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The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Richard Bloom
Chair, Assembly Subcommittee 3
State Capitol, Room 2003
Sacramento, CA 95814

RE: Healthy Stores Refrigeration Grant Program Budget Proposal

Dear Budget Chair Ting and Sub 3 Chair Bloom:

We write to request \$15 million in one-time additional funding to strengthen the existing Healthy Stores Refrigeration Grant Program (HSRFGP) within the California Department of Food & Agriculture (CDFA), which provides grant incentives to corner stores and other small-scale stores with a limited selection of food products to purchase energy-efficient refrigeration in approximately 40 counties. Eligible businesses currently agree to stock California-grown fresh produce and minimally processed foods in the purchased refrigeration units.

The overall health of a person is closely linked to their income and proximity to grocery stores. According to data from the United States Department of Agriculture from 2013-15, 12.6 percent of California households were living with food insecurity, meaning that these neighborhoods were living with low-quality, variety, or desirability of diet. Typically, these neighborhoods are low-income urban areas, and residents have no choice but to get their groceries from corner stores, many of which do not stock fresh produce.

Many corner stores are small, locally owned businesses that cannot afford to purchase additional refrigeration units. In order to get small businesses to stock healthy fresh produce choices in their markets, incentives are needed to assist these businesses. \$4.45 million supported 57 HSRFGP grantees in 2019-20, benefitting 215 corner stores, supplying 367 refrigerators and 14 refrigerated trucks. However, this program is significantly oversubscribed, as evidenced by a Nutrition Policy Institute of UCANR evaluation that found participants greatly appreciated the program and its direct impact on ability to offer healthier options to customers.

Every Californian deserves access to healthy and nutritious food, and we respectfully ask that you include this one-time request, with encumbrance over three years, that builds on lessons learned from the first round of funding by including technical assistance support to eligible entities with marketing, procurement and refrigerator selection.

List of Supporters

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cc: Honorable Members of the Assembly Budget Committee
Jason Sisney, Assembly Budget Director
Christian Griffith, Assembly Budget Chief Consultant
Susan Chan, Assembly Sub 3 Consultant