

**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: <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 30, 2014 - 9/30/2016
Authorized Representative Name:	Dale Klemme
Authorized Representative Phone:	608-326-7333
Authorized Representative Email:	dklemme@centurytel.net
Recipient Organization Name:	Community Development Alternatives, Inc.
Project Title as Stated on Grant Agreement:	Promoting the Path from Farm to Table
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-WI-0180
Year Grant was Awarded:	2014
Project City/State:	Gays Mills, WI
Total Awarded Budget:	\$91,981.

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.

Local Food Promotion Program

Promoting the Path from Farm to Table -- Final Report

1. Goals and Objectives of our product and Progress / Impact on the Community.

Goal #1: Produce 9 new locally sourced food products (Pizza dough, cookies (2), bread (2), Vegetable soups (4) – all products frozen ready to use.

Got2havpie has developed 12 new products with the vast majority of the ingredients being sourced from local and regional farmers. These products are all frozen ready to bake by the customer and include:

Gluten free cookies (4) - Chocolate chip, Cranberry, Hazelnut and Ginger Nib.

Baked Goods/Breads (4) - Parmesan Broiche, Kougin-aman, Brissant and Croissant

Seasonal Soups (4) – Spring Green, White Bean Chili, Carrot/Ginger and Summer Delight

Eight of these products are available to retail and food service customers, the soups are only available to food service customers (restaurants, caterers and institutions).

By sourcing the majority of our ingredients locally and regionally it has helped increase local food sales for farmers and food producers, and indirectly increasing job opportunities for individuals in the community of those businesses. All of these products were produced as a result of funding from the Local Food Promotion Program grant, funding provided new jobs to be created, nutritional analysis of new products, packaging materials of new products and market/point of sale materials to be created and printed.

Goal #2: Employ, train and educate individuals in the community. This will fulfill a desperate need for employment/training/education of community individuals with special emphasis on adults with varying abilities and Youth Apprenticeship students.

Go2havpie in coordination with Vernon Area Rehabilitation Center (VARC), area high schools and technical colleges has provided access to employment and training which was lacking in the area. Over the course of 2 years, 13 different high school students - some on work release during school hours and others after school and on weekends. These students were given an opportunity to earn money, learn new skills and obtain work history experience for future employment. One student working with the business was a high school senior and went on to culinary school at a local technical college where he gained a degree in the culinary arts. During his schooling he continued to work at Got2havpie and later was able to secure an intern position that led to full-time employment as a Chef. The business dedicated parts of its product production and packaging to be filled by individuals with varying abilities. This gave these individuals an opportunity to learn new skills and training in the food processing industry. With this work history and self confidence it enhanced their chances to gain employment in the traditional workforce. Several of these workers have gained full time employment at establishments in the driftless area with help of references from Got2havpie.

Goal #3: Market and deliver healthy food products to markets for consumption & accessibility for consumers. Markets to include retail and grocery stores, schools and institutions and food service industries.

Clearly, this goal of marketing and deliver of product to outlets for the end consumer has been the most challenging and will be discussed in more detail in Section 9 – Lessons Learned of this report.

A direct result of hiring a part-time sales rep and marketing coordinator and the relentless promotion of products by Monique Hooker, Got2havpie products can be found in 21 retail locations, 4 restaurants and 1 hospital in central Wisconsin. While the number of outlets carrying the products is impressive, the volume of sales generated through these outlets is far too low, resulting in an issue of product distribution. Established distributors are reluctant to carry a new product unless demand is at some minimum threshold and these being frozen products result in other issues with distribution.

Sales staff has conducted ‘in-store’ promotion of products. While this is a labor intensive promotional approach we find some correlation in increased sales with these in-store activities. Got2havpie has met with large grocery chains like Festival Foods (22 locations statewide) and Woodmans (12 locations statewide) and while the meetings have been cordial and supportive, a commitment to carry the products have not materialized. The marketing efforts have also included negotiations with eastern Wisconsin’s largest organic apple pie orchard about sourcing Got2havpie crusts for all of its apple pie production.

Got2havpie developed its soup line with schools in mind, however we have not been able to reduce our cost of production the schools require in order to be price competitive with larger established producers. Schools are on somewhat tight budgets which make price a major factor in product selection. Schools are generally eager to support local food producers which are an objective of Got2havpie, and as a result Got2havpie has provided training in area school cafeterias on how to make soups at the school using local ingredients for less cost of what it is to purchase the product from traditional suppliers. These actions do nothing for the sales or bottom line of the business, but do address the basic mission of bringing food from the farm directly to the table.

2. Quantify the overall impact of the project on the intended beneficiaries from September 2014.

- | | |
|---------------------------------------|---|
| i. Number of direct jobs created: | 9 new positions have been created
1 full time and 8 part time |
| ii. Number of jobs retained: | 3 part time positions were in place at the beginning of the project and have been retained |
| iii. Number of indirect jobs created: | Unknown |
| iv. Number of markets expanded: | Got2havpie increased product exposure in the southern Wisconsin markets of La Crosse, Madison and Milwaukee |

- v. Number of new markets established: Got2havpie established new markets in Iowa and northern Wisconsin. Efforts have been made to expand into the Minneapolis, MN area and while there is some demand for the product(s), the distribution of frozen product continues to be an issue.
- vi. Product sales have increased by \$17,000 since the beginning of the project which represents a 71% increase.
- vii. Number of farmers/producers that have benefited by the project: Five farmers or producers have benefited by this project which is 12% increase.

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

Got2havpie participated in tradeshow in Madison, WI and Rochester MN and the Mid-west food show in the Chicago area. Marketing staff and Monique Hooker conducted more than 20 in-store promotions in grocery stores in Madison, Milwaukee and La Crosse. Got2havpie hosted cooking classes, workshops, demonstrations and lecture/presentations to educate, train and promote its products and local foods. These activities have been held throughout the Driftless region of SW Wisconsin as well as Eastern Wisconsin, Eastern Minnesota and by invitation as far away as Southern Indiana. Monique Hooker taught individuals of varying ages – from high school to retirees – how to use local seasonal food to create delicious healthy meals. She incorporated Got2havpie products into every recipe that was shared and demonstrated.

4 Discuss your community partnerships.

Community partners include North Crawford High School, Kickapoo Culinary Center in Gays Mills, Vernon Area Rehabilitation Center (VARC), Riverfront, local farmers and the Wisconsin Dairy Board Association.

Each of our partners has contributed in different ways. North Crawford High School has helped recruit youth students to enroll in Got2havpie Youth Apprenticeship program (a program that hires and trains youth students that may be interested in a career in the culinary field). North Crawford also helped Got2havpie host a soup tasting panel of students. Their input helped the business to decide which soups were most desirable to market to schools for distribution. Along with soup tasting panels, Got2havpie tested different pizza crusts to students for their preferences.

The Kickapoo Culinary Center partnered by allowing Got2havpie to use the community kitchen facility for workshops and training classes. Local farmers have helped Got2havpie secure local produce for soup production. These farmers have established a program for Got2havpie to secure 'seconds' from their harvest (a win/win for both parties). 'Seconds' are considered to be a good healthy produce that have blemishes or rough spots that cannot be sold at a regular venue like farmers market or grocery stores. This has allowed farmers an outlet to sell more of

their products instead of letting them rot in the field. Got2havpie has partnered with Riverfront to offer their business as a training and skills assessment facility for individuals with varying abilities, allowing these individuals to gain work history which helps them to find jobs in the community. Got2havpie has trained 18 individuals of which 5 have applied and successfully secured jobs in surrounding communities. Got2havpie has partnered with the Wisconsin Dairy Board Association to use the Wisconsin Dairy logo on all of retail packaging. This highlights another great product using and supporting local dairy farmers.

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

The following work was contacted out for specialized service.

- a) Nutritional Analysis of products. To be declared on packaging.
- b) Graphic Designer. Design of product packaging and promotional materials.
- c) Printing of Packaging – containers and workshop promotional materials.
- d) Marketing Coordinator – develop and implement marketing campaign

The work of these contractors was essential for the packaging and sale of Got2havpie products.

6. Have you publicized any results yet?

A lengthy article was published in the Prairie du Chien newspaper in February of 2015 which identified the scope of the project and progress to date. Prairie du Chien is the county seat of Crawford County and the majority of households in the immediate area receive this publication. A copy of the article is attached.

7. Have you collected any feedback from the community and additional stakeholders about your work? No.

8. Budget Summary.

SF-425 – Final Federal Financial Report was completed and is submitted with this report.

9. Lessons Learned.

The LFPP program is a good program. It has allowed Got2havpie to train the unskilled, instilling a basic work ethic and affording local people the opportunity to learn basic food processing skills. In turn, some have gone on to join the larger workforce. The concept of using product from local producers, utilizing an existing community kitchen and producing healthy products is one we can all embrace. A number of factors were however, found to be challenging.

Small producers are unable to take advantage of the economy of scale concept. Producing a product by hand, one unit at a time is costly, which in turn requires a sale price higher than a product which is mass produced. Volume and automation are characteristics which small entrepreneurs are unable to utilize while at the same time the great majority of shoppers are price sensitive. So the pricing of a wholesome, healthy product which is locally made with local

product is not competitive with national competitors. Similarly, schools are under tight budgets and purchasing through established vendors is easy all of which make it difficult to penetrate this market.

But the greatest challenge has been product distribution, and this is a greater challenge when dealing with frozen products. We have been able to get the product on shelves of smaller regional grocery stores and in food co-ops. The inventory these outlets agree to carry is minimal – especially for a new product; and it is generally the producers responsibility to monitor inventory and make certain product remains on the shelf. This requires the producer to visit stores agreeing to carry the product and have this frozen product with them to refill as necessary. Staff have driven 100 miles to replenish a store with as little as one case of product – terribly inefficient.

Major food distributors have been approached, and while expressing interest in the product they are reluctant to have a new product in their warehouse without some demand from the retailer. So the confounding question is how do we get the product in front of the public and by doing so we can increase production which will begin to increase production efficiency referenced above, which will allow the price per unit to come down. The business has considered purchasing a small freezer truck and putting a sales person on the road for direct calls, but that can be an expensive approach. The business considered leasing freezer/locker space in larger communities where modest inventory could be available – this would require a local sales person or product ambassador in the community to monitor store inventory and replenish as necessary. This ambassador might also do 'in store' demonstrations. This approach continues to have merit and might be best implemented if a number of small food producers came together to support one ambassador in the respective communities.

It has been frustrating to the business, in that those who try the products are generally pleased, but pricing and accessing the markets with a frozen product is extremely difficult.

10. Future Work.

Future work will focus on the marketing of locally produced food and product distribution. If we can deal with distribution, we can increase the volume of product being sold which will decrease unit cost of production, making the product more price competitive.

The cost of marketing and distribution needs to be shared by many local producers and in order for this concept to work we may need to encourage more producers from a given area.

It's all in the numbers and 'economy of scale'.