The Food Policy Council of San Antonio
Healthy Corner Stores Proposal
San Antonio Food Insecurity

Due to decades-long trends in retail consolidation and other factors, many neighborhoods in San Antonio lack access to grocery stores, but have abundant corner stores. Residents who lack personal transportation must rely on public transportation or walking to obtain their groceries. Food desert maps and other studies have identified areas of San Antonio that lack easy access to food that supports a healthy diet. In place of healthy food in these areas, there is an abundance of junk food and sugar sweetened beverages on offer. This situation is sometimes described as a “food swamp.”

An environment where healthy food is scarce and the available food is mostly unhealthy contributes to our high rates of diet-related disease.

Bexar County Diet-Related Chronic Disease

The diabetes rate in Bexar County has increased to 14.2% in 2014, up from 12.7% and 11.4% in 2013 and 2012 respectively. In terms of equity, adults who earn less than $25,000 suffer diabetes rates of 24%, while those who more than $50,000 only suffer a rate of 8%.

32% of residents are classified as obese and another 39% are overweight. For those earning under $25,000, 42% are obese. For those earning $50,000 or more, the rate is 29%.

In Bexar County, one in five individuals is eligible to receive Food Stamp assistance, yet only about half of those eligible participate in the program.

Economic Impact of Chronic Disease

In addition to the economic impact that chronic disease has on individuals and families, the surrounding communities are impoverished by a reduction in productivity and increased expenses. In 2014, the Texas Comptroller estimated that obesity costs Texas businesses 11.1 billion dollars and will increase to 32.1 million by 2030 on the current trajectory. The report

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1 2012-2014 Texas Behavioral Risk Factor Surveillance System Survey
2 U.S. Census, 2008 Small Area Income & Poverty Estimates
concluded that the state needed to continue to invest in prevention efforts in order to produce huge economic savings\textsuperscript{3}.

According to a report published in 2007 by the Milken Institute\textsuperscript{4}, a nonpartisan think tank, “if the country could reverse the growth rate of obesity and return to 1998 levels in 2023, the impact would be a reduction in health-care spending of $60 billion and an increase in productivity of $254 billion.

**Why Convenience Stores?**

**Strategic Position**

Many convenience stores are located in areas of high health disparities as an accepted part of the neighborhood landscape. New infrastructure such as grocery stores often risks a spike in property values that price out existing residents, and other solutions like farmers markets and community gardens are often culturally inappropriate, too expensive, or can require a high time commitment from someone possibly working more than one job.

Many corner stores already participate in the Supplemental Nutrition Assistance Program (SNAP) for low income individuals and families. While there are upcoming changes to the SNAP requirements for stores that will make it harder for convenience stores to continue to accept SNAP benefits, convenience stores that increase their inventory of healthful foods will be at a great advantage for maintaining their ability to accept SNAP.

Beginning in 2018, to be eligible for SNAP retail status, stores must offer an increased number (36 total) of staple foods. Specifically, stores must stock at least three varieties each of:

- vegetables or fruits
- dairy
- meat, poultry, or fish, and
- bread or cereal.

In addition, stores must stock, at minimum, one type of perishable food in two of the categories. If stores do not offer all four staples, their total staple food sales must account for more than half of all retail sales\textsuperscript{5}.

**A Local Perspective: Living and Working in a Food Desert**

“I grew up in Highland Park. As a child my friends and I used these streets as our playground where we played tag, hide-n-seek, walked home from school, and walked or rode our bikes to the local corner stores to buy snacks. Some of my best memories are in this neighborhood.

Now I have the privilege of working in Highland Park as a community health worker with Metro Health’s Healthy Neighborhoods program. As a community health worker, I have been educated on the importance of how nutrition, physical activity, and a healthy community play a vital role in

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\textsuperscript{3} The Hefty Price Tag of Obesity in Texas, 2014, Texas Comptroller of Public Accounts

\textsuperscript{4} An Unhealthy America: The Economic Burden of Chronic Disease, 2007, Milken Institute

\textsuperscript{5} USDA Food and Nutrition Service website: https://www.fns.usda.gov/snap/my-store-eligible, dated 05/09/2018
health outcomes and I have been able to revisit my neighborhood with a new perspective. I now realize that there is so much change that needs to happen in order to create a healthy neighborhood. One of the challenges that I find is that we do not have access to real food within walking distance. Our corner stores offer the typical chips, soda, candy and beer. It is nearly impossible to find anything with real nutritional value other than milk.

It is important that our neighborhood stores offer healthy options in order to change the health of our community for the better. Our corner stores should offer an abundance of fruits and vegetables that are affordable. Our children need to start seeing something other than junk food offered on the shelves to choose from and families should have the option of stopping at their corner store to buy real food for dinner. Making these small changes would give families a critical tool in becoming empowered to take care of their health.”

– Nora Gonzales, Metro Health Community Health Worker

The National Landscape

Examples of Healthy Corner Store Initiatives
In Philadelphia, a study demonstrated 42% of Philadelphia students shop at corner stores twice a day, five days a week. Since 2004, the nonprofit Food Trust has worked through both consumer education and partnerships with businesses to create a network of more than 600 corner stores committed to offering and promoting healthy food choices through increased store capacity, training and technical assistance to store owners, marketing, and hosting in-store community nutrition education classes. The Food Trust also consults with other cities on establishing HCS initiatives.

In Minneapolis, the city passed a staple foods ordinance in 2008 which required small food stores to carry a variety of healthy food items, including at least five varieties of fresh produce. This was followed up with a healthy corner store program that provided technical assistance to the store owners that helped assure compliance with the ordinance.

In 2013, Houston piloted a Healthy Corner Store initiative that included infrastructure renovations and partnership with a local produce vendor to bring fresh produce on a weekly basis to 3 convenience stores. Since then, they have expanded to 7 additional stores and have incorporated nutrition education and cooking demonstrations to promote the consumption of the fresh produce sold in their participating locations.

Austin’s initiative has been in force for five years, with consulting support from the Food Trust. Their chief obstacles have been finding willing suppliers, and turnover in store owners, but their commitment to the program remains. For each store, a community leader is identified to reach out to customers, both for awareness and feedback.

From education, to infrastructure support, to ordinances, to marketing - there are examples across the country of cities partnering with corner stores to increase access to healthful foods in communities without nearby access to a grocery store. The best practices depend on what deficits are present in the community and the strategies that appeal to the local store owners and store patrons.
To combat chronic disease in communities, the Centers for Disease Control and Prevention recommends environmental changes that lead to increased consumption of fruits and vegetables, especially in underserved communities. These behavioral changes decrease the risk of heart disease, stroke, type II diabetes, obesity, and some cancers\(^6\).

**Our Healthy Corner Store Proposal**

**Implementing SA Tomorrow Food System Strategies**

The SA Tomorrow Sustainability plan describes nine strategies for a healthier and more sustainable local food system. Three of these (FS2, FS3, and FS4) relate to initiatives to make healthy food more accessible to neighborhoods underserved by supermarkets, through education and participation in food assistance programs, Healthy Corner Store Initiatives, and use of mobile vendors in these neighborhoods. Based on surveys described below, all three of these strategies can be incorporated into this initiative, at a fraction of the cost of continuing the status quo.

**Comprehensive Plan to Combat Barriers**

A San Antonio Healthy Corner Store Initiative would work to improve community health outcomes by increasing access to healthy foods, including fresh fruits and vegetables in spaces that are already part of the local landscape. Significant barriers exist for convenience stores that are ready to stock the produce but struggle with high-cost produce delivery, spoilage loss, small profit margins, competition for display space, and some perceptions that there is a low demand in the community for healthful foods.

“**Healthy food**” is defined as: minimally processed foods such as water, fresh or frozen whole or cut fruits, fresh or frozen whole or cut vegetables, milk & no-sugar-added dairy, eggs, lean meats, and unprocessed whole grains.

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\(^6\) Strategies to Prevent Obesity and Other Chronic Diseases: The CDC Guide to Strategies to Increase the Consumption of Fruits and Vegetables. Atlanta: U.S. Department of Health and Human Services; 2011
“Participating location” is defined as a convenience store that accepts SNAP benefits within the overlapping geographic areas of a low-income, low-access food desert per USDA’s criteria and the boundaries of the San Antonio Metropolitan Health District’s Healthy Neighborhoods program (which has designated public health workers actively working on reducing childhood obesity through community engagement) that enters into an agreement with the San Antonio Healthy Corner Store Initiative. Approximately 40 locations currently fit these criteria and will be the locations targeting for a pilot program. (See map.)
 Perspectives of Corner Store Owners

**Interviews with Convenience Store Owners and Managers**

The Food Policy Council of San Antonio conducted 20 interviews during spring and summer 2017 in order to assess whether the proposed plan components would be desirable and feasible in the San Antonio environment. The 20 interviews took place in the zip codes 78210 (6), 78212 (4), 78218 (2), and 78237 (8) and engaged owners or managers in structured discussions about barriers and solutions to offering more healthy items at their locations. Overall, the interviews were positive and in favor of their stores being part of the solution to food deserts and food insecurity. The participants were very aware of the challenges, but all participants felt that offering healthy food is important.

<table>
<thead>
<tr>
<th>Positive Responses</th>
<th>Qualitative Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 90% accept SNAP</td>
<td>• Some people do want healthy food</td>
</tr>
<tr>
<td>• 85% offer fresh produce</td>
<td>• Willing to carry more produce</td>
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<tr>
<td>• 100% offer canned produce</td>
<td>• Care about the community and their health</td>
</tr>
<tr>
<td>• 100% think it’s important to sell healthy foods in their store</td>
<td>• Would like to provide the neighborhood with good foods</td>
</tr>
<tr>
<td>• 55% think customers want healthy options</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Negative Responses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• 0% offer low sodium or low sugar canned produce options</td>
<td>• Hard to compete with grocery stores</td>
</tr>
<tr>
<td>• 5% offer frozen produce</td>
<td>• Demand is for unhealthy foods</td>
</tr>
<tr>
<td>• 15% have options that can be seen when you walk in the door</td>
<td>• Healthy items stay on the shelf too long</td>
</tr>
<tr>
<td>• 15% have signage promoting healthy eating</td>
<td>• Concerned about food spoilage and waste</td>
</tr>
<tr>
<td></td>
<td>• People don’t know what foods are healthy</td>
</tr>
</tbody>
</table>

**Areas to address:**
1. Competitive pricing
2. Lack of available refrigerator and shelf space
3. Store layout, visual merchandising
4. Marketing and neighborhood outreach
5. Shelf life of healthy foods, restocking rates, preventing waste
6. Education, cooking demonstrations

Implementation Strategy

COSA Incentives

While it can’t solve food insecurity on its own, a funded initiative from the city is an essential part of a comprehensive plan for making sustainable changes to the San Antonio food environment. We recommend the following municipal actions, over a period of three years, to increase the amount of healthy foods supplied and demanded at convenience stores in food deserts.

- Hire a staff member and create a program to implement a Healthy Corner Store Initiative
- Implement a “double bucks” program that match Supplemental Nutrition Assistance Program spending on designated healthy foods at participating convenience stores
- Offer mini grants for refrigeration units to store and display healthy foods
- Develop marketing materials to support the display and sale of healthy foods

Private Incentives

Companies and non-profit organizations are interested in engaging with the Healthy Corner Store Initiative to assist the community and build their customer base. All of the below private partnerships have already been codified in Memorandums of Understanding in the Appendix.

Wholesale produce distribution companies can reduce the obstacles to purchasing healthy foods by lowering the minimum order requirements. Generally, distributors require a minimum purchase volume, such as 10 cases, to justify the delivery cost to a customer. Unfortunately, most convenience stores aren’t confident enough that they can sell that volume before it expires to take the risk of buying. The other incentive listed could help finance infrastructure changes and boost demand for healthy products in the target areas.

- In-store trainings on produce handling, healthy food promotion and effective display techniques
- Direct Source Produce, The Chop Shop, and Big State Produce have committed to eliminating their minimum order requirements for select healthy foods to the target neighborhoods.
- Freshpoint, the produce arm of Cisco and one of the largest distributors in the city, has agreed to create centralized pickup location for select healthy foods in each of the target areas, so that convenience stores can buy a smaller volume together, collectively meet the minimum, and pick up from a close location.
- Compost Queens, a local composting/recycling company, has agreed to pick up and weigh unsold products.
- Usage will be measured by comparing products delivered vs unsold products picked up.
- The Local Initiatives Support Corporation (LISC) has agreed to offer 3% interest rate loans for infrastructure improvements at participating stores as part of their Healthy Food Financing and Small Business Loan Programs.
- The San Antonio Food Bank has agreed to conduct cooking demonstrations through their nutrition department at interested participating convenience stores within the target area. [and education/signup for benefits?]
Implementation Goals

First Year
- Funding for the program begins with the start of the fiscal year on October 1, 2018.
- The position for the Healthy Corner Stores Coordinator will be filled by March 31 of the following year.
- The remaining 6 months of the fiscal year will be allotted to a Planning and Pilot Phase which will include the following:
  - Creation of branding for the program
  - Establishment of Memoranda of Understanding with partner organizations
  - Creation of collateral materials
  - Enlistment of two corner stores as pilot locations

Second Year
- Create and implement a community engagement plan, including food demos and outreach.
- Enlist 10 new locations.
- Conduct follow-up surveys with participating sites at 3, 6, and 12 months post-implementation.
  The data collected will include the number of participating locations, the corner store owner survey results of environmental changes (number of healthy items in stock, sales data of healthier items being sold), and outreach measures including community engagement.

Third Year
- Expand the program to 10 new locations.
- Check in with participating sites and address issues as they arise.

Budget

Attached is a proposed budget estimate for the recommended 3-year program.

Program Sustainability

The plan outlined in this proposal and budget request includes three years of programming. The private partners mentioned are also planning for an initial implementation period of three years.

Johns Hopkins found\(^7\) that the Baltimore Healthy Stores program’s interventions (small monetary incentives and educational sessions for owners, posters, taste tests, cooking classes) caused a statistically significant increase in healthy food sales at participating stores compared to the control group.

In Philadelphia, independent market analysts found after their corner store initiative, “Stores that simply added display kiosks making produce the focal point of the store resulted in a 60% increase in produce sales.”\(^8\) When they introduced new shelving and refrigeration units, stores added an average of 53 new healthy products.


Even without re-adoption, the incentives recommended in this proposal should make a difference in consumer behavior. In general, consumers desire healthier foods and would shop for them at convenience stores. Most store owners surveyed here expressed a desire to offer healthy food to their customers, if it would sell.

A leading food industry research group in 2015 surveyed consumers nationally and found 53% of consumers said they would visit corner stores more often if healthier foods were more available. The problem is often that convenience stores aren’t taking advantage of that demand because they lack the knowledge of how to stock and sell healthy foods, and the initial cost to begin.

By supporting this transition, the City would be taking an important step to improve access to fresh, healthy, affordable food in underserved neighborhoods, advance equity goals, and impact three important Food System strategies of the SA Tomorrow comprehensive plan.

**About FPCSA**

The Food Policy Council of San Antonio (FPCSA) serves as a stakeholder forum to support a healthy, sustainable and just local food system for people, the environment, and the economy. It gathers and disseminates information for all who work toward that goal in the San Antonio area and advocates for policy improvements relating to food.

The FPCSA is a 501(c)(3) organization. Incorporated in 2012, it was formed by the San Antonio Metropolitan Health District under a Communities Putting Prevention to Work (CPPW) grant from the Centers for Disease Control and Prevention and the Department of Health and Human Services in 2010.

9 Technomic, global foodservice market research firm, conducting independent research. https://www.foodnavigator-usa.com/Article/2015/01/28/Convenience-stores-emerge-as-health-food-destination
## Logic Model

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes/impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro Health (Healthy Neighborhoods) Staff Member</td>
<td>Program coordinator</td>
<td>Record-keeping, funds distribution, wholesaler coordination, and program evaluation</td>
<td>Ongoing implementation and program refinement</td>
</tr>
<tr>
<td>COSA $ for Equipment</td>
<td>Refrigerators</td>
<td>Increased storage and display capacity</td>
<td>Decreased product loss and increased sales. Increased healthy food transaction recordkeeping.</td>
</tr>
<tr>
<td>COSA SNAP $ Matching</td>
<td>Halving healthy food prices up to $20,000</td>
<td>Store rebates for qualifying products with proof of purchase</td>
<td>Lowered consumer cost and increased healthy food demand/sales</td>
</tr>
<tr>
<td>COSA $ for Marketing</td>
<td>Outdoor signs and in-store displays</td>
<td>Increased marketing for healthy foods</td>
<td>Increased demand/more sales for healthy foods</td>
</tr>
<tr>
<td>Increased wholesaler distribution costs</td>
<td>Lower required purchase volumes from The Chop Shop, Direct Source Produce, and Freshpoint</td>
<td>Higher frequency and decreased cost of healthy food dropoff events</td>
<td>Lowered cost of healthy foods for stores. Less product loss from spoilage</td>
</tr>
<tr>
<td>Nonprofit $ for loans</td>
<td>LISC low-interest loans for building improvements</td>
<td>Increased store expansions</td>
<td>More floor space for healthy food</td>
</tr>
<tr>
<td>Nonprofit staff time</td>
<td>Food Bank on-site cooking demonstrations</td>
<td>Demonstrations held</td>
<td>Increased demand for healthy foods</td>
</tr>
<tr>
<td>Nonprofit volunteer time</td>
<td>Food Policy Council store owner training</td>
<td>Training sessions held</td>
<td>Better healthy food stocking/selling</td>
</tr>
</tbody>
</table>
July 26, 2009
To San Antonio’s City Council and Mayor,

The San Antonio Food Bank has partnered with the Food Policy Council of San Antonio (FPCSA) since its inception and today we have three staff members serving in the Council. It is our pleasure to recommend the FPCSA and the City of San Antonio to pursue the Healthy Corner Store Initiative. For qualifying stores in the target area that has been selected by the FPCSA, our intention is to eliminate our minimum order requirements for qualifying. Several issues affect the Corner Stores Industry need to keep food waste to a minimum to guarantee profitability. One of the primary obstacles to convenience stores carrying healthier products is the relatively low demand and short shelf-life of produce. Many owners can’t risk buying produce that will go bad because customers are buying them too slowly. The industry standard sale style is to sell items by the case, oftentimes in 24 packs. Certain products have insufficient demand within convenience stores to sell all items within their shelf life. Hopefully, being able to order smaller volumes of each product will help incentivize convenience store owners to stock their shelves with these items. Once they begin sourcing them and customers get used to purchasing them, we hope that they will scale up their orders.

The San Antonio Food Bank is working very close with the FPCSA and will unite forces to provide innovative nutrition and health education with fun culinary demonstration to facilitate the implementation of the Healthy Corner Store Initiative. It also supports the Local Initiatives Support Corporation’s proposal to offer lending through their Healthy Foods Initiatives, and hopefully the City of San Antonio’s Healthy Corner Store Initiative, that we will see demand increase for healthy products to give us new customers for produce as well as an increase in the health of the serviced communities.
If you have any question please do not hesitate to contact me,

Luz Myriam Neira, PH D
Director Nutrition, Health & Wellness Division
San Antonio Food Bank
5200 Enrique Barrera Parkway
San Antonio, Texas 78227
To San Antonio’s City Council and Mayor,

The organization I represent, Freshpoint, is one of the largest produce distribution companies in San Antonio, and we are interested in partnering with the Food Policy Council of San Antonio (FPCSA) and the City of San Antonio in facilitating a Healthy Corner Store Initiative. For qualifying stores in the target area that has been selected by the FPCSA, our intention is to create purchasing cooperative groups (coops) between convenience stores and our existing large wholesale customer base to encourage them to make orders, even if they are at volumes lower than our standard minimum volumes. Many of our current customers, like schools and wholesale retailers, have the infrastructure and proximity to be staging areas for convenience store owners to pickup from them.

One of the primary obstacles to convenience stores carrying healthier products is the relatively low demand and short shelf-life of produce. Many owners can’t risk buying produce that will go bad because customers are buying them too slowly. The industry standard sale style is to sell items by the case, oftentimes in 24 packs. Certain products have insufficient demand within convenience stores to sell all items within their shelf life. Hopefully, being able to order smaller volumes of each product will help incentivize convenience store owners to stock their shelves with these items. Once they begin sourcing them and customers get used to purchasing them, we hope that they will scale up their orders.

We anticipate that from our distribution efforts and that of other wholesalers, the San Antonio Food Bank’s proposal to conduct healthy cooking demonstrations, the Local Initiatives Support Corporation’s proposal to offer lending through their Healthy Foods Initiatives, and hopefully the City of San Antonio’s Healthy Corner Store Initiative, that we will see demand increase for healthy products to give us new customers for produce as well as an increase in the health of the serviced communities.

Best,

Jon Haynie
General Manager at Fresh Point South Texas
JULY 24, 2017

Food Policy Council of San Antonio
1802 N. Main Avenue San Antonio, TX 78212

Dear Food Policy Council of San Antonio,

I am writing to express our support for your efforts to improve health outcomes for San Antonians and our interest in working more closely with you in the coming months. The San Antonio office of Local Initiatives Support Corporation (LISC) opened in June 2016 to bring additional financial and programmatic resources to San Antonio in an effort to help preserve and revitalize low and moderate income communities here. As part of our mission to strengthen comprehensive community development, LISC offices across the country support local efforts to develop healthy eating habits and lifestyles especially in traditionally underserved communities. Through our Healthy Food Financing Initiative, we provide low interest loans for the development of food retail outlets in food deserts. The goal is to expand healthy food options to underserved markets through predevelopment, acquisition, construction, and mini-permanent loans. LISC not only provides capital to support such projects including ones that conventional lenders often consider high-risk, but we also provide related technical assistance and project development services.

Through our partner organization, the New Markets Support Company (NMSC) LISC also provides small business loans that may be useful for increasing healthy food options by new or existing food retail outlets. Through Small Business Administration 504 and Community Advantage programs, we help small for-profit businesses open or expand in underserved markets.

These services are available to San Antonio neighborhoods and we look forward to working with the Food Policy Council to ensure that they are deployed where needed. To learn more about the Healthy Food Financing and Small Business Loan programs please visit www.lisc.org. You may also contact Kia Ball (kball@lisc.org) or Alice Salinas (asalinas@lisc.org).

Best regards, LISC San Antonio

LISC