



## Healthy Grocery Initiative Overview

The Healthy Grocery Initiative (HGI), a program of Mandela Partners (MP), works with Oakland corner store owners to support business growth, build customer loyalty, and increase healthy food options, such as fresh fruits and vegetables, in their communities. MP has been a leader in the healthy retail movement for nearly 15 years, beginning with the West Oakland Youth Standing Empowered (WYSE) program in 2006. WYSE explored food through the lens of social justice so that young people were informed and inspired to transform the health of their communities. Youth delivered fresh fruits and vegetables directly to West Oakland corner stores, laying the groundwork for MP's current program. Today, we aim to build the capacity of corner store owners to sell healthy foods more profitably and promote healthful eating within the community through fruit and vegetable vouchers, recipe sharing, and virtual customer engagement activities.

In addition to fresh produce, HGI provides complementary support services and technical assistance that benefits store owners and the surrounding community, which include: store environment improvements, marketing, nutrition education, and sourcing and procurement assistance. Our Fresh Creds program deepens the impact of our food access work by allowing us to offer CalFresh-enrolled customers a 50% discount on California-grown fruits and vegetables. We offer the discount and associated marketing materials to small and medium-sized independent grocers or cooperatives in addition to corner store partners. The Healthy Grocery Initiative has become a national model for building and sustaining healthy food access in under-resourced communities. We have been providing technical expertise and resources to other communities across the country to support them in strengthening food security by uplifting healthy retail options.

We are seeking **\$175,000** of Sugar-Sweetened Beverage Tax funding to support and incentivize healthy food and produce purchases at independent grocery stores in East Oakland.

## Community Context

We have heard repeatedly that East Oakland is a food desert, almost as if this is an immutable fact. However, it is more accurately a *food apartheid*. Overtly racist government policies made East Oakland what it is today. East Oakland was the victim of disinvestment that resulted from white flight and redlining post WWII. Businesses were deterred from developing in Black, Indigenous, and People of Color (BIPOC) communities because these areas were seen as bad investments. The void



of chain grocery stores and supermarkets and the poor economic outlook was filled by drugs, cigarettes, fast food and other quick, low-nutrition options.

What we do not hear about very often, however, are the independent grocers that *do* sell fresh foods in their communities, some of whom have been doing so for 20 years or more. There are several small, independent grocery stores and markets throughout East Oakland, particularly down International Blvd ([map](#)). Small retailers regularly share with our program team that they feel neglected by the City, especially by the Sugar Sweetened Beverage (SSB) tax ordinance. The tax in Oakland earned over \$25 million dollars as of December 2019, but in the 2019-2020 fiscal year, only 1% of SSB tax earnings was allocated to healthy retail. Grocers resoundingly say that they do not know where the money is going; only 9 of the 103 stores interviewed in this evaluation had heard anything about how the money would be used ([Science Direct](#), 2020).

While chain grocery stores and supermarkets in East Oakland are nearly nonexistent, the abundance of small, independent retailers throughout East Oakland present an exciting opportunity for investment from the City of Oakland. We are living in a pivotal time when the failure of large food systems is being recognized on a mainstream level. Early in the pandemic, these smaller stores were squeezed harder than their chain supermarket competitors and many could not receive products from their suppliers because the chains were prioritized ([Romero](#), 2020).

Another misconception worth dispelling is the idea of a grocery store. What most Americans consider to be grocery stores are actually supermarkets ([FMI](#), 2014). The terms are usually used interchangeably. The Pak-N-Sav that used to be on Hegenberger Rd was a supermarket. The former WalMart, also on Hegenberger, was a superstore. Safeway, Lucky and Gazzali's in the Eastmont Mall are all examples of supermarkets. Supermarkets are large stores that focus on a wide selection of groceries and may have service departments such as bakery, butcher, floral, or pharmacy. Superstores are mass merchandisers that sell groceries (as much as 40% of retail space) and non-food items ([Campbell](#), 2020). A grocery store is devoted to selling groceries (food), including fresh, convenience, and staple foods. They may sell non-food items as well, but grocery stores are not meant to be a one stop shop nor specialty shops.

This supermarket or superstore as the grocery store ideal is another example of disinvestment at work and it is an impossibly high standard to reach if there is no money to do so. **A better option is to invest in these independent stores that are already present in most East Oakland neighborhoods.** These store owners have an advantage over chains by knowing their customers and carrying culturally-relevant foods.



### Program Assets

- ❖ *Grocery retail-focused technical assistance:* Program staff offer complementary technical assistance on energy-efficient equipment upgrades, store layout and design, merchandising, marketing, and healthy food sourcing and procurement.
- ❖ *Produce distribution infrastructure:* MP has a cold storage facility, a transportation fleet, and relationships with local farmers and distributors. We provide a consignment-based produce delivery service to partner stores interested in introducing or increasing their fresh produce inventory.
- ❖ *Healthy food subsidies:* The [Fresh Creds](#) program provides CalFresh customers a 50% discount on fruits and vegetables through a cloud-based redemption and tracking app.

### Objectives and Activities

<p><b>Objective 1:</b> Offer comprehensive technical assistance assessments and tailored planning with up to 5 independent grocery stores in East Oakland. Topics may include: produce management, healthy inventory sourcing, marketing, merchandising, store layout and design, customer outreach, business education, and nutrition education.</p>		
Activity	Description	Timeline
1.a.	Identify and recruit up to 5 stores for program participation	January 2021 - February 2021
1.b.	Conduct pre-assessments to identify specific store needs, requested areas of support, and overall capacity to make/maintain improvements	February 2021
1.c.	Obtain signed MOUs with participating stores	February 2021
1.d.	Create tailored technical assistance plans with participating stores; Schedule 1:1 bimonthly advising meetings with each store	March 2021
1.e.	Implement TA plans with stores	April 2021 - June 2021
1.f.	Conduct post-assessments 6 months after initial pre-assessment	August 2021



**Objective 2:** Improve product quality and customer experience through equipment and store upgrades and healthy food incentives for limited-resource customers (CalFresh, WIC, SSI recipients, etc.)

Activity	Description	Timeline
2.a.	Train stores on the cloud-based application, Fresh Creds, that enables a 50% discount on healthy food items. All transactions will be tracked by the Fresh Creds application.	February 2021
2.b.	Distribute \$85,000 in incentive funding to up to 5 eligible stores. CalFresh, WIC, and/or SSI-enrolled residents will be eligible for the discount on healthy food items.	February 2021 - June 2021
2.c.	Assess equipment and store upgrade needs with participating stores, including refrigeration, freezers, lighting, counters, facades, shelving, flooring, etc.	March 2021-April 2021
2.d.	Identify stores eligible for grant support and/or financing with MP partner, Community Vision’s California FreshWorks Fund, or other local CDFI. Each store will be eligible for up to \$4,520 in upgrade funding from MP, and will cover additional costs independently or through financing with the aforementioned CDFI partners.	April 2021
2.e.	For stores deemed eligible for grant investment and/or financing, create contractor work plan, budget, and schedule	May 2021-June 2021
2.f.	Carry out store and equipment upgrades	April 2021 - June 2021



**Proposed Budget**

<b>Healthy Grocery Initiative Expansion Budget February 1, 2021 - June 30, 2021</b>	
<b>Personnel</b>	<b>Amount Requested</b>
	<b>\$49,450</b>
Program and Policy Director	\$5,000
Healthy Grocery Initiative Coordinator	\$25,000
Healthy Grocery Initiative Associate	\$5,000
Finance Director	\$8,000
Total Personnel	\$43,000
Fringe	\$6,450
<b>Other Direct Costs</b>	<b>\$102,500</b>
<i>Materials, Supplies, and Equipment</i>	
Infrastructure fund (refrigeration, freezers, merchandisers, and shelving; interior/exterior upgrade costs; POS upgrades)	\$17,000
Produce incentive fund	\$85,000
<i>Miscellaneous</i>	\$500
Translation - Arabic, Chinese, Spanish	\$500
<b>Indirect Costs</b>	<b>\$23,050</b>
<b>Total Budget</b>	<b>\$175,000</b>