

# Grocery chains leave food deserts barren

By Mike Schneider, AP

As part of Michelle Obama's healthy eating initiative, a group of major food retailers promised in 2011 to open or expand 1,500 grocery or convenience stores in and around neighborhoods with no supermarkets by 2016. By their own count, they're far short.

Moreover, an analysis of federal food stamp data by the Associated Press reveals that the nation's largest chains – not just the handful involved in the first lady's group – have since built new supermarkets in only a fraction of the neighborhoods where they're needed most.

The Partnership for a Healthier America, which also promotes good nutrition and exercise in its anti-obesity mission, considers improving access to fresh food a key part of the solution. But the AP's research demonstrates that major grocers overwhelmingly avoid America's food deserts instead of trying to turn a profit in high-poverty areas.

Among AP's findings:

- The nation's top 75 food retailers opened almost 10,300 stores in new locations from 2011 to the first quarter of 2015, 2,434 of which were grocery stores. Take away convenience stores and "dollar stores," which generally don't sell fresh fruits, vegetables or meat, and barely more than 250 of the new supermarkets were in so-called food deserts, or neighborhoods without stores that offer fresh produce and meats.
- As the largest supermarket chains have been slow to build in food deserts, the so-called dollar stores have multiplied rapidly. Three chains – Dollar General,

Family Dollar and Dollar Tree – made up two-thirds of new stores in food deserts.

The dollar store sector is consolidating, too: Dollar Tree merged with Family Dollar this year, creating the largest dollar-store chain in the nation and in the process, less competition and less incentive to diversify what these stores offer.

“The dollar stores are popping up everywhere in the food deserts, but that doesn’t mean anything if the owners don’t give customers the opportunity for fresh produce,” said Norman Wilson Sr., a food desert activist who is pastor of a Pentecostal church in Orlando, Florida.

- Excluding dollar stores and 7-Elevens, just 1.4 million of the more than 18 million people the USDA says lived in food deserts as of 2010 got a new supermarket in the past four years.

On top of all that, it’s difficult to say how many more people live in newer food deserts created by recent store closures.

Viola Hill used to walk several times a week to a Schnucks supermarket a block away from her apartment in her struggling north St. Louis neighborhood, until it shuttered last year. Now she can only get to a supermarket once a month, when she pays a friend \$10 to drive her to one several miles away.

“I have to get enough food to last me a whole month,” said Hill, a retiree who likes to cook chicken and green beans. “It hurt us really badly when they closed.”

The USDA considers a neighborhood a food desert if at least a fifth of the residents live in poverty and a third live more than a mile from a supermarket in urban areas, or more than 10 miles in rural areas, where residents are more likely to have cars.

The first lady's group's 2014 progress report, its most recent, says the companies that made the pledges have opened or renovated 602 grocery stores or other food retail locations, well below halfway toward their collective goal.

The partnership counted companies as having met their commitments if the stores they opened or renovated fell within a mile of a USDA-designated food desert in a city, or within 10 miles of a rural one. The AP analyzed which of the new stores that opened lie directly within food deserts.

Research has shown that a lack of access to healthy foods contributes to health problems, such as obesity and diabetes. Proximity to a supermarket can make a big difference in what people eat, especially if they don't drive, although other factors such as food culture also play a role.

Supermarkets often build stores close to each other to compete in an area and highlight each store's niche, said Ira Goldstein, president of policy solutions at The Reinvestment Fund, a Philadelphia-based community development firm that has invested in grocery store construction in low-income neighborhoods. But the stores typically look for neighborhoods that can support their format rather than changing their format to fit the neighborhood.

"That brings choice and variety to the market but it doesn't necessarily solve the problem in an inadequately served area," Goldstein said.

Large supermarket chains' rigid formats often miss the nuances of a community, said Jeff Brown, CEO of Brown's Super Stores in the Philadelphia area. Stores that succeed generally have other amenities, such as a pharmacy, doctor's clinic or a bank embedded in the supermarket, he said.

Bigger chains often are "not selling what they should be selling because they don't understand," said Brown, whose company has seven stores in underserved neighborhoods.

Building stores in low-income neighborhoods comes with unique complications, according to the Food Marketing Institute, a Washington-based trade group for food retailers. A large customer base on food stamps creates erratic flows with a rush of business in the beginning of the month when the food stamps are issued, but slow business at the end of the month. Insurance and security can be more costly in neighborhoods perceived to be high crime, and workers from neighborhoods with high unemployment sometimes need extra training for basic job skills.

The average supermarket operates on a 1 or 2 percent profit margin and must be sustainable for at least a decade to recoup any profit, so retailers can't afford to pick unprofitable locations, said David Fikes, vice president of consumer and community affairs for the Food Marketing Institute.

"We would love to have a supermarket in every neighborhood across America, whether if it's a food desert or not," Fikes said. "But it's got to be sustainable for all involved."