

**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. October 1-March 31, 20XX)</i>	09/30/2015 through 09/29/2017
<b>Today's Date:</b>	December 15, 2017
<b>Authorized Representative Name:</b>	James Michael Jones
<b>Authorized Representative Phone:</b>	614-929-5525
<b>Authorized Representative Email:</b>	marketbag@greatrivierorganics.org
<b>Recipient Organization Name:</b>	Great River Organics Inc
<b>Project Title as Stated on Grant Agreement:</b>	GROwing Ohio Certified Organic Produce Sales in the Wholesale Market
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPP0H0036
<b>Year Grant was Awarded:</b>	2015
<b>Project City/State:</b>	Columbus, Ohio
<b>Total Awarded Budget:</b>	\$100,000.00

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. If the goals/objectives from the narrative have changed from the grant narrative and have been approved by LFPP staff, 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 toward each one and indicate the impact on the community, if any.

**Goal/Objective 1:**

*Acquire food safety certification and third party audits for GRO member farms and Hub.*

Progress Made:

To achieve this goal, GRO established the following sequence of events:

1. ***Each cooperative farm and farm production coordinator receives GAP (Good Agricultural Practices) training.***

In 2015, eight (8) Great River Organics member farms participated in a GAP training program as part of the statewide Farmers Market network. **Activity Complete.**
2. ***Develop food safety plan for each farm and the aggregation hub.***
  - a. GRO contracted with the Sustainable Agricultural Educator from the Ohio Ecological Food and Farm Association (OEFFA) to visit GRO member and associate member farms to create farm safety plans in preparation for an on-farm audit. The Sustainable Agricultural Educator met with all participating GRO farms to discuss and support the creation of on-farm safety plans. As a result, each member farm, with the support of GRO’s lead farmer, and participation in off-season meetings by the growers as a collective, has created safety plans for their farm. **Activity Complete**
  - b. In the fall of 2016 and winter of 2017, the General Manager (GM) of the GRO Food Hub created a draft HACCP plan. GRO continued to tweak the HACCP plan through the end of the grant period and has the plan ready to implement for the 2018 growing season. **Activity Complete**
3. ***GRO is audited for and receives food safety certification by a third party***
  - a. Seven (7) GRO member farms received third party audits by the end of the grant cycle (one of our member farms has left the cooperative since our last report). **Activity Complete**
  - b. The GRO General Manager created a HACCP plan for the Food Hub. It was determined that a formal audit by a third party was not needed and not obtained. **Activity Complete**

**Impact on Community:**

One of GRO’s primary goals from the beginning of this grant process was to increase the amount of wholesale produce that it can sell in the marketplace on behalf of its owner/growers. Securing these audits and creating formal food safety plans opens up potential sales opportunities to institutional markets like Kroger’s, Giant Eagle and others who follow very specific guidelines for new accounts. It also adds another layer of “professionalism” to the GRO cooperative in the eyes of the marketplace and adds legitimacy to its business model. Finally, it increases the likelihood that more certified organic produce would circulate in larger institutional venues.

**Goal/Objective 2:**

*Create and implement a strategic marketing plan and brand material development and purchases to allow GRO to increase its marketplace presence.*

Progress Made:

To achieve this goal, GRO established the following sequence of events:

1. **Evaluate current marketing efforts, and conduct industry analysis and GRO consumer research.**  
During the fall of 2016 and winter of 2017, the GRO team worked with Empathico to finish the audit of our current marketing efforts based on industry analysis and engagement with our current consumer base regarding our multi-farm CSA (Great River Market Bag). We also spoke to our wholesale partners regarding how we can better prepare ourselves to broaden our sales opportunities with institutional partners. Based on this research, we are ready to implement our strategic marketing plan. **Activity Complete**
2. **Build brand awareness, brand equity and consumer sales.**  
Based on the findings from Activity 1 and the recommendations of Empathico, GRO finalized the details of our strategic marketing and communications plan designed to achieve the goals noted above. This plan will include:
  - a. **Increasing awareness of GRO in the market place by creating and implementing a monthly marketing calendar and updated marketing materials.** A monthly marketing calendar was created and most tactics were implemented where budget and personnel allowed. GRO's website was updated and expanded to include testimonials and other content identified as useful during consumer research. New posters and postcards were designed and printed to more effectively communicate the features and benefits of the Great River Market Bag. Radio advertising on a local public radio was tested. Regular social media postings were added, as were programs such as "Share 2 Share" where current members could pick up one of 5 free shares "to share" each week with a non-member. **Activity Complete**
  - b. **Developing a preference for GRO products in the marketplace.** Strategies implemented will include creating more emotional brand connections, reinforcing brand choice through better use of testimonials or reviews and selecting tasting and trial opportunities with current partners. **Activity Complete**
  - c. **Increasing GRMB and wholesale sales.** Strategies to do so will include maintaining current direct sales channels, alerting consumers to direct and retail outlets where GRO products are sold, being present with pop-up retail at relevant events, offering lower commitment product options in our GRMB program, creating presentation materials geared toward needs of wholesale buyers and developing a co-marketing program with institutional partners. Consumers were informed via newsletters and the website of retail outlets where GRO produce was available. More efforts were dedicated to direct wholesale sales, with revisions made to the sales approach and positioning of GRO. Wholesale sales increased significantly, comprising 60% of annual sales. **Activity Complete**
3. **Create a "print dye" and purchase packaging**  
As discussed in the previous reports, GRO determined that it was not financially feasible to move forward with a custom dye for the three (3) waxed, cardboard boxes that it uses to deliver wholesale product to the marketplace. (GRO chose to use branded stickers during its growing seasons to brand its boxes).

As an alternative, GRO has chose to re-direct the grant funds allocated for this activity to design custom packaging for clam- shells, hang tag and produce twist ties as an alternative to a branded cardboard box. GRO determined that it could get more visibility and marketing exposure of its brand by focusing on in-store branding rather than with wholesale boxes. GRO did use LFPP dollars to purchase its wholesale waxed boxes and continue to add its own branding to each box. This decision allowed GRO to build a surplus of waxed boxes that its Growers could purchase at cost from the cooperative. **Activity Complete**

**4. Design and apply vinyl branding elements to GRO vehicles.**

In 2015, GRO worked with a graphic designer and created the brand materials that were applied to all of its vehicles. GRO purchased an additional refrigerated box truck in September and applied these same brand materials to that vehicle as well. **Activity Complete**

**Impact on Community:**

GRO's brand is more recognizable in our community both with our Great River Market Bag and our wholesale partners. GRO's social media presence has increased by over 25% in the form of tweets and likes on its Facebook page. GRO anticipates that this increased brand recognition will help drive increases in sales over the next two to five years. The strategic marketing plan will serve as a "north star" for future marketing efforts on behalf of its farmer/owners.

**Goal/Objective 3:**

*Develop and implement a logistics plan to expand GRO's sales opportunities outside central Ohio.*

*Progress Made:*

To achieve this goal, GRO established the following sequence of events:

**1. Lease a 16-18 ft. refrigerated truck**

In early November of 2015, GRO worked with Ryder Trucks in Columbus, Ohio to locate a 16 ft. refrigerated truck to use for wholesale distribution of its organic fruits and vegetables. In mid-November of 2015, GRO worked with Co-Bank (a cooperative lending institution) in Kentucky to successfully create a lease agreement to secure the funds to lease a refrigerated vehicle and make quarterly payments over the three (3) year period of the grant cycle. Co-Bank purchased the refrigerated truck from Ryder Trucks and in turn, leased the vehicle to GRO. GRO has made all quarterly lease payments to Co-Bank for the vehicle. **Activity Complete**

**2. Recruit additional certified organic producers to become members of GRO.**

GRO recruited and successfully added three (3) new, certified organic farms to become members of the cooperative via a confirmation vote by GRO's board. Representatives from these farms now regularly attend grower meetings and are selling products to the Hub for use in its Great River Market Bags and for wholesale distribution. **Activity Complete**

**3. Connect with other Ohio food hubs to discuss mutually beneficial transportation and distribution efficiencies.**

During the grant cycle, representatives from GRO attended quarterly meetings of the Ohio-West Virginia Food Hub Network to participate in discussions regarding more efficient distribution opportunities. GRO also consulted with a start-up company called "FarmFare": a digital, online platform that seeks to connect wholesale customers with growers. After repeated efforts, GRO has determined that the other Food Hub models will not provide the partnership it had hoped, as the other hubs missions are not compatible with GRO's. Many of these hubs are nonprofits that serve urban communities that lack access to healthful food and have almost no distribution opportunities to larger institutional partners. Also, none have a certified organic food handler's certificate to sell GRO's food in the community. **Activity Complete**

**Impact on Community:**

More Ohioans now have access to certified organic produce and GRO's member farms are planting more acres of certified organic food for distribution to serve these new markets. The addition of the refrigerated truck (as well as an additional vehicle that was purchased in the fall of 2017) has allowed GRO to manage its own transportation logistics. The new member farms have

enabled GRO to meet the increase demand from its institutional partners while allowing its growers to expand its sales. The Cooperative model also benefits its growers by handling all the receiving, sorting, marketing and distribution logistics while providing the growers more opportunities to farm.

**2. Quantify the overall impact of the project on the intended beneficiaries, if applicable. Include further explanation if necessary.**

- i. Number of direct jobs created: Our growers collectively reported about a 20% increase (about twenty three (23) total) of on-farm jobs over the course of this grant cycle. Many of these jobs are seasonal and the occupants of the jobs have changed but the jobs remain.
- ii. Number of jobs retained: These jobs have been retained through the 2017 growing season and are expected to grow in 2018 given GRO's increased sales opportunities.
- iii. Number of indirect jobs created: Two (2) part-time jobs were created at the GRO Food Hub.
- iv. Number of markets expanded (defined as market partners): GRO expanded its relationship with the six (6) institutional partners that it had at the beginning of the grant cycle (additional sales)
- v. Number of new markets established: GRO added six (6) significant market partners to the six (6) market partners that we worked with at the start of the grant cycle.
- vi. Wholesale market sales increased from \$90,500 in 2015 to a projected \$200,000 by the end of 2017.
- vii. Number of farmers/producers that have benefited from the project:  
Ten (10) over the course of the grant cycle
  - a. Percent Increase: Forty (46)% increase in wholesale business over the course of the grant cycle.

**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? Most of GRO's sales increases have come through both the expansion of sales with existing institutional customers plus the new market partners.

**4.** Discuss your community partnerships.

- i. Who are your community partners? See answers below.
- ii. How have they contributed to the results you've already achieved? See answers below.
- iii. How will they contribute to future results? See answers below.

Community Partners Include:

- a. **Ohio Ecological Food and Farm Association (OEFFA):** OEFFA is GRO's education and organic certifier partner. GRO worked with OEFFA's Sustainable Agricultural Educator to create and implement our on-farm safety plans. In addition, we actively consult with them as a resource for funding opportunities as well as technical issues relative to organic certification. We will continue working with them in this same capacity as we move forward.
- b. **Whole Food Markets-Columbus (4 stores):** Three (3) Whole Foods stores in Columbus, Ohio and one (1) store in Cincinnati, Ohio currently purchase wholesale products from GRO. Whole Foods has served as a sounding board for how GRO can increase wholesale opportunities in the market place. As a result, we are actively working to create a regional partnership with them that would significantly increase sales opportunities in 2018.
- c. **The Ohio State University South Center:** GRO worked with the program coordinator for the Ohio-West Virginia Food Hub Network to discuss logistic and distribution opportunities through the emerging Hub network. Despite the fact that GRO is no longer participating in the Food Hub

Network, we will continue to work with them as a as a resource for additional marketing and branding support as well as additional funding opportunities.

- d. **The Great River Organics Board:** GRO's board structure is unique given that only 2 of its board members are farmers (even though we're a farmer owned cooperative!) The remaining 5 board members are community members who serve whose areas of expertise include legal, financial, educational, marketing and community leadership. They provide on-going counsel and insights beyond the realm of farming and balance the needs of agricultural know-how and professional services.

5. Did you use contractors to conduct the work? If so, how did their work contribute to the results achieved thus far?

- GRO worked with Shawn Wolfe and her team from **Empathico** to build our marketing and brand strategies. The work with Empathico helped GRO determine who its customer is and how to more effectively focus its marketing efforts to attract new Great River Market Bag customers (GRO's multi farm CSA share) and reach new wholesale customers with brand enhancements in grocery stores. Through her experience with the grant, Shawn generously agreed to join GRO's Board of Directors.
- GRO worked with Karen Scholl of **EM Dash** who created much of the content for our social media platform and generated our weekly newsletter to our Great River Market Bag subscribers.

6. Have you publicized any results yet?

- i. If yes, how did you publicize the results? While we did not reach out to the media per se, we did communicate with our stakeholders via our weekly newsletter and via weekly surveys. GRO had about a 40% open rate on newsletters.
- ii. To whom did you publicize the results? We offered a weekly survey to GRMB subscribers. We communicated results of the feedback via newsletter and FB page.
- iii. How many stakeholders (i.e. people, entities) did you reach? GRO reached about 200 CSA subscriber and saw the traffic on its website increase by about 25% (using Google metrics) We also shared feedback with our growers.

7. Have you collected any feedback thus far about your work?

- i. If so, how did you collect the information? As part of our marketing efforts, we scheduled and completed in-depth focus groups comprised of our past and current CSA subscribers. We also sent out a weekly survey each week to our CSA subscribers soliciting feedback about product choices, product quality and service. We also reached out to a select group of our wholesale partners to gain insight into our pricing structure, ordering process (both ease of and frequency) and quality of our perceived value of our wholesale products.
- ii. What feedback have you collected thus far (specific comments)?

**From CSA subscribers:**

"Great service and a good way to try new produce. Great quality and very fresh!"

"Getting the Great River Organics Markets Bags has been a great way to introduce some variety to dinner."

"I've come to expect top quality produce on a weekly basis and Great River Organics never disappoints me."

**From wholesale partners:**

"Great River Organics delivers great quality organic produce for a fair market price"

"We appreciate GRO's professionalism and their organized approach in the market"

“GRO understands that you have to be able to compete in the organic marketplace in order to sell products”

\*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).

**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, other than additional sales for GRO's farmer/owners!
  - 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).
  - To compete in the wholesale market, it's important to understand Bill McKibben's quote: "We now produce more food, more cheaply than ever before". This is ground zero. Despite what the public says about supporting local, they buy primarily on price. Just because you're local, or certified organic, means nothing if you can't deliver quality product, in standardized packaging, in the amounts that the market needs, when it needs it. There is very little reciprocity in the market place and most of the financial risk is bore by the growers; not the market.
  - Organizing as a cooperative to participate in this grant process was challenging. GRO's farmer/owners had to learn how to work together to achieve goals; both sales, production and quality standards while also shaping and re-shaping the goals stated in the grant to meet these needs as they evolved.
  - Using the grant funds to create more sales opportunities and to build assets that can improve a balance sheet (important when you need a line of credit) was helpful.
  - Vertically integrating the business model (farmer owning all steps of the process from seed to market) is necessary for long-term economic prosperity for growers but difficult to do from a financial perspective. Cash flow is king and waiting 45-60 days for institutions to pay up is challenging. Negotiate smartly with your vendors and request the payment terms that you need in order to cover your overhead and pay your growers on time.
  - Scaling up production is harder than it seems using a cooperative model. As GRO learned, not all of its growers wanted to expand acreage to meet wholesale needs and two farms dropped out of the cooperative. This attrition actually benefited GRO in the long term as discussions that led to the departure of the two original farm members helped clarify the business model for longer term success and allowed for recruitment of new member farms who were interested in volume production for wholesale.

- Creating farm safety plans and getting GAP audits is not a silver bullet for more sales. It can be challenging smaller farms to meet on the GAP standards in terms of investment cost.
- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem solving: Goals were achieved.
- 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:
  - Having a point person to manage all the grant processes is important. This person can make sure that invoices, reports, receipts, etc. are collected and filed on a timely basis.
  - Make sure you organize your invoices for reimbursement into a system that you can manage from the beginning and produce as needed.
  - If you're a small organization, it is helpful to submit invoices for reimbursement each month to manage cash flow.

**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 LFPP grant helped GRO better understand what being a cooperative means and what will be necessary in order to build a successful and prosperous business model moving forward. The farm safety plans and GAP audits are opening up new wholesale market opportunities for GRO farmer/owners and speak to a level of professionalism that the market looks for when choosing to buy from the cooperative (or any distribution partner). The focus on marketing, branding and social media outreach has given GRO more visibility in the marketplace and helped identify best opportunities to stand out in an institutional environment. It also gave GRO a much better understanding of who its customer is and what motivates their purchasing decisions. Finally, thoughtfully expanding GRO's number of growers in response to potential market purchasing opportunities maximizes the earning potential for each of its member farms. Admitting additional farms as need will allow GRO to respond to future growth while building a sustainable business model.

- 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?

Rather than focusing on a wide variety of crops for sale in the marketplace, GRO is likely to focus on a select number of crops that can be grown in larger volume by its member farms to satisfy market demand and increase the number of organic acres being planted. GRO has learned that on-farm job creation is secondary to increasing acreage as each additional acre planted creates about \$18,000 in revenue. This additional revenue helps support the cooperative's business model (more product moving through the food hub space allowing the coop to cover its financial needs and provide more services for member farms)

GRO will continue to explore relationships with sub-distributers to expand market share in a more efficient way. While owning refrigerated trucks helps with distribution needs, sharing this cost with others will be more cost effective as market share is expanded.

GRO will continue to interact with its CSA and wholesale partners to tweak its market offerings and meet the needs of its clients. This allows GRO to build on the marketing strategy that was led by our marketing partners: Empathico and EM Dash.

Strategically, GRO will put less emphasis on “local food” as an organizing principle of food system reform. While many advocates have assumed that “buying local” and being a “locavore” by proxy implies support of local farms, environmental stewardship and healthy food, GRO, through its marketing research, has found that these terms have no meaning, often reduces the conversation to geography and confuses its potential customers.

As part of its continued marketing push, GRO will continue to tout the benefits of “certified organic” in the marketplace. It provides a level of transparency regarding production standards, is a good indicator of how a grower views the craft of farming and indicates a higher level of safety protocols for wholesale market partners.

Finally, and most importantly, GRO will make farmer prosperity its primary goal. We celebrate that our farmer/owners are small businesses that have an expertise in good agricultural practices. This is important because GRO’s goal of seeing a significant increase in the amount of its certified organic food purchased by consumers and institutions relies on its ability to continue to organize and create successful strategies to get its products into the places where folks shop and dine most often. These decisions will be made on sound business practices using tactics that allows GRO to successfully compete in a marketplace that makes most of its purchasing decisions on price rather than value.