

The New York Times

Opinionator

April 18, 2012, 7:00 am

Conquering Food Deserts With Green Carts

By David Bornstein

When we think of a “desert,” we don’t picture southwest Philadelphia or a small town in upstate New York. But that’s the description given to areas of the United States that lack ready access to healthy food — like fresh fruits and vegetables. These grocery-store deprived zones have come to be known as “food deserts” and the federal government estimates that they are home to millions of Americans, including more than 23 million people who live in low-income neighborhoods that are more than a mile from a supermarket.

In rural areas, where the closest store selling fresh produce may be 10 miles away, or in the inner city, where it may be a 30-minute trip by bus, people often make do with what’s available at the corner store, the convenience shop or the neighborhood bodega. That rarely means healthy eating.

This is a problem, particularly in low-income areas, where the lack of food access correlates with high rates of obesity and diabetes. Over the past 30 years, childhood obesity in the United States has tripled, and the problem is most severe in poor communities. Today, more than a third of adults in the country are obese.

Like many problems that disproportionately affect inner-city areas, food deserts can be traced back to the “white flight” of the 1950s and ’60s. Along with the loss of middle class residents from the inner city came the loss of tax dollars for local schools, redlining from financial institutions and an exodus of businesses, including grocery stores.

Today, many groups are looking to bring healthy food back to these areas, and some of the more creative initiatives are in New York. It’s not clear what, if anything, will work to tackle the obesity epidemic, but the problem of food deserts is less daunting. There are two ways to solve the problem: bring in new produce vendors, or add produce to existing vendors. In both cases, a key challenge is getting businesspeople and policy makers to move past the mistaken assumption that food deserts exist because people in low-income communities don’t care about healthy eating.

One of the more intriguing models is New York City’s Green Cart initiative. Since 2008, the city has made provisions to authorize 1,000 new permits for street vendors who can sell only raw fruits and vegetables in areas of the city that have been designated as in need of them. The idea is to harness the enterprise of small-business people to mitigate a social problem in a sustainable way.

Most of the 500 carts that are being operated today are run by immigrants — and they work very hard. Some succeed; some don't. Vendors wake up at 4 a.m., go to wholesale markets in Hunts Point in the Bronx or Canarsie in Brooklyn, before heading to their vending locations at the start of the day. Mary Mazzio, a filmmaker who documented the stories of several vendors struggling to make a go of it, as well as the political battle to start the Green Cart program in a film titled *The Apple Pushers*, noted that “seeing these first-time entrepreneurs slowly begin realizing a vision for a better life through the mechanism of a push cart” struck her as a story that “crossed the generations.” (Her film can be seen in screenings around the country and will be broadcast nationally on May 6.)

The appeal of green carts is clear. The start-up costs are low — about \$1,800 to \$3,000 — and there is no brick and mortar required. But small business is risky — even if you're not restricted in what you can sell, and where you can sell it. To the city's credit, it has enlisted help from Acción USA, which provides low-interest loans to vendors, and the Laurie M. Tisch Illumination Fund, which offers grant support to provide vendors with business consulting services, delivered by a company called Karp Resources. (The Illumination Fund also supported the film). Karp helps vendors learn how to construct profit and loss statements, understand the (byzantine) food cart regulations, fill out permits and tax forms, engage with customers, and build up support from peers. “A small entrepreneur with limited capital and a limited support system needs networks to be successful,” says Karen Karp, the company's founder. “Green carts are no exception.”

Success depends on several factors, but the most important seem to be the resourcefulness of the entrepreneur, the ability to secure a good location and the ability to build relationships with customers. Finding entrepreneurs who want to serve their own neighborhoods seems particularly helpful.

The city could make things easier for vendors — who are, after all, assuming risk while helping the city address a public health problem. Some complain of being repeatedly ticketed for minor infractions. They are not permitted to sell nuts, dried fruit or bottled water, which would make their businesses more viable. And others argue that the zones are needlessly restrictive. The city has addressed one problem: modifying a regulation to expand the number of places where green carts can be stored at night.

Despite the challenges, many vendors are succeeding and thousands have applied for permits, and the green cart model is being explored or taken up in a variety of areas including Santa Clara County, Calif., Washington, D.C., and Philadelphia.

Another channel to get fruits and vegetables into food deserts is to help the owners of corner stores and bodegas succeed in selling them. New York runs a Healthy Bodegas Initiative, which provides businesses with grants for refrigeration or shelving, and advice on marketing, provided they stock various categories of healthy food. (Our Fixes guest writer Sarika Bansal recently reported on this initiative in *The Atlantic*.) The Food Trust, in Philadelphia, a national leader in attacking food deserts, has started the Healthy Corner Store Initiative, which combines assistance to stores and health education in Philadelphia schools.

Then there are farmers' markets. The most vibrant of them are not just a source of food, they are a source of delight. Today, there are more than 50 greenmarkets in New York City, thanks largely to GrowNYC, a nonprofit organization that works closely with the mayor's office. Many inner city farmers' markets in New York rely on food stamps and the Farmers Market Nutrition Program,

which provide coupons to low-income mothers and seniors that can be redeemed at markets. (Sadly, the federal government has proposed cutting this program by \$1.3 million in 2012.) Most of New York's green markets also now accept a debit card that links with the government's Electronic Benefit Transfer (E.B.T.) system. This is an important convenience. When vendors at the Clark Park farmers' market in West Philadelphia were provided with terminals to accept E.B.T. transactions, they saw a 38 percent increase in monthly food stamp sales. (The market with the highest food stamp usage in New York is the Union Square market in Manhattan, which draws customers from around the city.)

New York also runs another incentive program, Health Bucks, through which families receive a \$2 coupon for every \$5 in E.B.T. sales at a farmers' market — a 40 percent increase in purchasing power. Philadelphia has adopted a similar approach with its Philly Food Bucks program. Detroit and other parts of Michigan have a Double-Up Food Bucks program. Boston's Bounty Bucks offers similar kinds of benefits.

The question remains: If there is real demand for fresh food in food deserts, why don't supermarkets open up there? Why don't they regard them as food emerging markets? Well, it takes two things: innovative businesspeople who are willing to pursue opportunities where others see only problems — and creative government subsidies to make the economics work.

Consider Highland Falls, N.Y., which has a population of about 4,000. Until this past September, local residents had had no supermarket for two years. They had to drive 11 miles to get to the nearest store. The mayor started a weekly bus service so people could shop. Then a local couple, Lisa Berrios and Albert Rodriguez, decided to open a supermarket, MyTown Marketplace, in the old location. However, the abandoned building needed extensive repairs to the roof, floor and parking lot. "Nobody wanted that store. Guys with a lot of stores don't want stores like this," Rodriguez told me. "It's not a store you're going to get rich off."

It would have been impossible to make it work without the New York Healthy Food and Healthy Communities Fund, which provided a \$304,000 grant to subsidize the start-up costs. The store has been running for six months and Berrios and Rodriguez say that sales are increasing each week. It's a challenge — the couple says they practically live in the store. Prices for some items are lower at the big box store over the mountain, but local residents like that the store is clean and friendly — and now they can buy fruits, vegetables, dairy, meat and fish throughout the week.

Perhaps the leading innovator in this field is Jeffrey Brown, a fourth generation grocer from Philadelphia who operates 10 large ShopRite supermarkets, six of them in areas designated as onetime food deserts. The business model in the grocery industry favors size, luxury goods and homogenous stores. Brown's business model is to locate in densely populated urban areas, get high volume with lower priced food, and make sure that his stores keep in close contact with the neighborhood. He stocks foods that are in specific demand in each neighborhood. In each store, he also has a community meeting room and a community coordinator. He has a program to hire ex-offenders — now 100 of his 2,400 employees, he said. He's recently added a credit union, which will offer free A.T.M. and check-writing services for customers and a health clinic, with a nurse practitioner.

Brown says his stores all do well. "The profit margins on my urban stores are comparable to those in my suburban stores," he notes — but that's only because the initial investments in the urban stores were subsidized by a variety of financial and tax incentives. Start-up costs in an inner city

location are higher than in a suburban store, particularly for employee training — and a lot of that has to do with differences in school quality. Brown has received grants and loans through Pennsylvania’s Fresh Food Financing Initiative, which was the model for the Obama administration’s Healthy Food Financing Initiative, as well as tax credits from the United States Treasury’s New Market Tax Credit program.

In Brown’s view, the biggest lever to attack the food desert problem is the New Market Tax Credits, which can cut capital investments significantly. The government issued \$3.6 billion worth of these credits last year. They can be used for many investments in distressed areas, but historically supermarkets have gotten only a small percentage of them. Brown would like the government to commit a significant sum — say \$1 billion a year — to subsidize start-up costs for grocery stores in low income areas. “If you did that for a number of years, you’d eventually fix this problem,” he says. “It would be done. It would not be something you’d have to do forever.”

And what about healthy food? What do local residents buy from Brown’s stores? “If you take all my fresh merchandise sales in the six food desert stores — produce, seafood, poultry, anything fresh — and you look at it as a percentage of the business, it’s almost identical to the suburban stores,” says Brown. “People might buy more collard greens and less asparagus in an urban store, but that doesn’t matter. The idea is to eat nutritious food.”