

# Healthy Food Access

**Barriers to Access and Social Determinants of Health**

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- Independent Grocery Store Owner (10 years)
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- 2016 – present
  - Illinois Cooperative Development Center Director
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# Independent Grocery Store Closures

Often the last retail vendors operating in communities are the independent grocers

## Why Independents?

- Supercenters have trouble operating in both inner-city and rural communities
- Many independent grocers have deep roots to their communities
- Existing stores do not have high financing costs due to many years of operation



## Causes of Independent Store Closures

|                                 |                                                                                                                               |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Aging Infrastructure</b>     | <ul style="list-style-type: none"><li>• Many existing independents have old buildings and equipment</li></ul>                 |
| <b>Increasing Utility Costs</b> | <ul style="list-style-type: none"><li>• Since Covid, electric rates have increased quickly</li></ul>                          |
| <b>Redlining</b>                | <ul style="list-style-type: none"><li>• In Urban areas, discriminatory lending practices led to disinvestment</li></ul>       |
| <b>Population Decline</b>       | <ul style="list-style-type: none"><li>• In Rural areas, total population is both declining and aging</li></ul>                |
| <b>Labor Issues</b>             | <ul style="list-style-type: none"><li>• Many grocers report having a difficulty finding employees for current wages</li></ul> |
| <b>Unfair Pricing</b>           | <ul style="list-style-type: none"><li>• Lack of enforcement of the Robinson-Patman Act</li></ul>                              |



## Scope of Food Access Issue

- There are approximately 318 Low-income and low access census tracts in Illinois where urban residents must travel more than a mile and rural residents travel more than 10 miles to the nearest supermarket.
- This represents 10.2% of all census tracts and accounts for 1,242,939 Illinois residents living in these food deserts.

*Source: 2023 Illinois Food Deserts Annual Report.*



# The Developers' dilemma

- **Industry net profit runs 0.5% to 1.5% for supermarkets. That's a risky 1% at best.**
- **Purchasing a running grocery store costs \$300,000 - \$1.5 million; it costs \$2 - 5 million for new construction.**
- **Most people that have enough money to open a store can get a better return for their money with a safer investment elsewhere.**

# Food Deserts as a Social Determinant of Health

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*“a study of 10,763 residents in four states found that the presence of supermarkets in the residential census tract was associated with a 24% lower prevalence of obesity.*

Source: Ghosh-Dastidar, B., Cohen, D., Hunter, G., Zenk, S. N., Huang, C., Beckman, R., & Dubowitz, T. (2014). Distance to store, food prices, and obesity in urban food deserts. *American journal of preventive medicine*, 47(5), 587-595.

*“A consequence of poor supermarket access is that residents have increased exposure to energy-dense food (“empty calorie” food) readily available at convenience stores and fast-food restaurants (Drewnowski and Specter, 2004).”*

Source: Drewnowski, A., Specter, S.E., 2004. Poverty and obesity: the role of energy density and energy costs. *American Journal of Clinical Nutrition* 79 (1), 6–16

# (Rural) Fresh Markets

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Reduce energy  
and repair costs



Adjust product  
mix to be more  
competitive



Incorporating new  
or different  
revenue streams



Reduce financing  
costs by using a  
cooperative  
strategy



# Fresh Market Projects



**Valley Foods  
Cooperative**

Lynch, Nebraska



**Great Scott  
Community Market**

Winchester, Illinois



**Royal Super Mart**

Sheffield, Illinois

# Illinois Grocery Initiative

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The Illinois Grocery Initiative is a state-funded program designed to address the issue of food deserts across the state. The initiative aims to increase access to fresh, healthy food in areas with limited grocery store options.

## Key Components:

- Equipment Upgrades Grants: Provides financial assistance to existing grocery stores in food deserts for energy-efficient equipment upgrades.
- New Grocery Store Grants: Offers grants to support the establishment of new grocery stores in areas with inadequate access to fresh food



# Illinois Grocery Initiative

- Applicants Store location must be in a food desert
- Location must be in a low-income/High poverty community
- Less than 30% of revenue from alcohol and tobacco sales
- Store will be best classified as a supermarket or other grocery retailer
- Store will accept SNAP and WIC
- Store must contribute to diversity of fresh foods available in the community



# Municipally Owned-Privately Operated (MO/PO) Grocery Stores

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- A portion of the hard assets (building, equipment, land) are owned by the municipality seeking to develop a new grocery store.
- Daily operations are managed by a separate entity with no claim to the assets and no immediate oversight from the municipality.
- The separate entity may be an entrepreneur, a cooperative, a small local chain, or a nonprofit\*.
- \* This is different from a Municipally Owned and Operated Grocery Store

# Thank You!

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