



**Report of the Healthy Food Retail Study Group:**  
Recommendations for a Louisiana Healthy Food Retail Financing Program  
**Executive Summary**



In accordance with Senate Resolution No. 112 of the 2008 Regular Session of the Louisiana Legislature, the Healthy Food Retail Study Group has prepared a report with two central aims. First, we characterize how limited access to fresh healthy foods affects certain rural and urban communities in Louisiana. Second, as a practical strategy to address this problem, we provide recommendations for the creation of a statewide financing program to bring quality, healthy food retailers into communities that need them.

***Healthy Food Retail is Vital to Health and Economic Opportunity.*** Improving access to affordable healthy food in underserved communities is very likely to improve the diets, and therefore the health, of the families who live there. This is critical to reversing the epidemic of obesity among adults and children. People with better access to supermarkets and other retailers that sell fresh fruits and vegetables tend to have healthier diets and lower levels of obesity. Developing quality food retail also creates jobs, encourages additional investment, expands markets for Louisiana grown produce, and helps make a community a good place to live.

***Poor Access to Healthy Food Affects Louisiana Communities Statewide.*** In Louisiana and nationwide, residents of low-income, minority, and rural communities are most often affected by poor access to supermarkets and affordable healthy food. In these *underserved communities*, it is easy to buy soda or fast food while it is hard to find fresh fruits and vegetables. This lack of healthy choices contributes to poor diets, rising obesity rates, and serious health problems. Research shows that citizens statewide face similar challenges:

- Access to supermarkets is limited in the rural Lower Mississippi Delta (LMD) region, while fresh produce is much less available in the small grocery and convenience stores that are closer to residents' homes. Three out of four LMD adults do not eat enough vegetables, and more than two in three are overweight or obese.
- In New Orleans, greater access to supermarkets and limited access to convenience stores is linked with lower likelihood of obesity. But low-income residents surveyed in 2007 reported poor access to supermarkets and frequent trips to nearby corner stores; most said that they like fresh fruits and vegetables and would buy produce if it were sold in their neighborhood stores.
- In Southeastern Louisiana, predominantly African-American neighborhoods have fewer supermarkets, more small food stores, and lower average availability of fresh produce.

***An Achievable Strategy to Increase Access.*** Targeted public policies can encourage healthy food retailers to operate in underserved rural and urban communities. The Pennsylvania Fresh Food Financing Initiative has an excellent track record of attracting supermarket investment by providing affordable financing and lowering operating barriers for quality food retailers in low-income communities. Louisiana would benefit from a similar program — a smart investment in the health and economic well being of the State and its citizens.

➤ *Recommendations of the Healthy Food Retail Study Group*

- **The State of Louisiana should create a statewide financing program that provides grants and loans to healthy food retail ventures that improve access to fresh fruits and vegetables and other affordable healthy food in underserved communities, particularly in low-income and rural areas.** This program should be structured and capitalized as a public-private partnership that creates a dedicated pool of financial capital for healthy food retail development.
- **The State of Louisiana should allocate \$5 million to capitalize this Healthy Food Retail Financing Program.** State resources should be used to leverage additional financial capital from sources including private sector financial institutions, operator equity, foundation and federal grants, and New Markets Tax Credits — and to capitalize a revolving loan fund.
- **The Program should advance health and economic opportunity, in particular these goals:** provide competitive financing for healthy food retail ventures in underserved communities; increase access to affordable healthy food to improve diets and health; promote the sale and consumption of fresh fruits and vegetables, particularly Louisiana grown; and support expanded economic opportunities in low-income and rural areas.
- **The Program should be established as a public-private partnership managed by the Louisiana Department of Agriculture and Forestry and implemented in cooperation with a community development lender and a nonprofit organization with expertise in food access and health.** The successful Pennsylvania Fresh Food Financing Initiative provides a strong model. Program partners should also coordinate with nutrition assistance and education programs, so that Louisiana citizens are both able and encouraged to make healthy food choices.
- **Diverse healthy food retail projects should be eligible for Program financing,** including: new supermarkets and grocery stores; store expansion and infrastructure upgrades; farmers' markets; food cooperatives; and mobile markets and delivery projects. The program must be comprehensive and sufficiently flexible to meet the needs of diverse underserved communities and projects. Similarly, the lending partner should work to meet the needs of the project and community when determining suitable financial products.
- **The Program should make one-time awards of grants and loans through a rolling, competitive selection process.** It should utilize a two-stage applicant review process that is both transparent and straightforward. *Eligibility* for financing should require all projects to: benefit an underserved community; demonstrate a meaningful commitment to sell fresh fruits and vegetables; accept Food Stamps and WIC; and be sustainable. *Financial awards* to eligible applicants should reflect the: viability of the project and operator; ability to repay debt; project and community need; promotion of fresh produce, particularly Louisiana grown; and expansion of economic opportunity.
- **Strong program oversight and project monitoring mechanisms** should ensure that State resources help finance quality, healthy food retail ventures that positively impact the health and economic well being of underserved communities statewide.

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