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# 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) 2023 and the impacts of the previous two rounds of grantmaking in FY21 and FY22.

## 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- 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.

Beginning in FY18, annual appropriations for the program have come from the Agricultural Growth, Research, and Innovation (AGRI) Program. The annual appropriation gradually grew from \$250,000 in FY18 to \$450,000 in FY23, and increased to \$1 million per year in FY24 and FY25.

## **Program Activities Completed**

The following activities have taken place since submitting the last report in January 2023:

- May 2023: GFAP Equipment and Physical Improvement Grant and Technical Assistance Grant proposals were reviewed by the evaluation committee. We awarded a total of \$426,862 to 15 equipment and physical improvement projects and did not award funding to any technical assistance projects.
- May 11, 2023: The GFAP Advisory Committee met for its 14<sup>th</sup> meeting.
- May 31, 2023: The GFAP Advisory Committee met for its 15<sup>th</sup> meeting.

## **Technical Assistance Grants**

### **Fiscal Year 2023 GFAP Technical Assistance Grant**

In FY23, the commissioner, acting on the recommendation of the GFAP Advisory Committee, reopened the GFAP Technical Assistance Request for Proposals (RFP). 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. We received three Technical Assistance applications requesting a total of \$124,250, but the evaluation committee opted not to recommend any of the projects for funding due to concerns over project eligibility and community support. The evaluation committee recommended to use the funds for additional Equipment and Physical Improvements projects instead.

### **Fiscal Year 2022 GFAP Technical Assistance Grant**

The University of Minnesota (UMN) Regional Sustainable Development Partnerships (RSDP) was awarded \$41,557 in FY22 to provide technical assistance to independent rural grocers through their project titled “Support Our Stores (SOS): Produce, Grants, and Grocers”. In 2023, they provided technical assistance to 20

businesses in relation to the Good Food Access Program, six of those businesses being minority- or female-owned. Four webinars focusing on grant writing were hosted, reaching over 30 individuals. RSDP worked with other partners such as the Clean Energy Resource Teams, Minnesota Technical Assistance Program (MnTAP), Mason Brothers, Co-op Partners Warehouse, White Earth Nation – White Earth Food Co-op, Kansas State, Minnesota Pollution Control Agency, and UMN Extension to deliver appropriate technical assistance to retailers.

On July 25, 2023, partners from RSDP, AmeriCorps, and UMN Extension worked together to offer technical assistance education and a presentation on produce handling for rural grocers. A condensed video of the training will be available on RSDP's YouTube channel and Rural Grocery webpage for other retailers to access in early 2024.



**Photo 1. Produce handling workshop hosted at Bakken's Market in Clearbrook on July 25, 2023.**

## **Equipment and Physical Improvement Grants**

### **Fiscal Year 2023 GFAP Equipment and Physical Improvement Grants**

In February 2023, the MDA released the RFP for the seventh round of GFAP Equipment and Physical Improvement Grants. With the addition of the funding originally set aside for Technical Assistance Grants, up to \$420,750 was available to assist grocery store and small food retailers in purchasing equipment and making physical improvements. Applicants could request a minimum of \$2,000 and a maximum of \$50,000, and no match was required.

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, community economic and health impacts, as well as sales of Minnesota agriculture products. In response to the RFP, the MDA received 57 applications requesting approximately \$2.337 million.

Grants were awarded competitively, and applicants were ranked by a panel of MDA and community-based reviewers. Preference was given to projects that:

- Included community engagement and a commitment to participating in other public health initiatives.
- Required a public investment to move forward, build capacity, create community impact, or be competitive.
- Had positive economic and health impacts on underserved communities, such as through creation and retention of jobs for individuals who reflect the demographics of the community.
- Demonstrated a commitment to increasing sales from Minnesota agricultural producers.

A total of \$426,862 was awarded to 15 projects. Projects ranged from \$4,895 to \$50,000. Estimated private investments totaled \$148,192, although there were no formal matching requirements.

**Table 1: GFAP Equipment and Physical Improvement Awards**

Grantee	Location	County	Award Amount	Estimated Total Project Cost*
BCS African Wholesale Food Supply	Brooklyn Park	Hennepin	\$22,975	\$22,975
Bronson Market	Lake Bronson	Kittson	\$44,854	\$44,854
Cambridge Farmers' Market	Cambridge	Isanti	\$4,895	\$6,000
Cloquet Natural Foods	Cloquet	Carlton	\$12,760	\$12,760
Finland Farmers' Market, Friends of the Finland Community	Finland	Lake	\$50,000	\$50,000
Fond du Lac Reservation Business Committee	Cloquet	Carlton	\$21,807	\$21,807
Graceville Market	Graceville	Big Stone	\$41,250	\$42,250
Groceries Plus	Erskine	Polk	\$50,000	\$122,587
Hub 71 Convenience Store	Sebekka	Wadena	\$18,967	\$19,767
Lake Country Foods	Menagha	Wadena	\$29,305	\$29,305
Little Falls Food Co-Op dba The Purple Carrot Market	Little Falls	Morrison	\$27,424	\$149,789
Madison Mercantile	Madison	Lac qui Parle	\$22,665	\$40,000
More Than Sprouts	Pine City	Pine	\$50,000	\$310,000
Northwoods Grocery & Cafe	Nevis	Hubbard	\$8,459	\$8,459
Roadside Market	Hill City	Aitkin	\$21,500	\$24,500
<b>Totals</b>	--	--	<b>\$426,862</b>	<b>\$905,054</b>

\* 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, BCS African Wholesale Food Supply, located in Brooklyn Park, will install an eight-door freezer and a rooftop condensing unit to focus on sales of culturally nutritious food items for African, Asian, and other immigrant communities.

Two of this year's grantees are farmers' markets that will increase food access by either purchasing new equipment or investing in permanent infrastructure to promote local foods for area residents. The Cambridge Farmers' Market will purchase an enclosed trailer to store their market equipment and increase visibility of the market location. Finland Farmers' Market will install two awnings and paving blocks to increase the level surface area of the market to provide more space for new vendors and increase the overall size of the market.

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, 12 FY23 recipients are SNAP authorized retailers and had combined SNAP sales of \$823,727 during the first year of their projects. The remaining grantees will become authorized SNAP retailers before the completion of their project.

Recipients of GFAP grants represent multiple business and ownership models. Of the 15 FY23 grantees, 12 are for-profit business, two are nonprofit organizations, and one is a tribal nation. Of the 15 projects, nine are grocery stores, one is a convenience store, two are farmers' markets, and three are other small food retailers like food cooperatives.

Projects serve a variety of diverse communities across the state. Of the 15 funded proposals, one is serving an urban area and 14 are serving primarily rural areas. Ten projects are in food deserts, and five serve other low- or moderate-income areas. Overall, based on the zip code location of the business, 22.7% of the residents served by the projects are persons of color, including Black or African American, American Indian and Alaskan Native, Asian or Pacific Islander, and Hispanic or Latino (Source: [MN Compass](#), [U.S. Census Bureau](#)).

Descriptions of funded projects and a map of their locations can be found in the [Appendix](#), pages 8-11.

## **Fiscal Year 2021 and 2022 GFAP Equipment and Physical Improvement Grants**

During 2023, we followed up with FY21 and FY22 GFAP Equipment and Physical Improvement grantees. Half of the FY21 grantees have completed their projects, with seven still finalizing their work. Likewise, half of the FY22 grantees have completed their projects, with 10 continuing to move forward with their projects. Most grantees have experienced significant shipping delays for equipment items, resulting in longer timelines for project completion than originally planned. Summaries of these grantees are available in prior years' legislative reports.

All FY21 and FY22 recipients reported that MDA grant funds helped make their projects possible and that the projects were unlikely to occur without the grant funding. Valley Hardware and Supply, located in Halstad, is a place to gather and visit with others, and the community has taken a pride in the new store. With FY22 GFAP funds, they were able to move their refrigeration units to the exterior of the store to improve energy efficiency, reduce costs, and ensure that there are fresh fruits, vegetables, and other foods available to their community. Owner John Hinkley stated, "This [change] will keep the equipment running which in turn will help me keep my overhead under control. Now I can concentrate on the day-to-day of the store and be able to offer items that my customers are looking for...I want to keep the ball rolling to make the area a better place for everybody to live and thrive in."



Of the 32 FY21 and FY22 retailers who benefited from GFAP grants, all directly participated in SNAP during FY23 and had total SNAP redemptions of \$8,922,714. Since receiving their awards, these retailers have redeemed a combined total of \$23,961,994.

Previously, retailers who were eligible to participate in Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) were required to apply to accept WIC, and if approved, participate in the program. However, the 2021 Legislature amended the GFAP statute to no longer require retailers to participate in the WIC program. Therefore, FY23 WIC sales were only tracked for FY21 grantees. In FY23, 11 of 14 grantees participated in WIC and had total sales of \$409,442. The remaining three retailers either did not participate in WIC during FY23 or are not eligible to participate in the program. Since receiving their awards, these 11 retailers participating in WIC have redeemed a combined total of \$1,159,979.

Hub 71, located within a food desert in Sebeka, received funding in FY23 to purchase closed-door coolers and freezers. This new equipment will help increase access to affordable, culturally appropriate, healthy foods within their community while working with producers to sell local products such as eggs, meat, produce, dairy products, honey, and maple syrup. Hub 71 participates in WIC and SNAP, so they also added signage to increase the visibility of healthy options available for those programs.



**Photo 2. Hub 71, located in Sebeka, purchased and installed closed-door coolers and freezers (above) to increase access to affordable, health, and local foods.**

Every recipient expects that their project will positively impact the long-term sustainability of their business. Groceries Plus, located in Erskine, received their grant in FY23 and purchased a three-door merchandiser, a ten-door cooler, a five-door freezer, and a four-door cooler to increase their store efficiency and ability to store and sell fresh produce and meats. Groceries Plus is the only store selling fresh produce in Erskine, and routinely makes deliveries of produce, meats, and dairy items to nursing homes and elder housing in the area. This new equipment not only helps the store be more energy efficient, but also provides more space to increase their stock and variety of whole foods, fruits, vegetables, meats, and dairy for their community.



**Photo 3 and 4. Groceries Plus, located in Erskine, purchased and installed a three-door merchandiser, a ten-door cooler, a five-door freezer, and a four-door cooler (above) to increase energy efficiency in their store.**

## Next Steps

After considering input from the GFAP Advisory Committee, the RFPs for FY24 GFAP Equipment and Physical Improvement Grants and GFAP Technical Assistance Grants will be released in early 2024 and funding decisions will be announced in late spring 2024.

- The Equipment and Physical Improvement Grant will prioritize commitment to community engagement, project sustainability, economic justice, geographic diversity, and promotion of Minnesota agricultural producers.
- The Technical Assistance Grant will prioritize proposals that address succession planning and access to capital.

## Appendix

### Summaries of FY23 GFAP Equipment and Physical Improvement grantees

#### **BCS African Wholesale Food Supply**

BCS African Wholesale Food Supply, located in Brooklyn Park, will focus on sales of culturally nutritious food items for African, Asian, and other immigrant communities by purchasing and installing an eight-door freezer and one rooftop condensing unit.

#### **Bronson Market**

Bronson Market, located in Lake Bronson, will upgrade their freezer section and meat coolers by purchasing and installing six display freezers, two display coolers, one stainless steel freezer, and one chest freezer.

#### **Cambridge Farmers' Market**

The Cambridge Farmers' Market, located in Cambridge, will purchase an enclosed 6-by-10-foot trailer to store their market equipment and increase visibility of the market location.

#### **Cloquet Natural Foods**

Cloquet Natural Foods will purchase and install a two-door and a single-door freezer to increase energy efficiency, reduce spoilage, and improve product quality.

#### **Fond du Lac Reservation Business Committee**

The Na'enimonigamig Local Foods Project will open a retail space at Fond du Lac's 36-acre farm location. They will use grant funds to purchase and install a display freezer, shelving, and a refrigerated vehicle that will be used to transport produce from indigenous growers to be sold at their store.

#### **Friends of the Finland Community, Finland Farmers' Market**

The Finland Farmers' Market will purchase and install two awnings and paving blocks to increase the level surface area of the market, with the goal to provide more space for new vendors and increase the overall size of the market.

#### **Graceville Market**

Graceville Market, located in Graceville, will upgrade old, energy-inefficient equipment with new energy-efficient equipment, including two 8-foot coolers and two 12-foot coolers.

#### **Groceries Plus**

Groceries Plus, located in Erskine, will purchase and install a three-door merchandiser, a ten-door cooler, a five-door freezer, and a four-door cooler to increase energy efficiency in their store.

### **Hub 71 Convenience Store**

Hub 71 Convenience Store, located in Sebeka, will purchase three merchandiser refrigerators and a merchandiser freezer. They will also use grant funds to install signage that will increase the visibility of WIC- and SNAP-eligible food products.

### **Lake Country Foods**

Lake Country Foods, located in Menahga, will increase their sales space and increase the shelf life of products by purchasing and installing two new cooler units for meat and cheese products.

### **Little Falls Food Co-op (The Purple Carrot Market)**

The Little Falls Food Co-op, operating as The Purple Carrot Market, will purchase and install a refrigerator and merchandiser with the goal of increasing sales of affordable, healthy grab-and-go food options for their customers.

### **Madison Mercantile**

Madison Mercantile will purchase and install shelving, two chest freezers, a standing freezer, and a commercial refrigerator to support their cooperative aggregation site for area growers.

### **More Than Sprouts**

More Than Sprouts, located in Pine City, will expand their retail space and purchase and install four merchandiser freezers, four merchandiser refrigerators, a commercial sink, and shelving to increase sales of nutritious foods.

### **Northwoods Grocery & Café**

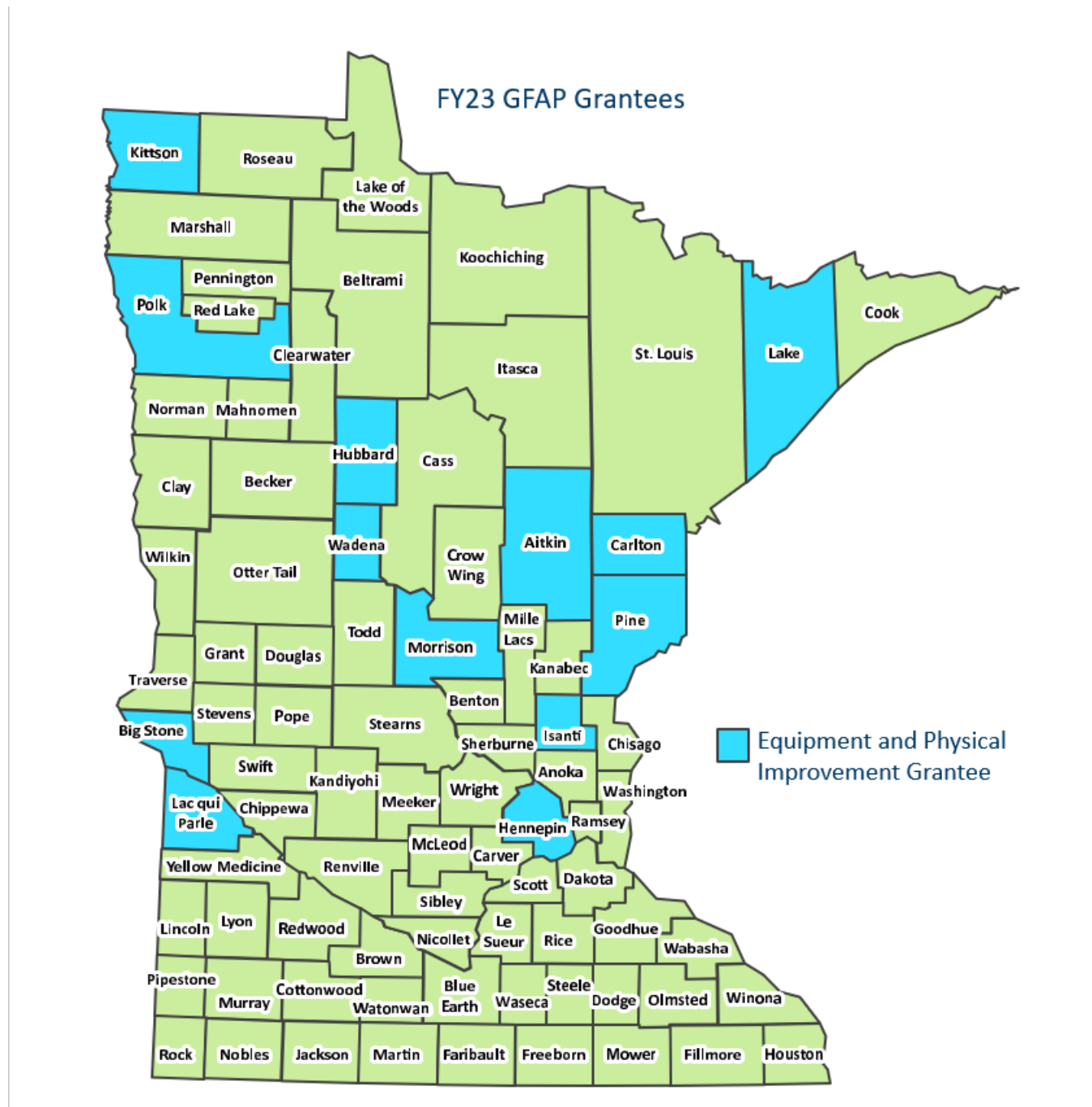
Northwoods Grocery & Café, located in Nevis, will purchase and install a three-door cooler and a condenser unit to provide better selection of fresh produce.

### **Roadside Market**

Roadside Market, located in Hill City, will purchase and install a produce merchandiser, two glass freezer doors, and shelving to expand options to sell produce and gluten-free food options.

## Map: FY23 GFAP grantees by county

This map of Minnesota shows the locations of FY23 GFAP grantees, which are also listed in [Table 2 \(Equipment and Physical Improvement grantees\)](#). FY23 did not have any Technical Assistance grantees.



**Table 2: FY23 Equipment and Physical Improvement grantee locations**

<b>Grantee</b>	<b>Location</b>	<b>County</b>
Roadside Market	Hill City	Aitkin
Graceville Market	Graceville	Big Stone
Cloquet Natural Foods	Cloquet	Carlton
Fond du Lac Reservation Business Committee	Cloquet	Carlton
BCS African Wholesale Food Supply	Brooklyn Park	Hennepin
Northwoods Grocery & Café	Nevis	Hubbard
Cambridge Farmers' Market	Cambridge	Isanti
Bronson Market	Lake Bronson	Kittson
Madison Mercantile	Madison	Lac qui Parle
Finland Farmers' Market, Friends of the Finland Community	Finland	Lake
Little Falls Food Co-Op dba the Purple Carrot Market	Little Falls	Morrison
More Than Sprouts	Pine City	Pine
Groceries Plus	Erskine	Polk
Hub 71 Convenience Store	Sebeka	Wadena
Lake Country Foods	Menagha	Wadena