

FAIR FOOD NETWORK

# A GROCERY STORE FOR EVERY AMERICAN GETS A BOOST

DAILY TABLE



**“America’s food system is a paradox: We have hunger alongside sky-high rates of obesity and diet-related illnesses, often in the same places,” says Michael Malmberg, Chief Operating Officer of Daily Table, a nonprofit grocery store chain in Massachusetts. “Healthy foods, especially fruits and vegetables, are economically out of reach for a lot of families. It’s not just a shortage of calories, it’s a shortage of affordable nutrients.”**

**Daily Table is on a mission to change that equation.**

It provides fresh produce, grocery staples, and made-from-scratch prepared foods at prices low enough to fit within every budget, including families who rely on SNAP (Supplemental Nutrition Assistance Program, formerly known as food stamps). It also roots in communities most in need, starting in the diverse Boston neighborhoods of Dorchester and Roxbury.

“We had a customer tell us that she was able to buy berries for the first time because otherwise they’re beyond her budget. The barriers to healthy eating are truly economic,” Malmberg iterates.

Daily Table’s unique model is the brainchild of Doug Rauch, former president of Trader Joe’s. There are some similarities: Daily Table stores have a small footprint at 3,000 to 4,000 square feet, a fraction of some of the grocery superstores, which can top out at 25,000 square feet. This keeps costs low and builds on the Trader Joe’s-like experience: Far fewer products (at about 500) and a more personalized shopping experience. Daily Table also makes a concerted effort to be a bright, upbeat, and welcoming place for everyone.

“We don’t have security guards following you around, which I see in a lot of urban markets,” Malmberg says. “It goes back to treating people with dignity. We want to earn your patronage just like any other store.”

**But what makes Daily Table stand out is its produce-first focus and its methodical commitment to low prices, offering customers 30 percent in savings compared to other grocery stores.**

“As a nonprofit, we can take advantage of favorable pricing from suppliers who value our mission, volunteers to help with tasks in our kitchens, and discounted or donated foods, which a for-profit entity could not do as easily,” says Malmberg. In addition, its nonprofit status opens opportunities, including accessing grants and donations from the local community and philanthropic donors.

While most of Daily Table’s food is purchased from traditional vendors, a unique aspect of its supply chain is sourcing products that are closer to their “sell by” date than could be sold to a traditional retailer. While still high quality and safe, these products are often available at steep discounts or even donated. This allows Daily Table to pass along savings to its customers, while balancing out the razor-thin margins on many of its other products.

**For families that rely on SNAP, their food dollars have gone even further at Daily Table since it launched the healthy food incentive program Double Up Food Bucks in 2018.** With Double Up, shoppers get 50 percent off fruit and vegetables bought with their SNAP dollars, up to \$5 a day.

Oran Hesterman, founder and CEO of Fair Food Network, which pioneered the Double Up program, was thrilled with its success at Daily Table. “It was the fastest start we’ve ever seen with Double Up. Daily Table was doing more business in three months than other stores were able to do in one year.”

Fair Food Network launched Double Up in 2009 as a pilot at five farmers markets in Detroit. Today it’s a statewide program in Michigan and national model for SNAP incentives in 29 states. Double Up was also one of the first incentive programs to move from farmers markets to grocery stores. Its success in communities from coast to coast caught the





attention of policymakers: Support for SNAP incentives like Double Up is now included in the federal farm bill.

As COVID pushed one in eight Americans into hunger, Daily Table's grocery stores became even more essential. Massachusetts saw a nearly 60 percent increase in the state's food insecurity rate, one of the largest increases in the country. Daily Table's SNAP and Double Up purchases soared: In 2020, Daily Table had nearly \$200,000 in Double Up Food Bucks redemptions, a 54 percent increase over 2019.

To expand its reach, Daily Table opened a third location in Central Square, Cambridge in 2021 and is in the process of launching two additional stores in Mattapan and Salem in 2022 — all of which is growing its need for working capital.

**To help fill the gap, Daily Table turned to Fair Food Network's Fair Food Fund for a \$125,000 line of credit.** This investment will free Daily Table from having to tap its grant dollars for inventory purchases or overhead costs, instead prioritizing those dollars to support Double Up redemptions. Such flexible financing will provide Daily Table with a crucial bridge through low cash periods during this expansion phase, particularly in between grant cycles or when philanthropic funding is low.

**For Fair Food Network's Fair Food Fund, it was a natural fit.**

"With its focus on affordable, fresh food and its commitment to paying livable wages and hiring directly from the neighborhoods it serves, Daily Table is a natural mission fit," says Hesterman. "Overlaying financing with our Double Up partnership was a win-win."

As Daily Table expands to new locations, Hesterman is excited not just for communities in Massachusetts, but beyond. "If this model can work economically, it has massive implications for communities across the country that lack healthy food options."

Malmberg agrees. "We are working hard to further develop and refine the Daily Table model in Boston in the coming year with the goal to expand to new geographies. We believe that Daily Table can be the first truly scalable solution to nutrition insecurity in America."

