

**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.

Report Date Range:	September 30, 2015-September 29, 2017
Authorized Representative Name:	Abby Long
Authorized Representative Phone:	(412) 568-3663
Authorized Representative Email:	info@threeriversgrown.com
Recipient Organization Name:	Three Rivers Grown
Project Title as Stated on Grant Agreement:	Developing Pittsburgh's regional food system by bridging logistical and informational gaps between buyers and producers

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.

Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPPA0056
Year Grant was Awarded:	2015
Project City/State:	Pittsburgh, PA
Total Awarded Budget:	\$99,270

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: Nathan Holmes

Email: Nathan@threeriversgrown.com

Phone: (412) 418-2596

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: Increase the capacity of Three Rivers Grown to connect with wholesale buyers and producers in the Three Rivers region.**

- a. Progress Made:

We developed an additional delivery route to access smaller accounts that were previously unreachable with our larger truck and secured additional cold storage to accommodate our future growth. We also worked with lawyers to review our current paperwork and create new operating agreements, terms and conditions, and other legally advisable documents to help streamline the buyer/producer relationship. Finally, we worked to create a refined company image, increase the visibility of TRG, and create buyer and producer packets to present our company in an organized and professional manner.

- b. Impact on Community:

By helping farmers meet the needs of conventional retail grocers we been able to make local purchasing viable where it had previously failed or had not been tried. By working closely with conventional grocers and consolidating local products we have made it easier for them to support local farms. The refrigerated box for our smaller truck and increased cold storage capacity made current and future expansion possible. Our newly enacted processes made on-boarding and relationship management more streamlined. This has led to increased engagement with farmers and wholesale customers. This work also provided Three Rivers Grown with the customer-facing materials heighten making local products more visible and competitive leading to a greater impact across our entire local food system.

- ii. **Goal/Objective 2: Work with producers to ensure a safe, high quality, consistent supply of regional food.**

- a. Progress Made:

Our manager successfully received her Food Hub Management Certificate and attended the 2016 NGFN Food Hub conference. This training allowed her to write and implement a comprehensive Food Safety Plan for TRG. This plan helped improve traceability protocols and bring TRG in line with industry standards while ensuring safety and transparency in our supply chain. We also worked

individually and with third party organization to help farmer with certification and labeling for retail sales.

b. Impact on Community:

The manager's certificate in Food Hub Management and the implementation of our Food Safety plan has allowed us to provide our customers with safe food and a transparent supply chain. Throughout this grant have continued to assist our producers as they work to meet buyers' food safety standards. We have provided technical assistance, helped verify compliance, and acted as a liaison between them and our buyers. This has directly resulted in an increased sales for the farmers and their customers.

iii. Goal/Objective 3: Support increased demand for regional products by simplifying procurement and promotion of products for wholesale buyers.

a. Progress Made:

We've helped our farmers and producers make marketing and branding changes and add nutritional labels and UPC to their products that have made it easier for buyers to add TRG products into their stores. We have also instituted an online ordering system that has made it simpler for wholesale buyers to place their weekly orders. Our account manager and the online ordering system has helped our sales increase steadily over the past year.

b. Impact on Community:

Due to the work of the account manager and the increased use of the online ordering system, sales have increased significantly, providing farmers and producers with a steady income stream. Many of our farmers have increased their reach because labeling changes and the addition of nutritional labels and UPC codes have allowed them to sell at a wider range of stores.

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

i. Number of direct jobs created:

4. Since this grant was instituted we have hired the owner, account manager, a delivery driver, and an office manager.

ii. Number of jobs retained:

At least 4. 2 dairy farmers (with at least one employee each) reported that they would have been out of business without the consistent sales from TRG.

iii. Number of indirect jobs created:

The number of indirect jobs created is unable to be determined, however, out of the \$1,260,000 of sales we've had over the grant period, over \$1,098,780 went back to the farmers and producers. We believe that a large amount of this money has stayed in the local economy and has directly benefited other small businesses in the Greater Pittsburgh area.

iv. Number of markets expanded:

At least 2. TRG has provided increased sales channels to our dairy farmers which has allowed them to increase their revenue. Also, we helped one of our egg producers with branding and packaging which has allowed their TRG sales to increase from 8 cases of eggs a week to 24 cases a week. Overall, all of our farmers have had a 178% increase in sales since the beginning of the grant.

v. Number of new markets established:

30. Before the grant we were selling to 21 stores. We're now selling to 51.

vi. Market sales increased by \$36,000/month and increased by 178%.

vii. Number of farmers/producers that have benefited from the project:

Before this project we worked with 11 farms and now working with 23.

a. Percent Increase: 209%

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 expanded our customer base by expanding to 30 new wholesale accounts which include chain grocery stores, coffee shops, other farm cooperatives, and community markets. Between our additional delivery routes, additional suppliers, a streamlined on-boarding process and online ordering system, we've made it easier for wholesale accounts to purchase and sell our products, helping to increase our overall reach.

4. Discuss your community partnerships.

i. Who are your community partners?

Our primary community partners consist of our producers and our customers. In addition, we have numerous secondary community partners such as 412 Food Rescue, the Pennsylvania Association for Sustainable Agriculture (PASA), Penn's Corner Farm Alliance, The Idea Foundry, the Pittsburgh Food Policy Council (PFPC) and Pennsylvania Cheese Guild.

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

The producers of continued to invest in their operations to diversify and improve their products. Our largest customer Giant Eagle has continued to try new products and promote the local products. The organizations have helped us network with our partners, connect with our stakeholders and promote our overall efforts to the greater Pittsburgh area. Specifically, we donate food to 412 Food Rescue, helping to reduce our food waste. We work alongside Penn's Corner Farm Alliance and sublease office space and cold storage from them. Finally, we've partnered with Idea Foundry to provide our farmers with additional assistance with clerical challenges such as filing paperwork to sell at Whole Foods. Overall, these relationships have helped TRG become a solid part of the food system of the Greater Pittsburgh region.

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

Our community partners will continue to support our work and promote our mission while offering us support and guidance.

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

Yes, we used a consultant to help with the sales brochure and other marketing activities. We also contracted a lawyer to assist us in getting our contracts and legal documents prepared.

6. Have you publicized any results yet? * Yes.

- i. If yes, how did you publicize the results? We send relevant updates through social media.
- ii. To whom did you publicize the results? Our social media followers.
- iii. How many stakeholders (i.e. people, entities) did you reach? Both our Facebook and Instagram accounts have approximately 165 followers each and that number has been climbing steadily as we continue to post relevant content.

*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).

7. Have you collected any feedback from your community and additional stakeholders about your work?

Yes, however we've received informal comments only.

- i. If so, how did you collect the information?

Through casual conversations during delivery runs.

- ii. What feedback was relayed (specific comments)?

We initially wanted to have our farmers and producers help us with our marketing activities by participating in sampling events and delivery days. However, given the unstructured nature of this request, they often mentioned that it was too difficult of a task. Going forward, we think that we would find more success in this if we formalized the request asking for a set number of samplings and "ride alongs" so there's a more structured way for our farmers and producers to be an active part of our marketing plan. They agreed that a more formal plan for marketing activities is desirable and our wholesale accounts believe that having more samplings will be beneficial as well.

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: X

- 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? We generated \$1,260,000 in sales in the year since the start of the grant. We directed all profits back into our operation.

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).

We expected to be a lean distributor, simply picking up goods from farmers and producers and delivering them to our wholesale accounts. However, that model underestimated the number of products from local vendors ready to sell to a wholesale distribution and the amount of work to keep those products competitive. We found that most farms weren't ready for immediate wholesale distribution. They needed UPCs, nutritional information and marketing and branding assistance to get their products ready for distribution. Because of this need we had to reevaluate our involvement and help our farmers and producers get their products ready to sell. We also thought that once we had our online ordering system in place, our sales would immediately increase. This was not the case. We needed both the online store and an account manager to keep our wholesale accounts on track and ordering weekly. Even then we still needed a sales person that was on the floor to help grocery managers place orders and product placement. Each of these changes contributed to a steady increase in sales. Finally, we initially turned down products that were made locally but with non-local ingredients (e.g., a pasta sauce produced locally without locally grown tomatoes). We initially did this to ensure that locally grown products were getting the most visibility, but we quickly determined that we needed to add in locally produced products for financial reasons. We had to open up our definition of local to make sure we had enough products to provide our wholesale distributors with the best variety.

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

We initially set our gross profit margin goal at a flat rate of 15%. We slowly learned that as we operate in a very competitive, low-margin market place this number was unrealistic if we were going to provide more service. Going forward we feel that a dynamic pricing models may be the better option. We also thought that our involvement with our farmers and producers would have been different as we expected them to be more prepared to sell in large market places. We didn't have quite as much time as we needed to help everyone prepare their products for market. Anticipating this hurdle and partnering with a non-profit that helps small business with product development from the beginning would have been a great way to get more business on board quicker.

- 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:

We benefited significantly from having our office manager work as a dedicated grant administrator. Her organization and consistency made the reporting process simpler and more effective.

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.

We plan to continue our efforts to work with farmers and local producers to increase our reach in the greater Pittsburgh area. We also plan to expand the number of products we sell and increase our produce offerings significantly. Our sales are quickly approaching a million dollars a year. This is the sales number that will allow us to become a self-sustaining entity which is our main goal for 2018. As that milestone approaches, we will continue to serve more farms and local producers and provide more local products in the hands of the people of the Greater Pittsburgh region.

- 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?

We may try to partner with other regional food hubs to diversify our products and expand our reach without investing in new infrastructure. We plan to continue to update our sales materials and marketing materials. We also plan to deepen our relationships with our growers and the wholesale decision makers so we can be more responsive to the needs of both ends of our supply chain. We also plan to produce a concrete plan to make it easier for farmers become active participants in our marketing plan. Finally, we are always looking to add new farmers and new products.