CREATING HEALTHY FOOD ACCESS IN A CHANGING FOOD RETAIL SECTOR

INVITATION TO A DIALOGUE

Nevin Cohen and Nicholas Freudenberg

CUNY URBAN FOOD POLICY INSTITUTE
RESEARCH | COLLABORATION | EDUCATION | ACTION

CUNY SCHOOL OF PUBLIC HEALTH

Over the past year, a series of closings has raised concerns about the prospects for traditional supermarkets in New York City. The bankruptcy of the 156 year-old A&P led to the liquidation of the company's assets, which included 49 New York stores. The D'Agostino chain closed three of its supermarkets. At least two Associated Supermarkets have succumbed to rent hikes, and a Key Food in Clinton Hill was lost to new development. Fairway filed for Chapter 11 protection and curtailed its expansion plans.[1]To those who have worked to improve access to healthy food, the string of events suggested that we are moving in the wrong direction.

To explore these issues and identify appropriate responses, the CUNY Urban Food Policy Institute, City Harvest, and the Local Initiatives Support Corporation (LISC)-NYC convened a Forum on Supermarket Closings on May 12that the CUNY School of Public Health. We brought together more than 40 individuals, including City Council staff, city agency officials, community organizations, supermarket owners, and food retail experts, to discuss the causes of supermarket closings and potential policy solutions to ensure access to healthy, affordable food. In this report, we summarize some of the evidence that informed the discussion at the Forum, examine several trends influencing food retail in New York City and explore policies to increase access to healthy affordable food. We use the sub-title Invitation to a Dialogue to emphasize the research and policy analysis that still needs to be done and to invite the participants of the Forum along with other researchers, advocates and policy makers to join this investigation.

Supermarkets are growing, not declining, citywide.

The effects of supermarket closings differ depending on whether one focuses on the city or on particular neighborhoods. Citywide, the recent supermarket closings are hardly noticeable. Despite the A&P bankruptcy and other high-profile closings, the number of supermarkets in New York City is growing, not contracting. According to City Planning data, there are approximately 170 *more* supermarkets in New York City today than a decade ago.[2] Industry data shows that from 2013 to 2015, the number of *traditional* supermarkets in New York City increased nearly 10% (See Table 1). This number has fluctuated, however, as Table 1 illustrates, increasing by 124 between 2013 and 2014and decreasing by 37 in the following year.

	2013	2014	2015
Traditional	975	1099	1062
Wholesale Club (e.g. Costco)	11	11	13
Fresh (e.g., Whole Foods)	7	8	9
Limited (e.g., Trader Joe's)	9	12	14
Mass Merchandise (e.g., Target)	17	18	19
TOTAL	1019	1148	1117

Table 1. Number of Stores by Supermarket Category for All NYC Supermarket Chains, 2013-2015

*Estimate based on completed A&P Store Sales Source: Food Trade News June 2013, 2014, 2015.

Since 2015, A&P declared bankruptcy and liquidated the company's assets, including 49 grocery stores in New York City. However, of the 49 former A&P-owned stores, 39 were taken over by other traditional grocery operators, mostly Key Food and Stop & Shop. One was leased to a CVS pharmacy and the fate of 9 others, including the Pathmark in East Harlem, remains in limbo. Interestingly, three ethnic supermarkets (two Asian and one Israeli firm that sells only Kosher food) bought three of the A&P stores.[3]

The top ten traditional supermarket companies (or networks of independent grocers) increased the number of stores by more than 15% between 2013 and 2015, as Table 2 shows. As noted above, the A&P auction enabled Key Food and Stop & Shop to acquire 27 new stores.

Table 2. Number of Stores by Supermarket Companies/Networks in NYC with the Largest Market Share (measured by annual sales), 2013-2015

2013		2014		2015	
C-Town	151	C-Town	152	Associated Supermarket Group**	272
A&P*	53	Key Food	131	C-Town	152
Key Food	118	A&P	51	Key Food	157
Associated	129	Associated	131	A&P	49
Met Food	61	Met Food	61	Fairway Market	7
Fairway Market	6	Fairway Market	7	Stop & Shop	13
Stop & Shop	13	Stop & Shop	13	Whole Foods	9
Pioneer	55	Pioneer	55	Bravo	43
Bravo	42	Whole Foods	8	Food Town	28
Whole Foods	7	Bravo	41	ShopRite	4
	635		650		734

* A&P's NYC stores include Food Basics, Food Emporium, Pathmark & Waldbaums
** The Associated Supermarket Group (ASG) comprises Associated, Compare, Met & Pioneer stores. Source: Food Trade News June 2013, 2014, 2015.

Supermarket distribution varies by borough and neighborhood

Looking at the distribution of supermarkets at the city level masks differences between boroughs and among the neighborhoods within each borough. Between 2013 and 2015, as Table 3shows, NYC gained 82 new full-service grocers. However, Manhattan experienced neither a net loss nor gain of food retailers during that period, while 42 additional food retailers (all traditional supermarkets) have opened in Queens, 22 in Brooklyn, and 17 in the Bronx. This is not surprising since these three boroughs have seen significant population increases from 2010 to 2015, including higher growth in 2015.

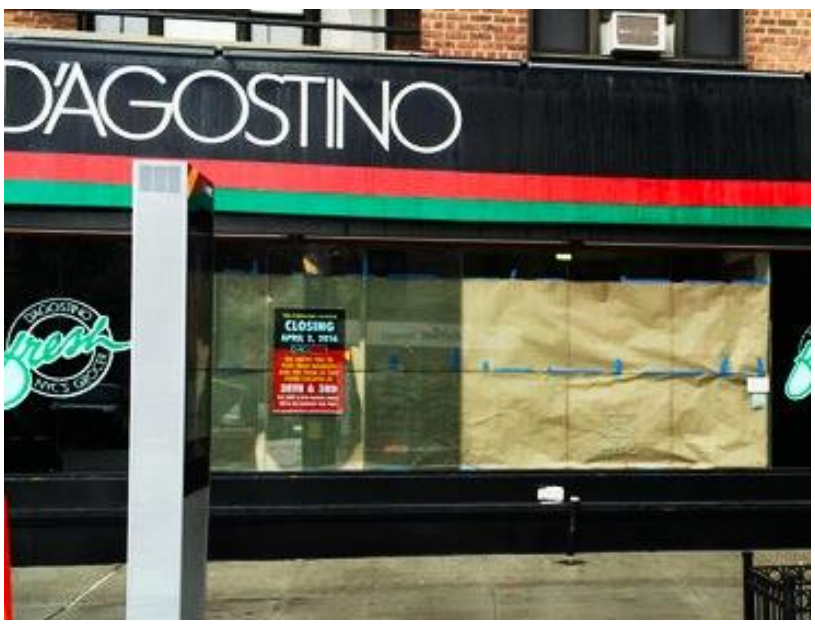
Table 3. Net change in full-service food retailers by Borough, 2013-2015, in numbers of retailers (excluding drug stores, convenience stores, and bodegas)

Borough	Net Change (in numbers of retailers)	Population growth in 2015 (in numbers of persons)
Bronx	17	13,687
Brooklyn	22	16,015
Manhattan	0	7,552
Queens	42	16,700
Staten Island	1	1,257
Total	82	

Source: Food Trade News June 2013, 2014, 2015.

Individual closures have significant negative effects on surrounding communities

A&P's bankruptcy and subsequent auction of its retail stores resulted in a net loss of only 10. Even with the 6 additional closures noted above, the 16 recently shuttered retailers represent less than 1% of the city's approximately 1,100 full-service grocers, and are an even smaller percentage of the larger number of food retailers that range from bakeries to bodegas to drug stores. Yet the effects are significant at the individual store level. One impact is the loss of good jobs. For example, in the case of the three D'Agostino supermarkets that closed, 119 jobs were at stake.[4]



Another effect is on neighborhood food access. In communities with few grocers, the closure of a supermarket can make buying healthy, affordable food burdensome, especially for the elderly, others with limited mobility, parents of young children, and the very poor, who may turn instead to nearby bodegas and fast food. In gentrifying neighborhoods, the remaining stores may be too expensive for many residents and cater to customers with different needs and tastes, reducing access to healthy food for some residents, even if the number of markets in the borough remains the same. In East Harlem, for example, the closure of Pathmark and Associated will soon be followed by a new Whole Foods store on 125th Street and Lenox Avenue. The Whole Foods will replace some of the lost food retail space, but the company has a very different business model than Pathmark and Associated, emphasizing costly prepared meals and organic products, which tend to be more expensive than conventional food.[5]This illustrates that the pricing, product mix, and even design of a replacement retailer may be less affordable and less desirable for many neighborhood residents. Policy makers must consider the affordability, quality, and cultural needs of the community in addition to the number or square footage of supermarket space.

The traditional supermarket sector is changing

Supermarket closings reflect structural factors that challenge the traditional supermarket model, from unaffordable commercial rents to new shopping and eating behaviors. Over the next decade, food retail in New York City is likely to change significantly, and the policies and programs developed to support conventional grocers may no longer be appropriate for a sector that is being transformed.

Supermarket store control is becoming more concentrated

As shown in Table 2, in 2013, the top 3 supermarket companies and networks accounted for 51% of the city's stores; by 2015, the share of stores among the top three had increased to 79%.By 2016, with Key Foods' acquisition of 15 A&P stores, the concentration grew to 84%. Concentration can harm consumers by reducing competition on price and quality, though economies of scale in wholesale purchasing and distribution can also reduce costs that can be passed along to consumers, and help smaller individual grocers compete with larger food retailers. The effect of concentration within the supermarket sector, both by physical ubiquity and market share, has not been systematically investigated, but should be a priority for future studies.

Revenues per store vary significantly

Ubiquity of storefronts is one measure of a company's influence, indicating consumer access to a range of grocery items. Sales per store, however, indicate a retailer's ability to capture consumer dollars. This indicator reflects different levels of spending in the neighborhood, the presence of competitive businesses, and the quality, variety, and price of goods offered for sale. It also affects whether a supermarket is sufficiently profitable to pay increasing rents.

The individual ASG, C-town, and Key Food supermarkets have significantly smaller sales per store than companies that have fewer locations but generate much more revenue per store. For example, as Table 3 shows, in 2015, per-store sales of ASG, C-Town, and Key Food averaged approximately $9 million, compared to $87.6 million/store for ShopRite or $55.5 million/store for Whole Foods.

Table 4. Number of Stores, Sales, and Sales/Store for Top 10 Traditional Supermarkets in NYC, 2015

Company	Stores	2015 Sales (millions)	Sales/Store (millions)
ASG	272	$2,190	$8.1
C-Town	152	$1,588	$10.4
Key Food	157	$1,444	$9.2
A&P	49	$1,199	$24.5
Fairway Market	7	$563	$80.5
Stop & Shop	13	$522	$40.2
Whole Foods	9	$500	$55.5
Bravo	43	$424	$9.9
Food Town	28	$347	$12.4
ShopRite	4	$351	$87.6
TOTAL	734	$9,127	$12.4

Source: Food Trade News June 2015 p.77

Moreover, proximity to a supermarket and per capita supermarket square footage are not correlated with the amount spent at each supermarket or the potential for a supermarket to generate sales revenue from a particular store. Small footprint stores, even those with limited product variety and low prices, like Trader Joe's, can generate very large sales per square foot, while traditional supermarkets like Key Food and C-Town can vary significantly in their sales per square foot, as Table 4 illustrates.

Table 5. Average Sales Per Square Foot for Select NYC Grocers, 2015

Company	Average sales per store (millions)	Average Square Feet per NYC Store	Sales per Square Feet
Trader Joe's	$46.6	3,119	$14,945.0
Park Slope Food Coop	$48.0	6,000	$8,000.0
Fairway Market	$80.5	31,857	$2,525.6
Whole Foods	$55.5	26,875	$2,065.1
C-Town	$10.4	8,961	$1,165.8
Food Town	$12.4	14,958	$828.5
Aldi	$11.4	16,667	$681.0
Key Food	$9.2	17,031	$539.9

Researchers and policymakers have often used proximity to a traditional grocery store (or square feet of traditional grocery retail space per capita) as a proxy for access to healthy food. This is based on the assumption that because traditional grocers sell a wide range of ingredients for a healthy diet and tend to capture a large percentage of consumer demand for groceries, they are important sources of healthy food. Numerous studies have suggested that spatial access to grocers is associated with healthier diets and better health outcomes,[6] prompting policies to stimulate new supermarkets in under-served areas, though recent research has called the relationship between supermarket access and healthy eating into question.[7] The roles of different types of food retailers, the relationships between size and sales, and the potential for smaller footprint stores to serve neighborhood needs are all worth further exploration.

Challenges to Traditional Supermarkets

Since the great recession of 2007-2008, some observers believe that the retail sector has expanded too rapidly, as illustrated by the recent bankruptcies of A&P, Fairway, and other supermarkets. It is beyond the scope of this report to analyze the internal business factors that have plagued individual companies like Pathmark, D'Agostino's and Fairway. Nonetheless, decisions about whether and when to expand, how to manage growth, and who controls business decisions have affected these and other supermarkets. Certain forms of corporate ownership and governance favor rapid or slow growth, particular strategies for growth, the capacity for weathering losses, and whether losses lead to bankruptcy, contraction, new investment, business redesign, or other solutions.

Traditional supermarkets face numerous challenges. These include external factors that result in cost increases and loss of market share, as their business models and cost structures have been based on operational, economic, cultural, technological, and spatial factors that are in flux. These changes can precipitate dramatic shifts in business costs, consumer demand, and market share, all of which affect profitability. In a business in which the profit margins may be as low as 1 to 2 percent, it is easy for supermarkets to dip below profitability, especially in very low-income neighborhoods with less disposable income per household and thus greater incentives to shop at multiple venues for the best value.

What does seem clear is that the business decisions made in response to the market forces buffeting supermarkets in New York City and elsewhere do not take into account access to healthy affordable food for all New Yorkers. Making that goal a priority – and a possibility -- will require public sector action.

Business Costs

Rents

Commercial rents are frequently cited as a factor in supermarket closures, and in many New York City neighborhoods, rents have gone up substantially as the city's economy has grown and its population has increased. Manhattan rents have increased from a median of $102/sf in 2005 to $156/sf in 2015.[8] In Brooklyn, the commercial corridors of neighborhoods that have seen an influx of affluent residents in recent years now approach (and in some cases exceed) the level of Manhattan rents, as table 6 illustrates.

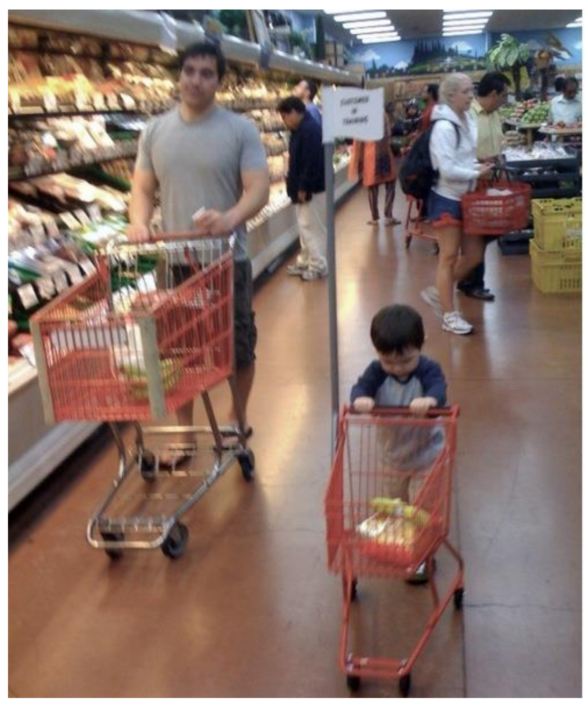
Table 6. Median commercial asking rent in select Brooklyn neighborhoods, 2016 (in rent per square foot)[9]

Neighborhood	Median Asking Rent/square foot
Bay Ridge	$75
Brooklyn Heights	$150
Cobble Hill	$140
Downtown	$300
DUMBO	$110
Greenpoint	$70
Park Slope	$85
Prospect Heights	$110
Williamsburg	$250

Source: Cushman & Wakefield. 2016. Brooklyn: The Epicenter of Hip: How Millennial Consumers Created the Model for Urban Cool. NY: Cushman & Wakefield Research. Accessed at http://www.cushmanwakefield.com/en/research-and-insight/2016/brooklyn-retail-1/

In new planned developments, developers often seek a mix of retailers that maximize commercial revenue and appeal to the demographic characteristics to which residential units are marketed, i.e., younger, educated, affluent consumers. To attract these groups, developers design and market their spaces to retailers who attract these patrons. The City Point Mall in Brooklyn, for example, is planning to lease space to Target and Trader Joe's, and will include a food hall for small businesses specializing in "artisanal" food.

As Table 5 showed, companies like Trader Joe's, which appeals to millennial consumers, earn very high sales per square foot, and thus can afford higher rents than a traditional supermarket. Drug stores and banks can also afford higher rents than traditional supermarkets. In suburban shopping centers, owners may be able to cross-subsidize a supermarket to anchor the development and draw foot traffic to other retailers who can then be charged higher rents. Individual property owners in cities have no such incentive to rent to a supermarket because they rarely reap the benefits (in terms of ability to charge higher rents) of drawing shoppers to adjacent businesses, which are generally tenants of other property owners.



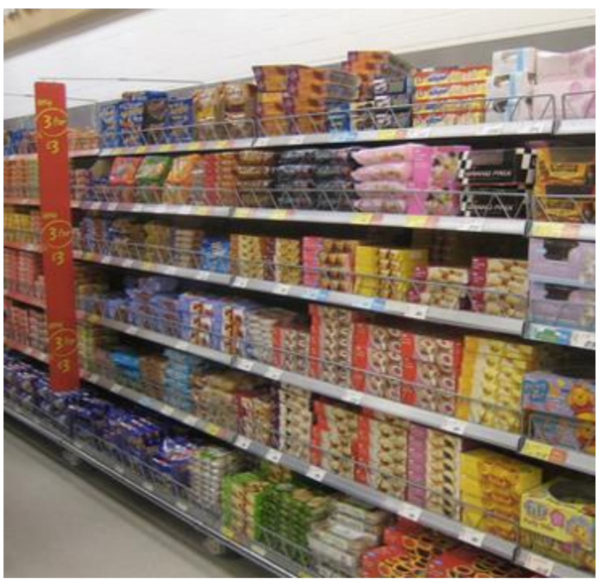
Labor Costs

Labor costs, according to one estimate, are 12.2% of supermarket operating costs in NYC.[10] Some have suggested that traditional supermarkets, which are mostly unionized, are at a competitive disadvantage in comparison to newer competitors like Whole Foods and Trader Joe's, which have non-unionized workforces. Some supermarket operators have expressed concern that the new New York State minimum wage laws will further drive up labor costs for supermarket operators. In general, studies show that the overall societal economic benefits of increasing the wages and purchasing power of low-income workers outweigh the costs of higher wages.[11] However, further research on the impact of labor costs on supermarkets and the impact of unionization in this sector on job quality is warranted.

Competition and Loss of Market Share

The grocery marketplace in New York City is in a period of great change. Consumers are demanding more prepared foods and organic products and are willing to frequent multiple retailers to find quality and price advantages. Food is now sold at non-supermarket food retailers, and new retailers like Trader Joe's and Whole Foods have attracted millennial consumers.

Three types of competitors are particular threats to the market share of traditional grocers: drug stores; non-traditional retailers; and online delivery services. Given the razor thin profit margins of a typical supermarket, losing sales of higher margin items to Walgreens or Amazon.com can make the difference between store profitability and failure. Among low-income consumers, price sensitivity means that they may purchase higher margin products from discount retailers, including dollar stores, drug stores, wholesale clubs, or online retailers. Millennial consumers are particularly used to shopping across many different types of retailers, and may also segment their purchases in ways that disproportionately disadvantage traditional grocers.



Drug Stores. Chain drug stores carry an increasing range of food and non-food grocery items. Between 2013 and 2015, the number of drug stores (Walgreens/Duane Reade, CVS, and Rite Aid) in New York City grew from 517 to 555. The combined 2015 sales of these three drug chains were $4 billion out of a $17.5 billion grocery market. Approximately 30% of sales at drug store chains are for consumables, which means that the three drug stores capture an estimated $1.2 billion, or 9% of the $13 billion consumables market share of the top-20 food retailers in NYC.

Non-traditional Food Retailers. Various non-traditional food retailers have opened in New York City, such as the limited-assortment grocers Trader Joe's and Aldi, wholesale clubs like Costco and BJ's, and mass merchandisers that sell groceries, like Target and Kmart. In 2015, Costco alone accounted for nearly $1 billion of the approximately $17.5 billion NYC grocery market. Trader Joe's sales increased from $267 million in 2013 to $326 million in 2015, a jump of more than 20%. Between 2013 and 2015, the number of non-traditional food retail outlets increased from 37 to 46.

Online Grocers. An additional segment of the grocery marketplace is online delivery services, led by Fresh Direct and Peapod. Based on market share estimates and reported 2015 sales figures for Fresh Direct, online retailers account for approximately $850 million in annual sales in New

York City. Amazon Fresh is a specific grocery segment of Amazon.com, and thus Table 7 does *not* include sales of non-food grocery items, like household cleaners, disposable products, or pet food that can often be purchased at a discount from various online merchants like Amazon.

Table 7. Online Grocers in NYC by Online Market Share and Estimated Sales Revenue, 2015

Company	Online Market Share	Revenue (in millions)
Fresh Direct	41%	$347
Peapod	23%	$195
Amazon Fresh	5%	$42
Boxed	2%	$17
Instacart	2%	$17
Google Express	1%	$8
Postmates	1%	$8
Other	25%	$212

Sources: "Top Online Grocers in New York, NY, 2014." *State of Online Grocery Retailing, Annual2015*, p. 35, from BMO Capital Markets. Fresh Direct sales figures from Business Insights: Global.

These new challenges for supermarkets in New York City and nationally suggest that policy prescriptions developed in an earlier era, focusing exclusively on traditional supermarkets, may no longer be relevant.

Solutions that Increase Access to Healthy Affordable Food

Various policies have been proposed that might mitigate the adverse impact of supermarket closings or, more broadly, contribute to better access to healthy affordable food.

Limiting rent increases. Since rent constitutes a major expense for supermarkets, limiting rent increases, a major cause of closings according to some supermarket operators, might help prevent closures. One supermarket owner from Washington Heights reported at the Supermarket Forum that his landlord wanted to increase rent from $30 a square foot to $60 on a new lease, an increase that was not consistent with profitability. Establishing commercial rent control, similar to the residential rent control that now protects many New York City tenants, would prevent the rent gouging that supermarket operators report. Like residential rent control, commercial rent control has ardent supporters[12] and critics,[13] with proponents of a strong public role in protecting small businesses and neighborhood well-being supporting it and real estate interests and proponents of free market solutions opposing.

Most observers think that implementing commercial rent control in New York City in the current political climate would be difficult. A bill introduced in the New York State Senate in 2013 but never voted on aims to level the playing field between tenant and landlord by mandating rent arbitration privileges for small businesses. Some forum participants suggested other strategies for limiting rent increases: city subsidies for food store rent in low income neighborhoods or leasing properties owned by the city or nonprofit development corporations to supermarkets with long term leases and affordable rents, discussed more below.

Subsidies and Zoning. In 2009, the New York City Department of City Planning (DCP) adopted a program called Food Retail Expansion to Support Health (FRESH)[14] to use financial and zoning incentives to address the barriers to supermarket development in these underserved neighborhoods. The financial incentives included tax abatements and exemptions, while the zoning incentives included a "density bonus" (one additional square foot of residential floor area for each square foot of supermarket space, up to 20,000 additional square feet) for incorporating a supermarket on the ground floor of a new residential building. To qualify for this bonus, FRESH supermarkets must have at least 6,000 square feet of retail space for general groceries, half of the store's area must be used to sell food intended for home preparation and consumption, 30 percent must sell perishable food, and there must be at least 500 square feet of space selling fresh produce. The FRESH zoning also reduces parking requirements, allows food stores to be located on land zoned for light manufacturing, and provides tax breaks for the store's operator.

Food Retail Expansion to Support Health

FRESH was created to encourage new supermarkets to open in underserved neighborhoods, not to prevent the closing of existing stores. Some advocates have urged the expansion of FRESH or its extension to smaller stores, including bodegas, in order to expand its contribution to healthy affordable food. To date, only 10 new stores supported by FRESH have opened, although another 11 have been approved for funding or are under construction. The 2007 report that led to FRESH said the city could support another 100 new supermarkets. Given that there are more than 1,000 traditional supermarkets in New York City, FRESH has made at best a modest contribution to expanding access. As noted, in the last three years alone, about 100 new supermarkets have opened in New York City, with 90% of these not supported by FRESH and not receiving any incentives to make healthier food more available.

Subsidies could take other forms. The city could sell or lease properties it owns to nonprofit development corporations that could in turn rent the space to commercial supermarket operators. By charging lower rents, such an arrangement could increase profit margins and/or keep prices down. Currently, for example, Ocean Bay Community Development Corporation in Far Rockaway, the New York City Housing Authority, Asian Americans for Equality and LISC NYC are working together to open a new supermarket on a property owned by NYCHA.[15]

Public Markets. In the nineteenth century, wrote one historian, public markets, "were more than just a mere convenience; it was the duty of the state to ensure that the urban populace would have an adequate, wholesome, and affordable supply of necessities."[16] Public markets are distinguished from commercial food outlets by three characteristics: they have public goals, such as addressing food security in the community, revitalizing a commercial corridor, or encouraging immigrant entrepreneurship; they are located in a space that is accessible to the community where people can easily interact and communities can come together; and they include independent, locally-owned and operated businesses.[17]Research has also shown that that for every $100 spent at a locally-owned business, $48 gets recycled back into the local economy while chain stores return only about $14 out of every $100 back to the community, mostly in the form of (low) employee wages.[18] Thus, public markets contribute to local community development as well as making healthy food more available.

In New York City, farmers markets operated by GROW NYC are examples of public markets as are the Essex Street Market and La Marqueta, which are enclosed and open year round. In the past, these types of public markets constituted an important part of the retail foodscape in New York City. Many other US cities are investing in their public markets. In Boston, for example, the nonprofit Boston Public Food Market,[19] with the aid of donors and the city of Boston, spent $14 million to turn a state-owned building into a 28,000-square-foot market. The Market houses 37 different vendors, selling farm-fresh produce, grass-fed meat and poultry, wine and beer, coffee and chocolate. Several accept SNAP benefits. All vendors come from independent, New England owned businesses. The Market is managed by the Boston Public Market Association, a locally-run and independent nonprofit organization, in partnership with the city of Boston. In New Orleans, Dryades Public Market, a $17 million project opened last year a formerly vacant 100-year-old school building.[20] It was financed with $900,000 from the New Orleans Redevelopment Agency and a $1 million loan from the city's Fresh Food Retailer Initiative, which is designed to encourage local access to fresh foods. The market sells produce, meat, seafood, dairy and dry goods for grocery shopping, prepared foods for on-site or grab-and-go meals and many other facets of food and drink.

To increase access to healthy affordable food, public markets need to be more than tourist destinations. They need to be accessible to low-income customers, accept food benefits lime SNAP and WIC, and make the diverse populations living in a community feel welcome and respected.

With its ethnic diversity and immigrant food workforce, New York City could become a national model for public markets that make both fresh and prepared Mexican, Chinese, Caribbean and other national foods available in settings that encourage cross-cultural exchanges.

Some food policy analysts have suggested a deeper public role in public food markets, one that takes on not just accessibility but also affordability and price.[21] They use the analogy of military commissaries, food stores on military bases that sell food at cost to the military families living or shopping at the base in order to reduce the burden of food prices. These commissaries charge a five percent surcharge to maintain the store and fund new outlets.[22] By exploring the potential for publicly operated food markets, New York City could expand customer choices and address the supermarket affordability and quality problems that consumers report.

Alternatives to Traditional Supermarkets

Given the changes in the food retailing landscape that are occurring, some have suggested supporting a range of alternatives to conventional bricks and mortar supermarkets. Such alternatives may increase shopping convenience, lower fixed costs, and offer low-income consumers access to more variety and higher quality food. These include supporting the expansion of food delivery services, like the City of Baltimore's Baltimarket Virtual Supermarket[23] program or increasing box delivery programs like GrowNYC's Fresh Food Box program.[24]

Next Steps

To fill the information gaps that forum participants and our scan of the relevant literature have identified, food policy analysts, researchers and advocates should collect evidence that could inform new approaches to making healthy affordable food more available in New York City's low income communities.   These include:

- Studies of the shopping preferences of various low-income populations in New York including seniors, recent immigrants, people with disabilities and others to determine how they decide where to buy food and their views on options such as, smaller supermarkets, public markets, food coops and others.
- Interviews with small and large, single store and chain supermarket owners and operators to assess their views and experiences with rent negotiations, city business and health regulations, SNAP and WIC, pubic markets of various types and marketing campaigns for healthy food.
- Assessment of policy innovations, market trends, best practices from other cities, and new technologies that can support food retail access.
- Systematic assessment of current federal, state, city and philanthropic funding streams and incentives that could support innovative and sustainable approaches to ensuring access to healthy affordable food and establishment of partnerships that could use these resources to test new models in New York City.

Evidence alone never drives policy but in the absence of detailed studies at the neighborhood and municipal levels, it will be difficult to create effective policies that can improve the complex environment in food retail in New York City today.

Conclusion

With rapidly changing food retail landscapes, both in New York City and nationally, New York City has a historic opportunity to explore new paths to creating food environments that make healthy affordable food available to all New Yorkers. Achieving success in attaining this goal will also contribute to reducing two of New York City's most persistent problems: high rates of food insecurity and hunger and a high burden of diet-related diseases such as diabetes, hypertension and heart disease. It will also require finding synergies between policies to increase access to healthy affordable food, affordable housing, higher wages, and sustainable economic development and linking these initiatives to those that reduce poverty, racism and income inequality in other ways.

With a Mayor and City Council committed to making New York a more equitable city, with hundreds of community organizations and advocacy groups dedicated to improving access to affordable housing and food, with thousands of small and large food businesses and with the nation's largest urban consumer market for food, New York City has all the ingredients for cooking up new solutions to increasing access to healthy affordable food.

From our review of recent literature and data on supermarkets in New York City and the discussions at the Supermarket Forum, we propose a few ideas to help guide the process of developing new approaches to improving access to healthy affordable food:

1. More traditional supermarkets by themselves will not solve the food problems New York City faces. Future discussions need to consider improvements in the quality and affordability of food offered in various retail settings in New York City.

2. The closure of 16 supermarkets in New York City is a symptom of deeper trends disrupting food retail. Successful policies will treat the deeper causes of that disruption, not simply the single manifestation of closing stores.

3. There is no silver bullet. New York City's retail food environment is shaped by a variety of economic trends, market forces and development strategies. No single policy change will assure sustainable access to healthy affordable food for all New Yorkers. Our goal should to identify the portfolio of policy changes that will move us toward that objective.

4. Improving access to healthy affordable food will require reviewing housing and real estate development policies, zoning rules, minimum wage, tax policy, public food benefits and state and national agricultural and nutrition policies. A systems perspective that acknowledges the complexity of the determinants of food retail environments and the necessity of interdisciplinary contributions is essential for effective solutions.

5. Despite the conventional view that most food exchanges take place in the private sector, the public sector in fact already plays a strong role in shaping food environments. Developing ways that municipal government and other sectors of the government can use existing or new authority

to increase access to healthy affordable food may serve as a valuable antidote to the “markets know best” philosophy.

In the coming months, the CUNY Urban Food Policy Institute, in partnership with LISC-NYC, City Harvest, and other groups invites those who want to join this discussion to exchange ideas, analyze options and propose new strategies. If you or your organization wants to participate in this process, please email urbanfoodpolicy@sph.cuny.edu with name, contact information and your interest in finding new ways to increase access to healthy affordable food.

Suggested Citation: Cohen N, Freudenberg N. *Creating Healthy Food Access in a Changing Food Retail Sector: Invitation to a Dialogue.* New York: CUNY Urban Food Policy Institute, 2016.

References

[1] Springer, Jon. May 3, 2016. Fairway files 'prepackaged" Chapter 11. Supermarket News.
[2] Personal communication with Barry Dinerstein, NYC Department of City Planning. May 17, 2016.
[3] NYS Department of Labor WARN Details, accessed at https://labor.ny.gov/app/warn/details.asp?id=5295; Food Trade News. Court Approves Extension As A&P Seeks to Sell More Supermarkets, accessed at http://best-met.com/news/court-approves-extension-ap-seeks-sell-supermarkets/3/; Springer, Jon. Observers skeptical as Fairway Plans downsize. Supermarket News, May 29, 2015. http://supermarketnews.com/retail-financial/observers-skeptical-fairway-plans-downsize; http://www.brooklyndaily.com/stories/2016/6/bn-asian-market-at-bensonhurst-waldbaums-2016-02-05-bk.htmlhttp://www.silive.com/southshore/index.ssf/2016/03/superfresh_to_open_in_walbaums.html
https://commercialobserver.com/2016/05/why-once-dominant-supermarkets-are-falling-before-specialty-grocers/
[4] Sources: NYS Department of Labor WARN Details, accessed at https://labor.ny.gov/app/warn/details.asp?id=5295; Food Trade News. Court Approves Extension As A&P Seeks to Sell More Supermarkets, accessed at http://best-met.com/news/court-approves-extension-ap-seeks-sell-supermarkets/3/
[5] Carlson, Andrea and Edward Jaenicke. *Changes in Retail Organic Price Premiums from 2004 to 2010,* ERR-209, U.S. Department of Agriculture, Economic Research Service, May 2016.
[6] Escaron AL, Meinen AM, Nitzke SA, Martinez-Donate AP. Supermarket and grocery store-based interventions to promote healthful food choices and eating practices: a systematic review. Prev Chronic Dis. 2013 Apr 11;10:E50.
[7] Elbel, B. et al., 2015. Assessment of a government-subsidized supermarket in a high-need area on household food availability and children's dietary intakes. *Public Health Nutrition*, pp.1–10.
[8] The Real Estate Board of New York Manhattan Retail Report Spring 2016
[9] Cushman & Wakefield. 2016. Brooklyn: The Epicenter of Hip: How Millennial Consumers Created the Model for Urban Cool. NY: Cushman & Wakefield Research. Accessed at http://www.cushmanwakefield.com/en/research-and-insight/2016/brooklyn-retail-1/
[10] Reich, M. et al. 2016.The Effects of a $15 Minimum Wage in New York State. Policy Brief, Center on Wage and Employment Dynamics, Institute for Research on Labor and Employment, University of California, Berkeley. Accessed at http://www.irle.berkeley.edu/cwed/briefs/2016-01.pdf
[11] Belman D, Wolfson PJ. What Does the Minimum Wage Do? Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2014.
[12] Surico J. Why Don't We Ever Hear About Commercial Rent Policy? Gotham Gazette, July 1, 2015. Available at: http://www.gothamgazette.com/index.php/government/5792-why-dont-we-ever-hear-about-commercial-rent-policy
[13] David G. The truth about commercial rent control. Crain's New York Business, August 10, 2010. Available at: http://www.crainsnewyork.com/article/20100810/BLOGS01/308109996/the-truth-about-commercial-rent-control
[14] NYC.gov. Food Retail Expansion to Support Health [Internet]. 2015 [cited 2015 Nov 25];Available from: http://www.nyc.gov/html/misc/html/2009/fresh_projects.shtml.
[15] Abello OP.Queens Community Designs Its Own Post-Hurricane Sandy Future. Next City. March 9, 2016. Available at: https://nextcity.org/daily/entry/rockaway-queens-hurricane-sandy-recovery-equitable-economic-development
[16] Tangires H. Public Markets and Civic Culture in Nineteenth Century America. Baltimore: Johns Hopkins University Press, 2003.
[17] Project for Public Spaces. Public Markets & Community-Based Food Systems Making Them Work in Lower-Income Neighborhoods. The W.K. Kellogg Foundation, 2003. Available at: http://www.pps.org/pdf/kellogg_report.pdf
[18] American Independent Business Alliance.The Multiplier Effect of Local Independent Businesses. No Date. Available at: http://www.amiba.net/resources/multiplier-effect/
[19] Dunn T. Boston has a grocery market you'll be jealous of, and it's not owned by a giant corporation. Upworthy, August 20, 2015. Available at: http://www.upworthy.com/boston-has-a-grocery-market-youll-be-jealous-of-and-its-not-owned-by-a-giant-corporation
[20] McNulty I. Jack and Jake's becomes Dryade's Market. The New Orleans Advocate, November 6, 2015. Available at http://www.theneworleansadvocate.com/features/food/13907949-171/jack-jakes-becomes-dryades
[21] Myers JS, Caruso CC. Towards a public food infrastructure: Closing the food gap through state-run grocery stores. *Geoforum* 2016(72):30-33.
[22] Defense Commissary Agency, no date. Frequently Asked Questions on Commissaries. Available at: https://www.commissaries.com/documents/contact_deca/faq.cfm
[23] Baltimarket. Virtual Supermarket. No date. Available at: http://www.baltimarket.org/virtual-supermarket/
[24] GrowNYC. Fresh Food Box FAQ. No date. Available at : http://www.grownyc.org/greenmarketco/foodboxFAQ