

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 – September 30, 2016
Authorized Representative Name:	Tracy Sides
Authorized Representative Phone:	612-202-2442
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Recipient Organization Name:	Urban Oasis
Project Title as Stated on Grant Agreement:	Urban Oasis: Building New Local Food Markets through Catering, Value-Added Products, and Processing
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	Current Number: 16-LFPP-MN-0001 Previous number: 15-LFPP-MN-0130
Year Grant was Awarded:	2015
Project City/State:	St. Paul, Minnesota
Total Awarded Budget:	\$99,078

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:** Build markets for small-scale local farmers from historically underserved groups by expanding Urban Oasis food businesses (catering and value-added products).
 - a. **Progress Made:** Both the catering and value-added product lines at Urban Oasis expanded during the grant year, with an average of 22% of total food purchases coming from historically underserved producers, primarily immigrant farmers from Hmong and Hispanic communities. Our primary farm partners were a farmer-run cooperative, Shared Ground Farmers’ Cooperative, with mostly Hispanic farmer-members; and two farmer training programs with incubator farms: Big River Farms (serving a diverse group of immigrant farmers), and the Hmong American Farmers Association.
 - b. **Impact on Community:** The market opportunities we offered historically underserved farmers through our catering business and the production of condiments were new for the farmers, most of whom had focused solely on direct-to-consumer marketing in the past. In addition to gaining a new market opportunity, they also gained valuable skills from learning how to work with a different type of buyer.
- ii. **Goal/Objective 2:** Maintain an average of 70% of locally-sourced food products for catering and value-added products.
 - a. **Progress Made:** The average percentage of locally-sourced food products for both business lines over the grant year was 56%, an increase from 50% for the base period. However, the first half of the year the average percent of locally-sourced products was 63.8%. Due to delays beyond our control in purchasing the new freezer, we were not able to purchase the volume of produce we were hoping to at the end of the 2015 growing season for storage over the winter. An additional factor in the second half of the grant year that impacted local purchases was the hiring of a new chef, who was not as familiar with the many local producers we had been working with and the details involved in sourcing from multiple small producers (rather than buying from a local distributor). There was a learning curve for him to get caught up with these sourcing practices, resulting in a lower rate of local purchases for a while. The new chef did source quite a bit from a locally-owned distributor that works with many local growers.
 - b. **Impact on Community:** By committing to sourcing as much food as possible from local sources, Urban Oasis contributed to a vital and growing local food system and a growing market demand for locally-produced products.
- iii. **Goal/Objective 3:** Increase sales for catering and value-added products by 250% by expanding consumer base served.
 - a. **Progress Made:** We were unable to reach our goal of more than doubling our total sales for catering and value-added products during the grant period. We did see small increases in both catering sales (19%) and sales of value-added products (15%) during the grant period, but were unable to reach the expanded

customer base we had hoped. A main factor limiting our ability to reach a broader customer base was our lack of sufficient staff time and funds to launch and maintain targeted marketing efforts for the business lines. Competition also played a large role in limiting the catering business expansion. Additionally, while we did secure a contract with the St. Paul Saints Baseball Stadium to increase our sales from one condiment cart to two, this did not result in the doubling of sales that we expected. The second cart had a much lower throughput of customers than the first cart due to its location (which was not close enough to food products that would require condiments) resulting in significantly lower overall sales of condiments from the second cart.

b. Impact on Community: Due in part to our low sales numbers and limited staff resources, Urban Oasis will not be continuing operation of our food businesses past the grant period. More detail about this decision can be found in the “Lessons Learned” section below. However, the fresh condiments were very well-received by customers (see comments in feedback section below) and we are currently seeking a new home for this product line, which we believe is a viable product that can meet customer demand and continue to provide a unique market opportunity for local producers.

iv. Goal/Objective 4: Create new markets for local farmers by launching additional value-added product lines such as soups and shelf-stable condiments which make use of farmer “seconds.”

a. Progress Made: We were unable to meet the goal of launching two new product lines planned in the value-added business, for soups and shelf-stable condiments. We did conduct a number of important start-up activities during the first half of the grant period to lay the groundwork for these products, but met with various obstacles that ultimately prevented us from launching them. For the soups, we completed recipe development and taste-tested three new soups at a community-wide “Food Fest” in the fall of 2015 to very positive feedback. In February 2016 we hosted a pop-up meal event called “Soup’s On,” where we invited community members to try out five new soup recipes. The event was extremely successful, selling 57 servings of a 5-soup “flight”, and more than 36 quarts of soup for attendees to take home. We initiated the process of obtaining city approval for licensing a retail sales space in our commercial kitchen, where we planned to have the soups for sale, but did not end up getting the license due to the complications of it being a shared kitchen space that we did not own, as well as construction requirements. For the shelf-stable condiment line, we conducted initial research into logistics, such as the type of packaging we would need to use, and identified a nearby co-packer in Wisconsin called Snappy Valley which could adapt recipes to scale and provide packaging and shipping services. However, the requirements for up-front financial investment and staff time to implement a business plan and conduct marketing activities for these products were ultimately determined not to be feasible for our team.

b. Impact on Community: As mentioned above, we were able to host two successful community events at which we shared three new soups, with a very positive reception. While we were unable to materialize our goals for these business lines, we did share the idea for the product with the broader

community, which could be developed by a more established food business with greater staff and financial resources.

- v. **Goal/Objective 5:** Build local supply chain infrastructure by offering training and equipment for flash-freezing and processing to small farmers to extend season for locally-grown produce.
 - a. **Progress Made:** The freezer was purchased for the commercial kitchen as planned, however the purchase was made by the lease-holder on the kitchen (our partner Latino Economic Development Center, or LEDC) as they had other funding to do so. While this purchase was beneficial to this project by allowing us to re-allocate a small amount of funds to other expenses (less than 20% of the budget), it also caused a delay, as the installation of the freezer did not happen until February 2016, rather than fall of 2015, as originally planned. The tenants of the kitchen received individual training in how to use the freezer, and LEDC also conducted trainings in canning techniques, as many producers had products that were more conducive to this method of preservation (more detail under LEDC's partner role below).
 - b. **Impact on Community:** The freezer will continue to be used by the small food businesses that share the commercial kitchen space, whose operations will continue past this grant and beyond the discontinuation of the Urban Oasis food businesses. While Urban Oasis had been acting as the kitchen manager, LEDC is the lease-holder, and they will take over kitchen management and continue to make the resources available to small farmers and food businesses in our community.
- vi. **Goal/Objective 6:** Use innovative strategies to reduce costs for local foods and increase consumer base in low-income communities.
 - a. **Progress Made:** One of our key strategies to achieve this objective was the use of a volunteer "Field & Kitchen Corps" which would assist with gleaning and processing produce for use in the new soups, to keep labor costs down for the products. The volunteer program was launched in the fall of 2015, policies and procedures were established, and groups of volunteers began helping. The gleaning component of the program did not happen as planned due to limitations on staff time. While the new product line targeted to low-income customers (soups) was not launched, volunteers did help process and prep foods in the kitchen which were then used in the catering and condiment businesses, contributing a total of 309 hours to the project.
 - b. **Impact on Community:** The volunteers that contributed to the Urban Oasis food lines gained valuable experience in how to process and prepare fresh, local ingredients for use in a variety of meals for the catering business, as well as the fresh condiments. These kitchen skills will be helpful to them in preparing food for their own families, or possibly pursuing careers in the local food business in the future. They also gained valuable insights into the behind-the-scenes workings of the local food system, learning about the logistics of local sourcing, how to store fresh produce, and the creation of food products for sale. Their exposure to the Urban Oasis values of local, sustainable sourcing, and priority purchasing from historically underserved producers, will influence their purchasing habits in the future and likely lead to increased local food purchases in the community.

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:** 1 full-time equivalent (prep cook and sous chef)
- ii. **Number of jobs retained:** 1.5 full-time equivalents (head chef, executive director and evaluation consultant) retained during the grant period
- iii. **Number of indirect jobs created:** 13.25 (total farmers reached divided by 4)
- iv. **Number of markets expanded:** 2 - The increased sales for the catering and condiment lines expanded markets for local producers to sell their product to.
- v. **Number of new markets established:** 0 – new markets intended for soups and shelf-stable condiments did not materialize.
- vi. **Market sales for catering increased by \$256.00/month, an increase of nearly 20%:** These figures are based on monthly averages comparing the 9-month base period (average monthly sales of \$1,353.32/month) to the 12-month grant period (average of \$1,609.32). We used monthly averages as there was quite a bit of seasonal variance during the base period, which ran from January-September 2015. The business was launched during this timeframe and therefore included all available sales data prior to the grant period, which we are measuring from October 1, 2015 – September 30, 2016.
- vii. **Market sales for value-added products increased \$706.19, almost 15%:** Sales of fresh condiments to the St. Paul Saints baseball stadium: 2016 Sales = \$5,860.67; 2015 = \$5,154.48.
- viii. **Number of farmers/producers that have benefited from the project:** 60
 - a. **Percent Increase:** 5.6% (from baseline of 50.1% to 56% average local purchases during grant year). Seven farmers received 1:1 technical assistance (TA) from LEDC. Those producers were not included in the percent increase above, but could be considered a 100% increase as no TA was provided prior to this grant.

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?**

A few new businesses utilized the catering services during the grant period, but other than that we were not able to expand our customer base by reaching new populations. Our limited staff capacity did not allow us to include a dedicated sales & marketing position in the budget, and as a result we did not have the staff time to engage in the kind of regular marketing activities that would establish new customer bases. Since we were unable to launch the affordable soup line as planned, we also were not able to reach the intended low income/low access populations.

4. **Discuss your community partnerships.**

- i. **Who are your community partners?** Latino Economic Development Center (LEDC), Shared Ground Farmers' Cooperative, HealthEast Care System
- ii. **How have they contributed to the results you achieved?** LEDC has been our most important partner, as they hold the lease on the commercial kitchen and purchased the flash freezer. Shared Ground was one of our local suppliers of produce last fall. HealthEast was one of our biggest clients for the catering business, testing out the breakfast and lunch menus for business meetings and providing feedback.

LEDC acted as a key partner on this project, completing the activities described below. LEDC is a small-business development organization that provides classroom training,

one-on-one business consulting and small business financing to local businesses with a priority given to Latino and other minority business owners.

1) LEDC provided assistance in reviewing plans of the Urban Oasis production and catering business that was established by Urban Oasis to operate from the Kitchen on the Bluff commercial kitchen on the East Side of St. Paul. LEDC Special Projects Director spent a total of 40 hours evaluating existing written plans that had been developed for the project, critiquing them, researching potential business expansion strategies and conducting a series of on-one-one meetings to explore possible strategies to expand the business and achieve market viability.

2) LEDC contracted with a trainer to provide a canning workshop to a group of seven Latino farmers in the late Fall of 2015 to provide them with the capacity to process and preserve fresh produce that they were producing on their farms. LEDC collaborated/sponsored a canning training for members of a Hmong farmers association to provide trainings in canning fresh produce on several occasions with more than 20 total participants. The products that were being prepared were more appropriate for preservation through canning than through flash freezing.

3) Three start-up small businesses were provided extensive consulting services to secure appropriate licenses and permits for operation, to identify and secure services of an appropriate co-packer to expand production needs, and to prepare a financing package to secure working capital. More than 30 hours of consulting time were provided to these businesses. LEDC staff also developed a curriculum for a series of business-planning workshops during the grant period, but the trainings themselves did not start until October 2016, just after the grant period ended.

- iii. **How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant?** LEDC holds the lease on the commercial kitchen used by Urban Oasis and they will continue to operate the kitchen as a shared space for start-up local food businesses and a location for educational activities for producers. They will also continue to offer trainings and workshops for producers, including a workshop series on business planning that was partly developed during the grant period and launched in October 2016.

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

Yes, we had a contractor serving as an Evaluation Consultant for this project, Allison Goin. Ms. Goin assisted the project team with establishing evaluation protocols for how data would be measured during the grant period, and has also provided guidance for implementation of the workplan. She gathered and analyzed the results from the project and completed the reports.

6. Have you publicized any results yet?* Yes.

- i. **If yes, how did you publicize the results?** We made a public announcement of the planned transition of the condiment business and discontinuation of Urban Oasis activities on October 7th via email, and will be publicizing it through social media channels over a 4-6 week period. Information will also be posted on the Urban Oasis website. Additional details about the specific results of the food business lines will also be shared via these same outlets.
- ii. **To whom did you publicize the results?** Donors, volunteers, community partners, customers, community members, participants in programming

iii. **How many stakeholders (i.e. people, entities) did you reach?** 1500+

***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

- i. **If so, how did you collect the information?** We tested the soup recipes by sharing the soups at two community events as mentioned above. Feedback was gathered from individuals that taste-tested the soups at the events, as were the amounts of each soup sold to see which recipes were most popular. We also gathered feedback through online surveys from catering clients, and recorded information from conversations with condiment consumers and the staff handling the condiment carts at the baseball stadium.
- ii. **What feedback have you collected thus far (specific comments)?** Feedback on soups was shared verbally and collected by staff; overall feedback was very positive - “nourishing,” “satisfying,” and “delicious” were the most common comments. The comments below were shared via online surveys or direct communication with staff about the condiments and catering services:

CATERING

- Tasty, healthy, locally-sourced food is a draw: “Urban Oasis Catering provided great food with healthy, local ingredients on short notice when another option fell through. Their staff was friendly and helpful.”
- Meeting numerous customer needs can be challenging (timing, ingredients, utensils): “While the food was delicious, there were several needs previously discussed between myself and [staff person] that went unmet on the day of the event.”

CONDIMENTS

- “CHS Field staff told our staff on three separate occasions that attendees have come to the St. Paul Saints’ information desk asking where they can buy the Urban Oasis condiments.”
- “So last night a business partner of mine and my son ventured out in the cold for the exhibition game at CHS field. There were many things that impressed us very much, I’m sure you’ve already been out to the field yourself so I don’t need to ramble on about all the great things they are doing right. The strange thing is, with all that was incredible about the new field, the one thing I keep thinking about was the insane condiments I had on my sausage. I loaded up my “Brett Favre” sausage with all 3 condiments your company had provided (ketchup, sweet relish, honey mustard) and what I experienced was nothing short of perfection. I apologize if I sound like I’m being a little overly complimentary, but I am a huge foodie and I have honestly never had such insanely incredible toppings in a restaurant let alone a ballpark.”
- The Head Chef at CHS Field has told us that the relish is the most popular condiment among consumers, but he especially likes to use the rhubarb-tomato ketchup in scratch dishes he makes for meals in the ballpark’s suites.

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?** Yes
 - a. **If yes, how much was generated and how was it used to further the objectives of the award?** Total income generated by the catering and condiment lines was \$25,172.50. All of this income was re-invested in the business, for expenses such as marketing, staffing, ingredient purchases, and recipe refinement.

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).**

Positive experiences from this project were:

- The use of volunteers in a commercial kitchen contributed to production efficiency through reduced labor costs, while providing community members an excellent opportunity for hands-on learning
- Fresh, locally-sourced condiments are a market segment that has not been filled by other businesses, and these specialty condiments were well-received by the customers who tried them. This is a unique product for the development of local food sourcing.
- There is a demand for fresh, locally-sourced, healthy soups, as we witnessed at the two community taste-testing events we hosted. This market opportunity could be filled by a more established food business with the appropriate marketing and development resources.

Negative Experiences from the project included:

- There was significant tension within the organization in determining how to distribute limited financial and staff resources between the development of the food business lines and the delivery of educational programming intended to serve the low-income community in which the organization was based. While up-front investments are needed to develop successful business lines, we also needed to make sure we were serving the surrounding community at the same time, and not just spending our resources on the businesses.
- Our mission of paying fair prices to local producers also created financial tensions, as this results in higher sourcing costs for a small business. Sourcing from multiple local producers also requires additional staff time to manage the communication and ordering with each producer, which adds to operational costs.
- We had external community perception issues on both fronts, as people had a hard time understanding our organization's multi-faceted mission and how the food businesses fit with community programming.

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

While some of the goals and outcome measures for this project were achieved during the grant period, the organization as a whole was unable to secure financial support to sustain both the developing food businesses and educational programming simultaneously. Building a financially sustainable food business requires significant up-

front investment before a reliable customer base is established, and this start-up time needs to be factored in to all new business plans. It is also crucial to dedicate resources to marketing, branding and outreach activities in order to build the necessary customer base, particularly for a completely new entity with no name recognition.

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:**

It is key to focus on one priority at a time and not attempt to launch too many distinct business lines or programs at the same time. Start-ups have inherent challenges and those challenges are multiplied when there is more than one business line (as well as community programming in this case). Any start-up business is inherently volatile, so it is extremely difficult to try to launch multiple business lines and community programming simultaneously. Using business profits to support community programming is an excellent idea, but in order for it to work, one or the other activity needs to be financially self-sustaining before the other activity is added. For instance, if a successful food business is established, they could add on cooking classes or other community programming supported by their profits; or if a community program is well-funded by private donors, they could add a local food business. Attempting to launch both simultaneously is not financially viable.

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.**

As a result of the financial and administrative challenges outlined above, the Urban Oasis board of directors made the decision to dissolve the nonprofit and transfer its successful activities to community partners.

- The shared commercial kitchen that Urban Oasis is managing will continue to be operated by our partner Latino Economic Development Center.
- The catering business will be discontinued as there is too much market competition and too little profit to justify transferring it.
- We are seeking an organization or business to take over the fresh condiment line, as there is continued interest from the St. Paul Saints baseball stadium to buy these products.
- Our Healthy Meals in a SNAP! food skills education program will be adopted by Dayton's Bluff Community Council and offered alongside other food skill and community building opportunities. In addition, another local organization, Urban Roots, will tailor the curriculum to their youth audience. The curriculum will also soon be available to the public on our website so that other community organizations can share the power of food with communities across Saint Paul and around the world.

Urban Oasis's activities over the past couple years brought people together to celebrate diverse food traditions in a low-income neighborhood, and used the power of food to cultivate community, health, and prosperity. Urban Oasis drew positive attention to the

role of food in revitalizing the neighborhood, and engaged many people in the food system who otherwise would not have had that opportunity. The lessons we learned while attempting to launch a local food business with multiple product lines *and* relevant educational programming for low-income community members will hopefully be helpful to others interested in carrying on components of this community food work.

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?

Realistic financial modelling for start-up local food businesses would be a useful area of additional research. Ideas and tools are needed for businesses interested in sourcing locally to address the challenges of higher food prices (especially if the business is interested in providing fair prices to local producers) and added operational costs resulting from the time needed to source from multiple small producers. Being able to use these sourcing practices without pricing your product so high that it is out of reach for most consumers continues to be an almost impossible puzzle for most food businesses wanting to source locally. These challenges need to be addressed on a broad scale in order for significant, lasting changes to occur in local food systems.