

Local Food Promotion Program (LFPP) Final Performance Report

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to your assigned grant specialist to avoid delays:

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

Report Date Range: <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 30, 2015 – December 31, 2017 (we received an extension)
Authorized Representative Name:	Jan Libbey
Authorized Representative Phone:	515/851-1690
Authorized Representative Email:	Libbey.jan@gmail.com
Recipient Organization Name:	North Iowa Fresh, LLC
Project Title as Stated on Grant Agreement:	Moving Local Food into a New Market in North Iowa
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15-LFPP-IA-0018
Year Grant was Awarded:	2015
Project City/State:	Iowa
Total Awarded Budget:	\$99,775.00

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

Same Authorized Representative listed above (check if applicable).

Different individual: Name: _____; Email: _____; Phone: _____

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0287. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable sex, marital status, or familial status, parental status religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

DIRECTIONS: 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.

1. **Goal/Objective 1: Upgrade information management system**

- i. Progress Made: North Iowa Fresh upgraded from a Google form to the Local Food Market Place software as its information management system through this project. Year 1 involved formulating all the products and pricing structure within the software system and getting producers oriented to using the system. Year 2 involved leveraging the system’s fuller capacity in analyzing sales data in the form of reports of sales, etc. from the system.
- ii. Impact on Community: The integrated software of Local Food Market Place, overall, has proven a good resource on a number of levels – it serves as the central interface of information and communication between producer, broker, and buyer. It captures critical business records that can then be turned into reports used for analysis.

There’s been a real learning curve as we’ve worked with this system for the past two seasons.

- Producers - We have had mixed success with producer members using the software. Experienced members generally use it reliably. A couple of new members have very limited experience with and/or access to internet; in this case the Broker has to manage from text messages and/or phone calls which are time consuming. We continue to develop producer capacity in this area.
- Buyers – Similar to producers, in 2016 several customers did not use it nearly as reliably as we had expected. We did see some movement on this issue in 2017 with some new buyers who were more comfortable with the online system. By 2017, we had also adjusted our expectations.
- An information management tool – We’ve come to appreciate the whole system as much more than a communication link. And as such, this is where we’ve found the greatest impact. Synchronized records of products, sales, purchases, etc. tracked over time have proven invaluable for the Broker to both monitor sales progress through the season and have access to a database of information when preparing to visit with customers to review sales patterns and project future purchase plans.
- The Local Food Market Place product & staff –The LFMP development team has strong technical background, but not as strong in education and support. While they’ve been responsive to questions, it’s taken time to get the clarification needed to resolve some of our questions. Compliments to our Broker who has really worked hard to improve her comprehension of the system.

Insight: We would counsel others looking to adopt an information system to layout a detailed list of necessary functions and talk to others who have a similar business model. It’s important that you anticipate your needs and understand the system’s capacity as clearly as you can to align your expectations with the system’s capacity. We thought we had really understood our needs and that our expectations were realistic, but we still experienced a steep learning curve. Additionally, we’d recommend to other business teams that they specifically seek out a team member with strong background in computer logic skills.

2. **Goal/Objective 2: Increase producer capacity.** Under this goal, we have two objectives - one to support producer education and the second to increase new North Iowa Fresh members.

- i. Progress Made:

- Producer education – The producer education has been focused on scaling up to meet this intermediate market opportunity and food safety. We’ve worked with Iowa State University’s Value-Added Ag Program, ISU food safety videos, North Iowa Fresh Broker has led some food safety training, and we had 6 of North Iowa Fresh producers attend a farm food safety plan development workshop.
 - Increase producer membership - North Iowa Fresh had six producers when this project started and all were relatively small scale with no one producer growing on more than 5 acres. Our goal was to build up to 12 producers by the end of the grant. Heading into the 2018 season, North Iowa Fresh has 13 producers, and acreage under production capacity has grown significantly. Our three largest producers range from 20-40 acres.
- ii. Impact on Community: The progress made through the life of this grant has allowed North Iowa Fresh to build enough of a track record to interest some larger growers. We have invested in relationships with our aggregation partner, our planning system, our core producer members, and our customers. All of that food hub system investment has attracted attention. We have gained members from relatives of existing members, but also have received a wide range of contacts from other producers. It’s been very intriguing how many producers are interested in working with North Iowa Fresh.

Insight: We have matured in our approach to member recruitment. One of our early insights was that we don’t just want more growers, we want more acreage under commitment to North Iowa Fresh. It’s also been important that we vet producers for experience. We have set a high quality standard and learned the cost of poor quality coming into the aggregation system.

3. Goal/Objective 3: ***Coordinate aggregation & delivery of products***

- i. Progress Made: Over the two years, North Iowa Fresh evolved from a system of producers making their own deliveries to buyers to a system of aggregating products and having coordinated deliveries through our partner, One Vision. With this development came development of standard operating procedures for product quality received by the aggregator, final cleaning, bagging and labeling practices, and proper storage and handling. The space we worked in in 2017 will not meet needs in 2018. Fortunately, there is a much larger room we are in the process of expanding into. That, plus all the experience gained and clearer job descriptions for aggregation workers should make a big impact on operational efficiencies.

NOTE: When this grant was initiated, our partner was known as Opportunity Village. They have since had a name change and are now called One Vision.

One Vision has been undergoing some significant internal changes while we’ve been developing this aggregation partnership. Along the way, we’ve had a couple of changes in aggregation staff. That has brought with it additional learnings for both North Iowa Fresh and One Vision.

We had projected in the original grant that we would add a second aggregation site, in Charles City. That did not happen as the development of the One Vision aggregation site proved complex and still needed further refinement in 2017. It was not feasible to manage the addition of a second aggregation site.

Impact on Community: The work culture at One Vision may not meet efficiency standards expected in the food hub world and we recognize that compromise. 2018 will be critically focused on efficiencies. Post-harvest handle tasks have been refined throughout this project with written practices developed, workers and producers trained on expectations. The fact that we can centralize post-harvest handle simplifies producer tasks and assures uniform bunching and bagging. The assurance of uniformity was noticed by buyers who

remarked on improved quality from 2015 to 2016. In 2017, we did have some ongoing quality issues as some producers. That is one of the issues we are refining further in 2018.

Insight: The aggregation site is a key investment by our partner, One Vision. One Vision's commitment to North Iowa Fresh is just one of the enterprises they are helping to support to meet their goal of generating new jobs for adults with disabilities. The interconnection of their various enterprises (a garden, a bakery, and a restaurant) all have proven a bonus to North Iowa Fresh's development and have helped raise the profile of the food hub overall.

4. Goal/Objective 4: ***Improve brand recognition***

- i. **Progress Made:** North Iowa Fresh had adopted a logo before this project started and we used that in 2016. However, the shape and colors proved less than desirable and a change was made for the 2017 season. A new logo retained base elements from the original logo. The color scheme was tested against the predominant greens of the produce departments and was designed for better fit into label needs. We have worked hard to drive that brand with a large banner and point of purchase display materials. We have been able to populate the North Iowa Fresh website with photos and producer profiles of all our members. Customers like to know the face of the producers. Our broker maintained a supply of point of purchase signs and was regularly updating and providing those to our buyers. We also held several in-store demonstrations; both involving members and some led just by our broker.
Impact on Community: Settling on a logo that was more workable was a good investment. We have two seasons of experience and are continuing to build our brand recognition through all the above mentioned strategies. The in-person presence is perhaps the most effective, but obviously most time consuming. In 2017 we received comments from our customers about the improved visibility of our logo/branding, as well as, improved packaging.

Insight: For other groups developing and growing a food hub business, we would encourage you to be sure to build an adequate marketing budget – planning not only good graphic design and material development, but ample personnel time to support the brand with good outreach and public relations.

5. Goal/Objective 5: ***Plan for and monitor annual growth goals***

- i. **Progress Made:** We have established an annual pattern of season debriefing with producers in late November during which we look at sales numbers, product issues, and begin to think about the following year's sales. We have also established an annual planning process with producers. After two years of records, we have a pretty streamlined process for experienced producers so they can indicate their desired level of production on each crop. Production planning has been a learning curve for many producers who may not initially have had a lot of experience projecting how much field area they would need to plant in order to generate desired quantity of product. Our record keeper, has done a good job of leading this process and his good records have increased all producers' confidence and capacity in projecting and planning.
- ii. **Impact on Community:** We now have a strong base of information and a practice for our evaluation and planning. Producers participate enthusiastically to both stages. The time spent working through evaluation discussions and looking ahead helps build investment from all and a sense of collaboration on business growth. It's been a really fun part of working on North Iowa Fresh development.

Insight We've learned a good deal about expectations and roles of the various leadership positions within North Iowa Fresh over the past couple of years and that is helping the organization growth on an

even keel. Over these years, the Broker has taken on more of the management, producer members who serve on the Executive Committee have revised their role to realistic participation in NIF management meetings, and other producers are primarily responsible for following through on production commitments and evaluation and planning meetings.

6. 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: 5 – as part of developing our aggregation partner**

a. Aggregation Coordinator: 1

b. Aggregation assistants: 2

c. North Iowa Fresh management assistants: 2

ii. **Number of jobs retained: 16**

a. North Iowa Fresh Producer members -13

1. 2015: Full members – 6

2. 2016: Full members – 8

3. 2017: Full members – 7; Associate member – 5

4. Heading into 2018: Full members – 7; Associate members – 6

b. Broker - 1

c. Record keeper - 1

d. Project Coordinator - 1

iii. **Number of indirect jobs created: 0**

iv. **Number of markets expanded: 8**

a. Pre Project: 2 grocers, 2 restaurants

b. Post project: 13 Total – 6 grocers, 6 restaurants, 1 school

1. 96% of sales through 10 customers

v. **Market sales increased**

a. From 2015 to 2017, North Iowa Fresh sales have increased more than 275%

b. 2015 sales: \$10,800

c. 2016 sales: \$12,350

d. 2017 sales: \$30,000

vi. **Number of farmers/producers that have benefited from the project: 18**

a. This is an increase of more than 300% since the beginning of this project

b. North Iowa Fresh members current & continuing: 13

c. members who have joined and left: 5

Between the years, we've had some transition in membership, so all total, we've had 19 producers involved with North Iowa Fresh. Those that have left or decided not to return have various reasons including not being the right fit for their business model or moving out of the area.

7. 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?

Two factors have been essential in our customer expansion:

- Increase in production capacity with new producers. We have been intentional about reaching out to larger and experienced producers. As we scale up, we need producers we can count on. Consistency and reliability of product is key as we continue to build trust with our customers.

- Two new North Iowa restaurants opened in 2017 that specifically built their menu on a farm to fork basis. They knew North Iowa Fresh and knew, with that infrastructure, that they could make a farm to fork claim. Both restaurants were in our top 5 customers in 2017
- Another note: A new customer in 2017 that has significant potential is a local school district. They came on late in the season so did not buy a lot in 2017. However, they have been very clear about their interest in buying from local producers and have met with North Iowa Fresh Broker to lay out plans to expand their purchases in 2018.

8. Discuss your community partnerships.

- i. Who are your community partners? One Vision, Healthy Harvest of North Iowa, all customers, Iowa Food Hub Managers Working Group, North Iowa Corridor Economic Development, Iowa State University, Practical Farmers of Iowa.

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

One Vision is our aggregation partner. But beyond that, One Vision's commitment to local food development through other enterprises they support has lent a significant voice to the local food movement over these past two years.

All customers - Helping to expand NIF sales, growing availability of locally grown products in North Iowa grocers and restaurants. New farm to fork restaurants really helped engage diners around our growing local food system capacity in North Iowa.

Iowa Food Hub Managers Working Group - helping to grow food hub capacity across Iowa.

Healthy Harvest of North Iowa, a local non-profit committed to local food system development is another key partner. There have been some key education and partnership connections that happen because of Healthy Harvest's activity. For example, Healthy Harvest coordinates a North Iowa Local Food Coalition; this group pulls key stakeholders together from all across North Iowa and the supply chain/food hub issue has been one of their top priorities.

North Iowa Corridor Economic Development – As a member of the North Iowa Local Food Coalition, the Corridor has come to see the opportunities in local food development and entrepreneurial development. This a significant shift in their focus from before this grant project took place.

Iowa State University has been leading most of the food safety training and North Iowa Fresh has benefitted from the resource information and workshops they have provided.

Practical Farmers of Iowa – their Summer Field Day format was an excellent platform to build North Iowa Fresh's 2017 Field Day around. PFI provided assistance in organization, marketing and facilitation of the field day. It was a well-attended event and really helped the North Iowa community learn about food hub development.

- iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? Our customers provide us the channel through which to move our products. The North Iowa Local Food Coalition will continue to be the key platform through which many of the other key partners work together. Healthy Harvest will continue to coordinate that group. A staff person from the Corridor group is the convener of the Coalition Food hub team and One Vision and North Iowa Fresh are key players on that team. Iowa State University will continue to be a key resource as our food hub development moves forward. One Vision received a 2017 LFPP grant to pilot a food box program through North Iowa Fresh, thus opening up a direct to consumer market opportunity to compliment the wholesale.

9. did you use contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project? No
10. Have you publicized any results yet?* Yes, three avenues through which the story of North Iowa Fresh has been captured: August 2017 we hosted a field day in partnership with Practical Farmers of Iowa (PFI). Iowa Public Radio who has followed North Iowa Fresh development, was on hand and developed a nice story about farm to table development in Clear Lake. North Iowa Fresh was selected, among VAPG recipients, to have a video developed to tell the story of that grant process.
- i. If yes, how did you publicize the results? The PFI Field Day was publicized through a Field Day Guide, press release, personal invitations. The radio interview aired in August 2017. The video is available through VAPG circles.
 - ii. To whom did you publicize the results? The PFI Field Day Guide is widely distributed to PFI members and partners all across Iowa. The press release was distributed to North Iowa media outlets. North Iowa Fresh and its partner One Vision also sent invitations. The radio story reached all Iowa listeners. The VAPG video is being used by the VAPG program to promote their program.
 - iii. How many stakeholders (i.e. people, entities) did you reach? The field day was attended by more than 45.
The statewide public radio network (a total of 25 stations) now serves 250,000 listeners with three programming streams; combined radio groups serve rural and urban Iowa, touching all of Iowa's 99 counties.
The VAPG video is distributed through AMS network. I'm not sure how many have been reached.
 - iv. **Included:** Copy of PFI Field Day Guide, link to Video, and link to Iowa Public Radio story
*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).
11. Have you collected any feedback from your community and additional stakeholders about your work?
- i. If so, how did you collect the information? Yes, North Iowa Fresh Broker met with buyers throughout the season to keep them accountable to purchase goals and/or to trouble shoot any concerns. During planning for 2017, she presented them each with a Memorandum of Understanding regarding their projected purchases. This documentation, though non-binding, helped to convey how important their commitment is for North Iowa Fresh planning. This was then something she could revisit mid-season noting they had signed an intent to maintain the projected purchases that North Iowa Fresh producers had then committed to provide. This was important leverage in these conversations. The Broker also met with customers every year– to plan for the coming year. She took a detailed report to them of what they had indicated they would purchase and the report of what they actually did purchase.
 - ii. What feedback was relayed (specific comments)? Re: mid-season communications, buyers were responsive to encouragement to hold sales as close to projections as possible and shared issues they were dealing with that effected their buying patterns. This feedback helped North Iowa Fresh anticipate how well we would be able to meet our sales goals.

12. 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?

13. 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).

After each of the above goal narratives, I've included an "insight" statement. Our goals are connected with the very essential business development and management practices: information management, producer capacity, aggregation development, marketing, and overall management and leadership. Distilling out essential lessons learned, I would summarize as follows:

Gains made through tenacious planning - This project has been a huge benefit to North Iowa Fresh. At the beginning of the project, we were struggling to imagine a path forward. The grant development process made us flesh out our goals and objectives and the implementation phase pushed us to work through much learning and skill development. This grant provided critical financial support that we would not otherwise have had access to as we worked through these early years of business development. Venture capital investment for food hubs is not a readily available resource through traditional channels.

Power of Partnerships - We knew we had some good partnerships to start with, but working through the grant has pushed us to strengthen and expand those relationships. The list and description of community partners provided speak strongly to how important diverse partnerships are.

Two years of support during critical learning years – The grant was there to support our early missteps and to push us to understand how to address problems and provide further support as we implemented our corrective strategies. We now have two years of solid experience and sales to build future planning upon. Our Broker has gained so much confidence and is looked to for her expertise in food hub management and sales. Stepping away from this grant, North Iowa Fresh still has much growth, but also has gained so much capacity.

North Iowa Fresh impacts the region - North Iowa Fresh's growth and partnerships are making a positive impact on North Iowa's local food movement. As noted, NIF made it much more feasible for farm to fork restaurants to open. And now NIF is playing a role in opening up farm to school sales. Prior to NIF's capacity, farm to school conversations have been very limited.

Thank you to all who make this program possible – it has played a critical role in the maturation of our business and in turn, North Iowa Fresh is contributing to the whole region!

- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:
 - We did not meet our original sales gain goals. Our shortfall in 2016 was an unfortunate misstep, but the lessons learned from taking a hard look at why we came up short proved helpful in finetuning plans for 2017. We then had revised goals and exceeded those.
 - We did not add a second aggregation site as was proposed in the original grant. There were complications with our first aggregation site arrangement that we could not have fully

- anticipated. We made a wise choice to pull back from the expansion and focus, instead on refining details with the one site.
- In both cases, time taken to reflect on why goals were not met and deciding on a plan of action to address the root problem have served us well.
- 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:
- Assistance of grant administrator – Kim Harmon, our grant administrator, has been very supportive throughout the grant. I would strongly encourage anyone wanting to work with such a project to build a relationship with their grant administrator; they are there to help you have a successful project.
 - Data tracking systems – set these up early and build them around desired outcomes from the project.
 - The SF 270 reporting worksheets have worked well and consistently throughout for tracking budget progress.
 - Interim Reports were great tools for analyzing progress and delving into next step strategies
 - Our 2016 season fell short of our sales goals. In developing the Fall 2016 Interim report, I had a chance to really flesh out where the problems were that contributed to sales shortfall. We used those insights to guide our winter planning and were better prepared to meet (and exceed) our sales goals in 2017.

14. 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.
- While we were moving through this grant, we also had secured a Value-Added Producer Grant for a Feasibility Study of North Iowa Fresh. That was well timed as our consultant had real time opportunities to better understand both the market, the customers, producers, and North Iowa Fresh management. We gained valuable insight from the feasibility study and some extra technical support while working through 2016 & 2017 sales season.
- 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?
- As North Iowa Fresh moves forward, we are holding or expanding slightly the wholesale level plus adding a direct to consumer food box program. Wholesale margin is very tight and our projections, with a direct to consumer component, suggests some greater gain toward profitability. North Iowa Fresh is building upon experience with the Community Supported Agriculture model by one of its members.
- Healthy Harvest of North Iowa has begun to talk more about their role in growing buyer capacity and is exploring development of a 2018 LFPP grant that could play an important role in this outreach. As noted under Goal 4, marketing takes a lot of time and attention and is about more than just a good logo and marketing materials. Healthy Harvest expertise on relationship building may be able to assist market development for North Iowa Fresh which circles back to benefit producers and increase access for consumers.