

Healthy Food Small Retailer Project 2016-2017

Prepared for:

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



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Executive Summary

October 2, 2017

Section 13.4.(a-c) of House Bill 1030 created the NC Healthy Food Small Retailer Program (HFSRP) which was funded with a goal of enhancing access to healthy foods in areas that qualify as food desert zones. Legislators in North Carolina recognize the need to address the issue of food security which affects over 15 percent of the state's households, essentially unchanged from 2015 according to the USDA Report on Food Security in the United States.

The issue of food insecurity contributes to poor health and the answers to solving this problem need to be address at many levels. Not only does the food environment need to change, but eating behaviors which require not only access to healthy food, but also education and motivation for change. The customers need to be motivated to try something new; the retailers need motivation to change how they stock their store which involves a monetary risk; traditional fresh food distribution systems need to change for delivery to small retailers in food deserts. In other words, a paradigm shift across many sectors is required to create a healthier, more food secure population.

The HFSRP is contributing a piece of the solution to this multifaceted problem by providing small retailers with reimbursement for refrigeration, freezers, shelving and other equipment necessary to stock nutrient-dense foods. Equipment is on order for all the participants and will be installed early to mid-October. To help retailers be successful in selling fresh foods, the retailers are also given assistance in developing marketing strategies to encourage sales of nutrient-dense foods.

This small-scale pilot program provided the North Carolina Department of Agriculture and Consumer Services experience in designing a program to address food access issues in both urban and rural areas in eastern North Carolina. This report is created to provide the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Financial Research Division an initial evaluation of the Healthy Food Small Retailer Program pilot.

The first three sections of this report specifically address our reporting responsibility under HB1030 Section 13.4.(c):

- Activities of the Retailers
- How Funds were used
- Impact on Sales of Nutrient-Dense Foods

Information provided in the remaining sections give background on program development, reflections on lessons learned and recommendations for moving forward.

HFSRP Team:

Ron Fish, Assistant Director of Marketing; Angela Johnston RD LDN, Program Coordinator; Annie Baggett, Agritourism Marketing Specialist; Freda Butner RDN LDN, Nutrition Marketing Specialist.

Contents

Executive Summary	1
Activities of Small Food Retailers	3
Retailers Receiving Funds and How Funds Are Used	9
Amount of Nutrient Dense Foods Sold to Customers ..	10
Project Timeline.....	10
Recruiting and Enrolling Participants	11
Equipment Research and Selection.....	13
Nutrient Dense Food Sourcing	14
Collaboration and Community Stakeholders	15
Lessons Learned	18
Building on Strengths	21
Recommendations Moving Forward	21



Activities of Small Food Retailers

Refrigeration equipment has been ordered for all the retailers with expected delivery in October. Retailers have begun electrical and structural modifications to accommodate equipment.

Black Rock Deli



Store Owner: Vish Pathak
 Location: Merry Hill
 County: Bertie

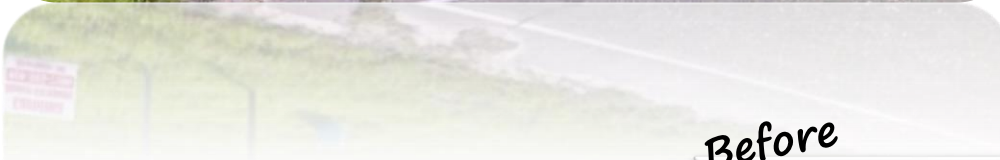
Retailer Activity: Equipment ordered on August 21, 2017. Owner is renovating his store and planning a large promotional event in conjunction with his store conversion to Citgo.

A doorway has been remodeled to accommodate the custom equipment.

Technical assistance including marketing and product placement provided by a program through the NC Division of Public Health: Obesity, Diabetes, Heart Disease, and Stroke Prevention (ODHDSP). Helping to promote local farm products will be provided through the grant project, Partnership to Improve Community Health (PICH).



Hwy 242 Grill



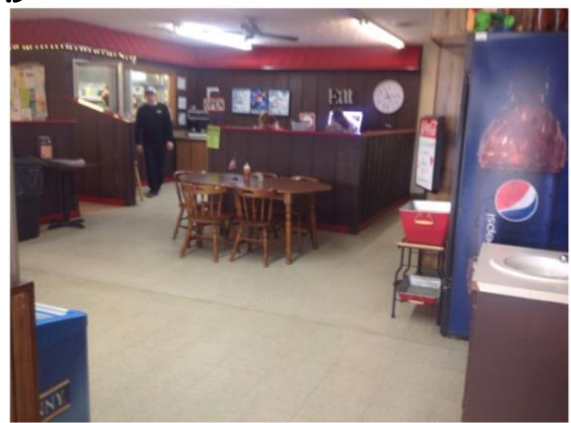
Store Owner: Gloria Smith
 Location: Elizabethtown
 County: Bladen

Retailer Activity: Equipment ordered August 18, 2017. This location was instrumental in providing an emergency food source for the surrounding community during recovery of Hurricane Mathew.

The grill offers made-to-order salads and has plans to expand their promotion of salads by using the new equipment for pre-made grab-n-go salads. As a test for customer acceptance of produce for snacks, the owner prepared sliced cucumbers for grab-and-go snacks and sold all that she had prepared. This bolstered her confidence that customers will respond well to healthy options.

They received a small freezer (picture on the cover of this report) and converted a candy rack into a produce display. Debbie, who is a frequent customer, is very excited about these changes not only because she will have better choices needed to manage her diabetes, but also believes it is important to teach the children to make healthier choices for snacks.

Before



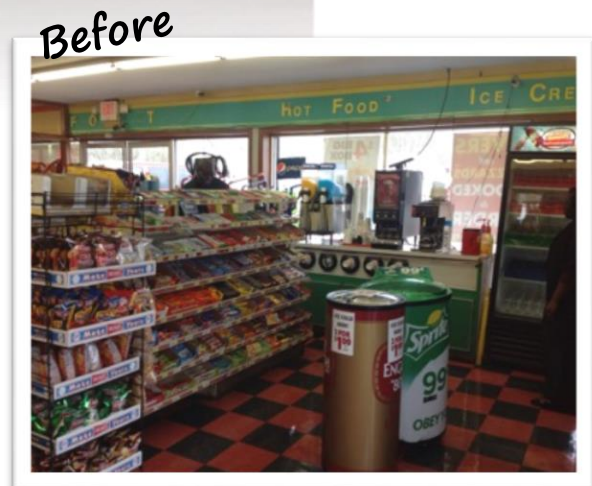
Food Mart/Moore's Mini Mart



Store Owner: Craig Moore
Location: Jacksonville
County: Onslow

Retailer Activity: Equipment ordered August 18, 2017. A young family owns and operates this store. The owner grew up in the area and has a strong commitment to his community.

After they receive the equipment they are planning to have a large promotional event including activities for children. There is strong support from the Onslow County Health Department offering to help with the event and any other needs to help this location be successful in making the healthy choice the easy choice. The Onslow County Farmers' Market and Incubator Farm Manager is also working with the local farm economy to determine feasibility of providing local produce to this store.



Stella's I



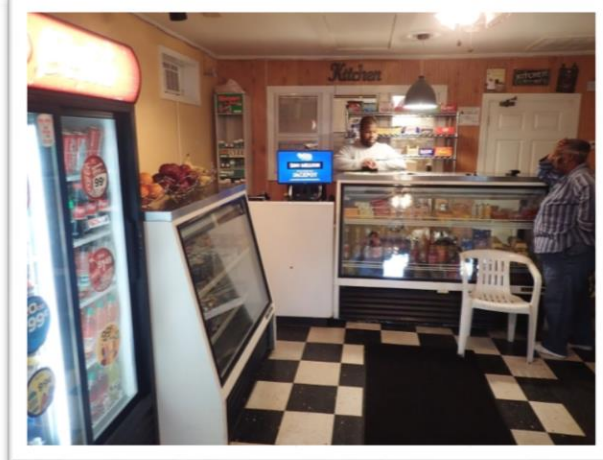
Store Owner: Selma White
Location: Elizabeth City
County: Pasquotank

Retailer Activity: Equipment ordered August 25, 2017

Stella's I has been serving this residential area for many years. Selma has had a difficult time keeping WIC required quantities of milk due to lack of refrigeration. She is extremely grateful for this opportunity to help equip her to better serve her community.

The ODHDSP and PICH programs are also supporting her store changes. Through the ODHDSP program, Stella's I will be receiving a new storefront sign which will include a picture of healthy foods. A kick-off event to launch Stella's new store offerings is in the planning stages with the support from ODHDSP.

Before



Tina's Country Cupboard



Before

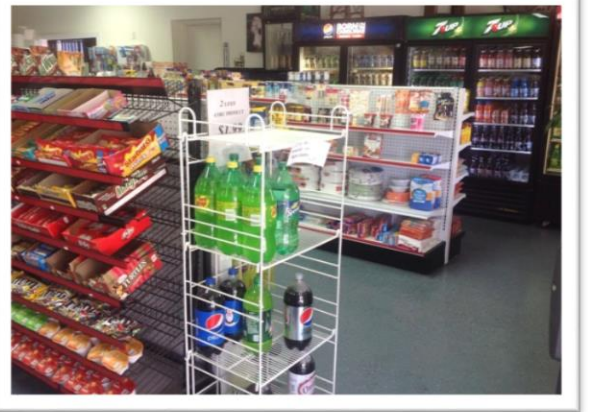
Store Owner: Tina Stalwaker
Location: Kelly
County: Bladen

Retailer Activity: Equipment ordered August 21, 2017.

The store owner has a large outdoor area where she plans to host farmers' markets.

The owner believes there is a need in this area for a place which offers staple groceries. Tina has had people in the community call her requesting to purchase staple grocery items from the store's grill business; items which are not currently stocked on the shelves.

Tina has had several local farmers approach her to sell local produce, and although she is enthusiastic about supporting the local agriculture economy, she did not have the equipment necessary to stock fresh foods.

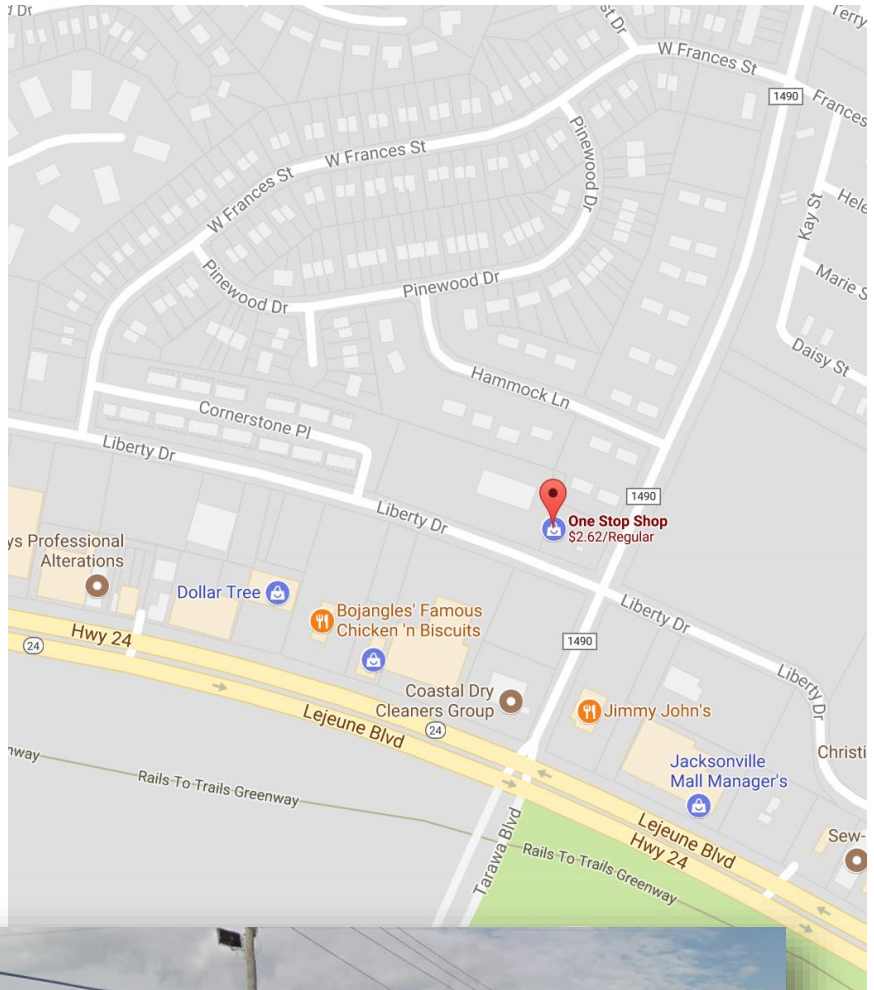


One Stop Shop

Store Owner: Mitul Patel
 Location: Jacksonville
 County: Onslow

Equipment ordered August 23, 2017. This store serves several nearby neighborhoods with multi-family units.

This retailer has customers who walk to the store multiple times a day.



Retailers Receiving Funds and How Funds Are Used

A total of \$150,000 HFSRP funds are committed to be available to reimburse for equipment and electrical upgrades for six retailers. Not all retailers will be using the full \$25,000 award; see details in the table below. All six locations will be receiving refrigeration and freezer equipment. Two locations will also receive ambient temperature units. Two locations will use the full amount of funds allowed on equipment and will pay out of pocket for electrical upgrades. Four locations requested reimbursement for electrical upgrades. The table below outlines how funds are used at each location.

Grantee	Estimated Grant funds to be used	Expense detail
Black Rock Deli	\$25,000	Island display case with refrigerated and ambient temperature stocking space Freezer, 2-door True brand
Hwy 242 Grill	\$17,091	Island display case with refrigerated stocking space Freezer, 1-door True brand Electrical Upgrades
Food Mart/Moore's Mini Mart	\$25,000	Island display case with refrigerated and ambient temperature stocking space Freezer, 2-door True brand
One Stop Shop	\$18,125	Wall refrigerated unit with 6 shelves to stock grab-and-go items. Freezer, 2-door True brand Electrical Upgrades
Stella's I	\$14,900 + electrical	Wall refrigerated unit with 5 shelves to stock grab-and-go items Freezer, 2-door True brand Electrical Upgrades
Tina's Country Cupboard	\$18,300 + electrical	Wall refrigerated unit with 6 shelves to stock grab-and-go items Freezer, 2-door True brand Electrical Upgrades
Summary		
6 retailers in 4 counties	\$118,416 <i>+ add'l electrical</i>	4 refrigeration units 2 refrigeration + ambient shelves 6 freezers Electrical upgrades

Amount of Nutrient Dense Foods Sold to Customers

We are expecting to have equipment delivery to the stores begin early October. Once the equipment is installed and stocked with nutrient-dense food, we are requiring the stores to provide monthly reports that will allow us to estimate the amount of nutrient dense foods sold to customers.

Project Timeline

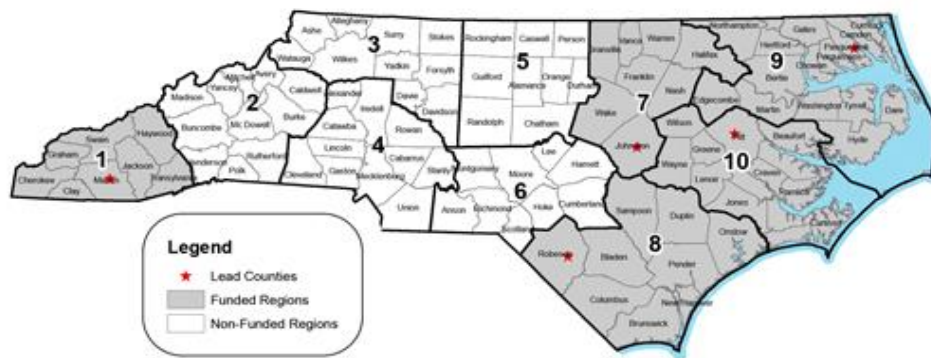
2016	
July	HFSRP Appropriated funds received
July-Nov	Development of program including researching equipment options for convenience stores, adapting assessment tools from other projects to fit HFSRP, and determining stocking criteria and commitment requirements of retailers to include in agreement contract.
Oct-Dec	Grantee Contract development.
Nov-Dec	Applications accepted, contacted community stakeholders who also participated in retailer recruitment.
2017	
Jan-Feb	15 site-visits to assess stores in 9 counties 9 stores qualified and expressed continued interest in participating in the HFSRP
Mar-Apr	9 stores assessed for appropriate equipment with considerations on size and layout of store. 6 stores enrolled in HFSRP. UNC/ECU customer surveys.
Mar-Sept	Reaching out to farmers and other potential distribution resources to deliver fresh foods. Working with stakeholders in areas where stores are located to provide marketing and technical assistance
May-June	Developing marketing plan and colors for equipment
June	Custom equipment specifications and quotes provided by Southern CaseArts
July-Aug	Southern CaseArts updated quotes to include full service delivery freight fees
July-Aug	Team discovered units will not fit into all stores, met with local vendors for other options and obtained additional quotes for 4 retailers
Aug	Equipment ordered from Southern CaseArts and Cary Refrigeration
Sept	Equipment delivery and installation begins
Expected Future Timeline	
Oct	Equipment installation complete
Oct-Nov	Promotional activities

Recruiting and Enrolling Participants

We began our recruitment strategy with a goal of enrolling 10 small retailers to stay within our budget of \$25,000 per store, assuming not all 10 retailers would use the total amount. This participation goal would allow us to maximize benefits using the \$225,000 total budget for equipment.

Geographical Areas Included

With limited administration funds, the geographical area needed to be manageable. The HFSRP team chose to focus efforts in Regions 7-10 on map below which represent areas being served by the Obesity, Diabetes, Heart Disease, and Stroke Prevention (ODHDSP) program through the Community & Clinical Connections for Prevention & Health of the North Carolina Division of Public Health. Staff members from the ODHDSP project are providing HFSRP retailers with technical and marketing support.



Application Process

Over 600 potential stores were identified by graduate students at UNC using a sophisticated mapping system. After the HFSRP team made an initial evaluation of these stores using the HFSRP criteria, more than 200 letters were sent out to retailers inviting them to apply to participate in the program. The effort required to identify retailers took several months because there is no compiled list of small retailers who operate in North Carolina food deserts. We believe, based on this work, there are even more stores yet to be discovered in food desert zones.

In addition to direct mailing, we sent a news release to 42 county public health departments, local NC Cooperative Extension agents, other community stakeholders, as well as convenience store associations. Reaching out with follow-up telephone calls also increased awareness of the program. The news release was published on NCDA&CS website and several stakeholder websites including the NC Alliance for Health. With our concerted effort to reach community supporters, we found many enthusiastic collaborators who personally visited over 20 small retailers in 10 counties. These personalized visits resulted in 4 applications being submitted.

Summary of Applications received

Total applications received: 17

- Active contracts: 6
- Applications not meeting criteria: 3
- Applications withdrawn: 8

Reasons for retailers not enrolling in program include:

- 2 stores were not in a food desert
- 4 misunderstood the parameters of the program
- 3 were not confident they could be successful at selling healthier options
- 2 did not give a reason for not following through with application process

We offered nine retailers grant contracts of up to \$25,000 which kept us within the Healthy Food Small Retailer total funds of \$225,000. If all nine retailers had enrolled, this would have maximized use of available funds. Ultimately six retailers accepted the terms of the agreement and are actively making changes to their store environments. These six retailers have regular contact with our program coordinator and they continue to be excited about their participation.

Six Active Contracts

1. Black Rock Deli, Merry Hill in Bertie County
2. Hwy 242 Grill, Elizabethtown in Bladen County
3. Food Mart/Moor's Mini Mart, Jacksonville in Onslow County
4. Stella's I, Elizabeth City in Pasquotank County
5. Tina's Country Cupboard, Kelly in Bladen County
6. One Stop Shop, Jacksonville in Onslow County

Reasons for Three Retailers Not Accepting Contracts

1. Concerned his customers would not support changes and wanted the state monies to be offered to another retailer who could make a bigger impact on healthy eating behaviors.
2. Retailer had received word that a large chain convenience store was planning to build near his store which created concerns for him about being able compete.
3. Third retailer unfortunately was killed in an auto accident.

In attempt to find other qualified retailers, we reviewed application inquiries received after the initial application deadline. However, on our limited time-frame we were not able to build relationships with the store owners and get buy-in with the program goals.

Building Rapport

The NCDACS annual event, Flavors of Carolina, provided an opportunity to foster relationships with retailers who submitted applications. The Flavors of Carolina is an expo featuring North Carolina agriculture and food producers. Those visiting the Expo included buyers from grocery stores, restaurants, convenience stores and other entities. Four of our HFSRP applicants attended this year's event. These store owners travelled over two hours to attend and several contacted the coordinator multiple times to express appreciation for the invitation and how much they enjoyed attending.

Equipment Research and Selection

Making the ‘healthy choice the easy choice’ marketing approach guided our equipment style decisions. Staff attended the National Association of Convenience Stores show in October 2016 where many equipment options were on display. Some models provided refrigeration, freezer and ambient temperature shelf space in a single unit giving it a one-stop-shopping experience. After further inquiry into pricing of the all-in-one units, we discovered those units were prototypes and not yet available. This added time delay to our equipment research process because of the need to locate and coordinate with additional vendors for freezer options.

Other issues that caused delays:

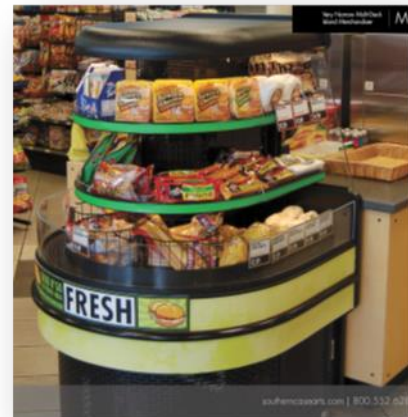
- Each manufacturer referred us to local sales representatives, many of whom were not responsive to our attempts to reach them to discuss the HFSRP equipment needs.
- Each store has a unique space, layout and customer base. There is not a one-size-fits-all equipment option.
- Obtaining quotes for custom equipment was more complex than anticipated and took several months of communication among the equipment representative, retailers, and HFSRP team.
- Custom equipment requires more clearance space than single door entries provide; therefore 4 stores required additional time researching alternative equipment options.
- Retailers were confused by the equipment selection process and stocking requirements which required an additional visit to each store to clarify the program and provide education regarding the expectations of the retailer.

We have assisted all six retailers in finding equipment which will be appropriate for their location and customer base. Equipment has been ordered with an expected delivery in October.

Samples of equipment on order



One store can accommodate the island which gives space for a very large selection of nutrient-dense foods



This grab-n-go unit can fit into some of the smaller stores. It can be integrated into an endcap or if enough floor space, it can be designed as a full walk-around island.

Nutrient Dense Food Sourcing

Ongoing work continues to work out a feasible food sourcing which supports local economy, retailer profitability and affordability for the consumer. Strategies for addressing this complex task are the focus of many national efforts which we continue to monitor for ideas to use our program.

Making fresh food available in food deserts is a daunting challenge. Some of the issues we face include:

- Traditional small store distribution systems are not a good fit to supply small retailers in food desert zones.
- Each retailer has unique challenges. Proximity to major delivery routes, inventory capability, customer base and preferences, price point are a few of the considerations.
- Farmers cannot be asked to reduce the price of their food to subsidize this program. It is our duty to help farmers be economically resilient and sustainable.
- Cold chain custody. Coming up with creative ways to have fresh food delivered to stores is hampered by the need to ensure foods remain at the proper temperature for food safety.
- Frequency. For produce to be appealing, it needs to be fresh which requires stocking 2-3 times a week. If commercial delivery is not available, this creates burden on the retailer who must personally drive to find sources.
- Staffing. Training staff to properly stock, rotate and market the fresh food is essential to reducing food waste and effectively displaying food for effective marketing.
- Store hours. Typical delivery schedules may be during hours which the store owner may not be able to ensure there is enough staff to adequately inspect and accept delivery of fresh foods.
- Price point. We would like to make fresh food more affordable, but it is unlikely there is a way to make it cheaper than highly processed food that can sit on the shelf for years. The true cost of cheap food is not seen at the cash register, but instead is realized in the health care system and in the loss of productivity due to poor health.

Progress toward sourcing nutrient-dense food

Although sourcing nutrient-dense food can seem like an impossible task, we are making progress toward this end.

Local Agriculture: The Onslow County Farmer's Market and Incubator Farm Manager will be working with the local farm economy for the stores in Jacksonville to determine if this avenue is feasible for both the farmer and the retailer. Foster-Caviness Foodservice includes local products in its delivery service and is contacting HFSRP stores to explore the possibility of supplying the stores.

Local Value-Added Products: Seal the Seasons is a local company which develops partnerships with farmers to purchase food at its peak freshness and then freezes the produce for year-round availability of nutritious food. This company is committed to fighting hunger and as part of their

commitment they are providing local foods to areas in need at affordable prices. Seal the Seasons is in the process of working out logistics to offer the HFSRP participants frozen products including strawberries, blueberries, mixed fruit blends, spinach, broccoli and mixed vegetables.

Distributors: Many distributors have been contacted to investigate their capability to supply the HFSRP stores with nutrient-dense foods. We currently have two leads which are actively engaged in this conversation. A representative from Foster-Caviness Foodservice is reaching out to the stores to offer their delivery service of fresh produce, including local products. Foster-Caviness will keep in touch with the HFSRP team during this process. A HT Hackney representative provided a product catalog and is currently a supplier for one of the retailers participating in HFSRP. The Program Coordinator reviewed the HT Hackney catalog for items that qualify for stocking equipment and provided list to retailers.

Collaboration and Community Stakeholders

The NCDA&CS has been given a very important task of enhancing fresh food access in North Carolina food desert zones. With our budget restrictions, the HFSRP staff is limited to one part-time Program Coordinator along with support from NCDA&CS staff with limitations on their time.

As described in detail in previous sections of this report, to be successful in changing food environments and consumer eating behaviors requires a multi-level approach. We are fortunate to have several other agencies with missions to improve public health who are doing similar work. Together we can support each other's efforts and have a bigger impact than each of us can do alone. From the inception of the HFRP, we have been meeting with many groups and agencies and these collaborations will be further developed in the 2017-2018 HFSRP.

In this section we are highlighting some of these collaborations which are supporting the current HFSRP efforts.

Healthy Retail Collaborative

The North Carolina Healthy Retail Collaborative consists of partners from across the state that supports efforts to increase healthy foods in retail settings. Through the Collaborative efforts, a Designation program was established which recognizes small food stores that offer healthy foods by providing certificates and decals that the retailers can display after meeting designation criteria.

This Designation program was released in February 2017 and has 33 stores participating in activities toward the designation with nine stores earning the designation. Four of our HFSRP retailers are taking part in this Designation activity and are receiving marketing support through the program. We provide our stores with HFSRP stocking guidelines and they are not required to meet additional Designation stocking requirements to receive their marketing support.

Universities

The University of North Carolina Chapel Hill Center for Health Promotion and Disease Prevention, Alice Ammerman, Director, and **East Carolina University, Brody School of Medicine**, Stephanie Jilcott Pitts, Associate Professor.

The research focus of the collaborators from UNC and ECU fits well with evaluation needs of our project. Measuring health behavior outcomes requires specialized skills and statistical support which they can provide. The joint effort between UNC and ECU has provided the HFSRP team with details on customer shopping habits in HFSRP stores as well as matched control stores.

Some of the highlights from initial surveys:

- 479 Customer surveys. HFSRP retailers reported that their customers enjoyed taking part in the surveys.
- The customers were given a \$10 incentive which may have gone a long way to build positive customer experience with our program.
- 30-50% of customers surveyed shopped at the store one or more times per day. This provides a great opportunity for repeated exposure to healthy eating messages.
- Approximately 20% of customers have purchased fruit and/or vegetables at some point at stores surveyed. Since customers are willing and able to purchase fruits and vegetables at these small retailers, we anticipate the new refrigeration units and increased variety offered will increase consumption of healthier options.

We are looking forward to continuing this collaboration and work toward possible additional data collection after the HFSRP retailers increase the amount of nutrient-dense food in their stores. These findings will help us measure public health impact of the program.

North Carolina State University, Department of Agriculture and Human Science, Lindsey Haynes-Maslow, Assistant Professor and Extension Specialist.

NCSU's SNAP-Ed Program, *Steps to Health*, is working with small retailers who may also qualify for the HFSRP. During our HFSRP recruiting period, SNAP-Ed staff reached out to their retailers inviting them to apply to enroll in the HFSRP. We received an application through their efforts however this retailer was not confident of success and did not ultimately enroll. Currently a store in Duplin County enrolled in this SNAP-Ed program has begun healthy store conversions. New and creative ideas are emerging from conversations with store owners. For example, this retailer observes his customers' desire for quick breakfast ideas and expressed interest in an opportunity to receive assistance to purchase a small fresh food bar. This would allow him to stock healthier meal options such as offering items customers can select from to build a breakfast parfait using low-fat yogurt, whole grain cereals and berries. NCSU reports that collaboration with other stakeholders enables support of potential ideas such as this breakfast bar with promotional signage, customer taste tests, and nutrition education.

Public Health Departments

Early in the recruiting activities, many public health departments were involved in reaching out to stores in their areas to invite retailers to participate in the HFSRP. Currently, four of the six HFSRP retailers have their local public health departments ready to support them in their transition to stocking more nutrient-dense foods. If additional support is needed for the other two retailers, we will reach out to those County Health Departments as well.

The Onslow County Health Department has been instrumental in assisting one store in Jacksonville with the WIC application process. They will also be assisting with promotional activities for the store after the equipment is delivered.

The Bladen County Health Department along with staff from the ODHDSP program is assisting HFSRP retailers in Kelly and Elizabethtown.

Moving forward we will continue to collaborate with public health departments to ensure the HFSRP retailers are aware of the resources which they can tap into.



Lessons Learned

We started developing the HFSRP with the goal of having equipment in the stores by late spring, not only to keep within our fiscal year reporting, but also to take advantage of the local agriculture growing season. We knew this was an ambitious goal and as we encountered multiple delays, we became aware that the overarching lesson is that time is required to build a successful program. Not only allowing time for unexpected delays, but investing time in building a strong program dramatically increases the chances of sustainable change. Areas where time invested is advisable:

- Understand each community's unique food access barriers and available resources to help address individual issues.
- Find community champions who can support the store to increase sustainability of changes.
- Take time to assess if each retailer has a good chance of succeeding with changes. Build trust in retailers who are willing to take a business risk.
- Work out logistics of finding the right equipment for each store and community they serve.

Even though over 200 small retailers received the opportunity to apply to be reimbursed up to \$25,000 for equipment, only 17 retailers submitted applications. Reasons for a low response may include that retailers are not interested in selling fresh food or perhaps not confident that they can be successful in selling these nutrient-dense foods. Many believe that customers who are interested in eating healthy will shop where it can be found at a cheaper price.

Details of lessons learned in the areas of equipment, time constraints, language, technology, SNAP/WIC, and fresh food distribution are provided below:

Equipment

- Finding the appropriate equipment requires continual communication between the HFSRP staff, equipment representatives, and retailers.
- Each retailer's unique equipment needs and requests, considerations of the HFSRP goals, desires of the retailers, and constraints of store size and layout added another layer of time and complication.
- Logistics of delivery and installation. Do the retailers have resources to move heavy equipment into the store? If not, finding resources to assist can be expensive.
- Finding electricians added a time delay for some retailers. This preceding step is necessary to ensure they had the electrical capacity to operate the equipment.

Time constraints: Retailer

- Retailers have limited time availability and many will only meet with us while they are also helping customers at the cash register.
- Discussing program goals, what the contract entails, and answering retailer questions is not easily achieved while they are helping customers.

- It would be more effective to meet more often with shorter visits rather than visits which take over an hour to cover everything in one visit. However, multiple store visits are difficult to achieve with the constraints of the HFSRP administration budget.

Time constraints: HFSRP Staff

- In the beginning when building trust and making sure the store owners understand the program, in-person visits are essential.
- To keep within the limitations of the part-time Program Coordinator, commuting to the stores from the northeast to southeast corner of the state required two weeks of the project timeline for just one visit to each store.
- Communication via phone is a good way to support the in-person visits, but cannot replace them. When making these store changes, retailers need a substantial amount of support and continual communication.
- The person in the Project Coordinator position changed in January 2017. The transition was relatively seamless because the position was filled by someone who was familiar with the program. However, logistics of hiring a new employee delayed the project by several weeks.

Language/ Communication

- Some retailers have English as a second language and they may assign communication responsibility to their employees.
- For retailers relying on employees to communicate with HFSRP, there was added time relaying messages through a middle person. Ultimately these retailers did not enroll and future recruiting efforts may consider requiring direct communication with the store owners from the beginning.
- Stocking guidance required retailers to receive nutrition education and guidance in reading nutrition facts labels. For those who have English as a second language this was difficult for them to understand.
- Written material for adults at the 6th grade reading level may help with future participants. This material is not likely to be available specific to our needs and would require us to create these materials.

Technology

- The NCDA&CS protocol of offering contracts is to send PDFs of contracts and other documents via email, however for some retailers this method did not work.
- Some retailers will miss emails sent to them unless they are notified through a phone call or text message.
- Access to a fax machine proved problematic for some retailers and we worked around it by receiving picture text messages to the coordinator's cell phone.

SNAP / WIC

- USDA SNAP retailer rules and regulations for stocking have been in flux the entire period of this project. This has made it difficult to know in advance what rules, either new or adjusted, each store would be held accountable beyond our program.
- Applying for SNAP and WIC applications are on-line only and our participating retailers needed additional assistance and time to effectively submit their applications.
- Types, amounts and availability of WIC foods is another challenge for HFSRP retailers. North Carolina WIC stocking requirements are subject to potential change every six months.
- WIC approved suppliers are under their own set of rules and regulations which continually changes what the stores must carry to comply. Shelf space and delivery routines are not flexible as with larger retailers.
- Extra refrigeration space to carry both HFSRP requirements plus WIC standards, results in a larger scale and inequitable inventory on hand for the small retailer.
- The North Carolina WIC program is in transition from a paper voucher system to electronic benefits. This transition time also creates another level of complexity for our retailers to navigate.

Fresh Food Distribution

- Traditional small retailer distribution systems are not able to supply fresh food in smaller quantities at a feasible price point to many outlying food desert zones.
- Because convenience store stock is often managed by the companies who deliver the food and beverages, small retailers typically have little experience in procuring, stocking or marketing fresh food and require a resource for guidance.
- Many of the small retailers do not have a lot of time to spend researching where to find sources for this new stocking requirement and determining what will be successful in their location.
- On-line food purchasing and delivery, and the USDA SNAP pilot program to deliver food to food desert recipients, may be part of the future food landscape. These developments may change the geographical area where the HFSRP would serve the greatest good.
- The NCDACS has access to most growers in the state. However, after spending considerable time trying to match up local fresh foods within proximity of store locations, the consensus is that it is not profitable for local growers, nor viable for them to make small, frequent deliveries of perishable produce.

Building on Strengths

Collaborators and Community Stakeholders - Many people are interested in this state program and have offered to help. Youth groups across the state are currently involved in healthy corner store activities and are motivated to support efforts of the HFSRP. For nutrient-dense food sourcing there is a pilot program at UNC creating and testing SNAP-eligible frozen meals. This program not only works to create affordable healthy meals, but also supports local agriculture by using grade B produce which is equal in nutrition, but not as easy for producers to market. We will continue to foster collaborations such as these to support future HFSRP efforts.

Marketing - The Got to Be NC Nutrition with the by-line “Better-for-you” foods is consistent with other marketing and nutrition promotions within NCDA&CS. A common marketing theme, appearance and equipment placement will contribute to program recognition. As more retailers are added to the HFSRP, this common theme will help establish recognition of the program across the state. As people travel and find similarities among stores, broader acceptance and desirability for “better-for-you” foods will grow.

Recommendations Moving Forward

This program has provided a tremendous learning experience and we better understand the varying needs of retailers as they work toward enhancing fresh food access in their communities. Through this process we recognized ways to improve participation and a few noted recommendations are notes follow:

- Funds that do not revert at the end of the fiscal year, but would roll forward to next year. Activities required getting equipment manufactured, installed and then providing reimbursement to retailers, will not always conform to a budget year. If funds could roll into following year, the unused funds could be used to further the mission of this program.
- Flexibility in how much is offered to each location and how the funds are used.
- Remove the WIC requirement. Due to the small retailer size, this requirement is problematic in being able to hold the minimum amount of stock and additional storage needed for each program. WIC retailers also have an increased time commitment for retailer to understand and comply with requirements.
- Additional administration funds would allow more staff time to build relationships with community champions who will provide support to HFSRP retailers. This local support of the improved fresh food access would create sustained availability of nutrient-dense foods.