Invest Health Phase I Web-Based Learning
Groups: FOOD ACCESS

August 24, 2016
For Technical Assistance

If you have technical difficulties, call WebEx support at 1-866-229-3239 for assistance.

You may also submit questions using the Q&A feature on the right hand side of your screen. (Chat is disabled.)

• Please choose All Panelists from the “Send to” menu.
• Type your question and click Send.
Gain new program knowledge regarding food access, to include:

- Using data to identify areas of need and opportunity
- Facility construction and financing
- Attracting and maintaining food retailers (e.g., grocery stores, healthy corner stores)
- Diverse strategies for creating healthy food options (e.g., farmer’s markets, mobile markets, etc.)
Agenda

1. Introduction (Karya Lustig)
2. Food Access (Patricia Smith, Donna Leuchten Nuccio)
3. Discussion (All, Facilitated by Karya Lustig)
4. Closing (Karya Lustig)
Patricia L. Smith

- Senior Policy Advisor at Reinvestment Fund
- Leads the national Healthy Food Financing Initiative
- Directed the City of Philadelphia’s Neighborhood Transformation Initiative
- Contributor to “Growing Greener Cities: Urban Sustainability in the Twenty-first Century”
- Holds a BA from Mount Holyoke College and JD from George Washington University Law Center
Donna Leuchten Nuccio

- Director of Healthy Food Access at Reinvestment Fund
- Responsible for business development and loan originations for the organization’s healthy food portfolio
- Specializes in community development finance, food and nutrition policy, supermarket development and nonprofit management
- Adjunct Professor at Saint Joseph’s University
- Former Director of Sustainable Food Systems at UpLift Solutions
- Holds a BS in Sociology from Saint Joseph’s University and MS in Social Policy from the University of Pennsylvania
Community Development Approach to Food Access

August 24, 2016
Agenda

1. Helpful Definitions and Terms
2. Food Retail 101
3. Healthy Food Access PolicyMap Data
4. Alternative Food Access Initiatives
5. Healthy Food Access Portal
Helpful Definitions and Terms

- **Food Access** – Consistent *physical* access to retail outlets to purchase healthy, affordable food.

- **Food Security** - Is a household-level economic and social condition of limited or uncertain access to adequate food. Typically focuses on *economic* ability to purchase enough food for all members of the household to eat a healthy diet.

- **Healthy Food Financing or “HFFI”** – Name of the federal program to provide capital to food access projects, often used as a common name for all federal, state and local programs.
Food Retail Store Formats

- Conventional/Traditional
- Limited Assortment/Discount
- Superettes

“Specialty Stores” may fit into any of the Store Formats
Conventional or Traditional Supermarkets

• Full-line, self-service grocery store with annual sales of $2 million or more
• Carry between 15,000 and 60,000 SKUs including private label and brand name products
• Multiple service departments
• Stores range between 20,000 SF to 65,000+ SF
• National Chains (Kroger, Safeway); Independents & Regional Players (IGA’s, ShopRite)
• May have cooperative marketing/purchasing arrangement
Limited Assortment/Discount Supermarket

- Limited selection of items (4,000 SKUs or less) in a reduced number of categories
- Tend to carry more private label products
- Few (if any) service departments
- Typically offer every day low pricing
- Store sizes vary from 13,000 SF to 25,000 SF
- National Chains (Save-a-Lot, Aldi, Trader Joe’s); Independents & Regional Players (PriceRite)
Superettes

- Annual sales of less than $2 million
- Typically under 13,000 SF
- Carries a basic, narrow selection of SKUs, primarily food items; may have deli counter but limited services, small quantity of any type of item
- Limited private label SKUs
- Limited storage requires high product turnover
- Highly localized customer base; walking distance or on mass transit. Limited, if any, parking.
- Offer services like check cashing, money orders, phone cards, bill payment
Challenges for Food Retail in Urban Settings

- **Food Retail Margin:**
  - National average store net income = 1.0-2.0% of sales

- **Start-Up Costs:**
  - Employee Training
  - Real Estate Costs
  - Security Costs

- **Operating Costs:**
  - Ongoing staff training costs are higher for urban stores
  - Maintenance costs are higher for urban stores

- **Reduced grocery gross profit***
  - Lower penetration of high margin departments

*Most applicable to conventional grocery stores

- More detailed information can be found on our website - [https://www.reinvestment.com/research-publications/understanding-the-grocery-industry/](https://www.reinvestment.com/research-publications/understanding-the-grocery-industry/)
What are LSA areas?

- Areas where residents must travel significantly farther to reach a supermarket than the “comparative acceptable” distance that residents in well-served areas travel to stores.

- 1,807 clusters around the US including 12,959 block groups – average size of 11,100 people.

- Determined by density and car ownership rates.

- Areas can be prioritized based on access, demand, and leakage data.
**LSA Score**

% reduction needed to equal benchmark

**Example:**
Block Group #: 080310035003
Value:.64

This block group’s travel distance would have to be decreased by 64% to equal the distance traveled by its non-LMI counterparts.
Food Retail Leakage

Grocery Leakage equals Demand minus Sales

Total Grocery Retail Demand, as of 2010.

Legend

- Insufficient Data
- $1,649,974 or less
- $1,649,975 - $2,178,832
- $2,178,833 - $2,852,411
- $2,852,412 - $4,090,737
- $4,090,738 or more

Sites
- Grocery Retail Locations (2008)
- TRF Supermarket Study of LAA (2010) (subscriber-only)

LSA Grocery Assessment
Retail Demand: $70,734,000
# of Limited Service Stores: 3
Existing Store Sales: $354,900
Retail Leakage: $70,379,100
Leakage Rate: 99%
# of Retail Sq Ft
Leaked: 103,601

All numbers are estimated.
**Using the Data**

What is the level of leakage in the Limited Supermarket Access area?

- **Yes**
  - $<6$ million
  - Is a small store present?
    - No
      - Cannot support a new store; consider alternative sources of fresh food such as farmers' markets
    - Yes
      - Area can potentially support small new store*
- **No**
  - $6 - 12$ million
  - Is a small store present?
    - No
      - Cannot support a new store, work with existing stores on product availability
    - Yes
      - Area can potentially support small new store or expand size, products in existing stores; if new store consider the economic impact on small stores*
  - $12 - 24$ million
  - Is a small store present?
    - No
      - Area can potentially support full service supermarkets; consider the economic impact of a new store on existing small stores*
    - Yes
      - Area can potentially support multiple full service stores*
  - $>24$ million
  - Is a small store present?
    - No
      - Area can potentially support multiple full service supermarkets; consider the economic impact of a new store on existing small stores*
    - Yes
      - Area can potentially support multiple full service stores*

*Reinvestment Fund's analysis does not look at quality, local in-store assessments will complement this study.

Practitioner may find stores that are included in the study but not providers of fresh, healthy foods.

**INVEST HEALTH**

Strategies for Healthier Cities
Alternative Food Access Initiatives

- **Alternative Direct to Consumer Retail Models**
  - Farmer’s markets
  - CSA or buying clubs
  - Mobile markets

- **Non-retail Strategies**
  - Urban gardens
  - Aquaponics
  - Food Hubs*

- **Programmatic Models**
  - Emergency food system- partnerships with food banks
  - Incentive programs for produce for SNAP recipients
  - Veggie Rx program in health care settings

*Reminder: A CDFI’s ability to support a solution requires the project to be financeable and while many projects require subsidy, the business model needs to include revenue streams that can support debt.

*Retail but not direct to consumer
Healthy Food Access Portal

www.healthyfoodaccess.org
PolicyLink is a national research and action institute advancing economic and social equity by Lifting Up What Works®. www.policylink.org

The Food Trust is a nonprofit founded in 1992 to make healthy food available to all by working with neighborhoods, schools, grocers, farmers and policymakers to develop a comprehensive approach that combines nutrition education and greater availability of affordable, healthy food. www.thefoodtrust.org

Reinvestment Fund is a national leader in rebuilding America’s distressed towns and cities and does this work through the innovative use of capital, data and partnerships to finance projects related to housing, community facilities, food access, commercial real estate, and energy efficiency. www.reinvestment.com
What is the Healthy Food Access Portal?

The Farm to Plate (F2P) Investment Program

This profile highlights the Farm to Plate (F2P) Investment Program, which was designed to strategically strengthen the state’s food and farm sector and encourage the purchasing of local foods.

What’s New

Funding
Voices for Healthy Kids Incubator Grants support innovative advocacy approaches that align with the program’s policy priorities to fight childhood obesity. Applications due 8/18/16.

News & Events
Find the latest media coverage related to healthy food access and sign up for events.

Policy Efforts & Impacts
Learn about the impacts of the Healthy Food Financing Initiative - bringing jobs, economic development, and healthy food access to lower-income communities across the country.

Technical difficulties? Call 1-866-229-3239
Audio difficulties? Send us a question in the Q & A panel.
Project Profiles

**Bottino’s ShopRite**  
Vineland, NJ

**Corbin Hill Food Project**  
Bronx, NJ

**The Mercado**  
Portland, OR

**The Refresh Project**  
New Orleans, LA
DISCUSSION
Dial-in Instructions

Please see the instructions below to link your online presence with the teleconference.

1. Click on the phone icon with the question mark at the bottom of the Participants panel to request to dial in. (See red circle in Figure 1.)

2. Choose “I will call in” from the pop-up dialogue box.

3. Then, use the three-step dial-in information (Figure 2) to join the teleconference. You should then see a phone icon (📞) next to your name.

4. Please mute the audio on your computer to avoid interference.
Participate in the Discussion

If you would like to contribute to the discussion, please

• **raise your hand** to be called on (and unmuted); or

• write to us using **Q&A**.

Please send typed comments/questions to **All Panelists** and hit **Send**.
Thank you!

www.investhealth.org

Upcoming Learning Group Webinars:
Social Determinants of Health  8/29
Community Development 101  9/8
Education and Training  9/9
Transportation  9/20