

## 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>	Sep 30, 2015 – Sep 29, 2017
<b>Authorized Representative Name:</b>	Dr. Ernesto Fonseca
<b>Authorized Representative Phone:</b>	503-595-2111
<b>Authorized Representative Email:</b>	efonseca@haciendacdc.org
<b>Recipient Organization Name:</b>	Hacienda Community Development Corporation
<b>Project Title as Stated on Grant Agreement:</b>	Portland Mercado Food Business Incubator
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	15LFPPPPOR0052
<b>Year Grant was Awarded:</b>	2015
<b>Project City/State:</b>	Portland, OR
<b>Total Awarded Budget:</b>	\$99,555

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: Shea Flaherty Betin; Email: [sfbetin@haciendacdc.org](mailto:sfbetin@haciendacdc.org); Phone: 805-573-7434

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**1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff.**  
*Terms defined: October 2015 to March 2016 –last midterm report or midterm 1; April 2016 to September 2016 –midterm 2; October 2015-September 2016 –year 1; October 2016 to March 2017 – midterm 3; April 2017 to September 2017 – midterm 4; October 2015 to September 2017 –total grant term*

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. Exceeded total grant goal: One networking event for businesses per quarter.**

a. Progress Made: *In the final term:* The incubator hosted 5 networking seminars during the final midterm. With a yearly average of one seminar per month, we exceeded our goal of quarterly events.

b. Impact on Community: The participants were able to develop friendships and a larger network, which developed in to mentorship/mentee experiences and even new business relationships. Also, the participants found the setting of the incubator’s public market, where the seminars were hosted and where they could see successful business owners who were similar to them, inspiring and motivating. Staff also observed repeat participants forming a regular cohort, providing feedback and direction for potential seminar topics and widening the network via word-of-mouth over time.

**ii. Exceeded grant total: Three purchasing agreements per event (24 total in grant).**

a. Progress Made: In midterm 1, the incubator created 13 towards the 24 purchasing agreements for the total grant term –reaching the Year 1 goal in the first midterm. *In midterm 3:* 22 businesses expanded in to a new market and/or introduced a new product line, primarily through networking opportunities. *In midterm 4:* the incubator facilitated 9 more purchasing agreements, both through networking portions of trainings, one-one-one advising, or through networking seminars. The focus for the last midterm was relationship building in city wide markets and grocery chains.

b. Impact on Community: Businesses continue to hire new employees from the community to meet this new demand. The owners’ salaries continue to grow.

**iii. Exceeded total grant goal: Three to four businesses gain direct sales/access to market per quarter (total 25 for grant term)**

a. Progress Made: The incubator hosted monthly markets for local businesses, including farm products, from April to October, totaling 7 access to market opportunities. The incubator also hosted a very large Taste of Latin America event for local businesses, bringing the total in midterm 2 to 8 direct sales/access to market opportunities. 25 businesses sold at the monthly markets and 24 sold at the large event in the first two midterms. *In this final year,* the incubator switched its monthly market from summer to an expanded winter schedule (to decrease competition with local partners) and increased capacity to have weekly markets for four months. The incubator also offered new businesses access to market opportunities through partners – City of Portland, EcoTrust, New Seasons, and Market of Choice, as well as an open food cart space at its market and opportunities at incubator annual events (Anniversary Party, Taste of Latinoamerica, Día de Muertos, and Las Posadas). 53 businesses benefited from this combined access. This brings the total to 102 businesses to date.

b. Impact on Community: For the majority of businesses, it was their first opportunity to sell their product(s) to customers. Many appreciated the extra support they received (advising, etc.) and the opportunity to give feedback and share ideas about how to make those events more successful. They also enjoyed networking with and supporting each other.

**iv. Exceeded total grant goal:** *Three trainings per year.*

a. Progress Made: Incubator hosted 10 food based trainings during midterm 2. *In midterm 3*, the program streamlined and increased the value of its trainings in to 2-week, smaller cohort models. It hosted three trainings. *In the final midterm*, the incubator repeated the changes made for midterm three, hosting three trainings. This brings number to 16 over two years.

b. Impact on Community: The businesses benefited from the professional setting of the training series, with an experienced chef and instructor from the Food Innovation Center and commercial equipment in the incubator's commercial kitchen. A key topic enjoyed by participants was recipe development –from ingredient sourcing to consistent production methods,

**v. Exceeded total grant goal:** *Approximately 30 participants attend trainings per midterm-average of 20 per class (120 in total)*

a. Progress Made: Each training had an average of 8 participants, totaling 80 during midterm 2. Trainings were kept smaller and more frequent to meet demand of the businesses. *In midterm 3*: 35 businesses attended fewer trainings. The number was brought down to build out the complexity, length, and depth of training curriculum. *In the final midterm*: 31 business completed training, continuing midterm 3's model. This brought the final total to to 146 participants.

b. Impact on Community: See above, in iv.

**vi. Met total grant goal:** *Facilitate 1 pre/post evaluation per training.*

a. Progress Made: The incubator continues to give out post evaluations for each training since the beginning of the grant and now it implements evaluations that test the percentage of knowledge learned (pre/post transition) more recently. This new development happened with a new manager's focus on improving data tracking. *In this new interim*: This deliverable is now a regular part of training. Additionally, the incubator carious out two small focus groups with participants from trainings past, gaining insight on potential curriculum improvements and resource gaps.

b. Impact on Community: The incubator now adjusts its methodology based on feedback in these surveys, improving the experience and value for the community.

**vii. Met total grant goal:** *Develop local logo in first quarter.*

a. Progress Made: The incubator developed a logo with a graphic designer for the El Mercadito brand that local businesses in the incubator program can sell under. This brand will be used in the new winter market. *In the final midterm*: As part of the transition from a summer to winter market brand, the incubator received \$8,000 of bro-bono design services from local design firm The Beauty Shop. They developed the "Winter Farmer's Mercado" brand, which now operates weekly throughout the winter, brining much needed economic activation throughout the slow season. The transition also extended the market season for local growers, and highlights locally grown winter crops. The community has seen higher attendance and higher sales compared to the Mercadito brand.

b. Impact on Community: The businesses benefited from the joint marketing provided by the incubator under both logos. Over 14,000 people have been marketed to using the first logo, resulting in higher turnouts to the incubator's access to sales events. The second logo is projected to reach 17,000 people via social media, and over 24,000 in person over the winter season.

**viii. Exceeded Year 1 Goal/Behind on Year 2:** *5 new products with logo in each of last 7 quarters (Total of 35 over grant period).*

a. Progress Made: The incubator had 38 businesses selling under this logo in midterm 2. *In midterm 3*: 5 businesses sold at a winter posadas event at the Mercado, under the logo. *In midterm 4*: We worked to pivot the

logo and market. Full explanation below in #9. Lower numbers are a result of a thought-out change in strategy. Changes have yielded positive results, and grant goals were exceeded, albeit after the grant and report date range. In December through February, the incubator had weekly winter markets, with 8 businesses accessing sales opportunities each market.

b. Impact on Community: Please see #9

**ix. Exceeded midterm 2 goal/Met midterm 3 goal/Exceeded total grant goal:** *One social media boost each of the last 7 quarters (total 7)*

a. Progress Made: The incubator's marketing coordinator completed 63 media boosts (both in Facebook and Instagram) in the first year. *In the 3<sup>rd</sup> and 4<sup>th</sup> midterms:* The incubator 14 higher-cost boosts for larger community events, markets, and pop-up dinners.

b. Impact on Community: *After the fourth midterm:* The social media boosts grew the incubator's presence on Facebook to over 17,000. Additionally, over 12,000 people have "checked in" through the platform, marking their presence at the incubator. The platform has developed an incredibly engaged audience, from which the incubator can recruit large numbers of customers to attend its regular event programming. For example, recent large events at the incubator, such as the 2<sup>nd</sup> Anniversary or Taste of Latinoamérica, brought in over 4000 people each.

**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, October 2015). Include further explanation if necessary.**

**i. Number of direct jobs created:** Through surveying, the incubator found that, throughout the entire performance period, 76 jobs were created. This information included survey responses from businesses selling in the Mercado as food retail vendors and businesses using the Mercado's commissary kitchen to produce their food products. This report reflects numbers directly observed through the surveys.

**ii. Number of jobs retained:** At the end of the performance period, 42 jobs have been retained on site at the Portland Mercado. Several of the businesses that employed more regular employees have scaled and grown out of the incubator. Their numbers are not counted in this survey, meaning that the true impact of job retention is likely greater than the figure captured in this survey.

**iii. Number of indirect jobs created:** Throughout the first three terms, the incubator contracted 2 janitorial companies that clean the kitchen (approximately 3 jobs), multiple maintenance vendors for kitchen and multiple musicians hired to play music at access to market events. In the final term, the incubator contracted a worker owned maintenance collaborative (approximately 5 jobs), in addition to regular (15) maintenance vendors, artists, and marketing staff. All were hired using other funding sources.

**iv. Number of markets expanded:** Throughout the length of the performance period, more than 102 businesses expanded into new markets or expanded to offer new products or services. These expansions included new retail opportunities through events, gaining access to store shelves at local regional grocery chains, or opening permanent retail spaces.

**v. Number of new markets established:** The incubator established two new market brands in the neighborhood: the "Mercadito" and the "Winter Farmer's Mercado". The incubator also established trusted annual market sale opportunities (Anniversaries, Taste of Latinoamerica, Día del Niño, Día de Muertos, Las Posadas).

**vi. Market sales increased by \$x and increased by x%:** N/A. Given the number of individual, autonomous businesses in the incubator project, not all sales are tracked. However, staff tracked that larger market events increased sales by \$30,000 per event.

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

- 80 attended seminars
- 43 obtained a purchasing agreement
- 102 accessed market opportunities
- 146 attended training
- 52 sold under new logos

**vii. Percent Increase:** All have exceeded original grant goals!

**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?**

Through the incubator's larger events, most of which are culturally-specific in theme (Anniversaries, Taste of Latinoamerica, Día del Niño, Día de Muertos, Las Posadas), the incubator expanded its reach to a greater customer base. It reached over 4000 attendees at most of these events. Informally surveying the crowds and through surveying attendees on Facebook, the incubator determined that there were a variety in the customer base—from customers from more expensive neighborhoods in the city to families from the low income, diverse neighborhoods surrounding the market. These opportunities provided the food businesses that participated much larger platforms to access more diverse customers than they would have had otherwise. The incubator has become a hub for the Latino experience Portland, and has become known as a "bridge between cultures".

**4. Discuss your community partnerships.**

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

The incubator is lucky to have strong support from the community and its partners. The incubator has partnered with an event/marketing consultants to organize the large events, as well as received pro-bono design services. At each of the incubator's trainings, more than a dozen business, food, or marketing experts who offered their time pro-bono. Partners include Multnomah County Environmental Health, the Food Innovation Center, Micro-enterprise Services of Oregon, Metropolitan Family Services, Portland Farmer's Market, New Season's Market, Built Oregon, and Prosper Portland, Plenty (the Winter Farmer's Mercado partner), and others. Partners are all local non-profits or businesses.

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

Pro-bono partner presenters brought valuable, specialized industry based knowledge to the incubator's seminars and trainings. Design partners and consultants developed a high quality logos and provided vendor coordination and support before and during the access to market events. In addition, partners from the aforementioned agencies often served as a connection at their institutions for businesses in our incubator that had questions or concerns. These relationships have been incredibly valuable, particularly in regulatory institutions like Multnomah County Environmental Health or the City of Portland.

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

The incubator will continue partnering with Plenty to execute the seasonal Winter Farmer's Mercado (see question 10 for more info). Aforementioned partners in section i have also committed to continue presenting at trainings and seminars. For 2018 and beyond, several institutional partners have recognized the incubator's value in communicating with communities of color. The incubator is in the process of defining partnerships with several of these institutions to develop culturally specific outreach and service strategies, as well as working to improve equity outcomes for entrepreneurs throughout the region.

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

Over the course of the grant term, the incubator contracted with local marketing/events companies, graphic designers, and a local market management company. The event professionals boosted attendance at key events. Graphic designer contracts created logos, flyers, and promotional material for various incubator projects. As part of the transition from a summer to winter market, the incubator contracted a local farmer's market managing company to partner on market administration. Additionally, multiple vendors provided pro-bono support in the form of web and graphic design, photography, videography, translation services, childcare, and other services.

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

### **i. If yes, how did you publicize the results?**

The incubator's parent organization, Hacienda CDC, will begin including incubator outcomes in one centralized annual report. Hacienda CDC's annual report will serve as the formal way to publicize the results of this work. Meanwhile, certain data was shared (on an ongoing basis) on the incubator's Facebook and other social media networks. Aside from social media, the incubator also publicized the access to market events to attract customers through multiple platforms, including web platforms such as event listings, large signage on-site, press releases to the media, flyering the surrounding neighborhood and word of mouth to supportive partners and community members.

### **ii. To whom did you publicize the results?**

The incubator's social media community represents a broad customer base in both English and Spanish. Press releases are sent to local and regional Spanish and English language media. Annual reports are sent to key stakeholders, including funders and community partners.

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

The incubator's Facebook following is currently over 17,000 members. The press releases were sent most of the local traditional media. The incubator flyers around 300 homes and individual apartments surrounding the incubator project.

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

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

The incubator did pre and post evaluations for its training, seminars and access to market opportunities. It also informally surveys the customer base. The incubator also sends out regular voluntary surveys to businesses in its various programs: one-on-one advising, incubator clients, or kitchen clients.

### **ii. What feedback was relayed (specific comments)?**

For access to market opportunities, a lot of feedback the incubator received from businesses was focused on what would increase sales and improve logistics –how weather affected sales, was it better to be inside or outside of the market hall cover, what marketing themes or ideas to attract more customers and should the market be held weekly? Training and networking seminar participants shared topics they would like to learn during the next round of training and on a need for hosting training in during a timeframe more people were available. It also tests the knowledge they learned. Customer feedback helps the incubator improve the market experience.

## **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:**

SF-425 was submitted prior to this report. Please contact Barbara Alexander at [balexander@haciendacdc.org](mailto:balexander@haciendacdc.org) with any questions.

### **ii. Did the project generate any income? N/A**

## 9. Lessons Learned:

### i. Summarize any lessons learned. Draw from positive experiences (good ideas that improved project efficiency or saved money) and negative experiences (what did not go well and what needs to be changed).

Positive:

- The incubator saved money and created tremendous efficiencies in hiring a worker-owned cooperative to do maintenance and cleaning. Not only did the workers become integral members of the incubator community, they reduced the administrative load on incubator staff and additional costs from repeat maintenance contractors.
- The incubator increased its event activities, further activating the incubator space and regularly increasing sales and local economic impact. Event sponsorships also help the incubator's bottom line.
- Incubator staff modified training curriculum several times, each time responding to different community needs. Ultimately, coordinators extended trainings into 2-week formats and reduced their frequency to improve the quality. Staff found this increased knowledge retention and built more successful relationships after the training

Negative:

- Switched from a monthly market concept to a weekly market concept. More in ii. below.
- There were difficulties around some policies and procedures with regards to the commercial kitchen. Incubator tenants had some conflicts with regular kitchen clients due to their regular access to the space. Incubator staff spent a considerable portion of midterm 4 redefining policies and procedures for all businesses accessing the commercial kitchen space. This has made the kitchen and its cold storage facilities more available to smaller businesses in early launch stages.

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

viii. Exceeded Year 1 Goal/Behind on Year 2: 5 new products with logo in each of last 7 quarters (Total of 35 over grant period).

In the first logo project, the community observed a gradual decrease in sales and traffic over time. Staff identified key factors for the market's lack of success: unproductive partnerships with chosen contractors, a confusing irregular schedule for the market's themselves, and lack of cohesive branding around market purpose. *In midterm 4:* Staff worked to pivot the logo and market. The incubator decided to transition to a Winter Farmer's Market, partnering with local Farmer's market experts. The new intentionality behind the market prevented confusion from potential consumers. Consumers knew to expect fresh produce and food products, not assortments of crafts of a disjointed theme of vendors. Changes have yielded positive results, and grant goals were exceeded, albeit after the grant and report date range. We are now hosting weekly Sunday markets December through March, with at least 8 new businesses accessing sales opportunities at each market and with consistently high turnout.

### 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:

Incubator administration staff continue to stress the importance of centering the work in community. Having offices embedded in the project can be exhaustive of time and agency resources, but they have been key at establishing regular presence and trust in the community. Staff also stress the importance of bringing in external community to support the long-term sustainability of any project. The incubator still relies on regular sponsorships (either through events or annual naming rights) to sustain staff and some operations.

Administrative staff also stress the importance of including incubator staff in all these processes, both to build their capacity as entrepreneurs and to increase the feeling of ownership within the project.

#### **10. Future Work:**

**a. 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.**

Staff continues to carry out most of the activities outlined in the performance period. Seminars, Trainings, one-on-one advising, and events are still integral to the project's operation and long-term success. Next steps are already underway, primarily to further increase cultural responsiveness among the incubator's various programs. For the next round of trainings, staff have secured an improved network of volunteer industry experts, as well as pro-bono live interpretation equipment. All subsequent trainings will be conducted bilingually, with live, conference-style interpretations from English to Spanish and vice-versa. Incubator participants continue to play a larger role in organizing marketing and sales events. In 2018, they will execute their 3<sup>rd</sup> entirely vendor-led sales opportunity event. We expect this to continue driving sales and increasing market opportunities for clients. Job retention will be likely plateau for the physical incubator, as the space is has reached capacity, but external job creation and retention continues to increase, with startups finding other venues for their operations through connections made in the program.

**b. 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?**

For future activities, incubator staff would like to explore activities to accelerate businesses and brands that have succeeded in mastering business basics. The incubator would like to expand its capacity to bring access to capital opportunities and financing, either working with partners or through the parent agency, Hacienda CDC.

Staff hopes to conduct local focus groups to analyze client relationships and perceptions to debt and lenders, as well as identify trusted community lenders that can support scaling efforts for certain clients. Though the incubator has made tremendous inroads in creating local and regional opportunities and markets for small businesses, it hopes to leverage that progress towards creating stronger regional business leaders, particularly business leaders of color that can reinvest in their communities.