



The Good Food Access Program

A Report to the Minnesota Legislature

01/15/2025

Minnesota Department of Agriculture
Good Food Access Program
625 Robert Street North
Saint Paul, MN 55155
Phone: 651-201-6456
Jenny.Lezer@state.mn.us
www.mda.state.mn.us

This report cost approximately \$500 to prepare, including staff time, printing, and mailing expenses (MINN. STAT. 3.197).

Upon request, this material will be made available in an alternative format such as large print, Braille, or audio recording. Printed on recycled paper.

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711. The MDA is an equal opportunity employer and provider.

Contents

| | |
|--|----|
| Executive Summary | 1 |
| Introduction..... | 1 |
| Background..... | 2 |
| Program Activities Completed..... | 2 |
| Fiscal Year 2024 GFAP Technical Assistance Grants..... | 3 |
| Equipment and Physical Improvement Grants..... | 3 |
| Fiscal Year 2024 GFAP Equipment and Physical Improvement Grants | 3 |
| Table 1: GFAP Equipment and Physical Improvement Awards..... | 4 |
| Fiscal Year 2022 and 2023 GFAP Equipment and Physical Improvement Grants | 5 |
| Next Steps..... | 7 |
| Appendix..... | 8 |
| Summaries of FY24 GFAP Equipment and Physical Improvement Grantees | 8 |
| Map: FY24 GFAP grantees | 10 |
| Table 2: FY24 Equipment and Physical Improvement grantee locations..... | 11 |
| Table 3: FY24 Technical Assistance grantee locations..... | 11 |

Executive Summary

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 two grant opportunities: Technical Assistance Grant (designed for organizations providing technical assistance to eligible grocery stores and small food retailers) and Equipment and Physical Improvement Grant (to assist grocery store and small food retailers in purchasing equipment and making physical improvements).

In Fiscal Year (FY) 2024, the MDA awarded Technical Assistance funding to Sprout, MN; the University of Minnesota Regional Sustainable Development Partnerships; and the Entrepreneur Fund for a total of \$187,582. The MDA also awarded \$747,417 in Equipment and Physical Improvement Grants to 19 projects. Projects ranged from \$6,000 to \$75,000.

The FY25 GFAP Equipment and Physical Improvement Grant Request for Proposals was released in November 2024. The application period will run through January 16, 2025, and funding decisions will be announced in Spring 2025. The GFAP Advisory Committee recommended not opening a request for proposals (RFP) for GFAP Technical Assistance Grants for FY25 to focus on reaching more retailers with equipment and physical improvement needs. The MDA expects the next RFP for Technical Assistance Grants will be released in late 2025.

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) 2024 and the impacts of the previous two rounds of grantmaking in FY22 and FY23.

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 2024:

- May 2024: GFAP Equipment and Physical Improvement Grant and Technical Assistance Grant proposals were reviewed by the evaluation committee. The MDA awarded a total of \$747,418 to 19 equipment and physical improvement projects and three technical assistance projects for \$187,582.
- June 7, 2024: The GFAP Advisory Committee met for its 15th meeting.
- June 17, 2024: The GFAP Advisory Committee met for its 16th meeting.
- October 21, 2024: The GFAP Advisory Committee met for its 17th meeting.
- November 14, 2024: FY25 GFAP Equipment and Physical Improvement Grant RFP released.

Fiscal Year 2024 GFAP Technical Assistance Grants

In FY24, the commissioner, acting on the recommendation of the GFAP Advisory Committee, reopened the GFAP Technical Assistance RFP. Up to \$200,000 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. The MDA received five Technical Assistance applications requesting a total of \$441,689, and three were awarded funding for a total of \$187,582.

The University of Minnesota Regional Sustainable Development Partnerships was awarded \$107,582 to provide technical assistance around grant funding and produce handling to rural grocery stores in Minnesota in collaboration with a coalition of partners.

The Entrepreneur Fund, in Duluth, was awarded \$50,000 to provide technical assistance through one-on-one services and mentorships to qualified grocery stores and small food retailers across 16 counties in northeast and central Minnesota.

Sprout, MN, in Little Falls, was awarded \$30,000 to provide technical assistance to small food retailers in collaboration with African immigrant farmers on food procurement/distribution, handling and merchandising fresh foods, food preparation and utilization demonstrations for culturally specific products grown by Minnesota African immigrant farmers.

Equipment and Physical Improvement Grants

Fiscal Year 2024 GFAP Equipment and Physical Improvement Grants

In February 2024, the MDA released the RFP for the eighth round of GFAP Equipment and Physical Improvement Grants. The department anticipated awarding up to \$735,000 to assist grocery store and small food retailers in purchasing equipment and making physical improvements; however, \$747,418 was available because of the remaining funds set aside for Technical Assistance grants that were not awarded. Applicants could request a minimum of \$5,000 and a maximum of \$75,000, and no match was required.

Projects were expected to increase access to affordable, nutritious, and culturally appropriate foods, and applicants needed to be in or serve a food desert (as defined by the USDA Economic Research Service) or serve populations with limited access (such as the aging population or those living with a disability) 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 79 applications requesting approximately \$3.711 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 \$747,417 was awarded to 19 projects. Projects ranged from \$6,000 to \$75,000. Estimated private investments totaled \$212,329, although there were no formal matching requirements. The committee recommended that the remainder of available funding be made available for projects in FY25.

Table 1: GFAP Equipment and Physical Improvement Awards

| Grantee | Location | County | Award Amount | Estimated Total Project Cost* |
|--|------------------|------------|--------------|-------------------------------|
| Aaron's Grocery | Fertile | Polk | \$21,063 | \$26,063 |
| Bakken's Market LLC | Clearbrook | Clearwater | \$73,501 | \$79,001 |
| Community Action Duluth | Duluth | St. Louis | \$16,980 | \$16,980 |
| Graceville Market | Graceville | Big Stone | \$9,000 | \$9,725 |
| Green Market LLC | Waite Park | Stearns | \$6,017 | \$8,000 |
| Kosmatka's Market | Oslo | Walsh | \$50,622 | \$50,622 |
| Leech Lake Market | Cass Lake | Cass | \$51,072 | \$51,702 |
| Mills Country Market | New York Mills | Otter Tail | \$74,376 | \$74,376 |
| Mogadishu Meat & Grocery Store | St. Cloud | Stearns | \$75,000 | \$100,000 |
| Morgan's Meat Market | New Richland | Waseca | \$75,000 | \$140,294 |
| New Ulm Community Market and Cooperative | New Ulm | Brown | \$25,000 | \$25,000 |
| Pelican Bay Inc | Orr | St. Louis | \$60,000 | \$99,756 |
| Pinehurst Resort | Naytahwaush | Mahnomen | \$18,012 | \$18,012 |
| Pomme de Terre Foods, Inc. | Morris | Stevens | \$16,514 | \$16,514 |
| Real Food Inc. dba Becker Market | Willmar | Kandiyohi | \$6,000 | \$25,738 |
| Vandal's Family Market | Blooming Prairie | Steele | \$38,800 | \$38,800 |
| Wadajir Grocery | Minneapolis | Hennepin | \$21,192 | \$29,287 |
| West Bank Grocery | Minneapolis | Hennepin | \$59,393 | \$100,000 |
| Young's General Store | Middle River | Marshall | \$49,876 | \$49,876 |
| Totals | -- | -- | \$747,418 | \$959,746 |

* 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 increase retail space by 25% by replacing a cooler with one that is larger and more energy efficient, allowing them to add fresh produce for veggie packs in addition to other affordable nutritious products.

One of our grantees this year is a mobile food market. Community Action Duluth received funding to purchase freezers, coolers, and shelving to expand their storage and retail space to include more local, culturally-connected, produce and protein options. This mobile market allows customers to place orders and pick up at one of their various locations. The new equipment will allow on-site customers to view the products rather than ordering from a menu. They hope the updated equipment will not only help expand space and options but also increase the appeal and therefore sales.

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 but one of the FY24 recipients are SNAP authorized retailers and had combined SNAP sales of \$3,264,529 during the first year of their projects. The remaining grantee will become authorized SNAP retailers before the completion of their project.

Recipients of GFAP grants represent multiple business and ownership models. Of the 19 FY24 grantees, 15 are for-profit businesses, two are nonprofit organizations (Pomme de Terre Foods, Inc. and Community Action Duluth), one is a cooperative (New Ulm Community Market and Cooperative), and one is owned by a tribal government (Leech Lake Market). Of the 19 projects, 16 are grocery stores, one is a mobile food market (Community Action Duluth), and two are other small food retailers like food cooperatives (New Ulm Community Market and Cooperative and Pomme de Terre Foods, Inc.).

Projects serve a variety of diverse communities across the state. Of the 19 funded proposals, eight are serving urban areas and 11 are serving primarily rural areas. Twelve projects are in food deserts, and seven are serving other low- or moderate-income areas. Grantees noted that they specifically serve aging residents or Black, Indigenous, and people of color communities, including those who are Native American, African American, Nicaraguan, Latino, Somali or other East African descent.

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

Fiscal Year 2022 and 2023 GFAP Equipment and Physical Improvement Grants

During 2024, we followed up with FY22 and FY23 GFAP Equipment and Physical Improvement grantees. Twelve of 18 grantees have completed their project and five of the remaining six plan to move forward with their projects. Only two of 15 FY23 projects have been completed so far, however, most plan to complete by mid-2025. 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.

Of the 32 FY22 and FY23 retailers who benefited from GFAP grants, all but two grantees participated in SNAP during FY24 and had total SNAP redemptions of \$2,969,111. Since receiving their awards, these retailers have redeemed a combined total of \$10,989,809. The remaining grantees will become authorized SNAP retailers before the completion of their project.

Previously, retailers who were eligible to participate in the 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, WIC sales were only tracked for FY21 grantees and are no longer being tracked.

All FY22 and FY23 recipients reported that MDA grant funds helped make their projects possible and that the projects were unlikely to occur without the grant funding. Likewise, every recipient expects that their project will positively impact the long-term sustainability of their business. Mills Country Market is a family-owned grocery store in New York Mills, population of 1,294. Tim Muehler, the store owner, and his son Tyler, who works at the store, worked together on this project and received \$74,376 in grant funding. Tim says that they had seen a decline in customers visiting the store every month this year, that is, until they installed the new equipment. The new, more visually appealing, equipment keeps their food fresher, provides more options, and draws in more customers. They have been able to add about 54 new dairy items and 20-25 new meat items to their store’s selection. Additionally, they look forward to seeing how this project will help their long-term sustainability as the new equipment will be more energy efficient than the 1970’s coolers they replaced.



Photo 1. Before (left) and after (right) photo of the new and improved equipment at Mills Country Market, located in New York Mills, leading to an increase in affordable, healthy, and Minnesota-grown and -raised foods.

Pomme de Terre Foods is a member-owned small food retailer that is open to the public located in Morris. They focus on providing local, healthy, affordable, and alternative foods for their community. They received \$16,304 to purchase three coolers, a freezer, and make necessary electrical upgrades. 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 2. Pomme de Terre Foods, located in Morris, purchased and installed three coolers and a new freezer to increase energy efficiency and retail space in their store.

Next Steps

After considering input from the GFAP Advisory Committee, the RFP for FY25 GFAP Equipment and Physical Improvement Grant was released in November 2024. The application period will run through January 16, 2025 and funding decisions will be announced in Spring 2025. The GFAP Advisory Committee recommended not opening an RFP for GFAP Technical Assistance Grants for FY25 to focus on reaching more retailers with equipment and physical improvement needs. We expect the next RFP for Technical Assistance Grants will be released in late 2025.

Appendix

Summaries of FY24 GFAP Equipment and Physical Improvement Grantees

| Organization | Project Summary |
|--|---|
| Aaron's Grocery LLC | Aaron's Grocery, located in Fertile, will increase retail space by 25% by replacing a cooler with one that is larger and more energy efficient. This will allow them to add fresh produce for veggie packs in addition to other affordable nutritious products. |
| Bakken's Market LLC | Bakken's Market, located in Clearbrook, will replace their heating/cooling unit as well as purchase a produce cooler to be more energy efficient and ensure freshness in the produce they offer. |
| Community Mobile Market (Community Action Duluth) | The Community Mobile Market in Duluth will purchase a dual cooler-freezer and cooler and shelving. They will act as both storage and retail space to allow them to expand the selection of local, culturally appropriate produce and proteins. |
| Graceville Market | Graceville Market, located in Graceville, will replace old equipment by purchasing a new energy efficient cooler to be used for dairy and milk products. |
| Green Market LLC | Green Market, located in Waite Park, will purchase a produce cooler, a pallet jack and produce display signage. Their goal is to become a hub for locally grown, healthy produce for the Somali community. |
| Kosmatka's Market | Kosmatka's Market, located in Oslo, will be able to expand their frozen produce, meats, seafood and more by replacing outdated equipment and purchasing a new six-door display freezer. |
| Leech Lake Market (Leech Lake Band of Ojibwe) | Leech Lake Market, located in Cass Lake, will purchase, and install three new coolers to increase energy efficiency in their store, retail space, as well as shelf life of their produce. |
| Mills Country Market | Mills Country Market, located in New York Mills, will upgrade old, energy inefficient equipment with new energy-efficient equipment including one meat cooler and one dairy cooler. |
| Mogadishu Meat & Grocery Store | Mogadishu Meat & Grocery Store, located in St. Cloud, will renovate their retail space to expand its offerings and improve the customer experience including purchasing three new coolers. |
| New Ulm Community Market and Cooperative | New Ulm Community Market and Cooperative will replace outdated equipment with two coolers and one freezer that are modern, spacious, and energy efficient. They will also purchase shelving and displays to increase retail space and elevate the presentation of their products. |

| Organization | Project Summary |
|--|--|
| Pelican Bay Foods | Pelican Bay Foods, located in Orr, will upgrade old equipment with new energy-efficient equipment including three new freezers which will allow them to increase their selection and quality of frozen fruits and vegetables. |
| Pinehurst Resort | Pinehurst Resort, located in Naytahwaush, will replace their cooler doors and lights to increase energy efficiency. New shelving will expand their retail space for fresh, local fruits and vegetables. |
| Pomme de Terre Foods, Inc. | Pomme de Terre Foods, located in Morris, will replace equipment to include three coolers and a freezer to sell locally grown produce, locally raised meat, local and regional cheese products, meat alternatives, and international frozen foods. |
| Real Food Inc. dba Becker Market | Real Food Inc., located in Willmar, will purchase two reach-in refrigerators for their retail store, Fabulous Finds, which focuses on local food. |
| Vandal's Family Market | Vandal's Family Market, located in Blooming Prairie, will upgrade old equipment with new energy-efficient freezers to continue to offer local foods. |
| Wadajir Grocery and Meat Market LLC | Wadajir Grocery and Meat Market, located in Minneapolis, will expand retail space in their store to sell foods including halal meat, fresh produce, dairy products, flour, beans, lentils, and spices by purchasing two coolers and one freezer that are energy efficient as well as new display and storage shelving. |
| Waseca Morgan's Meat Market LLC | Morgans Meat Market, located in Waseca, will purchase a walk-in refrigeration unit to expand retail space for specialty meats, fresh vegetables, and baked goods from the in-house bakery. |
| West Bank Grocery, Inc. | West Bank Grocery, located in Minneapolis, will purchase a freezer, display cooler, and produce displays to expand offerings of halal meat as well as frozen fruits, vegetables, and meat. |
| Young's General Store, Inc. | Youngs General Store, located in Middle River, will add shelving, and replace outdated equipment with six doors of freezers and coolers to serve more fresh and frozen fruits and vegetables. |

Map: FY24 GFAP grantees

This map of Minnesota shows the locations of FY24 GFAP grantees. The Equipment and Physical Improvement grantees are listed in [Table 2](#) and the Technical Assistance grantees are listed in [Table 3](#).

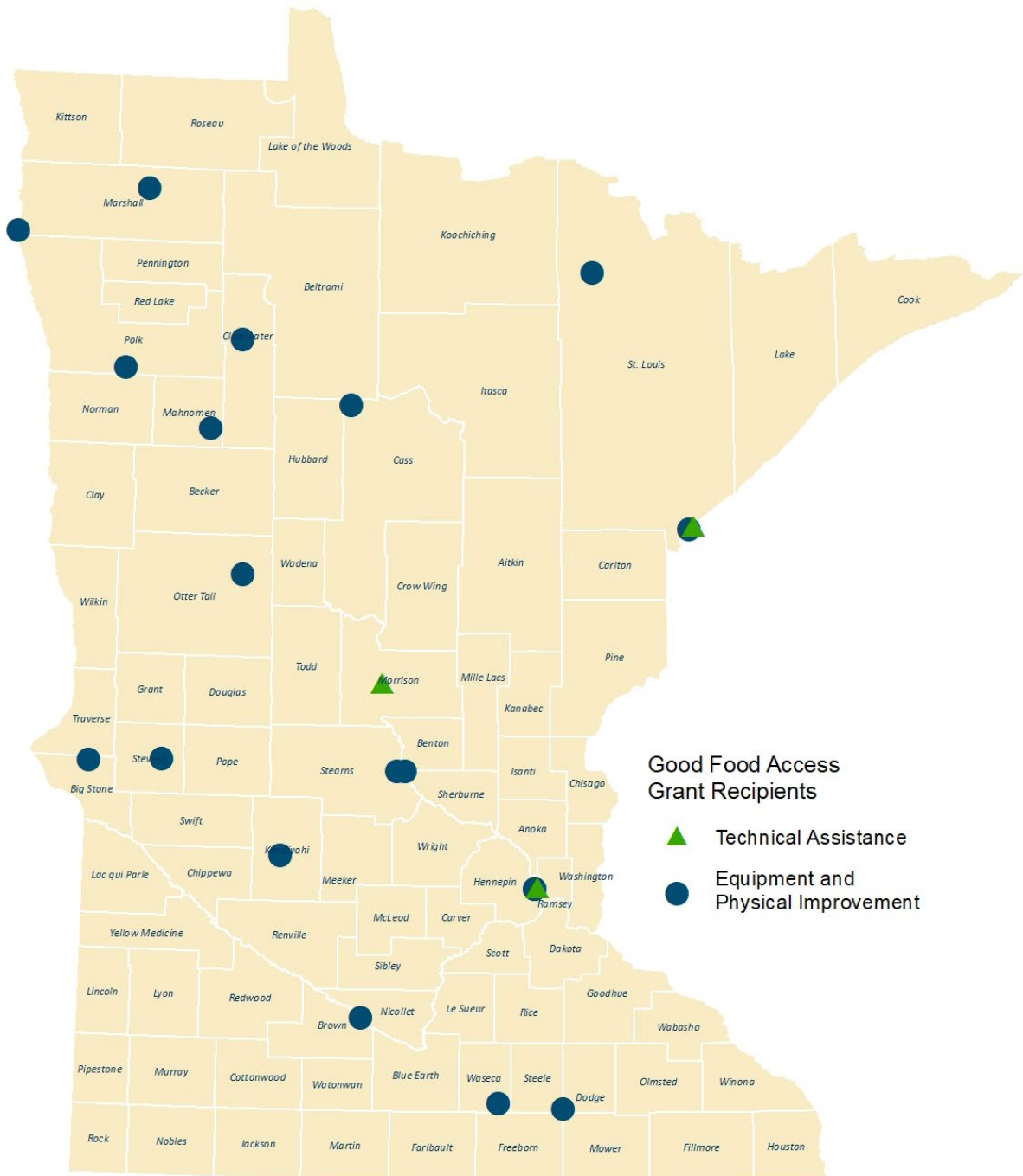


Table 2: FY24 Equipment and Physical Improvement grantee locations

| Grantee | Location | County |
|--|------------------|---------------|
| Aaron's Grocery | Fertile | Polk |
| Bakken's Market LLC | Clearbrook | Clearwater |
| Community Action Duluth | Duluth | St. Louis |
| Graceville Market | Graceville | Big Stone |
| Green Market LLC | Waite Park | Stearns |
| Kosmatka's Market | Oslo | Walsh |
| Leech Lake Market | Cass Lake | Cass |
| Mills Country Market | New York Mills | Otter Tail |
| Mogadishu Meat & Grocery Store | St. Cloud | Stearns |
| Morgans Meat Market | New Richland | Waseca |
| New Ulm Community Market and Cooperative | New Ulm | Brown |
| Pelican Bay Inc | Orr | St. Louis |
| Pinehurst Resort | Naytahwaush | Mahnomen |
| Pomme de Terre Foods, Inc. | Morris | Stevens |
| Real Food Inc. dba Becker Market | Willmar | Kandiyohi |
| Vandal's Family Market | Blooming Prairie | Steele |
| Wadajir Grocery | Minneapolis | Hennepin |
| West Bank Grocery | Minneapolis | Hennepin |
| Youngs General Store | Middle River | Marshall |

Table 3: FY24 Technical Assistance grantee locations

| Grantee | Location | County |
|---|-----------------|---------------|
| University of Minnesota Regional Sustainable Development Partnerships | Minneapolis | Hennepin |
| Entrepreneur Fund | Duluth | St. Louis |
| Sprout, MN | Little Falls | Morrison |