

**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 – November 29, 2017
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Recipient Organization Name:	Agriculture and Land-Based Training Association
Project Title as Stated on Grant Agreement:	Small Farmers-Grown, Organic And Locally Distributed
Grant Agreement Number:	15LFPPCA0147
Year Grant was Awarded:	2015
Project City/State:	Salinas, CA
Total Awarded Budget:	\$66,510

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, 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.*

The goal of the *Small Farmer – Grown, Organic and Locally Distributed (SF – GOLD)* project was to improve and expand ALBA Organics' ability to effectively sell farmers' produce to local schools and other markets.

Objective 1: Strengthen beginning, organic produce farmers' capacity to establish and maintain client relationships with ALBA Organics and other marketing channels.

Progress Made:

The events, workshops and local market linkages described below have since become a regular part of our farmer education and farm incubation program. This preparation develops the skills to enable farmers to make great strides in developing their own marketing strategies through local outlets.

ALBA Organics was created in 2002 because farmers in the incubator program had trouble in reaching markets on their own. Their volume was too low to attract much interest, and they would often be taken advantage of by unethical brokers. ALBA Organics was established to act as a 'fair broker' of their crops, which could aggregate their crops in a quantity that could penetrate Bay Area markets.

But things are changing. Organic food sales in the U.S. have growth by 700% in the last 15 years. Moreover, consumers increasingly want to buy local and from small-scale family farms. With these developments, new marketing opportunities have opened up for our farmers. Just a few years ago, most were entirely dependent on ALBA Organics to reach markets. Now, we are increasingly seeing senior farmers opt to market their own produce through a wider array of local channels.

Many farmers sought out buyers such as Coke Farms and A&A marketing to sell their produce. Others dove into the farmers market circuit, where prices are significantly better than in the wholesale market. Produce brokers have also found their way to the farm to do business with our farmers. These developments not only helped their sales but built their confidence to help them become more self-sufficient which is the ultimate goal of our program.

Therefore, ALBA farmers have taken a step away from looking to ALBA Organics as their sole marketing option. Connecting the food hub with schools has further expanded the clients they can reach.

The following steps were taken under the project to prepare farmers to direct-market their produce:

- ALBA conducted a series of 5 workshops for 50 aspiring and existing farmers in each year on the following topics:
 - Marketing strategy and the pros and cons of selling through various marketing channels,
 - Branding and promotion thru social media,
 - Selling through CSAs and farmers markets,
 - Organic and food safety compliance and recordkeeping
 - Value-added processing.
- The project organized the following events in each of the two years:

- Farmer roundtable comprised of alumni farmers to share their experience and best practices on marketing organic produce locally.
- Buyer-seller mixer brought together farmers and buyers of local, small-farm produce for a networking opportunity.
- Multiple field trips to expose farmers to successful farms and marketing venues.

Training and events were complemented with direct technical assistance from CAFF and ALBA staff, which collaborated to provide the following assistance:

- Crop planning (ALBA)
 - Quality control (ALBA)
 - Forecasting (ALBA)
 - Daily assistance on order fulfillment (ALBA)
 - Facilitating alternative markets. (CAFF and ALBA)
- ALBA also reached out to several local marketing outlets to facilitate farmer-buyer linkages.
- Distributors: Coke Farm, A&A, Great West Gourmet, Top Ten, Creekside, Interruption.

For instance, Coke Farm is very interested in marketing more of ALBA's product, but has asked for our assistance in doing quality control and grower accounting to simplify the expansion of their marketing efforts. Great West Gourmet would like to market our farmers' produce under the ALBA label, and distribute it to corporate cafeterias in Silicon Valley.

- Retail stores in Salinas Valley: Mi Pueblo, Foods Co., El Reynoso, El Super, Star Market.

These outlets are in poorer communities that would bring a lower price per box. However, farmers could serve them without an intermediary, saving money on commission and transport.

- Individual brokers and marketers, including ALBA alumni.

a. Impact on Community:

Farmers are better networked in the community. Whereas ALBA Organics generally 'leap-frogged' local, low-income markets in favor of wealthy communities in the SF Bay Area, farmers are increasingly selling their products through local channels, including schools. In turn, greater availability of this product in these communities contribute to the health and well-being of residents.

ii. Goal/Objective 2: Expand healthy food distribution to regional school districts with significant low-income populations.

a. Progress Made:

The SF-GOLD project intended to complement ALBA Organics' Bay Area markets with new clients in the regional low-income school districts. Activities under this objective did not go as planned. Progress was made toward this goal, but it was impeded by the following management changes at ALBA Organics:

- *September 2015 (project start):* ALBA Organics places its fourth GM in a year after sales drop by 20% to \$4.3 million. The decline in sales was precipitated by the departure of the long-time GM, who left in September 2014 to start his own farm. For the five years prior, sales had risen by 900% to \$5.3 million.
- *March 2016:* ALBA's board agrees to pilot use of an online produce marketing platform designed by Aggregator, Inc., a tech firm launched at Stanford.
- *Summer 2016:* ALBA's Executive Director goes on medical leave and steps down from the position. Continued declining sales at the food hub (another 25% drop to \$3.2million) cause the departure of

the latest General Manager. With losses mounting at the food hub, ALBA expands partnership with Aggrigator, putting the firm in charge of marketing and shipping to test launch its product.

- *November 2017 (project end):* ALBA parts way with Aggrigator after another disappointing year and halts operations of ALBA Organics. However, ALBA will continue to serve as a market facilitator, seeking linkages to market channels on behalf of farmers and assisting them with client development.

These changes disrupted rolling out a cohesive strategy to expand sourcing to schools. Even so, ALBA and Aggrigator with help from CAFF did make significant inroads. Ironically, these developments contributed to greater success under objective 1, as farmers had to be more self-reliant as the food hub struggled.

In the first year, ALBA initiated contact with eight schools. Aggrigator more than matched that number in the second year, reaching out to more than a dozen more. These schools and districts included:

- a. Alisal Union School District
- b. Chualar Union School District
- c. Cittenden Middle School
- d. Cupertino
- e. Gonzales
- f. Mount Diablo
- g. Oakland Unified School District
- h. Pajaro School District
- i. Pittsburgh
- j. Natomas
- k. Twin Rivers
- l. Salinas Union elementary
- m. San Mateo-Foster City
- n. Santa Clara
- o. South San Francisco

Progress in sales:

In the 2015/16 and 2016/17 school years, over \$92,000 was sold to 16 school districts. ALBA extended the project by two months in the hopes to reach the \$150,000 sales target. Unfortunately, by the fall of 2017, the relationship had soured under Aggrigator's new management. Due to disputes over delayed payments to ALBA and its growers, school sales for the August – December 2017 period were not shared with ALBA. It should be noted that Aggrigator did not receive any financial assistance through the LFPP grant.

b. Impact on Community:

Through the ALBA – Aggrigator partnership, our farmers were able to supply more product to local schools. On their side, there is strong interest in continuing to purchase farmers' products. As an alternative, ALBA is beginning talks with schools to procure directly from program alumni and current farmers reducing the need for an intermediary.

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 indirect jobs created: 40 jobs held by farm owners and employees.
 - ii. Number of markets expanded: 4 schools raised produce purchases.

- iii. Number of new markets established: At least 8 more schools newly bought produce.
 - iv. Number of farmers/producers that have benefited from the project: 16 farmers
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?*

ALBA Organics has expanded its school customers in coordination with our project partner CAFF. CAFF has been networking with school food service directors from different school districts along the CA Central Coast and SF Bay area. CAFF assisted us in qualifying for the USDA Procurement of Unprocessed Fruit and Vegetable Pilot Program, which facilitates entitlement funds for school districts to purchase from USDA-approved suppliers. CAFF then facilitated client relationships with the schools listed above, enabling ALBA, then Aggregator, to sell more produce to them. Many of these schools are located in low-income Latino communities on the Central Coast.

4. Discuss your community partnerships.

- i. Who are your community partners?
 - 1. Community Alliance with Family Farms (CAFF)
 - 2. Aggregator Inc.
 - 3. David Mancera Business Consulting

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

CAFF's network of food procurement managers in schools throughout our targeted geographic area, helped us target prospective districts in the early stages of the project. CAFF assisted in qualifying ALBA the USDA Procurement of Unprocessed Fruit and Vegetable Pilot Program, which facilitates entitlement funds for school districts to purchase from USDA-approved suppliers. In addition, CAFF conducted two marketing workshops to ALBA's farmers and also networked with food procurement managers in schools throughout Monterey and San Francisco Bay areas, which later led to produce sales.

Aggregator's involvement wasn't anticipated at the beginning of the project, but ultimately they did market and distribute most of the produce that was sold to schools under the project. In their absence, we hope to leverage the relationships made with local schools and facilitate continued sourcing from our farmers.

David Mancera Business Consulting was added as a partner in late 2017 when it became clear that the Aggregator partnership would not continue. DMBC helped in researching potential direct marketing outlets for farmers and in trying to broker a deal to expand marketing through Coke Farm.

Carlson Food Safety Consulting was written in to a revised budget to provide assistance to individual farmers in gaining food safety certification, which buyers increasingly require.

In addition, the project has benefitted from several trainers, farmers and buyers, working on a pro bono basis, participating in workshops to educate farmers on marketing strategies. And of course, the schools are showing commitment to the farm to school buying program.

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

CAFF will continue to help ALBA in providing marketing education to farmers. In addition, they will take a bigger role in enabling farmers to sell direct to local restaurants, retail and other outlets. For instance, they hope to pilot a CSA program that would drop off boxes of produce during school pick-up in low-

income school districts. The program would also take EBT payments. CAFF and ALBA are also discussing using one of our trucks to pilot a mobile farmers' market in these same neighborhoods.

David Mancera Business Consulting has been a valuable resource due to his background in farming and agribusiness management and finance. He has an extensive network in the Salinas Valley community and will be an asset in exploring and establishing new marketing channels for our farmers.

Carlson Food Safety Consulting will continue to be involved in educating participants in food safety and providing technical assistance to farmers in obtaining certification. She is also grooming ALBA's newly hired Food Safety Coordinator.

Even Aggregator still has a role as an independent distributor. Some farmers have shown interest in continuing to sell their product through them through their Watsonville-based cooler.

Marketing of small-farm produce in an industry that caters to large volumes, continues to be a challenge. However, we feel that SF-GOLD – in ways both expected and unexpected - has definitely advanced our ability to drive new farm viability.

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

CAFF and David Mancera were paid contractors. See above for their contributions.

6. *Have you publicized any results yet?** No.

**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, we hfrom farmers, schools and buyers.

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

From face-to-face meetings.

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

Most of the discussions were very practical with regard to issues, challenges and barriers of establishing sourcing relationships with community buyers and schools. And the conversation continues. We can say, however, that everyone loves the idea of buying from new family farms owned by former farmworkers and feeding school children through locally grown food. ALBA will continue to making this happen on a regular basis.

7. 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? Yes.*

a. *If yes, how much was generated and how was it used to further the objectives of the award?*

As of the last report, \$10,080 had been generated. Unfortunately, due to the troubled relationship with Aggrigator, no further information was shared on program income. However, we do know that all funds generated by Aggrigator in selling to schools was reinvested in their marketing operations.

8. 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).*

- 1) Running a food hub is very complex and financially risky. ALBA was on a growth path that made it seem potentially profitable. And it was. But when key personnel at the food hub departed, we immediately realized how it was dependent on their experience and network, which wasn't easy to replace. ALBA Organics' model was a particularly challenging type of food hub because it marketed the produce grown by beginning, immigrant-owned start-up farms. Which made daily order fulfillment a herculean task. That's not to say it is impossible but it would require more time and resources than we could bear as a non-profit.
- 2) Farmers can survive and thrive without the food hub. We're not saying it won't be difficult, but the fact is that markets have evolved enough to make small scale marketing a possibility. Helping our farmers find cost-effective outlets is our challenge going forward, but we have more options than ever.
- 3) No need to depend on Bay Area markets. Yes, there's plenty of money up there, but the quality, timeliness and logistical demands of these clients offset the higher prices. The volume grown by our farmers is small enough to move in nearby markets (40-mile radius) at a lower price. But margins will be preserved due to lower shipping and marketing costs.
- 4) School sales are much more than just a business transaction. The parents of many students are farmworkers, some of whom are ALBA participants. Health problems in local low-income communities are rampant and can be addressed through better eating. This gives our farmers the chance to promote themselves as local businesses, purveyors of healthy food and heroic pursuers of the American dream. Not a bad branding technique. On a side note, getting more ALBA farmer food in the community would also help our non-profit raise its profile and garner more support.

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

Not reaching the sales targets was less a function of program design and execution and more a result of ALBA undergoing rather extraordinary adaptation to new circumstances. We are confident that we would have hit targets with the same team in place. However, that would also have meant that we were still investing excessive time and resources toward a questionable business model. And one, perhaps, that isn't even necessary to our mission of supporting organic family farms. In the end, ALBA is better off

for having shed this financial risk, and our farmers are better off having explored and established new marketing channels.

- 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.*

The challenges we faced were mainly due to the illness of the Executive Director, Director of Finance and Administration, and the ensuing changes in management, which caused delays in reporting.

9. 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.*

It is an exciting time, which presents new opportunities:

- Re-define ALBA's new role as a 'market facilitator'. Now that we've stepped away from actively marketing and shipping farmers' products, what exactly will our role be? That is yet to be determined, other than making sure that farmers have multiple options through which to sell their produce. It will certainly continue to involve education and assistance in market strategy, product mix, quality control and client management. New client research and development will also be a goal. Another role could also involve ALBA in establishing new marketing methods such as an on-site farm stand, a mobile farmers market and/or a school CSA. However, we would not seek to manage these functions, but rather help incubate these concepts with participants, partners or other for profit interests.
- Expand partnerships. Both CAFF and David Mancera Business Consulting have a role in helping farmers reach new markets, be they schools or other local buyers. These partners are experienced and well-connected in doing so, which will certainly lead to their greater involvement.
- Expand school programs. Of course ALBA would like to resume sourcing to local schools and even try a school-based produce drop-off for families. However, there are other possibilities, such as sending farmers to schools or bringing students to ALBA to learn about organic farming, and career pathways in agriculture. In March, we will meet with the Alisal Union School District to discuss expanding on-farm learning by creating projects and internships designed to tie-in with required curricula.

- 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?*

ALBA is very interested in being a change agent in the local food system which would involve:

- A comprehensive local food system assessment, including a value chain analysis of food distribution, especially in low-income communities.
- Implementation of a 'hyper-local' marketing plan that helps farmers sell all or most of their produce to lower-income communities in the Salinas Valley. This would test the hypothesis that it is possible for small farmers to direct market goods at lower prices, offset by a lower logistics

costs and marketing fees and less spoilage due to more relaxed quality standards (i.e. inconsistencies in appearance).

- Development of a local food system strategy for ALBA, expanding our role as an educator and gathering place for the entire community, in order to promote new organic farms, a stronger organic workforce, sustainable agriculture, food access and healthy eating.