Healthy Food for All

Healthy Corner Store Strategies from Across the United States
I. Introduction

For many Minnesotans, getting groceries is easy. Just drive a few miles to the grocery store, peruse the wide variety of products, load up the back seat with food and you’re set.

But not if you live in a food desert, as an estimated one-third of St. Paul and one-half of Minneapolis residents do. Coined by the Mari Gallagher Group, the term “food desert” is defined as a large geographic area with few or no mainstream grocery stores (such as Cub, Rainbow or Whole Foods). Food may still be available in a food desert, but options are limited to what are known as fringe food retailers, such as fast food restaurants, corner stores and gas stations. In these stores, processed foods high in fat and sugar are typically plentiful. Even when healthier foods like fresh produce, low-fat milk or whole grain cereals are available, shoppers in food deserts often face higher prices and expired or poorer quality products.

When a resident of a food desert owns a car, they may have the option of driving to a mainstream grocery store. If they don’t have a car, public transportation or walking may or may not be an option. The difficulties of managing long rides and multiple transfers while hauling heavy bags of groceries are considerable, especially when children are involved. Proximity is an important factor when choosing where to shop, so residents of food deserts often rely on fringe food retailers for a majority of their groceries.

Recently, academia has begun to focus on how the systemic food environment influences community health. Studies have shown that an abundance of junk food, a dearth of fresh and whole foods and limited transportation have a detrimental effect on the health of communities in food deserts.

Minneapolis is no exception. A 2002 study conducted by the Hennepin County Community Health Department found that when compared to the western suburbs, the core region of Minneapolis had a lower concentration of grocery stores and a higher percentage of transportation-vulnerable households. Also, the community with the least access to mainstream food retailers—Near North Minneapolis—had the highest rates of overweight and obese adults. The Near North and Phillips neighborhoods have the most corner stores.

Food deserts and the WIC program

According to the Minnesota Department of Health (MDH), the majority of these small corner stores in low-income areas of Minneapolis participate in the Women, Infants and Children (WIC) Program. The WIC Program, established in 1972, is a federal grant program that is administered at the state level with the goal of providing low-income pregnant, postpartum and breastfeeding women, infants and children up to age five with “nutritious foods, nutrition education, and referrals to health and other social services to participants at no charge.” Unlike the Supplemental Nutrition Assistance Program (“food stamps”), which allows participant to buy a wide variety of food using a debit card system, WIC is administered in a “package.” WIC participants receive checks or vouchers to purchase specific foods that are designed to supplement their diets, such as iron-fortified infant formula, infant cereal, adult cereal, fruit, eggs, milk, cheese, peanut butter, dried beans/peas, tuna fish and carrots.

Recent changes to the WIC package brought fresh produce and healthier foods to food deserts across Minnesota. In 2005, the Institute of Medicine issued a report that called for the WIC food package (which has been unchanged since the 1970s) to be updated to reflect new knowledge about nutrition. These suggestions were the catalyst for changes to the WIC package that went into effect on August 1, 2009. For the first time in WIC history, fresh fruits and vegetables (F&V) are included in the WIC package. For a store to be certified as a WIC vendor, they must stock the entire package of foods required under the state WIC rules. For Minneapolis, this means that about 140 WIC stores
are required to stock a total of at least 30 pounds of fresh F&V in at least seven varieties, two of which must be bananas and carrots. Store owners are at liberty to choose other varieties, which allows greater flexibility for retailers to respond to the preferences and cultural traditions of their clientele. Stores can also accept WIC vouchers for frozen and canned F&V, but are not required to stock these items unless a WIC recipient requests them.

WIC vouchers are distributed to upwards of 16,000 participants in Minneapolis each month and the average monthly F&V cash voucher issued is about $7. That means a potential for $112,000 per month of new money dedicated for F&V purchases. That’s $1.34 million per year in Minneapolis.

The core challenges

Recent changes to the WIC package reflect a notable case of state policies actively supporting increased access to fresh produce in low-income neighborhoods. The opportunity and leverage this presents is significant, but long-term success will depend on stakeholders working out complex supply, demand and community dynamics. Key challenges now are to work with corner stores and other stakeholders to ensure that they are able to meet the new requirement to offer fresh F&V and contribute to actual increases in the sale and consumption of these healthier options.

II. Profiles from across the United States

Minneapolis can learn from the dozens of corner store initiatives already happening across the country. An initial scan of corner store strategies revealed a wide spectrum of strategies in terms of methods and scale. These strategies fall into four categories of initiatives: Social Marketing Strategies, Strategies to Expand the Selection and Visibility of Fresh F&V, Integrated Strategies, and a WIC Intervention Project.

At one end of the spectrum are narrower efforts focused only on social marketing or a major investment in a single store. A strategy in the middle of the spectrum might work with 40 stores across a city. At the other end of the spectrum, strategies include state-wide programs that will improve corner stores, as well as boost the purchasing power of food stamp recipients. Most of these models were developed before the WIC changes, but the lessons learned are still applicable to upcoming efforts in Minneapolis.

Social marketing strategies

Social marketing has been defined as “the application of commercial marketing technologies to […] programs designed to influence the voluntary behavior of target audiences in order to improve their personal welfare and that of their society.” These campaigns complement marketing’s traditional goal of increasing sales with enhancing social health and well-being. Several corner store projects have focused their energies on using social marketing to increase demand for, and consumption of, healthy products in stores that already stock them.

Apache Healthy Stores, White Mountain and San Carlos Reservations, Ariz.: In Arizona, researchers from Johns Hopkins University partnered with a Basha’s grocery store to implement a social marketing campaign on the White Mountain and San Carlos reservations.
phases of culturally appropriate nutrition messages were introduced via shelf labels, flyers, posters, cooking demonstrations, radio ads and cartoons over the course of one year. Researchers found that the campaign had a positive effect: Participants increased the number of times they purchased vegetables, fruits, low-fat milk and high fiber cereals by an average of one to three instances per month. Participants also decreased their intake of unhealthy drinks by about 10 instances per month.14

**Neighborhood Project, Chicago, Ill.:** Another example of innovative social marketing is the “Bodega Party in a Box,” created by the Neighbors Project (NP) in the diverse Uptown neighborhood of Chicago, Ill. To stimulate demand for fresh produce and groceries at corner stores, NP created the Bodega Party in a Box.15 This party kit includes stylish invitations, a reusable shopping bag and decorations, but the main element is a 44-page book of recipes featuring ingredients found at corner stores. NP also held a neighborhood cooking class at a café using only ingredients from local bodegas. NP took advantage of “new media” by creating a 3-minute YouTube video showcasing a model corner store.16 Staff also designed two training modules on hosting cooking classes and increasing produce in bodegas on Instructables.com.17

**Strategies to expand the selection and visibility of fresh F&V**

Many corner store projects combine social marketing campaigns with efforts to increase the amount of healthy food on the shelves and efforts to rearrange the inventory to spotlight fresh produce. The following projects have used innovative methods to make the transition to healthier offerings.

**Hartford Food System, Hartford, Conn.:** In 1968, Hartford had 13 supermarkets. Today, there is only one supermarket left in the state’s second largest city. Three-quarters of households in Hartford are low-income and the prevalence of diabetes and hypertension are 120 percent and 29 percent higher in Hartford respectively than the rest of Connecticut.18 The Hartford Food System’s (HFS) response was the ongoing Healthy Food Retailer Initiative. To be a part of the initiative, store owners must agree to switch 5 percent of their shelf space from junk food to healthier items. In return, HFS offers incentives to help them in the transition, such as surveying the neighborhood on what they would like to purchase.

**Healthy Food Retailer 2007**

This store pledges to offer its customers a wide selection of healthy and affordable food.

**Hartford Food System**

Participating retailers receive a door sticker that informs customers about their commitment to healthy food. Updated stickers will be awarded each year following inventory inspections.
and then connecting the storeowners with wholesalers that carry the products. The most powerful incentive, however, is the ability of the participating store owners to distinguish their stores in an intensely competitive corner store market. HFS helps them do so by providing door stickers and grassroots publicity. To remain in the program, owners must switch another 5 percent of their shelf space to healthy items each year. HFS started with six stores in 2006, expanded to 25 stores in 2007, and has grown to 40 stores as of May 2008, which is more than a quarter of all the grocery retailers in the city.

One of the most promising aspects of this model is that it is results-oriented. The square footage of items in the store is cumbersome to measure, but HFS was able to track progress from year to year. From 2007 to 2008, the participating store increased the square footage of healthy offerings by 8 percent, and three-quarters of the stores expanded their total inventory.\textsuperscript{19}

The challenge with measuring the percentage of inventory square footage is that it requires retailers to not only increase F&V, but to also decrease unhealthier offerings. Ironically, unhealthy offerings are often the most profitable, so this approach poses two risks to the retailer—reducing sales of profitable items and increasing the sales of unfamiliar, untested items that are perishable and have higher levels of waste. Some corner store initiatives have elected to focus only on increasing healthier options to avoid this potential barrier to corner store participation.

\textit{Literacy for Environmental Justice, San Francisco, Calif.:} In 2002, youth interns for Literacy for Environmental Justice (LEJ) set out to study how tobacco and alcohol companies target youth of color in their neighborhood. During their research, they realized that most of the junk foods that saturated corner stores were made by subsidiaries of tobacco companies such as RJ Reynolds and Philip Morris. They also found that fresh produce accounted for less than 5 percent of the food available in the neighborhood. With the support of the San Francisco Supervisor, the youth interns created the Good Neighbor Program (GNP). The youth-driven aspect of the GNP is notable.

To participate in GNP, store owners must agree to stock more fresh produce and reduce the amount of tobacco and alcohol advertising in their stores. In exchange, LEJ offers incentives such as social marketing based on customer surveys, business training and access to cooperative buying. Five stores are currently participating and LEJ has set a goal of recruiting five additional stores by 2009.\textsuperscript{20}

\textbf{Integrated strategies}

These initiatives can generally be characterized as capital- and time-intensive interventions with the goal of revamping a store’s physical infrastructure, marketing and product offerings. Not only do project organizers conduct social marketing and improve inventory, they work with the store owner to make significant changes to the infrastructure and/or the building façade. Most such efforts to date have focused on small numbers of stores due to the limited availability of capital. However, integrated strategies offer the strongest prospects for success since they are designed to address the many aspects of store infrastructure, operations and community engagement.

\textit{California Food Policy Advocates, Oakland, Calif.:} This initiative invested $22,000 in a single store in the middle of a 12-block food desert. School Market in Oakland, Calif., was transformed from a one-stop-shop for junk food, alcohol and cigarettes into a bright and inviting market with a large selection of healthy food. To do so, the California Food Policy Advocates (CFPA) paired the owner of School Market with an experienced mentor who had started a free-standing produce market. CFPA also offered technical assistance, training and equipment as incentives. First, they rearranged the market to make room for a 12-foot produce case as well as displays showcasing grocery and dairy at the front of the store. Next, they repainted the façade of the store, replaced barred windows with Plexiglas and recruited neighborhood kids to paint a mural on the outside of the building. These changes not only made the store more inviting but also sent a signal to the neighborhood that the store was trying new things.
The mentor then trained the owner and his family on the nuts and bolts of buying, pricing, selling and marketing fresh produce. For social marketing, they distributed weekly promotional flyers in English and Spanish, held an open house, and gave away free produce and prizes. The market also invited a nutritionist to bring groups of elementary students to the store to buy produce that the kids then made into a healthy snack.

The sales data are the most compelling outcome of this project. Before the initiative, the store sold roughly $50 worth of produce per week, predominately potatoes. After the initiative, produce sales shot up to $500 and then to $600-700 by the end of the second month. Milk sales increased 500 percent. After the success of School Market, CFPA repeated this process with another corner store.21

**Healthy Food Purchase Pilot Program, Calif.:** This innovative piece of legislation aims to address food insecurity from both the supply and demand sides. To encourage store owners to stock fresh produce, the Healthy Purchase Pilot Program (HPPP) will identify a variety of options for financing refrigerated produce cases, including leasing and small business development grants. Once an owner acquires produce infrastructure, the HPPP provides technical assistance on all aspects of buying, carrying and selling produce.22

Recognizing that changing store offerings alone will not change the diets of low-income people, the HPPP was designed to increase the purchasing power of food stamp recipients when they buy fresh produce. For example, if a recipient spends $1 on carrots, 30 to 40 cents would be returned to their food stamp card, effectively making produce a more financially attractive purchase.

The HPPP was signed into law in 2006 by Governor Arnold Schwarzenegger, but due to budget shortfalls it has yet to move forward. Another bill, signed at the end of September 2008, increased the funding options for the HPPP but the future of the pilot is still unknown.23

**Center for Health Equity, Louisville, Ky.:** In west Louisville, the Metro Department of Public Health and Wellness’ Center for Health Equity (CHE) has partnered with the YMCA to kick off a corner store initiative. This project is similar to CFPA’s in that it will provide refrigerator cases, new signage, printed marketing materials and façade improvements, but CHE’s partnership with two produce distributors is unique.

CHE identified two stores—one in west Louisville, one in east downtown Louisville—as sites for this pilot project. The YMCA’s Activate America program donated $20,000 that will be used to pay for refrigerator cases, new signage and façade improvements. CHE worked around budget limitations by soliciting community groups and businesses for in-kind support. An architect is redesigning the layout of the stores to channel foot traffic toward produce. The graphic design for marketing materials will be donated, and chefs and nutrition educators will work with CHE to do social marketing and nutrition education in the schools and nearby neighborhoods. An MBA student surveyed residents in the two neighborhoods about their grocery budgets and what they would like to see stocked in the stores. Students in the Master’s Program in Public Health at the University of Louisville will evaluate the project’s results.

Most importantly, the owners of two produce distributors, Creation Garden and Paul’s Fruit Market, have taken a personal interest in the project. They have offered to donate new shelving for products, help rearrange the store, provide technical assistance on all aspects of selling produce and even donate the first three to four weeks of produce inventory. The two pilot stores are not required to purchase from either of the two distributors. In fact, the two distributors might even broker some sort of purchasing arrangement between the store owners and another distributor.24

**WIC intervention program**

In 2005, the New York Division of Nutrition created the Vegetable and Fruit Demonstration Project,
which was basically a test run of the upcoming addition of F&V to the WIC rules in New York. Following trainings for store owners, the state gave eligible WIC participants three $5 vouchers that had to be used between January and June 2006 on fresh, frozen or canned fruits and vegetables (excluding white potatoes).

The results were very positive. More than 80 percent of the vouchers were redeemed and the majority of the F&V purchased with the WIC vouchers were fresh—83 percent and 78 percent respectively. Nearly all (97 percent) of the participants said that they would buy more fruits and vegetables if they were available under the WIC package. These percentages are exciting indicators of the potential that this program has for increasing the intake of fresh F&V in Minnesota.

The feedback from store owners was also very positive. Almost 90 percent of the store owners said that accepting the checks was “easy” and wanted to see the program continue. Interestingly, 91 percent of the store owners reported that they had enough F&V to meet demand, suggesting that they were either already carrying F&V or were able to successfully add it to their offerings. Participants agreed—99 percent were either “always” or “sometimes” able to find most of the F&V that they wanted.25

III. Lessons learned

Certain elements of corner store initiatives appeared repeatedly during the initial scan of the projects. The following is a summary of what corner store initiatives need to be successful.

1) Research and data

It is important to gauge the availability of healthy and unhealthy foods at the project’s inception to support effective project design and accurate evaluation. A number of quantitative tools are available, such as the Mari Gallagher Group’s “Food Balance Ratio.”26

Ideally, data on eating behaviors and grocery spending in food deserts would be collected, but few projects have the resources to do so. However, these data are instrumental in measuring F&V intake pre- and post-intervention. They can also measure the amount of money residents of food deserts are spending on groceries outside of their neighborhoods. This indicates potential demand and can help store owners understand the untapped potential of neighborhood demand.

2) Pricing and affordability

According to leading obesity researchers at the University of Minnesota, making the price of healthy food more attractive relative to other options has the potential to be an effective incentive for healthy eating. For example, a study found that reducing the price of low-fat snacks by 10, 25 and 50 percent increased purchases by 9, 39 and 93 percent respectively.27 Other studies have found that “pricing effects were observed despite minimal advertising or promotion and were equally effective in adolescent and adult populations.”28

3) Product procurement and distribution

Produce sourcing has been a major challenge for many corner store initiatives across the country. The dispersed geography and small order sizes of corner stores are significant barriers. Distributors typically set a minimum purchase requirement to ensure that the delivery is profitable, and small stores often don’t have enough volume to meet these minimums. Also, standard “pack sizes” (e.g., 25-pound boxes of tomatoes) may greatly exceed a store’s ability to sell product, resulting in poor quality for customers and high levels of waste and lost profitability for the retailer. As a result, stores
may buy their produce at Cub or Costco. This increases the final price paid by the consumer, since the consumer is essentially paying retail mark-ups twice. Corner store strategy design needs to reflect a solid understanding of the corner store’s business model and the economics that influence their financial viability. Possible solutions to the problem of small orders could include forming a cooperative buying group or “slipstreaming” (adding a small order onto a larger one, such as a grocery store’s order).

4) Technical assistance for product handling and merchandising

It is essential that store owners develop sufficient knowledge of produce handling, merchandising, marketing and pricing. Handling, storing and displaying produce might seem as simple as putting out some bananas and onions, but it is actually quite a science. Different vegetables have to be stored at different temperatures, certain fruits can be piled up for a display but others might bruise; every kind of F&V has a unique shelf life. Training and proper equipment are key to maintaining food quality and visual appeal. Good merchandising and marketing require extra effort and money—two things most store owners do not have in excess. Training and financial assistance in these arenas can make a big difference.

5) Internal and external store improvements

Some store owners may need assistance to make external and internal improvements such as obtaining proper refrigeration equipment or reorganizing inventory to boost sales and improve community-store relations. Improvements to the store façade, lighting and layout can help showcase the healthy produce and improve the overall feel of the store. Strategies like moving the F&V to well-lit, attractive areas or to the front of the store can be effective. Even the most beautiful apples won’t sell quickly if they are tucked away on the bottom shelf.

Other corner store initiatives have experimented with other improvements, such as inviting neighborhood kids to paint a mural on the façade, power-washing the sidewalks and cleaning up litter, replacing bars on the windows with Plexiglas and installing more appealing lighting. Some initiatives have encouraged store owners to replace tobacco ads with banners featuring the new, healthier offerings, although such advertising is a significant source of revenue for many stores. In conjunction with social marketing, these changes can be very effective.

6) Social marketing and community engagement

Community engagement is key for supporting positive store-community relations and increasing the purchase and consumption of healthier foods. As noted above, there are many vehicles for supporting this kind of engagement. A first step could be surveying the community to assess what they would like to buy and what they would be willing to pay for it. This collects useful information and is a good way to generate some “buzz” in the community about the new offerings. Kicking off the new produce offerings with an open house or celebration can build on that buzz. Hosting cooking demonstrations, passing out free F&V samples and providing recipes can also help generate demand for produce, as well as improve nutrition knowledge in the community. Flyering homes with coupons, announcements and promotions can increase the foot traffic flowing into the store as well. Social marketing is very time-intensive, so some initiatives have had success partnering with schools, churches, community groups and Extension to plan these activities. One innovative project in Philadelphia partnered with schools to “adopt” a nearby corner store.

7) Location matters

As with real estate, some aspects of a successful corner store initiative depend on location, location, location! For a corner store to get the high foot traffic and sales that it needs to maintain a quality produce section, it helps to be located in an area with high population density and on a transit line.
A store is also more likely to sell a higher volume of produce if it is the only source of groceries in an area. For example, a corner store two blocks from a Cub or Rainbow may have a hard time competing with a grocery store’s produce selection. This might prove to be a challenge for certain WIC-certified corner stores that are close to large, mainstream grocery stores since they will need to carry produce to stay certified.

**8) Public policy**

There are several good examples of supportive policy change strategies, including increasing the F&V purchasing power of those who live in food deserts and supporting corner store improvement projects in food deserts. The new WIC package is an excellent example of the former category. A good example from the latter category comes from the Connecticut legislature. A bill was introduced in 2007 that would allow municipalities to abate personal property tax on up to 100 percent of a store’s equipment used to store and display healthy foods. Unfortunately, the bill had to be withdrawn, but there are plans to resubmit it. The Healthy Food Purchase Pilot Program in California is a good example of a policy that works on both categories. Public policy has the potential to make significant changes in food deserts, so more research is needed in this area.

**9) Crafting viable business models**

Finally, it is imperative the corner store projects be rooted in a solid understanding of the economics that drive corner store businesses. Product mix, paid advertising (e.g., promotions by tobacco companies), product turnover rates, profit margins and other dynamics greatly influence the profitability of these businesses. We need to understand what motivates and inhibits them, and give due consideration to the risk they perceive with new undertakings like the introduction of fresh produce. There is a risk that some stores will drop their WIC certification because of the new fresh F&V requirement. As a result, we need to help store owners succeed in meeting that requirement and making fresh F&V an integral, profitable part of their business. As produce prices will not be capped like other items in the WIC package, it will also be critical to identify strategies that provide produce at prices that are profitable to the retailer but still affordable to community residents.

For more information about IATP’s Local Foods program’s work on healthy corner stores, visit www.iatp.org/localfoods.

**Notes**


7 Erin White, MN Department of Health, interview by Dayna Burtness, Vendor Contract Manager, WIC Program (October 2008).

8 Erin White, MN Department of Health, interview by Dayna Burtness, Vendor Contract Manager, WIC Program (October 2008).


11 Erin White, MN Department of Health, interview by Dayna Burtness, Vendor Contract Manager, WIC Program (October 2008).


24 Josh Jennings, interview by Dayna Burtness, Project Coordinator, Center for Healthy Equity (November 21, 2008).


26 “The Food Balance Score is the distance from each block center to the closest mainstream food venue divided by the distance to the closest fringe food venue,” Mari Gallagher Research and Consulting Group, 2008.


29 Erin White, MN Department of Health, interview by Dayna Burtness, Vendor Contract Manager, WIC Program (October 2008).
