

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:	October 1, 2015 – September 30, 2017
Today's Date:	12/15/2017
Authorized Representative Name:	John Kohl
Authorized Representative Phone:	313-921-1251 x21
Authorized Representative Email:	John.Kohl@AtlasWFC.com
Recipient Organization Name:	Atlas Wholesale Food Company
Project Title as Stated on Grant Agreement:	Detroit Food Chain
Grant Agreement Number:	15-LFPP-MI-0125
Year Grant was Awarded:	2015
Project City/State:	Detroit, MI
Total Awarded Budget:	\$100,000

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: N/A

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The Detroit Food Chain Initiative was created to increase the sales and consumption of food grown and manufactured locally to restaurants and institutions in Southeast Michigan. The program was created by Atlas Wholesale Food Company, a local food service distributor based in Detroit. As a distributor, Atlas identified three major hurdles for local food; a lack of transparency and track ability in the food chain, complicated systems and processes to get local products to market, and a lack of proper marketing events to connect manufacturers to decision makers at restaurants and institutions. The Detroit Food Chain systematically attacked each of these hurdles with the assistance of the LFPP grant and other key stakeholders.

Several of the highlights of the Detroit Food Chain during the grant period of September 2015 to September 2017 include:

- *\$8,169,165 in sales of locally grown and manufactured products to Metro Detroit Restaurants and Institutions during the grant period.*
- *420 restaurants and institutions in Southeast Michigan purchased local products including all three Detroit Casinos and several local restaurant chains.*
- *A 55% increase in the Atlas customer base of customer buying local products.*
- *72 different local growers and local manufacturers are selling products tracked by the Detroit Food Chain.*
- *A catalog of 1,441 local items is available and trackable to Atlas Customers.*

This final grant report will walk through the steps taken by Atlas Wholesale Food Company to achieve the goals of the grant, explain the impact on the community, discuss lessons learned, and future work to be done to continue The Detroit Food Chain.

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: Increase consumption of local food purchases by restaurants and institutions in Southeast Michigan by \$10,000,000 by September 29, 2017.**
 - A. Progress Made:
 - (a) During the grant period sales of local products to restaurants and institutions in Southeast Michigan totaled \$8,169,165.
 - (i) Sales from Detroit growers and manufacturers totaled \$3,567,960.
 - (ii) Sales from Metro Detroit growers and manufacturers totaled \$1,484,008.
 - (iii) Sales from growers and manufacturers in Michigan totaled \$3,117,196.
 - (b) A system is in place that identifies and tracks local manufacturers from Atlas Wholesale Food. Dollar amounts of local purchases can be tracked on an individual customer level of local products.
 - (c) Gathered data on local food purchases made by Atlas Wholesale clients to benchmark progress against goal.

- (d) Hired a graduate student to help develop standard operating procedures for the organization. The coordinator dissected the sales process and sales pitch to our customers and created different approaches based on the different segments of our customer population. Institutional customers have a different set when compared to an independent restaurant.
- (e) Reviewed the value proposition to the end-user for each of these different customer segments.
- (f) Created marketing pitch and standard operating procedures and documents with Atlas Wholesale sales representatives to establish and grow participation in the Detroit Food Chain amongst current Atlas Wholesale clients.
- (g) Created presentation outlining the effects of local purchasing and how Atlas tracks purchases. Pitched and bid on the University of Michigan's food service contract using the Detroit Food Chain tracking.
- (h) Atlas played a key role in the addition of a local restaurant concept inside the largest Detroit Casino. This local chain is focused on using locally made items and the addition of this outlet is expected to generate over \$300,000 of incremental sales of locally sourced food.

B. Impact on Community:

- (a) The progress made on this goal anchors the tracking and standard operating procedures that are needed through the duration of the grant. With these things in place, Atlas Wholesale can work strategically to make the greatest impact on the Metro Detroit community. You can now get a Detroit Coney at Detroit's largest casino made with 100% locally sourced items.

ii. **Goal/Objective 2: Increase access for consumers of restaurants to local food through the addition 300 restaurants and institutions who are participating in the Detroit Food Chain by July 1, 2017.**

A. Progress Made:

- (a) Identified over 500 new restaurant client leads in Southeast Michigan and Detroit through participation in the Michigan Restaurant Show in 2015 and 2016.
- (b) 420 Atlas customers purchased local items during the grant period.
- (c) Printed Detroit Food Chain promotional material including comprehensive brochures.
- (d) Email marketing campaign- Created email template and email list of customers for regular marketing of local suppliers.
- (e) Partnered with MSU Extension and Eastern Market to develop set of standard operating procedures for new unlicensed suppliers to get insured and licensed.
- (f) Shot promotional videos showcasing the story of local manufacturers including Chugga's Bakery, Go Forever Bars, and Detroit Bold Coffee.

B. Impact on Community

- (a) The progress made on this goal anchors the tracking and outreach strategy needed to attract new clients to purchase local food products through the

Detroit Food Chain and increase the number of purchases current Atlas Wholesale clients make through the Detroit Food Chain. Additionally, the progress made on this goal will help consumers better identify establishments that support the local food movement in Metro Detroit.

iii. **Goal/Objective 3: Develop an additional market for local manufacturers, farmers, and growers that will allow them to market and sell their food to 500 local restaurants by September 29, 2017**

A. Progress Made:

- (a) During the reporting period, 420 unique restaurants and institutions in Southeast Michigan purchased local products from Atlas Wholesale Food Company.
- (b) Partnered with MSU Extension and Eastern Market to develop set of standard operating procedures for new unlicensed suppliers to get insured and licensed. This set of manufacturer's standard operating procedures allowed for a clear path for products to be onboarded into the Atlas inventory and marketed to restaurants.
- (c) Created 12 professionally designed color flyers showcasing local items and distributed them to our customer base.
- (d) Hosted two mega food show events in Detroit to connect our customer base to local products. Each of the shows took over 6 months to prepare. We identified local suppliers that had products that were market ready and then selected items they produced that worked well for our customer base.
 - (i) September 13, 2016 food show: Over 500 restaurant owners from Michigan attended the show, connecting our local manufacturers directly with the decision makers at local restaurants. We allowed each of the vendors set up at our show and select five top items that fit our customer base. The local suppliers showed these items to restaurant owners and they could earn a onetime discount if they pre-booked cases at the show. This process communicated lead-times and expectations to our customers. Customers pre-ordered at the show and got the product in two weeks on their regular routine delivery.
 - (ii) September 20, 2017 food show: This event took place at Detroit's Eastern Market Shed 5 and had over 50 vendor booths and over 500 customers in attendance. We worked directly with Eastern Market to invite local manufacturers to the event.
- (e) Taste & Talk Event, August 9, 2017: This event was limited to 10 suppliers and 50 top Atlas customers. A culinary team of chefs paired different food products from our suppliers to showcase a finished concept to our top customers.
- (f) Hosted a food show in 2017 focused on the Head Starts in the city of Detroit. We partnered with United Head Start, New St. Paul Head Start, & Starfish Head Start programs to create an event focused on healthy foods for the Head Start programs. The event had over 16 suppliers and 80 program directors attend and included 2 cooking demos.

- B. Impact on Community
 - (a) We are working to eliminate the obstacles for both manufacturers, restaurants, and consumers. Our standard operating procedures will create a clear path to market for manufacturers to customers and clear visibility for restaurants to become aware of new products and have access to them. The marketing events provided direct access for local suppliers to sell their products into restaurants without delay and red tape.
- iv. **Goal/Objective 4: Create transparency in the foodservice supply chain for consumers by adding visibility to \$10,000,000 of local food purchases by restaurants down to the farm and manufacture level through an online tool, printed materials, and advertising by September 29, 2017**
 - A. Progress Made:
 - (a) During the grant period, \$8,169,165 in local food purchases were tracked by the Detroit Food Chain.
 - (b) One of the biggest hurdles we faced came down to technology and good information. We invested in new technology and software that allows us to track both the origin of an item and the manufacturer with item level detail. By creating specific flags within our system, we can now easily see local items.
 - (c) Reviewed available suppliers in our area and used our network within Metro Detroit to identify new suppliers so they can get onto our radar.
 - (d) One of the first issues we had was being able to find credible reliable suppliers that were vetted. Eastern Market aided us in this process by connecting the dots to vetted suppliers in their network.
 - (e) Our 72 local suppliers were marketed at the Michigan Restaurant Show, at the Atlas food shows, in flyers, and through our team of 6 direct sales associates.
 - (f) We worked with the Spectrum Gaming Group and Detroit's largest casino to review local purchases by the casino. The largest Detroit casino purchased \$1,671,618.69 in local items during the grant period.
 - (g) Detroit Food Chain website launched: www.DetroitFoodChain.com
 - B. Impact on Community:
 - (a) The progress made on this goal anchors the marketing strategy needed to connect consumers with the local food products purchased by the restaurants they patronize. By elevating the visibility of Michigan food manufacturers, the Detroit Food Chain aspires to increase the number of purchases consumers make at client companies. Additionally, the progress made on this goal helps consumers better identify establishments that support the local food movement in Metro Detroit.
- 2) Quantify the overall impact of the project on the intended beneficiaries, if applicable. Include further explanation if necessary.
 - i. Number of direct jobs created:
 - a) 5 Full time employees at Atlas Wholesale Food Company

- b) 4 Contractual employees at Atlas Wholesale Food Company
 - ii. Number of jobs retained:
 - a) 24 Full Time employees at Atlas Wholesale Food Company
 - b) 6 Part Time employees at Atlas Wholesale Food Company
 - iii. Number of indirect jobs created:
 - a) 20 indirect jobs were created at local manufacturers. The number of jobs (created/retained) in this category was estimated using a multiplier formula. We believe that for every \$200,000 in sales annually at Atlas Wholesale created 1 indirect job is created at a local manufacturer. To estimate, gross sales were divided by the approximate number of jobs for each company.
 - iv. Number of markets expanded:
 - a) 420 Atlas Wholesale clients purchased local products during the grant.
 - v. Number of new markets established:
 - a) 149 new restaurants bought local products during the grant period. For this grant report, Atlas has defined new markets to be synonymous with new company clients, restaurants starting to purchase local products and customer that have made a pledge to the Detroit Food Chain.
 - vi. Number of customers purchasing local items increased by 55% during the grant period.
 - vii. Number of farmers/producers that have benefited from the project:
 - a) 72 different local vendors were used during the 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?
- i. Detroit's largest casino and Atlas customer opened a new local coffee shop replacing a national franchise. Atlas Wholesale is now sourcing five different local food manufacturers to the coffee shop which include Guernsey Farms Dairy, Dart Container and Faygo Products.
 - ii. Atlas currently services three Head Start centers in Detroit (Wayne Metro, Matrix Human Services and United Children and Family).
 - iii. Our food show on September 2016 attracted 500 current and prospective restaurants and showcased 12 local manufacturers.
 - iv. Our food show on September 2017 attracted 500 current and prospective restaurants and showcased over 50 manufacturers.
 - v. Our 2017 Head Start food show showcased 18 manufacturers to over 80 decision makers at Detroit Head Start locations.
- 4) Discuss your community partnerships.
- i. Who are your community partners? Atlas Wholesale defines community partners as any business or organization that supports and enables the delivery of the Detroit Food Chain's core products and services. The criteria include vendors, restaurants, institutions contractual service providers and individuals.
 - a) Atlas worked with the Michigan Farm to Institution Network to be included on their local buyer's guide as a source for local produce.
 - b) 420 unique restaurants purchased local products from Atlas during the grant period.

- c) Atlas continued to leverage relationships with Washtenaw County through the Greening Michigan Institute to develop a pipeline of local manufacturers. In addition, we worked together to pitch the University of Michigan on their food service contract.
 - d) Atlas worked with Eastern Market and Michigan State Extension to develop a real world, practical, and easy to follow process for local manufacturers to follow that allows them and their products access to our local restaurants. This process includes resources for new manufacturers to get their product licensed and approved for distribution.
 - e) Atlas teamed up with three Head Start organizations based in Detroit to host the first Head Start Food Show event; United Head Start, Matrix Head Start, and New St. Paul Head Start.
 - f) Atlas partnered with Eastern Market for the 2017 Food Show by reserving Shed 5 for the event to be held on September 20, 2017.
- 5) Are you using contractors to conduct the work? If so, how has their work contributed to the results achieved thus far?
- i. Atlas Wholesale hired a contractor to support project management and the implementation of the Detroit Food Chain. Additionally, two contractors were hired to support the design and production of all marketing collateral. The work of the hired contractors has contributed to the strategy development and capacity needed to launch the Detroit Food Chain and support the program in executing the goals identified in the grant contract.
- 6) Have you publicized any results yet?*
- i. If yes, how did you publicize the results?
 - a) Print: 12 bi-monthly product flyers, business cards with the Detroit food chain logo, posters for two food show events at Atlas, a brochure targeted to restaurant owners & a brochure targeted to restaurant customers.
 - b) Social Media: Atlas Facebook Page, YouTube, MailChimp Email Campaign.
 - c) Events: 2 mega food show events, 1 Taste & Talk event, 1 Head Start food show, 2 years at the Michigan Restaurant Show with a Detroit Food Chain booth.
 - d) Other: Detroit Food Chain logo on the back of 3 Atlas trucks, 600 wall size calendars distributed, On Hold Messaging at Atlas call center, one on one meetings with 6 Direct Sales Reps, 2 Inside Sales Reps, Atlas website, messaging on Atlas invoices & on the Detroit Food Chain website.
 - ii. To whom did you publicize the results?
 - a) Our marketing materials were designed to target manufacturers, growers, restaurants and institutions in Southeast Michigan.
 - iii. How many stakeholders (i.e. people, entities) did you reach?
 - a) 420 unique restaurants and institutions bought local items from Atlas during the grant period.
 - b) Over 3,000 decision makers at unique restaurants and institutions in Southeast Michigan were touched by the marketing efforts of the Detroit Food Chain during the grant period.

*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 thus far about your work? Atlas Wholesale has collected feedback from the company staff, customers, prospects, suppliers and community members.
- i. If so, how did you collect the information?
 - a) Feedback was collected through informational interviews to guide the process for; how we go to market, what suppliers to seek out, how to market local products, and how to develop the best standard operating procedures.
 - ii. What feedback have you collected thus far (specific comments)?
 - a) With feedback from the Atlas Wholesale Sales Director, the Detroit Food Chain Director was able draft strong value propositions for restaurants to participate in the program.
 - b) With feedback from the Atlas Wholesale CEO, the Detroit Food Chain Director could create out clear user experience map for each of the stakeholders involved in the Detroit Food Chain process. Information from the CEO also contributed to the gathering data needed to benchmark goals of program.
 - c) Key Prospects provided feedback on the suppliers they would like to see in the Detroit Food Chain, and preferred interaction with technology.
 - d) Restaurant owners provided feedback on what items to source out.
- 8) Budget Summary:
- i. As part of the LFPP closeout procedures, you are required to submit the SF-425 (Final Federal Financial Report). Check here if you have completed the SF-425 and are submitting it with this report:
 - ii. Did the project generate any income? No.
 - a) If yes, how much was generated and how was it used to further the objectives of the award?
- 9) Lessons Learned:
- i. Summarize any lessons learned. 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. Get the manufacturers in front of the customers. When we first started marketing local products to our customers using our sales team, we did not immediately see results. Throughout the grant, we had the owners of local manufacturers come in to Atlas and talk to our sales team about their story. We also had the suppliers ride along with our sales reps to visit our restaurant customers- when we got the owners out and in front of customers, sales followed.
 - b. Use the network- It was overwhelming at first to identify, interview and vet new local suppliers for the Detroit Food Chain. At Atlas, we have fantastic relationships with our restaurant customers. When we reached out to the network of organizations trying to connect the dots of local food, Eastern Market

- answered. Eastern Market was a powerful partner who helped us identify and vet new suppliers with market ready products to add the Detroit Food Chain.
- c. Create the system first- The core business of Atlas Wholesale Food Company involves warehousing and delivering food to restaurants and institutions. When we first started to launch the Detroit Food Chain, our processes were not fully established. When we tried to onboard a vendor or new item too quickly, things fell through the cracks, products missed deliveries and expectations were not met. We spent a good deal of time and effort making our processes proactive vs reactive and set up accurate expectations for everyone involved. One example was how we developed the process for onboarding new items for our 2017 food show. We created the item numbers ahead of time based on the target market of restaurants who registered to attend the show. Each vendor had a pre-booking form at the food show and new items were only brought in once we had an order. This avoided over ordering at Atlas and the potential for unsold inventory.
 - ii. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving:
 - a. Our goal was to hit \$10,000,000 in annual sales of local items during the grant period, we hit \$8,169,165. While we were short of our top line goal, we feel that the momentum built through the Detroit Food Chain will continue to grow.
 - 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:
 - a. Internal Communication and Training- We began by educating our executive team and sales force on the Detroit Food Chain. What we realized later is that everyone who is customer facing should be educated on the local items we were offering and local suppliers that we carried. Drivers are a critical part of our organization and it is very powerful when they give recommendations on local items to restaurant customers on their routine deliveries.
 - b. Good data is critical- We initially approached tracking using excel spreadsheets. We quickly realized that to be scalable, the source data needed to be in our ERP system and tracked at the item level. We also had to scrub all our data and verify the sources of items.

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. The Detroit Food Chain Initiative was created to increase the sales and consumption of food grown and manufactured locally to restaurants and institutions in Southeast Michigan. The grant allowed us to build a foundation that can support the ongoing sales growth of local products. By adding transparency and trackability to the food chain, developing standard operating procedures, simplifying processes, and creating effective marketing events that connect decision makers to local suppliers, the Detroit Food Chain will continue to grow.
 - b. Marketing events; we will continue to organize marketing events connecting local manufacturers and growers to our customer base of restaurants and institutions.

In 2018, we plan on organizing a mega food show in Eastern Market, a Head Start food show, and a Taste & Talk event.

- c. Growth Rate; the nature of foodservice is repeat sales. Once a local item makes it on the menu at a restaurant, sales become consistent and regular. We expect a continued sales growth rate of local products to Atlas customers of 15% annually.
 - i. In 5 years, we expect the sales of local products to exceed \$8,000,000 per year.
 - ii. By 2021, we expect total sales of local products to have exceeded \$40,000,000 since the start of the grant in 2015.
 - iii. 41 indirect jobs and 17 direct hires will be created to support the sales growth.
- 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?
 - a. Our goal at Atlas is to continue to lead the charge in Southeast Michigan of driving sales of locally grown and manufactured products into foodservice. The grant provided us an opportunity to build a foundation of processes and create a platform to increase sales, however there is continued work needed to accelerate sales of local items including;
 - i. Consumer Marketing- There is still need for better transparency of food at the consumer level. Additional targeted marketing to consumers that educates them on specific restaurants that are purchasing local items is needed.
 - ii. Marketing Events- The events that we started that connect decision makers at restaurants to local suppliers needs to continue to accelerate the sales of local items.