

The final performance report summarizes the outcome of your LFPP award objectives. As stated in the LFPP Terms and Conditions, you will not be eligible for future LFPP or Farmers Market Promotion Program grant funding unless all close-out procedures are completed, including satisfactory submission of this final performance report.

This final report will be made available to the public once it is approved by LFPP staff. Write the report in a way that promotes your project's accomplishments, as this document will serve as not only a learning tool, but a promotional tool to support local and regional food programs. Particularly, recipients are expected to provide both qualitative and quantitative results to convey the activities and accomplishments of the work.

The report is limited to 10 pages and is due **within 90 days** of the project's performance period end date, or sooner if the project is complete. Provide answers to each question, or answer "not applicable" where necessary. It is recommended that you email or fax your completed performance report to your assigned grant specialist to avoid delays:

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

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

Report Date Range: <i>(e.g. October 1-March 31, 20XX)</i>	September 30, 2015 – September 30, 2016
Today's Date:	02/15/2017
Authorized Representative Name:	Judy L Tholen
Authorized Representative Phone:	920-285-6174
Authorized Representative Email:	info@jrscountryacres.com
Recipient Organization Name:	JRS Country Acres
Project Title as Stated on Grant Agreement:	Building local Midwest egg markets through efficient grading and distribution
Grant Agreement Number: <i>(e.g. 14-LFPPX-XX-XXXX)</i>	14-LFPPX-WI-0182
Year Grant was Awarded:	2014
Project City/State:	Wisconsin
Total Awarded Budget:	\$25,113

1. Summarize the community need for the grant work:

Our "community" involves a number of people: farmer, our company, distributors, stores/restaurants, and finally consumer. JRS Country Acres provides the link in the value chain from producer to consumer. By using grant funds to purchase equipment and packaging supplies, it keeps our costs down to the consumer and able to compete with national egg brands both on the store shelves and foodservice. Our role is critical for our farmers to be able to sell their eggs to the consumer through us. We also pay our farmers more for their eggs than a nation-wide egg company/corporation and that helps them maintain their lives on the family farm.

- i. Indicate the low income/low access priority area or Federal Promise Zone, if applicable:

2. 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 and have been approved by LFPP staff, 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 toward each one and indicate the impact on the community, if any.
 - i. Goal/Objective 1: Purchase of equipment related to food safety and efficiency.
 - a. Progress Made: All purchases made: Peeco Egg Vacuum Lift System, Stainless double sink and stainless packing supply table, and hand pallet jack.
 - b. Impact on Community: Needed equipment increased our efficiency during packaging. The egg lift system saved personnel from muscle fatigue, and increased productivity by 25%. Prior to having this system, egg wash machine was loaded by hand. A pallet of eggs washed (720 dozen) used to take about 1 hr. Now it takes about 40 minutes. The sink and table decreased our clean up time. And the pallet jack enabled us to move and load pallets of eggs efficiently, safely and effectively. All equipment purchased contributed to the ability to keep labor cost down, thereby allowing us to remain competitive in the egg market.
 - ii. Goal/Objective 2: Purchase of a semi-load of egg cartons, plus layer flats and boxes.
 - a. Progress Made: Purchases of egg cartons; full purchase of layer flats and boxes are all completed.
 - b. Impact on Community: Packaging purchased at a lower price kept costs to consumer down.
 - iii. Goal/Objective 3: Purchase of new laptop computer.
 - a. Progress Made: Purchased
 - b. Impact on Community: With new Quickbooks and inventory software, our everyday transactions and employee payroll has enabled us to become more efficient in the office. Thus freeing up time for other tasks. This impacts the final price of product to consumers by a lower labor cost to produce.
 - iv. Goal/Objective 4: Second purchase of layer flats and boxes.
 - a. Progress Made: Purchase completed.
 - b. Impact on Community: Packaging purchases at a lower price kept costs to consumer down.

3. Quantify the overall impact of the project on the intended beneficiaries, if applicable, since the baseline date (the start date of the award performance period—September 30, 2014). Include further explanation if necessary.
 - i. Number of direct jobs created: 4
 - ii. Number of jobs retained: 7
 - iii. Number of indirect jobs created:
 - iv. Number of markets expanded: 2
 - v. Number of new markets established: 3
 - vi. Market sales increased dramatically since the start of the grant period, from total sales of about \$750,000 in 2014 to \$1.2 million in 2016.
 - vii. Number of farmers/producers that have benefited from the project: 12
 - a. Percent Increase: 50%

4. Did you expand your customer base by reaching new populations such as new ethnic groups, additional low income/low access populations, new businesses, etc.? Yes If so, how? We were able to pick up 3 new distributors (Lea Foods, Calma Optimal Foods, and Farmlogix) that service the Chicago, IL and surrounding areas. We package eggs for Lea Foods, and Calma Optimal Foods under their private label. For Farmlogix, they are a restaurant distributor in the Chicago area . Also our main retail carton distributor (Soderholm) was purchased by another company (Lipari Foods). Lipari services grocery stores in 13 states in the Midwest. We are now working with them to expand our grocery store sales area outside of Wisconsin and Northern Illinois. Our eggs are now being sold in OH, IN, and PA.
5. Discuss your community partnerships.
 - i. Who are your community partners? Farmers, Distributors
 - ii. How have they contributed to the results you've already achieved? By adding to our farmers, the egg inventory increased. So we were able to have more eggs available to our distributors. Our distributors were able to sell more product to retail outlets (grocery stores) and wholesale outlets (restaurants and institutions.)
 - iii. How will they contribute to future results? Increased production by the addition of farmers= more sales to end users (consumers).
6. Are you using contractors to conduct the work? No If so, how has their work contributed to the results achieved thus far?
7. Have you publicized any results yet? Yes, January, 2016.
 - i. If yes, how did you publicize the results? Paper/speaker
 - ii. To whom did you publicize the results? Wisconsin Local Food Summit
 - iii. How many stakeholders (i.e. people, entities) did you reach? ?, attendees of conference, not sure how many.
8. Have you collected any feedback thus far about your work? No
 - i. If so, how did you collect the information?
 - ii. What feedback have you collected thus far (specific comments)?
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
 - a. If yes, how much was generated and how was it used to further the objectives of the award? During the entire grant period, we realized approximately \$1.9M in sales. Income generated during this period was partly used to attend 9 food shows promoting local foods. We were very well received at all the shows and were able to connect with many current customers, and get leads for new customers. Because of increased sales we were able to start on another expansion of our production (egg washing/packaging) area in September of 2016, just after the grant period ended. Concrete was poured along with the purchase of building materials for walls and ceiling. Also done was a concrete pad/dock outside of our building to facilitate loading and unloading of trucks. In addition, we were able to design another egg carton (a 1/2 dozen size) for release in the future. This size package will be targeted towards convenience stores since more of

them in our area are introducing local products on their shelves. Also we designed and purchased boxes for the additional egg carton. An additional 3 pieces of equipment (inkjet printers) specifically for date coding the egg cartons was purchased.

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).

Positive:

- i. Expected outcomes and Intended beneficiaries as projected in original grant application were very close, if not, spot on. Below is a list of our expected outcomes and short positive comments.

- a. Increased production from current producers: With sales over the two year grant period of approximately \$1.9M, all our current producers were able to share in the increased sales during this period.

- b. Increased number of producers: We doubled the number of producers that we worked with over the two year life of the grant, from 6 to 12.

- c. Reinvestment/salary: Beginning in January 2016, the principals were able to take a modest weekly salary draw(\$40K total/year), and we were able to reinvest dollars (into building upgrades and expansions such as a loading dock and expanded work areas (September 2016)

- d. Working Capital: As a result of the cost of production savings and increased sales, we were able to show our local banking partner the need for a substantial line of credit. We use this line to help make big purchases such as semi-loads of egg cartons and boxes. This was one of the original goals of this project, to buy in bulk for better pricing.

- e. Eggs in the local Midwest market for both consumers and institutions grew from 375 dozen per day to 2500 dozen per day.

- f. Increased volume by distributors: Our main carton distributor (Lipari Foods) has stated to us numerous times that our local brand of egg is their number 1 seller. Likewise, our institutional distributor has also said that our eggs are the highest volume seller that they carry. They state that the demand for local eggs has skyrocketed in the past couple of years.

- ii. Collaboration between farmers and our business has increased. For example, one of our farmers now has his own egg grading station. He packs eggs for us on occasion, when we do not have enough time or eggs to pack them ourselves. This keeps eggs flowing and customers happy with our business. In addition, that farmer has multiple chicken barns, and when he has too many eggs, we take them. Likewise, when we have too many eggs, he takes them. It's a win-win. In addition to egg "sharing", we also purchase boxes together. This lowers the price for both our businesses, allowing both of us to remain competitive within the egg market.

Negative:

- (i) Time constraints: Just about from the very beginning of the grant period, the principals (and authorized representative listed above) had trouble keeping up with the requirements of the grant. That is, reports, outreach, financial submittals. It is very hard to wear multiple hats throughout the course of a day and year. Some of the encounters barring timely submission include personnel problems, machine breakdowns, business decisions, and more, all of which took up many hours per week in addition to a regular workload. Grant paperwork took a back seat, even though it was doing good things for our business. In the future, our business may hire a person just to do/track grant items.

- ii. Outreach goals were not achieved. Again, time constraints was the main reason most of our outreach goals were not done. We did have time however to put together and deliver a paper on our results. Of all the goals, this seemed most important. In the future, outreach goals will be carefully considered with how much time is available and how best to share the results.

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.

In the future, our business has a few goals. Additional and expanded facilities, a larger egg processing machine, and a larger cooler are currently being planned. We estimate that all will be needed within the next 5 years. Given the nationwide trend of large corporations announcing the use of a local and/or cage free egg within a few years, we believe that our business is poised to grow substantially, provided we can remain competitive with the largest egg companies. We are slowly becoming a recognized brand within the egg market, especially in the Midwest; our target marketing and distribution area. Also, increased collaboration between farmers and our business will be a continuous goal. We all do better together.

- 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?

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0287. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable sex, marital status, or familial status, parental status religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.