NC Department of Agriculture and Consumer Services

Healthy Food Small Retailer Program 2020 Update and Final Report

(S.L. 2017-57, Sec. 12.5(c))

Prepared for:

Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the North Carolina General Assembly

Executive Summary July 01, 2019 - June 30, 2020

No new appropriations were budgeted in the Healthy Food Small Retailer Program for the fiscal year beginning July 1, 2019 and ending June 30, 2020. However $125,000 was carried forward to support contractual obligations between NCDA&CS and seven retailers. We did not have the authorization to announce and advertise for a new round of applications. This allowed the administration to use unspent money and select from past year's eligible applicants to receive disbursements.

These funds did not include financial support to hire administrative personnel. To ensure all funds carried forward would be applied to the grantees' purchases, departmental staff took on the extra administrative duties beyond management.

Uncertainties infiltrated most small retailers with the onset of Covid-19 realities. Three of the seven approved applicants determined that they were not able to follow through with the terms upon being awarded the contract. Each expressed too much disruption and distraction, so they voluntarily withdrew from the program. The HFSRP team was in constant contact with these retailers in hopes of mitigating their business concerns.

One applicant located in Durham County was qualified and approved for participation in the program but due to the loss of her lease she was disqualified by default and no longer met the guidelines. The three who voluntarily backed out due to the Covid-19 difficulties were located in Mecklenburg, Cleveland and Beaufort counties.

Only three applicants ultimately accepted the grant offer for the 2019-2020 fiscal year.

$61,974.58 in grant funding was awarded to these three grant applicants.

HFSRP team: Ron Fish, Assistant Director of Marketing and Freda Butner, RD LDN, Nutrition Marketing Specialist and Program Manager.

Reports on 2019-2020 Grant Recipients

Nutrient Dense Food Sourcing, Program Impact and Outlook

Of the three remaining contracts successfully awarded, *none* supply the typical assortment of processed snack foods found at most convenient stores; nor gas, hardware, or other miscellaneous goods --so that leaves more space for healthy options. Each has an established, sustainable source of local foods from farmers and local distributers that meets one of the dominant goals of the program. Importantly, each has a unique role within their communities by offering more than just a retail space to sell food. They are community gathering places, providing additional health and educational resources and support beyond a typical retail business. The three grantees have an established distribution and procurement system in place which allows them to actually increase the healthy foods they sell.

Communications with the retail stores while frequent, were hampered due to the universal flurry of confusion experienced with the onset of Covid-19 during the 2020 springtime months. The HFSRP program details have typically generated more administrative questions and response than other grant programs. Staff worked one-on-one with each recipient to ensure their understanding and compliance. Regardless of these challenges experienced we were able to disburse the funds prior to July 1, 2020.

Program accomplishment evaluations remain ahead and will be acknowledged as each store progresses. This report will detail how the three grant recipients are poised for exceptional expectations. We feel confident that all three will be highly successful in meeting program goals and measures. Each has a solid history of promoting and selling almost exclusively healthy, staple foodstuffs.

It is fortunate not only that these stores have a unique community standing going into the program, but the department continued to receive assistance from our long-standing partners. ECU; Department of Public Health, NCSU; Extension SNAP ED, NC Alliance for Health, N.C. Division of Public Health, Chronic Disease and Injury Section and Albemarle Regional Health Services offered services that proved indispensable. Supplementary evaluation reports and other contact communications are available upon request.

Past year reports are found in the Healthy Food Retailer Program URL found in the footer.

The remaining information describes an overview of each grantees' demographic status, expense details and the uniqueness which further exemplifies a solid commitment to increase healthy food access in their communities.

The Ship Outreach and Community Center, Inc.

- **D.B.A.-- The Galley Grocery and The Bread of Life**
- **Wake County, South East Raleigh vicinity; urban**
- **Grant funds used: $25,000**
- **Equipment expense details:**
  - ✓ 10' X 14' X 6'-7" H, Norlake Walk-In Freezer, Modular, Self-Contained with Accessories.
  - ✓ 2-door glass freezer will go into the small retail space.
  - ✓ The actual cost of both freezers exceeded the limits of the grant. They were able to cover the difference through their dedicated board members.

The Galley Grocery Overview:

- Accepts SNAP and WIC
- Ship Outreach and Community Center, Inc., also known as Ship Community Outreach, is a 501(c) (3) organization since 2010 that provides highly discounted retail prices and access to nutrient dense foods. This access is the foundational opportunity to conduct other community services such as education, exercise space, employment assistance and other personal enrichment needs of the residents in this high poverty area.
- The Galley Grocery provides a fenced courtyard for outdoor gatherings and a fully equipped gym for people to exercise and connect in a safe environment.
- Unique to this business is that it essentially is able to serve as the distributor and retailer. The ability to store perishable foods with the new freezer(s) allows significantly more healthy options.
- The freezer gives flexibility to take advantage of opportunities to acquire foods at bulk prices in order to more effectively offer discounted foods to customers.
- Without this grant, it required extra time and staff to refill the small cooler daily. The large freezer at their Bread of Life warehouse significantly eases the process of keeping the retail store supplied.
- The Galley is critical to the health and wellbeing of the marginalized population living in South East Raleigh. Within walking distance of the store, healthy low-cost food is a primary draw to The Ship Yard (gym) and the Ship of Zion Church, which started the Ship Outreach organization.
- On site nutrition counseling, weight training, health screenings and other support programs contribute positively to community.

"The Galley Grocery Store remains open and is in need of non-perishable food donations. We are grateful to have just received a grant from the NC Department of Agriculture to purchase a walk-in freezer. This will significantly increase our capacity to provide frozen food in the grocery store. It was installed last month and is already benefiting community members."

Pastor Chris Jones and Dr. Jacqueline Jones, Ship of Zion Church
for more internal and exterior pictures visit

https://spark.adobe.com/page/3dWq2WXatdEHS/

Galley Grocery is a low-cost grocery store with healthy food on Bragg Street in South Park. Galley Grocery provides an alternative to convenience/gas stores in an area that is considered to be a food desert.

View from the front door to the back wall --very small!

The walk-in freezer provides consistent, accurate temperature and ample space to store bulk foods from local farms.

Local restaurants use raw meat trimmings to prepare fully cooked, portioned dishes like Salisbury steak.

These donated creations are then packaged with frozen vegetables to provide healthy grab-and-go options for families.

The walk-in freezer assures a constant temperature while sorting and packing the meals. The space is ideal for bulky storage.

Five Corners Produce

- **Halifax County, Hollister; rural area**
- **Grant funds used: $11,974.58**
- **Equipment expense details:**
  - ✓ Serv-Ware GR72-HC 3-door Glass Merchandiser Refrigerator
  - ✓ Gondola Shelving, 48"W x 35"D x 54"H Double Side - Aisle Add-On
  - ✓ Serve-Ware GF-48 2-Door 49 cu. ft. Glass Freezer
  - ✓ The owner was able to install commercial air conditioning at his own expense to reduce shrinkage (loss of inventory) of open-shelf, fresh produce during the hot summer months.

Five Corners Produce Overview:

- Accepts SNAP and WIC
- This rural location is the only intersection where surrounding small communities connect to other parts of the state.
- The store is a lifeline to a State-recognized Native American Tribe. It is their only local source of WIC approved foods for infants, children and pregnant/lactating women.
- The Haliwa-Saponi Tribe comprise slightly more than 3,800 enrolled citizens. About 80% of tribal members reside within a 6-mile radius of the small unincorporated town of Hollister, in Halifax and Warren counties.
- The original building is over 100 years old. Electrical upgrades were needed to accommodate the new equipment.
- They get their seasonal produce from Combs Wholesale Produce Co. in Winston-Salem. A long-time family-owned business, Benny Combs goes out of his way to meet half-way on driving distance with regular deliveries, allowing the store owner to have better access and frequent, fresh supplies.
- Five Corners Produce serves as a meeting place for other people in the area to meet up and help with community needs. It is a place where the Haliwa-Saponi Tribe feel welcomed and confident that they can feed their families with healthy, fresh food.

Before

It will be nice when the carboard boxes are removed and those melons are off the floor! They will look more appealing when placed on the new shelving.

Before

After

Before

After

Coastal Farmers Co-op

- **Hyde County, Ocracoke; small island town**
- **Grant funds used: $25,000***
- **Equipment expense details:**

*The trailer company required advance payment and progressive payments through completion of the custom-built unit we approved. It was not feasible for the grantee to pay the $25,000 in advance. This full award was based on their contractual agreement for the custom manufacture of this trailer.

- ✓ Choice series 8.5X24 Custom-built, car haul trailer to accommodate geographic, meteorological, transportation, heat exposure and other common occurring instabilities experienced in the Outer Banks vicinity.
- ✓ The Farmers Coastal Co-op board was able to secure additional funds to add custom features to the trailer in order to adapt to the natural occurring barriers frequently encountered by this remote island town.
- ✓ Pictures will be posted to the HFSRP website after it is delivered to Ocracoke.

Coastal Farmers Co-op Overview:

- Accepts SNAP
- Not only is Ocracoke isolated, but long transport routes necessitate a three-hour ferry commute each way to bring in food. It has also endured three recent hurricanes, numerous power outages, tidal storm surges and highway access closures that essentially cut off supplies for extended periods.
- The business experiences a higher than usual amount of shrinkage --losses due to spoilage before being sold. At times loss can be up to 25% in a one-way transport of such highly perishable products as asparagus, leafy greens and softer delicates like berries and fresh beans or peaches. Protein and dairy foods must be specifically packed and kept iced to make the journey, leading to more labor and shipping expense. Immediately upon arrival products must go back into refrigeration to preserve quality and stabilize shelf life.
- limited cooling abilities are available on site at the retail location in Ocracoke and past storms have taken their toll on the current business location.
- Due to these location challenges, the program agreed to a mobile option, with adequate refrigeration to meet this unique food desert need. It is understandable that to reduce

shrinkage, a portable refrigeration system was needed to keep the food fresh, safe and available during the long, hot ferry rides and during power outages.

- This entire display can be moved, eliminating the threat of equipment loss because of rising waters and wind. Because of this mobility it will be the first to open doors during storm recovery efforts for the community to get back on track. Residents depend on this retail outlet as a main food supply source. The unit will provide the display space for more healthy food options throughout all hours of operation.
- The self-contained power generator attached to the unit will keep the equipment functioning at all times during transport and cool the trailer for patrons to board and shop for fresh food in a comfortable environment.
- Because the business is a co-op model, healthy foods including meats, eggs, seafood and an abundance of produce are sourced from area farmers which keeps revenue circulating within the community. It also helps the residents who otherwise would pay resort prices at the specialty shops catering to tourists.
- The owner contributes produce to the business from her own two-acre farm.

Current view of set up. The buildings and storage in the background are too small and hot to hold and store fresh produce, forcing tables to spill outside under the entrance way for shoppers to comfortably shop. At least there's a breeze!

Prototype similar to what the trailer will look like.