

**Local Food Promotion Program (LFPP)
Final Performance Report**

Report Date Range:	September 14, 2014 – September 30, 2016
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Recipient Organization Name:	Wisconsin Food Hub Cooperative
Project Title as Stated on Grant Agreement:	Diversifying Local Market Channels for Wisconsin Farmers
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Project City/State:	Madison, WI
Total Awarded Budget:	\$99,728

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: Producer Recruitment and Development
 - a. Progress Made:
 1. During the grant period the Wisconsin Food Hub Cooperative (WFHC) and project contractor UW-Center for Integrated Agricultural Systems (CIAS) staff compiled materials and hosted 4 meetings with both members and prospective members to communicate about the opportunities and needs of the Wisconsin Food Hub Cooperative. Staff followed up with 20 interested farmers about whether their scale and system of production and infrastructure would result in a good fit for the WFHC's operational system and markets at this time. Member and Prospective Member meetings were held November 18, 2014, February 10, 2015, November 19, 2015, and February 10, 2016. Current membership in the Cooperative is 37 farmers up from 11 in 2014.
 2. WFHC and CIAS staff compiled a product specifications manual detailing pack size and quality expectations for each crop. This was important for farmers to be able to meet buyer specifications and successfully sell into the wholesale market. (see appendix attached)
 3. WFHC and CIAS staff compiled a complete member manual with resources on packaging, Co-op structure, order and sales flow, and Good Agricultural Practices (GAP) certification. These were made available to all members and are added to before each season to update and expand going into future growing seasons (see GAP info sheet attached in appendices).
 4. WFHC and contracted UW-Madison CIAS staff organized GAP/food safety training for members and prospective members, GAP and food safety training were made a part of all fall/winter and winter/spring member meetings. These meetings were also open to prospective members. These meetings included presentations and Q&A with the Wisconsin Department of Agricultural Trade and Consumer Protection GAP auditor. Also University of Wisconsin Extension staff gave presentations and Q&A with growers to trouble shoot specific issues about production and handling issues and wholesale specifications. The meeting also had peer-to-peer time for farmers to share with each other in small groups what they had learned going through the GAP certification process.
 5. WFHC staff began work with two contractors in the Hmong and Latino communities respectively. Staff and the contractors established the key variables for successful wholesale market sales through the Co-op for minority farmers. Contractors engaged into specific outreach to farmers in their communities to identify farmers and crops that may be best suited to efforts to expand wholesale market opportunities in the region. 4 Latino farmers and 4 Hmong farmers were identified at the outset as possible good fit for the project. 2 Latino farmers worked with WFHC staff, UW-CIAS contractor and the Latino contractor to grow and sell product into the wholesale market through the WFHC. See question 9 below on Lesson Learned for more detail on the work with minority communities.

b. Impact on Community: Working on the wholesale product specifications and the food safety demands directly with farmer members and prospective members, as detailed above, allowed for those members to better plan their farm operations and sell additional produce into the local market through the WFHC (see discussion of sales growth in next section). At each of the fall/winter and winter/spring meetings we had 12 - 18 participant farmers listening to presentations by contractors and partners.

ii. Goal/Objective 2: Sales and Logistics Development

a. Progress Made:

1. In addition to the work included in the Goal above, WFHC staff provided production planning guidance for producers to match planting with market demand. This was done through group meetings held in November and February of each year, as well as one-on-one meetings, emails and phone calls between WFHC staff and farmers.
2. WFHC staff is in close contact with established buyers and prospective buyers to understand the specifics and timing of their demand for the growing season. This information is integrated with the farmer crop projections in an iterative process in advance of planting season. The November member and prospective member meeting is used for WFHC staff to let farmer know what buyers are looking for and what volumes and for farmers to tell WFHC what they are planning. This is firmed up with one-on-one conversations. The WFHC and farmers have an agreement by December 31st of the year as to how much the farmer is planning on selling through the WFHC and how much the WFHC is planning on reaching out to buyers to sell. WFHC then goes out to buyers aggressively, including bringing buyers to the February farmer member meeting so farmers and buyers can build relationships through the WFHC.
3. Logistics are an important piece of the puzzle in successfully getting local food into the market. One of the biggest hurdles to overcome, especially for small- and medium-sized producers is the cost of refrigerated transport. The planning described above is critical to being able to get as much product on any one shipment to buyers to reduce the transport cost per item to the farm. In 2015 we aggregated southern Wisconsin farmer product at a refrigerated warehouse facility located on a member farm. In 2016 this aggregation was shifted to our main Waupaca warehouse facility. This was done to be able to make sure that all product was subject to the same quality review before going out to buyers. The warehouse coordinated did this job. This greatly reduced rejections of WFHC member product due to quality issues from 2015 to 2016. Support for transport through the LFPP grant was important for this and the learning of the flow of product will be helpful as we move into 2017 and beyond.

b. Impact on Community:

1. The work through the LFPP grant was targeted at small- and medium-sized producers in the southern part of Wisconsin. On a whole the WFHC had \$900,000

in sales in 2014, \$1.7 million in 2015 and we are projected to finish 2016 with \$2 million in sales. Some examples of increases that were realized by the WFHC: 1 farmer planted watermelon, a first time selling into the wholesale market through the WFHC. Sales of watermelon by the WFHC went from 1 truckload of bins (\$7200) to 8 truckloads of bins (\$55,000) from 2015 to 2016. This was good to get an entry into watermelon sales and we will work with the farmers to increase this level for 2017. Lettuce was another crop that we saw gains for our farmer members on, from just over 100 cases in 2014, to 1000 cases in 2015 and just under 2000 cases in 2016. Lettuce is a difficult crop to grow wholesale. Farmers worked together with WFHC staff, University input and peer-to-peer conversations to learn how to grow and package lettuce. Working with a Latino grower, with direct assistance from the LFPP, in 2014 that grower sold 40 cases of tomatillos and went up to 163 cases (\$4075) in 2015. This was a very big increase for this small-scale grower. These increases help farmers get their own on-farm systems improved for greater ease for next season. WFHC, small-scale organic farmers were also able to reach expanded markets through the grant work. For example farmers went from 100 cases of rhubarb sold in 2014 to over 2000 cases sold in 2016. Cucumbers went from 800 cases in 2014 to 1864 in 2016. Green beans from 90 cases in 2014 to 232 in 2016. The work that the WFHC does with growers in planning and realizing projected sales is improving their business, so they are more viable and can continue to sell produce into the local markets. This is tightening up the supply chains and will build larger food system resilience in the region as WFHC continues to grow.

iii. Goal/Objective 3: Communications and Evaluation

a. Progress Made: As described above, the WFHC works in an iterative process – with group farmer meetings held directly after the growing season (November) and before (February) so farmers can give direct feedback to WFHC staff and in turn WFHC staff can inform farmers as to what buyers are looking for and what the Cooperative needs as a business from its members to succeed. These group meetings allowed us to communicate and evaluate as a group of farmers. With regards to meeting the food safety requirements of the market at the November meetings we were able to get information and evaluate what stage farmers were with their own food safety protocols. Then through out the winter and early spring we could work one-on-one with farmers to get them ready for the coming growing season and any tracking and auditing they needed to meet buyer demands.

b. Impact on Community: More and more buyers are requiring food safety audits. The WFHC board made it a requirement that all farmer members needed to have at a minimum GAP certification by the 2016 season. All but one of our active farmers achieved this and this gave them the opportunity to sell into the WFHC markets and also with this GAP certification they could sell in other outlets too, benefiting their farm business. We continue to work with this one farmer to get them up to the level necessary to sell in the local market with GAP certification.

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, 20__). Include further explanation if necessary.
 - i. Number of direct jobs created: 1
 - ii. Number of jobs retained: 1
 - iii. Number of indirect jobs created: 2
 - iv. Number of markets expanded: 6
 - v. Number of new markets established: 3
 - vi. Market sales increased by \$440,000, an increase of 222%. (This assumes that approximately 40% of the total sales of the WFHC were impacted by the more specific LFPP supported work done with small- and medium-scale growers in southern Wisconsin - an increase in total impacted sales from \$360,000 in 2014 to \$800,000 in 2016.)
 - vii. Number of farmers/producers that have benefited from the project: 37
 - a. Percent Increase: Co-op membership increased from 11 in 2014 to 37 in 2016, an increase of 336%.
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 worked with the Hmong and Latino farming community to assist in access to wholesale markets through the project. In addition, we also work with farmer members of the Plain community (Amish and Mennonite). Amish farmers are growing a large proportion of the organic vegetables sold through the WFHC. One area that was successful in the 2015 season was the sales of tomatillos by one of the Latino farmers that we worked with. This allowed this farmer to expand sales into the wholesale market. Working with this Latino grower, with direct assistance from the LFPP, in 2014 that grower sold 40 cases of tomatillos and went up to 163 cases (\$4075) in 2015.
4. Discuss your community partnerships.
 - i. Who are your community partners? A main partner in this work is the relationship building with the produce buyers. This is an economic transaction but we are building relationships so that buyers can better understand farmers' systems and needs so that their demand can better match with the possible supply from southern Wisconsin.
 - ii. How have they contributed to the overall results of the LFPP project? The iterative process that we have engaged in this winter has been helpful, taking farmers crop projections and getting feedback from buyers and then being able to go back to our farmers with what the buyers are looking for. This is important in building the values-based relationships so that both farmers and buyers can succeed in the local foods marketplace. Buyers have been invited to a portion of the February farmer meetings, to deepen the relationships and allow for a good back-and-forth between growers and buyers. We have also worked to get buyers out to member farms during the growing season so buyers can see exactly what production and handling looks like and what it means for farmers to fill one of their orders.
 - iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? We stay in close contact as the growing season progresses. Relationships that are built in the off-season are helpful during the busy time of the growing season when product is actually moving. We had a November 2016

farmer meeting to work on planning and implementing lessons learned. We are in the planning process for the February 2017 meeting and again buyers will be invited. We also have one-on-one meetings between WFHC staff and lead buyers during the winter months to further build the relationships.

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

WFHC worked closely with UW-Madison Center for Integrated Agricultural Systems (CIAS) to help farmers meet wholesale specifications and also food safety requirements from buyers. This assistance has been essential in our outreach to farmers interested in selling in to wholesale markets. Having the expertise from the UW makes sure that we are getting the most recent and relevant information. CIAS consultant Kelly Maynard was able to tap into the larger UW and UW Extension community. In addition we worked with the two contractors specifically working in the Hmong and Latino communities. Having contractors that were directly connected to these two communities gave us additional entre and importantly helped us with any language translation issues.

6. Have you publicized any results yet?

- i. Information on the food safety requirements and the wholesale specifications were distributed to all farmer members of the Cooperative at informational meetings. We also had the opportunity to present at several conferences around the region and even nationally which shared what we learned in gathering the farmers in the Co-op and selling more in to the wholesale markets.
- ii. A list of the places we have presented – that included, among other things, what we have learned from the LFPP Project include (see sample presentation attached in appendices):
 - a. National Farm to Cafeteria Summit, Madison, June 2016
 - b. National Food Hub Conference, Atlanta, March 2016
 - c. Wisconsin Local Food Network Summit, Sheboygan, January 2016
 - d. Illinois Specialty Crops Conference, Springfield, January 2016
 - e. Institutional Food Market Coalition, Madison, December 2015
 - f. Illinois Local and Regional Food Summit, Normal, November 2015
- iii. How many stakeholders (i.e. people, entities) did you reach? At this range of meetings we were able to present and answer questions to a range of stakeholders including; farmers, buyers, distributors, consumers, advocates, and agencies. If we count the number of people that were in each session listed above, we estimate that we reached more than 300 people.

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

- i. As described above in the sections above, we have engaged in an iterative process getting feedback from farmer members and also prospective members as we plan and implement in each growing season. We also have close ties with our buyers so we can build resilient relationships that will be beneficial for all involved in the supply chain.

- ii. What feedback was relayed? For small scale farmers in the southern part of Wisconsin – the main focus of this work – the specific feedback that we have received has to do with good communication on the wholesale specifications so that they can plan their own production and handling. Based on questions about specifications during the period of the grant we developed the overall guide that went to all farmers (see attached in appendices).

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?
 - a. During the period of the grant we operated at an overall loss. So no project income was generated.

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).

A major lesson learned during the grant period is the need to really assist farmers to build their capacity on their own farms, so they can meet the buyer specifications consistently. Consistency is very important when selling in to the wholesale markets. It doesn't help to be able to produce 20 cases of something 1 time during the season. The most success will come if you can produce 20 cases of one vegetable two times a week, every week, for 4 to 6 weeks, for example. This is the best way for farmers to meet the buyers and try to fit in their systems. Buyers want to buy local produce, but because of the ease of clicking an online order form and getting truckloads, or inexpensive produce, from California and other big fresh produce states, local farmers have to up their game to compete. It has been the goal of the WFHC, with support of LFPP to improve farmer capacity and as a group have good logistics and systems to get more of our farmer member product into the market. We have seen our sales increasing year to year and we continue to move in the right direction. Another part of consistency is also quality. In 2016 we moved to a system where all product was coming through our main warehouse so that 1 staff person (the warehouse coordinator) could see all product and do all quality checks before product went to buyers. This has proven essential to be able to reduce rejections on quality grounds from buyers. This was a great savings to the WFHC and also to the growers selling through the co-op.

It is difficult to work with the smaller-scale farmers because of this issue of consistent volume discussed above. Transportation costs are a real hurdle to getting more produce from small-scale farmers into the market. You really need to be able to move at least a LTL truck (10-12 pallets of produce) at a time to make sure that the costs of the refrigerated transport does not become too heavy a burden on farmers. Because of this farmers who wish to sell into the wholesale markets really should try to build up to a couple vegetables or items that they can grow in enough volume to be able to do this. Obviously the benefit of the WFHC is that we have multiple farmers – so our farmers are encouraged to grow so they can pack at least 2-3 pallets of a particular vegetable, two times a week. This is then aggregated with the other farmers to fill the LTL trucks and also the larger 20+ pallet trucks. This is the real key to success.

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

One of the tasks of the LFPP grant was to work with minority farmers in the Latino and Hmong communities to better reach wholesale markets. Despite our best efforts we had limited success in bring product from these to communities through the WFHC and to market. Assistance from LFPP through the consultants from these communities was helpful, but we still struggled with communication. Also the farmers had limited capacity on their own farms to be able to produce and pack consistently to meet the volumes discussed above. This in part had to do with land tenure issues. By-in-large farmers in the Latino and Hmong communities do not own their own land and for the farmers we worked, they had only had single season rental arrangements which precluded them from building capacity onsite to better meet the wholesale market specifications (pack sheds, shipping capabilities – like loading docks). The Hmong community in Wisconsin has a very robust experience selling at farmers markets. Additional work will need to be done with this community to meet wholesale specifications. Perhaps finding one or two vegetables to concentrate on with the Hmong growers would improve the ability to build the volume and planning to meet the wholesale markets. We did have some success with having the Latino farmers grow tomatillos – this was a unique product and we were able to share the story of the farmer with the buyers.

- 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 found that having the set farmer meetings of November and February each year very helpful. Farmers planned on it. Buyers planned on it. And it is a good way to structure the planning process of matching farmer production with buyer demand.

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?

We know that we need to continue to grow the volume and value of the products sold for farmer members of the WFHC. The co-op needs to sell over \$2.65 million in produce to break even at our current level of operations. We got just to \$2 million in 2016. We are moving in the right direction and we will use the lessons learned from LFPP to continue to increase. We also know now much better what we need to tell farmers at the beginning of their plans to sell wholesale through the WFHC. We can provide them with the specification guides and provide them with the information they need for the food safety protocols. Because we have used a peer-to-peer learning model and will continue to do this. Farmers in the cooperative know that we need to grow together and so they are open to sharing what they have learned, directly from the farmer perspective, with prospective members. This is critical to the shared success of all the farmers. Everyone does better when everyone does better. We know that we need to continue to strengthen our relationships with buyers. Buyers have been interested to have the local produce because they are hearing from their consumers that this is what they want. But we still have work to be done to really lock in these relationships and not be pushed aside when

the glut of anonymous product from California and other states come washing in. Because we are a co-op of farmers we are speaking with one voice and we definitely can benefit in pushing our power as a group up through the supply chain. But we are dealing with an increasingly concentrated marketplace – so this remains a struggle. We will continue to work closely with our buyers and to market our product clearly as local and also a part of a resilient overall food system that is not reliant on produce from just one area.

- 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 have seen considerable downward price pressure on organic produce in 2016. There were large waves of very cheap organic vegetables coming in to Wisconsin. At times the organic produce was priced below the conventional product. This was very difficult for our small-scale farmer members to deal with. At times farmers chose not to harvest some product because the price offered was below what it would cost them to harvest, package, and transport. It would be useful to better understand what is going on with the organic vegetable markets to see what planning Wisconsin farmers should do to try to get a decent price.

Logistics and transportation are a critical factor, as discussed above. We continue to try to build routes to take advantage of efficiencies of aggregation. We will continue to try to build models in the winter time and improve our planning and projections so that we can be most efficient with our transport, because this is such a large cost for the WFHC and for our members.

Appendices Attached

1. Produce wholesale specification sheets prepared for farmer members
2. Good Agricultural Practices (GAP) Fact Sheet for farmers getting started
3. November 2015 presentation at WFHC grower planning meeting
4. January 2016 presentation at the Wisconsin Local Food Network Summit, “Jumping Through the Hoops: Meeting Food Safety and Product Requirements for Wholesale Markets”
5. March 2016 presentation at the National Food Hub Conference, “How Wisconsin Farmers Formed A Thriving Grower Cooperative: Supporting Minority & Small Farmers”

If you wish to view the Appendices referenced above please contact Sarah Lloyd, sloyd@wifoodhub.coop, 608 844 3758