

## CAN THE SPECIALTY CROP BLOCK GRANT PROGRAM SUPPORT EFFORTS TO BRING FRUITS AND VEGETABLES INTO SMALL-SCALE FOOD RETAIL STORES?

Many communities are working with small-scale food retailers, such as corner stores and convenience stores, to increase access to healthy food in neighborhoods without larger grocery stores. Healthy food retailer programs offer small store owners incentives, like free advertising and refrigerators, in exchange for promoting and selling fruits, vegetables, and other healthy foods.<sup>1</sup> Often, healthy food retailer program coordinators ask store owners to take down posters and other marketing materials for unhealthy products – snacks, soda, alcohol, and tobacco – and put up posters promoting healthy foods. However, store owners are reluctant to remove unhealthy product signs because manufacturers pay them to post the signs.<sup>2</sup>

Small-scale food retailers are first and foremost businesspeople. They cannot be expected to sell and promote healthy food at a loss to their businesses. Healthy food retailer programs exist to help small-scale food retailers to transition to a new business model that includes selling and promoting healthy foods in a profitable manner. Incentives such as free refrigeration equipment for fruits and vegetables reduce the upfront costs and risk of selling new products.

Manufacturers of alcohol, tobacco, and junk food provide financial incentives to small store owners in exchange for promoting their products.<sup>3</sup> They pay store owners for posting promotional signs, provide free displays, and compensate owners for product discounts (e.g., coupons and sales). Snack and beverage distributors often have contracts to select and stock the products offered in the store.<sup>4</sup> Healthy food retail programs aim to mimic these proven marketing strategies in order to sell healthy foods. A recent review of healthy food retail programs found that promotional discounts, such as coupons and sales, increase purchases of healthy food products.<sup>5</sup> Point-of-purchase nutrition promotion has also been shown to increase customer nutritional knowledge and purchases of fruits and vegetables.<sup>6</sup> These interventions require money and staff time, however, and healthy

food retail programs are usually funded with limited public or philanthropic dollars.

While healthy food retailer programs generally start out of concern for health and equity in underserved neighborhoods, they also create new market opportunities for healthy food industries, including the fruit and vegetable (also known as specialty crops), dairy, and meat industries. The federal government funds and administers marketing programs to support these industries, including the Specialty Crop Block Grant Program – Farm Bill (SCBG-FB). Yet healthy food retail program advocates do not appear to be aware of this program as a potential funding source for their initiatives.

In this paper, we analyze whether the SCBG-FB program could be used to fund efforts to increase access to healthy foods in small-scale food retail stores. We focus on the SCBG-FB program because fruit and vegetable consumption is one of the greatest concerns to nutrition advocates. First, we will describe the SCBG-FB program and healthy small-scale food retailer programs. Then, we summarize our legal analysis of the program and discuss whether core healthy small-scale food retailer program activities would be eligible for funding. Next, we describe how the block grants are currently used as well as healthy food retailer program coordinators' perspectives on how block grants fit into their funding plans. Finally, we highlight barriers to healthy food retailer programs using SCBG-FBs to fund fruit and vegetable promotion and recommend program and policy solutions to overcome those barriers.

This in-depth analysis of the program is for healthy food access stakeholders working at local, state, or national levels. It will be accompanied by a shorter fact sheet for healthy small-scale food retailer program coordinators that will distill this analysis into practical guidance for accessing this program to support their work.



## 1. What is the Specialty Crop Block Grant – Farm Bill program?

Congress established the Specialty Crop Block Grant program in 2004 to help state departments of agriculture promote the specialty crop industries of their states. For fiscal years 2005–2009, Congress authorized \$44.5 million per year in discretionary funding for the program.<sup>7</sup> As with many discretionary programs, annual appropriations were much lower: for example, the program received just \$10 million in 2008.<sup>8</sup> Congress renewed and amended the program in 2008 as part of the Food, Conservation, and Energy Act of 2008 (the Farm Bill) and authorized \$55 million in mandatory funding for the program for fiscal years 2009 through 2012.<sup>9,10</sup> The U.S. Department of Agriculture Agricultural Marketing Service (AMS) administers the program. States and territories that apply for the grants receive a base level of funding (just over \$180,000 in 2012) and then additional funding based on the state's share of specialty crop production. In 2012, the total potential awards for states and territories ranged from \$180,000 for the District of Columbia to more than \$18.5 million for California.<sup>11</sup>

### a. Goals of the program

Congress funded the program to “increas[e] fruit, vegetable, and nut consumption and improv[e] the competitiveness of the United States specialty crop producers.”<sup>12</sup> The block grants are to be used “solely to enhance the competitiveness of specialty crops.”<sup>13</sup> AMS provides further guidance for achieving this goal:

- *Increasing child and adult nutrition knowledge and consumption of specialty crops;*
- *Participation of industry representatives at meetings of international standard setting bodies in which the U.S. government participates;*
- *Improving efficiency and reducing costs of distribution systems;*
- *Assisting all entities in the specialty crop distribution chain in developing “Good Agricultural Practices,” “Good Handling Practices,” “Good Manufacturing Practices,” and in cost-share arrangements for funding audits of such systems for small farmers, packers and processors;*
- *Investing in specialty crop research, including*

*organic research to focus on conservation and environmental outcomes;*

- *Enhancing food safety;*
- *Developing new and improved seed varieties and specialty crops;*
- *Pest and disease control; and*
- *Sustainability.*<sup>14</sup>

### b. How block grants and subgrants are awarded

State departments of agriculture apply for the block grants annually and must include detailed information about the projects they intend to fund with the money (referred to here as subgrants). States are encouraged to conduct outreach to specialty crop growers and other industry representatives to define the priorities for making the industry more competitive and to use these priorities for funding decisions. States are encouraged to include beginning and socially disadvantaged farmers and ranchers in their outreach efforts.<sup>15</sup> AMS also encourages states to run a competitive application process for the subgrants.<sup>16</sup> In 2011, 80 percent of funded projects were selected by states through competitive application processes.<sup>17</sup> They are encouraged to assemble a peer review panel that scores funding applications and recommends projects for subgrants.<sup>18</sup> Government agencies, nonprofit organizations, universities, and for-profit institutions are all eligible to receive subgrants.<sup>19</sup>

### c. Examples of funded projects

The following projects, funded in 2011, illustrate the breadth of activities that are eligible for SCBG funding:<sup>20</sup>

- Provide free training videos for new and small-scale farmers on business planning, sustainable production, and marketing of specialty crops (Arkansas).
- Teach children in rural communities how to garden and create edible landscapes (California).
- Train specialty crop growers to reduce and mitigate risk on their farms (Indiana).
- Research the impact of certain growing techniques on antioxidant levels in Concord grapes (Michigan).

## 2. What are healthy small-scale food retailer programs?

Communities around the country work with corner stores, convenience stores, bodegas, and rural markets to make changes that improve their food offerings and the store environment.<sup>21</sup> Often, these efforts are bundled together into healthy small-scale food retailer programs.

Healthy food retailer programs take many forms. Some focus on a single neighborhood, others on an entire community, county, or even state. The program might be run by a local or state health department or by a community-based organization. Programs offer a range of materials and services to stores, from refrigeration equipment to technical assistance on stocking healthier food to vouchers for free fruits and vegetables from wholesalers. Some programs ask that stores agree to offer certain healthy options and clean up their store façades in exchange for these benefits. Other programs are less formal and require no official commitment beyond a friendly handshake.<sup>22</sup>

Some examples of common healthy small-scale food retailer program activities are:

- Technical assistance on business practices:
  - Assess store environment and recommend changes to products and store layout.
  - Provide store owners with technical assistance on accepting Supplemental Nutrition Assistance Program (SNAP) benefits and/or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits.
- Assistance with stocking produce and other healthy products:
  - Offer trainings to store owners and staff on how to handle and stock fresh produce.
  - Arrange for discounts on fruits, vegetables, and other healthy products from wholesalers or distributors.
- Assistance with promoting produce and other healthy products:
  - Offer trainings to store owners and staff on promoting healthy products.

- Organize taste tests, cooking demonstrations, and other in-store events to promote healthy selections.
- Promote participating stores in the community with flyers, press releases, websites, and other marketing materials.

ChangeLab Solutions recently conducted a healthy small-scale food retailer program scan in which we interviewed coordinators and analyzed requirements for seven programs around the country. All seven programs required stores to stock a minimum number of varieties of fruits and vegetables. We also looked at the incentives offered through these programs. The top three most common incentives were: promotion of the store and its healthy products to the community; nutrition education materials to post in the store; and technical assistance on purchasing, handling, and storing produce. It is clear from our research and extensive technical assistance work with such programs that a major focus of these programs is building the capacity of stores to sell and promote fruits and vegetables.<sup>23</sup>

In 2009, we assessed the state of the healthy small-scale food retailer movement as part of our work with the Healthy Corner Store Network. As part of the assessment, we surveyed 50 healthy small-scale food retailer advocates about their technical assistance priorities. Nearly 100 percent of these advocates reported needing assistance with finding sustainable funding sources for their work.<sup>24</sup> Our more recent program scan also yielded concerns about the sustainability of these programs since funding is needed for staff to work with retailers and for providing incentives, like promotional materials, to encourage retailers to stock more healthy products.<sup>25</sup>

Long-term funding is a major concern of these programs. The federal government has made the competitiveness of specialty crops a funding priority through the SCBG-FB program. This program could provide an initial opportunity for nutrition advocates and the specialty crop industry to work together towards a common goal—to increase consumption and sales of fruits and vegetables, particularly in underserved areas. The SCBG-FB program could contribute to the long-term sustainability of healthy small-scale food retailer programs, as well as spark further collaboration between the industry and nutrition advocates.

### 3. Legal Analysis: Could SCBGs fund healthy small-scale food retailer programs?

After providing an overview of the governing law and agency regulations, we will assess specific activities related to stocking and promoting fruits and vegetables that healthy small-scale food retailer programs frequently undertake, and whether they would be allowable under the program's law and regulations.

#### a. Governing law

##### i. The Specialty Crops Competitiveness Act of 2004 and the Food, Conservation, and Energy Act of 2008.

Congress passed the Specialty Crops Competitiveness Act of 2004 ("Act") to increase fruit, vegetable, and nut consumption and to improve the competitiveness of U.S. specialty crop producers.<sup>26</sup> The Act, among other provisions, established the SCBG program.<sup>27</sup> The 2008 Farm Bill amended the SCBG program and extended it through fiscal year 2012. Congress further extended funding for the program until September 30, 2013, as part of an overall extension of the 2008 Farm Bill.<sup>28</sup> The current program is now referred to as the Specialty Crop Block Grant Program – Farm Bill (SCBG-FB).

The SCBG-FB program awards funds to states and U.S. territories solely to enhance the competitiveness of specialty crops, defined as fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture).<sup>29</sup> The amount of funding a state receives is based on the value of specialty crop production in the state compared to the total value of specialty crop production in all of the states combined. States are guaranteed to receive an amount that is at least equal to the higher of \$100,000 or one-third of one percent of the total amount of funding made available each fiscal year.<sup>30</sup>

To receive funding, a state or territory department of agriculture must apply annually and (1) submit a state plan for expenditure of the funds that complies with the regulations issued by the Secretary of Agriculture, (2) identify the lead agency responsible for carrying out the plan, and (3) indicate how the funds will be used to enhance the competitiveness of specialty crops.<sup>31</sup> In addition, the state must assure the Secretary that any funding received will supplement, rather than replace, any state funding.<sup>32</sup>

#### ii. Administrative regulations and other guidance governing the SCBG-FB program

The governing law for the program sets forth the framework of the program. The administrative regulations and associated guidance for states give more specific details and suggestions of the types of projects that might be eligible for the funding.

The Secretary of Agriculture issued regulations to administer the program, which is overseen by the AMS. The regulations provide guidance on the types of projects that may receive SCBG-FB funds.<sup>33</sup> First, the AMS encourages states to develop projects solely to enhance the competitiveness of specialty crops pertaining to the issues listed on page 3 of this report, including increasing knowledge and consumption of fruits and vegetables.

Second, to be eligible for a grant, a project must:

1. "solely enhance the competitiveness of U.S. grown or U.S. territory grown eligible specialty crops, in either domestic or foreign markets";<sup>34</sup>
2. "be completed within three calendar years after the grant agreement ... is signed";<sup>35</sup> and
3. "benefit the specialty crop industry and/or the public rather than a single organization, institution, individual, or commercial product. Single organizations, institutions, and individuals are eligible to participate as project partners."<sup>36</sup>

States can also apply for grants in partnership with other states to address issues faced by producers in a region that crosses state lines.<sup>37</sup>

Third, the regulations expressly limit certain types of expenditures with SCBG-FB funds. States may not use the funds for capital expenditures for general purpose equipment, buildings, and land.<sup>38</sup> General purposes equipment is equipment that is not specifically used for research, scientific, or other technical activities, such as office equipment or motor vehicles.<sup>39</sup> States may use funds for special purpose equipment – equipment "used only for research, scientific, or other technical

activities<sup>40</sup> – provided that the state receives prior approval from the AMS for expenditures with a unit cost of \$5000 or more.<sup>41</sup>

The AMS provides additional guidance for determining project eligibility in the documents it issues when soliciting state applications for the new funding cycle for each year.<sup>42</sup> In its fiscal year 2012 notice, it stated that increasing the competitiveness of specialty crop farmers “may include developing local and regional food systems, and improving food access in underserved communities.”<sup>43</sup>

Further indication of how the AMS interprets and applies the regulations is provided in the examples the AMS gives of projects unacceptable and acceptable for funding. For example, among the projects found ineligible for funding are:

- “A state requests grant funds to make grants to individual specialty crop businesses or roadside stands to promote their individual business.”
- “A sole proprietor requests grant funds to redesign her/his logo in order to make her/his specialty crop value-added product stand out at the local farmers market.”<sup>44</sup>

The AMS likely found these projects to benefit individual entities rather than the specialty crop industry or the public. In contrast, the AMS finds the following examples acceptable:

- “A single specialty crop organization requests funds to conduct an advertising campaign that will benefit their specialty crop members.”
- “A single farmer erects high tunnels on their property to extend the growing season of tomatoes and lettuce and conducts a field day and farm tour to encourage other small family farmers to adopt the production methods.”<sup>45</sup>

Finally, the AMS memoranda summarizing and analyzing funded projects are instructive.<sup>46</sup> From 2008 to 2011, the AMS funded projects under the topics of education, food safety, marketing and promotion, pest and plant health, production, research, and other.<sup>47</sup> In addition, the report highlighted the trends of project subtypes, which included:

- Enhanced health through specialty crops, which included projects that sought to increase healthy food choices and specialty crop nutrition education and consumption, youth and community gardens, and farm-to-school activities;
- Direct marketing, which included promoting and developing farmers’ markets, developing and promoting mobile kitchens, farm-to-restaurant, farm-to-chef, farm-to-institution, and community-supported agriculture; and
- Increasing access to specialty crops, including development and assistance of cooperatives and local or regional e-commerce, the establishment of local and regional distribution systems, and projects that establish new specialty crop food systems in areas with little or no access to foods needed to maintain a healthy diet.<sup>48</sup>

#### **b. Eligible uses of SCBG-FB for healthy small-scale food retailer initiatives**

Because no existing case law or administrative guidance address this issue, we cannot say for certain whether the AMS would fund such programs or even aspects of the programs. Given the statute, regulations, and additional guidance issued by the AMS, however, it is likely that the AMS would approve funding for certain activities that are part of healthy small-scale food retail initiatives. Initially, though, it is important to note that the funds may be used only to improve the competitiveness of specialty crops and not for the broader category of healthy foods, such as low-fat dairy.<sup>49</sup> Any healthy small-scale food retailer initiatives that were to receive SCBG-FB funds would need to segregate the funds and restrict their use to specialty crop promotion only. In addition, any initiative would need to convince the AMS that there is a way to do so.

Second, funds must be used to benefit the specialty crop industry and/or the public—not to benefit or provide a profit to a single organization, institution, individual, or commercial product. This limitation is particularly important for funds in the healthy small-scale food retailer context. While the primary goal of a healthy small-scale food retailer initiative is to increase community access to healthier foods, to be

successful an initiative must convince retailers that they will benefit from the program, particularly by increased sales or revenues. While a healthy small retailer initiative may lead to overall increased revenue to retailers, the SCBG-FB funding may only be used for the activities that benefit specialty crop producers or the public.

### **c. Analysis of specific healthy small-scale food retailer program components**

We looked at whether SCBG-FB funds could be used to pay for five common components of a healthy small-scale food retailer program, but there are many other components we did not analyze. Program coordinators should consult with their state departments of agriculture to determine which activities are eligible for SCBG-FB funding.

#### **i. Program personnel costs**

SCBG-FB funds could be used to pay for the costs of personnel carrying out healthy small retailer programs—but only the portion of staffing time that is spent on promoting specialty crops. SCBG-FB funds are subject to the general requirements for use of federal funding.<sup>50</sup> Payment of salaries and appropriate benefits for employees of state agencies, local governments, or nonprofit agencies carrying out project activities is an allowable cost for SCBG-FB funds.<sup>51</sup> The funds may only be used to pay for the personnel costs of healthy small-scale food retailer initiatives when engaged in activities allowed by the SCBG-FB program—improving the competitiveness of specialty crops. Initiatives must demonstrate that they are able to identify and segregate the costs of the approved activities from other activities that are not allowed under the SCBG-FB program. Healthy small-scale food retailer initiatives must use other funding sources to pay the personnel costs of carrying out those other activities.

#### **ii. Refrigeration units for stores**

The AMS could authorize use of SCBG-FB funds to purchase refrigeration units for small-scale food retailers, provided that the purchase of the refrigeration units is part of a broader program to increase the sales of specialty crops. In 2010, the AMS funded a project of the Ohio State University Center for Farmland Policy

Innovation entitled, “Ohio Neighborhood Harvest: Demonstration of, and Best Practices for, Creating Fruit and Vegetable Oases in Food Deserts,” which proposes to support innovations in connecting food insecure consumers with Ohio specialty crops to increase the viability of the specialty crop industry.<sup>52</sup> Briefly, the project includes a statewide mapping and analysis to identify food gaps in the state; sharing the analysis, along with best practices from around the country for increasing access to specialty crops with communities; identifying three communities in the state as project sites; providing technical assistance, project materials, and needed supplies – including refrigeration units – to selected retail outlets; and evaluating the outcomes.<sup>53</sup> The project was supported by two grower groups, the Ohio Farm Bureau Federation and the Ohio Ecological Food and Farm Association, the Ohio Department of Agriculture, the Ohio Food Policy Advisory Council, and local community groups.<sup>54</sup>

There are two restrictions on SCBG-FB funds that may affect whether they may be used to purchase refrigerators for retailers. First, the regulations prohibit the use of funds to benefit a particular individual or institution.<sup>55</sup> Purchasing a refrigerator for a retailer to sell fruits and vegetables may benefit the specialty crop industry and the public by making fresh produce more accessible, but it also benefits the store owner. Tying the purchase of refrigerators into a larger community-based program to provide access to fresh produce in underserved communities establishes that the purchases benefit others beside the retailer receiving the refrigerators.<sup>56</sup> The Ohio project proposal, for example, stated that the project expects to reach 1,500 consumers in each of the targeted communities and provide direct benefit to at least 15 Ohio producers whose operations will receive a combined increase in gross sales of at least \$30,000 per year.<sup>57</sup>

Second, while a state may spend program funds on “materials and supplies,”<sup>58</sup> it may not spend funds on capital expenditures for general purpose equipment.<sup>59</sup> The AMS defines equipment as “an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5000.” The regulations define “general purposes equipment” as equipment, which is not limited to research, scientific, or other technical

activities, such as office equipment and furnishings, information technology, and motor vehicles.<sup>60</sup> The program does allow, with some restrictions, funds for capital expenditures for special purpose equipment, which is defined as “equipment which is used only for research, scientific, or other technical activities.”<sup>61</sup> Examples include microscopes, x-ray machines, surgical instruments, and spectrometers.<sup>62</sup> The regulations do not define “technical activities.”

It is possible that the AMS could consider refrigeration units as special purpose equipment used in the technical activities provided by corner store programs in their efforts to increase specialty crop consumption in communities with little or no access to fresh produce. To date, it has not given guidance on this issue. A better option may be to keep the costs of refrigeration units below \$5,000, as the Ohio project did, and to submit the purchases as supplies, rather than, equipment.

### **iii. Healthy food marketing**

While it is unlikely that the AMS would permit SCBG-FB funds to be used for marketing activities or promotional materials for “healthy products” in general, it likely would approve funding used to promote specialty crops. Advertising and other promotional activities designed to increase consumer purchases of specialty crops fit squarely within the mission of the SCBG-FB program – and indeed, from 2008 through 2011, from 32 to 61 percent of funding awarded was for marketing and promotion of specialty crops.<sup>63</sup>

But the program limits expenditures to specialty crop promotion. Provided the promotional materials and marketing activities are solely used for specialty crops – and not healthy foods in general – the AMS would likely approve use of SCBG-FB funds for these activities

### **iv. Advertising for healthy small-scale food retailers**

The AMS could permit SCBG-FB funds to be used for advertising and other promotional activities to promote a group of retailers who are selling specialty crops. Assuming, again, that the advertising and promotional activities were part of a broader program to benefit growers and consumers, the AMS could approve expenditure of funding on marketing activities to promote the new retail outlets offering specialty crops.

### **v. Financial incentives for retailers**

It is unlikely that the AMS would approve use of SCBG-FB funds for payments to small-scale food retailers to post healthy food marketing materials. First, as noted above, SCBG-FB funds may be used only to promote specialty crops. Even if the financial incentives were used only for retailers agreeing to post advertising for specialty crops, the restriction on use of the funds to benefit a particular individual or institution would likely prohibit the expenditure. Again, even if specialty crop producers would see increased sales from such a program, the primary beneficiary would be the retailer. Accordingly, it is unlikely that the AMS would approve the use of the SCBG-FB funds for such a program.

The AMS funded a program focused on restaurants that may provide an example of an alternative approach to financial incentives. In 2011, the state of Alaska received funding for a restaurant-focused project to promote specialty crops grown in Alaska.<sup>64</sup> Restaurants can receive up to 20% reimbursement for specialty crops purchased if they meet certain marketing and purchasing requirements set by the state. A small retailer project could potentially be design in a similar way: retailers would be required to promote specialty crops in the store and purchase a minimum amount of specialty crops. In exchange for meeting these requirements, restaurants would receive reimbursement for part of the cost of the specialty crops.<sup>65</sup> Assuming the small retailer project could be designed like the Alaska project and use a similar verification system demonstrating the sales of the specialty crops, the project should meet SCBG-FB program requirements.

As noted earlier, the lack of case law or administrative guidance addressing healthy small-scale food retailer programs or similar initiatives receiving funding from the SCBG-FB programs makes it difficult to say for certain if these programs would be eligible for funding.

## 4. Program Analysis: Are SCBGs currently used to fund healthy small-scale food retailer programs?

### a. Analysis of 2008–2011 SCBG-FB Awards

To assess whether SCBGs have been used to fund projects similar to healthy small-scale food retail programs, we analyzed the award lists published by AMS from fiscal years 2008 to 2011.<sup>66</sup> The award lists describe grant activities in all U.S. states and territories and provide condensed summaries of each project, the funding amounts awarded to each state, and a breakdown of how many grants were awarded in the following categories: education, food safety, marketing and promotion, plant and pest health, production, research, and other. USDA defines these programs as follows:

- **Food Safety:** “projects that address the handling, preparation, and storage of food in ways that prevent foodborne illness through specialty crops.”
- **Pest and Plant Health:** “projects focused on protecting specialty crops from the potential/imminent impact of exotic/domestic pests. Specifically projects within this project type strive to investigate and minimize the effects of pests and pesticide usage as well as inform producers and the public about the threats of pests to the specialty crop industry.”
- **Production:** “projects that place emphasis on the use of machines, tools, and labor to produce and distribute goods for use or sale. This includes the production of raw specialty crops and specialty crop related processed products.”
- **Marketing and Promotion:** “projects that focus efforts to sell, advertise, promote, market, and generate publicity for specialty crop commodities. A project in this category can have a wide range of objectives, including: sales increases, commodity acceptance, branding, or positioning.”
- **Education and Outreach:** “projects that include efforts by the grantee to transmit knowledge, skills, and values from one group to another through a variety of systems of schooling.”

- **Research:** “projects that include efforts to discover, interpret, and develop new methods/systems to advance the interests of the specialty crop industry. This tends to be completed through a systematic investigation to establish new facts, solve new or existing problems, prove new ideas, or develop new theories, usually using a scientific method.”
- **Other:** “projects within this category do not fit into any particular project type.”<sup>67</sup>

We reviewed the summary statistics by funding category and project descriptions in order to gain additional insights on whether SCBGs have been used to fund small-scale food retailer programs or similar activities. As discussed in Section II, healthy small-scale food retail programs can encompass a diverse range of tasks, such as outreach and promotion, technical assistance and training, nutrition education, food distribution and stocking, and upgrades to store layouts and equipment. Since we were not aware of any healthy small-scale food retailer programs that have received SCBG funding, we analyzed the lists looking for projects that share some similarities with these activities. Grant award lists provide few project details, so some projects may have been categorized incorrectly and we may have missed other relevant projects.

In addition to searching for awards that funded the activities described above, we also looked for grants given to support other types of small-scale food retail (e.g., farmers’ markets, community-supported agriculture programs, farm-to-institution programs), as well as grants focused on the food retail environment more generally (such as an in-store promotion or educational campaigns). Finally, since healthy small-scale food retailer programs often target low-income individuals and communities with poor access to stores selling healthy food, we searched for programs that target these groups, including programs that promote linkages to SNAP and WIC.

Table 1 reports the categories of grants awarded in fiscal years 2008–2011, as reported by the USDA. Awards are reported by frequency (number of projects) and proportion (number of projects in specified category divided by the total number of projects). The levels of funding awarded per project category (and per project) were not reported in these lists.



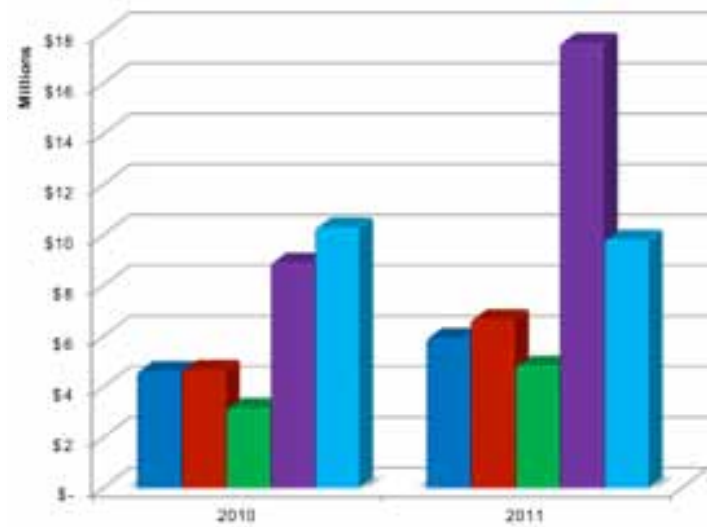
**Table 1:  
SCBGP-FB Awards, Fiscal Years 2008–2011<sup>68</sup>**

Fiscal year	2008	2009	2010	2011
Education	7% (19)	12% (94)	18% (148)	14% (107)
Food safety	11% (27)	7% (58)	4% (34)	9% (66)
Marketing & promotion	61% (156)	43% (329)	39% (315)	33% (244)
Plant & pest health	5% (14)	13% (102)	12% (98)	16% (119)
Production	6% (15)	6% (45)	9% (76)	6% (42)
Research	9% (24)	14% (109)	13% (110)	15% (111)
Other	1% (2)	5% (38)	5% (45)	7% (50)
<b>TOTAL</b>	<b>100%</b> <b>(252)</b>	<b>100%</b> <b>(768)</b>	<b>100%</b> <b>(826)</b>	<b>100%</b> <b>(739)</b>

In terms of frequency and proportion of total projects, two of the largest categories of SCBGs awards are for “marketing and promotion” and “education.” These are two core components of healthy small-scale food retailer programs – marketing and promoting healthy products and educating consumers about the health benefits of healthy foods. This high-level analysis of projects confirms that at least some aspects of healthy small-scale food retailer programs align with commonly funded projects.

The USDA does not report amounts of funding awarded per project category (or per project) so these may not be the largest categories in terms of funding. The USDA does report summaries of funding amounts, but using a different set of categories, as shown in Figure 1:

**Figure 1:  
Funding levels for SCBGP-FB, FY 2010–2011<sup>69</sup>**



Activities that fall into the Figure 1 categories include:

- **Enhancing health through specialty crops:** nutrition education, community gardens, farm-to-school
- **Direct marketing:** farmers’ markets, community-supported agriculture, agritourism
- **Increasing access to specialty crops:** marketing, food systems infrastructure to address poor food access
- **Innovations in specialty crop production:** developing new varieties of specialty crops and other technological innovations
- **Organic/sustainable specialty crop practices:** research and projects geared towards organic practices and resource conservation

Under this different set of categories, the activities of healthy small-scale food retail programs are most closely aligned with the first three (enhancing health through specialty crops, direct marketing, and increasing access to specialty crops). In contrast with the statistics presented in Table 1, these activities represent a smaller proportion of funding compared to the other categories.

Finally, based on our analysis of the USDA’s condensed grant descriptions, we observed some patterns in award types. While a more in-depth quantitative analysis of all

grant types was beyond the scope of this project, we did roughly categorize awards based on their relative frequency within the grant portfolios, presented in Table 2. It is important to note that we only analyzed projects that fell within our specified areas of interest (projects that bear some similarity to healthy small-scale food retailer projects, as described at the beginning of this section) and this table does not consider projects outside of these areas.

**Table 2:  
Representative SCBGP awards,  
by approximate frequency**

More common (40+ grants/year)
<ul style="list-style-type: none"> <li>• Farmers' market development and promotion</li> <li>• Buy local campaigns and other promotional materials</li> <li>• Food and nutrition education (especially in schools)</li> </ul>
Somewhat common (10–40 grants/year)
<ul style="list-style-type: none"> <li>• Procurement programs (farm-to-school and farm-to-institution)</li> <li>• Educational gardens (often community gardens or school gardens)</li> <li>• Promotion of EBT/SNAP/WIC for specialty crops, primarily at farmers' markets</li> <li>• Business planning and technical assistance</li> </ul>
Least common (10 or fewer grants/year)
<ul style="list-style-type: none"> <li>• Technical assistance to farmers on how to sell to retail markets</li> <li>• Business incubators/shared kitchen development</li> <li>• Research and development of food distribution/food hubs</li> </ul>

There is some variation in how frequently these activities are funded by SCBGs. The more common projects dealt with promotion and nutrition education, while more operational and logistical projects (such as technical assistance, market research, and business incubation) are still relatively rare.

Out of the programs that we analyzed in these subject areas, we did not find any funded projects that closely resemble a “typical” healthy small-scale food retail program, such as a corner store conversion or certification program.<sup>70</sup> However, we did find several awards that focused on the retail environment itself or on the infrastructure and technical assistance to support stores. Below is a sample of some of the most relevant descriptions; in particular, the first three projects are focused on small-scale food retailers (rather than supermarkets).

- “Partner with the Bloomington Kitchen Incubator organization to conduct market research of small and rural locally owned retail stores to understand their needs, their clientele, and their interest in locally grown fruits and vegetables and based on the information, develop marketing materials promoting local fruits and vegetables and local food businesses” (Indiana, 2009).<sup>71</sup>
- “Partner with the Mandela Market Place to increase consumption of California grown specialty crops by a minimum of 150,000 pounds while providing a distribution network for minority-operated specialty crop producers and educating local retailers and an emerging low-income consumer base about the benefits of sustainably produced California fruits and vegetables” (California, 2011).<sup>72</sup>
- “Partner with Wooster Local Foods Cooperative to establish an online ordering system and central distribution location to market and order products, handle, sort, store, and distribute vegetables, fruits, nuts, and other specialty crops between the times they are delivered until they are picked up by the buyers year-round” (Ohio, 2009).<sup>73</sup>
- “Develop a Pride of New York Retail/ Wholesale Promotion Program that will provide promotional and marketing assistance to retail grocery chains and educate retailers to expand ‘buy local’ purchases by highlighting other specialty crop based processed products” (New York, 2010).<sup>74</sup>

- “Open an identified space in seven retail outlets for collective sales exhibit exclusive for local products, including specialty crops, develop defined space in five supermarket chain store, and develop two stand-alone exclusive outlets for local products” (Puerto Rico, 2008).<sup>75</sup>

#### **b. Insights from healthy small-scale food retailer and SCBG-FB stakeholders**

We conducted interviews with federal USDA program officials, state SCBG-FB administrators, and operators of healthy small-scale food retailer programs in order to gain additional insights as to why very little SCBG funding has been granted to these types of programs. We spoke with program operators from five healthy small-scale food retailer programs and two state grant administrators. One additional state administrator and a federal USDA program official were not available to speak with us but responded to our questions via email. The appendix lists the names and affiliations of the stakeholders we interviewed. In order to select states, we reviewed our existing contacts with healthy small-scale food retailer program operators around the country (many of whom we interviewed for our previous research on these programs) and attempted to ensure regional diversity among interviewees. We selected the state program administrators from states that corresponded with the healthy small-scale food retailer program operators we interviewed.

We asked state grant administrators and the USDA program official about their familiarity with healthy food retailer programs, whether the fruit and vegetable promotional components of these programs align with funding requirements, and what the potential barriers are for these programs to access funding. One of the three interviewees indicated that they were familiar with healthy corner store programs. All three administrators emphasized that nothing in the letter of the law prohibits healthy food retail programs from applying for and receiving funding; however, they must be careful to design the grant application to only include eligible activities and products as specified in SCBG guidelines. Potential barriers to accessing funds as identified during these interviews include:

- Program operators are not familiar with the SCBG program, since it is relatively new.

- Outreach to healthy corner store programs is limited, as state agriculture departments may not be familiar with them.
- It may be difficult to isolate elements of programs that solely benefit specialty crops (for instance, in the case of store upgrades or technical assistance to stores).
- Funding cannot benefit individual storeowners, and any profits derived from the grant must be reinvested in the program.

Further, two respondents emphasized that although multiple aspects of healthy corner store programs may technically qualify for receiving SCBG funding, some may be far more likely to be competitive. For instance, aspects of the programs that align with activities funded in the past – such as nutrition education and outreach – may be more likely to receive funds than less familiar activities, such as technical assistance to storeowners on store design.

Similarly, we asked the healthy food retail program operators about their familiarity with the SCBG program, whether or not they have applied for funding, and (if funded) the main challenges or benefits of using the funding. Two of the five interviewees reported that they had applied for SCBG funding in the past for other nutrition programs in their organizations unrelated to their healthy small-scale food retailer work (only one of whom had received funding). The interviewees who had not applied for SCBG funds had mixed levels of familiarity with the program. (Note: as a result of this interview process, one of the program operators we spoke with contacted the grant administrator in their state, and is now considering applying during the next grant cycle.)

The interviewees who had applied for SCBGs identified the following potential challenges of applying for and using this funding:

- Funding decisions:
  - Funding decisions are based on the priorities of the state agriculture department and grant reviewers. One interviewee felt that reviewers in their state are more likely to prioritize projects focused on large specialty crop producers/processors rather than small-scale food retail initiatives.

- Depending on where you live, your state may opt to provide many small grants versus fewer large grants. A larger number of grants is good from an accessibility perspective, but makes it difficult to use as a primary funding source.
- Program design:
  - SCBG funding may be more appropriate for mature projects. In the startup phases, programs may be devoted to store outreach and coordination, which may not be solely focused on promoting specialty crops. For a more established project where the basic distribution, education, and marketing infrastructure are in place, it is easier to use SCBG to add additional elements.
  - The “low hanging fruit” in small-scale food retailer programs may not be locally grown specialty crops. For instance, stores with limited refrigeration equipment could start stocking canned produce, whole-grain foods, and other healthy staple food items. Technically, canned fruits and vegetables qualify as specialty crops; however, it may be more difficult to source these products locally, and some states prefer that projects solely benefit in-state producers.
- Implementation:
  - One interviewee noted that they experienced delays in receiving their funds, which caused a strain on their program budget.
  - State grant administrators prefer if projects only promote local (i.e. in-state) specialty crops, which one interviewee noted was difficult to enforce since a great amount of “regional” produce in their area comes from bordering states.

The program operator who had received SCBG funding noted that the grant had been very useful in helping them forge connections with local producers, particularly rural and small-scale farmers. They were appreciative that there is a funding source with this express purpose, which they see as closely aligned with their own organization’s mission of supporting small entrepreneurs while also promoting community health.

## 5. Opportunities for Healthy Small-scale food Retailer Initiatives in the SCBG-FB Program

### a. Analysis summary

Our research suggests that many aspects of healthy small-scale food retailer programs align with the goals of the SCBG-FB program:

- ***Both programs promote increased fruit and vegetable consumption.***  
A primary goal of healthy small-scale food retailer programs is to improve access to and consumption of fruits and vegetables in neighborhoods without full-service grocery stores. The SCBG-FB program funds projects that increase fruit and vegetable consumption and therefore increase sales for the specialty crop industry.
- ***Both programs promote greater consumer knowledge about the health benefits of fruits and vegetables.***  
Healthy small-scale food retailer programs frequently offer nutrition education materials to customers of healthy retailers and may sponsor cooking demonstrations and other events that promote the health benefits of fruits and vegetables. The SCBG-FB program funds projects to increase consumer knowledge, presumably as a way of increasing demand for fruits and vegetables.
- ***Both programs seek to engage underserved populations.***  
Healthy small-scale food retailer programs focus efforts on neighborhoods and communities that have limited access to fruits and vegetables. They tend to serve low-income people and people of color. The USDA encourages states to conduct targeted outreach to “socially disadvantaged” farmers and ranchers, who are members of groups that have historically experienced discrimination (see endnote 15 for the full definition).
- ***Both programs seek to improve fruit and vegetable distribution systems.***  
Many healthy small-scale food retailer programs find that small retailers have trouble

accessing traditional fruit and vegetable distribution systems. Some programs work to overcome those barriers by finding distributors willing to work with small retailers or forming bulk purchasing co-operatives among several small retailers. The SCBG-FB program funds projects that improve distribution systems, making it easier for both producers and retailers to access them.

Based on current law and program rules, we conclude that several components of healthy small-scale food retailer program could be eligible for SCBGs, including:

- Advertising and other promotional activities to increase sales and consumption of specialty crops. Particular projects might include:
  - Design and production of advertising materials for specialty crops placed in small-scale food stores;
  - Events promoting specialty crops at small-scale food stores, such as cooking demonstrations and nutrition education events;
  - Design and production of advertising materials for healthy retailers that sell specialty crops.
- Refrigeration equipment used to store and display specialty crops in small retailers.
- Events and materials used to educate small-scale food retailers on the varieties, ranges, and benefits of specialty crops.
- Development and expansion of a specialty crop distribution network system to connect socially disadvantaged specialty crop producers to small retailers.
- Development and expansion of a farm-to-small-food-retailer program.
- Development of a double voucher or coupon system, possibly linked to SNAP or WIC, for specialty crops that could be redeemed at small-scale food retailers.

Although a proposed project may meet the technical requirements for an SCBG, states and ultimately the USDA AMS determine whether a project would be funded.

Organizations and agencies operating healthy small-scale food retailer programs may not be aware of SCBGs or may not be aware that some components of their program would be eligible. There also appears to be limited awareness among SCBG-FB administrators about healthy small-scale food retailer programs and their specialty crop-related activities. The lack of common understanding is not surprising given that the USDA Agricultural Marketing Service oversees the program and that state departments of agriculture administer it, while healthy small-scale food retailer programs tend to be run by health departments or organizations focused on nutrition promotion or food justice.

#### **b. Recommendations for agriculture and nutrition stakeholders**

Our research and analysis yielded several recommendations for ways that the SCBG-FB program could better foster collaboration between the public health and agriculture sectors. We also identified ways in which healthy small-scale food retailer programs, community-based organizations, and local governments could engage with the SCBG-FB program and shape their work to fit the grant requirements.

#### ***USDA AMS could:***

- Provide more specific guidance about whether activities like providing free refrigeration equipment would be an allowable expense under the program.
- Provide technical assistance in development of specialty crop distribution systems.
- Provide technical assistance and information on working with the specialty crop industry to potential partners outside of the agriculture sector, including the health community.
- Recognize the shared interest between specialty crop growers and public health nutrition advocates by publicizing the program in the public health community.

### ***State departments of agriculture could:***

- Solicit input on SCBG-FB program priorities from state and local health departments and state nutrition promotion nonprofits.
- Invite nutrition professionals to participate on grant review panels.
- Coordinate discussions on developing supply chain and distribution channels between socially disadvantaged specialty crop growers and small-scale food retailers located in underserved neighborhoods.
- Facilitate multi-state and regional applications that might expand availability of regionally produced fruits and vegetables for retailers, including small stores.
- Encourage applications from agriculture-nutrition partnerships in requests for proposal and other grant promotional materials.

### ***Organizations/agencies that operate healthy small-scale food retailer programs could:***

- Coordinate with other local or regional health initiatives to develop local distribution systems to increase specialty crop production and distribution within the community.
- Structure healthy small-scale food retailer programs such that specialty crop promotion is easy to segregate from other activities. For example, develop nutrition education materials that only promote fruits and vegetables, in addition to more general materials that may promote a range of foods; develop education and public events at retail locations that promote specialty crops.
- Structure programs such that retailers could be reimbursed for a proportion of specialty crop purchases in exchange for meeting purchasing and marketing requirements.
- Develop a timekeeping system that allows program staff to document time spent on specialty crop promotion activities.

- Monitor the state department of agriculture for requests for proposals for the SCBG-FB program. Participate in pre-proposal conference calls and ask for guidance on the types of activities that could be funded.
- Contact the state department of agriculture to learn about funding priorities and request feedback on proposals.
- Apply to participate on the state review panel for SCBG applications.

### **vi. Recommendation for further research, analysis, and collaboration**

This research and analysis confirmed that the Specialty Crop Block Grant Program – Farm Bill is an underutilized funding source for healthy small-scale food retailer programs. It is likely that there are other agriculture-focused USDA programs that support health goals yet do not systematically promote collaboration with the health sector. Similarly, we hypothesize that many government and private funders of nutrition promotion initiatives do not promote collaboration with the specialty crop industry.

Grants that encourage or even require collaboration between sectors are potent opportunities to start conversations that might not otherwise happen. We recommend that more research be conducted to identify other health or agriculture grant programs at the federal level that could foster collaboration between these two sectors. Ideally, the lead federal agencies for these issues – USDA and the Department of Health and Human Services (HHS) – could identify these opportunities within their own funding announcements and encourage state agencies to take similar steps for state-level grant programs.

## Learn more

To learn more about Specialty Crop Block Grants and healthy food retailer programs, see the following resources:

- **Specialty Crop Block Grant Program (USDA)**  
Find contact information for your state agency that administers the program and examples of funded programs.  
[tinyurl.com/2wpyxu9](http://tinyurl.com/2wpyxu9)
- **Health on the Shelf: A Guide to Healthy Small Food Retailer Certification Programs (ChangeLab Solutions)**  
Learn how to design and implement a healthy small food retailer certification program.  
[changelabsolutions.org/publications/health-on-the-shelf](http://changelabsolutions.org/publications/health-on-the-shelf)
- **Healthy Corner Stores: State of the Movement (ChangeLab Solutions)**  
Learn about the successes and challenges of corner store interventions.  
[changelabsolutions.org/publications/healthy-corner-stores](http://changelabsolutions.org/publications/healthy-corner-stores)
- **Fruitful Collaboration: Funding to Promote Fruits and Vegetables in Food Retail Stores (ChangeLab Solutions)**  
The companion fact sheet to this report provides practical information on applying for Specialty Crop Block Grant funding for a healthy food retailer program.  
[changelabsolutions.org/publications/SCBG](http://changelabsolutions.org/publications/SCBG)

## Acknowledgments

Written by Amy Ackerman, JD, Lisa Chen, MCP, MPH, and Christine Fry, MPP.

Research assistance by Aylin Bilir, JD and Jennifer Willis, JD.

*Funding for this series is provided by the Healthy Farms, Healthy People Coalition through a CDC cooperative agreement administered by the National Network of Public Health Institutes. The views and opinions of these authors and organizations are not necessarily those of CDC or the U.S. Department of Health and Human Services (HHS).*

*ChangeLab Solutions is a nonprofit organization that provides legal information on matters relating to public health. The legal information in this document does not constitute legal advice or legal representation. For legal advice, readers should consult a lawyer in their state.*

© 2013 ChangeLab Solutions

## Appendix: Key Informant Interviews

### Phone interviews

Casey Foster  
Nebraska Department of Agriculture

Diane Beth and Karen Stanley  
Physical Activity and Nutrition Branch, Division of  
Public Health, North Carolina Department of Health  
and Human Services

John Weidman, Brianna Almaguer Sandoval,  
and Jean Wallace  
The Food Trust

Lela S. Reichart  
Bureau of Market Development, Pennsylvania  
Department of Agriculture

Sarah Schram  
Douglas County Health Department (Omaha, NE)

Sasha Belenky  
YMCA of Greater Louisville

Susana Hennessey Lavery  
Tobacco Free Project, Community Health Promotion  
and Prevention Branch, San Francisco Department of  
Public Health

### Email interviews

Gwen Sparks  
Specialty Crop Block Grant Program, USDA,  
Agricultural Marketing Service

Kristen R. Branscum  
Office of Marketing and Product Promotion, Kentucky  
Department of Agriculture

## Endnotes

- 1 ChangeLab Solutions. 2009. *Healthy Corner Stores: The State of the Movement*. 2009. [www.changelabsolutions.org/publications/healthy-corner-stores](http://www.changelabsolutions.org/publications/healthy-corner-stores)
- 2 Blankenship D and Fletcher J. 2000. *The Good Guys Club: Using Survey Methods and Positive Promotion to Encourage Retailer Compliance with Youth Access to Tobacco Laws. Case Study*. [www.tcsstore.org/appendix/a\\_cs\\_ggc.pdf](http://www.tcsstore.org/appendix/a_cs_ggc.pdf)
- 3 Feighery EC, Ribisl KM, Achabal DD, et al. 1999. "Retail Trade Incentives: How Tobacco Industry Practices Compare with Those of Other Industries." *American Journal of Public Health*, 89(10): 1564. [www.ncbi.nlm.nih.gov/pmc/articles/PMC1508800/pdf/amjph00010-0106.pdf](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1508800/pdf/amjph00010-0106.pdf)
- 4 D.C. Hunger Solutions. 2008. *Creating Healthy Corner Stores in the District of Columbia, Healthy Corner Store Program—Phase One Research Results and Recommendations*. [www.dchunger.org/pdf/cornerstores08\\_phaseone\\_report.pdf](http://www.dchunger.org/pdf/cornerstores08_phaseone_report.pdf)
- 5 Gittelsohn J, Rowan M and Gadhoke P. 2012. "Interventions in Small Food Stores to Change the Food Environment, Improve Diet, and Reduce Risk of Chronic Disease." *Preventing Chronic Disease*, 9: 110015. [www.cdc.gov/pccd/issues/2012/11\\_0015.htm](http://www.cdc.gov/pccd/issues/2012/11_0015.htm)
- 6 Song HJ, Gittelsohn J, Kim M, et al. 2009. "A Corner Store Intervention in a Low-Income Urban Community Is Associated with Increased Availability and Sales of Some Healthy Foods." *Public Health Nutrition*, 12(11): 2060–2067. [www.ncbi.nlm.nih.gov/pmc/articles/PMC3043106/pdf/nihms271223.pdf](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3043106/pdf/nihms271223.pdf)
- 7 Pub.L. 108-465, 118 Stat. 3884 (2004).
- 8 USDA. *FY 2010 Budget Summary and Annual Performance Plan*. [www.obpa.usda.gov/budsum/FY10budsum.pdf](http://www.obpa.usda.gov/budsum/FY10budsum.pdf)
- 9 Pub.L. 110-246 122 Stat. 2101 (2008).
- 10 USDA. *FY 2011 Budget Summary and Annual Performance Plan*. [www.obpa.usda.gov/budsum/FY11budsum.pdf](http://www.obpa.usda.gov/budsum/FY11budsum.pdf)
- 11 Notice of Funds Availability (NOFA) Inviting Applications for the Specialty Crop Block Grant Program – Farm Bill (SCBGP-FB), 77 Fed. Reg. 26, 6531 (Feb. 8, 2012). [www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5096938](http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5096938)
- 12 7 U.S.C. §1621 note §2.
- 13 7 U.S.C. §1621 note Title I, § 101(a).
- 14 7 C.F.R. §1291.1(b).
- 15 According to the USDA: "A socially disadvantaged group is a group whose members have been subject to discrimination on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program." 7 C.F.R. §1291.2(l).
- 16 7 C.F.R. §1291.6.
- 17 USDA Agricultural Marketing Service. *Fruit and Vegetable Programs Specialty Crop Block Grant Program: Fiscal Year 2011 Description of Funded Projects*. [www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5093992](http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5093992)
- 18 USDA Agricultural Marketing Service. 2011. *Appendix C – State Plan Format*. [www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5095257](http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5095257)
- 19 USDA Agricultural Marketing Service. 2011. *Specialty Crop Block Grant Program – Farm Bill (SCBGP-FB) – FY 2012 Eligibility, Application Requirements, and Grant Management Procedures*. [www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5086632](http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5086632)
- 20 USDA, 2011, *supra* note 17.
- 21 Throughout this toolkit, we use the term "small food retailer" to describe food stores that have limited physical space and limited selection of food. Different communities will have different names for these stores, including corner stores, convenience stores, gas stations, dollar stores, and grocers.



<p>22 ChangeLab Solutions. 2013. <i>Health on the Shelf: A Guide to Healthy Small Food Retailer Certification Programs</i>. <a href="http://www.changelabsolutions.org/publications/health-on-the-shelf">www.changelabsolutions.org/publications/health-on-the-shelf</a></p> <p>23 <i>Id.</i></p> <p>24 ChangeLab Solutions. <i>Healthy Corner Stores</i>, <i>supra</i> note 1.</p> <p>25 ChangeLab Solutions. <i>Health on the Shelf</i>, <i>supra</i> note 22.</p> <p>26 Pub.L. 108-465, 118 Stat. 3882 (2004).</p> <p>27 7 U.S.C. §1621. The Act originally applied the years 2005 through 2009. The Act was amended under section 10109 of the Food, Conservation, and Energy Act of 2008 (the Farm Bill) to extend the program through 2012. 7 U.S.C. §1621, note sec. 2(b).</p> <p>28 National Sustainable Agriculture Coalition. <i>Congress Includes Awful 2008 Farm Bill Extension in Fiscal Cliff Deal</i>. January 3, 2013. <a href="http://sustainableagriculture.net/blog/farm-bill-extension-fiscal-cliff/">sustainableagriculture.net/blog/farm-bill-extension-fiscal-cliff/</a></p> <p>29 7 U.S.C. §1621 note §3.</p> <p>30 7 USC §1621 note Title I, § 101(a), 7 USC §1621 note Title I, § 101(c).</p> <p>31 7 USC §1621 note Title I, § 101(d).</p> <p>32 <i>Id.</i></p> <p>33 7 C.F.R. §1291. In addition to the program-specific regulations, state grantees are subject to the regulations applicable to all federal grantees. 7 C.F.R. §1291.5.</p> <p>34 7 C.F.R. §1291.4(a).</p> <p>35 7 C.F.R. §1291.4(b).</p> <p>36 7 C.F.R. §1291.4(c).</p> <p>37 7 C.F.R. §1291.4(d).</p> <p>38 7 C.F.R. §1291.5(e).</p> <p>39 7 C.F.R. §1291.2(f).</p> <p>40 7 C.F.R. §1291.2(m).</p> <p>41 7 C.F.R. §1291.5(f).</p> <p>42 See, e.g., USDA Agricultural Marketing Service. 2011. <i>Specialty Crop Block Grant Program – Farm Bill (SCBGP-FB) – FY 2012 Eligibility, Application Requirements, and Grant Management Procedures</i>. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5086632">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5086632</a></p> <p>43 <i>Id.</i> at 1.</p> <p>44 <i>Id.</i> at 2.</p> <p>45 <i>Id.</i> at 2–3.</p> <p>46 USDA Agricultural Marketing Service. Summer/Fall 2011. <i>Specialty Crop Block Grant – Farm Bill, Program Analysis 2008 to 2011</i>. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5094826">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5094826</a></p> <p>47 <i>Id.</i> Projects categorized as “other” ranged from 1 percent in 2008 to 7 percent in 2011.</p> <p>48 <i>Id.</i></p> <p>49 The USDA maintains an interactive website specifying the crops that are included within the definition and the commodities that are not. <a href="http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateJ&amp;navID=DefinitionofSpecialtyCrops&amp;rightNav1=DefinitionofSpecialtyCrops&amp;topNav=&amp;leftNav=CommodityAreas&amp;page=SCBGPDefinitions&amp;resultType=&amp;acct=fvgrntprg">www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateJ&amp;navID=DefinitionofSpecialtyCrops&amp;rightNav1=DefinitionofSpecialtyCrops&amp;topNav=&amp;leftNav=CommodityAreas&amp;page=SCBGPDefinitions&amp;resultType=&amp;acct=fvgrntprg</a></p> <p>50 7 C.F.R. §1291.5(d).</p> <p>51 7 C.F.R. §3015.191 (applying OMB Circular A-87 to government agencies receiving federal funds); 7 C.F.R. §3015.193 (applying OMB Circular A-122 to nonprofit organizations, other than colleges and universities).</p> <p>52 Ohio State University, Center for Farmland Policy Innovation. “Ohio Neighborhood Harvest: Demonstration of, and Best Practices for, Creating Fruit and Vegetable Oases in Food Deserts” (SCBG application), 2010.</p> <p>53 <i>Id.</i></p>	<p>54 <i>Id.</i></p> <p>55 7 C.F.R. §1291.4(c).</p> <p>56 See, e.g., USDA Agricultural Marketing Service. 2011. <i>Specialty Crop Block Grant Program – Farm Bill (SCBGP-FB) – FY 2012 Eligibility, Application Requirements, and Grant Management Procedures</i>. See pp. 5–6, for examples of projects deemed not acceptable for benefitting individuals and/or individual companies. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5086632">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5086632</a></p> <p>57 Ohio State University, Ohio Neighborhood Harvest, <i>supra</i> note 52.</p> <p>58 2 C.F.R. Part 225 Appendix B (26)(a). (“Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.”)</p> <p>59 7 C.F.R. §1291.5(e). Rental cost of building and equipment may be allowed as direct costs pursuant to particular federal government cost principles. See 7 C.F.R. §1291.5(g). or the public.</p> <p>60 7 C.F.R. §1291.2(f).</p> <p>61 7 C.F.R. §1291.2(m).</p> <p>62 Office of Management and Budget (OMB) Circular A-87 Revised, Attachment B, § 15(a)(3). <a href="http://www.whitehouse.gov/omb/circulars_a087_2004#atb">www.whitehouse.gov/omb/circulars_a087_2004#atb</a></p> <p>63 USDA Agricultural Marketing Service. <i>Specialty Crop Block Grant – Farm Bill, Program Analysis 2008 to 2011</i>. Summer/Fall 2011. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5094826">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5094826</a></p> <p>64 USDA Agricultural Marketing Service. <i>Fruit and Vegetable Programs Specialty Crop Block Grant Program: Fiscal Year 2011 Description of Funded Projects</i>. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5093992">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5093992</a></p> <p>65 Alaska Department of Natural Resources, Division of Agriculture. Alaska Grown Restaurant Rewards Program. Website. n.d. <a href="http://dnr.alaska.gov/ag/ag_RR.htm">dnr.alaska.gov/ag/ag_RR.htm</a></p> <p>66 USDA, Agricultural Marketing Service. <i>Specialty Crop Block Grant – Farm Bill Fiscal Years 2008-2011 SCBGP-FB Awards</i>. <a href="http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&amp;navID=GrantAwards&amp;rightNav1=GrantAwards&amp;topNav=&amp;leftNav=CommodityAreas&amp;page=SCBGPNewsReleases&amp;resultType=&amp;acct=fvgrntprg">www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&amp;navID=GrantAwards&amp;rightNav1=GrantAwards&amp;topNav=&amp;leftNav=CommodityAreas&amp;page=SCBGPNewsReleases&amp;resultType=&amp;acct=fvgrntprg</a></p> <p>67 Sparks, Gwen. E-mail exchange with USDA, Agricultural Marketing Service. August 16, 2012.</p> <p>68 USDA, 2008-2011, <i>supra</i> note 66.</p> <p>69 USDA, Agricultural Marketing Service. <i>USDA AMS Fruit and Vegetable Programs: Grant Opportunity: Enhancing the Competitiveness of Specialty Crops</i>. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5088241">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5088241</a></p> <p>70 After we conducted our formal research for this project, we made contact with a team in Ohio that received a SCBG for their corner store work. This project is described on page 11.</p> <p>71 USDA, Agricultural Marketing Service. <i>Fruit and Vegetable Programs: Specialty Crop Block Grant – Fiscal Year 2009 Description of Funded Projects</i>. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5080060">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5080060</a></p> <p>72 USDA, 2011, <i>supra</i> note 64.</p> <p>73 USDA, 2009, <i>supra</i> note 71.</p> <p>74 USDA, Agricultural Marketing Service. <i>Fruit and Vegetable Programs: Specialty Crop Block Grant – Fiscal Year 2010 Description of Funded Projects</i>. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5084778">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5084778</a></p> <p>75 USDA, Agricultural Marketing Service. <i>Fruit and Vegetable Programs: Specialty Crop Block Grant – Fiscal Year 2009 Description of Funded Projects</i>. <a href="http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5072701">www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5072701</a></p>
---	---