

**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>	September 30th, 2015-September 29th, 2017
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<b>Recipient Organization Name:</b>	Manchester Food Co-op
<b>Project Title as Stated on Grant Agreement:</b>	Manchester Food Co-op: A Collaborative Approach to Local & Sustainable Product Sourcing
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPNH0118
<b>Year Grant was Awarded:</b>	2015
<b>Project City/State:</b>	Manchester, NH
<b>Total Awarded Budget:</b>	\$99,994

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: \_\_\_\_\_

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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: **Build community support for the co-op through continued collaboration with existing town and business leaders and through the formation of new partnerships.**

a. Progress Made:

- We worked with our major partner Associated Grocers of New England (AGNE). AGNE is the leaseholder of the Harvest Market site, which was identified as a financially feasible site for the MFC after extensive research. AGNE and the MFC worked closely together for Marketing and Public Relations efforts to promote the mission of our local food coop, as well as the opportunity to convert the site into the Co-op. The MFC trained a team of AGNE staff to be volunteer callers, who reached out to all Co-op members to notify them about the status of the project and the investment opportunity to secure the site.
- The MFC fostered relationships with iHeartMedia, WZID, The River and Manchester Ink Link and the Hippo, all local media outlets that assisted with public awareness of the co-op’s efforts.
- Because of the site opportunity being located in the town of Bedford (not Manchester, as was originally intended), we developed new relationships with the Bedford leaders, including the Bedford Town Council, the Town Manager and the three key influencers who own a substantial portion of the town. The Bedford Town Council afforded us the opportunity to speak at one of their meetings, which was televised on the town’s channel.
- We initiated a relationship with a new bank in Bedford, the Primary Bank, and the executives on its Board of Directors. We recognized the importance of a collaboration with this bank, as it was founded only a few years ago with the mission of helping local organizations and businesses. The Primary Bank invited the MFC to participate in its annual community Kids Safety event.
- We connected with other groups that represent a target demographic for the Co-op, including the Bedford Mom’s Group, the Bedford Farmers Market and the Holistic Moms Network.
- We kept abreast and participated in the local food movement initiatives spearheaded by the University of New Hampshire Coop Extension.

b. Impact on Community:

These partnerships helped to garner support and awareness for both the Harvest Market site opportunity and the Co-op in general. We submitted a press release that prompted several articles and blogs written about the Manchester Food Co-op, one making the front page of our city’s major newspaper, the Manchester Union Leader. These articles helped to dispel some misperceptions about the store conversion project, as there was substantial confusion in the community about how the Harvest Market would become our community owned Co-op store. Our capital campaign earned \$203,000 out of the \$750,000 minimum required to purchase the lease of our identified Harvest Market site. These new connections would have been very beneficial if we had been given an extension to secure

the site. Unfortunately AGNE did not extend us more time due to the magnitude of fundraising remaining. Although our community was excited for the potential of this site, the fact that we were not given more time to raise the capital is discouraging.

Despite our inability to secure this site, all of the collaborative efforts forged helped to educate the community about the cooperative business model and the importance of being part of the local food economy. AGNE employees are trained and experienced only in the conventional grocery model, so there was a substantial amount of education about what a food co-op is, and the community/economic effect of food co-ops. Our collaboration with both our community and national partners gave us a bigger voice to communicate the health benefits of eating local food. Our local community partnerships gave us the ability to megaphone our message to a wider audience (through the various channels and networks opened up to us by collaboration). Our national cooperative partnerships gave us educational resources (such as marketing pieces, infographics, and website resources) to help the public understand the cooperative grocery paradigm and be more comfortable with the benefits of it, at both an individual consumer and wide community level.

ii. Goal/Objective 2:

**Cultivate a strong consumer base among residents in the Greater Manchester region by connecting local farmers and producers directly to consumers and raising awareness of the importance of buying local products.**

a. Progress Made:

- We partnered with local farms to inspire participation and education about winter CSAs and to demonstrate our mission. These farms offered Co-op members CSA share prizes of milk, eggs and meat products in the form of a raffle. Connecting our member base directly to the farms helped to show our mission and provide promotion for the farm.
- We expanded the distribution of our video, which features visits to three local farms and interviews of the farmers. This film served to improve awareness of the benefits of buying local, through the voice of our farmers.
- We set up a Co-op booth in the Harvest Market store, which was manned by volunteers during specified hours. Local farm products were showcased at this booth and store patrons stopped by to learn more about these unique products and sample them. We set up a TV display to show information that ran on a continuous loop, including some videos created by our partner National Cooperative Grocers that detail the greater impact of buying local food on the stability of our agriculture and economy. This allowed us to have a compelling source of education at the booth at all times.
- We partnered with local farmers and producers in terms of other cross-promotion; we advertised their products and farming practices to our audience. We included farmer stories in our Member Blog to highlight all the trials and tribulations that they face to help consumers connect with the emotional element to the food that graces our tables. Below is an example of one of these stories, in case it is helpful to other start-up food co-ops. Storytelling is an absolutely critical ingredient in effectively messaging the importance of supporting local agriculture.

*Here is a story that illustrates one of the reasons I personally care about opening our Co-op. When picking up my milk and eggs recently at Benedikt*

*Dairy Farm in Goffstown, I ran into farmer Melissa who looked a bit weathered. The way you look after a raging college party...when you are overtired but know it was worth the current price you are paying. I said to her "you look extra rosy with life this morning." She tossed her head back and howled a gregarious laugh that signaled a good story was forthcoming. Turns out, their Mama cow Jean had delivered her baby calf, Johanna, late the night before and abandoned her. Which she told me is rare, but does happen. The struggling little babe was now dependent on them for the sustenance and nurturing it sadly wouldn't receive from its mama. Her husband, Max, wrapped the calf up and brought it inside their home. Where to lay a calf who is only hours old, you ask? Well...to her surprise, Melissa found that Max had put the calf on the middle of their bed. After a few minutes of rationalizing, Melissa convinced Max to lay Johanna on the floor next to their bed, where she stayed the entire night. Melissa and Max, the baby calf, and a night of sleepless slumber.*

*This story, and hundreds of others, is why I am so passionate about opening our Co-op. To support our local economy and farmers, who go to such lengths to farm their crops or raise their livestock. Give them a year-round market that allows their businesses to sustain and grow. Buy the best food for our families, from farming neighbors who lose sleep catering to a calf. Revitalize an intimate connection to our food, our local economy and to each other.*

b. Impact on Community:

These types of collaborations and intentional promotions bridge consumers to our farmers and producers and demonstrate why our Mission to make local food more accessible is important. Several farmers earned new CSA customers through the raffle program, which were exciting and tangible results.

iii. Goal/Objective 3:

**Expand the capacity of the MFC through the hiring of an ambitious and energetic General Manager.**

a. Progress Made:

- In Feb, 2017, we hired a General Manager, and he worked closely with the National Cooperative Grocers consultants and local architects on store design. The General Manager also conducted work on our pro forma and presented it to banks, to prepare for the gap financing we would need upon opening. The General Manager worked with AGNE executives and local producers to refine product selection. The General Manager was the spokesperson for the Co-op, and worked with a local PR agency to refine our messaging and uncover publicity opportunities.
- Our General Manager and Project Manager met with dozens of key members to inspire investment in the capital campaign.
- The MFC Board began operating under policy governance, in order to effectively manage the relationship with our GM.
- Unfortunately, when we were not given additional time to raise the capital, the MFC had a difficult decision to make regarding the General Manager's

employment. Under the advisement of a local employment lawyer, we ended the General Manager's employment due to economic necessity. October 15<sup>th</sup>, 2016 was the General Manager's last day.

b. Impact on Community:

The General Manager's expertise helped to make the Co-op project more viable and credible in the eyes of investors. Certain members decided to invest in the Co-op because there was an experienced GM at the helm. The termination of the General Manager's contract was a difficult situation for the Board to navigate, but Co-op members were supportive of this decision, as it was necessary for the financial solvency of the organization.

iv. Goal/Objective 4:

**Identify and prepare site for expected April 2017 opening, including site identification and negotiation and store design.**

a. Progress Made:

In 2015 we were approached by AGNE, owners of a conventional market called Harvest Market in Bedford NH, with an offer to take over the lease of their existing store. After working closely with AGNE to prove the feasibility of this project, we selected this site and planned to convert it to a co-op store. AGNE was a partner in the transition process and supported us every step with input and marketing materials. AGNE also allowed us to have a presence in the store to educate the existing clientele about what a co-op is and the advantages a co-op provides to a community. The General Manager finalized the feasibility analysis (pro forma) and the timeline with the support from The MFC Board and experienced consultants from CDS Consulting Co-op. The General Manager worked on the new store design based on the existing market study that was recently done. Preliminary design was completed. The amount of capital we needed to raise was determined and our Capital Investment Campaign began May 7th, 2016, ahead of schedule with a planned fall 2016 store conversion opening. The project was unsuccessful and the store remains a conventional store.

b. Impact on Community:

Many of our Member-Owners and business partners were encouraged with our site location and the membership progress that we achieved. We were fortunate to be the subject of two front-page articles in the local paper, The Manchester Union Leader, as well as other positive press. The media coverage helped the community at large be more curious and aware of the local food movement, our local farmers and small producers. I believe some of the customers (some Member-Owners and some not) and many of the employees are disappointed that the conversion to a Co-op was unsuccessful, but I do believe the value of supporting local food producers and the co-op food model has been instilled in and understood by more people.

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, October 1, 2015). Include further explanation if necessary.

- i. Number of direct jobs created: 1 full time General Manager
- ii. Number of jobs retained: none

- iii. Number of indirect jobs created: none
- iv. Number of markets expanded: none
- v. Number of new markets established: none
- vi. Market sales increased by \$0 and increased by 0%.
- vii. Number of farmers/producers that have benefited from the project: undeterminable, they were showcased during our efforts but were not tracked
  - a. Percent Increase: undeterminable, they were showcased during our efforts but were not tracked

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?

We fostered new business relationships that are mutually beneficial. White Swan Yoga Studio, Studio 550 Arts Center, Healing Hands Chiropractic and the Granite YMCA (which includes several locations in our community) all offer an ongoing discount incentive to our Member-Owners. In exchange, we promote these local businesses to our distribution list and on social media. Partnering with these businesses helped us to effectively reach new populations of potential MFC customers. We also began discussions with Joppa Hill Farm about uniting forces to bring educational programs to the community. Joppa Hill and the MFC had aligned goals of educating about food, farming and wellness and we started the planning stages of our partnership. We also connected with local low income/low access groups as part of the local food movement.

4. Discuss your community partnerships.

- i. **Who are your community partners?** Associated Grocers of New England (AGNE), CCA Global Partners, Middle Branch Farm, Granite State YMCA, The Dancing Lion, Benedikt Dairy, Joppa Hill Farm, Normanton Farm, Smith Farm, Megafood, Black River Meat, Manchester Chamber of Commerce, White Swan Yoga, Studio 550 Art Center, Healing Hands Chiropractic, CGI Business Solutions, YMCA, Bedford Village Inn, 92.5FM The River, American Restaurants group, Executive Club, LaBelle Winery, Primary Bank, Bedford Town Council, Holistic Moms Network, Neighboring Food Co-op Association, and the UNH Cooperative Extension NH Food System Program.
- ii. **How have they contributed to the overall results of the LFPP project?** AGNE offered the opportunity to take over the lease of the site chosen for the MFC at an incredibly low lease rate. AGNE also partnered with us to determine the feasibility of the site as a co-op, begin to transition the store to a co-op, and offered favorable financing for the existing equipment, and gave marketing support and materials. CCA Global supplied us with videographer and helped us create a video for our Capital Investment Campaign. CCA Global also helped us with our vision, mission and marketing. Middle Branch Farm, The Dancing Lion, Benedikt Dairy, Megafood, and Black River Meat all donated \$100 or more of products for our membership drive campaign. The Manchester Chamber of Commerce contributed business connections and membership support. Assorted local businesses contributed products for our Site Announcement meeting. White Swan Yoga, Studio 550 Arts Center, Healing Hands Chiropractic and the Granite State YMCA offer membership/service discounts to all MFC Member-Owners. CGI Business Solutions, Bedford Village Inn, and 92.5 The River agreed to contribute money, and event site and music respectively for our Capital Campaign.
- iii. **How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?** CCA Global will continue to help with our vision and marketing. Middle Branch Farm, The Dancing Lion, Benedikt Dairy, Megafood, White Swan, Studio 550 Arts Center, Healing Hands Chiropractic and Granite State YMCA and our other

business partners will continue to support us in diverse ways.

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

Our Project Manager was contracted and worked closely with the Board and General Manager to manage the progress of the project and ensure that the timeline moved forward. We hired Kristin Mendoza Esq. from Millyard Tech Law to conduct the legal review of our non-binding Letter of Intent with AGNE and our lease and financing agreements. We hired consultants from CDS Consulting Co-op and National Cooperative Grocers for the feasibility and site assessment and Capital Campaign. In addition, we contracted an architect to draw up the store design plans.

6. Have you publicized any results yet? yes

- i. If yes, how did you publicize the results? We publicized our increasing membership numbers and progress on the store project through our website, newsletter, local TV and radio. We also were interviewed by local online news and newspapers sources. We created a video in order to educate our Member-Owners that highlight our local farmers. Here is the link to that video: <https://www.youtube.com/watch?v=nfgmHjvFZRE&t=3s>
- ii. To whom did you publicize the results? We publicized to our Member-Owners and interested parties through our email list and the general public via local media outlets. We are also actively posted results to Facebook and Twitter.
- iii. How many stakeholders (i.e. people, entities) did you reach? Approximately 2000 on our newsletter list.

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?  
On several occasions, we solicited questions and comments via email through our newsletter and website. We worked closely with AGNE to assess the feasibility of the project and continued to draw feedback from AGNE. We were in constant communication with our consultants from CDS Consulting Co-op and National Cooperative Grocers for the actual timeline/pro forma work after the site was chosen, and for the Capital Investment Campaign offerings and planning. We also drew feedback on the progress of our project from CCA Global on a consistent basis.
- ii. What feedback was relayed (specific comments)?  
The national co-op consultants from CDS Consulting Co-op and National Cooperative Grocers believed we had a solid project and a large Member-Owner base to kick off our Capital Investment Campaign to our Member-Owners. Member-Owners and business partners were excited about the site. AGNE felt confident in partnering with us and agreed to move forward with the transition to a co-op. There were a group of Member-Owners that were unhappy with the site being in Bedford, apparently regardless of the financial obstacles we faced with a Manchester location. Even after repeatedly sending the message that we couldn't find an affordable location in Manchester, some people did not seem to hear this. Based on our post project survey results, a significant portion of our and membership (45% of respondents) along with our business partners are interested in researching once again the viability of a Mobile Market type of project.

8. Budget Summary:

- i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report:
- ii. Did the project generate any income? yes
  - a. If yes, how much was generated and how was it used to further the objectives of the award? \$6800.00 in donations and \$158 in profit from MFC t shirt sales. This money was used for organizational expenses of our co-op such as website hosting and other marketing expenses, and expenses incurred with consultants.

## 9. Lessons Learned:

- i. Our Co-op was pursuing a partnership with AGNE, in pursuit of the most viable financial opportunity to secure a site. As we progressed with the site preparation process with AGNE, we also collaborated with national Co-op consultants, including Cooperative Development Services and National Cooperative Grocers. In hindsight, as we progressed with the project, we may have relied too heavily on the cooperative consultants, and not enough on our collaboration with the local town/city management. Also, AGNE did not have much experience with the Co-op model. Ultimately, we lacked the manpower to pursue relationships with both the national and local resources.
- ii. Our project intended to open a store within the city of Manchester. But after years unsuccessfully searching for a financially feasible site in Manchester, we were presented with an extraordinary opportunity to obtain a site in the neighboring town of Bedford. Manchester proved to be too expensive or lacked parking. The opportunity in Bedford provided a location for half the price, already served as a grocery store, and came with the support of AGNE, a strong local partner. Although this was the best financial decision for our Co-op, the slight change in geography presented large public relations challenges for our project. There is a significant socio-economic division between these two towns (suburban Bedford is a very affluent, upscale bedroom community with better demographics to support a Co-op, Manchester is the struggling, disjointed neighboring City). Our team had marketed the Co-op to Manchester for years, and built a strong member base throughout the region. There was an expectation that the Co-op would be in the city of Manchester. Meanwhile many Bedford residents had not been introduced to the Co-op concept; we had a whole new market to which we needed to message our Mission. Some Manchester members cried out “why should we support the MANCHESTER Food Co-op if it is going to be in Bedford?” And on the flipside, the Bedford community members were questioning “why will the Co-op be in Bedford, but still called the Manchester Food Co-op?” We speculate that we needed to shift the messaging of this project, and potentially the name of the Co-op, to be more inclusive of the whole region. In the Food Co-op model, it is so difficult to secure a site based on the financial membership investment required...that it is strategic to not promise you will open in a certain location. It may have helped to have started the Co-op with a stronger intention to be located in the “Greater Manchester” area. Although our Mission statement did state our intention to open within the Greater Manchester area, through the years our public messaging focused on opening in Manchester. As a result, some members felt misled when we made the decision to pursue a site out of city limits. Meanwhile, we did not have the manpower or the time to educate the new market in Bedford about the mission of our project. We speculate that the Mission of this project might have not translated effectively into this different community. We do believe that community members understand the importance of eating local farm food and supporting our agriculture more because of our efforts.
- iii. Our hired GM had skills as a General Manager of an existing store, but did not have experience in the start-up funding phase of cooperative development. Our national advisors advocated that we hire a GM before obtaining the site, in order to conduct all the operations analysis and store design. However, that advice did not benefit us. Our General Manager lacked the skills for the fundraising

phase, and this was a substantial disadvantage to our progress. It may have been more advantageous to hire a professional fundraiser until we had secured the minimum capital investment to secure the site. Our consultants did not offer this as an option. Once the General Manager was hired, our Board transitioned to a Policy Governance model, as was advised. This move significantly changed the Board dynamics and level of control; the Board members became disconnected from the project and the GM had more authority than skill.

- iv. One of our biggest challenges was recruiting and maintaining a volunteer base with our members. We set up programs and systems to train volunteers, but we lacked the capacity to market the project, educate the population, and raise the needed investments in the time allotted. For instance, many of our volunteers for our well organized calling and tracking campaign did not follow through on their commitment.
- v. We also had difficulties getting feedback from our Member-Owners once our project concluded.

#### 10. Future Work:

- i. How will you continue the work of this project beyond the performance period? In other words, how will you parlay the results of your project's work to benefit future community goals and initiatives? Include information about community impact and outreach, anticipated increases in markets and/or sales, estimated number of jobs retained/created, and any other information you'd like to share about the future of your project.

The MFC sought the best site opportunity we had, but we were unable to complete Goal/Objectives 3 and 4 due to lack of capital secured within the timeline given. The Co-op Board recognizes the importance of gathering feedback from our Member-Owners to ascertain the underlying reasons why we did not reach our investment goal. We first discussed the stage of our project in an open forum style with all the attendees at our Annual Member Meeting in December 2016. Next, we conducted one-on-one meetings, Focus Groups and released a detailed survey to all our Member-Owners. We had a slightly low participation in our survey, with 253 respondents (13%). We consolidated data, communicating results to our membership and attempted to recruit new volunteers to assist with our rebuilding process. Through this survey, we determined that our membership is aligned with the mission of our Co-op and objectives outlined in this Grant. Overall, our community is positive and enthusiastic about a food co-op in our area (73% said our region would greatly benefit from a Food Co-op) and 19% of our respondents are willing to help us move forward. The majority of Members indicated that their preferred next step for the Manchester Food Co-op is

1. A food truck/mobile market with the ability for online ordering for pickup from truck with the vision of expanding to a fleet of trucks (49%)
2. An online Food Co-op with curbside and home delivery options (45%)
3. A micro-store for staple pantry items and a small selection of fresh foods (55%)

- 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?

Our plan now is as follows:

1. Rebuild the MFC Board - we need some essential positions to be held by motivated volunteers

2. Recruit volunteers - we will not move forward unless we have enough help in achieving new goals
3. Research the viability of a micro site versus a Mobile Market
4. Start campaign for Micro Site Search or Mobile Market
5. Reconnect with previous partnerships regarding a Micro Site Search or Mobile Market

We need to be very diligent and deliberate in and recruitment of new volunteers and in our future information gathering.

Supporting documents can be found at :

<https://www.dropbox.com/sh/h1q3w8a44mnf51w/AADmY4nH3kux69tNLnepPU3Ta?dl=0>