

## 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](mailto:USDALFPPQuestions@ams.usda.gov); Fax: 202-720-0300

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

<b>Report Date Range:</b> <i>(e.g. September 30, 20XX-September 29, 20XX)</i>	September 31, 2015 to March 31, 2015
<b>Authorized Representative Name:</b>	3/31/2015
<b>Authorized Representative Phone:</b>	Liz Albertson
<b>Authorized Representative Email:</b>	865-215-3804
<b>Recipient Organization Name:</b>	Knoxville-Knox County Metropolitan Planning Commission
<b>Project Title as Stated on Grant Agreement:</b>	Knoxville Regional Food Hub Feasibility Study
<b>Grant Agreement Number:</b> <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-TN-0159
<b>Year Grant was Awarded:</b>	2014
<b>Project City/State:</b>	Knoxville, Tennessee
<b>Total Awarded Budget:</b>	25,0000

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: Precedent Research (Review of food hubs for similar regions)
    - a. Progress Made: This has been completed and results have been presented to the steering committee for their review and feedback.
    - b. Impact on Community: Long term financial feasibility of food hubs was identified as a major issue among most food hubs, as well as the concern that food hubs could create an unwanted “middle man” reducing the profit margin for farmers that do not want to nor have the capacity to sell to larger purchasers.
  - ii. Goal/Objective 2: Review of Regional/Local Agricultural Businesses
    - a. Progress Made: Completed and presented to steering committee for their review and feedback.
    - b. Impact on Community: A cohesive dataset of agricultural businesses will be useful for individuals and groups exploring options for purchasing, processing, distributing and selling local agricultural products. This information is being shared with our non-profit community partner, Nourish Knoxville.
  - iii. Goal/Objective 3: Regional / Local Market Demand Analysis
    - a. Progress Made: Individual interviews with demand side participants in the market, including restaurants, distributors and institutions have been completed. A survey of local/regional chefs has also been completed and presented to the Steering Committee for their review and feedback. The Steering Committee was helpful in helping solicit additional contacts within the region for interviews and to participate in the chef survey.
    - b. Impact on Community: Major challenges and barriers to purchasing local agricultural products by wholesalers, restaurants, grocery stores and institutional buyers were identified.
  - iv. Goal/Objective 4: Regional / Local Market Supply Analysis
    - a. Progress Made Focus groups, personal interviews have been completed with regional/local fruit and vegetable and livestock producers. Results have been summarized and results have been presented to the Steering Committee for their review and feedback.
    - b. Impact on Community: During the focus groups, local producers, began to connect with each other to continue discussing (outside of the focus group) how they could communicate and partner together to address issues related to production and marketing their products. Major challenges and barriers that local and regional agricultural producers face when selling their products and support roles that a food hub could provide are being identified.
  - v. Goal/Objective 5: Food Hub Model and Scale Analysis
    - a. Progress Made: Results have been reviewed with the Steering Committee regarding the most useful services that a food hub could support for our region, based on the interviews from the demand and supply side analyses.
    - b. Impact on Community: Identifying the key services that a food hub could provide and matching them with the appropriate model and scale for our region helped with our review of organizational capacity based on the type of services that are needed in the region.

- vi. Goal/Objective 6: Regional Organizational Capacity Review
    - a. Progress Made: Individual interviews with existing organizations in the region were completed, and results were presented to the Steering Committee for their review and feedback.
    - b. Impact on Community: Understanding the capacity of existing companies, agencies and organizations in the region is critical to determining overall need and sustainability of a food hub.
  - vii. Goal/Objective 7: Financial Analysis for Food Hub Development
    - a. Progress Made: A food hub scenario for our region was completed and a comparison of total annual costs estimated for operating a prototypical food hub was compiled and compared with the volume of purchases needed to cover operating costs.
    - b. Impact on Community: In comparing the estimated volume of fruits and vegetables sold at Knoxville's largest farmers market, it was determined that a regional food hub would need to sell approximately 90 percent of the total volume that is sold at the farmers market to cover annual costs. This is a significant finding for the community in that the supply side of the analyses with local farmers, identified the inability to increase supply because of lack of access to 1) labor, 2) equipment and 3) land availability.
  - viii. Goal/Objective 8: : Feasibility Study Authoring/Layout/Dissemination
    - a. Progress Made: This study has been completed and is being posted to websites and shared on social media.
    - b. Impact on Community: Because of the inability of supply to scale up to meet the demands of a food hub at this time, it was determined that creating a local food coordinator position would be a better strategy to support the marketing needs for local food producers and
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, 20\_\_). Include further explanation if necessary.
- i. Number of direct jobs created: Potentially one position for a local food coordinator could be created, if local / regional governments, university extension, non-profits and/or companies decide to fund this position.
  - ii. Number of jobs retained: Not Applicable
  - iii. Number of indirect jobs created: Not Applicable
  - iv. Number of markets expanded: Not Applicable
  - v. Number of new markets established: Not Applicable
  - vi. Market sales increased by \$Not Applicable and increased by Not Applicable%.
  - vii. Number of farmers/producers that have benefited from the project:
    - a. Percent Increase: Not Applicable
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? Not Applicable.
4. Discuss your community partnerships.
- i. Who are your community partners? Knoxville-Knox County Food Policy Council, Knox County Health Department, Nourish Knoxville, Inc., Appalachian Sustainable Agriculture Project, Right by Nature Farm.

- ii. How have they contributed to the overall results of the LFPP project? All community partners have provided representation on the Steering Committee for the Knoxville Regional Food Hub Feasibility Study, and reviewed the work program for the study, the results of the study along the way, as well as the completed draft study.
  - iii. How will they continue to contribute to your project's future activities, beyond the performance period of this LFPP grant? The community partners and steering committee provided feedback throughout the project, helping tweak the study using their expertise and knowledge as participants in regional/local food market. Many of the participants on the steering committee will be responsible for supporting the creation of a local food coordinator the region, if funding for such a position can be identified.
5. Are you using contractors to conduct the work? If so, how did their work contribute to the results of the LFPP project? Dr. Margarita Valendia and Dr. Chad Hellwinckle at the University of Tennessee have been crucial to developing a thorough research protocol for the study. Their existing connections with local and regional farmers and the University's Extension office has been critical to reaching a network of producers in the region that are either already selling locally or are interested in selling more locally. Their technical expertise has also been very valuable analyzing individual interviews of distributors and institutions and summarizing the concerns/needs regarding purchasing from local/regional producers, as well as estimating the costs a local food hub would need for operation and comparing those costs with estimated supply that would be required to meet annual operating costs. They have been a very good communicators regarding the findings of the study with the steering committee and integrating the feedback received at the meetings into their work.
6. Have you publicized any results yet? \* Yes, the draft study has been presented to the steering committee and the Knoxville-Knox County Food Policy Council for their review and feedback. Final comments and edits have been incorporated into the study.
- i. If yes, how did you publicize the results? The final study is being posted to websites and circulated on social media. An article for the Knoxville-Knox County Metropolitan Planning Commission website has been posted and a press release has been sent out to local media contacts.
  - ii. To whom did you publicize the results? Stakeholders, community partners, steering committee members, local media contacts, social media followers and subscribers to the MPC newsletter and visitors to the MPC website.
  - iii. How many stakeholders (i.e. people, entities) did you reach? An estimated 1,000+
- \*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).
- MPC News and Newsletter: <http://knoxmpc.org/news/2016/0324/81/knoxville-food-hub-report-released>
- Knoxville-Knox County Food Policy Council News: <http://knoxfood.org/local-food-hub-study-released/>
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 held a final meeting with the steering committee and the Knoxville-Knox County Food Policy Council and reviewed the draft report with each group.

What feedback was relayed (specific comments)? The use of technology to connect supply and demand was noted as an interest by the steering committee members during the final meeting and acknowledging the work of some local entrepreneurs was incorporated into the recommendations section of the study. An app is under development called “FarmSpotter.” which will help market local farmers. Challenges related to local and regional farmers not having access to resources that could have been generated through tobacco-settlement funds for the State of Tennessee was also noted by steering committee members, particularly as other states have been using those funds to help local and regional food production.

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?
  - a. If yes, how much was generated and how was it used to further the objectives of the award? Not Applicable

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).

When contrasting chef survey results with those obtained from farmer focus groups, it is important to notice that while some producers are willing to accept prices that are less than 30% of the prices they obtained through direct-to-consumer outlets, other cannot afford to be paid less than 10% of what they currently receive at direct-to-consumer outlets. Chefs, on the other hand, are willing to pay wholesale prices or prices they currently pay with a small additional percentage for services provided by the food hub (e.g., online ordering, delivery). The ability to satisfy both farmer and restaurateur expectations in terms of price, while maintaining a profitable business, may be one of the biggest challenges faced by a food hub.

Restaurant expectations regarding supply of local foods may not be consistent with what farmers from the study area are able to offer currently. Farmer focus group participants expressed barriers faced when trying to scale-up including labor, equipment, and land availability. Some of them are not willing to scale-up because of these barriers. In contrast, restaurants expect to have a consistent supply year-round, at a convenient distance or delivery option.

During the farmer focus group meetings several producers expressed their concerns about having enough local-regional producers to satisfy the needs of a food hub model as a wholesaler.

Based on interviews with distributors, we learned that they operate at different scales and have different requirements for farmers. Some distributors require liability insurance of more than \$2 million and Good Agricultural Practices (GAP) certification. Other local distributors have less liability requirements and do not require certification.

A private school was enthusiastic about buying local food and has the capability of either buying directly from farmers or through small distributors. A state university’s food vendor and a hospital food vendor expressed facing more barriers such as high liability and certification requirements, volume requirements, and distributor contract requirements; however, both would pursue buying local foods if the administrations of these larger institutions requested this as a purchasing policy.

Both specialty grocery stores interviewed expressed enthusiasm over buying more local foods directly from farmers. They have low liability requirements and do not require food safety certifications. Nonetheless, one of them has an internal verification process to guarantee specific store requirements.

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

1. The majority of farmers in our focus groups perceive there is currently not enough supply to justify the investment on a full-service food hub.

- Perceptions matter, so perhaps a full scale scientific survey of local-regional food supply is needed in most communities to assess if this perception is accurate in locations where agriculture and farming aren't presently major industries.

2. Farmers also stated that supplying more food is constrained by land, labor, and machinery limitations.

- There are decisions made at the state level affecting the way agricultural dollars are spent that have an impact on growing the local food economy, particularly the perception of the inaccessibility of tobacco-settlement money that could be used to address issues related to land, labor and machinery limitations. Exploring some of these possible issues before investigating the feasibility of a local-regional food hub may be more helpful.

3. The majority of farmers in our focus groups prefer to spend the time on direct-to-consumer outlets to gain the extra profit margin. The larger institutions interviewed (university and hospital food vendor) stated they do not have enough demand to justify expanding the purchases of local foods.

- Local farmers and chefs benefit from a strong trust-filled farmer-chef relationship to both market their products and assure customers of quality and freshness of products. Building trust in a new food hub would take time and that should also be a factor in considering food hub feasibility for a region. Cultivating relationships with larger institutions to purchase local-regional foods and set-up multi-year contracts to do so may be the extra push that is needed to establish a food hub.

4. The university, hospital vendor, and the national distributor interviewed require insurance and certification standards that many local farmers may not currently have or be willing to obtain.

- A local food coordinator may be a more appropriate step to help address policies of both public and private agencies that may be detracting from the ability of the local-regional food economy flourish.

ii. Describe any lessons learned in the administration of the project that might be helpful for others who would want to implement a similar project:

Working with the agricultural college of a university partner to conduct research on the project is key because of their connection to local agricultural extension offices. The contacts and information that they have access to is an invaluable resource.

Not being able to use grant money to feed farmers that participated in focus groups was challenging. Fortunately, a steering committee member donated some food to help us feed those that had participated in our focus groups.

Scheduling any project activities that require travel during wintry months is a challenge in Tennessee and other mountainous parts of the Southeastern U.S., because the rural location of many farmers.

10. Future Work:

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.

We will continue to incorporate the findings of the food hub feasibility study into other projects that we're working on related to growing the local food economy – particularly since it's been identified as a value by residents of our region.

Since the recommendation to establish a local food coordinator was a major finding from this study, we'll continue to explore this option with our project partners, local governments and various non-profits, which would possibility create at least one new job.

- i. 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?  
Ideally, we'd like to be able to pursue hiring a local food coordinator in our region to help address the issues identified as barriers to growing the local-regional food economy. It would also be helpful for the State of Tennessee to consider putting additional resources toward helping regions deal with barriers related to growing more food locally, particularly since some areas have used tobacco settlement funds to hire local food coordinators within their states.