



The Good Food Access Program

A Report to the Minnesota Legislature

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Introduction

This report is required by the Minnesota Legislature (MINN. STAT. 17.1017, subdivision 9):

Legislative report. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which it contracts, shall submit an annual report on the Good Food Access Program by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over agriculture policy and finance. The annual report shall include, but not be limited to, a summary of the following metrics:

- (1) the number and types of projects financed;
- (2) the amount of dollars leveraged or matched per project;
- (3) the geographic distribution of financed projects;
- (4) the number and types of technical assistance recipients;
- (5) any market or commodity expansion associated with increased access;
- (6) the demographics of the areas served;
- (7) the costs of the program;
- (8) the number of SNAP and WIC dollars spent;
- (9) any increase in retail square footage;
- (10) the number of loans or grants to minority-owned or female-owned businesses; and
- (11) measurable economic and health outcomes, including, but not limited to, increases in sales and consumption of locally sourced and other fresh fruits and vegetables, the number of construction and retail jobs retained or created, and any health initiatives associated with the program.

Each report has focused on the activities occurring in the previous year. This report will focus on grants awarded in Fiscal Year (FY) 2022 and the impacts of the previous two rounds of grantmaking in FY20 and FY21.

Background

The Good Food Access Program (GFAP) was established at the Minnesota Department of Agriculture (MDA) through legislation passed by the 2016 Legislature (MINN. STAT. 17.1017). The legislature also established the Good Food Access Program Advisory Committee (MINN. STAT. 17.1018).

The purpose of the GFAP is to increase the availability of and access to affordable, nutritious, and culturally appropriate food for underserved communities in low-income and moderate-income areas. To accomplish this goal, the GFAP provides financial support and technical assistance to open, renovate, or expand the operations of grocery stores and small food retailers, and will expand access to credit and reduce barriers to investment in underserved communities in low- and moderate-income areas.

This legislation also created the Good Food Access Account in the agricultural fund. The account consists of money appropriated by the legislature and may also accept funds donated, allotted, or transferred to the account from public or private entities. The legislation encourages the MDA to leverage other forms of public and private financing or financial assistance for the projects.

Good Food Access Account funds may be used for loans, grants, technical assistance, and other types of financial assistance. The MDA may contract with one or more qualified economic or community development financial institutions to manage the financing component of the program, and with one or more qualified organizations or public agencies with financial or other program-related expertise to manage the provision of technical assistance to project grantees.

In FY17, the GFAP received a one-time appropriation of \$250,000 to the Good Food Access Account. Of this amount, \$7,000 remains available for funding grants and administrative expenses.

For FY18 and FY19, the appropriation for the Agricultural Growth, Research, and Innovation Program (AGRI) included language that allows for up to \$250,000 per year to be allocated for the GFAP at the discretion of the commissioner. In both years, we used \$233,750 in AGRI funds to support GFAP grants.

In FY20 and FY21, the AGRI budget rider allowed for up to \$300,000 per year to be used for the GFAP at the discretion of the commissioner. In FY20, we awarded \$269,802 in grants, and in FY21, we awarded \$303,943 in grants, including \$3,943 from the Good Food Access Account in the agriculture fund.

In FY22 and FY23, the AGRI budget rider allows for up to \$450,000 per year to be used for the GFAP at the discretion of the commissioner. Based on the governor's recommendation, the 2021 Legislature also amended the GFAP statute to no longer require retailers to participate in the WIC program; many retailers are not eligible to participate in WIC or have made well-reasoned business decisions to not participate in the program. In FY22, we awarded \$420,697 in grants. FY23 grants will be awarded in Spring 2023.

Program Activities Completed

The following activities have taken place since submitting the last report in January 2022:

- April 2022: The sixth round of GFAP Equipment and Physical Improvement Grants were awarded. We awarded a total of \$379,140 to 19 projects. One awardee declined their award, so a total of \$364,140 was awarded to 18 projects throughout the state.
- April 2022: The fourth round of GFAP Technical Assistance Grants were awarded. We awarded a total of \$41,557 to one project.
- June 7, 2022: The GFAP Advisory Committee met for its 13th meeting.
- January 2023: We opened the GFAP Equipment and Physical Improvement Request for Proposals (RFP) for the seventh round of grants. We anticipate awarding \$320,750 to 10-18 applicants in Spring 2023.
- January 2023: We opened the GFAP Technical Assistance RFP for the fifth time. We anticipate awarding up to \$100,000 to 2-3 applicants in Spring 2023.

Technical Assistance Grants

Fiscal Year 2022 GFAP Technical Assistance Grant

In FY22, the commissioner, acting on the recommendation of the GFAP Advisory Committee, advised that GFAP Technical Assistance (TA) grants be reopened and in January 2022, the RFP for the fourth round of GFAP TA grants was released. Up to \$100,000 was available to assist nonprofit organizations and public agencies with providing technical assistance to eligible grocery stores and small food retailers. Applicants needed to commit to contributing at least 25% of estimated total project costs through cash or in-kind contributions. Priority was given to proposals that demonstrated a collaborative, regional approach to technical assistance.

Grants were awarded competitively, with applications ranked by a panel of MDA and community-based reviewers and final decisions made by the commissioner. We received two applications requesting \$79,152 in total; one was funded. The University of Minnesota Regional Sustainable Development Partnerships (RSDP), based in Saint Paul, was awarded \$41,557 to provide technical assistance to independent rural grocers. RSDP received a GFAP TA grant in FY19 and completed their “Support Our Stores (SOS): Technical Assistance for Rural Grocers” project in December 2021. Their FY22 project, titled “Support Out Stores (SOS): Produce, Grants, and Grocers,” continues the work started in their previous project by providing technical assistance to an estimated 40 independent rural grocers throughout the state. The project will provide technical assistance for produce safety and grant funding opportunities, including the GFAP Equipment and Physical Improvement Grant.

Equipment and Physical Improvement Grants

Fiscal Year 2022 GFAP Equipment and Physical Improvement Grants

In November 2021, the MDA released the RFP for the sixth round of GFAP Equipment and Physical Improvement Grants in both English and Spanish. Up to \$320,750 was expected to be available to assist grocery stores and small food retailers in purchasing equipment and making physical improvements. Applicants could request a minimum of \$2,500 and a maximum of \$50,000.

Projects were expected to increase access to affordable, nutritious, and culturally appropriate foods, and applicants needed to be located in or serve a food desert (as defined by the USDA Economic Research Service) or serve populations with limited access (such as the elderly or disabled) in a low- or moderate-income area. The evaluation criteria focused on long-term project sustainability, community engagement, and community economic and health impacts, as well as sales of Minnesota agriculture products. In response to the RFP, the MDA received 69 applicants. Applicants requested a total of \$2.388 million.

Grants were awarded competitively, and applicants were ranked by a panel of MDA and community-based reviewers. A total of \$379,140 was originally awarded to 19 projects. One awardee declined their award, resulting in a total of \$364,140 granted to 18 projects in FY22. Award amounts ranged from \$10,000 to \$32,500, with an average award amount of \$20,230. Estimated private investments totaled \$1,016,384, although there were no formal matching requirements.

Table 1: GFAP Equipment and Physical Improvement Awards

Grantee	Location	County	Award Amount	Estimated Total Project Cost*
Aaron’s Grocery	Fertile	Polk	\$25,000	\$34,704
Aitkin Farmers’ Market	Aitkin	Aitkin	\$25,000	\$250,000
Amin Grocery	Willmar	Kandiyohi	\$31,800	\$43,538
Bolt’s Lake Benton Grocery	Ivanhoe	Lincoln	\$32,500	\$40,500
Ditterich Mercantile	Vergas	Otter Tail	\$25,000	\$84,365
F&D Meats	Virginia	Saint Louis	\$14,500	\$85,000
Green Scene Market & Eatery	Walker	Cass	\$10,000	\$19,937
J&S Foods	Lancaster	Kittson	\$25,000	\$47,000
Keister Market	Keister	Faribault	\$15,000	\$16,834
La Plaza F!esta	Madelia	Watonwan	\$20,340	\$75,000
Lake Country Foods	Menahga	Wadena	\$15,000	\$45,771
Lakewood Health System	Staples	Todd	\$25,000	\$67,184
Leech Lake Market	Cass Lake	Cass	\$25,000	\$49,650
Los Rancheros Mercado	Shakopee	Scott	\$15,000	\$63,417
One Stop Station	Minneapolis	Hennepin	\$15,000	\$37,756
Patty’s Palisade One Stop	Palisade	Aitkin	\$25,000	\$34,176
Valley Hardware & Supply	Halstad	Norman	\$10,000	\$11,552
Winnibigoshish Historical Center	Bena	Cass	\$10,000	\$10,000
Totals			\$364,140	\$1,016,384

* Estimated Total Project Cost is based on the grantee’s original budget submitted as a part of their grant proposal. Some grantees may have reduced the scope of their projects based on their actual grant awards.

As in previous years, projects focused on upgrading and expanding existing infrastructure rather than building new retail locations. For example, Aaron’s Grocery, located in Fertile, will purchase new produce cases to provide better products to their customers and to save on energy expenses and reduce the carbon footprint of their business.

Two of this year's grantees are farmers' markets who will increase food access by either purchasing new equipment or investing in permanent infrastructure to promote local foods for area residents. The Aitkin Farmers' Market will purchase an enclosed trailer and reach-in coolers to provide more local produce, meat, and eggs for residents in Aitkin County. The Staples Farmers' Market, in partnership with Lakewood Health System, their site host, will build a permanent pavilion on the hospital parking lot. This will allow customers access to fresh produce and other goods throughout the market season.

Retailers receiving funds under this grant are required to participate in the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program). Currently, all 18 FY22 recipients are SNAP authorized retailers and had combined SNAP sales of \$3,269,929 during the first year of their projects. The 2021 Legislature amended the GFAP statute to no longer require retailers to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program. This change was the governor's recommendation after receiving feedback from previous grantees who were either not eligible to participate in WIC or who had made well-reasoned business decisions to not participate in the program.

Recipients of GFAP grants represent multiple business and ownership models. Of the 18 FY22 grantees, 16 are for-profit business, one is a nonprofit organization, and one is a Tribal Nation. Nine of the organizations are woman-owned and two of the organizations are immigrant-owned. Of the 18 projects, 14 are grocery stores, two are convenience stores, and two are farmers' markets.

Projects serve a variety of diverse communities across the state. Of the 18 funded proposals, two are serving urban areas and 16 are serving primarily rural areas. Seven projects are located in food deserts, and 11 serve other low- or moderate-income areas. Based on self-reported assessments of the racial and ethnic communities served, projects specifically served Middle Eastern, African, Southeast Asian, Hispanic or Latino, and Native American communities.

Descriptions of funded projects and a map of their locations can be found in the [Appendix](#), pages 9-11.

Fiscal Year 2020 and 2021 GFAP Equipment and Physical Improvement Grants

During 2022, we followed up with FY20 and FY21 GFAP Equipment and Physical Improvement grantees. All but one of the FY20 grantees have completed their projects, and half of the FY21 grantees have completed their projects, with seven still finalizing their work. Most grantees have experienced significant shipping delays for equipment items, resulting in longer timelines for project completion than originally planned. Grant awards enabled grantees to increase their abilities to provide affordable, nutritious, and culturally appropriate foods to the communities they serve. Summaries of these grantees are available in prior years' legislative reports.

All FY20 and FY21 recipients reported that their grant funds helped make their projects possible and that the projects were unlikely to occur without the grant funding. Graceville Country Market is a family-owned grocery store that has supported their community for the last 36 years. They used their FY20 grant funds to purchase new freezer equipment and stated that with their updated equipment, they were better able to keep their local customers happy and in town to shop.

Clearview General Store, located in Lutsen, received their grant in FY21 and purchased shelving, produce bins, an air freezer, and a condenser cooler as they remodeled and expanded their store's square footage. As a result of this new equipment, the store has been able to double the number of groceries that it carries. They have

increased the variety in all sections of the store including produce, dry goods, dairy, and meat. They have also increased their offerings of baby and infant foods and formula for WIC customers. Increased grocery offerings are an essential asset in this rural community. Patty Homyak, owner of the store, stated that because of their increased grocery space and adequate equipment, they can now bring in more locally grown and produced items while still having the larger, more name-brand items available for customers. Many grantees added that they received significant other support to make the projects successful, such as through local public health departments, University of Minnesota Extension, regional development commissions, financial institutions, independent or family foundations, produce suppliers, nonprofit organizations, or community volunteers.



Photo 1. World Mart, located in Worthington, received a FY21 grant to convert a bus into a mobile grocery store. The market on wheels provides culturally-appropriate foods tailored towards the African immigrant population that lives in the Worthington area. Photo submitted by Nathalie Nkashama, World Mart.

Of the 26 FY20 and FY21 retailers who benefited from GFAP grants, 25 retailers directly participated in SNAP during FY22 and had total SNAP redemptions of \$8,650,630. Since receiving their awards, these retailers have redeemed a combined total of \$18,567,729. The remaining retailer participated in SNAP via an authorized farmers' market and redemption information is not available for them. Retailers who are eligible to participate in WIC were required to apply to accept WIC, and if approved, participate in the program. In FY22, of the 26 retailers, 19 retailers participated in WIC and had total sales of \$461,380. The remaining seven retailers either did not participate in WIC during FY22 or are not eligible to participate in the program. Since receiving their awards, retailers participating in WIC have redeemed a combined total of \$1,832,067.

Urban Ventures, a nonprofit organization serving residents of south Minneapolis, received a FY20 grant to purchase a refrigeration unit and a wire shelf for their urban farm located in the heart of the community that they serve. This equipment was necessary to help maintain the quality of the farm-grown produce at their farm stand, which provides locally grown, affordable, organic, and culturally appropriate produce to neighbors and community members. Mark-Peter Lundquist, director of the Food, Farm, and Nutrition program, said, "Access to farm equipment and physical improvements results in our ability to expand our food offerings. The GFAP grant is unique in that it understands that the cost of expensive equipment has a direct bearing on our ability to bring nutritious food to families who are living on life's margins. Receiving grant support from GFAP has made a world of difference."



Photo 1. Urban Ventures Farm, located in south Minneapolis, purchased a refrigerator and a wire shelf (above) to preserve the nutritional quality of produce grown on-site until it is sold at their farm stand. Photo by Mark-Peter Lundquist, Urban Ventures.

Every recipient expects that their project will positively impact the long-term sustainability of their business. Butterfield Hardware used their FY20 grant to purchase two coolers and two freezers to increase their grocery offerings as they expanded their hardware store to include a grocery section. Prior to Butterfield's expansion, there was nowhere to purchase groceries in the community. Locals now have the option to shop in town and choose from an expanded selection of produce and other grocery items.



Photo 3. Butterfield Hardware now has two coolers and two freezers stocked with grocery items in their store. As a result of this grant and the hardware store's expansion, community members now have an option to grocery shop in town. Prior to this grant, community members had to shop in neighboring towns. Photo submitted by Butterfield Hardware.

Scott Kosmatka, owner of Kosmatka’s Market located in Oslo, used his FY21 GFAP grant to replace 35-year-old equipment with a new freezer and a new produce display case. The new equipment is energy efficient and provides a fresher product that keeps for a longer period, ultimately providing a lower cost to the customer. Mr. Kosmatka reported that produce sales have increased because the items look better and stay fresher, making it beneficial to all customers, SNAP customers included. The new freezer has also increased meat and dairy sales as a result of the eye appeal of the new case. Mr. Kosmatka noted, “This program was and is great for the small businesses in Minnesota and has been a huge benefit to me and the community.”



Photo 4. The new meat and dairy freezer at Kosmatka’s Market, located in Oslo. This freezer is energy efficient compared to the 35-year-old freezer that it replaced. This upgrade decreases expenses for the store and keeps prices low for the customer. Photo submitted by Scott Kosmatka.

Next Steps

After considering input from the GFAP Advisory Committee, the RFPs for FY23 GFAP Equipment and Physical Improvement Grants and GFAP Technical Assistance Grants will be released in early 2023. This round of Equipment and Physical Improvement awards will prioritize projects that demonstrate commitment to community engagement, project sustainability, economic justice, geographic diversity, and promotion of Minnesota agricultural producers. The application period will close on March 16, 2023, and we anticipate awarding \$320,750 through a competitive review process. Funding decisions will be made in Spring 2023.

This round of Technical Assistance awards will prioritize proposals that demonstrate experience providing technical assistance to underserved communities and who will continue to serve these populations throughout their grant period. The application period will close on March 16, 2023, and we anticipate awarding \$100,000 through a competitive review process. Funding decisions will be made in Spring 2023.

Appendix

Summaries of FY22 GFAP Equipment and Physical Improvement Grantees

Aaron's Grocery

Aaron's Grocery, located in Fertile, will purchase new produce cases to provide better products to their customers and to save on energy expenses and reduce the carbon footprint of their business.

Aitkin Farmers' Market

The Aitkin Farmers' Market will purchase an enclosed trailer and reach-in coolers to provide more local produce, meat, and eggs for residents in Aitkin County.

Amin Grocery

Amin Grocery, in downtown Willmar, will expand the retail space for perishable goods such as locally produced meat, vegetables, and eggs by purchasing a larger walk-in cooler.

Bolt's Lake Benton Grocery

Bolt's Lake Benton Grocery, located in Ivanhoe, will purchase a merchandiser freezer and refrigerator to expand their retail space to offer the community more variety of higher-quality products.

Ditterich Mercantile

Ditterich Mercantile, located in Vergas, will provide fresh meats, produce, and other grocery needs by installing refrigerator equipment.

F&D Meats

Located in Virginia, F&D Meats will install a new display cooler to increase access to fresh fruits and vegetables, especially those that are locally grown.

Green Scene Market & Eatery

Green Scene Market & Eatery, located in Walker, will increase space by purchasing a new retail freezer that they can dedicate to fresh produce in their store, ultimately increasing the ability to purchase more local produce and keep products fresher for a longer period.

J&S Foods

J&S Foods, located in Lancaster, will become more energy efficient and provide a better, fresher product with new temperature-controlled produce and meat cases.

Kiester Market

Kiester Market, located in Kiester, will provide healthy, affordable 'grab-and-go' items for the community. By purchasing a new, cooled display case, they will provide customers with a wide variety of choices when choosing a grab-and-go meal.

La Plaza Flesta

Located in Madelia, La Plaza Flesta will create a new layout for their store that provides ethnic foods to the local Hispanic/Latino populations. They will be able to promote healthy cooking at home and expand their grab and go deli for busy families. La Plaza Flesta will purchase shelving for produce items that don't need to be refrigerated and a freezer for their local beef and pork products.

Lake Country Foods

Lake Country Foods, located in Menahga, will expand their retail space by purchasing new refrigeration units so that they can provide fresh produce for a longer period, as well as provide additional products to their customers and reduce the amount of food loss.

Lakewood Health System

Lakewood Health System, located in Staples, will build a permanent pavilion on its hospital parking lot for the Staples Area Farmers' Market. This will allow customers access to fresh produce and other goods every Thursday afternoon from May through October.

Leech Lake Market

Leech Lake Market, located in Cass Lake, will purchase a three-door freezer and a cooler to offer products that compliment cooking lessons offered by the store's demonstration kitchen. The items offered will help to highlight healthy, local, and indigenous foods.

Los Ranchos Mercado

Located in Shakopee, Los Rancheros Mercado will provide additional fruits, vegetables, dairy products, meats, and other perishable items using a new walk-in cooler and freezer to increase the store's square footage and storage capacity for their items.

One Stop Station

One Stop Station, located in Minneapolis, will purchase and install a new open air four-level display cooler for fresh produce in the central area of their store to promote their seasonal offerings and to increase fresh, nutritious, and delicious meal options.

Patty's Palisade One Stop

Patty's Palisade One Stop, located in Palisade, will provide a new freezer venue for local farmers and their products to increase the availability of nutritious food items in the community.

Valley Hardware & Supply

Valley Hardware & Supply, located in Halstad, will move their refrigeration units to the exterior of the store to improve energy efficiency, reduce energy costs, and ensure that there are fresh fruits, vegetables, and other foods available to their community.

Winnibigoshish Historical Center

Winnibigoshish Historical Center, located in Bena, will update the refrigeration system to hold more fresh produce, milk, cheese, and eggs. They will also add produce bins to their shelving to offer more fresh produce.

Map: FY22 GFAP Grantees by County

This map of Minnesota shows the locations of FY22 GFAP grantees, which are also listed in [Table 2](#) (Equipment and Physical Improvement Grantees) and [Table 3](#) (Technical Assistance).

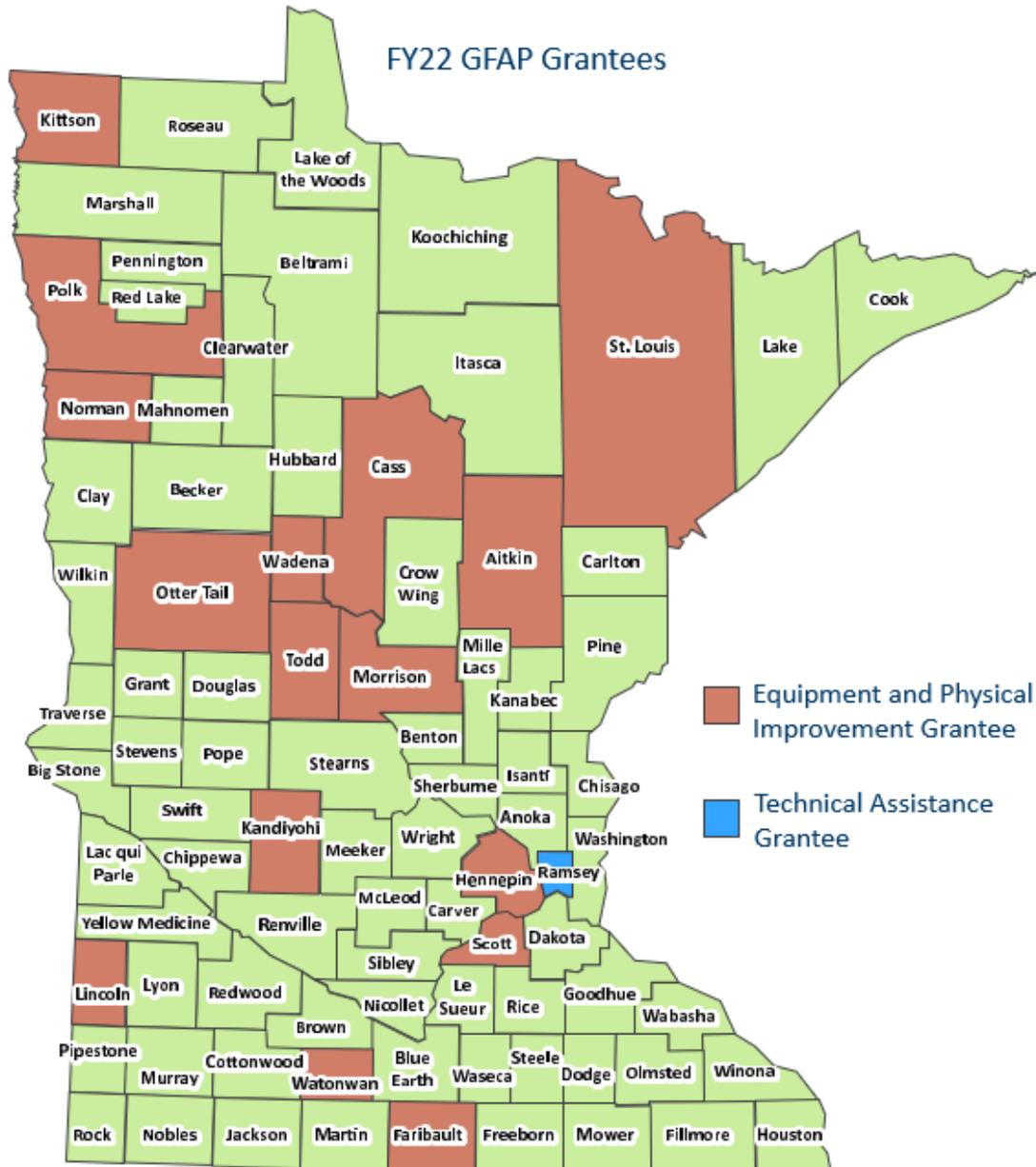


Table 2. Equipment and Physical Improvement Grantee Locations

Grantee	Location	County
Aitkin Farmers' Market	Aitkin	Aitkin
Patty's Palisade One Stop	Palisade	Aitkin
Green Scene Market & Eatery	Walker	Cass
Leech Lake Market	Cass Lake	Cass
Winnibigoshish Historical Center	Bena	Cass
Keister Market	Keister	Faribault
One Stop Station	Minneapolis	Hennepin
Amin Grocery	Willmar	Kandiyohi
J&S Foods	Lancaster	Kittson
Bolt's Lake Benton Grocery	Ivanhoe	Lincoln
Valley Hardware & Supply	Halstad	Norman
Ditterich Mercantile	Vergas	Otter Tail
Aaron's Grocery	Fertile	Polk
F&D Meats	Virginia	Saint Louis
Los Rancheros Mercado	Shakopee	Scott
Lakewood Health System	Staples	Todd
Lake Country Foods	Menahga	Wadena
La Plaza Fiesta	Madelia	Watonwan

Table 3. Technical Assistance Grantee Location

Grantee	City	County
University of Minnesota Extension, Regional Sustainable Development Partnerships (RSDP)	Saint Paul	Ramsey