MARKET-BASED MODELS FOR INCREASING ACCESS TO HEALTHY FOOD
DEFINING WHAT WORKS

November 29, 2012
Presentation Outline

- Technical Orientation

**Welcome**

*Jeff Farbman*

*Wallace Center at Winrock International*

- In-Depth Example: Expanding Rural Food Access Through Market Based Strategies
- Market Based Food Access – Lessons Learned
- Questions and Answers
- Upcoming Opportunities, etc.
WALLACE CENTER at WINROCK INTERNATIONAL

• Market based solutions to a 21st Century food system
• Work with multiple sectors – business, philanthropy, government
• Healthy, Green, Affordable, Fair Food
• Scaling up Good Food
NATIONAL GOOD FOOD NETWORK: VISION
Supply Meets Demand

• There is abundant good food (healthy, green, fair and affordable) to meet demands at the regional level.

Information Hub

• The National Good Food Network (NGFN) is the go to place for regional food systems stories, methods and outcomes.

Policy Change

• Policy makers are informed by the results and outcomes of the NGFN and have enacted laws or regulation which further the Network goals.
Presentation Outline

• Technical Orientation
• Welcome

• In-Depth Example: Expanding Rural Food Access Through Market Based Strategies

Karl Sutton
Mission Mountain Food Enterprise and Cooperative Development Center, a division of Lake County Community Development Corporation

• Market Based Food Access – Lessons Learned
• Questions and Answers
• Upcoming Opportunities, etc.
Expanding Rural Food Access Through Market Based Strategies

Lake County Community Development Corporation’s Mission:

*Enhance the quality of life and economic well-being of all residents of Lake County and the Flathead Indian Reservation.*

-Adopted May 28, 1998 by the Board of Directors

3 Business Centers:

- Business Development Center
- Community Services Center
- Mission Mountain Food Enterprise and Cooperative Development Center
Expanding Rural Food Access Through Market Based Strategies

Mission Mountain Food Enterprise and Cooperative Development Center

Program Areas

• Food and Agriculture Value Added Business Development
• Cooperative Business Development
• Farm to Institution Enterprise Development
Expanding Rural Food Access Through Market Based Strategies

MMFEC’s Brief Historical Context

• 1999 – Established Cooperative Business Development Center
• 2000 – 1st phase of processing facility completed
• 2003 – Established Western Montana Growers Cooperative
• 2005 – 1 of 10 Federally Funded food and ag innovation centers
• 2009 – Designated MDOA Food and Agriculture Center
Expanding Rural Food Access Through Market Based Strategies

Map: digital-topo-maps.com

Location: Lake County & Flathead Indian Reservation
Home of the Confederated Salish, Kootenai and Pend d’Oreilles Tribes

Ronan, MT
Area Population: 278,379
Area: 14,344 sq. miles
Expanding Rural Food Access Through Market Based Strategies

MMFEC’s Farm to Institution Program strives to:

• Improve efficiencies across the value chain through values based relationships

• Increase the availability of Montana food

• Implement innovative marketing strategies
Expanding Rural Food Access Through Market Based Strategies

Improving Supply Chain Efficiencies by Leveraging Business Resources

**MMFEC**
- Skilled Processors
- Inspected food processing & storage infrastructure
- Food safety expertise

**Western MT Growers Coop**
- Skilled Producers
- Distribution and marketing infrastructure
- Market expertise
Expanding Rural Food Access Through Market Based Strategies

Early Development (2010 – 2011)
Season Extended Products (e.g. frozen cherries, apples, butternut squash, pumpkin)

**MMFEC’s Role**
- Ownership of the inventory
- Identifying potential products to develop
- Coordinating producers
- Buying direct from producers
- Marketing products
- Coordinating distribution
- Developing processing efficiencies

**WMGC’s Role**
- Buying and reselling products from MMFEC

Resulted in:
- Higher per unit prices
- Marginal distribution
- Cash flow issues
  - Uneven distribution of risk
  - Limited growth
Expanding Rural Food Access Through Market Based Strategies

Testing New Roles (2011)

Fresh Fruit and Vegetables Snack Program

**MMFEC’s Role**

- Aggregating school purchasing
- Coordinating processor
- Instigating conversations btw. schools and WMGC
- Identifying potential products
- Developing processing efficiencies

**WMGC’s Role**

- Ownership of products
- Coordinating producers
- Distributing raw and finished products
- Single source billing

Resulted in:

<table>
<thead>
<tr>
<th>Lower per unit prices</th>
<th>Effective distribution</th>
<th>Less Cash Flow Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>More evenly distributed risk</td>
<td></td>
<td>Growth potential</td>
</tr>
</tbody>
</table>
Expanding Rural Food Access Through Market Based Strategies

Synergizing (2012)

**Fresh Fruit and Vegetables & Season Extended Products**

**MMFEC’s Role**
- Aggregating school purchasing
- Coordinating processor
- Instigating conversations btw. schools and WMGC
- Identifying potential products
- Developing processing efficiencies

**WMGC’s Role**
- Ownership of products
- Coordinating producers
- Distributing raw and finished products
- Single source billing

Resulted in:

<table>
<thead>
<tr>
<th>M.O.U defining formal relationship</th>
<th>Shared risk</th>
<th>Less Cash Flow Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branding opportunities for WMGC</td>
<td></td>
<td>Growth potential</td>
</tr>
</tbody>
</table>
Expanding Rural Food Access Through Market Based Strategies

2011

<table>
<thead>
<tr>
<th>Fresh Fruit and Vegetable Snack</th>
<th>Seasoned Extended Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,000 + lbs processed</td>
<td>19,500 lbs processed</td>
</tr>
<tr>
<td>4 school districts</td>
<td></td>
</tr>
<tr>
<td>Approximately 21,560 snacks</td>
<td></td>
</tr>
</tbody>
</table>

2012

<table>
<thead>
<tr>
<th>Fresh Fruit and Vegetable Snack</th>
<th>Seasoned Extended Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000 + lbs processed to date</td>
<td>18,100 lbs processed to date</td>
</tr>
<tr>
<td>4 school districts</td>
<td></td>
</tr>
<tr>
<td>Approximately 23,900 snacks</td>
<td></td>
</tr>
</tbody>
</table>
Expanding Rural Food Access Through Market Based Strategies

In School Promotion

**Cherries**
- Cherries have antioxidants which make them red. Antioxidants are healthy for you and make your immune system strong.
- There are 2 types of cherries: sweet and sour.
- Cherries are grown in Montana along the shores of Flathead Lake.

**Lentil Patty**
- Lentils are legumes.
- Legumes are seeds that grow within pods.
- Montana is the largest producer of lentils in the U.S.
- The lentil patty can be served just like a burger and can also be crumbled into chili tacos, burritos, on top of a baked potato and more!
Expanding Rural Food Access Through Market Based Strategies

Funding Strategies

1. Processing infrastructure revenue covers costs for processing staff and facility operations.

2. Grants cover technical assistance and project development support.

Current Grant Funding:

- Montana Department of Agriculture Food and Ag Development Center
- USDA Rural Cooperative Development Program
- USDA Specialty Crop Block Grant
- USDA Farm to School Program
- USDA Federal-State Marketing Improvement Program
- Anonymous Foundation
Expanding Rural Food Access Through Market Based Strategies

Farm to Institution Next Steps

• Finalize costing tool developed by Montana Manufacturing Extension
• Formalize school cooperative purchasing agreements
• Deliver Good Agricultural Practices / Wholesale Success Training
• Assist WMGC with expanding multi-farm CSA in Lake County
• Launch Lentil Patty
Mission Mountain Food Enterprise and Cooperative Development Center

A division of Lake County Community Development Corporation

Karl Sutton, Program Manager
ksutton@mmfec.org
www.mmfec.org
406-676-5901
Presentation Outline

- Welcome
- In-Depth Example: Expanding Rural Food Access Through Market Based Strategies

**Market Based Food Access: Lessons Learned**

**John Fisk**

**Michelle Frain Muldoon**

**Ashley Taylor**

*Wallace Center at Winrock International*

- Questions and Answers
- Upcoming Opportunities, etc.
DEFINING WHAT WORKS:
MARKET-BASED MODELS TO INCREASE HEALTHY FOOD ACCESS

Presented by Wallace Center Staff:

John Fisk, PhD, Director
Michelle Frain Muldoon, Program Officer
Ashley Taylor, Program Associate

November 29, 2012

“increasing the access of underserved communities to healthy, affordable, local foods”
1. Introduce Wallace Center’s market-based, consumer-centered approach to healthy food access.
2. Share the scope of Wallace Center’s research on food access models, and the barriers/constraints they address.
3. Reveal and discuss essential themes and key takeaways that cut across models.
4. Present examples of innovative and effective strategies and integrated models.
5. Inspire a dialogue through Q & A and discussion that will continue to evolve after the webinar.
What’s the Problem?

• By 2018, it is estimated that obesity will cost Americans roughly 334 billion dollars in medical expenses and 43 percent of Americans will be obese
• The percentage of overweight children in the U.S. is growing at an alarming rate, with 1 out of 3 kids now considered overweight or obese
• Approximately 1 in 17 (or 16 million) people in the U.S. have diabetes
• More Americans eating unhealthy cheap and convenient food
• The problem is especially acute in underserved communities and among vulnerable populations, including minorities, children, seniors, and veterans.
In 2011, 50.12 million individuals were food insecure, with 14.9 percent of households food insecure. Unfortunately, some communities are more affected than others, such as rural, Black, and Hispanic households.

The 2008 Age Adjusted Death Rate from Diabetes is 40.5 per 100,000 persons for Blacks, more than double the rate for Whites (19.9). The rate is almost 75% higher for American Indians /Native American’s (34.5), and almost 50% higher for Hispanic /Latinos (27.7), than for Whites (19.9).
HOW DID THIS HAPPEN?

THE FOOD SUPPLY CHAIN

1. Crop
2. Harvest
3. Transportation
4. Processing
5. Packaging
6. Distribution
7. Transportation
8. Retail
9. Consumption
10. Transportation
11. Disposal
12. Recycling
13. Landfill
IT’S A FOOD ‘SYSTEM’

Source: Nourish Food System Map: What’s Your Relationship to Food?, WorldLink, 2012 (www.nourishlife.org)
A MARKET BASED APPROACH TO FOOD ACCESS

• Needs based - demand driven; consumer comes first
• Focus on non-conventional social food enterprises that are bringing business and products to scale; balance social and enterprise for long term impact
• Models tailored to location; rural, urban, and urban-rural linkages all important
• Builds on existing assets, meet people where they are
• Emphasis on underserved, limited-resource communities and consumers
• Solutions that engage/benefit both underserved and fully served communities
• Local/regional food
Map of HUFED Partners
HYPOTHESIS

• Look beyond the physical component of “access” and devise solution that incorporate social and cultural factors

• Maximizing the role of market based consumer driven approaches is essential to lasting change in healthy food consumption.

• A market based consumer driven approach to food access better engages consumers and can offer financial gain and more opportunities for jobs to those along the entire food supply chain.

• Alternative and more community based retail and food purchasing enterprises are a necessary part of the solution. Increasing conventional retail store presence is good, but not enough.
Presentation Outline

- Welcome
- In-Depth Example: Expanding Rural Food Access Through Market Based Strategies
- Market Based Food Access: Lessons Learned
  - John Fisk
  - Michelle Frain Muldoon
  - Ashley Taylor
    - Wallace Center at Winrock International
- Questions and Answers
- Upcoming Opportunities, etc.
TOP 5 BARRIERS TO FOOD ACCESS

1. Cost/Profitability, Price/Affordability
2. Infrastructure (physical and logistical)
3. Community engagement/buy-in
4. Consumer Buy-In/Relevance
5. Market Readiness and Access to TA

TA= Technical Assistance, Training, Capacity Building etc.
**TOP 10 TAKEAWAYS**

1. No one-size-fits-all model.
2. More than just physical ‘access’
3. Assets-Based Approach
4. Know where you are in the business life cycle
5. An innovative model is an integrated model
6. Do the research
7. Consumers come first
8. It’s more than fruits and vegetables
9. Marketing is more than just ‘sales’
10. Understanding poverty and equity
#1: It’s Not One-Size-Fits-All

- There are macro level generalities; micro level nuances, distinctions
- Rural and urban food access issues different
- Business and community life cycle
- Business model: profit, nonprofit, subsidies?
- Multiple markets, multiple consumer types
- Climate zone, geography
# Market Based Food Enterprises: Some Examples

<table>
<thead>
<tr>
<th>Enterprise Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Hubs</td>
<td>Aggregation and distribution; small farmer access to larger markets</td>
</tr>
<tr>
<td>Farm to School</td>
<td>Subsidized institutional market</td>
</tr>
<tr>
<td>Farm to Institutions</td>
<td>Unsubsidized food service market</td>
</tr>
<tr>
<td>Mobile Markets</td>
<td>From back of truck w/mobile tent, to walk-through converted bus or truck</td>
</tr>
<tr>
<td>Regional Retail Stores and Corner Stores</td>
<td>Regional sourcing, retail incentives (HFFI), cooperative purchasing, convenience</td>
</tr>
<tr>
<td>Healthy Street Carts</td>
<td>Convenience, Appeal, Flavor</td>
</tr>
<tr>
<td>Subscription Programs</td>
<td>Aggregated but direct to consumer</td>
</tr>
</tbody>
</table>
#2: Food Access is About More Than Just ‘Access’

- Price
- Convenience
- Selection
- Culture
- Traditions & Habits
- Values & Attitudes
- Competing needs
- Most are variable and fluctuating
Many Determinants, Sectors Contribute to Health / Healthy Eating

Figure 1.1 A Model of the Determinants of Health

Figure shows one influential model of the determinants of health that illustrates how various health-influencing factors are embedded within broader aspects of society.

Community-based and systems-oriented approaches are better poised to address the complex factors surrounding food access.

- Community leaders, champions
- Community trust
- Participatory community planning
- Partner with non-traditional agriculture partners
- Competition as a positive
- There are many determinants of health outcomes.
- Existing infrastructure
COMMMUNITY ASSETS: KNOWLEDGE, HISTORY, PEOPLE

- Meeting community leaders, bridge builders, and champions
- Learning community traditions and culture
- Gaining community trust
- Potential community partners
- Leveraging knowledge, resources, energy, and shared visions
COMMUNITY ASSETS: INFRASTRUCTURE

Shared Community Kitchens

Lease farm land and equipment

Food Banks – Cold Storage
COMMUNITY ASSETS DUAL PURPOSING EXAMPLES

Pop up Restaurants and City Bus Mobile Market
COMMUNITY ASSETS: MARKET PLACES

Serve an untapped market place

- Churches
- Metro stops
- Retirement homes
- Barbershops
- Parking lots of grocery stores
- After school programs
- Near playgrounds
#4: **Know Where You Are In the Business and Community Development Life Cycles**

- Know where you are starting from
- Know your goals and timeline
- Consider balance between social and enterprise
- Identify gaps and needs
- Immediate, short term, mid-term, and long term impacts
WALLACE CENTER’S LIFE CYCLE APPROACH TO DEVELOPMENT AND TA

**ORGANIZE**
- Outreach
- Networking
- Research, etc.

**FORMALIZE**
- Enterprise Development
- Business Plan, etc.

**SCALE UP**
- Network development
- Market research
- Systems and processes, etc.

Small number of mostly direct beneficiaries

Large number of direct / indirect beneficiaries

Outreach - Networking - Research, etc.
CENTRO DEL OBRERO FRONTERIZO, EL PASO, TX:
WALLACE CENTER APPROACH APPLIED TO HUFED GRANTEE

ORGANIZE
- Displaced factory workers
- Legal community-based organization
- Target low-income Hispanic families
- Restore dignity, linking to jobs

TA

FORMALIZE
- Social, health outreach services (e.g. childcare center)
- Revitalize former Garment District (plan, acquire, renovate)
- Convert to market & cultural center
- Sell traditional foods and artisanal products

SCALE UP
- Acquire commercial kitchen, cold storage
- Separate business units
- Expand Network
  - Local farm cooperatives
  - Disadvantaged farmworkers
  - Create new jobs
  - Bilingual marketing
  - Diversify revenue streams

Large number of direct and indirect beneficiaries

Small number of mostly direct beneficiaries

TA

TA

TA
#5: **AN INNOVATIVE MODEL IS AN INTEGRATED MODEL**

- Multiple market and consumer segments
- Business strategy should correspond to above
- Integrated, holistic, systems approach
- Integrated supply chain and marketing
- Goal: Increasing returns, minimizing costs, growing high value customers
- No company can be all things to all people.
Values-Based Food supply Chains, or food value chains, are strategic alliances between midsize farms/ranchers and other supply chain partners that deal in significant volumes of high-quality, differentiated food products and distribute rewards equitably across the chain.

Don’t fly blind
Pre-empt problems
Don’t assume
Listen, truly listen

Questions to ask:
• How do your consumers live and what constraints do they live with
• How do your consumers shop, what do they cook, and how much money do they spend on food
• Who in the household buys or cooks the food
**Market and Consumer Research Examples**

- **Economic data (macro):** USDA ERS, Commerce Department’s Small Business Administration, local chamber of commerce
- **Feasibility Studies (macro/micro):** HUFED grantees
- **Mapping tools (macro):** PolicyMap, Market Maker, USDA’s Food Compass and others
- **Consumer data (micro):** “talking circles,” surveys, secondary and primary research
- **Market data (macro/micro):**
  - Stay abreast to market trends and market research
  - Think like the food industry (let’s use marketing for positive)
  - Who is competing for your customer’s dollar?
Example: Research Focus Group Questions

What foods do you and your family typically eat for breakfast?
What foods do you and your family typically eat for lunch?
Do you typically eat a midafternoon or midday snack? If so, what are some typical foods that you and your family members would eat for snacks?
What foods do you and your family typically eat for dinner?
Do you typically eat after dinner? If so, what foods do you typically eat at night?
Do you and your family eat sweets regularly? (sweets such as cakes, pies, cookies, pastries, brownies, ice cream, candy). If so, how many times per week?
Do you have a feast day or a specific day where your friends or family get together over a large meal? If so, what do you eat at that meal?
Do you ever prepare dishes that can be served for more than 1 meal? If so, what is a typical dish that you would serve over several days?
What types of meat do you usually purchase?
What types of drinks do you and your family use on a regular basis? How often do you use juice, Kool-Aid, Hi-C, lemonade, iced tea, water, milk, or soda?
How often does your family eat fruit? Would you and your family use fruit more?
How often does your family eat vegetables or salad? Would you and your family use vegetables more?
Are there any specific foods that you avoid preparing and serving because you or your family members do not like them? If so, what are these foods?
Is there any type of food that you and your family members eat regularly?

Barriers to Purchasing Foods for a High-Quality, Healthy Diet in a Low-Income African American Community.
Fulp, Rachael; McManus, Katherine; RD, MS; Johnson, Paula; MD, MPH

DOI: 10.1097/FCH.0b013e3181ab3b1d

Table 2. Sample focus group questions--General eating patterns
SURVEYS AND GIS MODELING

Example: Detroit Black Community Food Security Network’s Food Cooperative Feasibility Study

- Optimizing location of food Coop
“No company can succeed without customers. If you don't have customers, you don't have a business. You have a hobby.”

From Managing Customer Relationships, Second Edition

- Understand your consumer segments
- Tailor your approach, product, and services to the consumer
- Get consumer buy-in
Know Your Consumer Segments

Consumer Markets:
• Geographic
• Demographic
• Behavioral
• Values-based
• Occasional

Vulnerable Consumer Segments
• Children
• Seniors
• Veterans
• High poverty, poor education

Opportunities for:
• Product differentiation
• Price differentiation
• Tailored marketing
• Loyalty marketing
• Brand management
• Finding un-tapped market segments
• Reaching high poverty consumers
Serve an Untapped Market Segment

Untapped market segments are opportunities for product innovation and/or customization.

Research Competition – what do they NOT have?
TAILOR TO YOUR CONSUMER

Example: CSA Consumption Checklists to Find out What Your Consumers Like

Find out:
• What food items your customer liked best
• How they prepared the food items
• Whether or not they tried any of the recipes you provided
• If they are interested in trying different vegetables or recipes

Try an online survey! Or other online platforms to track ordering habits / consumer needs
Example: Farm to School

- School picks a seasonal vegetable every month, and cooks the vegetable three different ways
- Students vote on favorite recipe
- Winning recipe is repeated and shared with all the students and their families
#8: IT'S MORE THAN FRUITS AND VEGETABLES

...and ‘from-scratch’ cooking...
It's More than Fruits and Vegetables

Example: healthy snacks, frozen foods, meal solutions, meat, dairy
#9: Marketing is about MORE THAN JUST ‘Sales’

- Definition: Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (American Marketing Association)
- Marketing Mix or ‘4 Ps’;
  - Product
  - Place
  - Price
  - Promotion
The Marketing Mix (or ‘4 Ps’)

**Product**
- What does the customer want from the product?
- What features does it have to meet these needs?
- How and where will the customer use it?
- What does it look like?
- What size(s), color(s), should it be?
- What is it to be called?
- How is it branded?
- How is it differentiated versus your competitors?

**Price**
- What is the value of the product or service to the buyer?
- Are there established price points for products or services in this area?
- Is the customer price sensitive?
- What discounts should be offered to trade customers?
- How will your price compare with your competitors?

**Place**
- Where do buyers look for your product or service?
- If they look in a store, what kind?
- How can you access the right distribution channels?
- Do you need to use a sales force?
- What do you competitors do, and how can you learn from that and/or differentiate?

**Promotion**
- Where and when can you get across your marketing messages to your target market?
- Will you reach your audience by advertising in the press, or on TV, or radio, or on billboards?
- When is the best time to promote?
- How do your competitors do their promotions? And how does that influence your choice of promotional activity?
Meeting people where they’re at

Table 3. Common menu item substitutions

<table>
<thead>
<tr>
<th>Regular menu</th>
<th>Healthy alternative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular potato chips</td>
<td>Baked potato chips</td>
</tr>
<tr>
<td>White bread, pasta, rice</td>
<td>Whole wheat bread and pasta, brown rice</td>
</tr>
<tr>
<td>Whole milk</td>
<td>1% milk</td>
</tr>
<tr>
<td>Butter or margarine (stick)</td>
<td>Light butter or margarine (tub)</td>
</tr>
<tr>
<td>Cookie</td>
<td>Fruit</td>
</tr>
<tr>
<td>Fried chicken</td>
<td>Baked chicken</td>
</tr>
<tr>
<td>Ice cream</td>
<td>Frozen yogurt, sherbet</td>
</tr>
<tr>
<td>Regular cheese</td>
<td>Reduced fat cheese</td>
</tr>
<tr>
<td>Chicken wing or thigh</td>
<td>Chicken breast</td>
</tr>
<tr>
<td>Fatty cuts of meat: chuck, round</td>
<td>Baked or broiled fish</td>
</tr>
<tr>
<td>Regular beef</td>
<td>Lean beef</td>
</tr>
<tr>
<td>Ground beef</td>
<td>Ground turkey</td>
</tr>
</tbody>
</table>

Barriers to Purchasing Foods for a High-Quality, Healthy Diet in a Low-Income African American Community. Fulp, Rachael; McManus, Katherine; RD, MS; Johnson, Paula; MD, MPH

DOI: 10.1097/FCH.0b013e3181ab3b1d
PROMOTION: RELEVANT / APPROPRIATE SIGNAGE

Example: Bi-lingual Signage, Informational Signage
PROMOTION: COMMUNITY ENGAGEMENT

Example: Consumer Guides on How to Shop for Healthy Affordable Food on a Budget

• Shopping Matters program
• La Mesa Completa
• How to Create Cheap and Healthy Meals
• The Sugar Calculator
• EAT4Health
• PolicyLink’s Access to Healthy Food Toolkit

A list of resources for consumers and links to access them are available at www.HUFED.org under Resources and Tools
PROMOTION: WHATS YOUR STORY?

Example: Empowerment, Self-determination, Sense of Place
Example: Consumer campaigns

Create your own brand with a business name, logo, and graphic. Distinguish your product – make it stand out from your competitors.
PROMOTION: COOKING DEMONSTRATIONS AND FOOD SAMPLING

Provide recipe cards for the foods you are sampling
Ways to Address Profitability (Supply Side)

- Costs are not spread evenly across customer base
- Efficiencies gained = costs reduced... Invest in what is working, divest what is not
- Tools: gap analysis, SWOT analysis, BCG matrix*
- Leveraging others’ resources for mutual benefits.
- Think: Return on Investment (ROI)
- Think out of the box on subsidies, e.g. tax credits, free equipment, rebates, etc.

SWOT = Strengths Weaknesses Opportunities Threats, BCG = Boston Consulting Group; All resource available on request.
Example: Corner store buying cooperative

- Addresses corner store economy-of-scale problem
- Enables corner stores to purchase larger quantities at lower prices

Additional options are to use farmer’s markets, community gardens, and other microenterprises as alternative supply and distribution means for getting more fresh foods to corner stores

Other models that may benefit from collective purchasing:
- Mobile markets
- Farm stands
- Street carts
WAYS TO ADDRESS PRICE (DEMAND SIDE)

• Identify the value proposition for each customer segment.
  Value= benefits /sacrifices.
• Explore subsidy programs and tax credits
• Hybrid pricing; payment plans, sliding scale, membership discounts; anchor customer (20 / 80)
• Promotions: Buy one get one (but include in your budget); coupons, ‘loss leader’ product (ex. Black Friday bargain)
• Quantify marketing costs, then reduce them
• Reduce acquisition costs, increase retention rate
• Grow high value customers:

  Prospect ➔ customer ➔ loyal ➔ advocates ➔ inspirations
Pricing

Example: Community Supported Agriculture (CSA)
Graduated Pricing System

- Paying customers subsidize program costs of a “sponsorship box”
- Sliding Scale fees based on one’s ability to pay
- Pay week to week or in a lump sum
- Upgrade or downgrade quantities as needed
**WHAT IS THE TRUE COST OF FOOD?**

The 11 Least Obese U.S. Cities and Associated 2009 Healthcare Costs

Among the 11 U.S. cities with obesity rates lower than 20%, four are in Colorado. One of these cities, Denver, spent an estimated $704 million in preventable healthcare costs in 2009 because of its 19.3% obesity rate. But its healthcare costs would have been $262 million higher if its obesity rate matched the national average.

<table>
<thead>
<tr>
<th>Metropolitan Statistical Area</th>
<th>Population estimate 2009</th>
<th>% Obese</th>
<th>Annual obesity cost per 100,000 residents</th>
<th>Total annual obesity cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Collins-Loveland, CO</td>
<td>298,382</td>
<td>16.0</td>
<td>$22,864,000</td>
<td>$68,222,060</td>
</tr>
<tr>
<td>Boulder, CO</td>
<td>303,482</td>
<td>16.6</td>
<td>$23,721,400</td>
<td>$71,999,779</td>
</tr>
<tr>
<td>Barnstable Town, MA</td>
<td>221,451</td>
<td>16.9</td>
<td>$24,159,160</td>
<td>$53,908,188</td>
</tr>
<tr>
<td>Colorado Springs, CO</td>
<td>626,227</td>
<td>17.2</td>
<td>$24,578,800</td>
<td>$133,919,082</td>
</tr>
<tr>
<td>San Luis Obispo-Paso Robles, CA</td>
<td>266,971</td>
<td>17.6</td>
<td>$25,159,400</td>
<td>$86,344,744</td>
</tr>
<tr>
<td>Reno-Sparks, NV</td>
<td>419,251</td>
<td>17.7</td>
<td>$25,293,300</td>
<td>$166,044,943</td>
</tr>
<tr>
<td>Santa Cruz-Watsonville, CA</td>
<td>256,218</td>
<td>17.9</td>
<td>$25,579,160</td>
<td>$65,539,258</td>
</tr>
<tr>
<td>San Jose-Sunnyvale-Santa Clara, CA</td>
<td>1,839,700</td>
<td>19.0</td>
<td>$27,151,000</td>
<td>$499,946,947</td>
</tr>
<tr>
<td>San Francisco-Oakland-Fremont, CA</td>
<td>4,317,863</td>
<td>19.2</td>
<td>$27,436,800</td>
<td>$418,650,692</td>
</tr>
<tr>
<td>Bridgeport-Stamford-Norwalk, CT</td>
<td>501,208</td>
<td>19.3</td>
<td>$27,579,700</td>
<td>$428,556,463</td>
</tr>
<tr>
<td>Denver-Aurora, CO</td>
<td>2,552,415</td>
<td>19.3</td>
<td>$27,579,700</td>
<td>$503,887,724</td>
</tr>
</tbody>
</table>

Source: Gallup-Healthways Well-Being Index

The 10 Most Obese U.S. Cities and Associated 2009 Healthcare Costs

In 2009, 21 U.S. metro areas had obesity rates of 31% or higher, based on their residents’ self-reported height and weight. In the 10 most obese U.S. cities, where at least one-third of residents reported a body mass index (BMI) higher than 30, the annual obesity cost per 100,000 residents was about $50 million. This is roughly twice the cost per 100,000 residents in the least obese cities.

<table>
<thead>
<tr>
<th>Metropolitan Statistical Area</th>
<th>Population estimate 2009</th>
<th>% Obese</th>
<th>Annual obesity cost per 100,000 residents</th>
<th>Total annual obesity cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montgomery, AL</td>
<td>366,401</td>
<td>34.0</td>
<td>$49,443,400</td>
<td>$181,161,112</td>
</tr>
<tr>
<td>Stockton, CA</td>
<td>674,860</td>
<td>34.6</td>
<td>$49,443,400</td>
<td>$333,673,729</td>
</tr>
<tr>
<td>Visalia-Porterville, CA</td>
<td>429,668</td>
<td>34.1</td>
<td>$48,728,900</td>
<td>$209,372,490</td>
</tr>
<tr>
<td>York-Hanover, PA</td>
<td>428,937</td>
<td>34.0</td>
<td>$48,686,000</td>
<td>$208,403,331</td>
</tr>
<tr>
<td>Flint, MI</td>
<td>424,043</td>
<td>33.9</td>
<td>$48,443,400</td>
<td>$205,419,573</td>
</tr>
<tr>
<td>McAllen-Edinburg-Mission, TX</td>
<td>741,452</td>
<td>33.7</td>
<td>$48,157,300</td>
<td>$356,918,792</td>
</tr>
<tr>
<td>Bakersfield, CA</td>
<td>807,407</td>
<td>33.6</td>
<td>$48,014,400</td>
<td>$387,671,027</td>
</tr>
<tr>
<td>Lynchburg, VA</td>
<td>247,447</td>
<td>33.0</td>
<td>$47,457,000</td>
<td>$116,688,532</td>
</tr>
<tr>
<td>Huntington-Ashland, WV-KY-OH</td>
<td>285,624</td>
<td>33.0</td>
<td>$47,157,000</td>
<td>$134,692,710</td>
</tr>
<tr>
<td>Kingsport-Bristol-Bristol, TN-VA</td>
<td>365,629</td>
<td>32.9</td>
<td>$47,014,100</td>
<td>$143,688,724</td>
</tr>
</tbody>
</table>

Source: Gallup-Healthways Well-Being Index
Poverty and education are key factors that determine health outcomes.

Understand the day-to-day reality of people living in poverty.

Equity in terms of age, gender, race, class.

Take the time to understand what being historically excluded means.

There are resources out there, let’s move the conversation forward.
Food Equity Concepts

Food Justice

Food Justice is a United States concept that strives to make healthy, fresh, culturally-appropriate and affordable food available to all, while placing the well-being of the consumer, workers, producers, animals, and land at the center.

Real Food Wheel, by The Food Project
Food Sovereignty

Coined by Via Campesina, the International Peasant Movement, in 1996, Food Sovereignty refers to the rights of people to define their own food, agriculture, livestock, and fisheries systems to fit their needs, instead of having it subjected to market forces. This concept is more widely known and used in international farmer, indigenous, and peasant movements, but is gaining traction in the United States.
CALL TO ACTION

- This research is continually evolving
- Let’s share ideas, experiences, and resources; let’s move the conversation forward
- A lot of need, a lot of great ideas, and not enough funding
- Where can we prioritize our next webinars, what topics are most important to you?
CONCLUSION

1. No one-size-fits-all model
2. More than just physical ‘access’
3. Assets-Based Approach
4. Know where you are in the business life cycle
5. An innovative model is an integrated model
6. Do the research
7. Consumers come first
8. Its more than fruits and vegetables
9. Marketing is more than just ‘sales’
10. Understanding poverty and equity
Questions and Answers

John Fisk  
Director  
Wallace Center  
jfisk@winrock.org

Ashley Taylor  
Program Assoc.  
Wallace Center  
ataylor@winrock.org

Michelle Frain Muldoon  
Program Officer  
Wallace Center  
mfmuldoon@winrock.org

Karl Sutton  
Program Manager  
Mission Mountain Food Enterprise Center / Lake County Community Development  
ksutton@mmfec.org
Webinars are Archived

TOPICS!

http://ngfn.org/webinars
NGFN Webinars

- 3rd Thursday of each month
  3:30p EST (12:30p PST)

http://ngfn.org/webinars

Support Good Food education!

Three Notable Websites

- **www.FoodHub.info**
  - Food Hub “hub”
  - Research, case studies, list and map of hubs across the country, much more.

- **www.HUFED.org**
  - About the initiative
  - Grantee profiles
  - Library of many of the best food access resources

- **www.FoodshedGuide.org**
  - Case study-based business and financial training
  - Includes a “One Page Business Plan” and a “One Page Financial Plan”
Get Connected, Stay Connected

http://ngfn.org/database

National Good Food Network Database
Click to learn more

Search for: Wallace Center

Wallace Center at Winrock International

contact@ngfn.org

@ngfn

facebook

YouTube

twitter