

## 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](mailto: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.

<b>Report Date Range:</b> <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 30 2015 – September 30 2017
<b>Authorized Representative Name:</b>	Shawn Menard
<b>Authorized Representative Phone:</b>	207-629-3663
<b>Authorized Representative Email:</b>	<a href="mailto:info@gardinerfood.coop">info@gardinerfood.coop</a>
<b>Recipient Organization Name:</b>	Gardiner Food Co-op
<b>Project Title as Stated on Grant Agreement:</b>	Cooling It: A modernized and customized refrigeration system as the focal point for increasing sales of local foods at the Gardiner Food Co-op
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPME0013
<b>Year Grant was Awarded:</b>	2015
<b>Project City/State:</b>	Gardiner, Maine
<b>Total Awarded Budget:</b>	\$53,955

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.

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: Upgrade refrigeration to create attractive showcase for local foods**

- a. Progress Made: We acquired new refrigeration equipment to enhance the quality of merchandising in our storefront. The following Hill Phoenix equipment was purchased using grant funding: 12-foot produce case, 5-door dairy cooler, and 5-door freezer. This new equipment replaced existing equipment that we had used from our opening day on May 31<sup>st</sup> 2015 to November 12<sup>th</sup> 2016 when the upgrade took place. Our original equipment was mismatched, inefficient, and came from multiple sources either by donation or at a low cost. Each original piece of equipment had its own internal condensing unit to run the refrigeration. The aggregate amount of equipment running within the building created a high amount of noise and also produced a lot of heat as a byproduct. This heat created a positive feedback loop that increased the temperature of our building, causing the equipment to run harder to stay cool, which then generated more heat as a byproduct, and so forth. After the upgrade, the new equipment was much quieter and refrigeration was run by external condensing units placed on the back of our building. This eliminated the positive feedback loop mentioned above, thus saving us electricity costs. The new units are matching and look sleek and modern in our newly renovated storefront. The specific coolers were chosen for a number of reasons. The black interior of each allows our products to visually pop in the cases, which are very well lit. We found studies showing higher sales out of coolers with black interiors than of those with white interiors. The size of the coolers was chosen based on existing number of doors and length of our original cases. We were able to choose coolers that were slightly longer to completely fill the amount of available space. Our storefront also has very high ceilings so the units we selected were taller than the original coolers. Overall the total retail space for products in the refrigerated and frozen categories increased by about 30% due to the upgrade in equipment. The original coolers produced a lot of noise pollution, which detracted from the ambiance of our storefront. We have a seating area for customers to enjoy coffee, soup, or sandwiches and our goal was to decrease the amount of noise in the store. The Hill Phoenix brand of coolers is well known for producing quiet, energy efficient coolers so we were very drawn to all models from this brand. This brand was suggested to us by UNFI Store Design, which helped us pick out the equipment based on our needs. The freezer and dairy cooler included electronic defrost mechanisms which allow the coolers to maintain efficiency over a long period of time. The produce cooler included a water hookup that allows us to spray certain produce items to avoid spoilage and maintain freshness. All of the features and specifications were deliberately chosen to upgrade our ability to sell high quality products from our locally owned small business.

- b. Impact on Community: We feel like this upgrade allowed us to make a significant step forward as an attractive and successful business in a resurging

Maine downtown. The upgrade not only allowed us to improve the ambiance of our storefront, but it also allowed us to increase our product selection and visual attractiveness of products and displays. It is important for the Co-op to be an outstanding business in a downtown that is in need of continued economic development. Downtown Gardiner has seen multiple new businesses open in the past few years, including the Co-op. We feel that each business must do its absolute best at attracting new customers and getting them to return. The whole street needs to be a success for each individual business to succeed. The LFPP grant has allowed the Co-op to ensure a steady stream of customers seven days a week. This means more people are visiting our downtown every day!

ii. **Goal/Objective 2: Increase aggregate local supply and improve match of offer and demand**

a. Progress Made: Perishable food categories are among the most challenging to match supply and demand. During any given week the demand of locally sourced raw milk, for example, will vary in often unpredictable ways. The sell-by date on raw milk is one week from the day it is delivered. This means that with a varying demand, a consistent supply will result in either spoilage or loss of sales from an out of stock product. When we upgraded our equipment, we found it easier to match supply and demand. Our display cases were bigger and more attractive. This meant that we could fit more selection and make each product more visible to the customer. Over the winter of 2016-2017 we met with several local producers individually to discuss how to maximize the use of the new cases. We were able to plan specific types of volumes of produce that different farmers would grown for us. Since we knew that our display space increased by about 30%, we knew we could fit a better variety and volume of local produce in the cooler. We also knew that the ability of the produce cooler to maintain a consistent temperature (the old one was not able to) as well as the misting feature would keep produce fresh for longer. This gave us more confidence in placing large produce orders from local farmers.

b. Impact on Community: As the weeks after the upgrade went on, we found that sales out of the coolers became more consistent because the coolers themselves led to a more positive shopping experience for customers. We then began to see more customers coming back for the same products every week. Now we are at a point where we have attracted many more customers than we had prior to the upgrade, and these customers keep coming back. Our community now has a location that purchases an increasingly steady amount of local food for an increasing demand. This would not have been possible with the equipment we previously had on site. We have been able to increase the number of local producers we purchase from and increase the number of products and volume we purchase from each vendor. As a result of an increased customer count, many other product categories have seen a similar expansion of vendors, variety, and volume. Baked goods, bulk foods, wellness, and dry grocery categories have all been positively affected by the refrigeration upgrade. Local vendors from all product categories have been happy to be a part of our growing success.

iii. **Goal/Objective 3: Create replicable model for retail co-op support of local producers**

a. Progress Made: After two and a half years of business, we feel like we have built a sustainable system to keep the business growing for years to come. Many

improvements and adjustments have been made since we opened, but the biggest improvement remains the upgrade of refrigeration equipment. This was the single most critical change we made that allowed us to expand our business opportunities. The Co-op demonstrated the importance of investing in high quality equipment to the success of retail food co-ops. When we opened, we felt limited due to our equipment. After upgrading, our ceiling was instantly raised. Along with the equipment upgrade came several other improvements to the way we marketed local products. We created large signs to showcase our primary farmers that hang above the new coolers. Each sign has a photo of the farmers, name of the farmer, and town the farm is located in. We feel that it is important to connect customers directly to the people who produce their food. Due to the popularity of these signs, we also created small local tags to highlight local products throughout the store. Some of these marketing materials were purchased using grant funds and allowed us to bring even more attention to the increasing supply of local products in our store. We felt it was critical to have marketing materials that helped us showcase local products produced by members of our own community. Our improvement to equipment and resulting increase in sales and vendor purchases prove that any co-op can and should overcome the challenges of its own equipment, space, or infrastructure.

b. Impact on Community: The improvements and subsequent increase in product selection also allowed the Co-op to work towards its mission of having something to offer for everyone, regardless of socioeconomic background. We feel strongly that every food co-op should tailor its product selection to the community in which it resides. Gardiner has a fair amount of middle to high income families. Unfortunately, the town has a much higher percentage of low income families. Our cooler expansion allowed us to introduce low cost alternatives to several common products including milk, yogurt, and eggs. This expansion also coincided with the introduction of the Maine Harvest Bucks Program. This program is sponsored by the Maine Farmland Trust and provides incentives for SNAP/EBT users to purchase for local perishable food products. The cumulative result has been the ability of the Co-op to attract and sustain more low-income customers. We are very happy to succeed at our mission of truly being “open to everyone.”

**iv. Goal/Objective 4: Pay it forward to other Co-ops**

a. Progress Made: The first phase of our equipment upgrade involved removing our existing equipment from the space. This process involved temporarily deconstructing our front door frame to easily allow old equipment out and new equipment in. A small group of individuals from the County Co-op and Farm Store in Houlton, Maine came to our site to pick up our old equipment to then install at their location. The equipment included a 2-door freezer, 3-door freezer, and 3-door dairy cooler. This process was planned on and included in our original grant proposal. It took very persistent coordination between the new cooler supplier, members of the Houlton Co-op, volunteers from the Gardiner community, cooler installation crew, and our building owner to make sure the changeover happened smoothly. Our timeline was very tight and each party involved was aware of their role two months before the changeover took place. It took a high attention to all details of the project and we cannot stress the importance of keeping all involved parties constantly updated to ensure the

timeline did not change. If we were not able to plan this out as well as we did, we would have had to have been closed for two or more days of business. We only had to close for one full day due to the diligence and hard work of everyone involved. One thing we got lucky with was good weather. This changeover took place in mid-November. It is entirely possible to have snow or freezing rain in Maine that time of year. Fortunately, we had warm, clear weather that made the installation process easier. I would recommend future projects take into consideration seasonal weather patterns when planning a timeline for similar projects.

b. Impact on Community: The County Co-op and Farm Store previously only had a freezer and refrigerator that did not have glass doors and were designed more for home use than in a retail setting. We were happy to be able to pass along this equipment free of charge to another Maine Co-op in need of an upgrade. This upgrade allowed the County Co-op to increase its product selection and attractiveness, a similar process that we went through. One of our goals as a food co-op is to increase availability of local food to consumers. It is important for the co-op as a business to minimize its environmental impact. We felt that putting the old equipment in a landfill would not have been the best choice. Although the old equipment was not ideal for us, we knew each piece of equipment was still in good enough condition to be used elsewhere. Every piece of equipment took a lot of energy and resources to make and it is important to get the most use out of everything. As of the writing of this report, the County Co-op was able to install the donated equipment and has more than doubled their frozen and refrigerated offerings. For an extremely rural community this was a huge improvement to be able to offer members of their community another local hub for retail food sales. This goal extends outside of our own immediate community and throughout all other communities in Maine. We feel that this project allowed us to have a significant positive impact in another Maine community, as well as our own.

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
  - ii. Number of jobs retained: 4 full-time equivalents
  - iii. Number of indirect jobs created: 5 (approx.) – We believe our increase in sales volume from local vendors has helped allow many of them hire more staff. Other factors surely contributed for each vendor, but we strongly feel our Co-op has made an impact on staffing.
  - iv. Number of markets expanded: 2, Gardiner Food Co-op and also The County Co-op and Farm Store in Houlton
  - v. Number of new markets established: 0
  - vi. Market sales increased by \$64,761 and increased by 13.7% annually.
  - vii. Number of farmers/producers that have benefited from the project: 30-40
    - a. Percent Increase: 20%

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? Yes. As mentioned above, we were able to increase our product selection which gave us the opportunity to increase the number of low-cost/affordable products. This was important for us to be able to serve more low-income customers because there are a high percentage of low-income families and families that depend on the use of SNAP. As of the writing of this report, we are still introducing more low-cost products every week into our refrigerated display cases. We are also planning on introducing more ethnic food options throughout the store during the winter between December 2017 and March 2018. This will include a series of free classes intended to teach our customer how to easily prepare a number of ethnic food options using affordable foods for sale on our shelves.
  
4. Discuss your community partnerships.
  - i. Who are your community partners? Healthy Communities of the Capital Area (HCCA), the Maine Farmland Trust (MFT), and Gardiner Main Street (GMS).
  - ii. How have they contributed to the overall results of the LFPP project?
    - a. HCCA has been integral in our quest to attract more low-income customers. The organization deals with a lot of low-income families in our community including those using SNAP and other similar programs. HCCA has also helped us generate a series of classes to offer this winter to educate customers on affordable shopping and ethnic cuisine.
    - b. MFT sponsors the Maine Harvest Bucks program mentioned above. This organization helped us advertise and attract new customers for local products. Their ability to connect us with the right people and materials have allowed this project to be a success. We felt that their knowledge of the Maine food and agriculture market gave us a better understanding of our own community and its needs.
    - c. GMS is a non-profit community economic development organization with an office just down the street from our storefront. The organization has been an overall catalyst for our success and the success on the entire downtown.
  - iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? All of the above-mentioned organizations will continue to help us in the areas defined above. Our existing relationships are strong and we feel as though we still have a lot to gain from each organization. As a small business that is still fairly new, we will rely on each one to help us market ourselves as a local food hub.
  
5. Did you use contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project? We hired a contractor to perform the installation of equipment acquired through the LFPP grant. Damon Mechanical from Auburn, Maine was hired to complete the full scope of work needed. This contractual work was paid for using the Co-op own resources, not grant funding.
  
6. Have you publicized any results yet? Yes
  - i. If yes, how did you publicize the results? Facebook, E-mail Subscribers/Newsletter, Website
  - ii. To whom did you publicize the results? The project and resulting impacts have been publicly announced through a number of social media posts and through our email list.

- iii. How many stakeholders (i.e. people, entities) did you reach? An estimated 4,500 to date have seen the results of the project through various social media, e-mail, and website clicks.
- 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 have collected a lot of informal verbal feedback from customers and vendors since the new equipment was installed. The results are unanimous that the equipment is an incredible upgrade for the Co-op at an early stage of business. People have been very satisfied with our continued expansion of product selection and quality due to the equipment upgrade. We also conducted an electronic survey late in the summer of 2017. Customers indicated that produce, dairy, and meat were among the most popular product categories that keep them coming back to the Co-op. These were all categories that were directly impacted in a positive way by the upgrade.
  - ii. What feedback was relayed (specific comments)? These are great examples of the type of feedback we received.
    - a. "I'll be doing 90% of my shopping here from here on out." – A SNAP/EBT customer after their first visit to the Co-op with new equipment.
    - b. "We are so happy the Co-op got new coolers. Their selection was good before, but now we can do most of our shopping at the Co-op. We love to support local vendors but we can't always make it to the farmer's market. It is nice to know the Co-op is there seven days a week." Co-op members a few months after the upgrade.
- 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? This project has helped us generate more income (sales). As mentioned above, our sales within the categories directly affected (frozen, dairy, meat, produce) went up as well as categories that were indirectly affected by a great volume of customers coming in for refrigerated product categories. As a new, small food co-op we rely on a continuous increase in sales to remain a viable business. The project has certainly helped our sustainability and has put us in a strong position to succeed in the future.
- 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).
    - a. A good idea was having periodic conference calls with our grant administrator throughout the process. I found it helpful to have check-ins to be able to keep our project on track. I think the conference call setting was a bit distracting to have so many other people on a conversation. It might be nice to have

scheduled one-on-one calls throughout the project timeline to answer specific questions.

- b. A negative experience we had was in finding a contractor to help complete the installation. We had a contractor that had expressed a verbal agreement in handling this project early on that eventually dropped out just a few months before we were trying to have the project take place. I would suggest for any future projects that need a contractor to require one quote of the services to be performed within 90 days of receiving the grant award. Our organization did not request a formal quote and had to delay our project as a result. Although grant funding was not used for contractual work, the work was necessary to complete the project.
- ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving: There were not any goals from this project that were not achieved.
- 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: We experienced a transition in General Manager upon receiving the grant award in 2015. This made it difficult for the new GM to learn all aspects of the grant project and take it over while also learning all other components of the GM position. The GM is the grant project coordinator for the LFPP project. Inevitably it is hard to say when people will move on from a position but it may be of value for future projects to have a project coordinator and an assistant coordinator. This would make a smoother transition if the coordinator of any future projects moves on the way that we experienced.

#### 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.
  - a. We plan on continuing to increase our annual sales and offer more products, educational programs, and support our community in as many ways as possible. The upgrade in refrigeration from the LFPP project has given us a solid platform to be able to move forward as a sustainable business for years to come. This upgrade was a significant step forward, but not the last step. We still have a lot of work to do to increase our purchasing from local vendors and distribution to customers in our community.
  - b. We plan on offering more workshops and classes in our storefront to educate our customers on how to use products found in our store. A strong focus will also be placed on affordable shopping. This will include an expansion of our bulk food options and introduction of more low-cost products for the most popular types of products throughout the store.
  - c. Another goal of ours will be to strengthen relationships with our local vendors. Having local vendors come in to do regular demos or samples of their products will be a key part of connecting our customers to the people that produce their food. We have created large signs to hang over the coolers showing various farmers and producers. So far, this has been a very popular marketing strategy

with our customers. People like to be able to put a face to the producer of products they are buying. In addition to demo events and signage, we will continue efforts to link our social media posts directly to vendors' pages. In a world of increasing technology, we are keeping social media and other developing technologies in mind when we create marketing strategies. There are many simple ways to communicate with customers using technology and we try and engage in as many techniques as reasonably possible.

d. All of the above-mentioned strategies will help our downtown become more vibrant and successful overall. The greater Gardiner community is falling in love with the developing downtown and we are extremely excited to be a contributing part of the success. We try the best we can to be a happy and positive destination for a community that feels so closely connected to one another. This is important for us in a world that often feels divided.

- 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? Our future activities and next steps are as follows:
  - a. Develop an every day low price program to highlight low-cost or affordable products throughout the store
  - b. Continue to develop a consistent schedule of events, workshops, and demos to provide more opportunities for engaging customer interactions
  - c. Upgrade bins and shelving in our bulk foods section to match the modern look of our store that the refrigeration equipment has helped us create
  - d. Create a senior citizen discount program to continue to increase the number of customers that are able to shop at the Co-op
  - e. All of the above improvements together will help us achieve future sales growth to be able to provide more jobs in our community and enhance a growing local food economy!