

“An Apple a Day: Innovative Strategies for Bringing Healthy Food to All Communities”

Q: How did you get the supermarket industry engaged in the task force?

A: In our experience, reaching out to the statewide industry alliance or trade association to gain their support has been the best way to engage individual operators in the task force process. The supermarket industry is a natural supporter of this type of initiative. A NFFFI not only benefits underserved communities in need of access to healthy foods, but is also a profitable venture for the grocery industry. There are a range of obstacles to getting grocers into underserved low-income communities. Grocery stores have narrow profit margins, which make commercial lenders wary of supporting development projects in low-income areas – and so grocery operators often lack flexible financing needed to develop stores in underserved areas. In addition, assembling sites in dense urban areas can be challenging, development costs can be higher, and workforce costs can be greater. Yet the Pennsylvania Fresh Food Financing Initiative has shown that grocery stores can flourish in underserved communities once these initial barriers are addressed. See: <http://www.trfund.com/resource/downloads/policypubs/CDFIStudySummary.pdf>

Q: Does part of the evaluation of the initiative include surveying residents after a store has been located in their neighborhood and asking whether or not the amount of healthy foods they consume has increased as a result of a new grocery store?

A: The Food Trust is conducting a study on this issue though it has not yet been completed. In the meantime, several large national studies demonstrate that increasing access to healthy food results in increases in the consumption of healthy foods.¹

Q: Following up on Judith's mentioning evaluation, as a physician and executive, is there data to suggest "fresh food" is where the value is - cost per year of quality life added, etc.?

A: It is estimated that obesity will cost the United State's about \$344 billion in medical-related expenses by 2018, which will account for 21% of health-care spending.² Extra weight increases the risk of diabetes, heart disease and many types of cancer. Several research studies have found that proximity to stores selling fresh, healthy, affordable food corresponds with lower BMI, rates of obesity, diabetes, and diet-related death among adults.³ In addition, several studies have shown that diets rich in fruits and vegetables lead to better diet-related health outcomes.⁴

Q: How do we address produce quality at existing stores in low-income areas?

A: More than half the stores financed by the PA FFFI were established stores. Similar to the PA FFFI, a National FFFI will have the ability to work with already existing neighborhood stores to improve the quality of food available at these neighborhood stores. This includes funds to improve refrigeration systems as well as technical assistance to ensure that stores know how to purchase, transport, store, and rapidly sell the food to ensure high quality produce.

Q: No mention of grocery co-ops'... why?

A: The PA FFFI has supported grocery co-ops and the National FFFI would be able to support grocery co-ops as well.

Q: Any experiences with co-op retail food operations? Any specific challenges or advantages? Especially interested as it builds local stakeholder wealth.

A: Cooperatives have been more common in higher- or mixed-income communities, though historically there have been co-ops that have successfully served low-income communities. Co-ops face some of the challenges of developing new grocery stores, such as securing financing and land, and some of the same challenges of small groceries with respect to purchasing merchandise at low prices given lack of economies of scale. There are efforts underway to develop cooperative groceries that can succeed in long-underserved low-income communities.

Q: Is there a concerted effort to link local farmers' markets with the retail grocery stores receiving funds and assistance, in order to better serve underserved communities?

A: While the PA FFFI does not directly connect farmers' markets with grocery stores, many of the stores participate in Pennsylvania Preferred designed by the Pennsylvania Department of Agriculture to help Pennsylvania businesses promote their agricultural products, both raw and value-added. The National FFFI proposes giving priority to retail projects that include local and regional foods, including those foods from the same farmers working neighborhood farmers' markets.

Q: What works to help prevent stores from leaving?

A: There are many factors that lead to a store's decision to close. One factor that can work toward ensuring that stores will continue to serve the community long into the future is store profitability. By selecting strong projects with good leadership/management, the failure rate of stores funded by the PA FFFI has been quite low – even lower than the industry average. In addition, funding from FFFI can help prevent store closings by providing financing to assist with store purchases or ownership transfers to local entrepreneurs.

Q: How do we adapt the model in local communities that are experiencing a very different economic environment from when the PA model started?

A: Part of the success of the PA FFFI is its ability to be flexible and tailor financial products necessary for each unique community and project. In addition, the National FFFI recognizes that economic environments have changed dramatically since the PA FFFI came into being and is seeking additional funding to accommodate these economic differences.

Q: In addition to providing access to fresh, nutritious food to low-income communities as an imperative, what is the program doing to change unhealthy dietary patterns? When looking at some of the communities I work in, I don't get the sense that simply providing good food is enough. Because of the longstanding lack of options, so many people have long grown accustomed to fast food and other unhealthy food sources. I wonder if simply providing good food sources is enough to get community members to give up the dietary habits they've long held. What is this program doing to encourage a change in consumer behavior?

A: A range of strategies could help change unhealthy dietary patterns, with access in underserved areas being a critical step. Research studies have shown that people living in low-income communities with grocery stores make healthier food choices than people living in low-income communities without grocery stores, suggesting that access alone does make a difference. In addition, focus groups have found that people in low-income communities want to eat healthy food, they just need convenient places where they can purchase the food. A National FFFI could be paired with existing nutrition education programs to maximize impacts on diet.

Q: Could you say something about advocacy with "free-market" folks? In other words, what are the factors that have prevented stores from being in these areas, if there is a demand?

A: The success of the PA FFFI has demonstrated that there is demand for high quality, nutritious and affordable foods in underserved communities, however, significant barriers to entry exist in these communities. Barriers include lack of access to sufficient capital, costly site assembly, higher development costs, and more expensive workforce development needs. The lack of supermarket and grocery stores in many low-income urban and rural communities represents a market failure that can be addressed through one time grant and loan funding to help offset the higher costs of locating in these communities. There is evidence that when retailers have assistance with these initial start-up costs, they will locate in underserved communities and are able to run successful businesses. See: <http://www.trfund.com/resource/downloads/policypubs/CDFIStudySummary.pdf>

Q: Additionally, is there a model for how these grant and loan funded products become sustainable as businesses? That is, any source for model business plans that can be accessed?

A: Similar to the PA FFFI, a National FFFI could support business plan development to help ensure that businesses are sustainable. We do not know of model business plans to recommend.

Q: I work with 145 stores in WA State as their nonprofit food donation partner. How effective would it be for me to approach my corporate contacts about this issue? What incentive would they have to tackle the issue without zoning incentives or funding support?

A: Some stores have been reluctant to locate in low-income communities of color but have found that when they do locate in these communities, these are some of their most profitable stores. Community advocacy and support have sometimes been effective in securing stores in underserved low-income areas. A National FFFI would help ensure that a broader group of grocery retailers are able to overcome initial barriers to entry to locate in underserved communities.

Q: Has Feeding America expressed support for this type of legislation?

A: At the federal level, Feeding America has not yet expressed support for this, but we are continuing to work to expand our list of supporters and hope they will be supportive. In Louisiana, Second Harvest Food Bank of Greater New Orleans and Acadiana, which is part of the Feeding America network, co-chaired the Food Policy Advisory Committee efforts in New Orleans, bringing together government, civic sector, and private sector leaders to recommend policy ensuring that all citizens would have access to fresh, nutritious food.

Q: Is behavior change more successful when the placement of the grocery stores is linked to marketing and community-based efforts to engage communities in the process?

A: Community support is a key part of ensuring a profitable and therefore sustainable store. The National FFFI includes criteria about demonstrated community support.

Q: So what do we do if we want to replicate this? Will we apply to the federal government for a grant once the legislation is passed?

A: If a National FFFI is passed as proposed, it will be structured as a public private partnership. Local partnerships organized for the purpose of improving access to fresh foods will request funding from a Community Development Financial Institution (CDFI) selected by the federal government to administer the initiative. Local partnerships will provide loans and grants to individual projects in their communities. There are also state-wide efforts underway to replicate the PA FFFI at the state level.

Q: How will such a large program with national scale and scope ensure that local/neighborhood food access also has local, neighborhood ownership of the production, distribution and retailing of food?

A: The NFFFI will prioritize programs with a demonstrable impact on the economy or well being of the neighborhood or community to be served. This includes creating and retaining quality jobs in the community, demonstrated community support, coordination with regional food systems and providing locally-grown food when available. In addition, while the program is a national program, financing decisions are made on a per-project basis by local partnerships (a regional, state or local public/private partnership organized to improve access to fresh, healthy foods).

Q: What feedback have you received from grocery buyers about the challenges associated with buying from local/small producers?

A: Many operators funded through the program have incorporated into their stores fresh products from small, local farms nearby. We are not aware of specific challenges related to purchasing from these producers.

Q: How does this program tie in with other food system's production initiatives, for example, urban agriculture, etc?

A: Projects with a demonstrable impact on the economy or well being of the neighborhood or community to be served, including coordination with regional food systems and providing locally-grown food when available, are given priority when determining which programs to fund.

Q: Do any components of the initiative include a vehicle to increase production of locally grown produce?

A: Yes. The National FFFI proposes that projects with a demonstrable impact on the economy or well being of the neighborhood or community to be served, including coordination with regional food systems and providing locally-grown food when available be given priority when determining which programs to fund.

Q: Are you working with anyone at HUD (in addition to USDA) to help develop the national program?

A: We have had conversations with USDA, HUD, and the Treasury about the program. There is no clear “fit” for the program since it touches on so many different areas, so these ongoing conversations are important.

Q: Can you provide a brief overview of the food stores in Colorado & NJ, just as you did with LA, IL, & NY?

A: While the efforts in Colorado and New Jersey are not as far along as the other states highlighted, they are still moving forward. Operators in Colorado and New Jersey have expressed interest in supporting efforts to develop public policies that improve fresh food access in underserved areas. At this stage, The Food Trust is working with local partners to convene task forces to examine the barriers to supermarket development in underserved areas in Colorado and New Jersey and will be releasing reports shortly.

Q: How close is Healthy Foods and Healthy Communities in NY to getting an administrator? Any news on progress?

A: The state is reviewing proposals for program administrators. We expect a decision to be announced in early 2010.

Q: You mentioned that the work being done in Illinois started with collaboration with Voices for Children. Can you explain how that connection and how often you are focusing on groups that work with Children specifically?

A: Children’s advocates have been key partners in all of our efforts. Along with Voices for Children, we have worked with [Public Citizens for Children and Youth](#) (PCCY) in Philadelphia; Children’s Aid Society, Citizen’s Committee for Children, and Children Defense Fund in New York; Agenda for Children in New Orleans; and the Association for Children of New Jersey. These partners have helped to frame the issue of fresh food access as one that is critical to the health of children and families and appeal to a broad spectrum of policy makers.

Q: The agency that I represent has dedicated up to \$500K for a grocery store in a needed area; is that enough, would they need more or does it just depend on what type of project will be implemented?

A: It will depend on the type of project that will be implemented. Many factors that can affect the amount of grants or loans that may require to build a store in a low-income underserved community such as land assembly costs including environmental remediation; store location (urban or rural) and size; project construction costs. A new construction project can be more expensive than retrofitting or expanding an existing structure.

Q: I am wondering about the viability of sustaining these sorts of projects in sparsely populated rural areas, or possible alternatives.

A: The majority of PA FFFI projects have happened in rural areas and small towns. The PA FFFI stores have had low failure rates that are less than the industry average. The National FFFI provides significant flexibility so that different types of projects can be funded in different communities, so that the projects will suit the unique needs of each community.

Q: Are all previously funded projects self-sustainable and still thriving?

A: As of September 30, 2009, six stores financed by the PA FFFI closed their doors; three of which were start-up businesses. This number is well-below the industry average.

Q: In addition to supermarkets and grocery stores, you have discussed initiation of farmers’ markets as part of this effort. Have these farmers’ markets included the technology and systems necessary to accepting food stamps through the EBT system? If so, what considerations has this required and how has this been funded?

A: Yes. Farmers’ markets funded through the Pennsylvania FFFI have made EBT access available to customers. The use of EBT at market requires a wireless point-of-sale machine. While there are challenges and transaction costs associated with using EBT at farmers’ markets, the benefits are many, including improving access to healthy foods among lower-income customers and increasing available revenue sources for farmers. To learn more generally about EBT usage at farmers’ markets, see: <http://www.thefoodtrust.org/php/programs/farmers.market.program.php>

Q: Do you have any small supermarket models, contact information and/or suggestions for converting a small store into a full service supermarket? Can you also include a model for operating a supermarket in a new mixed income senior facility that would include offices for various other social or medical services?

A: Many of the PA FFI projects have been smaller-scale grocers. PolicyLink is updating a report that will be released in early 2010 that will highlight strategies for improving existing small stores. The Food Trust has developed a toolkit that overviews strategies to bring more fresh food into communities by addressing design, energy-efficiency, and green building practices for grocery stores. See: <http://www.greengrocery.org>

¹ Morland, K., Wing, S., and Roux, A. "The Contextual Effect of the Local Food Environment on Residents' Diets: The Atherosclerosis Risk in Communities Study." *American Journal of Public Health* 92, no.11 (2002): 1761-67; Moore L., Roux, A., Nettleton, J., and Jacobs, D. "Associations of the Local Food Environment with Diet Quality-a Comparison of Assessments Based on Surveys and Geographic Information Systems: The Multi-Ethnic Study of Atherosclerosis." *American Journal of Epidemiology* 167 (2008): 917-24; Rose, D., and Richards, R. "Food Store Access and Household Fruit and Vegetable Use among Participants in the US Food Stamp Program." *Public Health Nutrition* 7, no. 8 (2004): 1081-8.

² Hellmich, N. Rising Obesity Will Cost U.S. Health Care \$344 billion. USA Today. November 17, 2009. http://www.usatoday.com/news/health/weightloss/2009-11-17-future-obesity-costs_N.htm.

³ California Center for Public Health Advocacy, PolicyLink, and the UCLA Center for Health Policy Research. *Designed for Disease: The Link Between Local Food Environments and Obesity and Diabetes*. 2008. Available from <http://www.policylink.org/documents/DesignedforDisease.pdf>. Last retrieved April, 2009; Chen, S., Raymond, F., and Snyder, S. *Obesity in Urban Food Markets: Evidence from Georeferenced Micro Data*. National Poverty Center, 2009. Available from http://www.npc.umich.edu/news/events/food-access/chen_et_al_revised.pdf. Last retrieved April, 2009; Gallagher M. *The Chicago Food Desert Report*. June 2009. www.marigallagher.com. Last retrieved on June 18, 2009; Gallagher, M. *Examining the Impact of Food Deserts on Public Health in Detroit*. Mari Gallagher Research and Consulting Group, 2007. Available from http://www.marigallagher.com/site_media/dynamic/project_files/1_DetroitFoodDesertReport_Full.pdf. Last retrieved April, 2009; Giang, T., Karpyn, A., Laurison, H., Hillier, A., Burton, M., and Perry, D. *Closing the Grocery Gap in Underserved Communities: The Creation of the Pennsylvania Fresh Food Financing Initiative*. *Journal of Public Health Management and Practice*, vol. 14, no. 3. 2008:272-279; Morland, K., Diex Roux, A., and Wing, S. *Supermarkets, Other Food Stores, and Obesity: The Atherosclerosis Risk in Communities Study*. *American Journal of Preventive Medicine*, vol. 30, no. 4. 2006; Powell LM, Auld C, Chaloupka FJ, O'Malley PM and Johnston LD. *Associations Between Access to Food Stores and Adolescent Body Mass Index*, *American Journal of Preventive Medicine*, 33 (4) Supplement 1: S301-S307, October 2007; Rundle, A., Neckerman, K., Freeman, L., Lovasi, G., Purciel, M., Quinn, J., Richards, C., Sircar, N., and Weiss, C. *Neighborhood Food Environment and Walkability Predict Obesity in New York City*. *Environmental Health Perspectives*, vol. 117.2009 :442-447; The Food Trust, *The Need for More Grocery Stores in New York*. Special Report.2008. Available from http://www.thefoodtrust.org/catalog/download.php?product_id=147. Last retrieved April, 2009; The Food Trust, *The Need for More Supermarkets in Chicago*. 2008. Available from http://www.thefoodtrust.org/catalog/download.php?product_id=147. Last retrieved April, 2009; Inagami S., Cohen D., Karl Finch B., and Asch S. *You are Where you Shop: Grocery Store Locations, Weight, and Neighborhoods*. *American Journal of Preventative Medicine*. Vol. 31. no.1. 2006:10-17.

⁴ He K, Hu FB, Colditz GA, Manson JE, Willett WC, Liu S. Changes in intake of fruits and vegetables in relation to risk of obesity and weight gain among middle-aged women. *Int J of Obesity* 2004;28:1569-1574; Ledikwe JH, Blanck HM, Khan LK, Serdula MK, Seymour JD, Tohill BC, Rolls BJ. Dietary energy density is associated with energy intake and weight status in US adults. *Am J Clin*

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