

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 st , 2014 – December 31 st , 2015
Authorized Representative Name:	Sean Hopps
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Recipient Organization Name:	Institute for Washington's Future
Project Title as Stated on Grant Agreement:	Redirecting 'Buy Local': Including Latino Farmers and Low Income Consumers in the New Urban Market
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPP-WA-0178
Year Grant was Awarded:	2014
Project City/State:	Seattle, Washington
Total Awarded Budget:	\$88,500

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: **Recruit and support at least 50 small Latino farmers to participate in the Project.**

- Progress Made:

Over 50 small Latino farmers have been contacted by the Institute for Washington’s Future (IWF) and project partner, the Washington Latino Farmers Network (WLFN). Of these 3 Established producers and 25 new farm enterprises collaborate in the projects direct marketing initiative. 490 hours of mentorship were provided by the WLFN to the 25 startups in farm business planning and production troubleshooting. Approximately 1,620 hours of technical assistance were provided by the Institute for Washington’s Future and project partners to the WLFN as an organization and to individual members. TA included market research, customer development and farm business services, consultation, and training and education. Activities included production and marketing workshops, several farm to table events in the Seattle area, various sales collaborations between producers into the Seattle market, and informal meetings of producers. These activities were hosted and facilitated by the Institute for Washington’s Future in partnership with the Washington Latino Farmers Network.

- Impact on Community:

Fifty Latino farmers have considered farming as a viable business to produce full or part-time income for their families and have accessed a peer support network that will guide them in their decision making process so that they more fully understand the risks they are taking and the resources available to them. 25 Latino farmers have made the decision to produce this season and have accessed a peer support network and the IWF value chain, thereby, increasing their chances of success. Producers were able to utilize the platform of the WLFN and the IWF value chain to generate over \$100,000 in revenue to date

- ii. Goal/Objective 2: **Build the Seattle Food Consortium (SFC) consumer base to 200 + consumers.**

- Progress Made:

Columbia Sustainable Enterprises (CSE) and the Institute for Washington’s Future (IWF) have organized the partners and collaborators on the market end into a group called “The Seattle Food Consortium”(SFC). SFC is directly connected to the WLFN through IWF and CSE and will develop parallel and in concert with the WLFN in the context of our value chain.

During the project period, the SFC essentially absorbed and operated the Klondike market project as the definitive Food Hub at the market end of our food chain (*see Klondike Market, objective three below*). Hub activities and sales channels have produced over \$40,000 of revenue for 12 farmers from the WLFN. This is in addition to over \$50,000 in revenue from Seattle based farmers markets and farm stands that producers were able to transact business through the technical assistance provided by IWF staff and partners via LFPP funds. New relationships in the context of the SFC include: The Impact Hub, Southeast Effective Development Corporation, and Seattle Tilth. Food Hub activities made sales to 200+ customers. Furthermore, farm to table events cultivated relationships with retail and small wholesale consumers to the WLFN producers and a budding partnership with SEED has expanded the SFC reach into Southeast Seattle. With this producer owned, food hub initiated, we now have a two year horizon to further expand and sell into this customer base.

- Impact on Community:

A producer's group on the production end is directly connected with a grassroots group on the market end. The WLFN and SFC are allied on the goal of sustainable development of a regional food economy that provides healthy, affordable food for all while making small farming a viable business option in our rural counties. Producers of the WLFN have a new customer base in Washington's most important urban market and have increased their chance of success. These producers have control of their own food hub and collaboration with members of the Seattle Food Consortium for technical support in customer and product development.

iii. Goal/Objective 3: **Assess five business models for direct, farm to table, marketing**

• Progress Made:

Six business models were identified and assessed.

1. **Real Food Buying Club (RFBC):** Assessment of the business model is complete. A food buying club is feasible but logistics are difficult. Challenges include the need for a large membership base that requires significant working capital with a long time horizon for marketing and promotion.
2. **Mobile Farm Stand franchised to Washington Latino Farmers Network:** Testing was limited since none of the businesses involved purchased a truck. A pop up stand was very effective at customer development at the Impact Hub in downtown Seattle. Healthy Northwest studied sites, including parking lots and community sites like schools, offices and churches. Two producers sold produce from a truck in the Seattle area. These efforts have been coordinated with the development of a comprehensive, producer owned "Food Hub". (*see summary below*)
3. **A shared "local/value added packing center light" on the production end:** A feasibility study and business plan funded by a VAPG planning grant from USDA-RD is in hand. Plans are underway for development of a joint venture between the WLFN and Healthy Northwest. Columbia Sustainable Enterprises (CSE) market tested dehydrated fruit and vegetable products with Halcyon Northwest and Bevin Mcleod. The design and execution of a shared value added production facility for WLFN producers on the production end of the chain is parallel to and in coordination with the design and execution of the producer owned Hub on the market end.
4. **WLFN direct market collaboration supported by sales representation:** This model was proposed by WLFN leadership based on decisions about how to maximize shared individual and grant resources. The two needs they identified to help their direct market initiative gain access to the Seattle market are cold storage and sales representation for members. On the production end, they identified a need for shared value added production resources. Achievements include:
 - IWF was able to help producers get into three Seattle area farmers markets.
 - In-Kind cold storage was secured for the 2015 season.
 - Partnership with Impact Hub in development of the Food Hub, including as a host for networking and a satellite site for sales and customer development.
 - Sales and customer development through pop-up stands and farm to table events.
5. **A series of three farm to table sales events on the market end and one eco-tourism event on the production end of the value chain, franchised to the WLFN:** Several events farm to table events were executed during the project period with support from IWF and project partners.
 - Gastropod Industry Insider Dinner, Dec. 4th, 2014
 - Meet the farmer sales event at Conduit Coffee, June 12, 2015
 - Latino Expo, WLFN booth, August 8, 2015
 - Industry Insider, Restaurants, October 19, 2015
 - Impact Hub/Halcyon N.W., Healthy Northwest: Market Sampling of Dehydrated Fruit, Smoothie testing, three days in Oct./Nov., 2015

- Staffing of WLFN pop – up stand at the Impact Hub once a week, June, 2015 – September 2015.

6. The Klondike Farmers Market: This effort was initially proposed and led by project partner Sourcerer, Sourcerer left the project team in June of 2015 and this effort was picked up directly by the Institute for Washington’s Future, with support from Columbia Sustainable Enterprises, Bevin Mcleod, Healthy Northwest and Halcyon. Together, we have developed the concept and design of an innovative producer owned Food Hub at the market end of the value chain. The model allows producers to have direct access to and control of, an invaluable asset for collaborative direct marketing where they make the rules - their own market with physical sites tied together by virtual components and with embedded technical assistance and services, including market research and analysis.

- **Impact on Community:**

A base of research, feasibility studies, and business planning is supporting the formation of new farm and food businesses within the direct/local marketing model. The impact will be to innovate new channels for direct marketing beyond the limits of CSA’s and Farmer’s markets and will make direct/local more accessible and affordable to consumers, while creating a market that makes the small farm and food businesses that producers of the WLFN are engaged in feasible. The IWF farm to table value chain will add two concrete components that will strengthen it toward this end. 15 WLFN producers, 5 supplemental producers, and 3 food businesses that source from them will control their own market channel and be “game makers” in addition to “game players” in the Seattle direct market.

iv. **Goal/Objective 4: Build two new direct marketing entities creating 10 new jobs**

- **Progress Made:**

Four new direct marketing entities were created and created nine jobs:

1. Real Food Buying Club (2 FTE)
2. Healthy Northwest: Fresh/Local value added products, sourced from the WLFN (3 FTE)
3. Sourcerer, Sales Representation for WLFN (1 FTE)
4. Klondike Farmers Market (3 FTE)

- **Impact on Community:**

New ways of direct marketing beyond traditional farmers markets and CSA’s are being explored and tested. Producers are developing their own community assets and direct connections to infrastructure in the urban market area, thereby empowering themselves to access and expand into these markets.

v. **Goal/Objective 5: Market test at least two value added products**

- **Progress Made:**

Healthy Northwest and the WLFN market tested dehydrated fruit and vegetable products as a part of their joint venture to create a shared production facility in Yakima and their own food hub in Seattle. Columbia Sustainable Enterprises, Halcyon Northwest and Bevin Mcleod provided technical support.

- **Impact on Community:**

Project participants are exploring ways to expand and diversify their products. Value added products represent both additional revenue and diversification of the revenue stream to months outside of the harvest season to these farm businesses.

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: 21
- ii. Number of jobs retained: 38
- iii. Number of indirect jobs created: 63
- iv. Number of markets expanded: 3
- v. Number of new markets established: 1
- vi. Market sales increased by \$170,000 and increased by 700%.
- vii. Number of farmers/producers that have benefited from the project: 50

Basis for Metrics: 50 Latino farmers received culturally competent, bilingual outreach and engagement from IWF, the WLFN, and other project partners.

- 25 of these farmers received some form of technical assistance funded through the LFPP.
- 12 farmers collaborated in the projects direct marketing initiative and sold \$80,000 worth of produce through project activities this season. At least 15 producers have customer development that includes MOU's with wholesale customers, participation in a biochar research project, and participation in the development of their own food hub.

Number of direct jobs created: 9 by the food businesses at the market end that source through WLFN + 12 new family farm jobs created by expansion of revenue to project participants = 21 total

Number of jobs retained: 24 by 12 farmers who sold through value chain channels. We estimate that at least 12 more jobs were retained by the 13 farmers who received technical assistance at the production end but did not participate in the direct market activities.

Number of indirect jobs created: Estimated at 21 direct jobs created * 3 = 63

Number of Markets expanded: WLFN access to traditional direct markets in the greater Seattle metropolitan area (farmers markets, farm stands, small wholesale etc.), innovative new markets in the greater Seattle metropolitan area (food buying clubs, food hubs, cooperatively owned infrastructure, etc.)

Number of Markets Created: The producer owned food hub currently known as the "Klondike Market".

Increase in market sales: The 2014 baseline for direct sales through the "Sembrando el Sueno farm to table value chain" was \$10,000 for eight producers (operating on very limited capacity). Figures for 2015 have reached \$80,000 for 12 producers.

****Please note, this takes credit for sales that took place along the value chain itself with the transaction(s) assisted in some way by the project team. The combined revenue created independently by all the farm businesses served by the project is, of course, much higher.*

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?

Yes. The new partnership with Southeast Effective Development (SEED), to locate a central site for our food hub and facilitate other hub activities, gives us reach into the most ethnically diverse and low income neighborhoods of Seattle.

4. Discuss your community partnerships.

- i. Who are your community partners?

Washington Latino Farmers Network (WLFN), Halcyon NW, Southeast Effective Development (SEED), Heritage University, Seattle Impact Hub, Columbia Sustainable Enterprises, Healthy Northwest, Real Food Buying Club.

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

- The WLFN provided outreach and professional mentorship services to about 50 small Latino farm enterprises, consultation on program design and execution, and development of personal and shared equipment and assets applied to their direct marketing initiative.

- Heritage University and Juan Aguilar presented at WLFN market forums, enrolled 3 producers in the ADENTRO farm business and loan application program, and provided consultations to producers on loan applications.
- Halcyon NW, Real Food Buying Club, Columbia Sustainable Enterprises, and Healthy Northwest provided the WLFN technical assistance in promotion, customer development, and product development. They contributed to the design and development of the WLFN food hub, as an anchor on the market end of the chain, and on a planned value added production facility, on the production end.

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

- Halcyon Northwest is subcontracted in a 2015 FMPP grant to embed in the producer owned food hub and provide the WLFN real time market research and analysis and customer/product development services.
- The Institute for Washington's Future will continue to provide technical assistance to the Washington Latino Farmers Network (WLFN) and partner with members on enterprise development within the context of *the Sembrando el Sueño* value chain.
- Healthy Northwest will enter into two joint ventures with the WLFN: The Sueño Food Hub and the value added production enterprise.
- Heritage University will continue to offer outreach and educational services to the WLFN.
- Columbia Sustainable Enterprises and Heritage University will continue to outreach the WLFN and connect them with research and development in sustainable production as community stakeholders. Ongoing work includes research into bio char as a soil enhancement.

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

The role of contractors is to provide technical assistance at both ends of our value chain. At project end, ongoing contracts exist with: The WLFN, Columbia Sustainable Enterprises, Halcyon NW, and Healthy Northwest.

i. Have you publicized any results yet?* If yes, how did you publicize the results?

Yes, results have been publicized through social media, participation in conferences and workshops, and word of mouth.

ii. To whom did you publicize the results?

Results were shared with the general public, other NGO's, community organizations, local government entities and representatives

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

We estimate that over 200 individuals and 25 entities have learned of our project activities and results through IWF, WLFN and SFC.

*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).

6. Have you collected any feedback from your community and additional stakeholders about your work?

Yes, feedback has been collected from producers, community stakeholders, and wholesale and individual consumers.

- i. If so, how did you collect the information:

- Producers: project meetings and individual surveys
- Community Stakeholders: Meetings and participation in workshops and conferences
- Consumers: Market surveys and research of Halcyon and customer surveys of RFBC

What feedback was relayed (specific comments)?

- “It is has been my dream to farm to support my family, to have something of my own and create something with my own hands”. Roberto Soto, participant (*translated from Spanish by Sean Hopps*)
- “If Latino’s are not farming, who will it be the next generation of farmers? The prevailing packing house model is not working for us, and anyone trying to start on 10 – 40 acres, forget about it! We need to find direct markets who value our expertise in urban areas of our State or we will all be working for the big guys.” Adolfo Alvarez, founding leader of the Washington Latino Farmers Network.

7. 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

8. 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).

This project sought to realize the opportunity that farming offers immigrant Latinos to climb the social and economic ladder. It started with the knowledge that start-up Latino farm enterprises tend to be small and must find direct markets for their businesses to be feasible, since they are virtually shut out of the prevailing packing house system that favors volume and devalues specialization and diversification. There is a customer base that values the direct/local specialization that small, sustainable producers, like those of the Washington Latino Farmers Network (WLFN), can deliver. We learned two things: how to fill the gap that exists between the interaction of customer with the farmer and innovations within the array of direct market channels that give the small farmer increased access and control.

Specific learning includes:

- Though it is difficult to cooperate at the level of business ownership, there is a next level where collaboration can help independent businesses share cost and risk and to aggregate their products in order to gain leverage in the direct market. This includes collaboration on promotion, customer and product development, sales to wholesale customers, transportation, and shared community asset building. A business association, like the WLFN, can serve as an effective platform for farmers to engage in these types of collaborations.
- Existing direct market channels, like farmers markets and CSA’s, are valuable but limited in two ways. First, they limit the ability of farmers to collaborate in order to gain leverage; for example, a producer cannot sell another farmers product at a farmers market. Second, farmers have limited

access, they have to apply and comply with the rules of a particular market. Innovations, such as producer owned food hubs, allow a group of producers to gain leverage in the market by efficiently sharing the dual function of producer and vendor that direct marketing demands.

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

Goals and outcome measures generally met and exceeded our expectations; however, it is appropriate to comment on learning specific to goal/objective 2, *Build the Seattle Food Consortium (SFC) consumer base to 200*, and goal/objective #3, *Assess five business models for direct, farm to table, marketing*. Project work related to these business models coalesced organically among project partners into the pursuit of two parallel projects: A producer owned food hub and a shared value added production facility. Specific learning that we would like to share:

- It is very costly, especially in time and effort to try to replicate the "convenience" of conventional markets. For example, we could not effectively sell fruits and vegetables in small lots or pack multiple items in a box.
- Effective transportation requires higher volumes. The loss in transportation has to be covered in the start phase.
- Developing a presence as well as a good system on the internet requires capital.
- Even with an effective internet marketing system, physical locations with good cold storage are needed at the market end for product aggregation and to function as pick up sites/wholesale storefronts.

9. 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.

The 15 month project period for "Redirecting 'Buy Local': Including Latino Farmers and Low Income Consumers in the New Urban Market" has significantly improved our value chain. It expanded its capacity to serve small farmers with technical assistance in production issues, business planning, and direct marketing and produced revenue into their pockets during the 2015 season (what we call the "Golden Metric"). It also developed organically by expanding partnerships and moved toward development of shared assets (shared by WLFN producers). The two most important are the parallel projects of a shared value-added production center and the producer owned "Food Hub" that has emerged at the market end of the chain.

- 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?

LFPP funds have significantly powered the natural and organic growth of our value chain and the project will have an ongoing impact as we take our value chain into 2016. Project activities related to customer development, production, and market research and analysis now look forward to a

horizon of two years. Business plans are in place and funding sources have been identified for the two projects listed above. Some funding has been secured (including a 2015 FMPP grant) to develop the producer owned food Hub. With time our value chain, anchored by the Washington Latino Farmers Network and the Seattle Food Consortium and with the Institute for Washington's Future as the conduit that powers the chain, can become a strand in the fabric of several such value chains that contribute to a just and sustainable regional food economy based on direct, local, farm to table transactions.