

FARMERS' MARKET AND LOCAL FOOD PROMOTION PROGRAM (FMLFPP)  
Interim Performance Report

**Southwest Washington Food Hub**  
**2020 Annual LFPP Performance Report**  
**Thurston Economic Development Council Center for Business & Innovation**

<b>Report Date Range:</b> <i>(e.g. October 1, 2017 -September 30, 2018)</i>	Jan 8, 2020 – Dec 31, 2020
<b>Date Report Submitted</b>	Feb 26, 2021
<b>Grant Agreement Number:</b> <i>(e.g. AM170100XXXXGXXX)</i>	AM190100XXXXG169
<b>Recipient Organization Name:</b>	<b>Thurston Economic Development Council Center for Business &amp; Innovation</b>
<b>Project Title as Stated on Grant Agreement:</b>	<b>Southwest Washington Food Hub</b>
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<b>Year Grant was Awarded:</b>	2020
<b>Award Amount:</b>	\$85,380.00

1. Please provide the approved project's objective (s):

Objectives		Completed	
		Yes	No
1	<ul style="list-style-type: none"> <li><b>Objective 1:</b> Facilitate the establishment of a formal chartered producer association to provide input and information, and contribute to the guidance of the development of a Southwest Washington Food Hub with the capacity for value-added processing.</li> </ul>	X	
2	<ul style="list-style-type: none"> <li><b>Objective 2:</b> Assess current production, sales, and demand, and pinpoint opportunities to increase customers and sales of local and regional agricultural products by: <ul style="list-style-type: none"> <li>○ Acquiring data such as base line sales and consumer demand through producer and consumer listening sessions</li> <li>○ Hosting interactive buyer/producer networking events</li> </ul> </li> </ul>	X	
3	<ul style="list-style-type: none"> <li><b>Objective 3:</b> Position producers to access new markets by providing training and instruction on the following: <ul style="list-style-type: none"> <li>○ Development of cooperative business model</li> <li>○ Policies, logistics, and details of the Food Hub business model</li> <li>○ Food safety and produce safety</li> </ul> </li> </ul>	X	
4	<ul style="list-style-type: none"> <li><b>Objective 4:</b> Complete a business plan for the development of a</li> </ul>		X

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 0581-0240. The time required to complete this information collection is estimated to average 2 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.

	Southwest Washington Food Hub.		
5	<ul style="list-style-type: none"> <li>• <b>Objective 5:</b> Disseminate project information and findings through workshops, and regional food system conferences</li> </ul>		X
6			
7			

2. Describe the progress and/or accomplishments on project activities. Indicate how these accomplishments assisted in the fulfillment of your project’s objective(s). Please include objectives approved on the accepted project proposal. Highlight the impact on the project’s beneficiaries.

*Example: Activities developed are related with our 3<sup>rd</sup> Objective, Outcome 1, and indicator 2b.*

Accomplishments	Relevance to Objective, Outcome, and/or Indicator
Conducted 6 Food Hub informational outreach sessions for farmers in Grays Harbor, Lewis, Thurston, Mason, and Pierce Counties, and provided Food Hub information and documented interest among 61 farmers representing 54 farms operating on 875 acres.	Objective 1, Indicators 1a-1c, 5a. Farmer outreach to introduce the food hub model was a sub-heading in original grant objective 1. From these information sessions, a 10-member steering committee and then 5 member Food Hub Committee was formed to guide development of the structural and functional aspects of the Food Hub plan, including bylaws and governance structure, a Charter, and future operational plans for such items as warehouse management, Food Safety plans, distribution networks, marketing targets, standard operating practices, and membership procedures.
In fulfillment of planning activities, formation of a formal chartered producer association was facilitated by the grants team over the course of 6 focused producer planning meetings. The Association formed into a producer-owned co-operative. The producer group was trained in the policies, logistics and details of the food hub business model, culminating in a complete Charter, bylaws, governance structure, Membership Handbook, and operating policies for a projected Food Hub.	Objective 1, Indicators 6a-6c. We have an extremely engaged group of local growers dedicated to the cooperative business model and the food hub business model, providing data and guiding efforts. In the course of this project this group self-elected to identify as an Operating Pool within a growers cooperative (SW WA Growers Cooperative), thereby establishing as a result of this Planning Grant as a formal entity recognized with the Secretary of State. We have a larger and ever-growing number of producers over a 6-county region aware of our efforts and learning about the food hub business model. We have a growing number of value-added producers aware of and engaging with the food hub business model. Current membership in the Food Hub Producer Association planning team is fifteen.
The grants team solicited input for food hub development and baseline sales/purchasing data. The team did this by completing an extension Consumer Shopping and Food Hub Interest poll, receiving feedback from 141 respondents in a 5-County region. This informed buying needs and	Objective 2, Indicators 1a-1c, 3h. It is critical to conduct outreach in the community to raise awareness about a prospective regional Food Hub, gather input to address consumer needs, and quantify and align potential product supply and demand from farmers and buyers. This data will be used by the grants team

<p>preferences including willingness to buy, and product preferences. This polling tool, as well as 12 one-on-one outreach calls and a buyer listening session supplanted in-person buyer workshops originally planned for this Planning grant prior to COVID-19. Sales baseline data was collected through a producer poll completed by 43 prospective Food Hub producer-members. A rapid 3-question baseline buyer-seller interview tool is currently being planned to finalize baseline supply and sales data collection.</p>	<p>in writing a Food Hub business plan (underway). Producer and consumer data collection work continues into 2021. We have an increased knowledge of regional interest and demand for local food products, helping us to target appropriate sales outlets for food hub market development.</p>
<p>Training on typical Food Hub operations was undertaken and subsequently guided formation of operations and policies by the Producer Association. The grants team facilitated 35 applied training sessions to growers interested in the Food Hub, some covering multiple training topics in a single session. Among these, a minimum of 10 sessions included focus on cooperative business development, 6 on online ordering systems and participant expectations, 6 on quality standards, pack-out, and regulatory considerations for Food Hub sales, and 5 on Food Safety specifically Produce Safety Alliance training, from which all 38 participants received PSA certifications.</p>	<p>Objective 3, Indicators, 4a-4c, 5b. Growers interested in the cooperative Food Hub marketing model participated in a extensive series of applied training sessions that resulted in specific policies, operating procedures, and planning and development documents. The applied planning work resulted in documents and plans that will directly support launch of the Food Hub and be used directly in operations.</p>
<p>The grants team matched producers with buyers interactively through one-on-one interviews. Additionally 100 households participated in the Food Hub pilot Food Security Project, which utilized a Pilot Food Hub effort comprised of members of the Producer Association to trial a pilot distribution system as a means of planning the Food Hub by testing the numerous operating plans developing through the intensive planning meetings. A series of 11 “Cooking with the Seasons” videos were created in collaboration with the SNAP-Ed program and disseminated to help improve knowledge of buying and eating locally.</p>	<p>Objective 2, Indicators 1c, 3j, 5a. Buyers from institutional, to restaurant, to grocery, to individual household are more aware of the availability of locally produced food and how to access it. Households participating in the pilot study increased awareness of local food and preparation techniques.</p>
<p>Held buyer listening sessions and individual interviews. Introduced them to food hub business model and online ordering system and procurement procedures.</p>	<p>Objective 2, Indicator 1c. Gained important information on interest in products, pricing, volumes and logistics that are allowing us to develop new markets for local goods and generate new accounts.</p>
<p>Initiated and were 70% complete at time of reporting writing case studies of three existing food hubs: Linc Foods, Puget Sound Food Hub and San Juan Islands Food Hub.</p>	<p>Objective 4, Indicators 1a, 5a, 5b. Learned both quantitative data on best-selling product categories and yearly sales, the need for value-added products to increase buyer interest and fill out product offering in winter season, as well as anecdotal stories of things to watch out for and try to avoid. They helped the grant team select an online sales platform to use and then</p>

	helped us learn how to use the platform. The data will be integral to completing the Business Plan for the projected Food Hub.
Project partners have given over a dozen presentations on the food hub efforts to key regional stakeholders, written multiple press releases and have had more than a dozen stories published in 6 different media outlets. Additionally, we have created a website for the SW WA Food Hub - <a href="https://swwafoodhub.com/">https://swwafoodhub.com/</a>	Objective 5, Indicators 1a-1c, 3a-3h, 5a. More and more stakeholders, farmer-ranchers, and partners from local government, non-profit and private sector are aware of the food hub model, the importance of building a resilient regional food supply chain, supporting local producers and the availability of delicious, healthy local food. An ever-growing community is supporting local food system efforts with funding, promotion and support.
Utilizing the applied learning approach of Planning the Food Hub by designing and implementing a very discrete pilot distribution effort which circulated Food Security Boxes to families in a 5-County region, the grants team and Producer Association completed the following planning components for the Business Plan: Completed outline for marketing plan. <ul style="list-style-type: none"> <li>• Completed outline for operating plan.</li> <li>• Start-up budget and 90-day proforma completed and approved</li> <li>• Tabulated data on operating budget vs actual</li> <li>• Developed spreadsheets for use in proforma and profitability analyses</li> <li>• Developed invoicing and financial management systems</li> <li>• Developed SOPs and logistics plans</li> <li>• Developed management and governance structure</li> </ul>	Objective 5, Indicator 5b. The grants team, with Producer Association review and support, is proceeding on pace to a complete Business Plan within the time allotted grant period.

3. Describe challenges or positive developments outside of the project’s original intent. Describe the corrective action (s) and/or project changes taken or that will be taken to address those challenges.

Challenges or Development	Corrective Actions and/or Project Changes (s)
Most of the grant’s team challenges related to responding to COVID-19 productively, and in a collaborative fashion with the Producer Association that we formed with growers. It was recognized early in the Planning Process (when COVID hit in mid-March) that producers were no longer content, nor did it fit their needs, to undertake Planning efforts that could not be trialed in a way that responded compassionately to the needs of the community.	In a series of meetings between April and June 2020 the Producer Association voted on and directed/requested the grants team to frame the Planning Activities through development of a pilot aggregation-distribution network. The Producers voted to participate in a Food Security Program that would help get food to 100 families in a 5-County region. The grants team agreed to work with the Producer Association to orient planning sessions and planning grant activities around this pilot trial, as a means of both delivering food to the community, and completing Planning deliverables in a “learn-by-doing” approach.

	<p>Additionally, all meetings and outreach events were held virtually or by phone rather than interviews, in-person workshop, or field trips (as was done in the latter case to complete Case Study work).</p>
<p>In response to COVID-19, and the loss of key markets such as restaurants by regional producers, the project partners moved to implementation. The newly chartered producer association formed into a cooperative business entity and initiated a pilot aggregated distribution system (ie experimental Food Hub) with the explicit purpose of utilizing a learn by doing approach for planning full-scale Food Hub Implementation.</p>	<p>The project partners charged the Producer Association with determining whether and how to initiate a pilot Food Hub trial, and how this would directly support the LFPP Planning Grant. The Producer Association voted on a trial that would focus on Food Security Boxes in partnership with a regional Workforce Development Council. The grants team and Producer Association determined that the trial would be used explicitly to produce planning documents and support Business Plan development with actual numbers to heighten the quality of the Planning Grant deliverables. By the end of 2020, a dozen farms and value-added processors in the trial, yield \$50,000 in producer payments, and effectively harnessed 35 Producer Association meetings in producing Planning Grant deliverables as noted in above regarding Business Plan Accomplishments Objectives 3 and 5)</p>
<p>In response to COVID-19 a new partner joined the efforts – Pacific Mountain Workforce Development Council (PacMtn) and provided funding for a Regional Food Security Program utilizing the food hub to deliver food to displaced workers over a 5 county region.</p>	<p>The food hub partners have been able to utilize “pilot aggregation-distribution” experiment to organize what we refer to as “applied producer workshops” to collectively learn basic aggregation, route establishment, coordination paperwork for Pick Lists and warehouse work, and facilitating safe aggregation, delivery, and drop-site management. We’ve provided trainings on food preparation and preservation to participating families.</p>
<p>The partnership with PacMtn created the opportunity for utilizing several yearlong, full-time warehouse workers, drivers and management positions that the Hub can utilize to progress employee Job Description development, roles and responsibilities.</p>	<p>Availability of these positions, and their participation in the Pilot aggregation-distribution trial will help the Food Hub grants team craft accurate and detailed labor expense projections for an eventual Implementation phase, hoped for in 2021-23.</p>
<p>The Port of Olympia provided the pilot trial effort with a warehouse as an in-kind contribution</p>	<p>The warehouse space allowed the grants team to accurately identify infrastructure and draft detailed operations SOPs for use in the Business Plan, and which will help inform proposals around actual Food Hub implementation.</p>
<p>Received additional funding from the Community Foundation of South Puget Sound and the WA Center for Women in Business for marketing efforts</p>	<p>To achieve deliverables associated with Online web presence and instruction to producers and buyer utilize an online marketing tool, the food hub was able to hire a web designer and develop draft website. This enabled buyers, sellers and the general Producers Association a real-life opportunity to explore the desired design functionality of an online marketplace. This helped the grants team with specific online marketplace planning deliverables, and positions the grants team well for Implementation by being able to build immediately on Planning work invested in</p>

	online marketing design. This resource can also be utilized during eventual implementation through a marketing email drip campaign promoting the food hub and its member producers and educating the public on the importance of local food and farming.
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4. Quantify the overall progress/results on the outcomes and indicators of your project. Answer “**not applicable**” or “**no results available yet**” where necessary. Include further explanation if necessary. Results may not yet be final at the time that this report is submitted; however, please provide an update on the progress to date.

**Outcome 1:** To Increase Consumption of and Access to Locally and Regionally Produced Agricultural Products

Indicator	Description	Number
1.a.	Total <u>number</u> of project beneficiaries/stakeholders reached	<del>491</del> 271
1.b.	Of the total number that was reached, the <u>number</u> that reported buying, selling, aggregating, storing, producing, and/or distributing locally or regionally produced agriculture products	152
1.c.	Of the total number that was reached, the <u>number</u> that gained knowledge on how to access, produce, prepare, and/or preserve locally and regionally produced agricultural products	100

**Outcome 2:** Increase Customers and sales of local and regional agricultural products

Indicator	Description	Number
2.a.	<b>Sales increased as a result of marketing and/or promotion activities during the project performance period.</b>	
	Initial (Original) Sales Amount (in dollars)	\$0
	Estimated Final (Resulted) Sales Amount (in dollars)	\$82,411.24
	Percent Change $((n \text{ final} - n \text{ initial})/n \text{ initial}) * 100 = \% \text{ change}$	100%
2.b.	<b>Customer counts increased during the project performance period.</b>	
	Initial (Original) Customer Count	0
	Estimated Final (Resulted) Customer Count	1,330
	Percent Change $((n \text{ final} - n \text{ initial})/n \text{ initial}) * 100 = \% \text{ change}$	100%

**Outcome 3:** Develop new market opportunities for farm and ranch operations serving local markets

Indicator	Description	Number
<b>Number of new and/or existing delivery systems/access points reached that expanded and/or improved locally or regionally produced product or service offerings</b>		
3.a	Number of Farmers markets	4
3.b.	Number of Roadside stands	0
3.c.	Number of Community supported agriculture programs	0
3.d.	Number of Agritourism activities	0
3.e.	Number of Other direct producer-to-consumer market opportunities	1

Indicator	Description	Number
3.f.	Number of Local and regional Food Business Enterprises that process, aggregate, distribute, or store locally and regionally produced agricultural products	1

**Of the local and regional farmers and ranchers, processors, aggregators, and/or distributors reached, the:**

3.g.	Number that reported an increase in revenue expressed in dollars	22
3.h.	Number that gained knowledge about new market opportunities through technical assistance and education programs	100

**Number of careers, jobs, farmers that went into production**

3.i.	Number of New careers created (Difference between "jobs" and "careers": jobs are net gain of paid employment; new businesses created or adopted can indicate new careers)	not applicable
3.j.	Number of Jobs maintained/created	5
3.k.	Number of New beginning farmers who went into local/regional food production	not applicable
3.l.	Number of Socially disadvantaged famers who went into local/regional food production	not applicable

**Outcome 4: Improve the food safety of locally and regionally produced agricultural products**

*Only applicable to projects focused on food safety!*

Indicator	Description	Number
4.a.	Number of individuals who learned about prevention, detection, control, and intervention food safety practices	38
4.b.	Number of those individuals who reported increasing their food safety skills and knowledge	35
4.c.	Number of growers or producers who obtained on-farm food safety certifications (such as Good Agricultural Practices or Good Handling Practices)	no results available yet

**Outcome 5: To establish or expand a local and regional food business enterprise**

Indicator	Description	Number
5.a.	Number of unmet consumer needs, barriers to local foods, unserved populations, etc. identified through the use of a comprehensive needs assessment when developing a plan to establish or expand a local and regional food business enterprise.	12
5.b.	Number of plans for establishing or expanding a local and regional food business enterprise developed based on a comprehensive needs assessment.	2
5.c.	Amount of non-Federal financial, professional, and technical assistance measured in dollars secured as a result of the developed plan(s) to establish or expand a local and regional food business enterprise.	\$95,500

**Outcome 6: Quantify the overall progress on this outcome indicator based on relevant project activities not covered above.**

*This indicator must reflect the project narrative's required additional outcome indicator.*

Indicator	Description	Number
1.		
2.		
3.		

5. Discuss your community partnerships (include applicant staff and external partners).
  - a. Who are your current community partners and have any of them changed or do you anticipate any changes?
 

The 2 main partner organizations are the Northwest Agricultural Business Center (NABC) and Thurston County WSU Extension Office (WSU). Also WA State Dept. Agriculture (WSDA), the Puget Sound Food Hub (PSFH), Evergreen United Food Hub (E.U.), St. Martins University, the Evergreen State College (TESC) and Providence Hospitals. The largest unanticipated change in partnerships was the addition of Pacific Mountain Workforce Development Council (PacMtn).
  - b. How have they contributed to the results you've already achieved?
 

NABC & WSU have facilitated the majority of producer outreach sessions, the creation of a formal chartered producer association (which has now formed into a producer cooperative), gathered and accessed production, sales and demand data, provided training to producers on policies and logistics of the food hub model and have assisted with dissemination of project information through presentations to community stakeholders. WSDA has provided food safety training and assisted with sales and market data gathering. TESC assisted with consumer and sales market data and provided input, along with St. Martins and Providence in buyer outreach sessions. Evergreen United Food Hub participated in producer information sessions and the formation of the chartered producer association. The PSFH provided a producer training on the food hub business model and has been a go-to advisor on everything food hub related, including how to develop buyer relations. EDC staff has administered all grant reporting, participated in producer outreach and led efforts at buyer outreach. PacMtn & WSU have provided training to consumers on food preparation and preservation, and conducted and facilitated data collection for the project. PacMtn has also provided funding, labor and distribution logistics and planning allowing for the implementation of the new SW WA Food Hub (which is not technically an objective of this grant).
  - c. How will they contribute to future results?
 

The EDC, NABC & WSU will write the business plan as well as facilitate producer/buyer match-making and continue to build both producer and buyer relationships, gathering data as we go. Likely, WSDA will hold further food safety trainings.
  - d. What feedback have the partners provided thus far (specific comments)?
 

Institutional buyers like Providence have provided feedback on the need for more wholesale rates for product pricing and volumes.

6. Have you publicized any results as of this reporting period?  Yes  No
- a. If yes, how did you publicize the results?  
While we have not published results, we have given presentations on progress to date, most of which have been recorded and live on organizational websites.
- b. To whom did you publicize the results?  
We have given presentations on progress to date to the following entities:
- Thurston Board of County Commissioners
  - Port of Olympia Commission
  - WA State University Food Systems Team
  - South Sound Food Systems Network
  - South Thurston Economic Development Initiative
  - City of Tenino Chamber of Commerce
  - Thurston EDC Board of Directors
- c. How many stakeholders (i.e. people, entities) did you reach? 150
7. Have you collected any feedback thus far about your work?  Yes  No
- a. If yes, how did you collect the information?
- b. What feedback have you collected thus far (specific comments)?

The grants team has completed two comprehensive and methodical evaluation of producers interested in selling through the food hub, 1 structured consumer poll completed by 141 individuals, individual structure poll evaluations at a buyer networking meeting, value-added producer networking meeting, and producer networking meeting. Additionally, evaluations are being planned for recipients of the Food Security boxes.

8. Budget Summary (**Note: this table must be completed. Do not reference other documents or files.**):
- i. In the table below include the total amount of **federal funds spent** during reporting period and if applicable, matching or in-kind contributions.

Cost Category	Federal Funds Budget (FEDERAL PORTION ONLY)		Matching Budget (IF APPLICABLE)	
	Approved	Actual	Approved	Actual
<b>Personnel</b>	30,980	27,348.28		
<b>Fringe Benefits</b>	6,507	5,816.67		
<b>Travel</b>	696	239.96		
<b>Equipment</b>	0	0		
<b>Supplies</b>	178	0		
<b>Contractual</b>	44,233	15,000	24,000	22,065.21
<b>Other</b>	2787	2787		
<b>Direct Costs Sub-Total</b>	85,380	51,191.91		22,065.21
<b>Indirect Costs</b>				
<b>Total</b>	85,380	51,191.91	24,000	22,065.21

- ii. Did the project generate any income?  Yes X No
- iii. If yes, \$\_\_\_\_\_ generated and how was it used to further the objectives of this project?

9. Budget Amendment Summary: **not applicable**

- a. Describe any significant changes (over \$150,000) to your budget resulting from the modification of project activities. As a reminder, you must request prior approval for certain budget changes. Refer to the Terms and Conditions for further explanation (available in website under the tab “How do I Administer the Award?”).
10. What grant activities/impacts do you hope to accomplish in the next twelve months? In other words, what do you plan to include in your next report? For example, if you have not made progress toward all your goals and objectives or sections of your work plan, how will you work towards accomplishing them before the next report? 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. If there are any changes or issues that were not covered previously, please provide that information here.

The main grant deliverables for 2021 will be completion of the business plan, baseline buyer and seller data, what we envision to be a farmer-led final outreach session about the Food Hub, lessons learned, opportunities and basic function, and the Guidance Document for food hub development including Case Study data. We will undertake additional outreach to share project results, envisioned as a peer-reviewed Journal article and conference presentation(s), and possible Extension Bulletin on regional food hub development strategies. Additionally, the grants team intends to integrate project planning findings into an LFPP Implementation grant, and further disseminate stories in regional media outlets with a specific message focusing on the importance of buying local, supporting farmers, and consuming fresh and healthy local food.