



## Healthy Food, Healthy Communities:

Improving Access and Opportunities  
Through Food Retailing

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## Principal Authors

Rebecca Flournoy  
Sarah Treuhaft

## PolicyLink Team

Judith Bell                      Latonia Ellingberg      Victor Rubin  
Milly Hawk Daniel      Katrin Kärk              Mildred Thompson

PolicyLink is a national, nonprofit research, communications, capacity building, and advocacy organization, dedicated to advancing policies to achieve economic and social equity based on the wisdom, voice, and experience of local constituencies.



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## Preface

Like other states across the country, California faces an obesity epidemic. During the 1990s, obesity rates in the state doubled. Rates are highest and have risen the most among people of color, who also face the highest rates of obesity-related health problems such as diabetes and heart disease. A 2005 study published in the *New England Journal of Medicine* found that, because of the rapid rise in obesity rates, today's youth may live shorter lives than their parents. These findings highlight the urgent need for action and leadership to address the obesity epidemic.

The California Endowment is investing significant resources through multiple programs to address health disparities in California. In 2005, The California Endowment launched Healthy Eating, Active Communities, a \$26 million initiative that aims to fight the growing childhood obesity epidemic. PolicyLink, a national, nonprofit research, communications, capacity building, and advocacy organization dedicated to advancing economic and social equity, developed this report to address one important contributor to disparities in obesity and related health conditions: the limited access that many residents of low-income communities and communities of color have to affordable, healthy food. Without opportunities to purchase healthy food, residents in low-income communities have limited options for healthy eating and often resort to purchasing and consuming unhealthy foods that are often found at local corner stores or fast food restaurants. This contributes to obesity, and ultimately, to poor health.

There is an emerging consensus among researchers and practitioners that conditions in the communities where people live—from local economic opportunities, to social interactions with neighbors, to the physical environment, to services such as local stores where people can buy healthy food—all affect health. This paper builds on earlier work about the effects of community factors on health that was developed by PolicyLink in partnership with The California Endowment in the report, *Reducing Health Disparities Through a Focus on Communities*.

Increasing local healthy food retailing can improve the health of residents and the broader health of the communities in which they live. Individuals make their own dietary choices, but they make these choices within a context. Policymakers, business leaders, funders and advocates should take bold leadership to make it easier for all Californians, and particularly those suffering most from obesity and related health problems, to make healthy choices.



**Robert K. Ross, M.D.**  
President and CEO  
The California Endowment



**Angela Glover Blackwell**  
Founder and CEO  
PolicyLink

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## Executive Summary

For decades, low-income urban and rural communities have faced limited opportunities to purchase healthy food. In the 1960s and 1970s, white, middle-class families left urban centers for homes in the suburbs, and supermarkets fled with them—taking jobs and tax revenues along with their offerings of healthy, affordable food. Low-income urban residents with limited transportation options did much of their shopping at small local stores that had limited selection and high prices. Rural communities, like underserved urban areas, confronted limited and high-priced food options, and did not benefit from the jobs and revenues a grocery store could bring. Advocates sought to increase access to healthy food, but for decades the problem seemed intractable. The poor paid more for their food and had fewer healthy, affordable options. There were few examples of successful strategies to improve access to healthy foods.

Disparities in access continue today, contributing to obesity and related health problems. In recent decades, obesity rates have risen dramatically. The good news, however, is that there are now many strategies being implemented across the country to address this issue. Many of these strategies highlight unique opportunities for health advocates, community residents, and policy-makers to partner with the private sector.

The case studies presented in this report show that access to healthy, reasonably priced food in low-income communities of color can be achieved—with dramatic results. New grocery stores can locate in poor communities and spur economic development. Existing small stores can stock healthier options, promoting local small business development, and in some cases turning a place seen as a community problem into an asset. Farmers' markets can help sustain small farmers while providing fresh food for residents, opportunities for small business development, and a public space for increased social interaction. Residents can benefit from a renewed sense that they live in a vibrant, healthy community.

Many communities in California have high rates of obesity and limited access to food retailers selling high quality, affordable, healthy food. This report offers concerned residents, policymakers, business leaders, and advocates ideas and strategies for improving access to healthy food in underserved communities across California. While there are challenges to increasing healthy food retailing, there are also many examples of how these challenges have been overcome in states and communities across the country. This report highlights three of the most promising strategies: developing new grocery

stores, improving the selection and quality of food in existing smaller stores, and starting and sustaining farmers' markets.

## Develop New Grocery Stores

Attracting a new grocery store can be challenging: the process can be lengthy and complex; retailers perceive low-income neighborhoods as unprofitable locations with high operating costs; appropriate sites are hard to find; securing financing is difficult; and stores may not be able to meet the needs of diverse consumers. To overcome these challenges, stakeholders can:

- *Create financing sources dedicated to grocery store ventures in underserved communities.* State and city governments, private funders, and community development intermediaries can earmark funds for grocery store developments in underserved communities. Pennsylvania recently passed landmark legislation to achieve this goal.
- *Develop and use better information tools to assess underserved markets.* Grocery store executives need to use accurate data and market analyses to ensure that decisions about building new stores are based on the real business opportunities that exist in low-income communities.
- *Reduce operating costs while better serving the community.* Community organizations can assist stores in identifying and training employees, as well as working to ensure store and customer security. Grocery stores can increase per-trip purchases of urban consumers by providing free or low-cost transportation to customers.

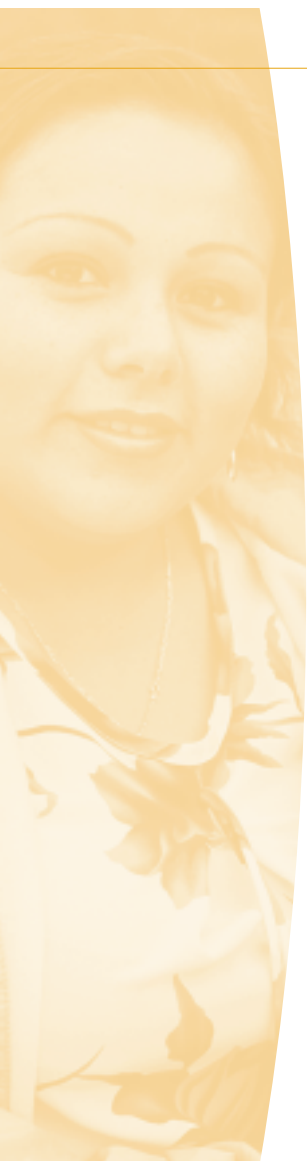
- *Facilitate site identification and development.* To secure land for new grocery stores, cities can launch initiatives to reclaim vacant land and abandoned properties and to clean up brownfields. Grocery stores can adapt to fit into existing smaller sites.
- *Adapt practices to meet consumer needs.* By communicating directly with residents, grocery stores can gather more information about local customer preferences. In addition, stores can develop relationships with local suppliers, allowing them to better meet consumers' needs while also contributing to community economic development.
- *Develop partnerships.* Community organizations can be important partners—sometimes even owners and operators—in grocery store development, increasing community acceptance, increasing patronage, lowering theft rates, and increasing benefits to the community. Political leaders and public agencies also can be important allies.

## Improve Existing Small Stores

Improving the selection, quality, and prices of goods at existing small stores requires overcoming the challenges of competing with larger stores located outside the community, convincing stores to change their practices or merchandise selection, and overcoming negative resident perceptions of underperforming stores.

- *Collaborate to reduce costs.* Small neighborhood stores can collaborate with other smaller stores to leverage their collective buying power and engage in joint purchasing.





- *Link with local farmers and farmers' markets.* Small grocers can obtain produce directly from local farmers or farmers who already sell at area farmers' markets.
- *Reduce the risk for small stores.* Community groups can encourage small stores to increase shelf space for fresh produce by generating community support and interest, documenting unmet demand, subsidizing the cost of adding the new merchandise, and providing assistance with techniques for buying, selling, and displaying produce.
- *Conduct community outreach.* Stores that begin offering more healthy food can engage in promotional activities to potential customers. Community organizations can assist in this work.
- *Connect stores with small business development resources.* Financial and technical assistance resources for small businesses can be targeted to small-scale food retailers in low-income communities who are willing to improve their selection of healthy foods or make other changes to better meet the needs of local customers.
- *Build community support.* Community organizing and support can increase the success of markets in low-income communities.
- *Expand the WIC and Seniors Farmers' Market Nutrition Programs.* California state government can increase the amount provided to WIC participants and seniors in coupons that can be used to purchase fresh fruits and vegetables at farmers' markets. These coupons help sustain farmers' markets in low-income communities.
- *Link farmers with additional markets.* Farm-to-institution programs that connect farmers to public schools, universities, hospitals, correctional facilities, and restaurants can increase farmers' profit margins, enabling their continued participation in farmers' markets.
- *Disseminate farmers' market-friendly EBT systems.* California currently has a successful statewide pilot program that provides EBT equipment to farmers' markets, waives the usual transactions fees, and reaches out to food stamp recipients to let them know the location of farmers' markets that accept EBT cards. This program should be continued and improved.

### **Start and Sustain Farmers' Markets**

Farmers' markets locating in low-income communities face the challenges of raising funds to organize the market, attaining the necessary customer and vendor base to sustain the market, and, since the switch to electronic benefit transfer (EBT) cards for food stamps, accepting public benefits.

- *Establish and support farmers' associations.* Farmers' market associations can connect farmers with existing markets, arrange for them to share costs for transportation and storage, provide technical assistance on establishing new markets in low-income communities, and offer additional benefits.



- *Provide business development and marketing assistance to vendors.* Farmers and local vendors can benefit from individual technical assistance and small business development training programs to improve a range of business practices including accounting, marketing, and product management.

This report also briefly describes alternative options for increasing access to healthy foods. These include: improving transportation options to enable residents to travel to stores outside their neighborhood; public markets; mobile markets; cooperative grocery stores; farm-to-school initiatives; community-supported agriculture; and community gardens.

Many options exist to increase access to healthy food in underserved communities. Implementing these options can both improve the health of residents and spark local economic development. Leaders across the country have demonstrated that barriers to healthy food retailing can be overcome. Policymakers, foundations, community organizations, concerned residents, business leaders, researchers, and advocates should join together to identify and implement innovative solutions.

## Introduction

This report focuses on increasing access to retail outlets that sell nutritious and affordable food in low-income communities of color. Making healthy food choices easily accessible is an important strategy to reduce obesity, which is increasing at an alarming rate in the state of California and nationwide.<sup>2</sup> The obesity epidemic, and related health problems like diabetes and heart disease, disproportionately affects low-income people of color.<sup>3</sup>

Scientists and medical professionals agree that poor diet and lack of physical activity are key contributors to obesity.<sup>4</sup> Individuals make choices about their eating and exercise habits, but their choices are affected by the environments in which they live. Reducing the obesity problem requires a comprehensive approach. Advocates are addressing the problem from multiple fronts, working to maintain federal and local nutrition assistance and emergency food assistance programs, using education to influence individual choices about diet and exercise, and engaging in advocacy to improve opportunities for healthy eating and physical activity.

One important reason many poor families have poor diets is because they lack access to places that sell decent quality, nutritious foods at affordable prices. Many studies

have shown that low-income communities of color have fewer supermarkets than wealthier, white communities.<sup>5</sup> Families in these communities are forced to make difficult choices about their food purchases because of this “grocery gap,” along with income and time constraints that result from poverty. The poor are less likely than others to own cars, so they spend long periods of time riding on public transit or coordinating occasional rides with friends or extended family to distant supermarkets. In between these trips, people choose foods that can be purchased quickly and cheaply near their homes. In many low-income urban neighborhoods and rural communities, the only choices are foods high in fat, calories, and sugar that are available at convenience and corner stores and fast food restaurants.

Increasing access to healthy food retailing is an important strategy to improve diets in low-income communities of color—yet no public official or agency regulates or even monitors communities’ access to retailers selling nutritious, affordable food. Concerned residents and community groups often take it upon themselves to advocate and plan for new stores. Policymakers and other stakeholders, however, can and should play important roles in increasing access in underserved communities.



The challenges to increasing healthy food access in low-income communities of color—from businesses’ misperceptions about local purchasing power, to corner store owners’ fears about stocking new food items that might not sell, to the need for funds to hire a coordinator for a farmers’ market—can be overcome. There are stories of communities in California and across the country that have successfully overcome the “grocery gap.” This report presents strategies and policy

opportunities to help other underserved communities replicate these successes.

With a realistic assessment of the challenges, an eye on effective models, and organized communities advocating for change, success can be achieved. The result is a double bottom line profits for food retailers, and social, economic, and health benefits for residents and the community.

### **West Fresno Food Maxx Supermarket<sup>6</sup>**

In 1995, little new development was occurring in West Fresno, a once thriving community composed of mostly African American and some Latino residents. For many years, residents had hoped that the Fresno City Council would allocate funds to improve neighborhood conditions. Concerned residents gathered together to prioritize what they most wanted from the city to spur development and decided construction of a supermarket was at the top of their list. The small food stores in the area charged high prices for little selection, and many residents had to depend on the bus to access the selection, quality, and prices available at supermarkets in other parts of the city.

Residents began advocating to bring a supermarket to their community. The Affordable Housing Coalition, which included churches and community groups, held a news conference in front of a supermarket in another part of the city, where members carried empty grocery bags and demanded that the Fresno City Council set aside money from its \$11 million Community Development Block Grant to build a shopping center in their community. Over several years, these concerned residents continued to strategize and advocate in a variety of settings. They attended public hearings conducted by the city on community development block grant funds and met with city council members, the director of the city’s redevelopment agency, and other public officials. Coalition members got residents to sign petitions and turned out hundreds of residents at city council meetings. They also worked with the media, held press conferences, wrote editorials, built relationships with local reporters, and received ongoing coverage of their struggle in the *Fresno Bee*.

Once their supermarket campaign gained political support, the coalition continued to move the project forward. They ensured that the city allocated redevelopment funds to help build the super-market; helped local government officials negotiate with local property owners to secure the land for the site; worked to ensure that jobs went to local residents; urged the city to make an agreement with a developer; got a police station built to ensure security at the shopping center; and urged the city to approve final zoning for the market.

Four years later, the supermarket opened. It has now been serving the community successfully for more than five years.

# Disparities in Access to Healthy Food and Why It Matters

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## Disparities in Access to Healthy Food

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### Geographic Access is Linked to Race and Income

Many studies have documented the lack of supermarkets in poor communities and communities of color compared to wealthier, white communities:

- One study found that middle and upper income communities in Los Angeles County have 2.3 times as many supermarkets per capita as low-income communities; the same study found that predominantly white communities have 3.2 times the supermarkets of predominantly black communities, and 1.7 times those of predominantly Latino communities;<sup>7</sup>
- A multi-state study found that wealthy neighborhoods had over three times as many supermarkets as low-wealth neighborhoods. Access also varied by race, with predominantly white neighborhoods having four times more supermarkets than predominantly black neighborhoods.<sup>8</sup>

- In Atlanta, wealthy black communities have fewer grocery stores within a five-minute travel distance than wealthy white communities, indicating that the racial composition of a neighborhood has effects on store locations independent of income level.<sup>9</sup>

Not only are grocery stores scarce in many of these communities, but local residents typically lack transportation options to easily get to stores located in other parts of town. Low-income, African American, and Latino households have less access to private vehicles than higher income and white households.<sup>10</sup> Without access to private vehicles, residents of low-income communities often need to arrange rides with friends or relatives, piece together multiple bus routes, or pay for taxi rides to do their grocery shopping. This makes shopping for groceries costly, or inconvenient, unreliable, and time-consuming. For example, residents of low-income communities in the San Francisco Bay Area who rely on public buses to travel to a grocery store spend about an hour commuting to and from the store.<sup>11</sup> The average resident in affluent communities in the area can reach

more than three supermarkets by car within 10 minutes round-trip.<sup>12</sup>

Myser Keels, a resident and community activist who was involved in a coalition that brought a supermarket to underserved West Fresno, highlighted the problem caused by a scarcity of stores and limited transportation options at a press conference:<sup>13</sup>

*“We want choices. Some poor people use public transportation and they don’t haul all the groceries they need on the bus. And if they call a cab, the fare alone can put them in the hole. Some of the senior citizens I know have trouble getting around because they can’t move like they used to. They have to rely on other folks to take them shopping . . . . It’s just a tragedy that we don’t have a decent shopping center in our area.”*

### The Poor Pay More for Food

Shopping trips to supermarkets, the lack of nearby stores and limited transportation options lead low-income residents to shop at small stores located closer to their homes. These small stores, though more convenient, generally offer fewer healthy foods, are poorly maintained, and charge higher prices. The smaller grocery stores, convenience stores, and grocery/gas combinations commonly patronized by poor inner city and rural residents charge prices that are about 10 percent higher than those found at large chain supermarkets.<sup>14</sup> Prices at the corner stores that dot inner city neighborhoods, for example, can be much as 49 percent higher than those of supermarkets, for a limited selection of canned and processed foods and very little, if any, fresh meat and produce.<sup>15</sup>

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## Why Access Matters

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### Benefits for Residents

Studies have shown that access to local places to purchase healthy food can improve eating behaviors:

- A United States study found that African Americans living in neighborhoods with at least one supermarket were more likely to meet dietary guidelines for fruit and vegetable consumption and for fat intake than African Americans living in neighborhoods without supermarkets. Additional nearby supermarkets resulted in even greater fruit and vegetable consumption.<sup>16</sup> This remained true even after the researchers statistically controlled for the effects of education and income on food choices.
- In a low-income neighborhood in England, the opening of a supermarket resulted in an increase in the amount fruits and vegetables eaten by residents. Those residents with the poorest dietary habits before the store opened increased their consumption of healthy food the most.<sup>17</sup>
- An evaluation of eight Philadelphia farmers’ markets operating primarily in low-income communities found that more than half the visitors to the markets (57 percent) said they had increased their fruit and vegetable consumption since they started coming to the market.<sup>18</sup>



## Benefits for Communities

In addition to the effects on individual eating behaviors, successful healthy food retailers contribute to the broader economic health of the community. Grocery stores, along with other types of retail and services like banks, pharmacies, and restaurants, are essential components of livable and well-functioning communities.

Low-income residents often live in distressed, high-poverty communities that have experienced years of population and job loss, and physical and economic decline. New grocery store developments can help revitalize these communities, contributing to economic development. In addition to creating jobs for local residents, new stores create local shopping opportunities that can capture dollars being spent outside of the community. One study estimated that residents of inner city communities across the United States spend \$85 million per year at stores located outside their community.<sup>19</sup>

New retailers also recycle money in the local economy. As purchasers of goods and services, the retailers spend money at existing local businesses, which leads to the creation of new jobs, which leads to more money for people to spend at local businesses. This cycle also generates more local sales tax revenue. While all retail outlets can have this effect, new large grocery stores and supermarkets that locate in disinvested communities often also serve as high volume “anchors” that generate increased foot traffic, and they tend to draw other retail stores that sell complementary goods and services.<sup>20</sup>

The Pathmark supermarket in Newark’s Central Ward provides a striking example of how a new grocery store can contribute to community revitalization. The Central Ward is an African-American community that suffers from severe poverty, depopulation due to white flight, and disinvestment. When Pathmark opened its doors in 1990, it was the first supermarket to serve the 55,000-person community in 25 years. The supermarket anchors the New Community Shopping Center, and the entire development is jointly owned and operated by Pathmark and the New Community Corporation (NCC), a faith-based community organization. The supermarket has created thousands of jobs, and since NCC owns 66 percent of the supermarket and all of the other businesses in the center, profits are channeled directly back into the community through the organization’s housing, child care, job training, and educational activities.<sup>21</sup>

Market Creek Plaza in the Diamond Neighborhoods of San Diego provides another example of the community benefits that can accompany a grocery store development. Around a third of residents in this area have incomes of less than \$20,000 a year, and 30 percent of residents do not have access to a car. The Jacobs Center for Neighborhood Innovation (JCNI), an operating foundation dedicated to neighborhood strengthening and community building, will invest all of its resources into the Diamond Neighborhoods until it spends or transfers all its assets, in less than 20 years. JCNI purchased 10 acres of land for Market Creek Plaza, a commercial

real estate project that is being designed, built, and will ultimately be owned by community residents. Food 4 Less, which opened four years ago, was selected by the community as the anchor tenant for the development, and was the first major grocery store in the area in thirty years. Sixty-nine percent of the construction contracts for the plaza were awarded to local minority-owned enterprises, and 91 percent of initial employees were hired from the community

in a process run jointly with the United Food and Commercial Workers union. Additional stores built in the plaza include ethnic restaurants, a fitness center, a bank, and a gift shop featuring crafts of local residents from many cultures. Residents will eventually own a new community foundation and a property development business as a result of JCNI's investments and ongoing efforts to promote "resident ownership of neighborhood change."

### **Rural California: Limited Food Access in a Land of Plenty**

Although much research has been done on food access in inner city communities, less is understood about the food access problems faced by rural communities. Existing studies suggest that despite their proximity to some of the most productive agricultural areas in the world, many rural residents have little access to fresh, healthy foods.<sup>22</sup> The rural poor have limited access to supermarkets, and even when they do reach supermarkets, they face prices that are about 4 percent higher than those charged by suburban stores.<sup>23</sup> And while rural households generally have access to cars, those that do not are particularly burdened given the lack of public transportation options in rural areas. Many rural farmworkers, for example, have limited access to cars, and therefore have little mobility to reach stores beyond their immediate neighborhoods.<sup>24</sup>

Some of the promising strategies and policy options for improving access to healthy food outlined in this report are also relevant for rural underserved communities. Community organizations have successfully brought supermarkets to low-income rural areas. Dineh Cooperatives Incorporated, a community development corporation on the Navajo Nation, built a Basha's Market in rural Chinle, Arizona that created over 170 jobs for local residents. The store has been profitable since its opening and has been expanded four times.<sup>25</sup> Other types of food retailers also show promise. The Selma Flea Market in rural Fresno County, California was the first flea market in the nation to accept electronic benefit transfer (EBT) cards (food stamps) for purchasing fresh fruits and vegetables.<sup>26</sup> Other good potential strategies for rural areas include: mobile markets, which are trucks that travel through communities selling healthy food; improved public transportation; community supported agriculture; and farmers' markets organized by hospitals or other institutions or businesses.

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## Roots of the Access Gap

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Discriminatory public and private policies have left people of color isolated from economic opportunity and services. Beginning in the 1930s, the federal government helped subsidize homeownership by insuring low-interest private bank loans for home mortgages.<sup>27</sup> The government developed an appraisal method that categorized and mapped city neighborhoods based on their “desirability” for lending. African American and low-income neighborhoods—outlined in red on the maps—were considered the least desirable. This practice of discriminating against neighborhoods on the basis of race became known as “redlining.” Communities of color were systematically denied loans until the practice was outlawed in 1970. The maps became self-fulfilling prophecies that hastened neighborhood decline and disinvestment.

These trends of neighborhood decline happened as the white middle class population left urban centers in droves for homes in the suburbs in the 1960s and 1970s. Supermarkets, along with many other businesses, fled inner city locations and opened new stores in the suburbs, taking with them jobs and tax revenues in addition to their selection of healthy food. For example, in Rochester, New York, from 1970 to 1995, the number of supermarkets declined from 42 to 8.<sup>28</sup> Cut off from opportunity and investment, inner city neighborhoods declined precipitously, becoming increasingly isolated and racially segregated. The only food retailers left in the

neighborhood were small independent groceries that charged high prices and offered minimal variety, or corner stores selling a limited selection of processed foods.<sup>29</sup>

Once they left the city, supermarkets adapted their operations to fit their new suburban locations. Suburbs contained abundant, inexpensive sites for development, and their residents had high rates of car ownership that enabled them to drive to stores located farther from their homes. As a result, retailers adopted bigger store formats with large parking lots. Because the movement to the suburbs was largely restricted to whites, and because suburbs were fairly homogenous with respect to income, communities had relatively similar product preferences. Large chain retailers developed business models that they applied across all the stores in their chain.<sup>30</sup> To stock their stores at the lowest prices, they developed long-term contracts with large suppliers who offered price breaks in exchange for chain retailers’ vast purchasing power. A new business model emerged with across-the-board changes in industry practices starting with development decisions and extending through product selection and marketing.

A number of recent studies demonstrate how the marketing analyses influencing retailers’ location decisions systematically undervalue inner city neighborhoods.<sup>31</sup> Some have referred to these modern business practices as “retail redlining,” the shunning of minority communities by retailers.



Researchers have highlighted a number of problems with the data and market analyses of private marketing firms and the ways they are used by grocery store decision makers. These firms use national data sources which tend to undercount inner city residents, especially minorities. Alternative market studies that use local data sources often find that population and purchasing power in low-income communities of color is significantly higher than figures given by traditional market analyses. A study of two Washington D.C. neighborhoods by Social Compact, for example, found that Census figures underestimated the population of the Columbia Heights-Petworth neighborhood by as much as 55 percent, and of the Anacostia-Hillcrest neighborhood by as much as 13 percent.<sup>32</sup> Another problem is that retailers often look at average household income rather than at total area income, which would more accurately capture the density and therefore purchasing power of urban neighborhoods.

Private marketing firms' characterization of low-income communities of color is also problematic. These firms use demographic and consumer spending data to categorize communities into pre-established "neighborhood types" ranked by investment potential. These neighborhood types with short names like "Difficult Times" draw on racial and class-based stereotypes. For example, one firm describes the residents of northside African American neighborhoods in Milwaukee as "very low income families [who] buy video games, dine at fast food chicken restaurants, use non-prescription

cough syrup, and use laundries and laundromats." The same company describes the residents of the suburban, white North Shore community as "interested in civic activities, volunteer work, contributions, and travel."<sup>33</sup> These descriptions are extremely subjective and are not accurate portrayals of the business potential of low-income communities of color. They can steer business decision makers away from locating in these communities, even when there are actually significant opportunities in these underserved areas.

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### **New Food Retailing Opportunities in Underserved Markets**

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Academics and business organizations have begun recognizing the competitive advantage of inner cities—density of purchasing power, limited competition, and available labor force.<sup>34</sup> Some supermarkets, faced with saturated suburban markets and competition from mass discounters such as Wal-Mart, have been able to move beyond assumptions about race and spending power to see potential opportunities in low-income communities of color.

Striking success is possible for stores that move into underserved, low-income communities. For example, Pathmark and Super Stop & Shop—two leading grocery store chains in the Northeast—have found that their highest grossing stores are in low-income communities.<sup>35</sup> In addition to the potential profits to be made, supermarkets benefit by locating in




low-income communities of color because these store locations can help the entire chain understand how to better meet the needs of the increasingly racially and ethnically diverse suburbs.<sup>36</sup>

It is possible to achieve win-win solutions for businesses and communities—a double bottom line of financial return and community benefit. With a realistic evaluation of their potential for success in underserved communities—driven by accurate data and not clouded by racial stereotypes and assumptions—food retailers can identify and take advantage of opportunities in untapped markets. At the same time, increased food retailing

options in underserved neighborhoods often translate to health and economic development benefits for residents and their communities.

These success stories are too few and far between. Some low-income communities have won improved access to healthy food, but many more still face a significant “grocery gap.” The promising food access models described in this report provide important lessons for those who seek to improve resident and community health through access to healthy food. They point to new strategies and policy interventions that can lead to win-win solutions for food retailers and communities.



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local places to purchase healthy food  
can improve eating behaviors.

# Strategies and Policy Opportunities to Improve Access to Healthy Food

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## Introduction

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Community residents, advocates, foundations, business leaders, and policymakers can all play important roles in improving access to healthy food in communities across the state. The following section describes three of the most promising options for increasing access:

- Developing New Grocery Stores
- Improving Existing Small Stores
- Starting and Sustaining Farmers' Markets

Each option is described in terms of its particular benefits and challenges, and the innovative strategies and policy opportunities that stakeholders can champion, implement, or fund. Not every strategy will work for every community. The chart on the following page highlights some of the key differences between the three healthy food access options described in this report.

Following these three primary options, we also briefly highlight alternative options for increasing access to healthy foods, including: transportation options; public markets; mobile markets; cooperative grocery stores; farm-to-school initiatives; community supported agriculture; and community gardens.

## Getting Started

Every community has unique assets, challenges, and goals. To identify the best option for improving food access, some communities conduct community food assessments (CFAs), or other participatory research that examines a community's access to healthy food to determine actions to improve it. To date, about 40 CFAs have been completed in the United States-about half of them in California.<sup>37</sup> Another way to plan for improved food access is to include food access concerns into existing planning processes for neighborhood revitalization. While these processes rarely integrate the concern for resident health with community economic development, pressure from food access advocates can lead to win-win solutions. Other communities assess needs and develop strategies through more informal processes such as ongoing discussions with other concerned neighbors. In West Fresno, for example (*see case study, page 9*), discussions among concerned neighbors inspired a sustained advocacy effort that resulted in a new supermarket for the community.



## The California Nutrition Network

The California Nutrition Network and California 5 a Day Campaign, which are programs within the California Department of Health Services, recognize that key elements to foster healthy eating habits among low-income families include community based interventions, media advocacy, and policy and environmental efforts designed to encourage low-income Californians to make healthy choices. The network and the campaign have worked with community members on assessments of their neighborhoods to identify assets and barriers related to fruit and vegetable consumption. They also provide training and tools such as neighborhood mapping (available at [www.cnnngis.org](http://www.cnnngis.org)) for local advocates and community based organizations. As community programs emerge and greater needs are identified, hopefully state government will be able to help build and support their development and implementation.

## Options for Increasing Access to Healthy Food: Key Differences

	Developing New Grocery Stores	Improving Existing Neighborhood Stores	Starting and Sustaining Farmers' Markets
<b>Complexity / Time</b>	Complex and time-consuming. Land must be identified and purchased. Significant financing must be accessed. Supermarket chains need to be convinced that the area can support a store. Regulatory processes such as zoning and the construction process also take time.	A significant challenge, but less complex and requires less time. Can see results sooner.	A significant challenge, but less complex and requires less time. Can see results sooner.
<b>Land</b>	The average supermarket is 44,000 square feet, and new stores are usually much larger. They require ample parking lots, and are often anchors to much larger developments that include other retail stores. Smaller grocery stores are typically 10,000 to 12,000 feet and may fit into existing sites.	Requires no new land since the stores already exist.	Only requires a parking lot, a blocked off street, or another public space that can be used for short periods of time.
<b>Funding</b>	New supermarkets require millions of dollars to construct and operate. Smaller grocery stores are less expensive but still cost over a million dollars.	Re-outfitting a corner store to sell fresh produce can cost less than \$100,000 in technical assistance, equipment, and initial inventory. <sup>38</sup>	A reasonable first year budget is approximately \$34,000, though markets can cost as little as \$2,000 or as much as \$150,000 per year. <sup>39</sup>
<b>Customer Base</b>	Supermarkets require extremely high volume and so must draw shoppers from beyond a single immediate neighborhood. It's important to consider whether residents in adjacent neighborhoods would come to a new supermarket. Heavily trafficked roads can increase potential customer base. Smaller grocery stores can rely more on neighborhood customer bases.	It is helpful to demonstrate community interest in purchasing healthy foods so that storeowners know that they will be able to sell whatever produce they purchase and still make a profit.	Need enough customers to be worth the farmers' time at the market and transportation costs, as well as enough profit to pay for a market coordinator.



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## Developing New Grocery Stores

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In communities without access to a quality, full-service grocery store, bringing a new grocery store to the area is a high priority. Often, residents want a large, suburban-style supermarket or a “superstore” with a recognizable name to locate in their community. Supermarkets are defined by the industry as full-service grocery stores that bring in over \$2 million in sales annually, though the average sales volume is much higher—over \$18 million.<sup>40</sup> Attracting such a store to an underserved community can bring many rewards, but because of their business models and size, large supermarkets are usually the most difficult type of grocery store to bring to a low-income community.

Other types of grocery stores, such as smaller, independently owned stores, can be successful in low-income communities and may offer comparable prices as well as more specialized products that are attuned to local consumers’ tastes and preferences. Independent grocers have proven that they can be successful in low-income communities, and they have greater flexibility to adapt their merchandise mix and practices to meet consumers’ needs. “Limited assortment” stores like the national Save-A-Lot chain offer deeply discounted merchandise. That chain, in particular, has committed to locating in urban and rural areas that lack access to larger, more conventional stores, as well as enhancing its produce department in response to customer demand.<sup>41</sup>

### Neighborhood Groceries: Solving the Supermarket Dilemma

Because supermarkets need to move large quantities of merchandise in order to turn a profit, they serve areas that are much larger than one neighborhood and require very large sites that are extremely difficult to assemble in dense urban areas. Not every community can support this food retailing model.

One potential solution to this dilemma is the development of viable smaller-scale grocery stores that can provide the variety, quality, and price of supermarkets while relying on a smaller customer base and fitting into smaller spaces. Neighborhood groceries can both increase food access and fit into community visions for walkable, livable neighborhoods that promote physical activity, thus addressing the obesity problem from multiple angles.

Finding a scalable small-store model should be a priority for food advocates, communities, and retailers. Ethnic markets, greengrocers, specialty stores, and limited assortment stores could prove useful in developing these models since they sometimes successfully locate on smaller sites in underserved communities.

“Specialty” stores such as Whole Foods Markets can be successful in “dual market” areas that comprise both low-income and middle-income neighborhoods.

Developing a new grocery store can bring many health and economic benefits to communities, but there are also many barriers to overcome. As previously described, when supermarkets fled the city for suburban locations in the 1960s, they developed business models suited for the suburbs. In addition, food retailers rely on information sources that undercount the population and spending power—and thus the profitability—of inner city locations, and that rely on stereotypes of both urban and rural communities. In spite of significant challenges, a number of innovative strategies are being developed across the country to overcome these barriers.

## Benefits

**Selection, quality, and price.** Full-service grocery stores carry a wide selection of low-priced goods. Supermarkets enable one-stop shopping and often house additional services that are difficult to find in underserved neighborhoods, such as pharmacies or in-store banks.

**Jobs.** New grocery stores bring needed jobs to communities that often have high levels of unemployment. Each supermarket creates anywhere between 100 and 200 permanent jobs, many of which go to local residents, and they also provide temporary construction jobs.<sup>42</sup> A large proportion of grocery employees belong to unions and receive benefits. Almost all of the major chains in California are unionized.

**Community economic development.** Grocery stores can spur local economic development in underserved communities. New developments often pave the way for additional private sector investment, since grocery stores are high-volume magnets that support complementary stores and services like pharmacies, video rentals, and restaurants. With more places to spend money locally, these stores capture residents’ dollars that were formerly “leaking” out to other communities. When community-serving institutions like community development corporations (CDCs) hold ownership interests in the stores, they reinvest profits into the community through their other activities such as local affordable housing construction or small business development.

**Tax revenue for municipalities.** Grocery store developments bring needed revenue to cash-strapped municipalities through sales and property taxes. Community residents benefit through tax-financed city services.

**Physical revitalization.** New stores contribute to the physical revitalization of communities by returning abandoned and vacant land to productive use.

## Challenges

**Perception of profitability.** Supermarkets—with annual profit margins averaging one percent—are focused on a very tight bottom line and often cite lack of profitability as a barrier to investment in underserved communities. A survey of retail executives found that their top three concerns were insufficient customer base, lack of consumer



purchasing power, and crime or perception of crime. Other concerns included higher operating costs in urban locations due to additional expenses for security, insurance, and real estate taxes.<sup>43</sup> Customers' smaller average purchase sizes and more frequent shopping trips can also lead to higher operating costs since stores need to hire additional cashiers to cover the higher volume of transactions.

**Securing a site.** Grocery stores have large and growing site requirements. They need ample parking lots and are often built as a part of much larger retail developments that sit on 10 or more acres of land. Such sites are difficult to find in densely built urban areas, where land is expensive, ownership is fragmented, and sites may be environmentally contaminated. Negotiating the zoning and regulatory processes involved in land acquisition can also be burdensome.

Assembling the land needed to build a new store can take years, and may require litigation and municipal intervention. For example, acquiring the 62 parcels for the NCC Pathmark development in Newark, New Jersey, described on page 12, took eight years, including six years of lobbying the state to exercise its power to condemn some of the properties, and two years of legal battles involving the last six absentee owners.<sup>44</sup>

**Obtaining financing.** Grocery store developments are multi-million dollar real estate deals that require high levels of start-up and operating capital. Financing these costs means combining grants and loans from multiple public and private sources, including commercial banks,

community development intermediaries, state and local economic development programs, and federal agencies such as HUD, the Department of Human Services, and the Department of Commerce.<sup>45</sup> Harlem's Abyssinian Development Corporation (see page 23) assembled loans from four private banks, a community development intermediary, and a state economic development agency; federal and state grants; and an equity investment from a private equity fund to finance the \$15 million development of the first Pathmark supermarket in Harlem.<sup>46</sup>

**Meeting the needs of diverse consumers.** Shifting their operations from models that suit historically homogenous suburban communities to ones that meet the needs of racially-mixed communities and the increasingly diverse suburbs presents a challenge for large chain grocers. They lack sound, unbiased information on community demographics and consumer preferences, and they are locked into contracts with suppliers to stock the same merchandise in all of their stores based on what sells in suburban markets.

**Complexity.** One of the biggest obstacles for communities that want to bring a grocery store to their area is the amount of time and complexity involved in commercial real estate development. Supermarket developments are exceptionally large, risky, and difficult deals to pull together, and often require specialized negotiation skills and expertise.<sup>47</sup>



## Harlem's Pathmark Supermarket

In Harlem, two community organizations—The Community Association of East Harlem Abyssinian Triangle (EHAT) and the Abyssinian Development Corporation—worked for ten years to bring a supermarket to the community. When it opened in 1999, the 64,000 square foot, \$15 million retail center anchored by a Pathmark supermarket was one of the new real estate developments that catalyzed Harlem's recent commercial renaissance.

Community involvement was critical to the project. EHAT and Abyssinian secured project financing, leveraging three dollars of private sector funds for every dollar of public funding. They also negotiated an agreement with Pathmark to guarantee that at least 75 percent of the new jobs would go to local residents.<sup>48</sup>

The store faced many challenges along the way. Small local grocers, worried that they would be driven out of business by the new supermarket, protested the development. The majority of residents, however, welcomed the new store. EHAT helped them advocate for the development, the smaller grocers' protest subsided, and the building process continued.

The store has been extremely successful. Data from 1999 showed that the supermarket met or exceeded industry averages in almost every category. An in-store bank branch has opened in the supermarket and provides residents with a safe, secure environment where they can do their banking. The store now has one of the largest produce departments in New York City.<sup>49</sup>

## Innovative Strategies and Policy Options

**Create financing options.** Public and private institutions can develop non-conventional sources of capital that can be used to finance grocery store ventures in underserved communities.

- State and city agencies can create funding pools earmarked for grocery store developments. In 2003, Pennsylvania passed landmark legislation to fund the development of fresh food retailers, including grocery stores and farmers' markets in underserved communities throughout the state (*see page 27*).

- In 2000, the federal government enacted the New Markets Tax Credit (NMTC) program, a \$15 billion federal tax initiative designed to increase investment capital in low-income communities. Community development organizations can apply to receive the tax credits, which are offered to private investors who commit to equity investments in business developments that serve low-income communities.<sup>50</sup> The case study on page 27 shows how the NMTC program can contribute to grocery store development.
- Community development intermediaries can also help community/grocery store



partnerships access needed capital. From 1992 to 2000, the Local Initiatives Support Corporation (LISC) operated The Retail Initiative, an equity fund that provided development financing and technical assistance to supermarket developments in nine low-income communities. Though The Retail Initiative is no longer operating, local LISC offices continue to assist with financing the development of grocery stores.

### ***Develop and Use Better Information Tools to Assess Underserved Markets***

- *Innovative market analyses.* Responding to the inadequacy of traditional marketing analyses, companies such as Social Compact and MetroEdge have developed alternative market assessment methods that more accurately describe the business conditions in underserved communities. Their results often indicate much higher investment potential than shown by traditional analyses.
- *Accurate and timely information databases.* To bridge the information gap in underserved communities, cities and community development intermediaries around the country are developing sophisticated databases on property availability, crime conditions, local demographics, and other indicators to inform development. The Urban Markets Initiative of the Brookings Institution, for example, is partnering with the National Neighborhood Indicators Partnership and affiliated organizations in Baltimore, Indianapolis, Milwaukee, Providence,

and Washington, D.C., to develop comprehensive information databases to guide investment decisions in these cities.

- *Existing free resources.* There are free resources already available online that can provide insight into how a community might be viewed by retailers. The University of Wisconsin-Milwaukee Employment and Training Institute offers free profiles of purchasing power, business activity, and workforce density for Census tracts and zip codes within the 100 largest metropolitan areas in the United States.<sup>51</sup> Another free resource is [www.esribis.com](http://www.esribis.com), which provides profiles of any community based on zip codes. Though this resource is less relevant to the largest grocery store retailers, smaller retailers do use these reports in their decision-making.<sup>52</sup>

### ***Reduce Operating Costs While Better Serving the Community***

- *Provide return transportation to increase purchase size.* Grocery stores can reduce costs that relate to the more frequent, smaller per-trip purchases of consumers by providing free or low-cost return transportation to customers in exchange for minimum purchase sizes. In Los Angeles, Numero Uno Market and Ralphs operate such transportation services from some of their stores. The Ralphs located in the West Adams neighborhood adjacent to the University of Southern California, for example, offers a free return trip to customers who spend \$25. A feasibility analysis of grocery shuttle services found that they can pay for themselves within two to 10 months.<sup>53</sup>

- *Partner with community groups to find and keep good employees.* Community organizations can assist stores in identifying and training employees. This reduces the stores' costs for employee recruitment and training, improves employee retention, and can increase the likelihood that jobs in the store will go to neighborhood residents.

#### **Facilitate Site Identification and Development**

- *Reclaim vacant and abandoned properties.* Many distressed communities contain thousands of parcels of vacant land that can be returned to productive use. In recent years, many cities including Flint, Philadelphia, Richmond and Baltimore (see box, below) have launched ambitious initiatives to reclaim their vacant properties by streamlining the land acquisition process, actively scouting out sites, and marketing sites to potential developers.<sup>54</sup>
- *Clean up brownfields that are potential store sites.* Aggressively cleaning up brownfields, or contaminated sites, can free up land for productive use and provide sites for new grocery stores. Cities can assess which brownfield sites have the potential to house grocery stores, prioritize these sites for remediation, and apply for funding sources that seek to harness brownfields for economic development in low-income communities, such as HUD's Brownfields Economic Development Initiative.
- *Adapt store formats to fit existing sites.* Given the difficulty in finding large sites in cities-and increasing interest in more compact urban development patterns-some supermarkets are adapting their site requirements to work within the constraints of the existing urban environment, experimenting with smaller store formats, reducing their parking requirements in areas with heavy foot

#### **Project 5000: Reclaiming Land for Grocery Stores**

Baltimore mayor Martin O'Malley has prioritized returning the city's vacant properties to productive use as well as bringing new grocery stores to the city. In January 2002, he launched Project 5000, a plan to reclaim 5,000 of the city's 14,000 vacant and abandoned parcels.

The city is making progress with acquiring properties, and the Baltimore Development Corporation, the city's quasi-public economic development arm, works closely with developers to assemble land for grocery store development. The city has also developed CitiStat, a parcel-based information system that enables the city to track its progress toward to Project 5000 goal.

Actively reclaiming properties and prioritizing supermarket development is a winning combination for healthy food access: since O'Malley took office, 18 new grocery stores have located in the city.<sup>55</sup>



traffic, and renovating existing structures. In Boston's Lower Mills neighborhood, for example, the Shaw's chain located a new 40,000-square foot supermarket—70 percent of its average store size—in a retrofitted chocolate warehouse.<sup>56</sup> Smaller grocery stores can also be a more feasible option for areas with limited land.

### ***Adapt Practices to Meet Consumer Needs***

- *Cultivate relationships with local suppliers.* Stores can better meet the specific preferences of diverse consumers while contributing to economic development and building goodwill in the community by developing relationships with local suppliers. When Schnucks opened the first supermarket in the predominantly African-American North St. Louis community in 50 years, it faced the challenge of meeting customer demand for certain products, such as a good sweet potato pie. After searching for a supplier, the store found a popular pie at Hooper's Better Bakery, a local store, and provided the bakery with capital and technical assistance to improve its production process. The improvements were so successful that the bakery reorganized as a supplier and now provides over 15 Schnucks supermarkets with a growing variety of pies.<sup>57</sup>
- *Gather better information on customer preferences.* To capture markets in diverse communities, retailers need to make the extra effort to learn how to cater to these communities' needs and tastes. Successful retailers are meeting this challenge by obtaining information more directly from

employees and area residents. They have conducted focus groups with residents, solicited community input on products at community meetings, and ordered new products upon customer request.<sup>58</sup>

***Develop partnerships.*** Community organizations are often critical partners in grocery store development. Community development corporations (CDCs) may advocate for a city to provide assistance, garner community support, negotiate zoning and regulatory issues, help stores obtain below market-rate financing, and assist with employee selection and training. Community-based organizations and food councils can advocate for local grocery store development by engaging public agencies, seeking high level political support, and conducting neighborhood activities designed to solidify resident backing.<sup>59</sup> Retailers say that community involvement is essential for success in underserved markets and can increase community acceptance, which leads to higher patronage and lower theft rates.<sup>60</sup>

- *Increase community capacity to partner in store development.* Community organizations need various skills, including advocacy, research, market analyses, and commercial real estate expertise, to engage in grocery store development. Technical assistance and training programs that are specifically geared toward these needs can help build their capacity to bring new stores to the communities in which they work. Community development intermediaries such as LISC, the Enterprise Foundation, and National Congress for Community Economic Development often provide such assistance. Local political leaders also

## **The Food Trust and Pennsylvania's Legislation to Finance Fresh Food Markets in Underserved Communities**

In April 2003, Pennsylvania passed the nation's first statewide economic development initiative aimed at improving access to markets that sell healthy food in underserved rural and urban communities. The legislation devotes \$100 million of Governor Ed Rendell's \$2.3 billion economic stimulus package to agriculture projects, including the development of grocery stores and farmers' markets.<sup>61</sup> At the same time, the governor created an innovative new \$40 million leveraged fund (the Fresh Food Financing Initiative), which will support the development of 10 new stores in underserved urban and rural communities across Pennsylvania.<sup>62</sup>

The supermarket legislation could not have been passed without the extensive research, advocacy, and leadership of The Food Trust, a nonprofit organization that develops programs and policies to promote food access and healthy eating. In 2001, the Trust released a report, *Food For Every Child: The Need for More Supermarkets in Philadelphia*, which found that poor supermarket access in Philadelphia is linked to the high incidence of diet-related diseases in many low-income neighborhoods. In response to the findings, Philadelphia City Councilman Blondell Reynolds Brown asked The Food Trust to convene a task force to produce a report recommending policy changes to improve the availability of affordable, nutritious food in underserved areas of Philadelphia. This task force comprised over 40 experts from city government, the supermarket industry, and the civic sector. One of the group's recommendations was a statewide initiative to fund the development of new food retailers. State Representative Dwight Evans stepped forward to help make this recommendation a reality by pushing for its inclusion in the state's economic stimulus package.

Along with the Greater Philadelphia Urban Affairs Coalition and The Reinvestment Fund (TRF), The Food Trust is now charged with implementing the Fresh Food Financing Initiative (FFFI). The initiative was awarded \$10 million by the Governor, and TRF is leveraging this money with private bank loans and its New Markets Tax Credits allocation to form a \$40 million financing pool for fresh food retailers that locate in communities that are underserved by conventional financial institutions. The initiative will provide a range of financing resources such as pre-development grants and loans, land acquisition and equipment financing, capital grants for project funding gaps and construction, and permanent finance.

The first supermarket to be funded by FFFI, ShopRite of Island Avenue in southwest Philadelphia, opened on September 20, 2004. The 57,000 square foot supermarket created 258 jobs, over half of which went to local residents.<sup>63</sup>



can be important allies in advocating for grocery store development.

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### **Improving Existing Small Stores**

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Communities without supermarkets generally contain a base of smaller grocery stores, specialty stores, ethnic markets, convenience stores, or corner stores. These are the only available nearby food resource for residents with limited or no access to cars, and they generally do not provide the same selection, quality, and prices of larger grocery stores. They often lack produce and other nutritious foods, offer low quality goods and services, are poorly maintained, and charge high prices.

Improving the product mix at these stores, and addressing other issues of viability such as pricing, food quality and freshness, and customer service, is a strategy to enhance access to healthy food in underserved communities that builds upon existing community resources, and may be more feasible in some communities that face significant challenges to developing large new grocery stores. A number of initiatives in places such as Baltimore, Detroit, Philadelphia, San Francisco, and the White Mountain and San Carlos Apache reservations are working to develop models for creating “healthy small stores” in communities that suffer from a lack of access to affordable and nutritious food.

### **Benefits**

*Less complex, less expensive, and requires less time than building a new store.*

Improving existing stores takes far less time and money, and requires fewer steps, than building a new store in the community.

### ***Merchandise tailored to communities.***

Smaller stores, particularly those that are independently owned, have more flexibility than large chain supermarkets to tailor their merchandise mix to meet customer preferences. In addition, stores with a long history in the community often have extensive knowledge about the specific tastes and desires of residents.

***Small business development.*** A common local economic development strategy in low-income communities is to nurture and support small businesses and to encourage entrepreneurship among residents. Improving the viability of smaller food stores serves this goal.

***Community building.*** Improving the quality of a small store that has historically been viewed as a community problem—such as a corner store that primarily operates as a liquor store—into a community asset, can build relationships between local merchants and residents and contribute to community revitalization.

### **Challenges**

***Matching the low prices, quality, and selection of larger grocery stores.*** Small merchants face the same costs of conducting business as larger grocery stores but do not have the same scale advantages that can translate into lower prices for customers. They purchase in smaller quantities so they must pay higher wholesale costs, and they face limited competition, which leaves them

with less incentive to maintain competitive prices.<sup>64</sup> They also have lower merchandise turnover, which can lead to poor quality produce and loss due to spoilage.

**Risk of changing product selection.** Existing small stores risk losing profits when they alter their product selection. Because shelf space is limited and turnover is slow, merchants stock only the products they are certain will sell and rarely experiment with new items.<sup>65</sup> Convenience store owners who are part of a franchise generally have little to no flexibility to change their product mix.<sup>66</sup>

**Customer acceptance and expectations.** Smaller stores are not always highly valued by community residents, who see them as inferior to the large supermarkets typical in wealthier communities. When the smaller stores charge more, residents may feel exploited and shop elsewhere. When smaller stores are owned by people that belong to a different ethnic group than the majority of community residents, there can be racial tensions. Small corner stores that operate as de facto liquor stores are often linked with crime and alcohol-related health problems.

## Innovative Strategies and Policy Opportunities

**Collaborate to reduce costs.** Creative collaborations can help smaller stores address the challenges of higher wholesaler costs. Small stores can collaborate to leverage their collective buying power and engage in joint purchasing to get the lowest prices. This type of collaboration has enabled some smaller independents to compete with chain supermarkets. In the 1990s, for example,

participation in a grocery store cooperative, Certified Grocers of California, facilitated the rise of independent grocery stores in Los Angeles.<sup>67</sup> A potential model for a buying cooperative that could be pursued by food retailers is Ace Hardware stores, which are owned and operated separately, but are united under a brand name, and purchase collaboratively to obtain the lowest prices.<sup>68</sup>

**Link with local farmers and farmers' markets.** Small grocers can cut their costs by purchasing their produce directly from local farmers or farmers who already sell at area farmers' markets. This strategy can also help farmers by adding a new market to supplement their sales.

**Reduce the risk for corner stores.** Community stakeholders can help convince store owners to stock more healthy food and reduce the risk they face in altering their food selection through a number of strategies. The Good Neighbor campaign of Literacy for Environmental Justice (*see page 31*) incorporated all of the following strategies:

- **Promote healthy stores and healthy eating in the community.** Activities such as taste tests and cooking demonstrations that increase resident awareness about healthy eating and food preparation can be conducted inside the stores or in other community locations, such as schools. These activities help increase demand for the new healthy food carried by the store.
- **Demonstrate customer demand.** Community groups can document the lack of access to healthy food in the community and



highlight interest in healthier alternatives. They can disseminate their findings to merchants and the community.

- *Provide technical assistance and resources.* Often small stores are not used to dealing with perishable goods and need help expanding into this merchandise area. Community groups or interested government agencies can collaborate with local stores to implement fresh food options by subsidizing the purchase of new equipment and initial produce stock while store owners test local demand for the food, and by providing technical assistance concerning how best to purchase, display, and market perishable foods.

**Connect stores with small business development resources.** Cities usually make available an array of financial and technical assistance resources to small businesses located in underserved communities.<sup>69</sup> These resources can be directed to stores that are willing to improve their selection of healthy foods and/or institute new practices to better meet the needs of low-income customers. Retailers could take out low-cost loans to outfit their store to sell produce and buy initial new stock produce. They could take advantage of technical assistance to help them tailor their merchandise to community needs, train employees in how to buy and sell perishable goods, market their new products, and improve their general business planning. To improve the overall quality of corner stores to make them more appealing shopping sites, city agencies and community organizations can conduct outreach to small

stores to increase their awareness of existing resources. They can also create small business programs that are specifically tailored to the financial and training needs of neighborhood grocers.

**Conduct community outreach.** Stores that are shifting their product mix to include healthy food options can engage in intensive promotional activities to ensure that potential customers are aware of their new products and efforts to contribute to community health. This could include promotional flyers, open houses, raffles for produce, and other creative ideas.<sup>70</sup> They can also work with community organizations, which have established ties with residents, to notify the community about the improved stores.



## **Making Good Neighbors: Literacy for Environmental Justice's Campaign for Healthy Food Stores**

Literacy for Environmental Justice (LEJ) is a community based nonprofit organization that engages youth in projects that improve the urban environment in Bayview Hunters Point, a low-income community of color in southeast San Francisco. In 2000, LEJ undertook an assessment of the community's food environment to identify and promote strategies to improve access to nutritious food in the neighborhood. The study was done in partnership with San Francisco Department of Public Health. Youth interns at LEJ participated in the research by surveying community members about their shopping needs and desires, and interviewing merchants about how they could stock healthier foods and build relationships with the community. Researchers also assessed the mix of food sold in corner stores. The interns found that corner stores were a primary food shopping destination for residents, and that these stores devoted an average of only 2 percent of shelf space to fresh food.

LEJ then launched the Good Neighbor Program, a partnership between Bayview's community based organizations, businesses, and city government to improve the quality of foods available in Bayview Hunter's Point. Six to eight youth interns participate in the program every year. The program developed criteria that define "good" store neighbors, including: devoting at least 10 percent of inventory to fresh produce and an additional 10 to 20 percent of inventory to other healthy foods; accepting food stamps; limiting tobacco and alcohol promotion; and adhering to environmental and health standards. Stores that agree to comply with these criteria receive technical assistance and training, energy efficiency upgrades, and marketing assistance. They also receive grants to make initial purchases of healthy foods and test how the items sell. This helps reduce the risk for store owners as they stock new merchandise.

LEJ is currently partnering with a small neighborhood grocery store, Super Save Grocery, to pilot how a Good Neighbor agreement would work. In exchange for the store's commitment to stock fresh, healthy food, LEJ is engaging in outreach and promotion, encouraging the community to patronize the store through activities such as nutrition education and food tasting. The group also arranged for Whole Foods Market to provide free technical assistance to help Super Save better display the new produce. Since initiation of the program, sales of produce have increased by 15 percent.<sup>71</sup> LEJ is attempting to continue their efforts by partnering with eight stores within the next two years.



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## Starting and Sustaining Farmers' Markets

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In recent years there has been a resurgence of farmers' markets that provide fresh produce and other goods to communities while also providing local farmers with a direct source of income. From 1994 to 2002, the number of farmers' markets grew almost 80%, with more than 3,100 in operation in 2002. California has over 400 markets—the most of any state—and with its extended growing season many of the markets are a year-round source of healthy food.<sup>72</sup>

Farmers' markets can be important supplementary food sources, although they lack the wide variety and consistent selection of grocery stores. They range in size from community-based markets to large markets run by an organization and serving several thousand shoppers. Farmers' markets are usually held once a week but are occasionally more frequent. They differ from grocery stores and corner stores in that they are organized as nonprofit, community-serving entities and thus combine social and economic objectives. Their vendors need to make profits, but the markets themselves are not profit-seeking entities. At the same time, their operations cost money, so they must make enough money to cover their expenses.

Nationwide, more farmers' markets are locating in low-income communities, providing convenient access to fresh, affordable, and nutritious food. The markets can be successful, but they face the challenge of balancing customers' need for low prices with vendors' needs for fair returns.

## Benefits

***Provide access to fresh produce at low prices.*** Because of the cost savings to farmers from selling directly to consumers, farmers' markets offer prices that are often lower than those of nearby grocery stores. A survey that compared the prices of six southern California farmers' markets with nearby grocery stores found that the markets offered lower prices than grocery stores, with an average cost savings of 28 percent.<sup>73</sup> Other studies have found farmers' markets offer savings of 10 to 18 percent compared to supermarkets.<sup>74</sup>

***Less complex, less expensive, and requires less time than building a new store.***

Developing a farmers' market is far less complicated, time-consuming, and expensive than building a new grocery store in an underserved community.

***Sustain small and medium-sized farms.***

Smaller-scale farmers who face high competition from larger, industrialized agriculture can increase their viability by selling their goods at farmers' markets, where returns are generally 200-250 percent higher than what they receive from wholesalers.<sup>75</sup>

***Entrepreneurial opportunities.*** Farmers' markets can serve as small business incubators, providing opportunities for residents to sell items such as baked goods, jams, or crafts. Vending in farmers' and other public markets requires very low start-up capital—usually less than \$1,000—and may be a great pathway to upward mobility for low-income residents.<sup>76</sup>

**Social and educational opportunities.** Farmers' markets provide a space for interaction and learning that shoppers are not likely to find at conventional food markets. Community organizations often conduct outreach or educational activities-including nutritional education-at farmers' markets. And shoppers often cite that they attend the markets partially for social reasons.<sup>77</sup>

## Challenges

**Start-up and operating costs.** Establishing a farmers' market requires funding for initial costs, including purchasing equipment, promoting the market, and recruiting farmers to participate. The market also needs to hire a coordinator. Because of these costs, farmers' markets locating in low-income communities often require subsidies.<sup>78</sup>

**Sustainability.** To be sustainable, farmers' markets need to attain sufficient scale, with enough farmers and vendors to attract customers, and enough customers to make it worthwhile for farmers to travel to the market. To be self-sustaining, participating farmers and vendors need to be able to contribute a portion of their profits to pay

someone to coordinate the market's activities. One expert estimates that a market needs roughly 20 farmers to support a full-time staff person.<sup>79</sup>

**Accepting public benefits.** Hundreds of California farmers' markets are authorized by the U.S. Department of Agriculture to accept food stamps and many of these markets depend on them as a major source of revenue. But changes in the public benefits system have made it difficult for farmers' markets to accept food stamps. The new automated system, called Electronics Benefits Transfer (EBT), allows food stamp recipients to use a plastic card to access benefits. As of March 2004, 51 of California's 58 counties had decided to implement the EBT system.<sup>80</sup> There are benefits to the EBT card since it could increase participation in the food stamp program by making it less stigmatizing to redeem benefits. Retailers who wish to accept EBT cards, however, must obtain a point-of-sale (POS) device to process transactions. This is a barrier for farmers' markets, which lack the essential telephone service and electrical power needed to operate such POS devices.

## A Key Ingredient for Success: Increasing Demand for Healthy Food

Strategies to increase food retailing located in low-income communities are most successful when partnered with strategies that work to increase the ability and desire of consumers to purchase healthier foods. Ensuring that people have the nutritional knowledge to make the right food choices, understand how to prepare healthy meals, and have enough money to purchase these foods are important strategies that supplement the food retailing options described in this report. Many of the case studies we highlight throughout this paper include nutrition education efforts.

*continued on page 34*



## A Key Ingredient for Success: Increasing Demand for Healthy Food

(continued from page 33)

Increasing the participation of low-income communities in federal nutrition assistance programs including the food stamp program and the Women with Infants and Children program (WIC) is also key to improving access to healthy foods. Both of these programs are underutilized. Participation in the food stamp program has declined steeply since the 1996 welfare reform legislation made it more difficult to access benefits. California has one of the lowest participation rates in the nation: the Food Research and Action Center estimates that food stamp participation in California decreased by 7.4 percent between 1999 and 2004. As of 2001, only 54 percent of eligible Californians were participating in the food stamp program and only 70 percent of eligible Californians participated in WIC.<sup>81</sup>

These programs increase the purchasing power of low-income residents. Because poor residents are clustered in poor neighborhoods, if all of those who were eligible for these benefits took advantage of them, their neighborhoods would look more attractive to retailers and could support more stores.

A clear example of how strategies to increase purchasing power can increase access to healthy food in communities is the WIC and Seniors Farmers' Market Nutrition Programs (described below), which enable low-income WIC mothers, children, and senior citizens to buy produce from farmers' markets, and provide the additional purchasing power that helps sustain farmers' markets in low-income neighborhoods. Nationwide, the programs add up to \$39 million in purchasing power for recipients, and are a significant source of revenue for farmers.<sup>82</sup>

### Innovative Strategies and Policy Opportunities

**Build community support.** Evaluations of farmers' markets in low-income communities have shown that community organizing and support are essential to successful markets.<sup>83</sup> In 1980, initiators of Pasadena's Certified Farmers' Market employed an explicit community-organizing model to start the market, conducting community outreach with churches and local nonprofit organizations. The market is still operating after 25 years, and organizers partially attribute its longevity to community support.<sup>84</sup>

**Expand the WIC and Senior Farmers' Market Nutrition Programs.** The WIC

Farmers' Market Nutrition Program (FMNP) was established in 1992 to provide fresh, locally-grown fruits and vegetables to WIC recipients, and to increase awareness and patronage of farmers' markets. The Senior Farmers' Market Nutrition Program (SFMNP), established in 2001, extends the program to low-income seniors. Both programs provide participants with coupons which they can redeem for locally grown fruits and vegetables at farmers' markets or roadside produce stands. Seniors can also use their coupons to participate in community-supported agriculture programs (see page 39). The federal government provides most of the funding for these programs, but states must apply to participate and fund a portion of the

administrative costs of the program.<sup>85</sup> Over 40 states currently participate, serving over 3 million people per year.<sup>86</sup> In 2005, California WIC families and seniors who qualify for the benefit receive \$20 worth of coupons.<sup>87</sup>

There is not enough funding for all of those who are eligible to participate in these programs, and funding is dependent on yearly budget processes. In California, the FMNP program has been severely underfunded, with the biggest hurdle being the state matching funds.<sup>88</sup> Continued vigilance is needed to maintain and expand these programs.

***Link farmers with additional markets.***

Linking the farmers who sell their goods at farmers' markets in low-income communities to additional, reliable markets can increase their profit margins and improve the sustainability of the farmers' market. A number of farm-to-institution programs that connect farmers to public schools, universities, hospitals, correctional facilities, and restaurants illustrate the viability of this strategy.<sup>89</sup>

- A program run by The Ecology Center, a nonprofit organization in Berkeley, purchases produce from a local farmers' market and then transports it to a local day-care center, where staff resell it and provide nutritional education to parents as they arrive to pick up their children.<sup>90</sup>
- Compton Unified School District developed an agreement with a farmers' cooperative to stock daily salad bars in 10 elementary schools, and the district plans to extend the program to all 24 elementary schools by Spring 2005.<sup>91</sup>

***Disseminate farmers' market-friendly EBT systems.***

New wireless technology is now available that enables farmers' markets to accept EBT cards. In California, state and county agencies and community advocates are helping to pilot a wireless point-of-sale (POS) device in 17 farmers' markets with the highest food stamp redemptions by providing the equipment, waiving transaction fees for the use of the EBT cards, and conducting outreach to let recipients know where they can use their cards.<sup>92,93</sup> The state has also provided wireless POS devices to a limited number of individual merchants and produce stand operators. The POS devices are helping to address the steep reduction in food stamp redemption volume that occurred after the transfer from paper coupons to EBT, but there are still issues that need to be addressed, such as problems with connectivity at some locations.<sup>94</sup> State efforts to increase the use of EBT cards at farmers' markets and produce stands should be sustained and improved.

***Establish and support farmers' collaboratives.***

Farmers can benefit from working together. They can share the costs of cold storage facilities, transportation, and marketing, and advocate for policies that impact farmers' markets and their ability to serve low-income communities. Forty-one farmers' market associations have been established across the country that accomplish some or all of these goals.<sup>95</sup> Southland Farmers' Market Association (SFMA), for example, represents 22 farmers' markets and more than 400 growers in Southern California.<sup>96</sup> One of the association's goals is to establish new markets in underserved communities: they have secured initial funding for three



new markets in low-income neighborhoods in Los Angeles. The group also maintains databases to help farmers connect them with new markets, provides technical assistance on establishing new markets, advocates for the Farmers' Market Nutrition Program, and lobbies for policy changes that reduce costs for farmers to participate in markets.

***Provide business development and marketing assistance to vendors.*** Targeted technical assistance programs can help make

vending at farmers' markets more profitable for local entrepreneurs. Some programs assist urban gardeners with selling at farmers' markets. For example, Cornell Cooperative Extension's New Farmers/New Markets program trains New York City residents in fruit and vegetable production and marketing.<sup>97</sup> Existing small business development training programs can help residents sell baked goods or non-food items at farmers' markets.

### **Kaiser Permanente Farmers' Markets Creating a Win, Win, Win: Helping Members, Staff, Farmers, and the Community**

Kaiser Permanente, the nation's largest non profit health maintenance organization, currently hosts 12 farmers' markets and plans to operate 20-25 sites by late 2005. This includes new markets in California's rural Central Valley, Hawaii, Maryland, and Oregon. Driven by a desire to improve health conditions for health plan members, staff, and community residents, Kaiser's top administrators wanted to address community factors that contribute to individual health. Launching weekly farmers' markets keeps Kaiser moving forward in its mission of being a leader in preventive health and healthy living while increasing access to healthy food in low-income communities and providing small family farmers with new sales opportunities.

Kaiser has three models of farmers' markets. In their Farmers' Market Association model, an association coordinates the logistics related to setting up and maintaining the market and Kaiser provides the space and promotes the market. In their Community Collaboration model, a community organization purchases produce from small farmers and transports and sells it at markets. This model reduces the time burden on farmers, and provides opportunities for at-risk youth or other community members to participate in selling the goods at the market. In their Unbrokered model, Kaiser works directly with one or two farmers without involving an association.

Kaiser is exploring creative ways to further its farmers' market impact. The institution convened a workgroup to explore strategies to build on current successes and expand them into changes in policy. The workgroup is drafting policies that incorporate local purchasing into the hospital's procurement practices. Kaiser is considering purchasing as much as 20 percent of the food used in its hospitals, cafeterias and business meetings from local organic growers.

## **West Oakland's Mandela Farmers' Market: Connecting Black Farmers to Black Communities**

West Oakland, California is a low-income African-American community that has long suffered from a lack of access to healthy food. The last full-service grocery store in the neighborhood closed its doors in 1993. For years, a coalition of community and church groups advocated for a supermarket and tried to convince Safeway or Albertsons to locate in the area, but both of the chains refused, citing lack of profitability and crime as barriers.<sup>98</sup> A new independent grocery store opened in 2000, but many residents feel the store caters primarily to Oakland's Korean residents—almost none of whom live in West Oakland.

In 2001, a group of concerned residents, community-based organizations, and social service agencies formed the West Oakland Food Collaborative (WOFC) to increase access to nutritious and affordable food while stimulating community economic development. The University of California, Davis gave the group a small planning grant to undertake a nine-month planning process to decide on a community strategy. The process resulted in the identification of five priority areas including: a thriving farmers' market, small business development, a cooperative marketplace, liquor store "conversion," and community greenspace. The group secured additional funds from The California Endowment and other funders to begin putting its plan into action.

The cornerstone of their effort is the Mandela Farmers' Market, which opened in April 2003. One of the ideas behind the market is to connect black farmers—who suffer greatly from the displacement of small family farms from large industrial producers—to the community, which has a rich history of being a center for black culture. Every Saturday, farmers sell fresh, mainly organic, produce, and local residents sell jams, baked goods, jewelry, and other items. WOFC helped start up the farmers' market, finding a site, completing paperwork to become a certified farmers' market, and, with help from The California Farmers' Market EBT Project based at The Ecology Center in Berkeley, obtained the authorization and equipment needed to accept EBT cards. The collaborative also provides ongoing support, providing the farmers and vendors with equipment, training, resources, and technical assistance. WOFC also helps residents get to the market. It runs a free, weekly shuttle bus service that stops at senior residential facilities, the West Oakland Health Center, and other neighborhood locations with limited public transportation access. The group plans to add benefits screening and application services at the farmers' market to help residents apply for public benefits such as WIC, food stamps, and Medi-Cal.

The market is doing well and turnout is increasing, with about 200 customers a week. Nearly 70 percent of the customers are local residents. The prices are excellent: a survey found that Mandela Farmers' Market offered the lowest prices of the 90 Bay Area farmers' markets. WOFC hopes that the market will be self-sustaining within three years.<sup>99</sup> In the meantime, the group continues to work on its other priority areas to ensure a "food secure" West Oakland: developing community-owned gardens and increasing access to other greenspace; persuading corner stores to sell healthier products; helping small businesses by developing a food distribution and delivery system and providing access to a commercial kitchen; and developing a locally-owned food cooperative.



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## Other Options

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A number of alternative strategies exist that can improve community access to healthy foods. They include:

*Improving transportation.* Transportation projects can help residents of underserved communities reach grocery stores and farmers' markets. In the low-income community of North Sacramento, residents have to travel six miles to reach a supermarket.<sup>100</sup> In 1999, a coalition of community groups helped implement a Neighborhood Ride Shuttle, which, for a 50 cent fare, transports residents to jobs and grocery stores located in other parts of the city. The program, initiated as a pilot project, has been integrated into the regional transportation system, and the routes are so popular that they are earning profits. A similar "grocery bus" route was established in East Austin, Texas to link residents of the primarily low-income, Latino community with two supermarkets.<sup>101</sup> Some of the state agencies administering the Seniors' Farmers Market Nutrition Program have also included transportation elements to their programs, partnering with senior centers to provide transportation to and from the farmers' markets.<sup>102</sup>

*Public markets.* Farmers' markets are one form of a "public market." Other public markets—also called "mercados"—are housed in a permanent structure, are often open year round, and hold regular business hours. They rent stalls to vendors, who may sell food or non-food items. The mix of goods sold at a public market can vary greatly. In recent years, there has been increasing attention placed

on public markets as components of urban revitalization, and the social and economic benefits they may bring for low-income communities.<sup>103</sup> The Fondy Food Center Project is an example of how a public market can provide food access as well as entrepreneurial opportunities. Fondy Food Center is a \$5 million market hall, seasonal farmers' market, and business incubator located in Milwaukee's poorest community.<sup>104</sup> The 22,000 square foot venue provides space for 20 to 30 small businesses.<sup>105</sup>

*Mobile markets.* Imagine an ice cream truck stocked with produce and healthy snacks instead of creamsicles, and you have captured the essence of mobile markets—a new, community-based strategy for increasing food access in communities without good grocery stores. People's Grocery, which is a member of the West Oakland Food Cooperative described on page 37, is one example of a mobile market. On Tuesdays and Saturdays, neighborhood youth interns drive the brightly painted truck, equipped with a solar-powered sound system, to a number of selling points in the neighborhood. While they sell fresh, organic produce obtained from local farmers' markets, they also talk to community residents about nutrition and health.

*Cooperative grocery stores.* Cooperative stores are either owned by their employees or owned by their customers. The idea grew out of the natural foods movement in the 1970s, and has generally been successful in higher- or mixed-income communities. Like farmers' markets and public markets, cooperatives serve a social mission as well as a profit-making mission. Coops face the same challenges as



small groceries with respect to purchasing merchandise at low prices, and they require member education in order for the ownership structure to work. In a number of instances, coops have developed to fill the grocery gap in underserved communities, but have gone out of business soon after a grocery store opens nearby. The Remington Food Coop, for example, served a working class neighborhood of Baltimore for a decade until a supermarket opened in the area.<sup>106</sup>

*Farm-to-school initiatives.* Recognizing the importance of school lunches to the nutrition and eating habits of youth, a number of “farm-to-school” programs arose in the 1990s to increase the nutritional value, quality, freshness, and appeal of cafeteria lunches in public schools. California is the leader in what has become a virtual movement, with 30 school districts throughout the state now purchasing local farm produce from farmers or farmers’ markets to incorporate in salad bars and hot lunches.<sup>107</sup> Though more of the initiatives have been launched in middle- and upper-income communities, the strategy also holds promise for low-income communities.

*Community Supported Agriculture (CSA).* CSA programs—about 600 across the country—connect individual households with produce from local farms. At the beginning of the growing season, participants purchase shares for a portion of the crops from a farm or a network of farms in exchange for weekly or biweekly boxes of fresh produce. The system provides customers with low prices and provides farmers with upfront operating capital for the season. The participants share

in the risks of farming, so the amount of food they receive depends on the quality of the harvest that year. Delivery options vary: boxes may be delivered to individual homes or to a few central sites in the community. CSA programs often accept food stamps and some programs are reaching out to low-income customers by subsidizing their shares.

*Community Gardens.* Increasing numbers of community gardens have been established on vacant lots in inner cities. The American Community Gardening Association estimates that there are 10,000 community gardens in the United States, with New York City containing the most of any city.<sup>108</sup> These gardens vary in terms of the size of the lot, and the number of gardeners. They are linked with a number of benefits beyond food access, including environmental education and neighborhood green space, but they can translate into significant food budget savings. In Philadelphia, community gardeners reported an annual savings on food bills of \$700 per family.<sup>109</sup>

## Conclusion

It is difficult for low-income communities of color, the very communities facing the highest rates of obesity, to access healthy food. Those most at risk of obesity and related health conditions should not also face the greatest barriers to making healthy choices about their diets. Access to affordable, healthy food can be achieved in underserved neighborhoods.

Communities should not have to do this work alone. To address the obesity crisis, policymakers, foundations, community organizations, concerned residents, business leaders, researchers, and advocates can join together to identify and implement innovative solutions.

*State government* can take a leadership role in developing initiatives to address the “grocery gap” in underserved communities. California can create sources of low-cost financing, replicating Pennsylvania’s innovative economic stimulus and healthy food retailing legislation. The state can also expand existing policies and programs that hold promise for increasing healthy food access, such as the WIC Farmers Market Nutrition Program and the EBT pilot program.

*Local governments* can adopt healthy food retailing as a priority for comprehensive neighborhood development. Municipalities can dedicate local economic development resources toward implementing new options for food access in underserved communities, through incentives such as grants, tax breaks, and low-interest loans. They can reduce barriers to healthy food retailing by cleaning up brownfields and reclaiming vacant land, and they can market underserved neighborhoods to healthy food retailers using accurate data sources on neighborhood conditions. City community development agencies can dedicate small business development resources and conduct outreach to assist corner stores that want to increase their selection of healthy foods and improve the overall quality of their stores.

*Food retailers* can reconsider assumptions about the feasibility of supermarkets in low-income areas and rethink outdated models. They can begin by using alternative market analyses that accurately reflect the business opportunities of inner city neighborhoods, and by recognizing the higher aggregate purchasing power that exists in dense urban neighborhoods (despite lower average incomes). Firms that have successfully

located in low-income communities can share their success and encourage others to locate in underserved areas.

*Hospitals, health maintenance organizations, and other local institutions and businesses* can implement creative programs to provide healthy food to local residents, clients, and staff, including programs similar to the farmers' market model developed by the Kaiser Permanente Health Maintenance Organization.

*State and local government, businesses, and private foundations* can provide resources to support efforts to increase access to healthy food. This could take the form of funding innovative campaigns, pilot programs, and large-scale initiatives, as well as providing resources for technical assistance to community organizations and retailers.

*Community based organizations and food advocacy groups* can develop new ideas for increasing access to healthy food, research potential solutions, collaborate with other organizations to share effective strategies, and pursue and replicate effective campaigns and programs. They can educate their members, community residents, and policymakers about the best possible strategies for their communities to obtain healthier food choices and advocate for adoption and implementation.

Increasing healthy food access in underserved communities can move localities and the state closer to multiple goals. It can make a difference in dietary behaviors and obesity,

and ultimately improve the health of residents across the state. It can benefit businesses, whether grocery stores, corner store owners, or farmers. Ultimately, it can help ensure that Californians live in thriving communities that nurture health and possibilities for jobs, new development, enhanced neighborhood assets, and opportunities.



# Notes

- <sup>1</sup> See Cancer Prevention and Nutrition Section, California Department of Health Services, *Community Solutions to Limited Retail Access in African American Communities* (Sacramento, CA: 2004).
- <sup>2</sup> See AH Mokdad et al., "Obesity Trends Among U.S. Adults: BRFSS 1999," *The Journal of the American Medical Association*, no. 284 (2000):13; U.S. Department of Health and Human Services Centers for Disease Control and Prevention National Center for Chronic Disease Prevention and Health Promotion, "Trends Data," retrieved from <http://apps.nccd.cdc.gov/brfss/Trends/trendchart.asp?qkey=10010&state=US>.
- <sup>3</sup> See U.S. Department of Health and Human Services, *The Surgeon General's Call to Action to Prevent and Decrease Overweight and Obesity*, retrieved from <http://www.surgeongeneral.gov/topics/obesity/>. Capital Region Information Service of New York, *Healthy People 2000*, retrieved from <http://www.crisny.org/health/us/health7.html>.
- <sup>4</sup> See U.S. Department of Health and Human Services, *The Surgeon General's Call to Action to Prevent and Decrease Overweight and Obesity* (Washington, D.C.: U.S. Department of Health and Human Services, Public Health Service, Office of the Surgeon General, 2001).
- <sup>5</sup> See Amanda Shaffer, *The Persistence of L.A.'s Grocery Gap: The Need for a New Food Policy and Approach to Market Development* (Los Angeles, CA: Center for Food and Justice, Urban and Environmental Policy Institute, Occidental College, 2002). Morland, K., Wing, S., Deiz Roux, A., and Poole, C., "Neighborhood Characteristics Associated with the Location of Food Stores and Food Service Places," *American Journal of Preventive Medicine*, no. 22 (2002): 23-29. Nayga, R., and Weinberg, Z., "Supermarket Access in the Inner City," *Journal of Retailing and Consumer Services*, no. 6 (1999): 141-145.
- <sup>6</sup> The original grocery store was a Food 4 Less, which was later sold to become a Food Maxx.
- <sup>7</sup> See Amanda Shaffer, *The Persistence of L.A.'s Grocery Gap: The Need for a New Food Policy and Approach to Market Development* (Los Angeles, CA: Center for Food and Justice, Urban and Environmental Policy Institute, Occidental College, 2002).
- <sup>8</sup> See K. Morland et al., "Neighborhood Characteristics Associated with the Location of Food Stores and Food Service Places," *American Journal of Preventive Medicine*, no. 22 (2002): 23-29.
- <sup>9</sup> See A. Helling et al., "Race and Residential Accessibility to Shopping and Services," *Housing Policy Debate*, no. 14 (2003): 69-101.
- <sup>10</sup> See U.S. Census Bureau, "Summary File 3," 2000 Census, retrieved from <http://www.census.gov/>.
- <sup>11</sup> See Transportation and Land Use Coalition, *Roadblocks to Health: Transportation Barriers to Healthy Communities* (2002).
- <sup>12</sup> See S. Handy et al., "Measuring Accessibility: An Exploration of Issues and Alternatives," *Environment and Planning A*, no. 29 (1997): 1175-1194.
- <sup>13</sup> See "Southwest Fresno Group Lobbies for Major Grocery Store," *The Fresno Bee*, 17 June 1995.
- <sup>14</sup> See Phillip R. Kaufman et al., *Do the Poor Pay More for Food? Item Selection and Price Differences Affect Low-Income Household Food Costs*, (Washington, D.C.: US Department of Agriculture, 1997).
- <sup>15</sup> See Food First Institute for Food and Development Policy, *Redlining Food: How to Ensure Community Food Security*, retrieved from [www.foodfirst.org/progs/humanrts/redlining.html](http://www.foodfirst.org/progs/humanrts/redlining.html).
- <sup>16</sup> See K. Morland et al., "The Contextual Effect of the Local Food Environment on Residents' Diets: The Atherosclerosis Risk in Communities Study," *American Journal of Public Health*, no. 11 (2002): 1761-1767.
- <sup>17</sup> See N. Wrigley et al., "Deprivation, Diet and Food Retail Access: Findings from the Leeds 'Food Deserts' Study," *Environment and Planning A*, no. 34 (2002).
- <sup>18</sup> See The Food Trust, *Farmer's Market Program Evaluation 2004*, retrieved from [http://www.thefoodtrust.org/catalog/resource.detail.php?product\\_id=68](http://www.thefoodtrust.org/catalog/resource.detail.php?product_id=68).
- <sup>19</sup> See The Boston Consulting Group and The Initiative for a Competitive Inner City, *The Business Case for Pursuing Retail Opportunities in the Inner City* (Boston, MA: Initiative for a Competitive Inner City, 1998). This estimate does not include unrecorded income from legal activities, which is another \$15 billion.
- <sup>20</sup> Rick Jacobus, Economic Development Consultant. Interviewed by PolicyLink, December 2004.
- <sup>21</sup> See Barbara Abell, *Overcoming Obstacles to CDC Supermarket Development, A Guide* (Washington, D.C.: National Congress for Community Economic Development).
- <sup>22</sup> See Phil R. Kaufman, "Rural Poor Have Less Access to Supermarkets, Large Grocery Stores," *Rural Development Perspectives*, no. 13 (1999): 19-26.



<sup>23</sup> Ibid.

<sup>24</sup> See Sarah E. Samuels et al., *The Social and Environmental Experience of Diabetes: Implications for Diabetes Prevention, Management and Treatment Programs: A Series of Case Studies* (San Francisco, CA: The California Endowment, 2004).

<sup>25</sup> See Barbara Abell, *Overcoming Obstacles to CDC Supermarket Development, A Guide* (Washington, D.C.: National Congress for Community Economic Development).

<sup>26</sup> See Fresno Metro Ministry press release, *Selma Flea Market Goes High-Tech: Customers Can Now Use Food Stamps to Buy Fresh Produce*, retrieved from [http://www.fresnometroministry.org/fmm/pdfs/PRESS\\_RELEASE\\_Selma\\_EBT\\_12\\_04.pdf](http://www.fresnometroministry.org/fmm/pdfs/PRESS_RELEASE_Selma_EBT_12_04.pdf).

<sup>27</sup> See the Federal Housing Administration *Underwriting Manual: Underwriting and Valuation Procedure Under Title II of the National Housing Act* (1938). For an excellent history of federal housing policy and suburbanization, see Chapter 11 of *Crabgrass Frontier: The Suburbanization of the United States* by Kenneth T. Jackson.

<sup>28</sup> See Economic Developments National Council for Urban Economic Development, *Food for Thought: Rochester Invests in Inner City Grocery Stores Development*, February 1, 1997, vol. 22, no. 3. As cited in "Supermarket Access in Low-Income Communities" <http://www.healthpolicycoach.org/doc.asp?id=6375>.

<sup>29</sup> See K. Morland et al., "The Contextual Effect of the Local Food Environment on Residents' Diets: The Atherosclerosis Risk in Communities Study," *American Journal of Public Health*, no. 11 (2002): 1761-1767.

<sup>30</sup> See Initiative for a Competitive Inner City, *The Changing Models of Inner City Grocery Retailing* (Boston, MA: 2002).

<sup>31</sup> See John Pawasarat et al., *Exposing Urban Legends: The Real Purchasing Power of Central City Neighborhoods* (The Brookings Institution, 2001), retrieved from <http://www.brookings.edu/es/urban/pawasarat.pdf>. See The Boston Consulting Group and The Initiative for a Competitive Inner City, *The Business Case for Pursuing Retail Opportunities in the Inner City*, retrieved from [http://www.icic.org/research/pdf/pdf\\_2\\_The\\_Business\\_Case.pdf](http://www.icic.org/research/pdf/pdf_2_The_Business_Case.pdf).

<sup>32</sup> See D'Vera Cohn, "Retail Potential Found in 2 Areas," *Washington Post*, 18 July 2002, retrieved from <http://www.socialcompact.org/pdfs/Washington%20Post%207.18.02.pdf>.

<sup>33</sup> See John Pawasarat et al., *Exposing Urban Legends: The Real Purchasing Power of Central City Neighborhoods* (The Brookings Institution, 2001), retrieved from <http://www.brookings.edu/es/urban/pawasarat.pdf>.

<sup>34</sup> See Initiative for a Competitive Inner City, *The Changing Models of Inner City Grocery Retailing* (Boston, MA: 2002). Cynthia Stewart et al., *Development in Underserved Retail Markets* (International Council of Shopping Centers and Business for Social Responsibility, 2002). Barbara Abell, *Overcoming Obstacles to CDC Supermarket Development, A Guide* (Washington, D.C.: National Congress for Community Economic Development).

<sup>35</sup> See The Food Trust, *Philadelphia City Council Calls for Hearings on Supermarket Development to be Held in May, 2004*, retrieved from [http://www.thefoodtrust.org/catalog/resource.detail.php?product\\_id=60](http://www.thefoodtrust.org/catalog/resource.detail.php?product_id=60).

<sup>36</sup> See William Frey, et al., *Melting Pot Suburbs: A Census 2000 Study of Suburban Diversity*, (The Brookings Institution Center on Urban and Metropolitan Policy, 2001), retrieved from <http://www.frey-demographer.org/reports/billf.pdf>.

<sup>37</sup> See K. Siedenburg et al., "Community Food Assessment: A Tool to Develop Better Food Systems," *Community Food Security News*, Spring 2004.

<sup>38</sup> See Ed Bolen et al., *Neighborhood Groceries: New Access to Healthy Food in Low-Income Communities*, (San Francisco, CA: California Food Policy Advocates, 2003).

<sup>39</sup> See Southland Farmers' Market Association, *How to Start a Farmers' Market*, retrieved from <http://www.cafarmersmarkets.org/aboutsfma/how2start.shtml>.

<sup>40</sup> See Food Marketing Institute, "Key Industry Facts," retrieved from [http://www.fmi.org/facts\\_figs/keyfacts/weeklysales.htm](http://www.fmi.org/facts_figs/keyfacts/weeklysales.htm).

<sup>41</sup> See [www.save-a-lot.com](http://www.save-a-lot.com).

<sup>42</sup> See Barbara Abell, *Supermarket Development: CDCs and Inner City Economic Development* (Washington, D.C.: National Congress for Community Economic Development, 1998). An estimate based on the 16 projects they reviewed. For information on local hiring strategies, see [www.policylink.org/EDTK/LocalHiring](http://www.policylink.org/EDTK/LocalHiring).

<sup>43</sup> See Cynthia Stewart et al., *Development in Underserved Retail Markets* (International Council of Shopping Centers and Business for Social Responsibility, 2002).

<sup>44</sup> See Initiative for a Competitive Inner City, *The Changing Models of Inner City Grocery Retailing* (Boston, MA: 2002).

<sup>45</sup> See Barbara Abell, *Overcoming Obstacles to CDC Supermarket Development, A Guide* (Washington, D.C.: National Congress for Community Economic Development).

<sup>46</sup> Ibid.

<sup>47</sup> Ibid.

<sup>48</sup> For more information on local hiring strategies, see [www.policylink.org/EDTK/LocalHiring](http://www.policylink.org/EDTK/LocalHiring).

<sup>49</sup> See Richard Turcsik, "Taking Root: A Suburban-style Pathmark Blossoms in New York's Harlem," *Progressive Grocer*, vol. 78, no. 7: 1999.

<sup>50</sup> See San Francisco Bay Area LISC Financing at [www.lisc.org/bay\\_area/programs/financing\\_5042.shtml](http://www.lisc.org/bay_area/programs/financing_5042.shtml).

<sup>51</sup> Available at [www.uwm.edu/Dept/ETI/PurchasingPower/purchasing.htm](http://www.uwm.edu/Dept/ETI/PurchasingPower/purchasing.htm).

<sup>52</sup> Jacobus, interview, December 2004.

<sup>53</sup> See Vidhya Mohan et al., *Supermarket Shuttle Programs: A Feasibility Study for Supermarkets Located in Low-Income, Transit-Dependent Urban Neighborhoods in California*, (Davis, CA: Center for Advanced Studies in Nutrition and Social Marketing, 2002).

## Notes (continued)

- <sup>54</sup> See Paul C. Brophy et al., *Seizing City Assets*, (Washington, DC: The Brookings Institution, 2002), retrieved from [http://www.ceosforcities.org/research/2002/land\\_reform/brophyveyvacantsteps.pdf](http://www.ceosforcities.org/research/2002/land_reform/brophyveyvacantsteps.pdf).
- <sup>55</sup> See "O'Malley for Mayor," *The Baltimore Sun*, October 24, 2004, retrieved from <http://www.baltimoresun.com/news/opinion/bal-ed.mayoral24oct24,0,5640861.story>.
- <sup>56</sup> See Initiative for a Competitive Inner City, *The Changing Models of Inner City Grocery Retailing* (Boston, MA: 2002).
- <sup>57</sup> Ibid.
- <sup>58</sup> Ibid.
- <sup>59</sup> See K. Pothukuchi, "Attracting Supermarkets to Inner-City Neighborhoods: Economic Development Outside the Box," *Economic Development Quarterly*, Vol. 19, No. 3, (2005): 232-244.
- <sup>60</sup> See Initiative for a Competitive Inner City, *The Changing Models of Inner City Grocery Retailing* (Boston, MA: 2002).
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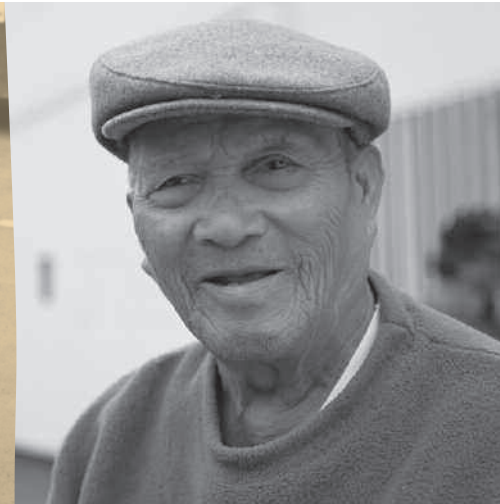
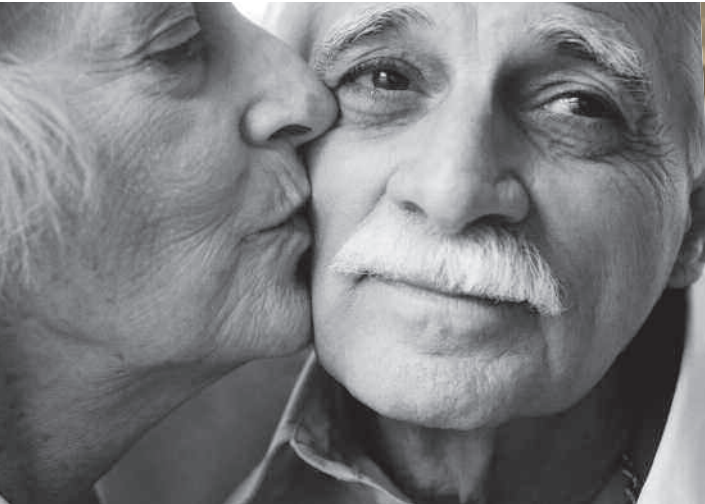
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