Food LINC was a novel USDA initiative designed to support creation of local and regional food value chains.

This document is the fourth in a series of reports completed to assess the activities and outcomes associated with this work.

Food LINC Final Report

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Executive Summary

Food LINC was a novel USDA-funded economic development initiative designed to strengthen local and regional food systems using a value chain approach. This approach relies on the creation and cultivation of strategic alliances between supply chain actors, alliances intentionally structured to produce both business success and social benefit.\(^1\) Creating and maintaining these alliances requires locally-based human capital to discover opportunities and facilitate action.

The Food LINC pilot program funded human capital in the form of full-time Value Chain Coordinators (VCCs) embedded in non-profit organizations including social enterprises across the US and representing two Promise Zones and seven Strike Force areas. USDA and the Surdna Foundation funded the Wallace Center at Winrock International to support the Food LINC pilot cohort of 13 VCCs with technical assistance, development of a VCC community of practice, and assessment.

\[\text{https://www.ams.usda.gov/sites/default/files/media/Food LINC overview.pdf}\]

The Wallace Center contracted with Food Project Planning & Evaluation to: (i) Provide evaluation support to the Food LINC VCCs, (ii) Propose common cross-cutting economic metrics to assess progress on outcomes established by Food LINC, (iii) Collect and analyze quantitative and qualitative data related to the work of the VCCs during the project period, (iv) Periodically update Wallace Center staff on VCC activities, (v) Contribute to communications materials including fact sheets and webinars related to Food LINC and value chain coordination more generally, (vi) Collect

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\(^1\) https://www.ams.usda.gov/sites/default/files/media/Food LINC overview.pdf
and analyze feedback on the VCC Community of Practice, and (vii) Summarize findings in report form.²

Data and Methods

The evaluator utilized interviews, observation, and document review to collect information for this report, drawing from the following sources of data:

(1) Information contained in the evaluator’s Year 1 summary report.
(2) Food LINC participants’ final reports submitted to USDA (for the nine VCCs holding cooperative agreements).
(3) Multiple telephone conversations and email exchanges with all VCCs in the spring and fall of 2018 and select VCCs in winter 2018/2019.
(4) Select in-person VCC interviews held at the National Good Food Network Conference in March 2018.

The evaluator analyzed and synthesized this information within the context of Food LINC program goals.

Observations and Recommendations for Successful Value Chain Coordination Projects

* Composition of Future Cohorts

Based on findings as documented in this report, it is suggested that future Food LINC cohorts be comprised only of Relational VCCs—those organizations that do not have aggregation/distribution infrastructure. Food LINC’s pilot cohort included social enterprise food hubs; non-profits with large staffs and multiple community development projects; small (1-3 person staff) non-profits with self-described missions to build local food systems; and governmental entities including a mayor’s office and a regional council of government. From an analysis standpoint, the cohort provided valuable insight into how different types of organizations conceive of and implement value chain work. While this is useful for research purposes, from the standpoint of peer learning and effective delivery of valued technical assistance, it became clear that the types of technical assistance needed by Relational VCCs was very different than that prized by food hubs. The evaluation measures and timeline for reaching monetary outcomes also differ by entity type. Focused cultivation of Relational VCC skills and peer groups makes it more likely that Value Chain Coordination will become a recognized profession, one with which individuals self-identify.

For both non-profits and governmental entities, some regionalization of the cohort is suggested to allow cohort members to meet face-to-face. Across the Food LINC VCCs, all agreed that the face-to-face opportunities to talk with their fellow cohort members were the most valuable component of the Wallace-led VCC Community of Practice.

² This report is the fourth and final report submitted to the Wallace Center to meet this objective. A detailed report on the first year findings for the initial cohort of 10 members can be accessed here: https://foodprojectplanning483393971.files.wordpress.com/2019/01/single-document-to-print.pdf
The Scope and Appropriateness of Value Chain Projects

For future cohorts and support of individual VCCs within organizations it is suggested that direct-to-consumer markets be considered as a valuable and necessary first step in building value chains, one that must occur before smaller producers can be introduced to intermediated market channels (i.e., wholesale, value-added processing). A core objective for all Food LINC participants was to increase the viability of small farms and incomes of small and/or marginalized farmers. All projects expressed that this increased income would be the result of building the capacity of growers to meet retail grocery or food service markets, and would stem from the following value chain work:

1. The VCCs’ technical assistance and resource prospecting work to support farmers ability to “scale up” to these larger wholesale markets, and
2. The VCCs’ ability to connect growers to buyers through relationship building, specifically convening and match-making activities with businesses along the supply chain.

In the cases where the Food LINC participant organization and individual VCC had existing value chain coordination experience and familiarity with growers’ capacity and buyers’ standards, VCCs were successful in scaling up farmers to sell into these markets. Value Chain Coordinators at organizations lacking these experiences, networks, and knowledge, largely found that their assumptions about the capacity of growers and willingness of buyers to work with smaller growers were overestimated. Through their participation in the Food LINC pilot project, these organizations realized the need to start farmers with direct-to-consumer channels.

Time Horizon and Economic Outcomes

The realistic time horizon required for nascent value chain work to result in substantial business income, such as the $600,000-$800,000 anticipated as returns to growers for each Food LINC participant project, is 5-10 years. This, naturally, depends on a number of factors, including current grower capacity and existence of buyer interest and distribution infrastructure. Long-term committed funding for a capable value chain coordinator is necessary to build relationships, build trust, identify current capacity, enhance this capacity, and facilitate relationships between multiple producers and buyers.

The measures of success—which for Food LINC were defined as economic in nature—were much more difficult for the Relational VCCs to achieve in the 2-year time frame. While the established Social Enterprise food hubs were able to report sales figures immediately, for most of the Relational VCCs, aggregate returns to farmers for the two-year period was less than $10,000.

For short-term projects, those less than 5 years in length, it is suggested that projects include evaluative measures not solely based on sales and profits, but instead on improvements in the competitive position of individual businesses. Examples of these measures, and other economic evaluation strategies, are given in the evaluators Evaluating Economic Outcomes Value Chain Coordination Quicksheet, to be published by the Wallace Center. A draft of this Quicksheet appears as Appendix A of this report.

Value Chain Coordinator Characteristics and Training

When selecting a value chain coordinator, it is recommended that an organization seek an individual with some business and entrepreneurial background. Other important characteristics of
an effective value chain coordinator are an ability to communicate clearly to different audiences (e.g., farmer, buyer, regulator) and an existing network of food system business connections. Continuity of value chain relationships is also key: this means having practices and processes in place to track relationships, allowing subsequent coordinators to build on the work of a prior coordinator. Training in business accounting, financing, facilitation, negotiation, market assessment, and tracking relationships using customer relationship software are suggested ways to build the capacity of value chain coordinators.
Value Chain Coordination: The Third Wave of Food System Development?

Food LINC was a novel USDA-funded economic development initiative designed to strengthen local and regional food systems using a value chain approach. This approach relies on the creation and cultivation of strategic alliances between supply chain actors, alliances intentionally structured to produce both business success and social benefit. Creating and maintaining these alliances requires locally-based human capital to discover opportunities and facilitate action.

The Food LINC pilot initiative funded the work of “Value Chain Coordinators”, individuals embedded in existing food system development organizations and with the capacity to facilitate business relationships across the food supply chain. As a novel experiment in funding a cross-sectoral cohort of value chain coordinators, Food LINC supported coordinators embedded in a variety of different organizations—established food hubs, nascent food hubs, large and small non-profits, and government offices.

USDA agricultural economist Dr. Jim Barham, who conceived of Food LINC, describes value chain coordination as the “third wave of food system development.” The first wave of the movement to localize food systems was the direct-to-consumer shift in farm business marketing that occurred in the 1990s and early 2000s. Between 1997 and 2007 the value of food sales from farms direct to consumers more than doubled. Farmers markets and CSA programs mainstreamed connections between individual shoppers and farmers, ranchers, and small-scale food manufacturers. The second wave of food system development took the form of “food hubs,” defined as businesses or organizations that aggregate, distribute, and market products from local and regional producers. As had occurred with the farm-direct movement, the number of food hubs increased rapidly over a short period of time, with the number of (self-identified) foods hubs increasing by 68% from 2008 to 2018.

The value chain approach to food system development prioritizes human capital, rather than infrastructure. As pointed out by Dr. Barham and others, growing a local and regional food system is often, but not always, about infrastructure; but it is “always about relationships.” The value chain approach to food system development has relationship building and maintenance as its core feature, and can be a wiser community investment than investment in hard infrastructure. Robust food hubs—those that can continue to operate year after year—rely on a favorable mix of location,
competitive edge, management skill, and availability of subsidization (through cash or in-kind grants such as subsidized rent or utilities provided by the local municipality). Just as not every location can support a profitable farmers market, not every location can support a food hub.

Value chains include all the components of a supply chain, from input supply to consumptions, but are assumed to be comprised of businesses that seek both financial returns and the creation of social benefits. Members of the value chain share both operational values (e.g. accountability, long-term commitment) and mission values (e.g., equitable returns to chain members). Based on this thinking, a wise investment for communities that prioritize a more localized food system is to invest in value chain coordination, which takes the form of one or more Value Chain Coordinators who are intentionally “connecting the dots” in the local food system.

**History of Food LINC**

USDA funded the Food LINC initiative from late 2015 through early 2019, with the goal of testing the effectiveness of the value chain approach. Thirteen organizations were selected across the US. Ten organizations joined the Food LINC cohort in September 2015, and an additional three joined in late 2016. Nine of the 13 held two-year cooperative agreements with USDA; these totaled $1.2M with most entities receiving $150K over a two-year project period. The other four organizations included in the Food LINC cohort had their own funding streams for value chain work.

USDA and the Surdna Foundation also provided a total of $425K in funding for the Wallace Center to develop a value chain community of practice to provide organizational support and technical assistance to the Food LINC participants, and potentially expand the community beyond the cohort to include other members. This approach mirrored prior collaboration between USDA and the Wallace Center to support the development of food hubs. Included in these agreements were funds for Wallace Center and contracted staff, travel for Food LINC participants to attend in-person training events, funds to hire an evaluator to assist VCCs in tracking and reporting outcomes, and a social network analyst.

As part of the community of practice the Wallace Center organized a National Support Team to provide technical assistance, monitoring/evaluation, and communications/outreach. This team included three members from the Wallace Center, three contracted staff, and Dr. Jim Barham of USDA as the project sponsor. While Food LINC cooperative agreements were made for a 2-year time period, it was anticipated that not all VCCs would receive their cooperative agreements at the beginning of this period, and that the Wallace Center would continue project management activities over a total of three years.

The Wallace Center coordinated four in-person networking and training opportunities and six webinars for cohort members between 2016 and early 2018. During Food LINC’s final program year the Wallace Center produced four national webinars on value chain practice and in early 2019 prepared to publish four best practices documents for national distribution. The national webinars featured the Food LINC VCCs as speakers, and VCCs also presented their work in eight sessions at the March 2018 National Good Food Network Conference in Albuquerque.
Food LINC Participants

As discussed by Food LINC organizational staff, it was anticipated that each Food LINC organization would use funds to support a single Value Chain Coordinator (VCC). In practice, 10 of the 13 organizations identified a primary Coordinator who was deeply engaged on a day-to-day basis in the work of building value chains, and who also consistently represented the organization in the Food LINC Community of Practice phone calls and site visits. Three of the entities (The Common Market Georgia, Food Commons Fresno, and Resourceful Communities) had more than one representative during the project period.

All of the VCCs shared the objective of building local and regional food value chains, with a focus on small- and mid-scale primary producers. Each brought to its work unique capabilities based on its history and organizational resources. More specific characteristics of the VCCs, and a discussion of how these characteristics may have influenced value chain “success” are provided later in this report. This section is designed to give a sense of their basic characteristics to set the stage for discussion of value chain coordination outcomes.

At the inception of the project, four of the 13 Food LINC members had aggregation/distribution infrastructure and/or retail sales outlets (La Montañita, Appalachian Harvest, Common Market Georgia, Fair Food) and two were in the process of building these (Soul City, Food Commons Fresno). These organizations are categorized as Social Enterprise VCCs to distinguish similarities in their business operations compared to the organizations without infrastructure. The seven are categorized as Relational VCCs, as they rely exclusively on relationships rather than owned infrastructure to build value chains. Two of these Relational VCCs were embedded in governmental organizations, one within a mayors office (Louisville Farm to Table), and one in a Council of Government (Metro Washington Council of Governments). Four were embedded in community development non-profits (Resourceful Communities, Communities Unlimited, FamilyFarmed, Texas Center for Local Foods), and one within a cooperative development organization (Rocky Mountain Farmers Union).

Figure 1. Categorization of Food LINC Participant Organizations, 2017
The category membership, pictured in Figure 1, changed over the project period. Fair Food lost its core funding, the executive director left during the project period, and the organization disbanded in 2018. Despite this loss, the value chain work begun under Food LINC continued. Fair Food’s former director privatized the wholesale cheese operation, one of Fair Foods Food LINC value chain projects, and this continues to successfully operate as Third Wheel Cheese Company. The organization’s second focus area, the development of a small grains sector, is currently being led by a private malting business, Deer Creek Malthouse, which is leading a third annual value chain convening event in spring 2019. The movement of Fair Food’s value chain initiatives from social enterprise to the private sector is illustrated in Figure 2.

A second change in the cohort was the movement of Soul City from the Social Enterprise to Relational category. Soul City’s founding director began the project period with ambitious plans to rapidly retrofit an aged building in downtown Jackson, Mississippi into a produce wholesale and processing business. Progress was stymied early on with grower capacity issues, and the director’s own inexperience in the produce business. As the director noted: “We had to go through an education process and we paid our tuition—we had to figure it out. We knew there was a business here, we just did not know what it was.” The shift has meant a change in direction from plans to open a food hub to a role as a “system coordinator” without hard infrastructure, and development of a software platform to manage farm data.

Figure 2. Categorization of Food LINC Participant Organizations, 2018

Evaluation: Expectations, Timeline, and Outcomes

Expectations and Timeline

Food LINC outreach materials generated by USDA and the Wallace Center focused on the expected economic outcomes of the program, in keeping with the framing of Food LINC as a market-based economic development initiative. Food LINC participants were expected to each generate a $1 million change in gross annual sales over a 2-3-year period, with between 60 and 80 percent of those sales ($600-$800K) going directly back to producers. In addition to change in food and farm

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business sales, Food LINC was expected to yield “discernable job creation along the value chain, and increased access to healthy, affordable food.”

Of the original 10 Food LINC members who began in fall 2015, seven held USDA cooperative agreements. Each of the agreements asked participants to provide a description, deliverables, and associated budget, for the completion of three tasks: (1) a Value Chain Assessment, (2) creation of a plan for Implementation and Execution, and (3) creation of an Evaluation Plan and Outcomes Assessment. Food LINC members completed their evaluation and implementation plans prior to the hiring of the Food LINC evaluator in July 2016. Three new members were added to the cohort in late 2016.

Reflecting the differing characteristics of the organizations and experience in value chain coordination, the evaluation plans featured widely differing objectives and means to measure the accomplishment of these objectives. For example, Rocky Mountain Farmers Union planned to develop a food hub network with a process for buying/selling products between hubs, and it included “6 hub-to-hub product or service arrangements” as a project outcome. La Montañita listed a lower “# of refused deliveries or returns from buyers” as an outcome. The Metro Washington Council of Government planned to “develop a regional food procurement contract for interested COG members”, with the success of the contract measured by a host of metrics, including “number of consumers benefitting from cooperative purchase of local food.”

In July the evaluator was tasked with developing a set of “cross-cutting economic metrics” that each Food LINC participant would be required to track and report. These metrics were to reflect the core objectives of Food LINC as stated in the program’s promotional materials: dollar increases in sales and returns to producers, job creation, and increased access to healthy, affordable food. The evaluator was also asked to incorporate “racial equity” as a metric that could be tracked and aggregated across the cohort for reporting purposes. The evaluator outlined a detailed set of metrics and the type of data that the participating organizations would need to gather to report on these metrics. Included in this was collection of data needed to discern the impact of the cohort members work across racial and income groups. All measures were reviewed by the National Support Team and approved, and then presented by the evaluator to the Food LINC cohort of 10 members in a webinar format in August, 2016. The webinar presentation slides are available in Appendix A of the Year 1 Evaluation report.9

Between August, 2016 and March, 2017 the evaluator made site visits to eight of the original 10 participants. Information from these visits were summarized in the Year 1 report and used along with images from the site visits for the creation of Food LINC’s first detailed public document.10 During these site visits and subsequent phone and in-person interviews, it became apparent that the participants were struggling with the data collection required to report on the cross-cutting metrics. Food LINC members noted the difficulty of requesting sensitive information from growers, and the possibility that nascent relationships could be damaged if this was required. Collection of other needed data points were seen to require an onerous time investment: for example, the time

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10 https://foodprojectplanning483393971.files.wordpress.com/2019/01/Food LINCpublicreport_final.pdf
required to determine the nature of the final consumer, which was needed to report on “increased access to healthy, affordable foods.” The seven participants without food hub infrastructure also noted that compared to the food hub members of the cohort, they were disadvantaged in reporting on economic outcomes. Across the cohort, members also expressed frustration that they had entered into the cooperative agreement without knowing that these metrics would be required; each had completed an evaluation plan that had been submitted and approved by USDA prior to the creation of the cross-cutting metrics.11 In most cases, Food LINC participants noted that although the information required to completely report on the cross-cutting metrics was valuable, would inform their work, and was theoretically available, the staff hours to collect this information would take too much time away from their value chain work.

At this point, the evaluator and Wallace Center team agreed that the evaluator would work individually with each Food LINC participant to glean the best information possible based on the capacity of the participant. The evaluator reviewed quarterly and final progress reports to USDA (for those holding agreements); and communicated with each participant—via in-person interviews at the site visits, phone interviews, and email communications—in 2017 and 2018. The communications were designed to collect information that could by synthesized and reported to the Wallace Center, and to answer participant’s questions on best practices for reporting outcomes, specific to their individual projects. Participants also noted the benefit of having someone “look over their shoulder” occasionally, reminding them of their original objectives.

During the Food LINC project period, one food hub participant successfully gathered the data needed to reliably report on producer sales coupled with the demographic characteristics of these producers. This specificity of data meant the hub could report on producer sales by racial/ethnicity characteristic (white, Latino/a, Native American). A second hub employed an intern to begin collection of the demographic characteristics of producers, and by its final report had begun to report sales by two categories of participant: emerging farmers (which included African-American, and small and beginning farmers) and high-capacity farmers (larger scale).

To supplement the evaluator’s periodic calls, VCCs were encouraged to submit reports of their progress using Outcome Harvesting, an accepted evaluation tool designed to give project participants the opportunity to immediately report on food system outcomes—broadly defined as

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11Three additional Food LINC participants were added in early 2017, and two of these held cooperative agreements. The cross-cutting metrics and outcome harvesting tool were listed in these agreements.
changes in behavior—to which their work had contributed. The thinking behind the addition of this tool\(^\text{12}\) was to empower the VCCs to self-identify even small changes that their work engendered, for example, making an introduction of a farmer to a new buyer. Specifically, it was offered as a method for the Relational VCCs to record “small wins.” Use of the tool was embraced by two of the Relational VCCs, and their contributions provide evidence of the usefulness that such a tool could have for a cohort of Relational VCCs as both a mechanism to collect reportable outcomes, as well as a means to share progress and methods with other VCCs. An explanation of the tool and examples of these contributions are provided in the call out box on page 19: Outcome Harvesting: A Tracking and Evaluation Tool for Value Chain Coordination.

In year two and three the evaluator continued to interview cohort members by phone and in-person. These interviews yielded rich narratives of cohort members challenges and progress toward their originally established objectives, as well as reasons for changes in these objectives over time. This qualitative information coupled with the best-available quantitative economic information forms the basis of the current report.

These results suggest two recommendations for VCC projects, recommendations that are also consistent with best practices in program design. First, at project conception, an evaluation specialist with value chain experience should be engaged to co-design evaluation measures that are desirable from the funder’s standpoint and achievable by the organization. Food LINC was a particularly challenging project because of differences across organizations, in mission as well as in capacity, making it exceedingly difficult to identify a simple set of quantitative measures that were both attainable using limited staff time, but that also satisfied USDA’s desired measurement of economic achievements.

A second recommendation that stems from the first is the need to establish an agreed upon schedule for reporting on progress measures, and realistic expectations of when economic metrics—sales, employment, business creation—will be available. For Relational VCCs, it may be impossible to report on quantitative economic outcomes until three or more years into a project. This is due to the time that it takes for new value chains to form, for farmers to attain the capacity to sell, and for trust to develop among value chain members and between the members and the VCC. This issue is further addressed in the Outcomes section, below.

It is suggested that VCCs report on process-oriented measures on a biennial basis—examples of such measures are number of individual matchmaking calls, or number of growers attending a networking event or technical assistance workshop. These are measures of activities, which, when successfully executed, are expected to result in economic or other outcomes. Another intermediate outcome that can be tracked and reported are changes, attributable to VCC actions, in the competitive position of a farm or other food businesses. “Upgrading” (e.g., adding a new product or selling through a new market channel) and “downgrading” (e.g., trimming a product line and selling to fewer categories of buyers) are outcomes associated with value chain coordination work that enhance business success and ultimately result in greater profitability. (See Appendix A for a draft

\(^{12}\) The tool was given as a google form: [https://goo.gl/forms/jdCc8F5aqXYy21Vh2](https://goo.gl/forms/jdCc8F5aqXYy21Vh2)
Relevant to both of these recommendations is the need for funders to understand the contingent nature of value chain work. It is very common in this work to make introductions between buyers and sellers and to expend resources such as technical assistance, but with no transactions ever taking place and for reasons beyond the VCCs control. For example, one of the Food LINC VCCs established a promising relationship with a local hospital which was seeking to increase its purchasing of local produce. While the hospital waited for growers to earn needed food safety certifications, hospital management staff changed and interest in local sourcing was lost.

**Outcomes**

For the following summation of economic measures across the cohort, the evaluator relied primarily on information asked of the cohort members upon completion of their two-year Food LINC projects, and during a final set of communications in late 2018 and early 2019. This was supplemented by the VCCs final reports to USDA, and the evaluators knowledge, gained over the three-year period, of the participants planned and realized outcomes.

**Economic Outcomes and Return on Investment**

The aggregated returns generated to producers across each Food LINC participant’s 2-year time span totaled $2.25 million in producer sales. An additional $4.40 million was earned by participants’ successful funding applications to foundations or governmental entities (e.g., USDA LFPP and FMPP). Note that this $4.40 million was investment attracted one to two years after the VCCs began their work, and thus did not include the “unlocked” funds (discussed below). Thus 34% of the total dollar outcomes were represented by increased returns to producers, and 66% by funding raised by the Food LINC participants for their own value chain activities and those of partner entities.

The returns to producers are based on Social Enterprise VCCs reports of the costs of goods sold—the hubs spending on products purchased from local growers and attributable to the VCCs Food LINC work. Relational VCCs relied on information that they were able to glean from value chain businesses with whom they worked. This included individual farmers, wholesalers, retailers, and food service entities.

Food LINC’s pilot program promotional materials noted an expected “5 to 1” return on investment. The return on investment can be calculated in several ways, dependent on how the original investment is understood. Using the $1.2M in USDA’s investment in cooperative agreements, plus $425,000 the Wallace Center received in USDA and Surdna Foundation grants for cohort training and support, the ROI for this investment is 4.09. Yet the “returns” to the investment include those from Food LINC participants that did not receive cooperative agreements. The Food LINC project was also presented as “unlocking” additional federal funds ($1.7M) and funds from philanthropic partners ($2.8M). It is unclear whether this additional $3.5M should be included as an investment or an outcome. If an investment, what proportion of the funds were specifically used for value chain work, and what VCC outcomes resulted from that work? Based on the information provided about Food LINC financing, the understandings of the Food LINC participants, and the evaluators...
judgement and work with the VCCs over the several year period, an initial investment of \$1,950,000 is suggested. This is based on \$75,000 per year per Food LINC participant, the amount awarded to most of the participants holding cooperative agreements. Based on this investment (13*\$150,000 = \$1,950,000) plus the funding for cohort training and support (\$425,000), the ROI is 2.8.

**The Timeline for Business Development**

All Food LINC participants relied primarily on their abilities to provide technical assistance and engage in resource prospecting, convening and matchmaking to facilitate value chain connections and increase the profitability and viability of food and farm businesses. As one VCC noted about her work: “I would say what I do is business development...you are developing relationships and facilitating transactions and following through on that sale.” Business development takes time. A two-year time frame may only yield small transactions as new value chain partners test the relationship. For example, the Texas Center for Local Foods connected the Elgin Independent School District to several small family farms. One year of relationship building yielded a total of \$1,000 in sales, and anticipation of growth to \$10,000 annually within three years.

The timeline to significant producer returns can be even longer if the VCC is working to build a new agricultural sector. For example, one of the value chain focal areas for Appalachian Harvest (AH) was to develop production of forest botanicals (e.g., black cohosh, ginseng) as a viable source of income for land owners in the Appalachians who may have little access to farmable land. In its first year, AH had three growers selling a total of 60 pounds of black cohosh, for a total value of \$2,550. The next year, two additional growers joined in production, with total sales of \$9,000. AH can use its aggregation/distribution capacity to catalyze new industries, yet even with this advantage it takes time to garner significant returns in a new sector.

Business development also includes establishing processes that regularly benefit emerging enterprises. Although examples of this trail-blazing activity are difficult to roll-up in a single quantitative measure, individual qualitative examples of these efforts are important to acknowledge as key value chain building activities. One example of an effective business development service, and one that fits into the category of business upgrading, is provided in the below mini-case study of La Montañita and its work with small food manufacturers.

**Employment and Access to Healthy Foods**

Food LINC participants were unable to reliably report on increases in employment generated by their activities. Two primary reasons were cited. First, as with producer sales measures, most VCCs were unable to obtain this information without risking a loss of relational trust. For example,
Common Market (CM) reported signing up new farm vendors (15 emerging producers and 18 high-capacity producers) and this may have contributed to employment at these farms. But questioning these new vendors with regard to employment, much less the racial and income profile of business owners and their employees, would have threatened these nascent relationships. Secondly, VCCs were unable to discern changes in employment that were specifically due to the USDA cooperative agreement funding. For example, the largest reported increase in employment for a VCC over the two-year period was Fresno Food Commons, which grew from eight full-time and eight part-time employees in 2015, to 33 full-time and 17 part-time employees in 2018. Yet these gains were due to multiple funding streams.

VCCs were unable to quantify the Food LINC measure of “increased access to healthy foods.” In the most general sense, and assuming an equivalence in this case of “healthy foods” and “local foods”, increasing access to healthy foods means a change over the project period in the amount of local foods made accessible to a population that previously did not have access. We can get a sense of progress in this arena in the individual reports of VCCs who successfully broached a new market. An example is discussed in the below mini case study on Louisville Farm to Table, which combined long-standing relationships across the value chain with a push for policy change.
Louisville Farm to Table: Increasing Access to Healthy Locally-Sourced Foods

The Jefferson County School System, which includes the city of Louisville, has a food expense budget of nearly $12 million, offering a tantalizing market for local food producers in central Kentucky. Food LINC value chain coordinator Sarah Fritschner had built close relationships with school system officials over her seven-year tenure as Louisville’s first farm to table coordinator, encouraging child nutrition directors to plan menus around the availability of local produce. Those efforts paid off in a slow increase in the percentage of local produce purchased, from less than 2% of the schools total purchasing in the 2013/2014 school year to 5% in 2016-2017. Yet most of this product came not directly from farms but intermediated through large wholesalers with the capacity to participate in the school bid system. Public schools are required to offer their food contracts for bid and, unless contracts specify other provisions such as criteria that favors locally sourced product, to take the bid with the lowest cost. While wholesalers can participate in bids and then adjust their purchasing based on whether their bids are successful or not, farmers can’t take the chance of growing product for a bid that might fail. Unable to participate in the bid system, farms in Louisville have had only two options to tap into the public school market: sales to a wholesaler, or sales direct to individual schools that are able to purchase products falling below a threshold, typically $3,000-$5,000 monthly. All of the Food LINC cohort members who have worked with public school systems have experienced this same impediment.

The challenge for value chain coordinators in this case is a policy, a policy that inadvertently favors large-scale food system infrastructure—produce wholesalers—over small local farmers.

What led to the tripling of local produce between the 2016/2017 and 2017/2018 school years, from 5% to over 15%, illustrated in the chart, below? The explanation was a change in the timing of bids from June, a date far too late for farms to execute a planting schedule, to January. The change gave farmers time to know if their bids were accepted, and plant accordingly. This seemingly small policy change, the result of years of nudging from Sarah and other local food system advocates, benefits local farmers and the agricultural community, and the more than 100,000 students in Jefferson County Public Schools.

Percent of Local-to-Total Produce
Purchased by the Jefferson County Public School System

![Chart showing percentage of local produce purchased by the Jefferson County Public School System]

Louisville Farm to Table’s FoodLINC-sponsored work included a focus on institutional markets to increase local sourcing by public schools, universities, and hospitals. This involved policy change, as described above, and matchmaking between these buyers, local farms and key intermediary food businesses including farm grower/shippers, an allied wholesale produce distributor, and a local food manufacturer preparing ready-to-eat meals using local produce and proteins.
Tracking Relational "Wins"
Value chain coordinators identify opportunities and apply value chain coordination tools (e.g., matchmaking, technical assistance), and their knowledge of buyer and seller capacities and incentives, to facilitate connections that enhance profitability and viability of the value chain members. As noted above, successful value chains also include generation of social benefits. These social benefits come in multiple forms, for example, a more equitable distribution of resources can be achieved by building the capacity of limited resource growers to participate in a lucrative market; or by increasing community access to healthy food.

As noted above, the value chain coordination process can require years to achieve dollar outcomes. During that time VCCs must keep multiple channels of communication open with buyers and sellers, acting as a trusted clearing house for information and connection-making. What could be considered an occupational hazard is low morale, particularly for Relational VCCs. Pressure by funders for quick results exacerbates this. As one Relational VCC said in frustration: “All you have to do is lay your eyes on a Sysco truck and understand the scope of the challenge that you are dealing with…. you are reversing 80 years of food system work….if I tell someone I’ve sold $450 worth of pork, what does it matter?”

As noted below in the discussion of the VCC Community of Practice, Relational VCCs significantly benefit from networking with other Relational VCCs. A possible way to supplement peer networking is the use of Outcome Harvesting, an evaluation mechanism for VCCs to track what may seem like insignificant outcomes, to document small successes, to share these with others, and to track developments over time. Food LINC piloted Outcome Harvesting to give VCCs the opportunity to report on small outcomes, the “$450 worth of pork” that may seem insignificant, but may develop into a long-term business relationship. Outcome Harvesting is explained in the call out box, below, which includes examples from Food LINC.

Based on Food LINC’s experience with the Outcome Harvesting tool, it is advisable to require a set number of Outcomes per quarter. If VCCs are organized into a community of practice, a scheduled quarterly call to explore outcomes among the VCCs is recommended, as this is a prime way for VCCs to share their value chain-building strategies with peers, as well as to provide moral support.
Outcome Harvesting: A Tracking and Evaluation Tool for Value Chain Coordinators

Outcome Harvesting is an evaluation tool especially well-suited to complex programming environments, where paths to achieving goals are contingent and unpredictable, and likely to change over time. In an Outcome Harvest, the harvester reports achievements and connects these to his/her actions. For Food LINC, the evaluator created a simple Google Form which could be accessed by the VCCs. The format allowed VCCs to submit “small wins” and receive validation from doing so, and through the submission process learn to apply evaluative thinking to their work. The form asked the following: (1) Describe the outcome in 3-4 sentences. Who was impacted? When and where did it occur? What changed? (changes could occur in relationships, policies, practices) (2) Describe how you, as a value chain coordinator, contributed to this outcome—what was your role in influencing the outcome?

Outcome Harvesting is a useful way to gather outcomes that may seem small or inconsequential, yet set the stage for business relationships to flourish. Example 1, below, is an outcome submitted by one of the VCCs which highlights how a convening event strengthened her ability to represent the interests of rural communities. Outcome Harvests can also track the development of business relationships and eventual quantifiable outcomes for growers. We see this in Example 2, below, where the VCC’s work resulted in local meat sales increasing from $150,000 to $2 million.

**EXAMPLE 1**

**Outcome**, submitted late 2016: “Austin-based food leaders are more connected with rural leaders in Elgin, Texas. USDA announcement event held in Elgin on Nov 28, 2016 included farmers, regional food leaders, funders, and local leaders. Event culminated in a “Funding Roundtable” with 20 or so leaders including Elgin Mayor, school superintendent, City Manager, bank president, Chamber of Commerce president, council of governments economic development director, St. David’s Foundation, Austin Foodshed Investors, City of Austin Food Policy Mgr. Discussion was brainstorm on funding and pretty general. Most important is that regional leaders were impressed by the solid support and collaboration of our rural peri-urban community.”

**VCCs role:** “We convened the event, chose invitees and arranged the locally sourced lunch at a locally owned restaurant. I work closely and effectively with the Austin folks. Having the Austin folks come to Elgin and meet the people I work for and see their commitment will only strengthen my ability to effectively conduct VCC work regionally.”

**EXAMPLE 2**

**Outcome**, submitted mid-2016: “We are working on the creation of a Kentucky-raised beef value chain that will reach various markets, including individual, commercial and institutional buyers. This consists of changes in relationships, purchasing practices and production practices. Primary actors include farmers, processors, distributors and buyers. A first success is the purchase of grass-fed organic Kentucky beef by a regional hospital chain for use in a "grass-fed Friday" program.”

**VCCs role:** “Louisville Farm to Table brokered conversations between parties that led to concessions on pricing and the development of mutually acceptable solutions that allowed the sale of Kentucky beef to the hospital chain. Additional work is needed to increase the available volume of beef for institutional/commercial buyers and to develop a product that meets price needs for all involved. A separate but related project will attempt to create a beef value chain for individual consumers purchasing cooperatively through a food access program called a "Fresh Stop."

Submitted late-2017: (text is from an email sent to the VCC) “My name is Daniel Pike. I’m the owner of Pike Valley Farm in Lancaster KY. When I started working with Sarah, we had less than $150,000 in sales and we were struggling to make the connections to people who wanted the awesome food we raise. The vast majority of those sales are through connections that Sarah made for us, along with her counterpart Ashton in Fayette county. But I want to be clear, though we are now a larger and profitable farm, most of the money that comes in goes to very small local farms that partner with use to raise healthy animals. Through Sarah’s involvement, over $2 million will go to small farms in Mercer, Garrard, Bourbon, Clark, Jessamine and Lincoln counties next year.”

The Food LINC Outcome Harvesting tool can be accessed here: [https://docs.google.com/forms/d/e/1FAIpQLSeiwC2Fi8wsxwL9Dg2h4JD4uigj_LiUM_twylHkyyUbfVug/viewform?c=0&w=1](https://docs.google.com/forms/d/e/1FAIpQLSeiwC2Fi8wsxwL9Dg2h4JD4uigj_LiUM_twylHkyyUbfVug/viewform?c=0&w=1)
Characteristics, Context, and Success

Characteristics of the Food LINC organizations combined with the contexts in which they were situated influenced the “success” of the VCC projects. Common across these projects was the goal of increasing the income and viability of small- and mid-scale food producers. VCC success in doing so can be ascertained in multiple ways: (1) Did the VCCs accomplish what was originally proposed in the Implementation and Execution plans as submitted to USDA? (for those holding cooperative agreements; and as articulated to the evaluator for those who did not), (2) Did the participants accomplish the economic development outcomes as articulated by USDA? (3) Did participation in the Food LINC Value Chain Community of Practice benefit their work, either in accomplishing #1 or #2, or strengthening their ability to meet their own organizational mission and goals?

This section of the report will examine success as participants accomplishing the primary goals as they intended (#1, above). A prior section addressed the economic development outcomes (#2) as anticipated by USDA. A subsequent section of this report discusses the role of participation in the cohort as related to goal accomplishment (#3). Figure 3 illustrates key characteristics of the cohort, and Appendix B provides in table form a comparison of VC goals at project inception, challenges experienced over time and how these influenced their goals, and current prospects for continued value chain work.

Social Enterprise Value Chain Coordinators
At initiation of the project, six of the Food LINC participants either already had or were in the process of developing hard infrastructure in the form of aggregation/distribution facilities. By the end of their two-year terms, five continued to do value chain work as food hubs, funded by a combination of business income and grants from government and foundations. As discussed previously, Fair Food dissolved as a non-profit organization, but the cheese and small grains value chain work it had planned to do continues in the private sector. Soul City shifted from the Social Enterprise category of VCCs to the Relational category, relying on its network of public and private organizations to promote food system change, and working to develop a software tool for primary producers.

Appalachian Harvest, Common Market Georgia\(^{13}\), and La Montañita, all having operated for 7+ years as hubs and having combined funding from grants and business income. These hubs expressed a common set of challenges. All noted the time and resource-intensive nature of recruiting and building the capacity of smaller growers who had not previously sold into wholesale markets.

Appalachian Harvest (AH), even into its third year of work with small Appalachian growers in Ohio and West Virginia, continues to work with growers to improve the quality and quantity of their hard squash production to a degree that meets buyer demands in AH's grocery wholesale markets. Common Market Georgia faced complex logistics in moving product from dispersed small farms to its Atlanta facility. La Montañita noted the lack of meat processing infrastructure which delayed its creation of local bison and beef programs.

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\(^{13}\) Common Market Georgia is considered an established hub because of its relationship with Common Market Philadelphia.
The newest Social Enterprise, Fresno Food Commons, had new-hub growing pains and struggled to maintain consistent staffing and to create efficient accounting and inventory systems. Like Soul City, Fresno had difficulty in recruiting vendors, noting that smaller producers were satisfied selling in the local direct-to-consumer market. Fresno was able to maintain cash flow through grant funding and because it has a farm as part of its vertically integrated operation.

**Relational Value Chain Coordinators**

The Relational VCCs Communities Unlimited (CU) and Resourceful Communities (RC) shared several characteristics. Both were seasoned non-profits with large staffs and large and steady funding streams. Both have associated CDFIs. Both focused on limited-resource African-American farmers as the producer segment of their Food LINC value chain projects, with the intention of scaling these farmers to sell into institutional markets such as hospitals and public schools.

Both noted that they underestimated the time and resources needed to transition small produce growers or row crop farmers (farmers growing rotations including wheat, soybeans, cotton, and peanuts) into businesses that could sell into the produce wholesale market. Each organization ended up with plans to work toward very different goals than those that they had originally anticipated. Resourceful Communities shifted its focus from scaling farmers for institutional markets, to developing community markets under the tutelage of rural churches. The goal was no longer “scaling up” small farms to sell into institutions, but support to build a system whereby faith communities could mediate relationships between small farmers and community members. This community self-provisioning was also a better fit for RC, which sites capacity-building for non-profit organizations as its primary method of direct technical assistance.

RC received a significant foundation grant in 2018 to continue this work through 2021. The Executive Director credits participation in Food LINC for this continued funding, and as the means by which RC was able to identify its existing strengths and how these could be utilized to support African-American farmers and their communities: “[Our] realization [was] that the strongest strategy was to create community markets that resonated with past practices of community self-provisioning, rather than scaling to sell to institutional markets. The scaling strategy did not work for small, African-American farmers.” Notable also is RC’s intention to direct its grant funds (the organization re-grants large portions of its funding to grassroots non-profits) for entrepreneurial food-related projects.

Like RC, Communities Unlimited (CU) began Food LINC with an intention to scale growers to sell into institutional markets. Early in the project, CU identified food safety certification as the biggest need for Mississippi Delta growers, and obtained additional grant funding to hire a food safety trainer. Despite the offer of one-on-one assistance, and cost-shares to pay for the certification costs, CU found growers disinterested in the long process associated with building volume, building markets, and becoming certified. As a CDFI, CU also initiated a small loan program, but no farmers applied. Like RC, CU was able to successfully pivot from an institutional to direct-to-consumer market strategy, obtaining a Farmers Market Promotion Program grant to develop farmers markets, including “pop-up” markets at Memphis-area churches. CU’s VCC discovered that her most effective work, that with the most potential to yield meaningful economic outcomes for growers, was to create and stabilize direct-to-consumer markets.
### Figure 3. Characteristics of the Food LINC Cohort Members

<table>
<thead>
<tr>
<th>Organization</th>
<th>Members</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appalachian Harvest</td>
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<td>11</td>
</tr>
<tr>
<td>Common Market Georgia</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Communities Unlimited</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>The Conservation Fund</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Fair Food</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Family Farmed</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Food Commons Fresno</td>
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<td>2</td>
</tr>
<tr>
<td>La Montanita Co-Op</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>Louisville Farm to Table</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Metro Washington Council of Governments</td>
<td></td>
<td>50+</td>
</tr>
<tr>
<td>Rocky Mountain Farmers Union</td>
<td></td>
<td>50+</td>
</tr>
<tr>
<td>Soul City Hospitality</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Texas Center for Local Food</td>
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</tbody>
</table>

**Key**
- Blue: Creates and maintains value chain relationships
- Green: Includes food hub infrastructure
- Purple: Non-profit entity
- Yellow: Years in operation when entity joined FoodLINC
- Orange: 5+ years doing work in value chain/market development
- Red: Governmental office
- Black: Offers fee-based technical assistance services
- Green Dollar: Organization includes a CDFI

*Based on original Common Market in Philadelphia*
Rocky Mountain Farmers Union maintained its original focus on developing a food hub trading network, but scaled back its initial ambition of involving over a dozen food hubs across several states. Through convenings and an initial assessment of the food hub landscape, the RMFU VCC identified a core group of five Colorado-based hubs that had a good chance of succeeding as a network. The outcomes associated with this work were both increased incomes for the hubs, and the creation of tested processes that could be adapted by other hubs seeking to collaborate. RMFU benefited from having a VCC who was recognized as a trusted convener and relationship broker, and who farms and is a vendor to one of the networked hubs.

The Food LINC participants at Louisville Farm to Table (LFTT) and the Metro Washington Council of Government (MWCOG) were both embedded within government agencies, but had key differences that were reflected in their ability to achieve their originally stated objectives. LFTT had existed for seven years prior to Food LINC, with the VCC holding a position in the Louisville mayor’s office, and funded by Kentucky tobacco settlement monies. At the conclusion of Food LINC, the position became permanent and the VCC was included as part of the city’s economic development team. LFTT’s success, as evidenced by the mini case study on page 17, was attributable to the broad and deep relationships the VCC held with various actors in the local produce and local meat supply chains, including private wholesalers and a food manufacturer. The VCC could catalyze movement of product along the value chain because she knew how these businesses functioned, what their incentives were, and where local product could be found. At least as importantly, the context of Louisville presented favorable opportunities: the University of Kentucky had committed to spending $600K annually on local foods, and the city spends an additional $300K per year to incentivize restaurants to buy local product. Thus, even without owning infrastructure, the VCC had buyers with financial incentives to purchase local.

The Metro Washington Council of Government (MWCOG), in contrast, had none of these advantages. The VCC had food systems experience, but did not have extensive connections with food businesses. There were no local food promotion programs with funding attached to serve as a catalyst for demand. The VCC led the development of a workplace CSA program, with the COG subsidizing CSA shares. This generated $4,000 in farmer income but has not yet expanded to other governmental entities, as MWCOG had hoped. Work to initiate procurement planning and ordering across entities to create a market for local produce or other items, a second objective stated in MWCOG’s original work plan, was attempted, but did not develop. As the VCC notes, the Food LINC pilot, which focused on generating sales and other economic outcomes, was not a good fit for Councils of Government, whose strength is in research and convening leaders across the region to focus on cross-jurisdictional issues. The VCC notes in her final report: “We would advise Food LINC to recruit other COGs into the program only with program modification for these organizations in the future. The current return on investment expectations, evaluation, and reporting do not speak to these organizations strengths, particularly on a two-year time frame.”

Food LINC participant FamilyFarmed is unique in the cohort, with locational and income-generating advantages. The Chicago-based organization is well networked among both local and national funders and large-scale food businesses. It holds a convening event and trade show each year that draws thousands of businesses and consumers. And it recently began a food business
incubator program that complements this event and its networks. Notably, FamilyFarmed also offers a set of paid services—training programs such as “Wholesale Success”—that it provides nationally. As the Food LINC project concluded, FamilyFarmed’s VCC began oversight over these training programs. This is interesting on two grounds. First, sales of training packages can be seen as a way to support the costs of maintaining a value chain coordinator. Secondly, FamilyFarmed may be able to begin offering value chain coordination training as a service. La Montanita has also entered the training services area, with the capacity to offer food safety workshops and to conduct value chain assessments for other entities (e.g., other food system non-profits, grower cooperatives). The ability of a value chain coordinator to offer some type of income-generating service makes the coordinator’s position more stable, because it is generating revenue. For both Family Farmed and La Montañita, their training services can be written in as a budget item on other organizations grant proposal.

Of the 13 Food LINC participants, the Texas Center for Local Food has the shortest history as an organized entity, having just one year in existence before it’s director became a Food LINC participant. Because she had been in a range of food and farming roles in the area, however, the VCCs network was broad and she was able to plug into various ongoing initiatives. The VCC’s primary focus has been on identifying particular fresh produce and value-added products that could boost the income of east-Texas growers, and convincing leaders of the city of Elgin to invest in a food aggregation and processing facility, the Elgin Local Food Center (the ELF). Notable has been her engagement with a university researcher to identify crops that would be profitable for growers to sell into processing markets, and taking the idea of the ELF from concept to an $800K commitment from city leadership. She was also effective in networking with Austin institutional buyers and Austin leaders, laying the groundwork for potential sales from the ELF. Despite this success, the Texas Center for Local Foods is in a precarious position; like many grassroots food system organizations, it relies 100% on grant funding and the largely volunteer efforts of one highly capable and networked individual.

Effectiveness of the Community of Practice

As originally conceived, the Food LINC Community of Practice (COP) would begin with an initial cohort of Food LINC participants, eventually expanding to a larger group: an open group that anyone could join or a tiered group with different levels of membership based on the experience and capacity of the members. The Food LINC COP was patterned after the successful development of a Food Hub COP initiated and managed by the Wallace Center, with funding support from USDA and others. Like Food LINC, the Food Hub COP began with a small group of hubs which received technical assistance in person and on-line in the COP’s early years, expanding to an open food hub listserve, an ongoing series of webinars, and a national survey. The Food LINC COP served as a testing ground to understand if the same type of COP-strategy would be effective to support this third wave of food system development. In addition to four in-person site tours and several webinars, Wallace Center staff conducted two rounds of calls (in year 1 and year 2) with each VCC to ascertain needed technical assistance. Members of the National Support Team were available to consult by phone with VCCs as the need arose. Across the cohort, participants noted that participation in the face-to-face site visits provided the most benefits.
As articulated by the Wallace Center, the Food LINC VCC Community of Practice should be a place where the following occurs:

1. VCCs learn from each other's ideas and processes which help them do their work
2. VCCs are assisted to develop and implement analytical tools that better describe their work in order to help them get the support they need to continue and improve
3. VCCs guide the process of establishing core values and best practices that become benchmarks for the future VCCs
4. VCCs working together create a dynamic environment for addressing and solving problems that may be presented by any member of the community of practice
5. Savvy funders look to make high impact investment that leverage to far reaching outcomes with strong economic and social impact

An evaluation of the effectiveness of the Food LINC COP can be partially ascertained by reflecting on the experiences of the participants in light of these expectations.

In several regards, we can see differences in these experiences depending on whether the VCC was housed in a Social Enterprise vs Relational organization. Before discussing the differences in experiences between these categories of cohort members, it is worth noting two commonalities. In reference to core values (#3, above), based on conversations with VCCs before and after the final site visit in Chicago, the racial equity programming and associated discussions in Chicago strengthened VCCs expressed commitment to identifying ways to build equity into their on-going activities. In this sense, the COP did guide the process of establishing equity as a core value of value chain practice amongst the group. Additionally, membership in the COP arguably did have an impact on funding of the Food LINC members. As reported above, Food LINC members raised over $4M during the project period for future value chain work (#5, above).

The effectiveness of the VCC COP in addressing #1, #2, and #4 are more mixed, largely due to the split nature of the cohort (i.e., Social Enterprise and Relational VCCs). Established Social Enterprise (food hub) participants expressed that, while they appreciated the in-person meetings to talk with other food hubs, that the group discussions and webinars were largely not useful sources of information. As one stated in the final report: “Food LINC is somewhat limited in that it is offered to an “overly” diverse group of host organizations, making difficult the translation of professional development needs and expertise among coordinators.” As noted in an interview with this same individual: “[Relational VCCs] totally do VC work, but it is hard for me to translate my experiences in to what is helpful to them and vice versa.”

Relational VCCs found the information exchanged in the in-person gatherings and webinars more useful. While they reported learning specific knowledge from each other and from Social Enterprise VCCs, what is striking is the importance of what they described as “moral support” of having a community of individuals doing similar work. These VCCs appreciated commiserating on the challenges and “small wins” that may seem insignificant to others but could be the result of weeks or months of value chain work.

Relational VCCs also noted the reputational value of being included in a cohort of USDA-selected organizations doing the “good work” of value chain coordination. One noted that she continues to
be invited to participate in important regional working groups, allowing her to represent the interests of farmers and struggling rural communities. This is an example of how participation in Food LINC contributed to the organization’s ability to fulfill its own mission and goals, a defined measure of “success” discussed on page 18 of this report. Another VCC noted the impact of Food LINC on her organization’s ongoing work: “I know for a fact that participating in Food LINC helped us re-think and strengthen the parts of the food system work that we were doing, it made them stronger and helped connect them, and it made more sense to the people on the ground.”

Involvement of the cohort members in the national webinars and conference panel discussions in the third year of Food LINC contributed to the feeling that relational members faced similar challenges, helping to strengthen their sense of identity as Value Chain Coordinators.

Based on VCCs reflections, we can conclude that a Community of Practice strategy for value chain development would be most useful when confined to a set of Relational VCCs. A focused cohort of VCCs embedded within governmental entities should also be considered. While VCCs within these entities (MWCOG and LFTT) shared some of the same goals as food system non-profits, their location within an economic development or planning group within government makes their position unique, especially with regard to policy. A VCC cohort model supporting and networking governmental VCCs, particularly in entities that cross jurisdictions (e.g., Council of Government; regional economic development organizations), would be a way to test and potentially prioritize and institutionalize regional food and agriculture development within these organizations.

With regard to the composition of a future cohort, one Relational VCC noted in her final report that inclusion of both “hubs and nubs” (the group’s shorthand for food hubs and non-food hubs) together in future cohorts was “critical,” explaining that “Hub VCCs are immersed in the private sector and their example is essential for nubs who are often more NGO focused.” The consensus, however, among the Relational VCCs is reflected in this articulate summary from another VCCs final report: “In designing future investment in value chain coordination, it would be helpful to create two groups of providers with different metrics and objectives, one group consisting of food hubs that aggregate and distribute products, and the other consisting of relationship managers who engage in the facilitation of market development, farmer coordination, and policy work. This distinction between groups would lead to better conversations and trainings that bore relevance to all participants, the collection of data that held meaning for all members, and the ability to develop transferable programming and practices. In particular, value chain coordinators functioning more as economic development staff function more as generalists than those running a food hub, and could likely benefit from more traditional economic development training (relationship tracking and management, event planning, etc.).”
Qualities of a Successful Value Chain Coordinator

Economic development using a value chain approach has most often meant that a non-market actor, typically a staff member or consultant associated with a non-profit, supplies the organizational capacity and facilitation work to do the following:

- Gather information on the food business landscape in an area
- Directly provide or link food business actors to appropriate resources and training to enable the development of business relationships
- Provide ongoing support and follow-up as these actors begin working together and seek to strengthen business ties
- Summarize and share lessons learned to others to expand the work

A value chain coordinator needs particular skills, experiences, and personality traits to be effective in these activities. The Food LINC VCCs suggested the following qualities needed for successful value chain coordination:

- Clear understanding of the private sector and ability to speak the language of business
- Possession of good interpersonal, communication, and facilitation skills
- Experience and influence in the local food system social network, derived from prior success in the private, non-profit, or policy sectors
- Existing relationships with private food businesses (e.g., farms, retailers, processors, food manufacturers) or the ability to make these
- A reputation as an unbiased and skilled source of information
- Some knowledge of agricultural supply chains including types of businesses involved (from input suppliers to buyers)
- Ability to think strategically and make connections based on this
- Ability to fundraise by writing compelling grant proposals and giving presentations to funders

Food LINC participants also advise future value chain coordinators to take a long view of value chain development. This report closes with the following quote from one of the Food LINC participants, which is as fitting a concluding statement as can be made. For a summary of recommendations from this report, see the Executive Summary, pages 2-5.

Advice to Value Chain Coordinators:

“Be realistic about your anticipated outcomes. Your goal in year one is not to get your transaction numbers as big as possible, it is to make your relationships as solid as possible. Set yourself up for success by laying out a solid plan of action for engagement with buyers and or education of farmers. This is a long game. Give yourself time to develop solid relationships on both sides of a deal. Trust is the most important factor of being a VCC...”
Appendices.
Value Chain Coordination is a market-based approach to develop local and regional food systems that better serve communities. Value chain work includes the development of collaborative ties among businesses along the food supply chain, with the expectation that the economic position of these supply chain members improves.

This Quicksheet considers strategies that Value Chain Coordinators (VCCs) can use to report the economic outcomes related to their work. The methods presented are based on the author’s work with a cohort of VCCs associated with the 2016-2018 USDA-funded Food LINC program.

In this Quicksheet we assume that sales and net revenue are the most highly desired measurable economic outcomes. We assume the value chain work is being done by a non-profit, social enterprise, or government entity. This reflects the composition of the members of the 2016-2018 Food LINC cohort. Food LINC (Leveraging Investment for Network Coordination) was a USDA initiative supporting 13 VCCs working within existing food system development organizations. The organizational members were split into social enterprise food hubs with aggregation and distribution facilities used to catalyze value chains; and non-profits and governmental agencies (e.g., mayor’s office, Council of Government) which relied on relationships and networks to build value chains.

The Value Chain Approach

Food system development using a value chain approach has most often meant that a non-market actor, typically a staff member or consultant

This QuickSheet uses the following definition of *food value chains*:

Food value chains represent a business model in which producers and buyers of agricultural products form strategic alliances with other supply chain actors, such as aggregators, processors, distributors, retailers, and consumers, to enhance financial returns through product differentiation that advances social or environmental values.

associated with a non-profit, supplies the organizational capacity and facilitation work to do the following:

- Gather information on the food business landscape in an area
- Directly provide or link food business actors to appropriate resources and training to enable the development of business relationship
- Provide ongoing support and follow-up as these actors begin working together and seek to strengthen business ties
- Summarize and share lessons learned to others to expand the work

Finding Economic Outcomes

Although the value chain approach includes advancing social and environmental values, the chain can only exist if the businesses comprising the chain are economically viable. If a value chain is “working”, we should see positive economic outcomes for the businesses that are members of this chain. This includes farm businesses, which are typically the primary target of value chain work. Improving the economic viability of small and mid-sized “farms of the middle”—those farming operations too small to easily enter into conventional retail and food service channels, and too large to survive by selling only direct-to-consumer—has been a major focus of value chain work. This work can also hone in on particular subsets of farms. For example, some value chain projects focus on improving the position of urban farms, minority-owned farms, cooperatively owned farms, etc.

Ideally, to show that an economic or other outcome is attributable to a particular value chain initiative or activity, such as a networking event for farmers and buyers, we need to measure the desired outcome—for example farm sales—before and after the activity. We can get a sense of the effectiveness of the activity by comparing the before and after sales figures.

The major challenge for value chain coordinators lies in the “how” of tracking economic outcomes, most often the dollar value of transactions between business partners. Factors that impact this ability include:

- Businesses may not keep reliable sales figures
- Businesses are not eager to share sales figures with external groups and often will not do so
- Pressing a value chain member to share sales figures can damage the VCC’s ongoing relationship with this partner
- If a VCC takes “credit” for a business success, this can be demoralizing for the business, or other individuals who also contributed to this success
• Understanding the proportion of a change in sales that is attributable to the work of a VCC is difficult (if not impossible) to reliably calculate.

Reaching a positive economic outcome attributable to the work of value chain coordination can take months if not years. Depending on the market environment and skills of the VCC, it may take most if not all of the first year or two of a project simply to establish trust and needed competencies to bring growers and buyers together, and to identify value chain initiatives that are seen as mutually beneficial by all concerned. Seasonality and the vagaries of weather (think hurricanes and drought) and personnel changes (such as changes in key buyer contacts) can result in significant setbacks. This makes reporting on work, especially when supported by short-term grant funding, particularly difficult.

And yet, despite all of this, VCCs very often must quantify the economic impact of their work, usually because their positions, whether grant-funded or not, are predicated on the assumption that some measure of economic improvement will be achieved.

What Can be Measured, and How?

Evaluation relies on a set of common terms, some of which are included in an oft-used project planning tool, the logic model. The logic model connects inputs or resources to a set of activities and outputs, which are expected to result in outcomes that represent attainment of a project goal. Example inputs are staff time and grant funds; activities and outputs could be training workshops or networking events; example outcomes are changes in skills, behaviors, or resources. The most common economic outcome considered in value chain development is the change in sales or profitability of a value chain business. We know that collecting this data is a challenge, for the reasons mentioned above.

How can we increase the likelihood that economic data can be measured and tracked over time? If the data cannot be tracked, what’s the next best thing?

Attribution vs Causation

VCCs engage in numerous activities to create local/regional food markets and increase food business income—matchmaking individual growers and buyers, convening events to encourage business-to-business relationships, training and resource prospecting, etc. Seeing a business relationship develop is one of the most gratifying end results in value chain coordination. Yet even when the contribution of the VCC to business success is clear, without a counterfactual—evidence of what would have or have not happened without the VCC’s contribution—VCCs cannot make claims that their work caused an outcome. VCCs can and should note their work using the phrasing of attribution; that their value chain contributions and activities contributed to the creation of new markets, business relationships, and improved economic outcomes for value chain participants.
How to Increase the Likelihood that You Can Track Economic Data

Be Specific
Define the Actors The degree to which a VCC is able to collect accurate economic measures related to value chain coordination depends on the degree to which the value chain actors and context are specified. The more the VCC specifies who is selling, who is buying, and what product is being produced/purchased, the better equipped the VCC is to collect economic measures. For example, a value chain project that has the goal of “increasing produce sales for small-scale farmers” should drill down to specify (a) the produce items (a list of these) (b) the set of farmers (the names of these). Naturally, this level of specificity is often not known at the very inception of a project. Spending the time to research the market and identify the focus items and growers who are most likely to benefit from value chain activities is, needless to say, time well invested. VCCs are engaged in business development. Successful VCCs, like successful business owners, do the upfront research to make a business case for their work.

Define a Subset of Actors to Track If this is not known at project inception, a first project objective should be to identify these. This does not necessarily mean that all activity will focus on 8 known farmers and 4 known produce items, but having a set of farms and products to track closely can serve as indicators of the efficacy of the value chain work. In a sense you can use select farmers and products as samples of the larger set of farmers and products that the value chain work includes. The “best” approach is to include all the farmers and all the products and all the buyers, collecting information exhaustively. The “doable” approach is to use a subset, taking care to select the subset of businesses that can be tracked to be representative of the type of businesses that are the focus of the work. If your focus is on mid-scale minority owned farms, your subset of farmers should be mid-scale in size and minority owned. Focus your energies on building trust with this group.

Partner with Buyers An alternative or companion to collecting farm-level data is to cultivate relationships with a particular buyer, for example a social enterprise food hub or private distributor. If these entities see your work as contributing to their own profitability—helping them “build a local program,” for example—they will likely be more willing to share at least the percentage change in their purchasing from local farms.

Be Realistic
The most prized economic metric is the dollar change in producer profitability. It’s also the most difficult metric to track. It assumes that the farm or other business is both willing and able to report accurately on their costs, returns, and therefore profit. A next-best measure is change in sales, and the least useful measure is a change in volume, such as pounds or gallons; both sales and volume are poor measures of profitability, since farms could increase either without increasing profit.
Businesses are likely to be more willing to supply percent changes: in volume sold (least desirable measure), sales (next-best), and profit (ideal). One strategy can be to pair a weaker quantitative measure such as volume sold or sales with a more qualitative measure of profitability. For example, consider this question posed to growers: “Think about your business over the past year, compared to the year prior. Would you say that you are (1) not breaking even (2) barely breaking even (3) making a small profit (4) making a good profit.” For reporting purposes, a VCC could include both the aggregated change in volume sold for all farms, and a summary of self-perceived change in profitability. Again, this is not the ideal, but is a next-best, doable, approach. Note that the measures you use can change over time as you build trust with the value chain partners.

Begin on a Foundation of Trust

Being able to collect any economic data largely depends on the trust between the VCC and chain businesses. Good faith offerings of assistance, such as VCC time to link a grower to desired resources including one-on-one business counseling, cost-share or small grant programs, and introductions to buyers, should come before requests for information. If you include a grower in a grant proposal, make it clear that funders require reporting on these metrics, and come to an agreement on how sharing of information can take place. A university research partner or extension specialist can sometimes act as a bridge between the value chain coordinator and the business, with this research partner collecting the data and aggregating it so that it can not be traced back to individual farms.

Questions to Guide Selection of Economic Outcome Measures
* Where are all the possible data collection points in the value chain?
* Is there an aggregation partner? Will this partner (hub, distributor, grocery buyer) share information on purchasing?
* What measure can we realistically obtain? Total or percent changes in profit, sales, or product volume?
* What set of farms and products could we use as a “sample” and indicator of outcomes experienced by a larger group?

Alternatives to Using Sales and Profit as Measures of Success

Value chain development is market development with the goal of business success, accomplished by building mutually beneficial relationships across a group—a chain—of businesses. Because of the importance of relationship building to the value chain approach, a VCC may, at first, think that developing the local and regional market is simply a matter of connecting existing demand for local food to existing supplies of local food through matchmaking and convening. As VCCs recognize the need for grower (and other food business)
capacity-building, they engage in training and resource prospecting. These efforts might include workshops on how to create a food safety plan or package for sale to wholesale markets; or connections to resources such as state cost-share programs or infrastructure loans or grants. This addition of knowledge and resources to food and farm businesses has the ultimate goal of increasing food business profitability and viability. As we know, this can take months or years to achieve and develop into reportable economic measures. What can VCCs use as measures of progress in the meantime?

The most often used quantitative metrics for “success” of value chain work, when economic outcomes are not (yet) available, are the numbers of individuals attending trainings, and the dollar value of resources identified and captured by the VCC. In the parlance of evaluation and logic models, these are process or program indicators of success: you said you’d train growers in X-topic, and this is how many were trained. The ultimate outcome—sales, profits, etc.—is still unknown.

An alternative way of thinking about success in the near term is to consider how the strategic position of the target business—typically individual growers, grower cooperatives, or the growers associated with an aggregator such as a food hub—has changed based on value chain activities, and how this improves the business’ position for greater profitability and viability. The framework for thinking about strategic positioning in a value chain comes directly from studies of business management and can be readily applied to value chain work.

**The Economics of Value Chain Work**

The intermediate step in value chain coordination, what results from value chain activities like convening, matchmaking, and technical assistance, is the *improved competitive position* for the focal businesses in the chain. Most often the focus of value chain coordination are smaller-scale farmers and food manufacturers.

Even before the reporting of dollar values is possible, it is effective for VCCs to report to funders and others how their work has contributed to improvements in the competitive position of the
value chain and its members. One way to frame this work, and report on this work, is based on how this position has been improved through business upgrading or downgrading.

**Upgrading and Downgrading**

Upgrading and downgrading refer to a business doing either more or fewer activities that influence how, when, where, and under what conditions their products reach consumers. Upgrading means doing MORE things—having a wider array of products for sale, differentiating your existing products to appeal to a different set of consumers, creating more sales channels to different types of buyers. Downgrading means doing FEWER things—trimming your product line, eliminating less profitable sales channels, hiring a distributor instead of delivering your own products. VCCs can support businesses in identifying the improvements—upgrading or downgrading—that improve their competitive position in the marketplace.

Thinking about value chain work in this way, and reporting on the work to show how it has enhanced the competitive position of growers, can complement and reframe the way in which VCCs report on their activities and on the outcomes. Even if you do not (yet) know the sales or profits related to the particular business change, evidence that market research was conducted, (which entails the research, matchmaking and resource prospecting activities of value chain coordination), and that a grower or other food producer took action can be reported as an economic outcome. Did the farm diversify its market channels? Did it add a new certification in response to market research? Did a small-scale food manufacture reduce its line of items to yield greater production efficiencies? These outcomes are easier to observe, and to learn from informal conversations with food producers. Gathering this information is more ‘doable’ in the sense of being less time-consuming and can preserve a VCC’s relationships with value chain members as they cultivate relational trust.
Appendix B. Food LINC Participants Original Goals, Change Over Time, and Planning for the Future

The table below provides a brief comparison of VC goals at project inception, challenges experienced over time and how these influenced these goals, and current prospects for continued value chain work in the organization. Quotes from VCCs are included where possible.

<table>
<thead>
<tr>
<th>Value chain objectives at project inception</th>
<th>What changed over time?</th>
<th>Prospects for continued VC work</th>
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</thead>
<tbody>
<tr>
<td>Appalachian Harvest/ Appalachian Sustainable Development</td>
<td>Increase Appalachian resident income from small farm and food businesses through: direct purchasing via its hub (of hard squash and other organic produce; value-added products; and forest botanicals), technical assistance, and resource prospecting.</td>
<td>Discovered that the number of growers able/capable of selling products wholesale, under the necessary food safety and product quality conditions, is smaller and more difficult to develop than anticipated. Relies on hub income and grants to support its value chain work.</td>
</tr>
<tr>
<td>Common Market Georgia</td>
<td>Increase small farm income for small growers through: direct purchasing via its hub, technical assistance, and resource-prospecting.</td>
<td>Discovered that it needed to establish consistent volumes by working with larger-scale producers in Georgia and neighboring states before it could begin sourcing more product from smaller growers. Relies on hub income and grants to support its value chain work.</td>
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<tr>
<td>Communities Unlimited</td>
<td>Increase small farmer income through convening, matchmaking, technical assistance, and resource prospecting to support growth in small farm produce sales to institutional (hospital and school food service) markets.</td>
<td>Discovered that there were few produce growers in the target region (Mississippi Delta) and that existing growers were not able and/or willing, even with one-on-one technical assistance, to achieve food safety certifications required by wholesale buyers. Led to a focus on farmers markets: “the idea is that growers will first find success in direct sales and then some can move into wholesale.” Received a Farmers Market Promotion Program grant in 2017 to continue support of direct-to-consumer sales.</td>
</tr>
<tr>
<td>The Conservation Fund</td>
<td>Grow small farmer and rural community income through: technical assistance, resource prospecting, convening, and matchmaking, and re-grants to existing small-scale food business partners (two hubs and one community farm) to</td>
<td>Realization that the capacity of their target growers (limited resource African-American) were not well-suited for wholesale markets. &quot;We realized that the strongest strategy was to create community markets that resonated with past practices of community self-provisioning, rather than scaling to sell to</td>
</tr>
<tr>
<td><strong>Enter institutional markets through</strong></td>
<td><strong>Institutional markets. The scaling strategy did not work for small, African American farmers.</strong></td>
<td><strong>Markets. This includes a stronger focus on supporting faith-based social enterprises.</strong></td>
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<tr>
<td><strong>Fair Food</strong></td>
<td>Increase small farm income for farms producing cheese and farms growing small grains through: direct purchase (through hub), matchmaking, convening, and technical assistance.</td>
<td>Fair Food dissolved in 2018 due to lack of continued grant funding. The small grains value chain continues with leadership from a malting company. Fair Food’s former executive director spun off the cheese work into a successful private cheese wholesaling business.</td>
</tr>
<tr>
<td><strong>FamilyFarmed</strong></td>
<td>Increase smaller farm income through: convening, technical assistance and matchmaking.</td>
<td>Dropped plans to convene working groups of producers and others along the value chain, instead focusing on technical assistance and matchmaking. The Food LINC VCC has taken on the additional and complementary role of managing FamilyFarmed’s training services. Continued funding through grants and donations, and continued growth in its training services. FF has developed a set of training programs that are in high demand and which are often paid for indirectly through grant funds, with host sites (such as food hubs, extension programs, other non-profits) building the training programs into their own grant proposals.</td>
</tr>
<tr>
<td><strong>Food Commons Fresno</strong></td>
<td>Increase farmer income through: direct purchase via new hub facility for sales to institutional markets; convening, and technical assistance.</td>
<td>Understands that their assumptions that they could be the convener of growers and buyers, with growers cooperating in planning and buyers reaching agreements with growers was faulty. “What was the best intention to get a grower group to Relies on hub income and grants to support its value chain work. Has met some of the challenges of coordinating</td>
</tr>
<tr>
<td>Location</td>
<td>Strategy and Challenges</td>
<td>Funding Strategy</td>
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</table>
| La Montañita                   | Increase farmer income through: direct purchase existing hub, matchmaking, technical assistance, and resource prospecting.  

“Expected and experienced failures in working to develop some product lines; wide distribution area made it tricky to have a value chain ‘work’ from a distribution standpoint, especially if the product required intermediary processing (e.g., meat); some pushback from its board on spending time/resources on activities (e.g., food safety training) for vendors that may not sell to the hub: “Why are you developing this thing that will eventually be a service to our competitors.””  

Relies on hub income and grants to support its value chain work, and new paid services including food safety consulting and value chain analysis. |
| Louisville Farm to Table       | Increase farm income by connecting small and organic growers with Louisville restaurant and institutional buyers through: matchmaking, technical assistance, and resource prospecting.  

“Some pushback from the city as to how much of the VCCs work should be outside of the county. Funding and location of position changed from a contracted position in the mayor’s office to a permanent staff position. This change has entailed more focus on food access (e.g., support of double dollars program and farmers markets).”  

Funded as a member of the economic development staff of the City of Louisville. |
| Metro Washington Council of Governments | Increase farmer income through: technical assistance to council of government members (e.g., municipalities) on how to identify and contract with local growers; convening business and government leaders to generate transportation/distribution solutions; direct purchase using a workplace CSA.  

“It’s become clear to us that while we’ve engaged in some matchmaking, our capacity to do this and track this is limited by time and by “where we sit.” We do not work with farmers and buyers on a daily basis and COG is simply not looked to do this...Another is that a near term priority for us is program sustainability. We are funded by four different entities and need to allocate additional time to outreach, grant applications, and reporting.”  

Remains a contracted position reliant on grant funding. |
| Rocky Mountain                 | Increase farmer income through: technical assistance, matchmaking.  

“Early on dropped plans to organize a 16-member group of food hubs, and had setbacks with”  

Continues to be funded by a foundation for its...
| **Farmers Union** | and resource prospecting for individual farmers and existing food hubs. | small grain development work because the VCC did not have any direct oversight over production trials. Created processes for a food hub trading network and has shared this knowledge with others, including and beyond the Food LINC cohort. Currently supports an annual convening of small grain producers. | value chain development work. Receives other grants and has some stable funding through its farm insurance division. |
| **Soul City Hospitality** | Increase farm income through: direct purchasing (through new aggregation/distribution and processing facility in Jackson, MS), technical assistance, matchmaking, and convening. | Struggled continually to build the capacity of small growers to produce in a socioeconomic and geographic area with significant challenges. Successfully created a Group GAP program, but realized that their grower pool was ill equipped to meet increasingly stringent food safety standards, even with support, and do not have the funds for startup costs to grow produce: “....we have seen farmers say they wanted to grow tomatoes, we spent 6 months talking with them about it, but they did not have the $10K an acre available to put in those tomatoes.” Realized plans to open a new hub were overambitious, and private infrastructure already existed: “Our realization was that the biggest opportunity for success for us was to work with organizations like Sunrise and Valley Foods, we don’t have to buy trucks.... We develop the farmers, make sure they are food safety compliant, we do production planning, so they function more efficiently.” | Received an LFPP in 2017 that goes through 2020. Focus is on maintaining the Group GAP designation and adding farmers that can then sell to existing distributors, and creating a software product to manage food safety and other farm data. |
| **Texas Center for Local Food** | Increase farmer income: through convening, technical assistance, and resource prospecting (specifically, seeking resources for a new regional food processing facility). | Successful in effort to have local government commit to $800K for the proposed Elgin Local Food center. Struggling to find the match funding needed. | VCC position reliant on grant funding, currently not funded. |
Appendix C. Food LINC Participants Self-identified Challenges, Advice to others, and Innovations

The nine VCCs with cooperative agreements were asked by USDA to respond in writing to questions about their challenges, advice they would give to others, and innovations they could share. These are summarized in this table. Information from the Quotes from VCCs are included where possible.

<table>
<thead>
<tr>
<th></th>
<th>Most challenging or unexpected aspects?</th>
<th>Advice to other organizations planning a similar project?</th>
<th>Describe any innovative approach other organizations could adopt.</th>
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<tbody>
<tr>
<td>Appalachian Sustainable Development/Appalachian Harvest(^a)</td>
<td>Challenged by the time and other resources needed to build the capacity of smaller producers, and to develop markets for a new catalogue of value-added products.</td>
<td>Assess new growers carefully at project inception and regularly thereafter to understand their realistic capacity to produce, and what is needed to bring them into business relationships within a value chain.</td>
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<td>Common Market Georgia(^b)</td>
<td>Unanticipated challenges associated with: the distance between rural suppliers and the Atlanta market; the lack of farms that grew diversified produce and were also wholesale-ready; the lack of meat processors; the difficulty of collecting needed evaluation data from farmer-vendors.</td>
<td>“Two years into value chain coordination in Georgia, our advice for other organizations planning a similar project would be to plan farm procurement operations around clusters of farmers within proximity to one another. While an organization cannot change the distance between dense urban centers and the most productive agricultural regions, it is possible to simplify trucking operations through planning, relationship building, and creative infrastructural investments. If we had the opportunity to start over in Georgia, we would develop relationships with a large or mid-size produce farm earlier on. This would allow us to have had a fall back option in the case of small farm shorts, or when incidents such as extreme weather wiped out crops that we were relying on having. While we would</td>
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| Communities Unlimited<sup>b</sup> | Lack of growers with interest in attaining food safety certifications; and lack of processing and distribution infrastructure; turnover in personnel at anchor institutional buyer. | "I think that it has been extremely important to have a strong advocate that provides guidance and direction in developing key relationships among the players or community stakeholders in the food system. The partnership with [NRCS] has been essential in helping CU connect to farmers and assisting in relationship building for the Mid-South Food LINC. 
....[also]... CU should have [obtained an] MOU from the anchor customer to purchase fresh produce from local growers." | "Launched a pilot project of "Pop-Up" farmer's markets during fall 2018 as an opportunity to increase access to fresh fruits and vegetables and expand direct producer-to-consumer markets primarily serving residents living in food deserts. The "Pop-Up" farmer's markets are a partnership with the small-scale growers and large churches in the Memphis area and a great success. They were held on Sundays and Wednesdays. These markets allowed the growers to personally get to know their customers and build stronger relationships." |
<p>| The Conservation Fund&lt;sup&gt;b&lt;/sup&gt; | Found it unexpectedly difficult to connect resources (e.g., training) to limited resource farmers, and institutional buyers to these farmers. Complexity of meeting limited resource farmer | &quot;We primarily focused on our project region of 42 counties in eastern NC but ultimately expanded some of our work to the entire state to meet funder requests. It was a plus in that the different regions have different strengths, [but] a challenge in the amount of time it takes to cover the state of NC.&quot; | &quot;We used a three-pronged, targeted approach designed to strengthen the infrastructure for regional food value chain coordination that reaches marginalized populations in a very economically- and...&quot; |</p>
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<th>Source</th>
<th>Comments</th>
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| Fair Foodb          | Did not foresee the popularity of the cheese program or how it could be a “gateway for local specialty items,” and could have been better prepared to take advantage of this. Most challenged by the departure of the executive director and loss of core funding during the project period.                                                                                     | "While we feel the grain supply chain work was relatively straightforward to implement, our wholesale cheese program could have benefited from a more sustainable structure for delivery. Our program model takes the effort away from our farmers and our restaurant clients, which is certainly one of our strengths. However, our program structure puts the brunt of that delivery on too few of people in our organization.....we do wish we had included some additional research of existing supply chains that cheesemakers could piggyback to get their cheese into the city and into the hands of their restaurants with less steps for them and for us."
|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| FamilyFarmeda       | "It can be challenging when deals fall through                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                     | "Be careful about the number of commitments you make with regard to serving smaller socially distressed region, providing: 1. Technical assistance and value chain connections support to limited-resource producers ... 2. Small grants, technical assistance and value chain connections support to community and faith groups... 3. Small contracts (totaling 40% of the USDA Cooperative Agreement funds) to two nonprofit groups to support their regional food value chain coordination efforts...."
|                     | "Fair Food’s work with grain supply chains and local cheese market support does not feel particularly innovative; we simply took advantage of the potential we saw in our region for connection, and we organized it. Much of that work with local instigated from long-lasting personal relationships with dairy farmers in the area, while the grain supply chain was more unfamiliar."

Notes:
- a: FamilyFarmed
- b: Fair Food

Data source: [Fair Food](https://www.fairfood.org/)

**FamilyFarmed**

"It can be challenging when deals fall through...

"Be careful about the number of commitments you make with regard to serving smaller..."
due to a lack of regard on behalf of one party. This leaves the VCC to nurture, maintain, and salvage the relationship with the party who was left behind without communication or explanation.”

| Food Commons Fresno\(^b\) | Difficult to gain feedback and interest from buyers on local product; disinterest from growers on working cooperatively to expand their markets; challenges in reporting because business systems did not allow easy access to specific economic data; high organizational turnover. | “We attempted to execute the role of value chain coordinator with multiple individuals having ownership of different aspects of the project activities and deliverables. In hindsight, hiring someone to take on all aspects of value chain coordination would have been a better solution. Our coordination was lacking at times and it took too long to start working on the project activities because individuals were focused on day-to-day business operations. However, the risk in doing that is [that] the position risked being eliminated at the end of project, if the person had not been able to generate sufficient new sales activity.” | “Unfortunately we were unable to execute on the most innovation portion of the project; that of developing a working group of landowners that would be interested in leasing land to small farmers.” |

| La Montañita\(^b\) | “Providing quantifiable metrics that capture La | “Organizations interested in providing these value chain services (coordinating existing resources and helping to advance food business’ efforts to meet nascent | “We did nothing particularly innovative – our success was defined by having frank, transparent conversations
<table>
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<tr>
<th>Organization</th>
<th>Challenge(s)</th>
<th>Comments on the Importance of Funding Value Chain Coordinators</th>
<th>Challenges Solved</th>
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<tbody>
<tr>
<td>Montaña's value chain activities and their outcomes has been a challenging aspect of this project.</td>
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</tr>
<tr>
<td>Louisville Farm to Table</td>
<td>Difficulty in collecting economic data for evaluation purposes; lack of interest from farms in selling into wholesale markets; distance from Louisville to rural regions impeded efforts to establish relationships and trust with new partners.</td>
<td>Comments on the importance of funding value chain coordinators: “Investing in staff as opposed to “stuff” provides an opportunity to flex the work to meet the changing needs of both farmer and market, and to build relationship-based systems that can evolve and grow to support more buyers and farmers over time. Depending on the immediate and long-term need, the value chain coordinator can play a multitude of roles and serve a nearly unlimited number of functions... For both buyer and farmer, the value chain coordinator can adapt to address challenges as they arise, making the value chain coordinator an essential “Swiss army knife” in the world of local food systems development.” To do this, identify patient funders willing to invest in core staff so that they can do the work, rather than “chase grant funding.”</td>
<td>“The Louisville Farm to Table Program is itself innovative in that it is funded in large part through local government general funds, and has operated continuously for nearly ten years. The Program has successfully advocated for policy change that gives preference to local foods, leading to expanded use among schools, hospitals, large venues and processors. Key to this success has been the ability to dedicate staff member time to building and maintaining relationships, and the recognition that the changes required to develop the local food system take time.”</td>
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<tr>
<td>Metro Washington Council of Governments</td>
<td>“The most challenging aspect of the project has been demonstrating return on investment – “</td>
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<td>“We believe the largest “innovation” in our foodshed is trying to advance a mindset around on-going,</td>
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<tr>
<td>Rocky Mountain Farmers Union&lt;sup&gt;b&lt;/sup&gt;</td>
<td>With regard to the hub network of five hubs: “Synchronizing order fulfillment and delivery schedules between agricultural food hubs while piloting the Colorado Food Hub network in 2016 proved challenging.” Regarding the heritage grain work, several of the original trial growers were inexperienced which led to crop losses.</td>
<td>With respect to development of a food hub network: “We advise other organizations that have the opportunity to convene food and agriculture practitioners to provide leadership that not only brings people together, but identifies potential challenges—such as duplication—as well as opportunities—such as agricultural hub trading network that resulted from the original peer learning network. We were pleased with our approach and results and would not have done anything differently.” With respect to the heritage grain work: “RMFU was in more of a supporting role and did not have direct influence over the implementation of the market assessment and corn and wheat trials. In retrospect, it would have been helpful for us to have played a more hands-on role with the planning and planting of the trials. As many enthusiastic, yet inexperienced growers were involved, over half of the trials were lost to a variety of mistakes and environmental factors. Our advice is to engage experienced professional growers for such work with expert technical assistance from land grant universities or other qualified agricultural professionals.”</td>
<td>“The majority of our Food LINC activity centered around creating, testing and operating an innovative food hub trading system with five rural agricultural hubs. While it is likely too early to declare the effort a success, we believe we have established a system that has strong potential to be self-sustaining and is worthy of potential replication.”</td>
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<td>Soul City Hospitality&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Challenged by their own inexperience in the produce aggregation/distribution business; and by farmers inexperience and low financial capacity.</td>
<td>Spend more time in the pre-planning stage before taking on debt, start small and slowly expand over time, be prepared to change direction based on new information. “We had to go through an education process and we paid our tuition—we had to figure it out. We knew there was a business here, we just did not know what it is.” “We overlooked the rehearsal piece” -- we trained the farmers in food safety and provided the markets, but they need time to rehearse how to sell. In other words, they need ongoing support.”</td>
<td>In the process of developing a new software platform for production and food safety data management.</td>
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<td>Texas Center for Local Food&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Challenges developing useful metrics for measuring the impact of networking activities and relationship-building that do not generate outcomes for months or years.</td>
<td>“Decide which of the VCC focus areas you [the VCC] will prioritize for your work...give yourself 3-6 months to explore your assets and understand your capacity in each of the focus areas. You will spend time convincing others what VCC is and why it’s a useful activity. Use the USDA slides and be as specific as you can about what you plan to do; be sure to show relevance to the problems your audience faces. Choose your value chain coordinator carefully, selecting someone who understands food system issues especially through a lens of the producer and equity and the private sector Have a supportive evaluator with deep experience in food systems.”</td>
<td>“In partnership with Texas A&amp;M AgriLife Extension, we conducted a local food price study that was very valuable to the regional players working to change our food system. The study identified the prices for 10 specific vegetables that buyers were willing to pay and sellers were willing to accept. Our goal was to get specific price information to help target funding and effort in central Texas to crops that makes economic sense for both buyers and sellers.”</td>
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<sup>a</sup> Based on VCC interviews with the evaluator.

<sup>b</sup> Based on VCC final cooperative reports to USDA.