



Growing Community Health & Wealth Through Food



Helping Farmers, Grocers, and Families Thrive in Rural New Hampshire

A look at the growth potential of local food supply chains through Double Up Food Bucks

Fair Food Network believes that helping more families buy fresh, healthy food from local farmers is a simple yet powerful idea. Double Up Food Bucks (Double Up), a signature program of Fair Food Network, helps those in need get access to good, nutritious food. Double Up matches SNAP (or food-stamp) dollars spent on fresh fruits and vegetables. This is a triple win: more healthy food for families, better business for American farmers, and a boost for local economies. What started as a collaboration with five Detroit farmers' markets a decade ago has now grown into a national model for nutrition incentive programs in 25 states and counting.

As part of our work supporting this growing national field, Fair Food Network is sharing tools, lessons learned, and innovations to ensure that all nutrition incentive programs remain a win for the families, farmers, and local markets they serve.

Buying Local Produce in National Grocery Stores

Across the country, there is a growing trend of grocery stores offering more locally sourced fruits and vegetables in their produce sections. Too often, locally grown fruits and vegetables are financially out of reach for many low-income shoppers. In addition, many retailers are limited by the reality of the local supply chain, wherein produce grown on nearby farms can be complicated to get onto store shelves. This challenge is magnified for independent stores that need to build their own relationships, without being a part of a large supply chain, to source local produce.

And yet increasing the movement of locally grown produce to shoppers can create a ripple effect of benefits for families, farmers, and local businesses. Nutrition incentive programs such as Double Up are incentivizing locally grown produce in ways that create health and economic opportunities, uniting multiple stakeholders in mutually beneficial relationships. For instance, nutrition incentive programs have been documented to generate an estimated \$1.80 in further economic activity

for every SNAP dollar spent.¹ This report details how this is playing out on the ground in New Hampshire, including challenges and opportunities in local sourcing among participating retailers.

Introducing Double Up Food Bucks to New Hampshire

Double Up was one of the first incentive programs in the nation; it entered grocery stores in 2014. It has since become valued by participating grocery retailers to help stores distinguish themselves in an increasingly competitive marketplace, to attract new customers, and to encourage store loyalty. Supporting sales of local produce is a key feature of the program, regardless of retail location.

To bring Double Up to the Granite State in 2017, Double Up united various interests — including farmers, local food advocates, grocers, and the public health community, among others — to initiate the idea. Fair Food Network also partnered with five New Hampshire funders and secured matching public funds from a USDA grant (the Food Insecurity Nutrition Incentive program, now known as the Gus Schumacher Nutrition Incentive Program) to support the program. Fair Food Network worked closely with the Associated Grocers of New England, a retailers' cooperative serving over 600 independent grocery stores across the region. It additionally brought in Red Tomato, a New England-based nonprofit with expertise in developing farm-identified value chains for the grocery market, to get started.

“The program is becoming more and more of a success. On a personal note, I read a post on Facebook with someone mentioning the program in the area and how appreciative they are.”
- Lilia Grenier, Retail Bookkeeping at AG Supermarkets, Inc

In 2017, Fair Food Network launched Double Up as a pilot at four New Hampshire grocery stores. By spring 2018, the program expanded to 10 stores and targeted expansion to four more stores in 2019.

Here's how Double Up works in New Hampshire: when a customer purchases fruits and vegetables with their SNAP dollars, they automatically receive 50 percent off their produce total at the register. For New Hampshire grocery stores to participate, they must commit to tracking and reporting local produce purchased directly from New Hampshire-based farmers during the primary spring and fall growing seasons. Locally sourced produce is defined as any fruit or vegetable grown in the state.

Implementation Challenges

Initially, rolling out Double Up in New Hampshire presented some challenges. Helping grocery retailers identify new supply chains and overcome barriers to tracking local produce on store shelves were two main obstacles grocers and the Double Up team addressed.

Incentivizing Local

While buying locally sourced food seems logical — it should cost less and be more efficient to buy from the farmer down the road than from the West Coast or even internationally — the large-scale food supply chains are incredibly successful at delivering uninterrupted, uniform, fresh produce year-round to retailers big and small. The economies of scale can result in significant price tension between national and local growers. When looking to sell to grocery-store chains or the distributors who serve mainstream retailers, local growers face barriers to entry that include liability insurance thresholds from \$1-10 million, high-cost and difficult to obtain food-safety certifications, rapid order turnaround cycles, and lengthy payment terms. Stores looking to source local products are likely to find themselves needing to adjust systems and reduce margins. In addition to sourcing, monitoring and tracking local produce are also serious challenges for retailers.

¹ U.S. Department of Agriculture. (2013, Nov. 21) *New White House Rural Council Report Highlights the Economic Importance of Passing a Food, Farm and Jobs Bill* [Press Release]. Retrieved from www.usda.gov/media/press-releases/2013/11/21/new-white-house-rural-council-report-highlights-economic-importance

Tracking the Numbers

Collecting accurate data regarding local purchasing is a common challenge for growers, buyers, and advocates of local food systems alike. Uninterrupted product availability is a critical component of success in traditional food supply chains. Local produce supply, however, can fluctuate significantly with seasonality, weather events, and quality-control events. In order to maintain uniformity, distributors typically do not share detailed sourcing records or offer to include source identification. As a result, at any given time, there is more local produce flowing through the system than is documented or trackable. If the produce *is* source-identified, retailers frequently do not have the technological capacity to track or report sales of those specific products. In order to establish a benchmark for this pilot, the Double Up New Hampshire team worked with each retailer to develop and implement a unique tracking methodology, which often included manually reviewing statements, receipts, and financial reports. This intervention is a significant investment on the part of the retailers.

See the Appendix for the results of 10 participating New Hampshire grocery stores who sourced local produce as part of the Double Up program in 2018.

Double Up Shows Positive Results

After one year in New Hampshire, Double Up was implemented in four stores and was on its way to reaching six more sites. Program results proved that Double Up was gaining traction and generating multiple wins for families, farmers, and participating retailers. Most notably, Double Up helped stimulate nearly \$1 million in local sourcing among participating retailers in 2018 alone — dollars directly benefitting New Hampshire family farmers.

	2017	2018	2019 Targets
# of Participating Stores	4	10	14
# of Double Up Transactions	419	19,363	38,000
Total Double Up incentives applied to fruit and vegetable purchases	\$629	\$31,521	\$65,000
# of Farm Suppliers	N/A*	75	85
# of Locally Sourced Items Available	23	75	85
Dollars Spent by Stores on Local Produce	N/A*	\$994,990	\$1.2 million

**This information was not collected by the stores at this time.*

The Supply Chains

In 2018, participating Double Up stores purchased \$994,990 in local produce from 75 individual farm operations. Diverse sourcing strategies were informed by the capacity and existing systems of participating retailers:

- Conventional purchasing from distributors such as AGNE and Albert's Organics, which had, when possible, sourced from local farms (all 10 participating stores).
- Buying from farmer-owned, New Hampshire-based food hub Three River Farmers Alliance, which was explicitly set up to be a distributor between local growers and wholesale buyers (served AG Warehouse, which in turn services hundreds of stores).
- Purchasing directly from small- and mid-sized growers (9 out of 10 participating stores).

Product Mix

In 2018, Double Up retailers in New Hampshire sourced over 75 stock-keeping units (SKUs) ranging from high-value specialty products like berries and edible flowers to more conventional commodity items such as squash, potatoes, and apples. Salad greens, apples, and corn were among the most popular New Hampshire-grown items purchased by stores and, in turn, customers.

Product sourcing from larger-scale local greenhouse growers — such as Little Leaf, Backyard Farms, and Lef — is a commonly employed strategy due to their consistent availability. Beyond that, retailers source from a wide range of fruit and vegetable farms, from very small acreage (under 10) to very large (over 500) by New England standards.

Spotlight on Farms

As Double Up increases produce sales in stores, growers can sell more fruits and vegetables through the program.

Pork Hill Farm in Ossipee, New Hampshire

Paul Swegel and Katie Doyle Smith run Pork Hill Farm, a first generation, certified organic produce farm focusing on Community Support Agriculture and wholesale production on 7 acres. They hope to expand their production as new land becomes available.

Brookford Farm in Canterbury, New Hampshire

Catarina and Luke Mahoney own a 600-acre diversified farm with 35-plus acres in certified organic vegetable production. The farm is also home to cattle, hogs, and chickens, all rotated on pasture as part of the family's effort to restore this former sod farm into productive agricultural land.

Consumer Benefits

In 2018, 87 percent of cashiers reported seeing a direct benefit to their customers through Double Up, and 62 percent noted an increase in the amount of produce purchased by participating customers since the program was established. This means more nutritious produce is going on the tables of New Hampshire families as more dollars are flowing into the pockets of local farmers.

Shared Financial Benefit of Double Up

- At Vista Foods in Laconia and Sully's Superette in Allentown, growth in produce department sales from 2017 to 2018 outpaced growth in overall store sales. At Vista Foods, the increase in dollars spent on produce from 2017 to 2018 were almost exactly the amount of Double Up dollars redeemed in that store during that time period (\$5,171).
- The three Co-op Food Stores in the Upper Valley region saw produce sales increase as a percent of overall sales across the board from 2017 to 2018. According to Emily Rogers, Member Education Manager of the Co-op Food Stores: "I think that this jump is a direct correlation to Double Up. We haven't done any other promotions in our produce departments this past summer except for Double Up."
- The Double Up New Hampshire team was able to connect Associated Grocers of New England with the Three Rivers Farmers Alliance, a cooperative of farmers in the Seacoast region. Three Rivers sold an average of \$1,500 in produce per week to AG (during the growing season), making their weekly trip to Manchester "really worth it."

“The program is of great value to the participants from an access and health perspective and the store from a sales perspective. Refining the implementation and logistics would be nice to see.”
- Participating store manager

Opportunities for Expansion and Increased Impact

Leveraging retail partnerships and overcoming the challenges outlined above will require significant and ongoing investments in shopper demand, education, and the locally grown supply chain. After careful evaluation of the 2017 and 2018 pilot years, including surveys of cashiers and store managers, the following program expansions are recommended for maximum benefit:

- Expand to four additional retail sites in 2019 (complete).
- Interview supporting growers to determine direct and indirect benefits.
- Continue to identify opportunities for participating stores to bring in more locally grown produce.
- Provide technical assistance to improve in-store merchandising as well as promotion of local products and the Double Up program.
- Work with Sea Coast Eat Local and the Three Rivers Farmers Alliance to increase local produce distribution in the Seacoast region among participating stores and beyond.
- Identify additional produce items that could become part of the locally grown supply chain, including berries and peaches.
- Further develop relationship with AG to find ways to integrate more locally grown produce into their supply chain.
- Share benchmarks and metrics with Double Up grocery programs nationwide to develop the scope of research.
- Reevaluate and further standardize metrics collected by participating stores in the summer/fall 2019 seasons, including adding a metric about food-safety requirements and GAP certification requirements from each participating store.

Appendix

Double Up New Hampshire Local Sourcing 2018 Results

The following chart lists each of the 10 participating Double Up sites in 2018 and each stores' unique approach to sourcing local produce – including its general intake of local produce during the peak season months (July and August). You'll find below the percentage and associated dollar amount of local produce that was purchased by the stores.

Store	Location	Sourcing Strategy	July*	August*	Percent of Produce Purchased from Local Growers	Total Local Produce Purchases (June-Sept, 2018)
Associated Grocers of New England AGNE (distributor)	Pembroke, NH	Direct from growers, Three Rivers Alliance	12 items, 10 suppliers	12 items, 10 suppliers	2.4%	-\$250,000
Sully's Superette	Suncook, NH	AGNE	12 items, 10 suppliers**	12 items, 10 suppliers**	N/A***	N/A***
Vista Foods	Laconia, NH	AGNE, direct from growers	14 items, 9 farms	14 items, 9 farms	30%	N/A***
Berlin Marketplace	Berlin, NH	AGNE, direct from 1 grower	14 items, 9 farms	14 items, 9 farms	.8%	\$891
Coop Food Store	Hanover, NH	Direct from growers, Albert's Organics, distributors	13 farms, 40 items	13 farms, 40 items	20%	\$454,841
Coop Food Store	Lebanon, NH					
Coop Food Store	White River Junction, VT					
Root Seller Marketplace	Lancaster, NH	Direct from growers	19 farms	19 farms	100%	\$11,559
EM Health	Center Harbor, NH	Direct from growers, distributors	13 farms, 47 items	13 farms, 47 items	18%	\$75,651
Newberry Farms Market	Newmarket, NH	Direct from growers, distributors	5 farms, 9 items	6 farms, 6 items	5%	\$4,079
Lovell Lake Food Center	Sanbornville, NH	Direct from growers, distributors	2 farms, 5 items	4 farms, 5 items	3.54%	\$3,219

*Peak season

**All produce sourced directly through AG distribution channels

***Data unable to be collected at this time

By working with a diverse set of retailers, Fair Food Network can explore a range of sourcing strategies, a product mix, and a broad consumer base. In addition, as Double Up gains traction and sales, it provides increased revenue to participating retailers that source directly from local growers.