

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 LFPP staff to avoid delays:

LFPP Phone: 202-720-2731; Email: USDALFPPQuestions@ams.usda.gov; Fax: 202-720-0300

Should you need to mail your documents via hard copy, contact LFPP staff to obtain mailing instructions.

Report Date Range: <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	October 1, 2014 – June 30, 2015
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Recipient Organization Name:	SDSU Extension
Project Title as Stated on Grant Agreement:	Expanding Opportunities for Collective Marketing of Local Foods in South Dakota
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-SD-0156
Year Grant was Awarded:	2014
Project City/State:	Brookings, South Dakota
Total Awarded Budget:	\$25,000

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: Name: _____; Email: _____; Phone: _____

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1. State the goals/objectives of your project as outlined in the grant narrative and/or approved by LFPP staff. If the goals/objectives from the narrative have changed from the grant narrative, please highlight those changes (e.g. “new objective”, “new contact”, “new consultant”, etc.). You may add additional goals/objectives if necessary. For each item below, qualitatively discuss the progress made and indicate the impact on the community, if any.
 - i. **Goal/Objective 1: Obtain producer commitments for involvement.**
 - a. *Progress Made:* Since the steering committee held producer interest meetings around the region in January, we have continued to reach out to potential producers interested in membership in the food hub. To date we have twenty-six surveys filled out by producers who have indicated what they produce, how much, their production potential, and their exact location in the region. Those producers have attended planning meetings, followed-up with emails and phone calls, and are now assisting in planning Meet the Farmer receptions for chefs in July. We anticipate a membership of 20-25 farmers in the new LLC, “Dakota Fresh,” a name voted on in April. We will work with an attorney to develop commitment forms for hub membership in early fall.
 - b. *Impact on Community:* Five years ago, a group of local foods resource providers began meeting quarterly under the name, “South Dakota Local Foods Collaborative.” This group became an umbrella for providing education and outreach to producers and consumers around the topic of local foods. The connections that have been made and the resources that have been shared through that group have been truly amazing. A South Dakota Local Foods Conference is now in its 4th year, a web site (<http://igrow.org/community-development/local-foods/>) is home to all types of South Dakota specific local foods education, an RBOG grant was completed to study possibilities for markets, and the LFPP Planning grant was written and received. The “community” impacted directly by the LFPP grant is the southeastern quarter of the state, but the entire state is watching and hoping the food hub concept is successful and can be replicated. News media has been very active in covering the progress of “Dakota Fresh,” and weekly the grant contact receives calls or emails regarding progress on the food hub. Seven resource providers from different organizations have served on the steering committee and remain committed. At least 22 producers have been directly involved in planning efforts. Other connections through non-profits, government agencies and businesses have assisted in finding potential producers and providing suggestions that will increase new and young farmer growth in the region.
 - ii. **Goal/Objective 2: Travel to a working food hub in Illinois to learn from our mentor.**
 - a. *Progress Made:* This goal was fully completed in March 2015, and progress continues through our connections. For the six people who traveled through southern Wisconsin to north central Illinois, a new understanding of how the food hub concept could work for South Dakota was developed. The importance of treating members of “Dakota Fresh, LLC” as cooperating neighbors was reinforced, and new leadership has stepped forward. Producers who traveled as a group have become committed to sharing their experiences and convincing others of the viability of a food hub in their region. Their attitude of “start where we are at and grow slowly,” has ignited with other producers. They also continue to be in contact with members of Stewards of the Land food hub in Illinois, where new relationships were forged.

The group toured one other larger food hub in southern WI, and came away with positive and negative perspectives. That particular hub was centrally-managed, moved product in case-quantities through a large vendor, and was still not self-sufficient after five years. Overall, South Dakota participants thought Stewards of the Land's model was a better fit for Dakota Fresh.

b. *Impact on Community:* Our mentors from Stewards of the Land food hub have shared great resources and operational ideas. Due to the trip, we now have a restaurant chef and the food hub manager coming the South Dakota to create local food demonstrations at two Meet the Farmer receptions. They will relate to chefs in the region the importance of purchasing and using local foods in seasonal dishes, and the relationship that makes knowing your farmer truly advantageous. The excitement this opportunity has created is causing media buzz across the region. Chefs are ready to hear the story of how the food hub concept works in "real life," and producers are ready to gain personal contact with chefs.

iii. **Goal/Objective 3: Develop a strategic plan and work with an attorney to form a business structure.**

a. *Progress Made:* A young attorney from the region has become passionate about this project. He has attended strategic planning meetings and assisted the group in deciding which business structure makes the most sense for their needs. The group has chosen to form an LLC, "Dakota Fresh," at this time and will continue to use the attorney to draw up the correct paperwork and member commitment forms. Group liability insurance is an attractive part of this structure. In a future time, the group would like to consider forming a non-profit foundation, as well.

Meanwhile, mapping has been done by District III Planning District to show possible key locations for a warehouse according to producer locations. This mapping will continue informally by members as clients commit to purchasing. Producers have expressed their ideal location as centrally located on a producer's farm, as long as there is ample space for a small warehouse and an ease of receiving and shipping. There are about three options on the table at this time, and a decision will be finalized this fall. Local pick-up points have been established at two producer farms on the fringes of the region.

A state-specific GAP program with on-farm safety plans is being developed by the Food Safety and Horticulture Specialists with SDSU Extension. That certification program will allow all "Dakota Fresh" members to qualify for food safety standards that are very important to the group.

Progress continues to be made on the business plan as pieces fall into place and more decisions are made to establish and implement "Dakota Fresh." A logo has also been voted on and is being developed for labels at this time.

b. *Impact on Community:* In essence, a new community has been formed by the creation of "Dakota Fresh" food hub. Between twenty – twenty-five producers will become an incorporated business and have the power to determine their own destiny as producers, marketers and distributors. They will hire a part-time manager to work with them, and each cast one vote in the decisions made regarding marketing, warehousing, pricing and online ordering. The impact on the local food production community in the region will be directly related to the markets they create. The concept that makes this community impactful is their ability to do more together than each individual producer has been able to accomplish alone.

- iv. **Goal/Objective 4: Market the advantages of purchasing food from this hub to potential clients.**
- a. *Progress Made:* Over 350 potential clients (chefs, food service managers and grocers) have received save-the-date cards and now invitations to join producers at “Meet the Farmer” receptions at four locations in the region in July. Two key contacts (generally one producer and one resource provider) have paired up to plan the receptions at each site. An additional foundation funding source will allow us to purchase local food from producers, provide resource materials, video-tape one session, and pay for in-state travel for the chefs who will be providing demonstrations. We will host a Chicago area chef and a food hub manager at the first two sites, and a more local chef at the final two sites. At each site there will be tasting, networking, an introduction of Dakota Fresh and its producers, and a client survey to gauge future interest in purchasing. Producers have been making personal contacts with potential clients throughout the summer and local TV stations and newspapers will be attending.

b. *Impact on the Community:* The media coverage expected for these receptions will be further outreach to all consumers in the region interested in eating more local foods. As the hub begins, we expect to offer a CSA program with aggregated product that is not sourced to chefs. Knowledge of this program from consumers will help move additional product and attract increased interest in eating local foods at restaurants and institutions. Local foods will show up in more grocery and convenience stores as well.

New producers will also be reached with the media coverage of the receptions, and possibly through the clients who prefer to purchase through one invoice with “Dakota Fresh” versus many invoices of individual farmers.

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, 2014__). Include further explanation if necessary.
- i. Number of direct jobs created: 1 part-time (75%) food hub manager in late 2015
 - ii. Number of jobs retained: 5
 - iii. Number of indirect jobs created: 1 farm safety plan coordinator has been written into a pending grant through SD Dept. of Agriculture
 - iv. Number of markets expanded: 15 producers have indicated expansion possibilities and 8 would add an additional employee if the food hub takes off
 - v. Number of new markets established: working to determine that, but anticipate at least 15-20 new markets
 - vi. Market sales increased by \$insert dollars and increased by insert percentage%. No results yet as this was our planning grant.
 - vii. Number of farmers/producers that have benefited from the project: 25
 - a. Percent Increase: 100%

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?

With over 350 potential clients invited to our Meet the Farmer receptions in July, our goal is to expand our committed customer base to at least 15-20 restaurants, institutions and food businesses. We are targeting a school and hospital in our Strike Force area on the Yankton Sioux Reservation, and are working with staff from a minimum security prison, several smaller private colleges, and a large health care system, in addition to restaurants and other institutions. Producers with connections to these potential clients are personally visiting with staff.

The producer group has grown in diversity due to 3-4 Hutterite colonies interested in raising food for "Dakota Fresh." Hutterite colonies do not usually join outside groups as members, but see the hub as a way to make better use of their land and labor. The colonies already produce large quantities of food, but the farm safety planning will increase their viability to sell to new markets in a way that has not previously been possible. A representative from each interested colony has come to planning meetings, or at least reached out with phone calls to the grant coordinator to stay abreast of happenings.

4. Discuss your community partnerships.

i. Who are your community partners?

Representatives from the following organizations have participated on a steering committee for this project: SDSU Extension (Community Development, Food Safety, and Horticulture Specialists), Dakota Rural Action nonprofit, SD Dept. of Agriculture, USDA Rural Development, and SD Specialty Producers Association. They have attended planning meetings, taken on responsibilities for publications, provided reviews, recruited producers and clients, and assisted in carrying out the grant plan.

Other entities partnering in some way to publicize the activities or lend expertise to the project include: Fort Randall RC&D, Planning District III, Farm Service Agency of Charles Mix County, Senator Billy Sutton, Wagner Development Corporation, Brookings and Yankton HyVee grocery stores, SD Buy Fresh/Buy Local, and numerous regional newspapers and radio stations.

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

Word of this planning project has spread throughout the state due to the participation of the entities named above. Many of them have colleagues working in other regions of South Dakota, and have kept them informed of progress.

Specifically, the steering committee members, along with regional producers, have driven the planning. Two day-long planning sessions were well attended by over 30 people. A recent ½ day session was also well attended, and everyone volunteered to take several roles in coordinating the Meet the Farmer events.

Government agencies have assisted in finding additional funding, publicizing the opportunities to new farmers, and working on plans to enhance the farm safety plans for producers. Nonprofit groups have spread the word to memberships and worked through social media on promotion. SDSU Extension has led the project and put in many in-kind hours beyond those accounted for in the grant financial report.

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

The members of the original South Dakota Local Foods Collaborative will continue to work on this and future opportunities around the state in the area of local foods production, education and distribution. Much effort is aimed to assist Strike Force zones, mainly on Native American Reservations, in growing and distributing local foods. What we have learned through this planning grant will serve the Collaborative's goals well into the future.

Even as this planning grant ends, we are preparing to move forward with the implementation of Dakota Fresh. We have submitted a proposal for a LFPP Implementation grant at this point. If we do not receive that funding, we will search for other opportunities in hopes that we will not lose momentum. There are enough partners involved now that we will continue moving forward, but still need additional funding to get the project off the ground.

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

Planning District III has mapped out producer locations in an attempt to find a central location for the aggregation warehouse. The area selected is around Menno, Freeman or Scotland. We have three leads on buildings in that area. We will use this map and try to add committed client locations following the Meet the Farmer receptions. This will give us a more balanced geographic area. Planning District III will not be able to fulfill their contract with the planning grant ending June 30, but will continue to partner with the group in an advisory role. Mapping will be done informally, likely through SDSU Extension.

Ryan Cwach, through Birmingham & Cwach Law Office, has provided legal advice and services to the producer group. He assisted the group in examining the various options and selecting an LLC business structure. He will continue to draw up paperwork to complete the legal process. We have written Ryan into the next grant to provide the necessary paperwork to complete all legal processes.

Marty Travis, food hub manager of Stewards of the Land in Fairbury, IL, has been very instrumental in guiding this group through the planning process. We contracted with Spence Farm Foundation (Steward's nonprofit) for mentor services and as a provider for the Meet the Farmer receptions. In February 2013, Marty presented his thoughts on food hubs and their operation through a 2-part video conference series that was broadcast to eight sites in South Dakota. That conference spurred the activity that led to this grant, and our relationship with Marty and his fellow farmers has only deepened. Following the field trip we took to learn more about Spence Farm Foundation and Stewards of the Land food hub, we have maintained contact

and been able to entice a chef from the Chicago area to provide a local food demonstration and presentation at two Meet the Farmer receptions in Brookings and Sioux Falls. Marty gives us great feedback and encouragement.

6. Have you publicized any results yet?* yes, results of our planning have been shared

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

We alerted newspapers and radio stations from the first producer meetings we did in January. They have maintained interest. Currently three local television stations and the state's largest newspaper have expressed interest in covering the Meet the Farmer receptions. We have also written articles that have been posted on the IGrow SDSU website (<http://igrow.org/community-development/local-foods/>), and started a Facebook event page for the Meet the Farmer receptions. We have written a web designer into the next grant proposal in order for Dakota Fresh to have its own website.

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

Several regional newspapers have followed our work by attending meetings or interviewing participants. The Mitchell Daily Republic, Yankton Press & Dakotan, Tri-State Neighbor, and Sioux Falls Argus Leader are regional newspapers who have provided coverage to the public. Two radio stations in Yankton have provided news stories. We are also working with SD Public Broadcasting and IGrow SDSU radio to promote and report on Meet the Farmer receptions. SDSU Marketing will video-tape the Brookings Meet the Farmer reception for use with potential clients who miss the receptions but are still interested in purchasing from the hub.

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

Coverage area for the combined newspapers and radio stations mentioned above is over 500,000 people. We have sent out over 350 potential client invitations, and continue to reach out to approximately 40 potential producers.

*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). *See attachments.*

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 surveys from any producer who has expressed an interest in membership to the hub. *See attachment.* To date, 26 surveys have been completed and returned. We will also collect survey information from chefs who attend the "Meet the Farmer" receptions to determine their interest and needs in purchasing from the hub.

We have collected informal feedback from many sources, including chefs, professors, economic developers, regional planners and government service agencies.

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

Producers have been intimately involved in the strategic planning sessions, field trip, and production of the Meet the Farmer sessions. Their ideas and feedback are what drives this initiative. They are all willing to continue recruiting new producers and some are willing to serve as mentors to new producers. Although the decisions made in creating the hub have not always been easy, the group wrestles with differences in a wise way, and has learned to use consensus as they approach implementation.

Many of the regional stakeholders we have communicated with about Dakota Fresh have offered encouragement and advice. Their input is taken to the group and many ideas have been considered in our planning. For example, the FSA director in Charles Mix County and the Fort Randall RC&D Council have pledged to help recruit young beginning farmers into the hub as it is implemented. SDSU professors are thinking about how to study progress of the hub as it relates to the local food industry in southeastern South Dakota. A chef at a major medical facility in Sioux Falls has pledged to personally contact 25 other chefs he knows and invite them to our Meet the Farmer reception there. We have also already had economic developers and other interested community leaders contact us about vacant buildings that might serve as a warehouse, and have had one person very interested in becoming a part-time food hub manager. Word continues to spread and support runs deep in this region.

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, we have leveraged additional funding*

a. If yes, how much was generated and how was it used to further the objectives of the award? We have leveraged \$2500 from a Bush Fellowship participant to use as we go forward with our Meet the Farmer receptions. Due to the need to close-out our LFPP planning grant, we needed additional funding to complete summer projects already in motion. This Bush Fellow so strongly believes in this project, she decided to contribute as it fits into her community engagement plan. The additional funding will allow us to source food products from producers so chefs can taste product, finish travel expenses, produce a short video for those clients who cannot make it to a reception, and create individual farmer posters illustrating Dakota Fresh members on their farms to use in public relations.

9. Lessons Learned:

i. *Summarize any lessons learned. They should draw on 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).*

- Producers voiced the fact that they learned to take responsibility for this project, even though it began as an Extension-led program. It seemed to be the field trip to Illinois that really brought home that lesson. They saw the way the families in “Stewards of the Land” hub worked together and made decisions in a cooperative fashion, and realized that the producers in “Dakota Fresh” need to treat each other as colleagues, and not as competitors.

They have taken on more leadership roles since the field trip. They are more confident about letting resource providers in the group advise them, but not make decisions for them.

- There are several ideas coming forth that will save Dakota Fresh money as it is implemented. Farmers have offered a vehicle, pick-up points for aggregating community product before it goes to the central warehouse, ways to put together supplies, ways to efficiently equip the warehouse, and ideas for a part-time manager.
- In past experience, it has sometimes been difficult to pull people together for planning meetings and conversation. This project was remarkably positive in that regard. Producers came to meetings, worked hard at planning, and are very confident that we can make a food hub work in South Dakota.
- Learning the ropes of submitting expenses and the correct parties to deal with were the most difficult parts of the grant experience. Using federal money must have many checks and balances, and the university must have many checks and balances, but it took some time to figure out the systems and how they would work together. In the end, a good experience that just took time.

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

We are well on our way to achieving the goals and objectives put forth in this planning grant. A slight wrench in plans was caused by our decision to apply for a LFPP Implementation grant, which sped up the end date of the planning grant by three months. Our original plan included several projects being completed from July – September. It seemed like the timeline has been very tight. We learned about the new LFPP grant applications and May 15 due date in early April. That was a time when our producers were getting heavily involved in starting seeds and planning gardens. It became almost a race to get as much done as we could toward the planning grant in order to fulfill our obligations and reach goals.

A bright spot for the group was finding a Bush Foundation fellow who strongly believed in the project and was willing to fund our Meet the Farmer receptions that had always been scheduled for July, when summer produce is abundant. Her funding stream will allow completion of several objectives that definitely needed funding. Keeping options open for even small amounts of new funding for specific events and ideas is a good lesson learned.

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:*

My office is not on the campus of my university. In fact, I am located 300 miles away in a county Extension office. That made communication with my accounting and grants departments a little more difficult. I wish we would have set up a face-to-face meeting at the beginning of the grant and outlined who was responsible for each piece. In the same way, my federal grant contact, Velma Lakins, has been wonderful, but it would have been very helpful to “meet” Velma through a web-based communication tool. Having some key conversations prior to beginning the planning grant would have helped me become more confident in executing procedure. I will do that in the future.

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.*

Since we have only planned for Dakota Fresh food hub over the past year, we have MUCH work to continue as it develops. We hope to obtain additional funding through a LFPP Implementation grant, but if that doesn't come through, we will continue to search for funding to launch the food hub. Here are some benefits we have seen and that we think will continue to grow:

- Dakota Fresh food hub will impact communities in the southeastern region of South Dakota by offering an alternative market for locally grown foods. Smaller producers will gain a market to allow for expansion. People thinking about becoming farmers have an additional direction that will give them a better chance to examine supply and demand for different products, and concentrate on producing what is needed. Consumers will have an additional choice for fresh food. Dakota Fresh as an entity will be able to reach out to the public with a clear marketing message.
- We anticipate a larger wholesale market for all types of locally grown food. Being able to find markets that need a consistently larger amount of food to serve clients can only be accomplished by several farmers banding together to aggregate and distribute food. Our goal is to increase producer's sales by 10 -15% in the next two years.
- Several farmers have expressed interest in expanding the number of acres they use to grow food. If eight producers expand and need an additional part-time employee, that will create four full-time jobs. It will also mean producers working at off-farm jobs can choose to farm full-time. Our goal is to create 5 full-time and 5 part-time positions in the next two years. We already see at least 5 jobs retained as farmers decided to continue producing to meet the demands Dakota Fresh will provide.
- An off-shoot of this project will be healthier fresh food consumed in the region, which includes the Strike Force area of Charles Mix County. We are beginning to partner with a nutrition grant in the area to offer local food in the school and hospital in that area.

- 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 next steps include finding a warehouse location, equipping the warehouse, figuring out transportation, hiring a part-time manager, marketing, and other steps included in the LFPP Implementation grant proposal. Dakota Fresh needs to become operational.

We are requesting a second study on the impact of the local food industry in southeastern South Dakota. We will work with SDSU Economics department if possible, and would like to do the study in 2017, after Dakota Fresh has been operating for two years. We will search for funding to create that study.

Thank you very much for the opportunity to participate in the LFPP Planning grant. It has helped us immensely to transform Dakota Fresh from an idea to a reality.