

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>	9/30/2015 – 9/29/2016
Authorized Representative Name:	Sibella Kraus
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Recipient Organization Name:	SAGE (Sustainable Agriculture Education)
Project Title as Stated on Grant Agreement:	Assessing Demand and Opportunity for a San Jose Market District
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPCA0151
Year Grant was Awarded:	2015
Project City/State:	Berkeley, CA
Total Awarded Budget:	\$24,995

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.

- i. **Goal/Objective 1:** Create new market opportunities for local and regional farmers, including beginning and immigrant farmers, thus encouraging the scaling up of existing farm operations and start-up of new farming operations, including those serving San Jose’s many diverse communities by growing ethnic crops. These new market opportunities will help to make the demographics of agriculture (in terms of diversity of farmers and crops) near San Jose more closely reflect the demographics of San Jose itself.
 - a. **Progress Made:** The Market District Assessment ¹ describes and quantifies the specific and significant demand for a San Jose Wholesale Food Market from three sectors: food business distributors, their customers (e.g. grocery stores, restaurants, food service, institutions, etc.) and their suppliers (e.g. local and regional farmers and ranchers). As presented in the Assessment, local and regional farmers from diverse backgrounds and with various types of operations, state that a new Wholesale Food Market would be an important new outlet and would likely stimulate demand for local foods from San Jose restaurants and markets. The interest of the part of these farmers is helping drive the next step of undertaking a comprehensive feasibility analysis.
 - b. **Impact on Community:** The Market District Assessment was conducted in the context of the overall San Jose Food Works study. This study and the pending implementation of the study’s recommendations are already starting to substantially strengthen and unify the multiple sectors of San Jose’s food system, including the diverse production sector.
- ii. **Goal/Objective 2:** Create new market opportunities for existing and new specialty food production and processing businesses, including those serving specific ethnic communities with culturally-appropriate products.
 - a. **Progress Made:** As presented in the Assessment and in the overall Food Works report, San Jose’s existing and emerging specialty food businesses are a foundation

¹ The term Market District implies a number of food distributors and wholesalers existing as separate businesses on separate premises, but located in sufficient proximity to each other to facilitate efficiencies for receiving products from any common suppliers and for selling products to any common customers (either on-site or via distribution). The term Wholesale Food Market (also called a Terminal or sometime a Hub) implies a facility that serves multiple individual wholesale food businesses tenants or co-owners, and that is developed and operated as a single, public, private or cooperative business (or hybrid). The team’s research determined that the primary focus of San Jose food wholesalers and distributors is foremost in a Wholesale Food Market, rather than a Market District. For this reason, the name and focus of this assessment has changed from Market District Assessment to Preliminary Wholesale Food Market Assessment.

for equitable economic development and diverse community and neighborhood identity. Such businesses state that some of their challenges (e.g. lack of dedicated facilities, rising real estate costs, lack of TA and cumbersome regulatory processes) could be addressed by a Market District and Whole Food Market that could potentially house specialty food businesses and/or could provide a source of wholesale ingredients and potentially a new market outlets.

- b. **Impact on Community:** The Market District Assessment/ San Jose Food Works study and the pending implementation of the study's recommendations will significantly strengthen the specialty food sector.
- iii. **Goal/Objective 3:** Support existing distributors, independent grocers, restaurants and food service companies and catalyze demand for the creation of new food enterprise businesses. In turn, this will help enhance and diversify community economic development in San Jose.
- a. **Progress Made:** The Assessment documents in detail, demand from a range of food distributors who are the leading proponents for a Wholesale Food Market, to the extent that several businesses are prepared to invest in a comprehensive feasibility analysis and potentially in a facility itself. Grocers and restaurants also express strong interest in a new Wholesale Food Market facility, because it would facilitate more economical purchasing and access to a wider variety of locally-grown specialty products, which would in turn result in building their base of customers wanting more local foods.
 - b. **Impact on Community:** The Market District Assessment/ San Jose Food Works study and the pending implementation of the study's recommendations will have a direct positive impact on distribution businesses, that will be able to invest in permanent facilities, as well as strong impact on all businesses wanting improved access to wholesale, local and high quality foods.
- iv. **Goal/Objective 4:** Align the Market District development with opportunities articulated in existing food system enhancement efforts (including revitalization of agriculture near cities), in City of San Jose short- and long-term planning, as well as in regional and state-level planning for and investment in sustainable communities.
- a. **Progress Made:** This assessment is the strategy for accomplishing this goal, therefore completing the assessment translates into incremental progress on the goal. However, City, County and regional agencies have contributed to the Market District Assessment/ San Jose Food Works, are supportive of its alignment with related initiatives and goals, and have committed to support implementation of various recommendations. These City and County agencies include Agriculture, Public Health, Economic Development and Planning) as well as the Santa Clara Valley Open Space Authority and the Santa Clara Valley Water District.
 - b. **Impact on Community:** By engaging a range of agencies and demonstrating that their mandates can be fulfilled in part by strengthening the food system, the Market District Assessment/ San Jose Food Works study have started the process of institutionalizing food system planning and implementation.

- v. **Goal/Objective 5:** Synthesize demand from local and regional growers, produce distributors and food businesses for improved distribution and food production infrastructure, with opportunities presented by the City of San Jose economic development planning, in order to identify the most promising locations for and attributes of a potential San Jose Market District. Completion of the assessment will lead to fundable proposals for projects that will help realize the objectives described above.
 - a. **Progress Made:** The Assessment includes a high level proposal for the tasks, funding and partnerships needed for the comprehensive feasibility study which is the foundation for a Market business plan. The City Office of Economic Development and its Real Estate division, has indicated that it will commit funding and staff resources towards this feasibility study. In addition two foundations are also strongly considering funding the implementation of several Food Works recommendations.
 - b. **Impact on Community:** When the assessment is complete it will be available to the community to achieve the impacts stated in the goal.
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 direct jobs created:

Based on our analysis of how marketing infrastructure benefits the neighboring communities of San Francisco and Oakland, and based on broader data and analysis provided by the USDA’s Economic Research Services, we expect a fully actualized project to result in approximately 480 direct jobs in produce distribution and processing (assuming establishment or relocation of another twelve wholesale produce businesses in San Jose, based on the example of San Francisco Wholesale Market Terminal job statistics). We also estimate approximately 200 direct jobs in farming, another 200 in food manufacturing, and over 1,000 indirect jobs in the retail, restaurant and food services sectors.
 - ii. Number of jobs retained: NA
 - iii. Number of indirect jobs created: NA
 - iv. Number of markets expanded: one in process

The conclusion of this Assessment is that San Jose can easily support at least ten wholesale produce businesses and ten local specialty food production/processing businesses. The purpose of implementing the next phase of this project is both to create opportunity for these new businesses and to avoid losing existing businesses which are in danger of being pushed out by high pressure on real estate.
 - v. Number of new markets established: NA
 - vi. Market sales increased by \$not known at this time and increased by not known at this time%.

- vii. Number of farmers/producers that have benefited from the project: not known at this time. Percent Increase: not known at this time
- 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.? NO If so, how? NA

- 4. Discuss your community partnerships.
 - i. Who are your community partners?

The Advisory Group is comprised of: Joseph Deviney, Santa Clara County Agriculture Commissioner; Christine Coke, Coke Farm; Sheila Golden, Community Alliance with Family Farmers (CAFF); Erin Healy, The Health Trust (San Jose); and Michael Janis, General Manager, San Francisco Wholesale Produce Market; and Michelle Thong, San Jose Office of Economic Development. In addition, almost 100 professionals and food business leaders contributed data, gave interviews and informed the overall Assessment.

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

The Advisory Group has guided the project and helped us to engage a broader circle of stakeholders. Now they are helping to secure support and funding for implementation.

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

The Advisory Group is now leading efforts to implement the next phase of the project, with a focus on fund-raising. They continue to engage a broader circle of stakeholders, and build enthusiasm for the project.

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

We used a contractor to accomplish several research tasks.

- 6. Have you publicized any results yet?*
- i. If yes, how did you publicize the results?

To date the publicity has only been informal, through e-mails, meetings and reports to the Advisory Group and funders. (See page 7 of this report for an example of the publicity.) We plan a press release and event in January or February once we have a better sense of how Phase Two will proceed.

- ii. To whom did you publicize the results?

We publicized the report to the Advisory Group and funders, and through the SAGE website (~6,000 subscribers), SAGE social media, and through the organizations of numerous stakeholders. Early in 2017 we will have a press event to publicize broadly.

- iii. How many stakeholders (i.e. people, entities) did you reach?

Direct outreach was to 60 individuals, most of whom in turn publicized the report through their organizations, reaching additional thousands of people. Therefore additional indirect outreach was to tens of thousands of people. Expect an additional hundred individuals for direct outreach as part of the media event, which is being co-hosted by the Santa Clara Valley Open Space Authority.

7. Have you collected any feedback from your community and additional stakeholders about your work? Yes
- i. If so, how did you collect the information? The Advisory Group has provided feedback and oversight at every step of the project, using e-mail, phone calls, and in-person meetings.
 - ii. What feedback was relayed (specific comments)? The Advisory Group made numerous suggestions to several draft reports to shape the framing of the final recommendations. Specific feedback on fundraising for the next phase of implementation is the current focus.
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.
 - 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).

The best outcome of this project was deepened inter-connections across the City of San Jose – mostly accomplished through the engagement of the Advisory Board. We will continue to use the Advisory Board to guide the next phases of the project.
 - ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:

It might be helpful to have Phase One projects like this focus reporting against interim benchmarks rather than progress towards long-term goals.
 - 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 Advisory Group was an invaluable resource. They added tremendous value by shaping the final conclusions and recommendations of the report and are continuing to add value by helping with implementation of the next phase.

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.

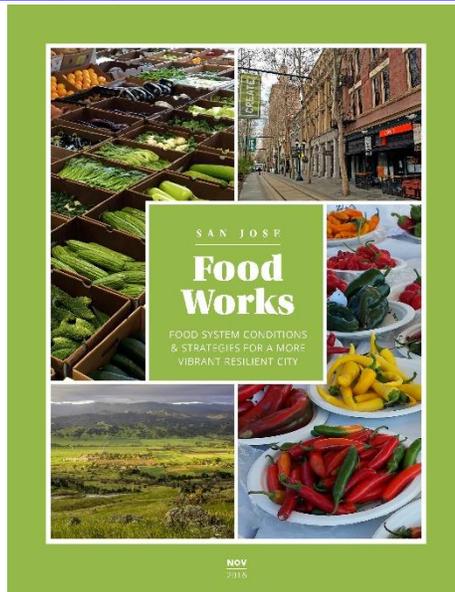
The Food Works Study identifies specific needs and opportunities for food system investments and actions, and makes recommendations for partnerships and strategies to initiate new investment activities. Already City leaders and key partners have committed to follow up on the recommendations, as follows:

- Conduct a comprehensive Wholesale Food Market Feasibility Analysis, including: real estate analysis, identification of potential sites and preferred site, analysis of financial models and ownership and governance structures, financial feasibility pro formas, identification of funding and implementation strategy.
- Institutionalize food system planning and implementation in City policies and plans.
- Grow the City's economy by investing in food jobs and supporting new, expanded or relocated food businesses.
- Improve quality of life and public health outcomes by increasing opportunities for all San Jose residents to access fresh, affordable, healthy, and culturally appropriate foods close to where they live and work.
- Advance food as placemaking at city and neighborhood scales: permanently, in development projects, street upgrades, and new marketplaces; and temporally, through food pop-ups, events, festivals and other promotions.
- Support development of food business incubators, such kitchen incubators (including as part of small public markets), commercial kitchens, food maker-spaces, farm business incubators, and food and ag IT incubators; and provide and related technical assistance programs for food entrepreneurs.
- Cultivate initiatives and dedicate land for multi-benefit urban and peri-urban food production.

- 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?

Recommendations for future activities are outlined above. Overall the Market District Assessment/ San Jose Food Works have moved San Jose to be poised to recognize food sector investment and innovation as one of the keys to its sustainability, vitality and identity.

SAGE is delighted to announce the release of [*San Jose Food Works: Food System Conditions and Strategies for a More Vibrant Resilient City.*](#)



Food Works - an assessment and call to action - was produced with generous support from the John S. and James L. Knight Foundation, 11th Hour Project, San Jose Department of Housing and Santa Clara Valley Open Space Authority. The *Wholesale Food Market Assessment*, included in *Food Works*, was produced with a Local Food Promotion Program grant from the USDA Agricultural Marketing Service. Many individuals from businesses, agencies and organizations helped shape the study and its recommendations. Implementation of several key recommendations is pending and will be announced in the coming weeks as part of a formal, more public release of *Food Works*.

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