

Local Food Promotion Program (LFPP) Final Performance Report

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to your assigned grant specialist to avoid delays:

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

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

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|--|---------------------------------------|
| Report Date Range: <i>(e.g. September 30, 20XX-September 29, 20XX)</i> | September 30, 2015 – December 31 2017 |
| Authorized Representative Name: | Jim Hyland |
| Authorized Representative Phone: | 845-255-1699 |
| Authorized Representative Email: | jim@thefarmbridge.com |
| Recipient Organization Name: | The Farm Bridge |
| Project Title as Stated on Grant Agreement: | Product Line Expansion Opportunities |
| Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i> | 15LFPPNY0030 |
| Year Grant was Awarded: | 2015 |
| Project City/State: | Kingston, NY |
| Total Awarded Budget: | \$99,050.00 |

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.

- i. Goal/Objective 1: Enlarge value-added opportunities for regional farmers
 - a. Progress Made:

Through this project The Farm Bridge (TFB) was able to create a distinct design, marketing profile and flavor profile for a very unique Hudson Valley farm sourced healthy drink. We worked with Joan Snyder who was the lead manager of this grant. We employed Patricia Murphy as a nutritionist and drink developer to create drink flavors – currant, raspberry, squash, carrot and cucumber. We did four round of testing both internally and with consumers and settled on three flavors, carrot, raspberry and cucumber. Simultaneously we work with Jennifer Wilkerson, Auroa Design, to design a name and logo for the bottles. We did extensive brand name brain storming and concept building including:

Hudson Valley Flavored Water Brand Name Notes August 19, 2016

Brand Name - The name of the entire product line

Tagline or Slogan - Describes the product line or positions it in the market (i.e. Hudson Valley Sourced)

Flavor Name - Can be the same as the descriptor or can be creative (i.e. Catskill Carrot)

Descriptor - Describes the flavor (i.e. Carrot Ginger Water) We can change the emphasis to suit our product. We can even eliminate these to an extent if we like. The next couple of pages demonstrate some options.

This work got us to settle on the name: Up State Water – and using “cool” flavor names.

Jennifer did many different designs, but we agreed the below design was the best. We needed top also design using the Harney Tea bottle as the template. Using another bottle design would have made co-packing much more expensive.



SAMPLE RECIPE

Brand: Upstate Water

Flavor: Raspberry Parsley Water

Rip Van Raspberry Water with Parsley

Date: 1/10/2017 Total batch size: 100 gal

| Ingredient # | Ingredient | Amount | Unit | Conversion | Conversion Unit | Total | Formula Processing Notes |
|--------------|-----------------|--------|------|------------|-----------------|-------|---|
| 1 | Water | 95.84 | gal | | | | |
| 2 | Raspberry juice | 3.33 | gal | | | | 7/16/16 batch of raspberry, strained through 3 layers of cheese cloth |
| 3 | Parsley Tea | 0.83 | gal | | | | |
| 3a | Parsley leaves | 0.84 | lbs | | | | pour boiling water over fresh parsley leaves and steep 30 minutes |

| | | | | | | | |
|----|-------|------|-----|--|--|--|--|
| 3b | Water | 5.00 | gal | | | | |
| | | | | | | | |

Brix _____
 pH _____
 Total _____
 Acidity _____
 (TA) _____

Batch yield: 67 cases 12/16 fl oz bottles

This process got us to a point to start to seriously consider how we would launch the product into the retail market place. Having professionals involved at these juncture points was important to creating a viable consumer drink made with local produce.

b. Impact on Community:

TFB was able to have significant dialog with both local producers, local marketing professional and local consumers to broaden their prospective on what can be created using local resources. Besides working with the professional noted we also talked Dave Martin, Chef/Consultant and had significant dialogue with Paul Harney, of Harney Teas. We also talked with Greg Quinn, CurrantC, a local currant grower although we didn't go with currant as a flavor we got some good advice and feedback on the project. From all three groups there was agreement and enthusiasm to continue to develop and create new products along the locally grown and made thread. Are hope was to be able to create a drink that would use local produce and we could buy from farms such as Hepworth Farms, Black Horse Farms, Martin Farms, Fishkill Farms, Samascott Orchards and Thompson Finch Farms.

ii. Goal/Objective 2: Provide nutritious, source-verified, healthful beverages to consumers

a. Progress Made:

TFB was able to create samples of a nutritious, source-verified, healthful beverage. Recipes and bottle design was completed with significant positive feedback. This was a significant first step to get both the flavor profile and design complete. We also moved forward with a trademark attorney to get the trade mark for the name and the design.

b. Impact on Community:

There was positive feedback to the samples and the design from a range of consumers and producers.

iii. Goal/Objective 3: Expand job opportunities at TFB and in the entire farm to table value chain.

a. Progress Made:

TFB has developed themselves and with local partners numerous products that have expanded the job opportunities – including BIB Apple Sauce, Local Bone Broths, BIB and retail tomato products, local yogurts and frozen IQF items. In this instance the product didn't get to full production, but it has the potential to significantly impact jobs if it could get to full production, taking into account market factors. We were able to complete important initial steps and the frame work is in place to go further, if this project was to be continued.

b. Impact on Community:

This was another project that showed TFB innovate approach to local product development. Although not every product makes it to market the expansion of ideas and commitment to work on these types of projects shows the community the possibilities to do more with our local farms. At The Farm Bridge we consider product development to be a significant part of expanding markets for local products. Although

not every idea will work, they impact to the community is still positive as ideas are shared and the doors are open for innovation.

iv. Goal/Objective 4: Increase vibrancy of local food economy.

a. Progress Made:

Through the design stage and testing stage of this product we were able to push the idea of local vibrancy and possibilities beyond producers and consumer's normal ideas of what is local. We got many stakeholders excited including farmers such as Amy Hepwoth and Lloyd Zimmer about the local products, including healthy drinks.

b. Impact on Community:

This project provided a significant "Aha" moment for many consumers and producers as they saw what the impact could be if product development of the local sector continues. A local flavored water was never on most people's radar, but once presented with samples they saw an expand possibilities of other source-verified local products.

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.

- i. Number of direct jobs created: 2
- ii. Number of jobs retained: 0
- iii. Number of indirect jobs created: 2
- iv. Number of markets expanded: 0
- v. Number of new markets established: 1
- vi. Market sales increased by \$0 and increased by 0%.
- vii. Number of farmers/producers that have benefited from the project: 3

Percent Increase: 1%

3. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? If so, how?

The product was tested in new markets, but since it was not produced on a commercial sale it didn't fully expand into the target markets – retail, wholesale and institutional.

4. Discuss your community partnerships.

- i. Who are your community partners? Joan Snyder, Hollow Road Farms – Patty Murphy, Recipe Consultant – Jennifer Wilkerson, Auroa Design- Amy Hepworth, Hepworth Farms Lloyd Zimmermann, Black Horse Farms - Hudson Valley Harvest, local distributor, Paul Harney, Harney Tea, co-packer
- ii. How have they contributed to the overall results of the LFPP project?

All parties contribute their expertise to the project as well as valuable insight and feedback. Having an experienced drink company as part of the project was important, we where able to get some firm numbers on cost and to get a better understanding of the implications of distribution.

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

If the project was to move into full production and marketing all parties, except Joan Snyder would be involved in the project.

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

Joan Snyder, Hollow Road Farms, Patty Murphy, Recipe Consultant, Jennifer Wilkerson, Auroa Design where all contractors on this project. Joan Snyder was the project manager for this grant. Patty Murphy was the recipe consultant and food safety advisor, Jennifer Wilkerson did all the design work and marketing profiling.

6. Have you publicized any results yet?* No
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? Testing focuses groups were held as we developed the product and design. We formed test groups to evaluate both the taste and the design. We held blind tasting test at the offices of The Farm Bridge. We also mocked up the design on a bottle and “placed” on store shelves to get a feel for the design in the retail space.
 - ii. What feedback was relayed (specific comments)?
 - “Water tasted great...never thought of something like this”
 - “I’d love to see this on store shelves”
 - “Great design”
 - “Where can I buy this?”
 - “There are a lot of drinks on the market”
 - “The flavor is very subtle?”

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

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).

On the product development side doing the focus groups and testing was very positive. Having both a professional drink consultant and a professional designer were instrumental in getting the beta product completed. We received a lot of positive feedback on both the drink and the design. We also opened people’s minds about what a local product could be. Also working with Paul Harney gave us solid numbers and an idea of the challenges of distribution, including the cost of getting product of the shelves and they need for extensive free fills (free product given to the stores). On the negative side we didn’t have a professional sales person on the team. Although TFB makes retail and wholesale products, this was the first time we ventured into a retail drink project. The drink segment has unique challenges and was exploding at the same time we were trying to launch this fully. We could not overcome the sales challenges of distribution cost, shelf space cost, free-fill costs and the low margins associated with this sector. Most successful products in this sector spend hundreds of thousand into the millions just to buy shelf space and market their products. We should have had a professional person well vested in the drink sector to help us on this project.

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

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

We were able to get this project fairly far along, but could not get it over the final hump and into full production and into retail and wholesale markets. I think the idea still has significant potential, but a full professional study of the market place that includes cost implications for distribution, marketing and shelf space needs to take place. Although we didn't use the full budget, we realistically got as far as we could without needing to go significantly beyond our original budget to launch this is in a real impactful way. We should have had a professional in the drink sector outline the cost implications of the next steps. With that in place and with the work we have done on this project a budget based on product launch could be create for this product and investors and capital could be found to take it to the next step.