

## 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>	September 30, 2015 – September 29, 2017
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<b>Recipient Organization Name:</b>	Eastern Market Corporation
<b>Project Title as Stated on Grant Agreement:</b>	Grow Eastern Market, Inc. Launch
<b>Grant Agreement Number:</b>	15-LFPPMI-0002
<b>Year Grant was Awarded:</b>	2015
<b>Project City/State:</b>	Detroit
<b>Total Awarded Budget:</b>	\$93,783

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: Christine Quane; Email: [cquane@easternmarket.com](mailto:cquane@easternmarket.com); Phone: 313-833-9300 x115

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1. **Goals /Objectives** 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: Increase competitiveness of Eastern Market growers.**

a. Progress Made: Grow Eastern Market (GEM) increases the competitiveness of Eastern Market growers by connecting them to wholesale buyers and providing on farm pick-up and delivery to purchasers. These are vital services, particularly for small and incubator farms that often do not have the resources or capacity to do their own wholesale marketing and food safe transportation. Farms like LandLoom, Nightshade, Radical Roots, Dancing Meadow, Seeley Farm, Stone Coop, Growing Hope, Old City Acres, Sow Fresh, and Zilke Vegetable Farm would not have been able to enter wholesale markets without GEM.

GEM launched in 2016, and ended its first year with total sales of \$24,640.88. Sales for the 2017 season, which ended on November 30<sup>th</sup>, totaled \$36,795. While Year 1 sales were lower than we expected, the 42% growth from Year 1 to Year 2 is consistent with results of other food hubs. GEM’s biggest impact was in the development of relationships between GEM growers and a wholesale customer base. In GEM’s second season, our farmer base grew by 8 farms and our buying base by 3 buyers.

In May of 2017, GEM hired Caroline Michniak as the GEM Program Manager. Caroline has helped GEM deepen its relationships with both growers and buyers, and strengthen the connections between them.

Caroline has improved the competitiveness of our growers by performing weekly assessments of current needs with each one of GEM’s buyers, reviewing current menus, planning for upcoming special events, and anticipating their future needs. She is in constant contact with GEM growers; advising them as to culinary trends, giving them feedback on pricing, and showcasing their products in weekly emailed newsletter/inventory updates.

b. Impact on Community: Growing the next generation of wholesale farmer is one of the primary goals of the GEM program. GEM has become a valuable resource to help accelerate the growth of emerging growers. Many of GEM growers are beginning famers, 34% have been farming for less than 5 years; 51% of GEM growers are women, and/or minority farmers; and 49% are under the age of 50.

The table on the following page contains a variety of demographics for each of the GEM growers:

**GROW EASTERN MARKET Vendor Summary**

	Total Sales 2017 Season	Women Owned or Co-Owned	Minority Owned / Disabled / Veteran	Urban Detroit Farm	Incubator Farm	Farming < 5 years	Under the age of 50	Co-op	Organic Method s or Cert. Organic	GAP Training
Artesian Farms	\$541.14			1		1			1	
Bielat Farms	\$31.50									
Blakes Orchard	\$240.00									
Butchy Odrobina	\$47.00	1								
Campbells Local Harvest	\$1,783.41	1					1			
Chef's Way	\$200.00						1		1	
Cornelius Williams	\$368.00		1							
Dancing Meadows Homestead LLC	\$908.72	1				1			1	
Doug Keith, Three Roods Farm	\$20.00					1	1		1	
Eat Ideas Farm	\$18.75						1			
Robin Hill Farm	\$1,122.50	1	1		1	1	1		1	1
Farmers On the Move	\$518.50		1				1	1		
Fluffy Bottom	\$511.25	1								
Fusilier Family Farms	\$8,154.67	1								
Gaier	\$32.00	1								
Gavin Orchards	\$486.00									
Give and Grow Mushrooms	\$544.00		1	1		1				
Grazing Fields	\$3,383.84	1			1			1		
Growing Hope	\$24.50	1					1			
Hope, Love, Faith Productions	\$11	1	1	1		1	1		1	
Iott Ranch & Orchard	\$66.00	1								1
K's Acres	\$115.00		1							
Kidd Farms	\$124.00		1		1	1			1	
Landloom Farm	\$110.95	1			1	1	1		1	
Martin Famly Farm	\$88.00								1	
Nightshade Farm	\$344.00	1			1	1	1		1	
Norm Holtz Farm	\$866.69									
Old City Acres	\$139.25	1	1				1		1	
Patrick Rickert	\$88.00						1			
Radicle Roots Community Farm	\$318.50	1			1		1			
Rudich Farm	\$23.00									
Seeley Farm	\$18.00	1					1			
Sharkar Farms	\$3,069.30	1					1			1
Sow Fresh Farm	\$1086						1			
Steve Godo	\$531.00						1			
Stone Coop Farm	\$5,409.02	1				1	1		1	
Zilke Vegetable Farm	\$5,451.50	1							1	1
<b>TOTAL</b>	<b>\$36,794.99</b>	<b>19</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>12</b>	<b>18</b>	<b>2</b>	<b>14</b>	<b>4</b>
% of farmers		<b>51%</b>	<b>21%</b>	<b>8%</b>	<b>16%</b>	<b>34%</b>	<b>49%</b>	<b>5%</b>	<b>38%</b>	<b>11%</b>

Growing the next generation of wholesale farmers is one of the primary focuses of the GEM program. GEM has garnered strong support from the community of start-up growers, as indicated by the following testimonials:

*“Grow Eastern Market has been a wonderful partner to work with the last 2 seasons. We are a small farm, with limited staff and do not have the ability to drive to Detroit to deliver our produce. Grow Eastern has helped us expand our markets and increase our sales. Their efficient manner of offering our products and sending us orders, has made them one of our easiest wholesale accounts. I also love seeing our products and our name on their weekly email. They pay quickly, typically less than a week, so I don't have to worry about follow ups for outstanding invoices. Caroline and her staff are fantastic and we value this relationship!” -Joannée DeBruhl, Stone Coop Farm*

*“I have only been a part of GEM for a short amount of time, but it has opened up to me another market stream to sell my produce. These types of programs allow farmers to concentrate on just farming. It allows small producers like myself the ability to sell a quality product, at a quality price, to quality restaurants without driving from place to place trying to hock our wares for the lowest price possible.” -Alexander Ball, Old City Acres*

*“We at Dancing Meadows Homestead, LLC are just finishing our third growing season. We have forty acres and are producing naturally grown vegetables. We started working with GEM last season and have found a real partner and mentor. This program allows small beginning farms like ours to experience retail sales and learn volume requirements. The sales force and distribution channels they provide save my company man hours and provide expertise that we do not have. We really appreciate the relationship we have with GEMS and Eastern Market.” - Melodee Beals, Dancing Meadows Farm.*

**ii. Goal/Objective 2: Strengthen the Wholesale Market, building on years of cumulative market and farm knowledge; and leverage previous investments to increase the number of growers that wish to sell through the current market channels available at the Wholesale Market and to have access to participate in GEM.**

a. Progress Made: One of the more exciting outcomes of GEM’s 2016 pilot was our decision to be more deliberate in providing wholesale readiness training to prepare the next generation of growers to sell at Eastern Market’s Wholesale Market in 2017.

GEM met with several tier 2 wholesale produce distributors that are located within the Eastern Market District, who purchase produce from the current growers at the Wholesale Market, to learn more about their current needs and concerns. The consensus across the board was that there are not enough food safety-certified, Michigan-based wholesale growers in their supply chains to meet their current demand for local produce.

As part of GEM’s day to day interactions with wholesale growers last season, we provided a significant amount of direction and training to ensure proper order fulfillment; on an informal, as needed basis. It was clear mid-season that most GEM growers were struggling with some food safety, cold chain compliance, and packaging practices. It also became clear that GEM growers knew very little about selling at Eastern Market’s Wholesale Market, and felt intimidated and/or excluded from participating.

We were not successful in attracting GEM growers to participate in the Eastern Market’s Wholesale Market, which is daunting for a new grower for a number of reasons. New growers often face logistical

problems getting to the market, challenges with the hours of operation of the night market, staffing, packaging produce to existing standards, and growing at production levels that justify participating in the Wholesale Market.

We initially planned to address these barriers, by staffing a stall one day a week to sell at the wholesale market on behalf of GEM growers. In addition, we sought to rotate one GEM grower in per week to staff their own table and sell direct with no stall rental fee.

We thought that by providing an opportunity with low-risk exposure and increased potential sales, growers would begin to form buyer relationships on their own. Unfortunately, funding was not obtained to enable GEM staff to support this bridge to the wholesale market during 2017 season as originally planned.

Despite this setback, we were able to work with wholesale growers one-on-one to identify barriers to wholesale market participation; provide a different sales channel to help them increase sales; and help emerging new growers increase their scale to be able to participate in EMC's Wholesale Markets in future seasons.

b. Impact on Community: GEM made significant gains with local restaurants, small grocery, independent chefs, and food business entrepreneurs this year. A solid base of 25 buyers now regularly count on GEM as a resource and place orders on a weekly basis. We provide food businesses with fresh, local produce. We provide seasonally available staples, as well as custom-sourced produce that is specific to the needs of the purchaser (i.e. specialty peppers, eggplant, organic, vegetarian, Michigan-grown fruits, etc.).

GEM growers made significant gains in their understanding of how to serve wholesale accounts. They made many adaptations to their packaging, post-harvest handling procedures, and food safety procedures due to the direct guidance of GEM staff.

### **iii. Goal/Objective 3: Complete the system of integrated production and value-added food processing at a regional scale.**

a. Progress Made: The CED HFFI grant that Eastern Market was awarded in September 2016 allowed Michigan Frozen Food to expand from Northern Michigan to the Eastern Market District in 2017. The operation produces a line of frozen Michigan produce branded Michigan Farm to Freezer, and is expanding distribution quickly in southeast Michigan. GEM collaborates with the procurement staff at Michigan Farm to Freezer to be a supplier of certain products.

This market requires a different pricing strategy than selling to our core wholesale customers, but adds an important market for produce of lesser grades that are not as cosmetically ideal to sell into GEM's traditional wholesale accounts.

GEM and Michigan Farm to Freezer are able to offer locally grown product past the harvest season; creating opportunities for nearly year-round access to locally grown crops. This facility came on line near the end of the 2017 season, but to date over 500 pounds of frozen organic rutabaga, 300 pounds of frozen sweet potatoes, and over 800 pounds of frozen squash have entered the Quick Frozen (IQF) frozen produce market chain for distribution to both farm to table restaurants as well as larger institutional buyers seeking to increase local content in meals.

FEAST (Food Entrepreneurial Accelerator Start Up Terminal), a new co-owned, co-manufacturing business was launched October 19th, 2017. FEAST is collaboration between Eastern Market, and three Michigan value-added producers. EMC owns the FEAST property and leases the building to the joint venture created by the three value-added food businesses. In addition to producing products for the

three businesses, FEAST will offer small batch co-manufacturing services to other southeast Michigan food entrepreneurs.

Once production is running smoothly, the focus will be on procurement of local ingredients for products produced in the facility. GEM is positioned to be an anchor supplier. GEM will be securing production quantities for several tomato varieties, herbs, and pickling cucumbers on behalf of Marcia's Munchies, a pickled vegetable company and co-owner of FEAST and Scotty O'Hotty, a hot sauce producer and co-owner of FEAST.

Finally, GEM will continue to work with Eastern Market's Detroit Kitchen Connect (DKC) program to provide entrepreneurs in DKC incubator kitchen space access to GEM produce.

b. Impact on Community: GEM impacts the community from both the consumer- and the producer-end. Several value-added producers, as part of their mission of being a local producer, are looking to source from local growers. We continue to work with these buyers through other EMC programs such as Detroit Kitchen Connect and FEAST, to help them source local produce. This results in an increased amount of localized finished good product for the end use consumer to consume and enjoy. Presently, more experienced producers grow predominantly for what they can sell at direct markets or for their established wholesale markets. More work and coordination is planned in early 2018 to provide pre-ordering opportunities and prepare farms to grow specific crops for this market pre-season.

**iv. Goal/Objective 4: Integrate small urban producers, minority and disadvantaged producers into a cooperative with substantial production capacity.**

a. Progress Made: GEM has engaged with 16 farms that are women-owned or co-owned, 7 that are minority/disabled or veteran-owned, 3 that are located within the City of Detroit, 6 that are incubator farms or growers, 12 that have been farming for less than 5 years, and 15 that are under the age of 50. With the glaring need to prepare new growers to take over for current farmers who are at or past retirement, GEM uses age as a metric related to efforts to encourage newer or younger farmers to continue to grow and expand local food production to ensure a healthy farm culture and regional food sources for Michigan's future.

GEM's Program Manager and Director visited participating farms and talked with owners/managers about their products, growing practices, and specialties, as well as what products they would have available for sale during the season. GEM staff also answered questions about the GEM program and expectations for participants. We helped them learn more about food safety, how to increase sales, how the GEM program worked, and how they would get paid. The Program Manager took photos of each farm and owner for e-newsletters and web features promoting the farms and their products.

EMC, in collaboration with Keep Growing Detroit (KGD)—an urban agriculture nonprofit that supports beginning urban growers in the city of Detroit—agreed that GEM would only work with urban growers who are not affiliated with their program, yet who have an established strong presence in Detroit. This agreement poses a challenge, as these unaffiliated urban farmers often face more capacity-related issues as individual growers than those whose production is aggregated by KGD. However, as urban farmers continue to grow and expand their operations, GEM will be a ready market channel for them.

Until GEM grows to a certain sales level, it will not be in the best interest of our growers to form a cooperative. Many beginning farmers are struggling to launch their own farm businesses, and are reluctant to co-manage one another.

b. Impact on Community: The impact on this community has been access to new markets, reduced risk in 2017 season planning, and exposure to a sales channel that was previously not available to them. GEM helped to build the capacity of participating growers by providing training, delivery, and

relationship building opportunities with chefs. We provided growers with important feedback as to crop interest and quality standards that they will be able to build on going forward.

Strong farms are viable farms for long-term investment in both infrastructure improvements and additional dedicated farm labor. While no urban, minority and/or disadvantaged farms hired additional members of their communities to handle GEM business in 2016, several farms are planning to add dedicated resources and staff in the next 1-3 years.

**v. Goal/Objective 5: Achieve financial self-sufficiency by increasing sales through the cooperative and earning commissions on those sales to eventually cover the cost of staff and marketing.**

a. Progress Made: While GEM is not yet financially self-sufficient, it is rapidly moving toward doubling or tripling its first year's sales by 2018 and seeing 200-300% growth in each subsequent year. Financial self-sufficiency takes time due to the intricacies of relationship building between businesses and their vendors and customers. GEM had planned on adding an additional delivery day in 2017, as well as doing sales at the Eastern Market Wholesale Market once a week, however as previously mentioned, additional funding was not available.

We addressed the critical need for dedicated walk-in refrigeration by building a mobile cold storage unit. Last season, GEM borrowed shelf space from other Eastern Market Programs, which was inefficient and created inventory control issues. The new mobile cold storage solved these issues during the 2017 season and we had ZERO product loss.

We negotiated with the other Eastern Market programs and had access to an Eastern Market refrigerated truck two additional days a week for 2017, allowing greater flexibility for farm pick-ups and deliveries. In addition, EMC rented another cargo van to ease trucking issues in 2017.

We also made improvements to the ordering process; making it possible for buyers to place orders using their cell phones. Our GEM Program Manager created an online order form accessible via a standard web link that updates with our product list weekly. Not only has it made the front side of ordering more efficient, it has also streamlined the back end of ordering for GEM program staff.

b. Impact on Community: Since launching the program in 2016, the impact on our community has been significant. GEM has:

- Worked with over 37 growers to improve their wholesaling practices
- Increased week over week volumes sold to restaurants and retail grocery establishments
- Grown projected sales by 42% and maintained a trajectory of growth, broadening and expanding restaurant, grocery retail, and value-added processing markets for 2017
- Made continuous adjustments in staffing and logistics to reduce cost, create efficiencies, and improve customer service

**2. Quantified overall impact of the project on the intended beneficiaries**

- i. Number of direct jobs created: 3 (1 Program manager, 2 part-time staff)
- ii. Number of jobs retained: 3 (1 Program manager, 2 part-time staff)
- iii. Number of indirect jobs created: 0
- iv. Number of markets expanded: 4 (restaurant, value added producers, grocery retail, and institutional food service)
- v. Number of new markets established: 4 (restaurant, value added producers, grocery retail, and institutional food service)
- vi. Projected Market sales increased by \$12,154 (42%).
- vii. Number of farmers/producers that have benefited from the project:

a. Percent Increase: 30%

**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?**

New businesses are a big focus for GEM when it comes to expanding our customer base. We have been involved in the opening/reopening of the restaurant Gather Detroit. Pre-opening is a particularly good time for GEM to engage with new restaurants so that we can help advise them about the seasonality of Michigan produce as they plan their menus.

GEM also seeks out farmers with culturally-specific or cuisine-specific varieties. Providing more of a cultural range has been important to developing GEM's product list. This allows us to seek out buyers from cultural groups seeking these items. Partnering with EMC's Farm Stand program, allows us to reach the low income and low access populations that are served by Farm Stand.

**4. Discuss your community partnerships.**

**i. Who are your community partners?**

For a complete list of GEM farmers please refer to the table on page 3.

**Advisory Farmers:** The following producers are working with GEM to develop wholesale knowledge or sales but did not meet the deadline of September 30<sup>th</sup>, 2017.

- Abby's Acres
- Ann Arbor Seed Company
- Garden Fort
- Nature Nurture Seeds
- We the People Growers Association

**Institutional Partners**

- Center for Regional Food Systems, Michigan State University Collaboration
- Ecology Center, Ann Arbor Collaboration
- Michigan Farm to Institution Network Collaboration
- Michigan Food and Farming Systems (MIFFS) Collaboration
- Maureen Husek, Beaumont Hospital

**Restaurant Partners**

- Chris Franz, Rattlesnake Club: buying partner and collaborator
- Shawn Loving, Schoolcraft College Collaboration
- Joe Nader, Levy Restaurant Group Collaboration
- Dave Mancini, Supinos: buying partner
- Doug Hewitt, Chartreuse: buying partner
- Deveri Gifford, Brooklyn Street Local: buying partner
- Jessi Patuano, Gather: buying partner
- Andy Hollyday, Selden Standard: buying partner

### **Additional Advisory Partners**

- Jayesh Patel, Michigan State University Student Legal Team
- Phil Briton, Cherry Capital Foods (Food Safety)
- Vicki Zilke, Zilke Vegetable Farm (Group GAP training)

#### **i. How have they contributed to the overall results of the LFPP project?**

Advisory partners that engaged with GEM have provided insight into pricing, margin, distribution, packaging, and logistical routing. GEM restaurant partners have provided invaluable feedback as to how GEM can make ordering easier for them, the types and varieties of products they are interested in, and the days of the week they need delivery.

Institutional buyers continue to challenge us to improve food safety outreach and education in order to offer more GAP certified produce to those institutions that require it. Our Institutional partners have advised on their food safety requirements, as well as helped us reach new growers and new buyers.

Mr. Patel and his staff of law students have advised GEM on everything from legal structure to the organization, to providing standard operating procedures for product handling and grower contracts. Mr. Briton has conducted workshops and information sessions as to the statewide Group GAP initiatives.

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

As GEM continues to move forward, the program will need to refine and adapt based on partner feedback in the following areas:

- Payment delivery and timing
- Delivery nodes and logistics
- Packaging sizes
- Pricing
- Product mix
- Food Safety
- Market opportunities
- Forward Contract development

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

Lynne Brown, of Mid MI Consulting, was the Launch Specialist in 2016. Ms. Brown was primarily responsible for the development of GEM's operational development, marketing and branding strategies, communications, warehousing and logistics management, sales management, wholesale training, and day-to-day management of GEM staff. We retained Lynne Brown to build additional cold storage capacity in 2017.

In 2018, we will work with Ms. Brown again to develop, pilot, and implement our Wholesale Readiness training; and to improve farm and customer attraction and retention efforts.

#### **6. Publicized Results** To date, GEM has not published any results. In January 2018, we will create 2017 Season Report.

#### **7. Have you collected any feedback from your community and additional stakeholders about your work?**

##### **i. If so, how did you collect the information?**

GEM has collected testimonials and impact statements from farmers and customers via email.

**ii. What feedback was relayed (specific comments)?** See farmer impact statements in section 1.

Examples of buyer impact statements are included below.

*“GEM provides my business with a fantastic opportunity to reach out to local farms in my area that I would otherwise be out of touch with. They are able to deliver to my business around my schedule, and provide constant assistance regarding produce availabilities. I look forward to their deliveries each week, and get tremendously excited at the new produce items I have yet to discover! GEM has aided my business growth, allowing me to focus on other opportunities, knowing I can count on them and their service. Om loves GEM! I hope to see them for many more years.”* -Jessica Norwood , Om Café, Co-Owner/Chef

*“Working with GEM has been a rewarding and honoring experience. In just a few months I was introduced to dozens of great farms producing some of the most beautiful and pristine produce I have ever worked with. GEM took incredible care in answering all my questions, inquiries and concerns. I always felt up to date and could depend on a timely delivery that was clearly boxed and packed with care. Working with GEM has allowed me to become close to 90% local in all of food and beverage here at Gather Detroit. I love the weekly updates and the easy to use interface for ordering. GEM brings the farmers market to your back door, which as a chef couldn't be more convenient and exciting. I can't wait to further these relationships and hopefully soon schedule a tour of all these amazing farms that have become such important ambassadors and partners.”* -Jessi Patuano, Gather Detroit, Chef

## **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**

## **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).**

When determining the organizational structure of GEM, we evaluated several options. Initially, we envisioned a cooperative structure; but we found that growers were not stable enough in their own farm businesses—nor did they have the bandwidth—to take on being a partner in a second farm cooperative business. From this decision, a committee of advisors concluded that to maximize benefit to the grower, a C-corporation offered the flexibility required to one day offer a dividend payout to participating farmers.

At the end of the 2016 pilot season, however, we realized that in order to fund operations, outside financing would be required and the scope was beyond what the organization could support. Therefore, GEM dissolved the c-corp status and incorporated as a subsidiary program under the Eastern Market Corporation umbrella of programs. It was decided that this would allow for additional grant dollars to support operations until GEM reached a point in which it was self-sufficient.

We also learned the depth and breadth of the resources needed to enable small and emerging growers to successfully sell to a wholesale market channel. In 2016, we did not realize the extent of the gap in

wholesaling knowledge and the amount of one-on-one support required to help growers scale and maintain product consistency.

Today, we recognize the opportunity to leverage EMC's position in the food system to coordinate with technical assistance providers and to implement training through GEM. This aspect of GEM will ultimately be the key to growing wholesale production farming in southeast Michigan.

Operationally we learned that dedicated cold storage, separate from other Eastern Market programs, was needed to maintain proper food safety and to secure GEM product for use in other programs. In spring of 2017, we constructed a 12 x 7 trailer with a CoolBot unit to meet short cold storage needs. The total cost of trailer and build out was less than \$7k, however, it saved approximately \$2,500 in product loss and staff time in the first 5 months of its use. By spring of 2019, GEM will see a complete return on this investment.

We tried to add a delivery day in the 2017 season, but lack of staffing and demand conflicts with other programs for EMC's refrigerated truck, made this impossible. To truly meet sales objectives going forward, GEM will add a delivery day in 2018. This will mean that the GEM program manager will have to devote more time to the logistics of a twice weekly ordering schedule. EMC will seek additional funds to hire a part-time sales person that to promote the program to new buyers.

**ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:** GEM is underfunded, and due to funding constraints has been unable to scale as quickly as initially expected. We underestimated the amount of working capital required to support growth, and going forward we will need to modify GEM's business plan and funding requirements to meet future objectives.

**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 critical to make the ordering process as easy as possible for GEM customers. To this end, we have developed an online form through Jot Form™ that is adaptable to a mobile device. Jot Form™ organizes all orders to aggregate by buyer and by farm; making it more efficient and accurate when relaying orders to farmers and invoicing buyers. GEM's Program Manager continues to adapt to buyer's communication preferences, and can funnel all information from emails, texts, and phone calls into the Jot Form™ when buyers don't use the form directly.

#### **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.

GEM has become an integral part of the farmer development, attraction, and retention strategy at Eastern Market. It is the mechanism that will allow EMC to increase the number of growers at its retail and wholesale markets and assure access to end-use consumers and wholesale customers.

GEM is an important link for the food system; making it easier for smaller MI farmers to expand their markets in a way that allows farmers to focus on growing their production capabilities and diversity. This is particularly true for underserved populations of beginning farmers. The resources and connections

provided by GEM are crucial to creating a more diverse next generation of farmers. We recognize that it will take years to develop the next generation of farmers here in Michigan, and both Eastern Market and GEM are committed to that process.

GEM is developing its Wholesale Readiness Modules and lining up the appropriate technical assistance providers for a 2018 rollout. The biggest obstacle for purchasing from small and local growers is consistency/accountability. This is critical to competing with the larger, more traditional wholesale channels that buyers use.

We will develop the Eastern Market Wholesale Beginners program, which will help growers staff a stall at EMC's Wholesale Night Market. This program will systematically break down the barriers to participation and ultimately improve access to 2<sup>nd</sup> tier supply chains for small and emerging growers, increasing their sales opportunities beyond GEM.

Their participation at the night market will also improve overall logistics and lower operations costs because farmers will be bringing their product to the market versus GEM doing farm pickups. This will enable us to lower the price to buyers, making GEM product more attractive.

We will continue to make value-added processors a priority going forward, as there is a very high growth potential in that market channel. Large orders needed for processing are a crucial point in the line of local food production. These large orders help develop longer term contract relationships which can help small growers scale up and make investments needed to dramatically increase production such as mechanical harvesting equipment or enhanced processing and packaging equipment.

**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?** After piloting GEM for two years, we have confirmed the gap in the food system in which small and emerging growers lack access to wholesale market channels.

We have positioned GEM to fill this gap in order to create pathways to prosperity for this group of growers. Through our daily interactions with growers, we've observed the many barriers that they face to scaling their farm businesses to meet the demands of larger supply chains. Lack of cold storage, insufficient transportation, labor to manage sales at the wholesale market, and lack of post-harvest handling knowledge are some of the barriers facing new growers. In response to these barriers GEM is creating technical assistance programs, enhancing logistical support, and working to increase the customer base to continue to improve sales year over year.

We have learned that building trust in our relationships with growers and buyers, offering transparency in our processes, and continually maintaining the highest level of integrity creates a solid foundation from which to build. To grow and meet our goals of sustainability going forward, we will need to dedicate more staffing, improve infrastructure, and increase partnership with tier 2 produce distributors who can benefit by investing in the work we are doing to build their future suppliers.

The success we have earned thus far demonstrates that we are on the right path and there is room in the marketplace to grow.