

NUTRITION INCENTIVES

Nutrition Incentives' Long-Term Economic Benefits

People who participate in nutrition incentive programs don't only save money; they also eat more produce than the average adult—and eat more the longer they participate. Diets high in fruits and vegetables have been associated with reduced risks of cardiovascular disease, diabetes, and other costly chronic health conditions. One recent study of NIH data found that increased fruit and vegetable consumption because of nutrition incentives could save billions in health care costs.

5,500

Number of farmers supported by Double Up in 2021, across 1,325 farmers markets, grocery stores and other partner sites.



Among Michigan Good Food Fund's investments is Argus Farm Stop—a Michigan-based, year-round farmers market and café that has paid out more than \$10 million to a network of 200 local farmers since its launch in 2014. Argus also offers Double Up, supporting affordability alongside access.

IN 2021, THE NUTRITION INCENTIVE HUB'S SECOND YEAR, INCENTIVES DISTRIBUTED BY PROGRAM-SUPPORTED GRANTEEES GENERATED MORE THAN \$41 MILLION IN ECONOMIC IMPACT.

When we start with food, we can direct more resources to families, farms, and food businesses, strengthening our local economies. Fair Food Network's programs work to improve health, increase wealth, and build community resilience through food.

Learn more at FairFoodNetwork.org.



SHARED INVESTMENT SHARED PROSPERITY



Strengthening local food systems drives economic development

At Fair Food Network, we know that food is a source of common ground. We can see the many ways food connects us—not only sustaining us physically and culturally, but also serving as a community-wide foundation for economic opportunity.

Since 2009, Fair Food Network has developed and shared efforts to ensure that everyone has access to healthy choices, economic opportunity, and a resilient environment. Within our nutrition incentives, impact investing, and partnerships work are community-based approaches designed to create a fairer future, grow wealth, and address long-standing systemic inequities.

NUTRITION INCENTIVES: CREATING MORE BUYING POWER FOR MORE PEOPLE

The Challenge:
Economic and social inequality create disparities from farm to table.

Food is the third-largest household expense in the United States, after housing and transportation; families with low incomes spend as much as 36 percent of their disposable income on food. Rising food prices are forcing more people with limited resources to make difficult food choices. For many, fruits and vegetables can be luxury items.

Black and Hispanic families are disproportionately impacted by food costs. In 2020, more than one in four Black households were food insecure, as were more than 17 percent of Hispanic households. The food insecurity rate for white households was 7 percent, though this demographic represents the majority of those receiving federal food benefits.

Long seen as cornerstones of local food economies, local farmers and food businesses face similar challenges. The cost of farmland near population centers is on the rise, and farmers have fewer options after consolidation across parts of the supply chain—from seeds and machinery to processing, distribution, and retail. As a result, since 2000, the average farmers's share of a food retail dollar has hovered around 16 cents.

Generations of explicit and largely unaddressed government policies such as slavery, land seizure, and lending discrimination have resulted in stark, persistent disparities in food production and land ownership. Today, less than two percent of US farms have Black producers—a gap that has continued to widen over the years. (In 1920, Black farmers accounted for about 16 percent of all farmers.) Black, Brown, and Indigenous farmers represent a fraction of farm and farmland owners, and they remain chronically underfunded.

The Opportunity:
By redirecting resources, we can expand people's access to nutritious food and support local farmers and food businesses.

Fair Food Network's signature Double Up Food Bucks program harnesses the power of SNAP (formerly known as food stamps), the largest federal investment in our food and farming systems. SNAP spends more than \$80 billion dollars a year to supplement the food budgets of people in need.

A leading example of a nutrition incentives program, Double Up is a unique enhancement to the federal safety net that steers benefits to farmers, families, and local economies. When SNAP users shop with a participating store or market, they receive a dollar-for-dollar match on the purchase of fresh produce; they bring home more fruits and vegetables without sacrificing other immediate financial needs.

Leveraging SNAP, Double Up drives millions in additional sales to thousands of local farmers and independent retailers. (In 2019, independent grocers purchased more than \$1.57 million in local produce during the peak growing season; in 2020, their purchases totaled more than \$3.64 million.) As farmers who sell directly to consumers bring home closer to 90 cents on the dollar, the program helps each business become more profitable—and bankable.

Double Up's requirement that grocery store partners support local growers further increases demand and develops more inclusive supply chains. The program also incentivizes people to shop with smaller, independent retailers, which keeps families' food dollars in the community.

IMPACT INVESTING: SUPPORTING A MORE INCLUSIVE LENDING LANDSCAPE

The Challenge:
Capital does not reach everyone equally, especially in communities of color.

As food businesses are a part of every community, the food sector can be particularly accessible for emerging entrepreneurs. Many founders start from a place of passion about their product, not necessarily from a place of existing wealth (an outcome perpetuated by the racial wealth gap) or from a background in business, finance, or marketing. This limits their ability to secure the capital necessary to start and grow their businesses—especially for entrepreneurs who already face additional barriers due to their race, ethnicity, and/or gender.

Traditional, capital-first investment approaches, which tend to benefit people who already have existing power and assets, further exacerbate racial wealth gaps: “getting the deal done” and prioritizing investor protection often comes at the cost of racial equity and social justice. This can happen even within impact investing, which is designed to elevate community needs within a set of investment criteria; if careful attention is not paid to the agency and insights of the community in question, an investment can still fall short of its intentions for impact.



The Opportunity:
We can bring together community and institutional stakeholders to exchange knowledge and resources, creating economic opportunities that would not be possible otherwise.

Fair Food Network's impact investing work catalyzes wealth building in communities that have been blocked from accessing traditional financing systems. Our Fair Food Fund, a national fund that works locally, supports entrepreneurs impacted by poverty and institutionalized inequities through infusions of capital, credit enhancements, and increased access to networks and resources. We also offer long-term, wrap-around business planning support and connections to help farmers and food entrepreneurs broaden their sales channels and serve more people in their communities. Fair Food Fund's first five years of work in the Northeast generated nearly \$9 in community benefits for every \$1 invested—supporting jobs, business growth, local purchasing, and more.

Fair Food Network applies our core mindset of community-first investment over capital-first investment in our work as the administrative manager of the Michigan Good Food Fund. The focus of this place-based lending network is on building power in underinvested communities across the state, so people have a greater say in their local food options. Since 2017, the initiative has issued \$17 million in loans and grants of different sizes to more than 300 Michigan-based food businesses, the majority of which are owned by people of color.

PARTNERS: FOSTERING COLLABORATION TO SPUR EQUITABLE ECONOMIES

The Challenge:
Systemic problems are too big to solve when organizations and communities go it alone.

From farm to retail to waste, the US food system is an incredibly complex, trillion-dollar sector that impacts every person and community. Small pilot programs can begin with philanthropic funding, but without a bridge between institutional and community stakeholders, these new ideas may not take hold, let alone create system-wide impact.

For example, nutrition incentives work has grown exponentially over the past several years, as funding from the federal government has increased. Now, hundreds of programs across the nation struggle with the same questions about execution, evaluation, and scale.

Likewise, within typical financing, each lender, resource provider, and entrepreneur works in a silo. Raising capital can be a confusing, redundant, and unnecessarily competitive process for anyone—particularly for chronically underfunded entrepreneurs. Without curation or guidance, entrepreneurs can spend inordinate amounts of time pursuing the full set of necessary resources.



The Opportunity:
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Creating change requires building collective power and directing more resources toward efforts that support vibrant communities. That's why Fair Food Network shares insights and lessons learned from our on-the-ground work to further programs, policies, and investments that harness the potential of food. Bringing practitioners together, we can solve problems, elevate successful approaches, and strengthen the field.

Fair Food Network serves the broader field of nutrition incentives through the Nutrition Incentive Hub, a USDA-supported coalition launched in partnership with Gretchen Swanson Center for Nutrition. As the leader of the Hub's technical assistance and innovation efforts, we help programs across the country evaluate, innovate, and grow this work to be more effective and reach more people. In this capacity, we've seen the growth evident from Double Up Michigan on a national scale: GusNIP nutrition incentives projects brought nearly \$40 million into communities between September 1, 2020 and August 31, 2021.

In our impact investing work, Fair Food Network acts as a connector, business assistance provider, and investment fund. We partner with local food entrepreneurs looking to sustain and expand their businesses, and we convene like-minded investors in order to direct more resources toward efforts that support vibrant communities. Fair Food Fund's new collateral initiative, established during the pandemic, offers entrepreneurs creative financing, de-risking loans that might not happen otherwise. In partnership with the Michigan Good Food Fund's Stakeholder Board, we are also helping to provide independent food businesses across the state with a single source for integrated capital resources.