

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 LFPP staff 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.

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| Report Date Range: <i>(e.g. September 30, 20XX-September 29, 20XX)</i> | September 30, 2014 – September 30, 2015 |
| Authorized Representative Name: | Ken Dickerson |
| Authorized Representative Phone: | 831-763-2111 |
| Authorized Representative Email: | ken@eco-farm.org |
| Recipient Organization Name: | Ecological Farming Association (EcoFarm) |
| Project Title as Stated on Grant Agreement: | Supporting Central Coast Meat Producer's Local Sales With Improved Access To Processing |
| Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i> | 14-LFPPX-CA-0029 |
| Year Grant was Awarded: | 2014 |

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| Project City/State: | Soquel, CA |
| Total Awarded Budget: | \$25,000 plus \$8,638 non-federal matching amount |

LFPP staff may contact you to follow up for long-term success stories. Who may we contact?

Same Authorized Representative listed above.

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: Further surveying of regional producers for market analysis

a. Progress Made: Knowledge is power, and in the case of local food production, market analysis is essential information needed by local producers to effectively organize and expand their business operations. A core group of meat producers on the Central Coast of California, organized through the Ecological Farming Association’s Farmer Fellowship program, participated in the formation of the Ecological Farmers & Ranchers Alliance (EFRA). EFRA provided support for the Central Coast Meat Producers Committee (CCMPC). This Steering Committee gathered the Project Team of producers, advisors, and consultants to drive the feasibility study process. In this USDA LFPP project: “Supporting Central Coast Meat Producer’s Local Sales With Improved Access To Processing”, the initial approach to this planning phase of the project focused on collecting survey information from local meat producers. The surveys generated data on the profile of local meat production by the numbers and type of animals within the Monterey and Half Moon Bay regions of the Central Coast. This information was used as part of a feasibility study to break down the economics and viability of potential solutions to affordable meat processing for local producers on the Central Coast of California. The goal of the feasibility study being to examine these options by the numbers to improve producers’ access to local processing and find one to implement as the most viable strategy. The project began in October of 2014 and included a pre-conference Strategic Summit in January 2015 which operated as a working meeting of producers and representatives from the Project Team. A total of 18 participants of the Central Coast Meat Producers Committee (CCMPC) completed surveys for market analysis presented at the January 2015 Strategic Summit. Following the Summit we researched and expanded the list of potential respondents and key informants and followed up by interviewing respondents over the phone to complete additional surveys for further project market analysis. These survey participants were recruited to the CCMPC. A total of 65 producers were identified to participate in the survey. Of these, 11 businesses were not viable, and 19 could not be reached/did not respond. An additional 17 producers did respond to surveys conducted via telephone following the midterm report submitted March 31, 2015. The final number of participants surveyed is 35.

b. **Impact on Community:** This project's focus on collecting and organizing much needed market analysis brought a record number of Central Coast Meat Producers together to collaborate for improved access to processing. This effort allowed the producers to combine and coordinate their individual efforts at market analysis. The project has succeeded in networking and increasing the capacity of a very strong representative body of producers from the Central Coast, who have anonymously shared the information needed to understand the region's meat production by the numbers. We also produced maps of producers, animals, and local facilities to better discern the geographic concentration of livestock species. This information and the feasibility study is now a resource for these meat producers, who also continue to work collaboratively through EFRA to continue to advance local meat production and marketing on the Central Coast. A main finding with significant impact that we did not expect is that there are many more poultry than we had initially estimated, which led the group to explore and learn about creative solutions for USDA slaughter facilities, namely the 'Poultry Plant in a Box' model. A core group of producers with shared needs are now positioned to pursue this 'Poultry Plant in a Box' model as local slaughter and cut-wrap solution. This model is a viable way forward for the core group of producers given that the surveys revealed that while there is not yet sufficient production to support a fully public Central Coast slaughter and cut-wrap facility for multiple species, there is sufficient poultry production to take the next step and create a business plan for a single species facility for poultry.

ii. **Goal/Objective 2:** Convening a Project team with needed expertise

a. **Progress Made:** The initial Project Team was convened and consulted to prepare for and execute the January 2015 Strategic Summit. These were Ken Dickerson (Ecological Farming Association/EcoFarm), Luis Sierra (California Center for Cooperative Development/CCCD), Keith DeHaan (Food and Livestock Planning, Inc.), Kathryn Quanbeck, Niche Meat Producers Assistance Network (NMPAN), Roger Ingram (UC Cooperative Extension), Sallie Calhoun (Paicines Ranch), and Daniel Port (Motherlode Meats). The preparation and the Summit outcomes resulted in a defined Action Plan calling for re-organization of the Project Team and objectives because the primary information needed to complete a feasibility study were not present - namely the confirmation of producers and animals required to supply a new slaughter and cut-wrap facility. Following the March 2015 mid-term report, additional producers were surveyed by CCCD, providing the Project Team with the producer production numbers and locations to plug into the feasibility study options.

b. **Impact on Community:** The Action Plan objectives to further the goals of this project were clarified regarding Project Team roles. In addition, deliverables were redefined. Notably, we switched our objective from one focused on using the consulting services of Keith DeHaan, of Food and Livestock Planning Inc., for planning a specific facility, to one that uses the consulting services of the NMPAN. CCCD conducted the outreach and research required to quantify the availability of animals and producers, as well as facilitating and organizing the work and reporting to the CCMPC Steering Committee. NMPAN expertise was used to provide a comparative economic analysis of a set of combined services

for slaughter, butchering, and value-added processing. NMPAN has delivered a feasibility study providing the market and economic analysis needed to assess four possible strategies. The conclusion of the feasibility study, based upon the production numbers and economics of the options examined, revealed that greater animal production numbers are needed on the Central Coast across species in order to support a new construction of USDA certified processing facility open to the public. By involving the producers and Project Team members in the detailed review of the initial findings of the NMPAN report, the numbers were reviewed and fine-tuned to reflect the most accurate analysis based on current true costs. This analysis revealed that the economics are viable for a small-scale poultry plant for a core group of poultry producers who already have sufficient production numbers to support a smaller scale, private facility shared cooperatively.

- iii. **Goal/Objective 3:** Convening a strategic Summit with the project team, stakeholders, and producers to choose the most viable strategy
 - a. **Progress Made:** The January 2015 Strategic Summit was organized and executed with 64 participants. Processors clearly outlined their business needs, services, and incentives for allowing them to operate as consistently as possible through the year. Business consultants, educators, and a USDA food safety official outlined the vital regulatory and resource considerations that are challenges and factors to address in finding solutions to the region's processing bottlenecks. The Summit resulted in a re-organized project Action Plan that guided the Project Team in identifying the most viable strategies for the project. The Project Team determined that CCCD would gather further producer survey information that would be used to create the feasibility study provided by NMPAN. Please see the attached study, "*Options for Increased Processing Capacity in California's Central Coast Region*".
 - b. **Impact on Community:** Central Coast Meat Producers gained valuable insight from each other, from processors and consultants, and from the Project Team. The CCMPC was guided by the Action Plan informed by the outcomes of the Summit. A review of the preliminary findings of the survey and participant observations led the group to introduce poultry processing as a necessary component for the facility. The CCMPC also established a relationship with NRCS in Santa Clara County, recipients of a concurrent LFPP planning grant to complete a needs assessment of livestock producers in their region. The CCMPC collaborated with the NRCS to align the producer survey questions for our respective projects. We plan to continue to share data and to explore further how to include Santa Clara and Contra Costa County producers in the trade area for a USDA certified Central Coast facility. Through EFRA, the Central Meat Producers Committee is continuing to work on the project goals, to share the outcomes of the Strategic Summit and the outcomes of the feasibility study with the EcoFarm community, including meat producers in other regions, and the broader network represented by our collaborators' constituencies.
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, 2014). Include further explanation if necessary.

- i. **Number of direct jobs created:** n/a at this phase of the project.
 - ii. **Number of jobs retained:** n/a at this phase of the project.
 - iii. **Number of indirect jobs created:** n/a at this phase of the project.
 - iv. **Number of markets expanded:** n/a at this phase of the project.
 - v. **Number of new markets established:** n/a at this phase of the project.
 - vi. **Market sales increased by \$n/a and increased by n/a%.**
 - vii. **Number of farmers/producers that have benefited from the project:** More than 55 farmers/producers have benefited from this projected. This number will grow further because the project will be shared at 2016 EcoFarm Conference which anticipates an attendance of 1800 plus, with 60% attendees being farmers. The data will also be promoted to the EcoFarm network of contacts, including nearly 17,000 people.
 - a. **Percent Increase:** n/a at this phase of the project.
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? Not applicable at this planning phase of the project.
4. Discuss your community partnerships.
- i. Who are your community partners?
 - ii. How have they contributed to the overall results of the LFPP project?
 - iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?

| Community Partner | Contributions to date | Future contributions |
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| Big Sur Land Trust | Provided Meat Producer references for surveying and interviewing for Summit preparation, shared feasibility analysis with livestock producers on their land. | Ongoing collaborator for the implementation phase of this project. |
| Land Trust of Santa Cruz County | Found a speaker to discuss local permitting and zoning issues for the Summit, Summit publicity and outreach, shared feasibility analysis with livestock producers on their land. | Ongoing collaborator for the implementation phase of this project. |
| Paicines Ranch | Presentation at the Summit on Cutting Edge Meats, a prior effort to establish a Central Coast processing facility opened in 2008 but now closed, participation on the review committee for feasibility analysis, \$1000 cash match. | Ongoing collaborator for the implementation phase of this project. |
| TomKat Ranch | Most active CCMPC Steering Committee member; helped in setting meeting and Summit | Ongoing collaborator for the implementation phase of this project. |

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| | agendas, participated on the review committee for feasibility analysis, \$2500 cash match. | |
| Peninsula Open Space Trust | Provided Meat Producer references for surveying and helped with Summit agenda, participated in the review and publicizing of feasibility analysis | Ongoing collaborator for the implementation phase of this project. |
| Marin Sun Farms | Participated in a breakout discussion group at Summit focusing on coordinating transportation and additional services, engaged in planning cooperative transportation services to lower costs. | Ongoing collaborator for the implementation phase of this project. |
| Belcampo Meats | Led Summit discussion exploring the feasibility of sharing facility development costs and addressing permitting issues, hosted conference call to teach about the model of their combined poultry and ruminant slaughter and value-added facility. | Ongoing collaborator for the implementation phase of this project. |
| UC Cooperative Extension | Presented Summit session on producer profitability, with a focus on processing costs, reviewed feasibility study. | Ongoing collaborator for the implementation phase of this project. |
| NRCS Santa Clara County | Sharing interview protocol. Have helped us see that the trade area for a Monterey Bay facility includes Contra Costa, shared their meat processing needs assessment survey data with this project. | Ongoing collaborator for the implementation phase of this project. |
| Animal Welfare Approved | Provided assistance in the distribution of the survey, reviewed and disseminating feasibility study. | Ongoing collaborator for the implementation phase of this project. |
| Alameda RCD | Shared preliminary findings of their producer survey | Will help conduct outreach to producers to assess interest in interest and accessibility of a processing facility |

5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project?
- i. **California Center for Cooperative Development (CCCD)** organized a good deal of the details of the January 21 Summit, taking the lead in setting the agenda, facilitating discussion, selecting and preparing speakers, printing and creating participant folders, and presenting on cooperative financing options. CCCD also led a follow-up steering committee meeting February 25, 2015, that clarified and prioritized different components of the objectives, including adding poultry and researching more options for facility configuration and processing services. Following the midterm report, March 31, 2015, CCCD then conducted phone interviews, organized and managed data, conducted 4 Steering Committee phone conference calls and reported on findings through 1 webinar and 1 in-person presentation to Steering Committee members. CCCD's guidance and coordination played an important role in the success of this planning phase of the project.
 - ii. **Niche Meat Producers Assistance Network (NMPAN)** helped set the agenda of the Summit, provided an excellent overview of meat processing facilities owned by agricultural cooperatives, and following the Strategic Summit in January 2015, NMPAN conducted top level comparative economic analysis of 3 different configurations of processing facilities, including poultry. The NMPAN feasibility study: "*Options for Increased Processing Capacity in California's Central Coast Region*", is attached with this final report to provide the complete analysis of three potential options for the Central Coast producers: 1. Two new mobile slaughter units (one red meat, one poultry) plus new cut-wrap facility (red meat + poultry) 2. New cut and wrap only (red meat + poultry), with value-added capabilities 3. New brick and mortar facility for both slaughter and cut and wrap (red meat + poultry). All three options were to be USDA-inspected facilities. After initial analysis of the second option, NMPAN and producers agreed it was unworkable and decided to replace it with: 2. Slaughter and processing for poultry only, also USDA inspected.
 - iii. **Keith DeHaan, of Food and Livestock Planning Inc.**, made a great presentation at the Summit that helped the audience understand the key drivers in facility success, and he also encouraged us to focus on developing a clearer 'geography of producers and animals' before using his services, which are better suited to the details of establishing a facility. The Action Plan from the Summit addresses this recommended sequence of activities.
6. Have you publicized any results yet?*
- i. **If yes, how did you publicize the results?** The Ecological Farming Association (EcoFarm) hosts a shared Google Docs site where the printed materials from the Summit and basic survey summaries are available for downloading by all members of the CCMPC and participants in the project. There will be a workshop session at Ecological Farming Conference 2016 to report on the outcomes of this project. The reports and information around the project will be placed on the EcoFarm and CCCD websites, as well as sharing results with sister organizations and the Project Team organizations.
 - ii. **To whom did you publicize the results?** All Summit participants, CCMPC members, the Project Team, and survey respondents are offered access to the results. Results will also be shared with the EcoFarm community of nearly 17,000 members and in an open source format online on website.

- iii. **How many stakeholders (i.e. people, entities) did you reach?** There were 64 participants in the Summit, 35 livestock producer survey participants, and 14 organizational stakeholders.

*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?
 - i. **If so, how did you collect the information?** The Project Team facilitated Summit breakout group notes which included participant comments and feedback on the work and direction of the project. The Project Team also held further conference calls, a webinar, and several in person meetings with the Steering Committee. The producers and the consultants all reviewed the initial findings of the NMPAN report, and chose to change one of the options reviewed to accommodate a smaller scale poultry-only slaughter and processing plant designed for a core group of producers as a first step in developing better processing options on the Central Coast. The producers were solicited for their input at every stage of the project, including initial design as well as mid-term and final review of the feasibility study.
 - ii. **What feedback have you collected thus far (specific comments)?** The Summit breakout sessions were designed as participant-driven working sessions to inform the project. The Action Plan resulted from the Summit meeting outcomes, driven by the livestock producers' collective input, e.g. "Kathryn/NMPAN suggested doing open houses at J&R and Marin Sun to orient growers to the opportunity. The purpose of the open house would be to discuss the ins/outs of the relationship. Marin Sun noted that the EcoFarm Ecological Farmers & Ranchers Alliance (EFRA) could be a very useful neutral third party in the relationship. The producers generally suggest doing the meeting/summit on the processor's turf." and "Sallie suggested that [EFRA] could emphasize the need to communicate and build a more quality relationship. What would a relationship look like for the producers? The producers would benefit from learning more about the processors' costs. Building trust is vital. What do the processors want?" and "[EFRA] could help with the education component, especially for small and beginning farmers. Maybe partner with the NMPAN project (Kathryn) to do that work. They do that work already, by hosting classes about what a cut sheet looks like – while it may not be perfect, at least they would have some idea. If a butcher could provide a breakdown seminar/session, it would be extremely useful."
- 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. They should draw on 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. Minimum required number of red meat animal supply for feasibility: For a full service USDA red meat slaughter and cut-wrap facility using commonly assumed labor and capital requirement, the surveyed number of animals on the Central Coast are not sufficient at this time.
 - b. Producer commitment of animals to red meat facility: producers detailed the 'Catch 22' situation regarding animal commitments to a new facility. If they commit all their animals to a new local facility and it doesn't work out, they will have lost their priority at other more distant locations.
 - c. Producer commitment to poultry facility: There is a group of about 3 producers that could provide the necessary poultry numbers to supply a small scale "Poultry Plant in a Box" facility, which could then provide processing services to a larger group of Monterey Bay region poultry producers.
 - d. Commitment of core group of producers: producers on the Steering Committee were committed to exploring every possible strategy to use existing facilities (i.e. El Pajaro CDC food hub) to reduce capital and labor requirements and animal throughput in order to achieve economic feasibility. They continually challenged assumptions consultants provided. If it were up to consultants, the issue would have been a simple scenario of 'Can you confirm the minimum number of animal throughput? If no, do not proceed'. Producers refused to accept 'no' and explored many different configurations and assumptions on labor usage, which has resulted in a more comprehensive and useful analysis of numbers and economics to make developing a facility viable.
 - e. Minimum required number of poultry supply for feasibility: For a USDA inspected poultry plant using the 'poultry in a box' configuration, there is more potential, mainly because there is one producer with 25,000 birds produced annually, which provides a sufficient number of poultry when combined with the other producers (30,000) to support a collaborative "Poultry Plant in a Box" model.
- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:

The project could have been served by inclusion of more producers in the survey process. While this project was able to reach a significant pool of survey respondents by conducting phone outreach and direct referrals to the producers, additional surveys would have been helpful to gather a more complete picture of meat production on the Central Coast. The lesson we learned was that producers can be hesitant to participate in surveys that reveal information about their businesses. Phone outreach and direct referral from Steering Committee members and the organizations participating in the project helped recruit producers to take the survey. Referrals from fellow producers that facilitate direct connection with producers help increase survey participation.

- 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:

Designing a project that allows for leadership participation from the producers is key to keeping a project like this aligned with the producers' goals. Our initial findings from the NMPAN feasibility study were challenged by the producers who then participated in a process of refining the actual costs and numbers to reflect a more refined picture of their true operating costs. This led to expanding the study to include the option of a "Poultry Plant in a Box", the next step in the project.

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 EFRA Central Coast Meat Producers Committee will continue the work of the project beyond the performance period. Next steps are business/implementation planning for a Central Coast "Poultry Plant in a Box" with the core group of producers. This is seen as the first viable step in organizing better processing facilities for Central Coast producers. A USDA open-to-the-public facility for poultry and red meat will require greater numbers of livestock across species on the Central Coast. This type of increased livestock production can be served by a core group of producers taking a first step and developing a smaller scale facility. Anticipated increase in poultry production from a "Plant in a Box" model is bringing the poultry raised by area producers from the current 31,000 to 35,000. This incremental increase in poultry production will help solidify the business model for the three core producers continued business success, as well as adding an additional full-time processor position and several part-time seasonal positions.

- 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?

The project will continue through the EFRA Committee work, which will maintain the data and analysis of the project and continue to support the producers in taking next steps in business/implementation planning for the "Poultry Plant in a Box" facility. We will continue to track Central Coast livestock production recruiting new Central Coast Meat Producers Committee members and conducting surveys. We will continue to organize cooperative services including transportation to existing processing facilities. As the business planning takes shape for the poultry processing plant, the CCMPC will continue to look for opportunities to apply for further implementation funds, through grants and other sources of support.