



Fruitful Collaboration

Funding to Promote Fruits and Vegetables in Food Retail Stores

Many communities are working with small 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 selling fruits, vegetables, and other healthy foods. While the purpose of these programs is to promote health and equal access to healthy foods in underserved neighborhoods, they can also be considered marketing programs for healthy food industries, particularly the fruit and vegetable industry (also known as the specialty crop industry).

Healthy food retailer programs typically operate with funding from public and private grants. The long-term sustainability of such programs hinges on finding dedicated sources of revenue.

The federal Specialty Crop Block Grant program is a potential source of funding for healthy food retailer programs. It also provides an opportunity to increase fruit and vegetable consumption in underserved neighborhoods.



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One potential approach to sustainability is to partner with industries that benefit from retailers selling healthy products. The specialty crop industry is often a missing partner from healthy food retailer initiatives, despite the fact that a central goal of these programs is to expand the availability of the industry's products.

The federal Specialty Crop Block Grant – Farm Bill program is a potential source of funding for healthy food retailer programs. It also provides an opportunity to collaborate with the specialty crop industry to increase fruit and vegetable consumption in underserved neighborhoods. This fact sheet, written for anyone involved in the development or implementation of a healthy food retailer program, describes this funding stream and how to tap into it.

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

The U.S. Department of Agriculture (USDA) funds a program called the Specialty Crop Block Grant – Farm Bill (SCBG-FB), which aims to promote the specialty crop industry and increase consumption of fruits and vegetables. States administer the program and make annual grants to industry groups, universities, nonprofits, government agencies, and for-profit companies for a range of projects that promote specialty crops.

Most projects funded by this program fall into one of six categories: education, food safety, marketing and promotion, plant and pest health, production, and research. Below is a list of recently funded projects, selected to illustrate the breadth of the program:

- Develop best practices for growing peonies (Alaska)
- 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)

How do healthy food retailer programs promote specialty crops?

Healthy food retailer programs are as unique as the communities and states that operate them. One common thread is that the programs encourage store customers to eat more fruits and vegetables. Most programs ask store owners to offer more fruits and vegetables. The programs may also offer store owners training on handling and stocking produce safely. Programs may promote fruits and vegetables in a variety of ways, including:

- Working with store owners to improve store layout and to place fruits and vegetables in highly visible locations
- Training store owners and staff about how to promote fruits and vegetables to customers
- Arranging for discounts on fruits, vegetables, and other healthy products from wholesalers or distributors
- Organizing taste tests, cooking demonstrations, and other in-store events
- Offering flyers, shelf labels, posters, and other materials that promote fruits, vegetables, and healthy eating to store owners



Which healthy food retailer program activities might be eligible for Specialty Crop Block Grants?

Based on a legal and policy analysis of SCBG-FB, several common healthy food retailer activities appear to meet the eligibility guidelines for SCBG-FB funding:

- Program staff time spent promoting sales of fruits and vegetables
For example: SCBG-FB funding might be used to pay for the portion of time that the healthy food retailer program coordinator spends educating store owners about why they should stock more fruits and vegetables.
- Refrigeration equipment for storage and display of fruits and vegetables
For example: SCBG-FB funding might be used to purchase a refrigerated display case for stores that meet healthy food retailer program eligibility criteria.
- Advertising and other activities promoting the sale of fruits and vegetables
For example: SCBG-FB funding might be used to pay for shelf labels that encourage customers to buy fruits or vegetables.
- Promotion of retailers that sell fruits and vegetables
For example: SCBG-FB funding might be used for a community-wide marketing campaign that encourages fruit and vegetable consumption and promotes retailers who are participating in the healthy food retailer program and selling fruits and vegetables.

There may be other eligible activities to promote fruits and vegetables in the retailer setting that are not listed here. Very few healthy food retailer programs have been funded by SCBG-FB so far, so there is little precedent. Furthermore, each state makes annual funding decisions based on established priorities. In any given year or state, healthy food retailer programs may not fit within the state's priorities.

Which healthy food retailer program activities would *not* be eligible for Specialty Crop Block Grants?

Grant funding may only be used for activities that promote the consumption of fruits and vegetables, not other healthy foods. Healthy food retailer programs may engage in activities that promote other healthy foods, but SCBG-FB funds may only be spent on specialty crop promotion. The organization managing the project must have a way to demonstrate that SCBG-FB dollars only support specialty crops. Also, the funds may only be used to benefit the specialty crop industry and/or the public – not a single organization, institution, individual, or commercial product.

Other grant rules prohibit certain expenses, even if those expenses support the promotion of fruits and vegetables. Due to these restrictions, it is unlikely that the following healthy food retailer program activities would be funded:

- Program staff time spent setting up the overall program or promoting foods other than fruits and vegetables
- Advertising and other promotional activities focused on healthy foods generally or foods other than fruits and vegetables
- Payments to retailers for posting fruit and vegetable promotional material

For the full analysis and discussion of why certain activities may or may not be eligible for funding, see the companion background paper: *Can the Specialty Crop Block Grant Program Support Efforts to Bring Fruits and Vegetables into Small Food Retail Stores?* at www.changelabsolutions.org/publications/SCBG.

Learn more

USDA, Specialty Crop Block Grant – Farm Bill

<http://tinyurl.com/2wpyxu9>

This website provides general information about the program, as well as links to state program websites.

Can the Specialty Crop Block Grant Program Support Efforts to Bring Fruits and Vegetables into Small Food Retail Stores?

www.changelabsolutions.org/publications/SCBG

This background paper from ChangeLab Solutions describes the analysis that informed this fact sheet.



How to apply for a Specialty Crop Block Grant

Though the USDA funds the grant program, project applicants apply directly to their state departments of agriculture. Each state's department of agriculture is responsible for awarding and monitoring Specialty Crop Block Grants in their jurisdiction, so there is some variation in application requirements and procedures across the country. However, the USDA does require states to meet some specific guidelines for award eligibility, reporting, and administration. In addition, the USDA provides states with recommended application procedures, designed to ensure that states uphold a competitive and fair selection process. The basic application process entails:

Step 1: Research

Since very few healthy food retailer programs have received funding in the past, it is especially critical that potential applicants do their due diligence to ensure that their proposals meet eligibility requirements and to make a compelling case for how their program aligns with the grant's goal of promoting specialty crops.

A good place to begin this research is on your state agriculture department's website, which should include information about state-specific eligibility requirements, contact information, and application forms, deadlines, and procedures. Many states conduct outreach activities prior to the application period, such as webinars or informational sessions. These events are a great way to become familiar with the grant requirements and to ask specific questions about the application process. They may also be an opportunity to meet or hear from the staff members who oversee the grant program and who may be available to answer questions during the application process.

Step 2: Application

Typically, early in the calendar year the USDA announces the availability of SCBG-FB funds and invites state departments of agriculture to apply for their allotment. By July, the state departments of agriculture must complete their project selection and submit an application to the USDA that includes information about the projects the state intends to fund with its block grant.

States can set their own timelines for project applications. Some states' deadlines closely mirror the timeline of the USDA funding announcement (soliciting applications in early January or February, collecting applications until late May, and making final selections by July). There is considerable variation, however; in 2012, due dates ranged from February 23 (in Texas) to June 16 (in Washington, D.C.).

Several states use a longer, two-stage application process: In the first stage, applicants submit a short concept proposal informing the state department of agriculture of their intention to apply and describing the basic project idea. In the second, the state department of agriculture invites eligible applicants to submit a full proposal.

The USDA requires that project proposals include several elements:

- *Project purpose:* States must report on each project's purpose, potential impact, and expected measurable outcomes and discuss how each project benefits the specialty crop industry.
- *Work plan:* Projects must have a plan that includes tasks, intermediate deadlines, the names of those responsible for each deliverable, and the manner in which data will be collected to evaluate outcomes.
- *Timeline:* Grants are not to exceed three years in length.
- *Budget:* Discrete funding amounts and activities must be designated (such as personnel, supplies and equipment, fringe benefits, and travel). The narrative must clearly explain how expenditures will solely benefit specialty crops.

Step 3: Selection and submission to USDA

The USDA strongly encourages states to create an expert review panel composed of various stakeholders in the specialty crop, nutrition, and other fields. Most states follow these recommendations (and if they choose not to do so, they must provide adequate justification to the USDA). Typically, expert panelists will review projects independently using a set of scoring criteria, and then the full panel will meet to make final decisions.

Although the panel is expected to be as fair and impartial as possible during their selection process, there may be designated funding priorities they also take into account. For instance, the USDA requires states to consider how their funding decisions serve socially disadvantaged and beginning farmers. Some state departments of agriculture also conduct regular outreach to specialty crop growers in order to solicit their opinions on what types of projects would most benefit the field.

Funding for the SCBG-FB program has steadily increased since mandatory funding was appropriated for the program in the 2008 Farm Bill, from \$7 million in 2008 to over \$55 million in 2011. Some states also supply additional matching funds to extend the program's reach even further. Despite this increase in funding, demand for the program far outstrips supply: in 2009, for every project awarded funding, there were more than two additional unfunded applications. Individual award sizes vary substantially, according to project type and location, but overall they have increased in value, from an average of roughly \$37,300 in 2008 to \$73,500 in 2011. In 2008, awards in California, which receives the largest share of SCBG-FB funding, ranged from \$43,000 to \$125,000.

Tips for Success

Although the SCBG-FB application process is highly selective, some programs that are similar to many healthy food retailer programs have received awards. Here are some general tips on how to create a precise and persuasive application:

✓ Know the landscape

Before you apply, try to gauge how competitive the process might be in your state and how open your state agriculture department will be to new project ideas or to projects focused on nutrition in underserved communities. Reviewing lists of past grant award winners on the websites of the USDA or your state department of agriculture is a great place to start.

✓ Reach out to your state department of agriculture

If the staff members at your state department of agriculture are open to being contacted during the application process, they can answer eligibility questions as you develop your proposal. Since many state departments of agriculture may be unfamiliar with healthy food retailer programs, this can also be an opportunity to share information about your program and how it could support specialty crop growers. Before you reach out to state officials, read your state's materials carefully so that you can demonstrate that you're familiar with the application process and requirements. Keep in mind that some states may not provide information to individual applicants in order to ensure that all applicants have access to the same information during the process.

✓ Reach out to other stakeholders

Reaching out to other partners, particularly those in the agriculture community, to provide an endorsement or to collaborate on a project can help set your application apart. This program is an excellent opportunity to collaborate with local specialty crop growers or processors or with staff at the department of agriculture on projects that bring more fruits and vegetables into underserved neighborhoods.

Many potential applicants are not aware that it is possible to apply for multi-state awards. The process is generally similar, but the candidates must submit their application to the department of agriculture in each state represented in the project. If you live in a state or community where a lot of the specialty crops that are considered “local” come from neighboring states, a multi-state application might be a more effective way to fund healthy food access.

✓ Highlight how your program benefits specialty crops

When developing your project proposal, be especially careful that the proposed activities will only promote specialty crops. And explain in detail how you will ensure that the SCBG-FB money will only be used for the elements of your program promoting specialty crops.

Perhaps most critically, since the selection process is highly competitive, you will need to craft a compelling argument about why your project is needed and how it will benefit specialty crop growers. Think about the multiple benefits your program could have—for instance, your program may not only result in improved health outcomes but could also improve consumer awareness around the benefits of specialty crops and result in higher revenues for growers.



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).

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Support for this document was provided by a grant from the Robert Wood Johnson Foundation.

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