



The Good Food Access Program

A Report to the Minnesota Legislature



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January 15, 2018

Table of Contents

Introduction.....	3
Background.....	3
Program Activities Completed	4
Equipment and Physical Improvement Grants	5
Next Steps.....	6
Appendix 1 – Summaries of Funded Applicants	7
Appendix 2 – Equipment and Physical Improvement Grants by County.....	9

Pursuant to Minn. Stat. § 3.197, the cost of preparing this report was approximately \$500.

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Introduction

This report is submitted pursuant to 2016 Minnesota Statutes: M.S. 17.1017, subd. 9.

Legislative report. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the good food access program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall include, but not be limited to, a summary of the following metrics:

- (1) the number and types of projects financed;
- (2) the amount of dollars leveraged or matched per project;
- (3) the geographic distribution of financed projects;
- (4) the number and types of technical assistance recipients;
- (5) any market or commodity expansion associated with increased access;
- (6) the demographics of the areas served;
- (7) the costs of the program;
- (8) the number of SNAP and WIC dollars spent;
- (9) any increase in retail square footage;
- (10) the number of loans or grants to minority-owned or female-owned businesses; and
- (11) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

The first report was submitted to the legislature in January 2017 and focused on the initial work of the Good Food Access Program Advisory Committee. This report will focus on the work occurring in Fiscal Year 2017.

Background

The Good Food Access Program (GFAP) was established at the Minnesota Department of Agriculture (MDA) through legislation passed by the 2016 Legislature. Relevant statutory language is contained in 2016 Minnesota Statutes **M.S. 17.1017** (establishment of the program) and **M.S. 17.1018** (creation of the Good Food Access Program Advisory Committee).

The purpose of the GFAP is to increase the availability of and access to affordable, nutritious, and culturally appropriate food for underserved communities in low-income and moderate-income areas. To accomplish this goal, the GFAP will provide financial support and technical assistance to open, renovate or expand the operations of grocery stores and small food

retailers, and expand access to credit and reduce barriers to investment in underserved communities in low- and moderate-income areas.

This legislation also created the Good Food Access Account in the agricultural fund. The account consists of money appropriated by the legislature as well as funds donated, allotted or transferred to the account from public or private entities. The legislation encourages the MDA to leverage other forms of public and private financing or financial assistance for the projects.

Good Food Access Account funds may be used for loans, grants, technical assistance, and other types of financial assistance. The MDA may contract with one or more qualified economic or community development financial institutions to manage the financing component of the program and with one or more qualified organizations or public agencies with financial or other program-related expertise to manage the provision of technical assistance to project grantees.

In Fiscal Year (FY) 2017, GFAP received a one-time appropriation of \$250,000 to the Good Food Access Account. To date, \$150,000 of these funds have been used for grantmaking, and in FY 2017, \$8,849 was used for administrative expenses.

For FYs 2018 and 2019, the appropriation for the Agricultural Growth, Research, and Innovation Program (AGRI) included language that allows for up to \$250,000 per year to be allocated for the GFAP at the discretion of the commissioner. The MDA anticipates using the maximum amounts possible each year to support the program.

Program Activities Completed

March 1, 2017: GFAP Equipment and Physical Improvement Grant Request for Proposals (RFP) opened. The RFP was published in Spanish and English. To the best of our knowledge, this is the first RFP that the State of Minnesota has published in multiple languages.

April 19, 2017: GFAP Equipment and Physical Improvement Grant RFP closed; a total of 60 proposals were received and 57 met the eligibility criteria.

May 9, 2017: Third meeting of the GFAP Advisory Committee

August 21, 2017: Fourth meeting of GFAP Advisory Committee

August 25, 2017: A list of the eight projects funded under the GFAP Equipment and Physical Improvement RFP was made publically available, after all grant contracts were signed. See Appendix 1 for detailed descriptions of each project.

Equipment and Physical Improvement Grants

In March 2017, the MDA issued an RFP for up to \$150,000 to help assist grocery stores and small food retailers to apply for funds to purchase equipment and make physical improvements. Applicants could request a minimum of \$2,500 and a maximum of \$50,000. In consultation with the GFAP Advisory Committee, the RFP was available and publicized in both English and Spanish. Projects were expected to increase access to affordable, nutritious and culturally appropriate foods, and applicants needed to be located in a food desert (as defined by the USDA Economic Research Service), or be located in a low- or moderate-income area and serve a population with limited food access (such as the elderly or disabled). The evaluation criteria focused on long-term project sustainability, community engagement, and community economic and health impacts.

In response to the RFP, the MDA received 60 applications, of which 57 met the statutory eligibility requirements. Eligible applicants requested a total of \$1,418,646.

Grants were awarded competitively and applications were ranked by a panel of MDA and external reviewers. A total of \$150,000 was awarded for eight projects. Award amounts ranged from \$3,716 to \$39,000, with an average award amount of \$18,750. Private investment of \$166,316 resulted in a 1.1 to 1 return on the state's investment.

GFAP Equipment and Physical Improvement Awards

Grantee	Location	Award Amount	Total Project Costs
Collier's Supermarket Inc.	Saint James	\$7,688.89	\$16,262.60
Lake Benton Grocery	Lake Benton	\$19,746.11	\$38,150.00
McKinley Community	Minneapolis	\$5,360.00	\$5,560.00
Mini Market Lupita	Worthington	\$38,381.00	\$60,166.92
Minnesota Halal Meat & Grocery Co.	Waite Park	\$15,308.00	\$15,308.72
Our Community Food Projects	Stillwater	\$3,716.00	\$5,716.00
Pierz Foods	Pierz	\$20,000.00	\$40,893.00
White Earth Nation	White Earth	\$39,800.00	\$134,258.96
		\$150,000.00	\$316,316.20

Funded projects focused on upgrading and expanding existing infrastructure rather than building new retail locations (likely due in part to the limited funding available). For example, Collier's Supermarket in Saint James doubled their produce case shelving from 44 feet of shelving to 88 feet. In Worthington, Mini Market Lupita anticipates increasing their freezer space by 300 percent and cooler space by 200 percent. Further analysis of increased retail space will be done after projects are completed.

Retailers receiving funds under this grant are required to participate in the Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps) and apply to accept

benefits from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). A total of 11 retailers benefited from GFAP grants (one grantee helped fund equipment at three additional sub recipient stores). Of those, nine retailers were SNAP authorized during FY17 and had a total of \$627,021 in SNAP redemptions during this time. The two remaining retailers were either not in business or participated in SNAP via an authorized farmers market. Six retailers participated in WIC in FY17 and had a total of \$397,319.50 in WIC sales. The other five stores either did not participate in WIC during FY17 or are not eligible to participate in the program.

Recipients of GFAP grants represent multiple business and ownership models. Of the grantees, five are for-profit businesses, two are non-profit organizations, and one is a tribal government. Two of the five for-profit businesses are minority owned (Mini Market Lupita, Minnesota Halal Meat & Grocery), and three of the five are owned/co-owned by women. The non-profit organizations receiving grants are operated primarily by women.

Projects serve a variety of diverse communities across the state. Of the eight funded proposals, four are serving urban areas (including the Twin Cities and St. Cloud) and four are serving primarily rural communities. One-half are located in food deserts, and one-half serve other low- or moderate-income areas. Based on self-reported assessments of the racial/ethnic communities served, two projects served Native American communities, two Southeast Asian, three Hispanic/Latino, two Somali, and two African American.

Descriptions of funded projects and a map of their locations can be found in Appendices 1 and 2, respectively.

Next Steps

After considering input from the GFAP Advisory Committee, we anticipate releasing two RFPs in FY 2018. The first RFP, expected to be released in mid-January, targets organizations providing needs-based technical assistance to grocers and small food retailers. We expect to award up to \$135,000 through this RFP. The second RFP will be another equipment and physical improvement grant for grocers and small food retailers. We expect to award up to an additional \$135,000 in this round of funding. These amounts include funds remaining from the initial appropriation in the Good Food Access Account for FY17 and the AGRI funds appropriated for FY18.

Appendix 1

Summaries of Funded Applicants

Mini Market Lupita

Mini Market Lupita is a female owned/operated full-service grocery store located in Worthington, MN. Mini Market Lupita focuses on providing culturally appropriate foods specifically for the local Hispanic/Latino, Southeast Asian, and Somali populations. Mini Market Lupita will add refrigeration and freezer space. Mini Market Lupita will be working with Nobles County Community Services to participate in the Corner Store Grocery Project. This project will focus on highlighting nutritious foods offered in grocery stores and providing education to employees and consumers about the benefits of nutritious foods.

Collier's Supermarket

Collier's Supermarket is a family-owned full-service grocery store located in Saint James, MN. Collier's Supermarket will retrofit a produce case in order to offer more culturally specific products such as fruits and vegetables.

Pierz Foods

Pierz Foods is a husband and wife run full-service grocery store located in Pierz, MN. Pierz Foods offers a grocery delivery service to local seniors and community members who are unable to visit their store. Pierz Foods will purchase coolers and shelves in hopes of increasing store capacity, with a focus on Minnesota grown products.

Our Community Food Projects

Our Community Food Projects is a local non-profit based in Stillwater, MN. Our Community Food Projects has been developing a community operated market stand for the community of Landfall, MN – a suburb of Saint Paul. They will build a refrigerated trailer to easily transport produce from the Cimarron Farm and Gardens.

White Earth Nation

White Earth Nation is a Native American tribal community located in White Earth, MN. White Earth Nation will purchase a refrigeration truck to be used for the White Earth Mobile Market. In addition, they will purchase two vegetable display coolers for two separate convenience stores (Richwood Store in Richwood, MN and Chief Corner Store in Ponsford, MN) and two refrigerators for Manna Food Co-op in Detroit Lakes, MN.

Minnesota Halal Meat & Grocery

Minnesota Halal Meat & Grocery is an ethnic food/grocery store located in Saint Cloud, MN. Minnesota Halal Meat & Grocery plans to install a dairy cooler, walk-in freezer, a produce display, and additional shelving. The goal of this project is to provide more healthy and culturally appropriate foods to the Saint Cloud community and specifically the local Somali population.

McKinley Community

McKinley Community is an urban farm that runs a community supported agriculture (CSA) operation, vends at a farmers' market, and anticipates opening a retail location in Minneapolis, MN. McKinley Community leases four vacant lots in the McKinley neighborhood of Minneapolis to grow their produce. McKinley Community plans to purchase and install new refrigeration equipment, cooler display shelving, and outdoor signage for promotion.

Lake Benton Grocery

Lake Benton Grocery is a full-service grocery store run by a husband and wife team located in Lake Benton, MN. Lake Benton Grocery will replace their current freezer with a more energy efficient model. The current freezer was installed in 1972 and has become a source of frustration for the store. The new freezer will allow for Lake Benton Grocery to reduce their energy costs and decrease freezer breakdown and potential product loss.

Appendix 2

Equipment and Physical Improvement Grants by County

