include a "local first" rider. This challenges us in two ways: (1) we must design future production lines and processes to satisfy GAP standards and (2) we must place a renewed emphasis on developing GAP producers. We currently have 4 GAP producers under the Mileston Cooperative umbrella, but we have not yet certified our facility because of a pending construction schedule outside the scope of the LFPP. Not having fresh-cut capability in-house or nearby is a significant constraint.

b. Impact on Community:

JPS is the largest school district in the state, providing 40,000 meals per day. Other school districts follow their lead. So, JPS making a commitment to purchase local from us reduces the perception of risk for other food directors to participate. For us to capitalize on these inroads, we must work with a network of partners to make GAP production a reality. The real impact is the incentive for producers to participate in GAP to expand their markets (not only through the schools but for other buyers from the hub). We also made a "sea change" at the hub and put efforts into the design and funding of a fresh-cut

room that will modern food-safety standards. Implementing that project is outside the scope of this LFPP and is slated for 2017.

- v. Goal/Objective 5: assist producers in receiving irrigation through NRCS EQIP program – NEW Objective

- a. Progress Made:

As early as the late spring, we recognized our small-scale producers lacked the irrigation to produce their product to quality and with the timeliness we need. Responding to their requests and after several months of researching the barriers, our group approached NRCS about designating funds for specialty crop growers outside of the funds tied to county priorities—which almost exclusively favor commodity and livestock producers and other initiatives. NRCS agreed and we delivered outreach workshops and training that helped 29 producers apply for a suite of specialty crop conservation practices.

- b. Impact on Community:

We anticipate the improvements achieved will result in substantially higher product quality, lower risk, higher conservation activity, less product loss, and greater revenue for the producers.

- vi. Goal/Objective 6: launch subscription farm pack (CSA) – NEW Objective

- a. Progress Made:

Early on in the project, the hub hosted a subscription pick-up site for Mississippi Choctaw Fresh for two seasons of its CSA. We helped find local subscribers, support marketing efforts, and build up the program's capacity for Choctaw. The hub distributed about 120 subscriptions through those two seasons. From that experience, Up in Farms launched our own version of a CSA (called a Mississippi Farm Pack). We launched in late Summer/Fall 2016. Our Farm Packs do not compete directly with Choctaw or other local producers of ours—many of whom maintain their own CSA's. Instead, we aggregate food products from producers from around the state and include MS cheese, yogurt, mushrooms, and other items to supplement the produce. Additionally, Up in Farms Mississippi Farm Packs are available on a sponsorship basis, where customers can sponsor a family in need through a partnership with the Mississippi Food Network. For our Fall 2016 membership we sold 100 subscriptions of which 35 were sponsored memberships.

- b. Impact on Community:

We significantly increased the brand awareness and market outreach of Mississippi Choctaw Fresh. Through our sponsored Farm Packs we reach LI/LA communities in dire need of nutritious foods. We work with a chef and registered dietician to develop recipes and videos to support the farm packs each week. Supporting the produce with educational tools will help individuals establish healthier lifestyles over the long term in addition to connecting them more intimately with our brand. The Farm Packs are also a critical tool in supporting farmers during a time period when sales see a decline versus the spring and summer months and also farmers who are not yet able to supply for GAP buyers.

- 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: 6 (hub and transit)
  - ii. Number of jobs retained: 64 (32 farmers retained self-employment with each farm retaining on average one farm worker each)
  - iii. Number of indirect jobs created: N/A
  - iv. Number of markets expanded: 4 (2 existing grocery store and 2 produce stand accounts)
  - v. Number of new markets established: 85 since last report (65 new individual CSA subscriptions, 1 organizational CSA subscription, 17 new grocery stores, 2 new produce stands)
  - vi. Market sales increased by \$46,000 since last report and increased by 3833%

- vii. Number of farmers/producers that have benefited from the project: 32
  - a. Percent Increase: 533% since last report

- 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?

In launching our “Farm Pack” subscription series, we sold 35 weekly subscriptions in the form of donations made by people from the general public (along with 65 direct-to-consumer subscriptions). Partnering with the Mississippi Food Network, we delivered 35 donated farm packs each week for six weeks to a church in a low-income, low-access community in west Jackson for distribution to neighborhood residents in-need. (This initiative began before the LFPP project ended, but did not conclude until well after September 30, 2016.) Here’s a link to interviews we did that include low-income donation recipients at the church site and paying customers from our partner drop-off site: <https://www.youtube.com/watch?v=K06SigLQvvM>

- 4. Discuss your community partnerships.

- i. Who are your community partners?

University of Mississippi Medical Center (UMMC), NRCS, Mississippi State University (MSU), Mileston Cooperative Association, HOPE Credit Union, MS Dept of Health, MS Food Network, NCAT, Piney Woods School, Vowell’s Marketplace, Ramey’s Marketplace, Mississippi Choctaw, US Foods

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

**UMMC** As our landlord, the medical center has worked closely with us as we develop the food hub facility. They are the conduit through which we have received \$1.315 million in construction grants and bonds. They have championed our lease with the state, which has made it feasible for us to operate as a start-up. Additionally, we have strategic partnerships with different stakeholders in the university to develop a processing center, a culinary medical training facility beside the hub, and future delivery of fresh produce to telemedicine patients.

**NRCS** We have a cooperative agreement with NRCS to help expand access to conservation practices to small and historically disadvantaged farmers in our region. Through this partnership, we are not only improving conservation, but helping bring needed infrastructure improvements to producers who fall outside of the traditional system.

**MSU** We partnered with MSU Extension this fall to house the large-scale commercial vegetable trial with our producers at the Mileston Cooperative. This proved to be highly successful trial with producers who had never before eaten broccoli (literally) let alone grown it. <https://www.youtube.com/watch?v=vYfkg-QdUik&t=3s> We are also working on 2 separate research projects with MSU regarding NRCS practices and local labor, and also working with Extension to develop state-wide food safety training.

**Mileston Cooperative** We have become the primary distribution outlet for the Cooperative—in large part because of our patience and the technical assistance we provide. Their producers took on half of the acreage of our Fall Growing Plan as well as the entire MSU broccoli trial moved through us. We helped 13 of their producers apply for NRCS EQIP practices.

**Hope Credit Union** Hope has provided equipment and construction loans for the hub in the amount of \$1.1 million. They are also a partner moving forward as we expand the non-profit workforce training aspect of our work.

**Jackson Public Schools** is a long-term partner for the hub in helping us develop a specific line of goods in needs to fulfill a large part of its fresh orders. This includes consulting with us on specifications for whole and cut products.

**MS Department of Health** MSDH bought \$15,000 worth of training equipment for the hub. In exchange, we offer our facility to their staff to train in food safety. Additionally, we partner with MSDH in

delivering presentations to community stakeholders that focus on the connection between food, health, and developing the local economy.

**MS Food Network** provides community distribution for our donated farm packs.

**National Center of Appropriate Technology (NCAT)** We continue to work closely with NCAT on the placement and concepts for a demonstration farm. We helped them locate a site for their farm at the Piney Woods School and have discussed ways in which the farm can demonstrate the NRCS conservation practices that many of our small farmers have applied for.

**Piney Woods School** We planted a garden for the school over the summer, helped with harvesting in the fall, and connected them with NCAT for the purpose of installing a demonstration farm. Our partnership includes the long-term opportunity to use their facility for training workshops for the community—which their students may also attend.

**Vowell's Marketplace** Vowell's has committed to work with us through the rough patches as we build capacity to deliver local produce. In exchange, we help with marketing and in creating market segmentation for them as a supporter of local businesses. We regularly provide product to 3 Vowell's locations.

**Ramey's Marketplace** Ramey's has committed to work with us through the rough patches as we build capacity to deliver local produce. In exchange, we help with marketing and in creating market segmentation for them as a supporter of local businesses.

**Mississippi Choctaw** We provided a host site in Jackson for two seasons of their CSA program and continue to distribute their produce through wholesale and our own farm pack subscription.

<https://www.youtube.com/watch?v=7-SiVY6nx1g>

**US Foods** They have provided us technical assistance in preparing our food safety standards—including meeting with/helping interview prospective Food Safety Managers, assessing our site, and visiting our producers. In the long-run, we are developing a repack line to support their operations—along with those of other partners. <https://www.youtube.com/watch?v=Ngn9aRWVRHY>

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

The majority of the partners described above reflect long-term strategic relationships that will exist well beyond the scope of this grant, if not permanently. UMMC and Hope will play critical roles in helping us develop the infrastructure around the hub and linking local food to the healthcare delivery system. After some initial inertia, MSU has become one of our most important allies. MSU leadership have committed to working with us to understand the needs of our local food system, refining the role of Extension, creating food safety infrastructure, and providing critical research. We intend to work with NCAT, Piney Woods, and some other local partners to develop producer training initiatives that target beginning farmers but also target some key areas of training need for existing farmers. Vowell's and Ramey's are long-term partners in the strategic development of local sources, and they have shown their commitment to be patient through the process as we learn and grow. The role of US Foods remains to be seen. They need new sources of produce and encourage local, but the risk is entirely on us. Time will tell the degree to which we can establish the standards and consistency they need. We have many other partners whose joint activities fall beyond the scope of this grant.

5. Did you use contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project? NO

6. Have you publicized any results yet?\* YES

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

Our primary method of publicizing the results of our project has been through delivering presentations to small- and large-scale groups of community stakeholders. We've found this format the best for

explaining the complexities of our undertaking and why local food system development is critical to our economy and our health. This format also allows for Q&A which provides opportunity for deeper engagement.

We also use our website, Facebook and YouTube to publicize construction grants, program highlights (such as the MSU fall broccoli trial), the producers we are working with, and general project updates.

- <http://www.upinfarms.com/>
- <http://www.mississippifarmed.com/>
- <https://www.facebook.com/upinfarms/>
- [https://www.youtube.com/channel/UCf66ZyNMa\\_zXNAirtdsi1Nw](https://www.youtube.com/channel/UCf66ZyNMa_zXNAirtdsi1Nw)
- <https://www.youtube.com/watch?v=DxFWXh5HOso> Delta Regional Authority SEDAP grant winners announcement
- <https://www.youtube.com/watch?v=Ngn9aRWVRHY> Video made with US Foods
- <https://www.youtube.com/watch?v=vYfkq-QdUlk&t=3s> MSU Broccoli Trial with Mileston Cooperative

We have also had some success accessing print and local media to distribute stories that highlight our activities, goals, and some of our results.

- <http://www.finditinfondren.com/2015/12/10/upinfarms/>
- <http://www.tedxjackson.com/speakers/nick-wallace-david-watkins/>
- [http://www.todayinmississippi.com/index.php/featured\\_article/article/4952](http://www.todayinmississippi.com/index.php/featured_article/article/4952)
- <http://www.msinnovatorshalloffame.com/jeff-good>
- <http://msbusiness.com/2016/01/sumesh-arora-innovation-in-2016-will-incorporate-public-private-partnerships/>
- <http://www.jacksonfreepress.com/news/2016/nov/15/free-memberships-rainbow-co-op-farms-farm-pack-and/>
- <http://mwb.com/tag/up-in-farms/>
- <http://blogs.usda.gov/2016/10/06/mississippi-farmers-expanding-opportunities-with-up-in-farms/>
- <https://www.youtube.com/watch?v=7-SiVY6nx1g> Choctaw Fresh Produce – Clarion-Ledger

ii. To whom did you publicize the results?

With help from the five partners in the group, we have publicized the results of our project directly to over 100 community groups within Mississippi—ranging from the Chamber of Commerce to the MS Association of Resource Conservation and Development Council to luncheons held by the Mississippi Department of Health to a private audience directly with the Governor.

Results posted on Facebook, YouTube and our websites were publicized to our contacts, fans, visitors, and the general public.

Other publicity efforts have targeted the community at-large.

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

\*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).

We delivered our 30- or 60-minute presentation to over 2,500 people face-to-face. Our Facebook page reaches hundreds of subscribers with each post. Some of our videos have over 1,000 views. Mississippi Today magazine—which featured our project—has a circulation of 400,000 households—most of whom are rural and potential targets for being or supporting local farmers.

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?

Although we have not collected formal surveys, we have been able to get verbal comments from Farm Pack subscribers during their weekly pickups. Our employees have been present at both pickup locations and have had the opportunity to talk intimately with our subscribers. During deliveries of locally sourced products to grocery stores we have been able to collect feedback from produce managers both good and bad, regarding our ability to effectively deliver locally sourced product. Additionally, we have had extensive meetings with all of our producers and have conducted at least a half-dozen group meetings with producers. We have also received some feedback through our Up In Farms Facebook page where community members are able to comment on our posts regarding our efforts and our products.

ii. What feedback was relayed (specific comments)?

Most of the feedback from the Farm Packs has been positive. Specifically, we were told by one member that getting the Farm Pack each week has drastically changed the eating habits of her husband, who has suffered from heart disease. She believes that he is becoming healthier since their membership started and that he will continue to develop better eating habits. Some negative comments have come regarding the abundance of fall field greens as these are a big seasonal item that some members are not sure how to prepare or are not fond of. We have learned via Facebook that several of our followers have tested out the recipes we have posted and have found them to be favorable. From our grocery store network, we have received favorable comments on the majority of our deliveries and have learned that customers desire locally sourced product but are not always willing to pay a premium for it. There also seems to be a belief that locally-sourced, or “home-grown” product does not have the shelf life of some of the outsourced product. From our producers, we have learned that they want to work with us as they see the value in our marketing efforts and ability to market our produce to multiple sources. We are having to work with them on setting prices that will work in high-volume sales and also with planning one or two seasons ahead and making forecasts that are more favorable towards financial planning. Perhaps the biggest feedback our producers have provided us is that they want and need technical assistance regarding what to grow, how much, and when.

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. 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).

First off, we are so grateful for the LFPP grant. Without it, I have no doubt we would not have a food hub right now. We have been able to leverage the LFPP (our first funding) into additional funding construction and equipment. Having a tangible facility open is critical for funders and stakeholders to visualize and really understand the business. So lesson #1: find seed money from a solid source! This is an expensive business to get off the ground. It will require more capital than one expects and it will take a number of years running at losses to develop the necessary scale—at least within our model.

It's impossible to overestimate just how complicated the process of running a food hub can be and often is. Though each project needs a vision, success will come incrementally. Therefore, one should be patient and conservative with short-term expectations. We didn't fully understand what we were getting into until we were in it. And that's part of how you learn. That said, in retrospect, our activities as laid out were generic and our expectations were too ambitious out of the gate.

Relationships and partnerships matter. The most important lesson I've learned is to surround yourself with the right partners from the beginning. And by the right partners, that means business people with their hearts in the right place. This is a business. We benefitted from the restaurant management group owned by two of the hub's owners. Through that group, they were able to provide key back-of-the-house support in bookkeeping, human resources, and capital advances that we could not have survived without. They have also helped open doors with their contacts in the food industry. Later in the process, we brought someone else to the group who has extensive supply-chain experience and relationships. This has been key to getting some of our financing, but also in helping us see through some of our assumptions and avoid making some costly purchasing mistakes.

It takes time to develop trust with producers. We learned patience through necessity. We also pulled back and started small in terms of moving product—which was difficult as some of us also wanted to hit impressive sales numbers. Ultimately, by starting small, our failures were small, but the lessons gained from them were large—lessons such as how NOT to handle greens when it is cold and wet and not to promise delivery on product you have no investment in well in advance. We ended up letting producers bring product to store in our cooler because none of them have cold storage. More often than not, we were able to move the product to some outlet—even if we lost money on the transaction. Through this process, we gained trust from the producers, grew to understand their critical needs, and, eventually, developed growing plans for them through which we might all make money.

One fear we had when starting out was that of competition. While it's always a possibility someone else could come along and do it better, it's much more likely that all parties will come up short. The business is that difficult. Few parties will have the knowledge, financial support, goodwill, and patience to make it work. So...focus on what's in front of you. And don't worry about the noise or people copying your efforts. If you are both successful, you may have a future partner.

Last lesson: the extended partners you have or anticipate going in may not be the ones you end up with after two years. All kinds of things change as you get to know the business and your model evolves.

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

We were not even close on our sales expectations after two years. The complexity of what our small-scale producers face is probably as daunting as anywhere in the country—in part because the lack of density of the state cannot support a large farm-to-table retail market. Also in part because of historic growing practices, lack of coordination, complete (to-date) disconnect between Extension support and

market success, and a general cut-throat opportunism that arises from a financially stressed people. But as it turns out, all that is okay. We are making incremental and transformational success as we grow in sales. But it does require capital to keep growing.

We listed farm-to-school sales as one of our outcomes. While the desire exists from all parties, the product is not ready, nor is our facility. Schools want fresh-cut produce, which we will not be able to deliver for some time, though we now have funding in place for construction and equipment that fall outside the scope of the LFPP. We did not realize the investment required or the complexity of this single issue, which could be the scope of a project proposal in and of itself. However, it's not just about having a facility and equipment. Alcorn State operates the Marks Vegetable Processing facility which could provide fresh-cut. The biggest issue comes down to coordination plus volume. Jackson Public Schools will be a terrific customer when we have enough product moving to fill 15 grocery stores on a daily basis.

We are also not yet at a scale to benefit from sophisticated routing or backhaul. ALL OF THESE POTENTIAL RESOURCES and more would be better fitted developing an overall crop plan and assisting producers in developing their individual plans and providing training on post-harvest handling.

- 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:

I think I've described some of these things above—specifically with respect to looking at project outcomes and activities more narrowly and also in developing business and financial partnerships as early in the process as possible. Every partner needs to bring some expertise or value to the project. It's tempting to partner with anyone, but you must also assess whether that is a real or romanticized relationship—in which one partner may create more weight than value.

It's also helpful to view a project as at a particular stage: developing, early operations, mature, or maybe even SOS. The more advanced the project, the more specific the understanding of the need. The goal of a developing project should be to get to early operations.

#### 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.

Our sales for 2016 closed out at \$60,000. It's a far cry from the \$2.4 million in sales we had hoped for. Nonetheless, we have commitments from our wholesale buyers and agreements with our producers to plant product that we expect to generate about \$1.2 million in sales for 2017. The big incremental step we are taking is implementing succession planting with our growers so that harvesting may be more closely timed to delivery. Also, the first big phase of construction at the hub is on schedule to start in January and complete by April. This will allow us to install a hydrocooler (which we have already ordered), forced-air cooling, and two sort/wash lines. This will shift a great deal of our post-handling processes from the field to the hub—which should also make the steps more efficient and reduce the labor stress in the field. Currently, lack of irrigation and lack of reliable and skilled labor are the two greatest restrictions on the growth of limited-resource producers.

The Farm Pack subscriptions will continue to grow. We are working with Springboard to Opportunities (a non-profit that provides social services to low-income housing residents) to provide sponsored Farm Packs to their residents, which they will match and the residents will match as well with their EBT. We will deliver healthy cooking demonstrations with video tutorial support to encourage long-term relationship with our brand, our product, and the practice of consuming local/healthy. Additionally, we are in discussions with coordinators in smaller cities in Mississippi that might provide host sites for the Farm Packs.

We are talking with a local distributor on partnering with respect to food safety management and transportation, as well as continuing conversations with MSU Extension in developing a half dozen regionalized field agents who are trained to train in food safety. We anticipate this will lead to a formal GroupGAP program initially under our umbrella. GAP certification remains elusive in Mississippi for too many reasons to list here. We've had extensive discussions with Wallace Center and USDA regarding the need for the hub to play a key role in a centrally managed system.

We will continue to work with NRCS, NCAT, Piney Woods, and other partners on expanding the number of specialty crop producers in conservation programs, demonstrating what those practices are, and helping producers install the technology for the practices and maintain records.

Collectively, we anticipate adding 20 or so new producers annually. We expect the smaller producers to grow 2-4 acres with a handful of larger producers growing 15-20 acres. These are acres that are NOT currently producing substantial revenue. By 2018, we expect sales in the \$2.8 – 3 million range. The hub will have 12 full-time employees and the project will create 30 NEW full-time harvesting jobs.

- 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 focus of our future activities will be in four primary areas: implementing a GroupGAP program; developing our fresh-cut initiative; improving product quality and timing by providing more technical assistance in the prescribed growing plan; and working with individual producers and some of our Coop partners to develop coordinated labor pools. We are actively seeking partners for the GroupGAP initiative that will include in-house (partner) auditors in different regions of the state to cut down on travel time and costs.