PART 1: MARKET ANALYSIS

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Market Analysis

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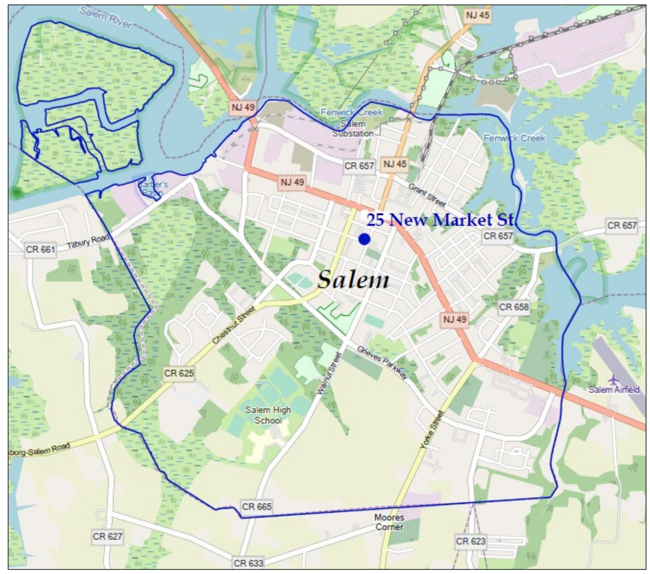
Executive summary



The City of Salem is a densely populated urban area of approximately 2.34 square miles, located in Salem County – the most rural county in New Jersey. In 2022, Salem had 5,285 residents living in 2,172 households. Unlike the surrounding area or the county overall, Salem's population is expected to grow over the coming five years. The population is also significantly younger than that of the surrounding area and the county, with a much higher proportion of children. Salem's comparatively high proportion of residents aged 15 to 24 also suggests a potentially expanding workforce in coming years.

The city currently has a high unemployment rate, particularly among the youngest members of the labor force. The largest proportion of Salem households have an annual income of less than $15,000, and about a third receive Supplemental Nutrition Assistance Program (SNAP) benefits. The largest number of employed Salem residents work in the healthcare & social assistance sector, and the manufacturing and accommodation & food services sectors make up the second and third categories. In the county overall, farming – including both crop cultivation and livestock – is an important economic sector, generating over $185 million in products and ranking third in terms of total number of people employed.

Within Salem's trade area of a 15-minute driving radius, there are about 22 food and grocery stores, including convenience stores, gas station mini-marts, and delis. However, the vast majority of these options are small stores (less than 5,000 square feet) with limited or specialized food offerings, and there are only six food stores over 10,000 SF in size, and none in Salem itself. For the 10,701 households (26,565 people as of the 2022 US Census) living in this area, the number of stores that sell a wide variety of fresh, nutritious food in the area is clearly inadequate.

Low incomes, limited access to vehicles, and a lack of adequate public transportation options all present challenges to accessing sources of healthy and affordable food in and around Salem. Given that almost 30% of Salem households do not have access to a vehicle, a significant proportion of the population uses alternative means to travel outside the city to food stores that offer a full selection of fresh, nutritious foods and accept SNAP and WIC benefits.

The city has been identified by the New Jersey Economic Development Authority (NJEDA) as a "food desert," meaning that residents of the area have limited access to nutritious foods. Salem also qualifies as a food desert under the US Department of Agriculture (USDA) definition for urban areas: over 33% of the population is greater than a mile from the nearest supermarket, supercenter, or large grocery store that offers a wide selection of produce, fresh meat and poultry, dairy, dry and packaged foods, and frozen foods. Salem has the additional challenge of relatively low vehicle access: 28% of households did not have access to a car in 2021. This limits the means of transportation to a food retailer for a significant portion of the population to walking, biking, or public transportation; the USDA considers that for low-vehicle-access communities, the boundary limitation for a “reasonable” distance to a grocery store or supermarket is reduced to one-quarter mile. The potential customer base for a new food retailer is geographically wider than would be the case for a more densely populated county: although Salem is a small city, it is situated in a primarily rural county and serves as a commercial and government center for surrounding communities.

The City of Salem received an NJEDA-funded Food Security Planning Grant to carry out a market analysis and development plan that will enable the city to transform underutilized land, improve food access, and promote economic development. A target site to be the object of this study was identified at 25 New Market Street, which is a city-owned 14,280-square-foot vacant building, as well as the city-owned lot at 21 New Market Street and the parking lot across the street. This target site is located in the heart of the city.

Despite Salem’s challenges related to low incomes – including limited household expenditures – this market analysis highlights strong and rising consumer demand in the surrounding trade area. Specifically, demand for food consumed at home – i.e., groceries – is expected to increase by 14% to 15.3% in the coming five years. However, the existing food stores in the area are too few and too small to meet this demand, and particularly to meet the needs of Salem residents. The impact is not only inconvenience for households but also detrimental effects on the health and wellbeing of residents who are not easily able to access fresh, nutritious food.

In accordance with the objectives of the NJEDA grant, this Market Analysis reviews three possible means of addressing food insecurity in the vicinity of the target site: a large grocery store, a supermarket, and a farmers market. The economic impact of each is analyzed in detail, with a focus on how each one would support local businesses. However, given the large body of evidence suggesting that a creative approach with deep community involvement is often most successful in addressing food insecurity in low-income urban communities, we reviewed a variety of ways communities similar to Salem – small cities with low- and moderate-income residents – have improved access to healthy food while promoting local economic development. Because of its location in a rural county where the value of agricultural products sold is over $138 million and where 66% of farms are less than 50 acres[1], several of the non-traditional food retailers chosen for this analysis not only increase access to nutritious food but also support local farmers’ and healthy food entrepreneurs’ expansion and sustainability.

[1] 2022 Census of Agriculture, County Profile. USDA National Agricultural Statistics Service.

Introduction

The overall goal of this New Jersey Economic Development Authority-funded Food Security Planning Grant project is to carry out a market analysis and development plan that will enable the City of Salem to transform an underutilized building and surrounding land, improve food access, and promote economic development.

There are four components to this project:

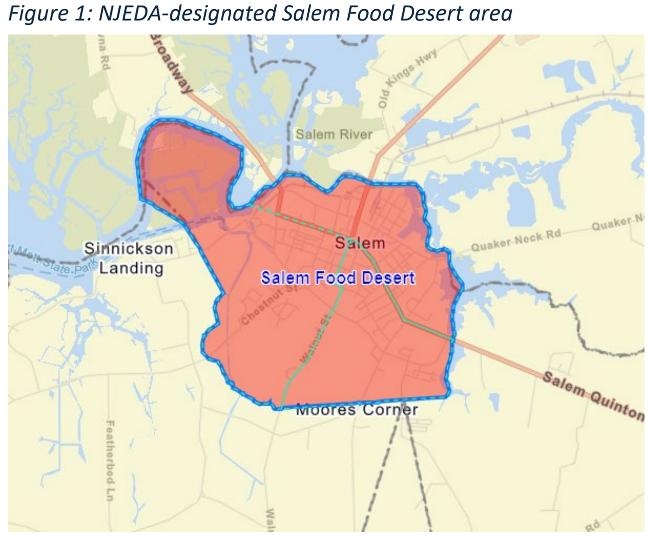
- Market analysis
- Physical site evaluation
- Community engagement
- Site development plan and recommendations

The objective of this first component – the Market Analysis – is to assess the need for food retailer such as a supermarket, grocery store, or farmers market within the trade area in as much detail as possible. In order to do this, we will review the area's socioeconomic profile and household consumption patterns; provide an overview of the area's existing grocery-related businesses; detail the economic impact of various food retail businesses on the area; and finally, briefly review examples of strategies for mitigating food insecurity that have been successful in other small urban, low-income communities.

Food desert analysis

The New Jersey Economic Development Authority (NJEDA) identifies the entirety of the City of Salem as a food desert – one of 50 identified Food Desert Communities in New Jersey – due to residents' limited access to nutritious foods in the area. Among the 50 communities NJEDA designated as food deserts in 2022 – ranked from #1, which has the highest Food Desert Factor Scores – the Salem Food Desert ranks ninth. Determinations are made by the NJEDA on a census block group basis. These designations are based on a wide variety of variables, including not only geographic proximity to an array of food retailers but also factors affecting the ability to access and afford a variety of fresh, nutritious foods.[2]

Figure 1: NJEDA-designated Salem Food Desert area



Source: NJEDA Food Desert Relief Communities Map

Food retailers in NJEDA's designation include conventional supermarkets, limited assortment stores, natural/gourmet food stores, warehouse stores, and wholesale clubs, as well as superstores (such as Walmart) that offer a wide variety of groceries.[3] Block groups containing or adjacent to major supermarkets of at least 20,000 square feet are not designated as food deserts, even if other types of

[2] For details on NJEDA's food desert designations, see New Jersey Food Desert Community Designation Methodology.

[3] *Measuring Supermarket Access* from New Jersey Food Desert Community Designation Methodology.

variables indicate challenges in food access – such as the ability for low-income residents to afford food. Additional factors include demographic, economic, health, and community variables:

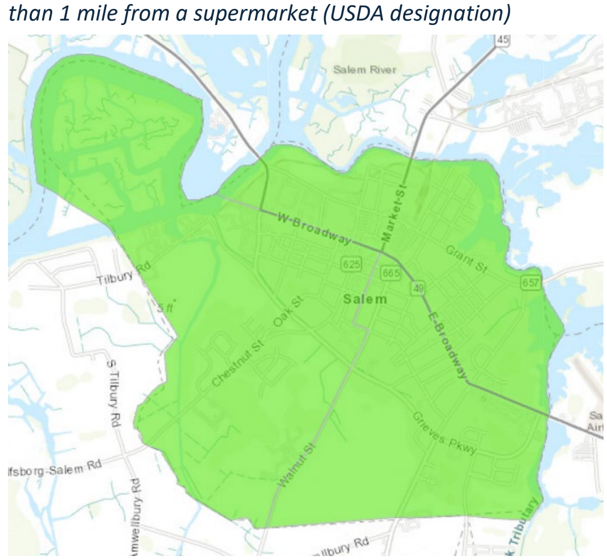
Figure 2: NJEDA Food Desert Factor Components

Demographics	Economic Factors	Health Factors	Community Factors
% of households with a single-mother head	Unemployment rate	% of adults that are obese	% of households with internet access
% non-Hispanic White	Poverty rate	% of adults rating health as poor or fair	% of non-seasonally adjusted vacant housing
% African American	Per capita income		% of households with no vehicle
% Hispanic	% of households receiving public assistance		NJ Department of Community Affairs Walkability Score
% of adults with a high school diploma	% of households receiving SNAP benefits		% of households that are housing-cost burdened
	WIC participation rate		Municipal violent crime rate, 2016-18
	Cost of living difference score		

Source: New Jersey Food Desert Community Designation Methodology

The US Department of Agriculture's (USDA) Food Access Research Atlas looks at food access and food deserts in a slightly different way. *Low access to healthy food* is defined as living far from a supermarket, supercenter, or large grocery store that offers a wide variety of healthy food options. Determinations are made by the USDA on a census tract basis, with a census tract considered to have low access if a significant number (or share) of individuals in the tract lives more than one mile from one of these food retailers (10 miles, in the case of rural census tracts). Moreover, USDA specifies that food desert communities also face income challenges. Food desert communities are both low-income and low-access census tracts. More specifically, a *food desert* can be defined as low-income census tracts where a significant number (at least 500 people) or share (at least 33%) of the population lives is greater than one mile from the nearest supermarket, supercenter, or large grocery store.[4]

Figure 3: Low income and low access census tracts more than 1 mile from a supermarket (USDA designation)



Source: USDA Food Access Research Atlas, 2019 data (most recent available)

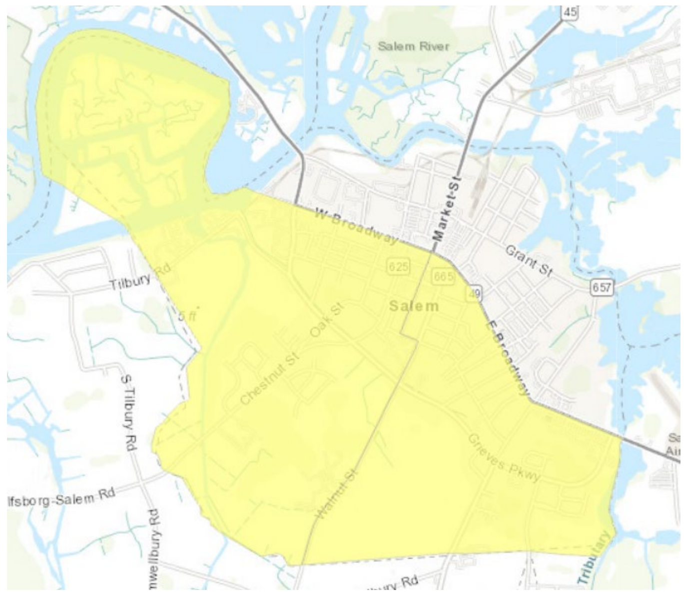
Stores meet the USDA definition of a supermarket or large grocery store if they report at least $2 million in annual sales and contain all the major food departments found in a traditional supermarket, including

[4] USDA definition for urban areas. See https://www.ers.usda.gov/data-products/food-access-research-atlas/documentation/

produce, fresh meat and poultry, dairy, dry and packaged foods, and frozen foods.[5] According to a recent USDA study[6], the total number of grocery stores in the US increased between 2015 and 2019. However, in 2019 40% of the US population lived more than one mile from a food store, with both senior citizens and low-income individuals of all ages tending to live at a greater distance from a food store.

Vehicle access is another factor in food access. Given that low-income populations are less likely to have access to a vehicle than middle- or high-income populations, the USDA considers that for low-vehicle-access communities, the boundary limitation for the "reasonable" distance of one mile from a supermarket can be reduced to one-quarter mile walking distance. It is important to note that the USDA Food Access Research Atlas specifies that access to supermarkets means supermarkets authorized to accept SNAP (Supplemental Nutrition Assistance Program, formerly known as food stamps) or WIC (Special Supplemental Nutrition Program for Women, Infants, and Children) benefits.

Figure 4: Census tract population with low access to vehicles



Source: USDA Food Access Research Atlas, 2019 data (most recent available)

According to the USDA's [Food Access Research Atlas](), all of the City of Salem is a low-income and low-food-access area, and in fact 100% of the population lives more than a mile from a supermarket. In addition to being a low-income, low-access food desert, the majority of Salem is also an area of low vehicle access, further increasing food insecurity for residents.

In larger cities, a ½- or ¼-mile area surrounding a target site might make sense for analysis of a potential customer base, but because of Salem's geographical size and small population, this study analyzes the entire area of Salem. It also covers the area of a 15-minute drive-time radius surrounding the target site – the standard trade area for market studies on a local scale. This is reasonable given that Salem is a commercial center in a largely rural county (particularly the area of the county south of Salem), and a new food store or farmers market would be likely to attract customers from outlying areas. Residents of this trade area are the customer base for a new food retailer in Salem.

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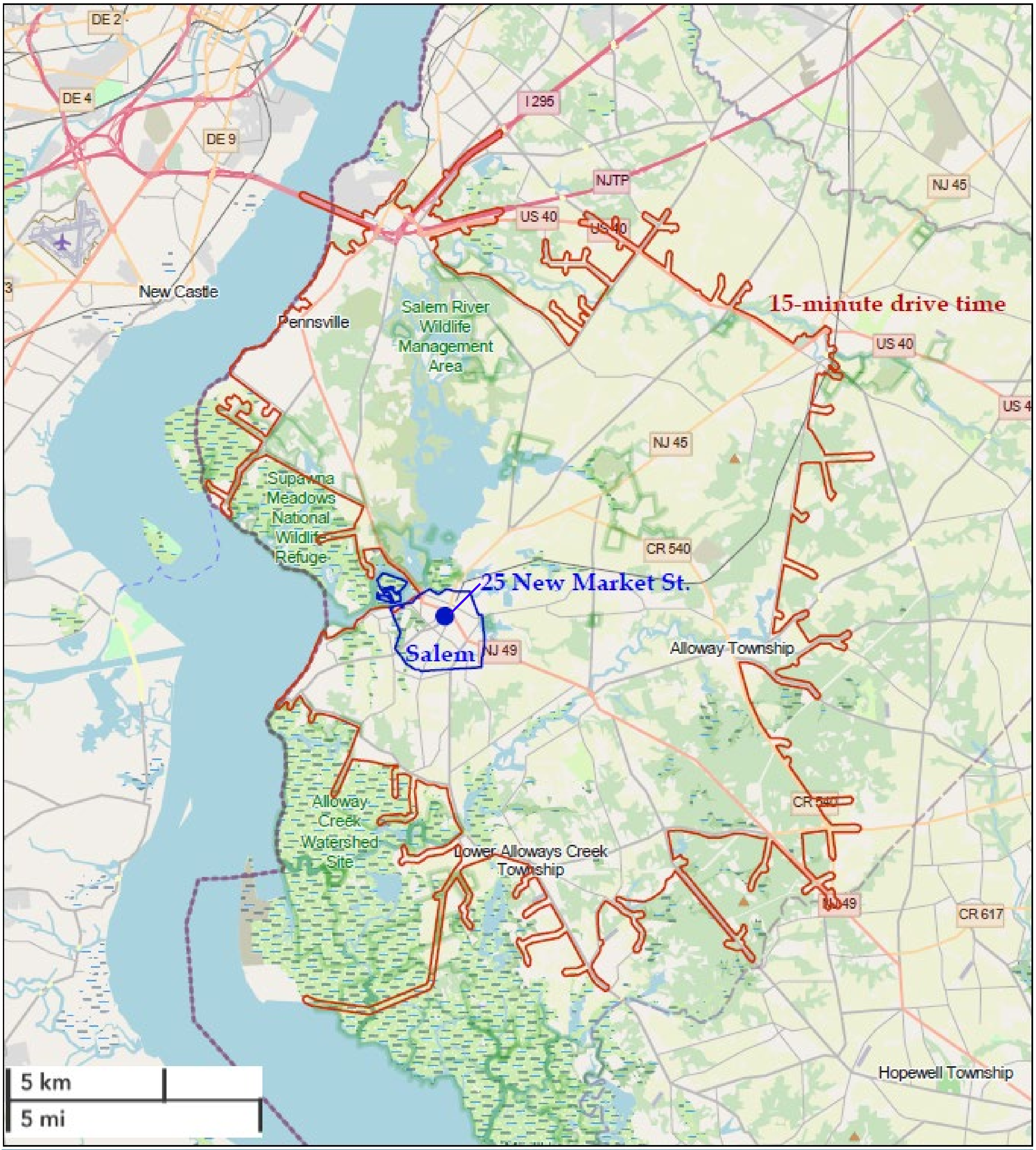
[5] USDA indicator definitions: https://ers.usda.gov/sites/default/files/_laserfiche/DataFiles/80526/archived_documentation_February2014.pdf?v=98623

[6] Rhone, A., Williams, R., and Dicken, C. (2022). Low-Income and Low-Foodstore-Access Census Tracts, 2015–19. USDA Economic Research Service. Note that this study only included supercenters, supermarkets, and large grocery stores. It did not include club stores (such as Costco or Sam's Club), because they are only available to those who pay annual membership fees, or convenience stores, since their offerings vary so widely and because USDA Food and Nutrition Service estimates that 84% of SNAP redemptions were at supermarkets, supercenters, and large grocery stores in 2019.

Figure 5: 15-minute drive-time radius from 25 New Market Street (red outline)



Source: ESRI Business Analyst

Target site

The target site is located at 25 New Market Street. It comprises a vacant two-story building (approximately 14,280 SF in size), a grassy, unbuilt area, and a vacant paved lot across the street. This is Block 57.01, Lots 11 and 12, and Block 63, Lot 1.01. The site's total land area is 0.98 acres. The building has been vacant for many years and is set to undergo an EPA-funded environmental assessment in 2025.

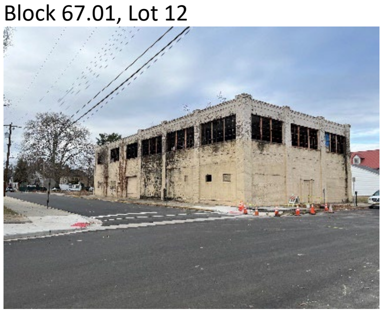
Currently, the paved lot across the street is the site of the St. John's Pentecostal Outreach Church's community food pantry, which feeds hundreds of people every month and receives support from the Food Bank of South Jersey.

Figure 6: Target site (outlined in blue)

Source: [NJ Map Parcel Explorer](); *Rowan University School of Earth and Environment*

Figure 7: Target site photos

Block 67.01, Lot 12



Block 67.01, Lot 11

Block 63, Lot 1.01

Photos: BRS site visit 18 December 2024

Methodology

Demographic and socioeconomic information for the community profile was derived from sources such as the U.S. Census Bureau, U.S. Bureau of Labor Statistics, and U.S. Bureau of Economic Analysis. In order to analyze data on a neighborhood level, we used ESRI's Community Analyst program, which is a web-based tool that combines mapping capabilities with socioeconomic information from a variety of government sources and enables analysis on a hyper-local level. We used another ESRI web-based tool – Business Analyst – to analyze consumption habits, household demand, and existing food retailers in Salem and the trade area. Both of these ESRI applications provide five-year forecasts, as well. ArcGIS was used to create maps of the neighborhood and public transportation network.

In order to assess and compare the economic impact of the establishment of a new grocery store, supermarket, and farmers market, an economic input-output software platform called IMPLAN was used. IMPLAN combines an extensive set of databases, economic factors, multipliers, and demographic statistics with an input-output modeling system to generate insights into an industry's contributions on a regional scale, examine the effects of a new or existing business, model the impacts of expected growth or changes, and quantify any other event specific to the economy of a particular region and how it will be impacted. Economic "Input-Output" (I-O) models are estimates of average economic impacts as they affect broad geographic areas, typically on the state or county level. This is useful when it is important to understand impact at the local level. The government data pulled into the analysis is regularly updated, along with economic multipliers to simulate the action of the local economy of the geographic area under study and deflators to account for differences due to inflation between the year the data was generated and the year of the analysis.

Other important resources were the USDA's Economic Research Service and Food Access Research Atlas and annual US BLS Consumer Expenditure Surveys.

Community profile

Demographic profile

The City of Salem is a densely populated urban area of approximately 2.34 square miles, located in Salem County – the most rural county in New Jersey. It is traversed by the Salem River, with residential, commercial, and industrial areas of the city all located southeast of the river, and marshland throughout the river north of downtown Salem. In 2022, the total population of Salem was 5,285 – and growing. There were 2,172 households, and the median household income was $35,143.[7]

There are significant demographic variations between the City of Salem and the trade area of a 15-minute drive-time radius from 25 New Market Street. Within Salem, much more of the population is made up of people of color, and a slightly higher percentage is of Hispanic ethnicity. Population density is far higher than in the surrounding area, and both per capita and median household income are just over half the levels of the trade area.

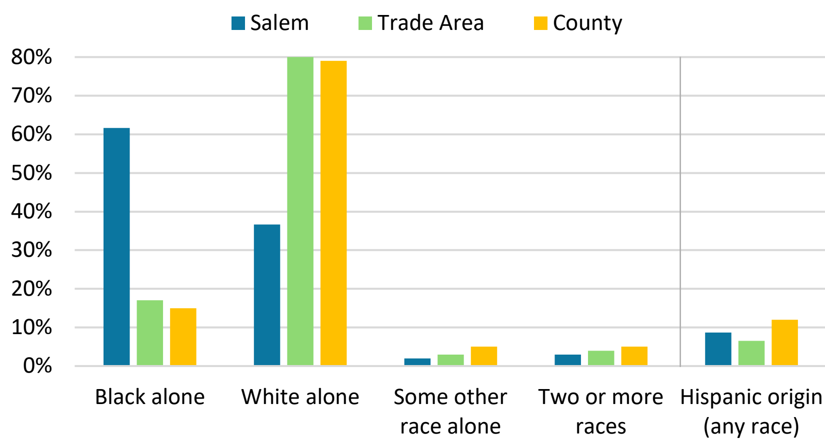
[7] US Census ACS 2022 5-year estimates

Table 1: Selected indicators, 2022

	Salem	Trade Area	Salem County	New Jersey
Percent non-White	70%	26%	29%	48%
Percent Hispanic ethnicity (any race)	9%	7%	12%	23%
Average size of household	2.39	2.37	2.55	2.61
Median age	33.4	42.4	42.3	40.5
Population density (people/sq. mile)	2,259	1,771	195	1,263
Median household income	$35,143	$67,131	$73,378	$97,126
Per capita income	$21,330	$41,314	$37,904	$50,995

Source: US Census ACS 2022; ESRI Community Analyst

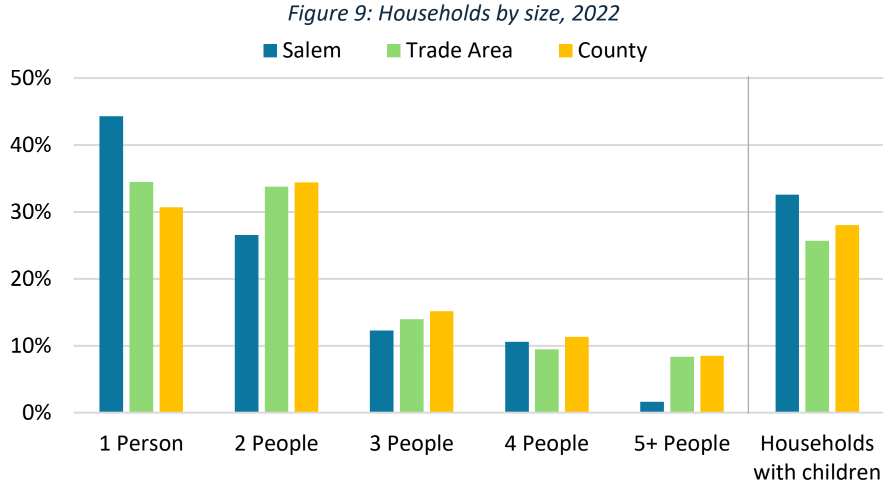
Figure 8: Population by race, 2022



Source: ESRI Community Analyst

Salem's average household is smaller than those in the surrounding area, but at the same time, a greater proportion of households have children. Over half of all households in Salem are headed by single women – far more than in trade area and the county overall – and of those households, a much higher proportion have children.

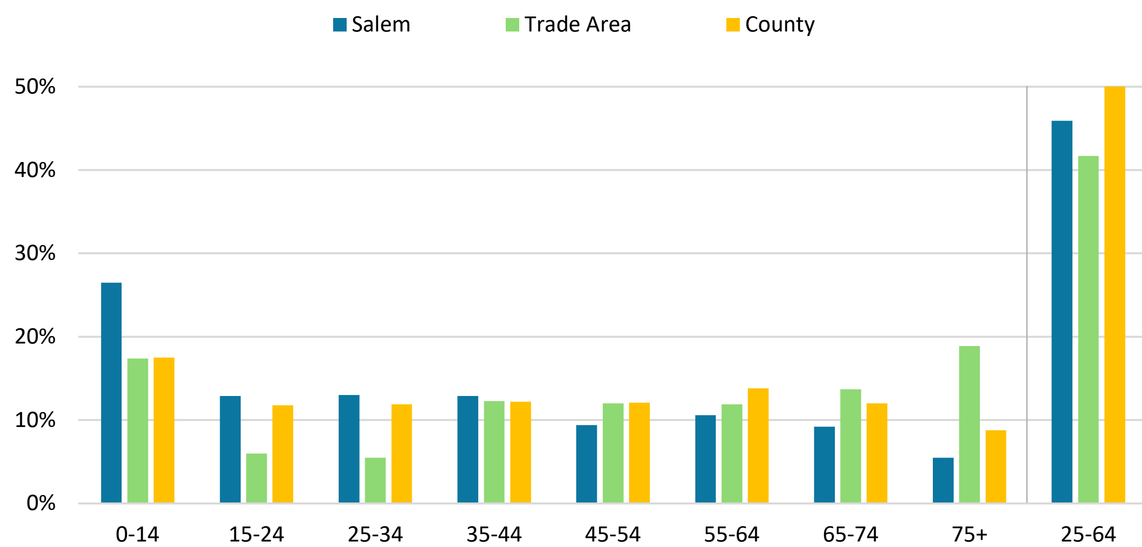
Figure 9: Households by size, 2022



Source: ESRI Community Analyst

The median age in Salem – 33.4 years – is significantly lower than the surrounding area, and Figure 10 below shows a dramatically higher proportion of children under 14 and much lower proportion of adults over 65 in Salem. In the trade area, the proportions are reversed, with a particularly large segment of the population over 75. Salem's comparatively high proportion of residents aged 15 to 24 also suggests a potentially expanding workforce as these young people age into the prime employment age bracket of 25-64.

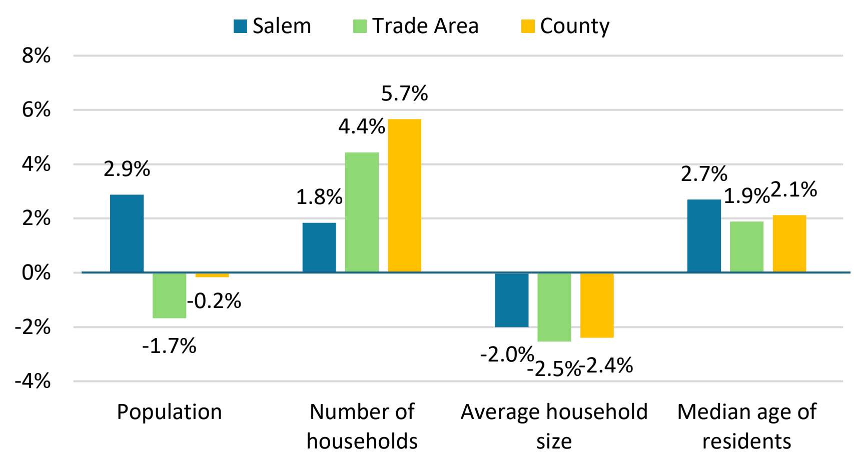
Figure 10: Population by age, 2024 estimates



Source: ESRI Community Analyst

According to ESRI Community Analyst, Salem's population is expected to grow quickly over the coming five years – compared to the state and national rates – while that of the surrounding area will decline. However, the total number of households will increase by a smaller percentage (1.8%) and the average household size will decline. These seemingly contradictory trends are unlikely to be attributable to a higher birth rate and instead possibly suggest an increase in single-person households as young people move to Salem and/or as people in the oldest age brackets live longer. The population is expected to remain a young one, with the median age rising from 33.4 to 34.3 years by 2029. The population of the trade area (and the county overall), on the other hand, is expected to decline slightly in the coming five years, while the number of households will rise and the size of those households will decline.

Figure 11: Population trends 2024-2029 (forecasted % change)

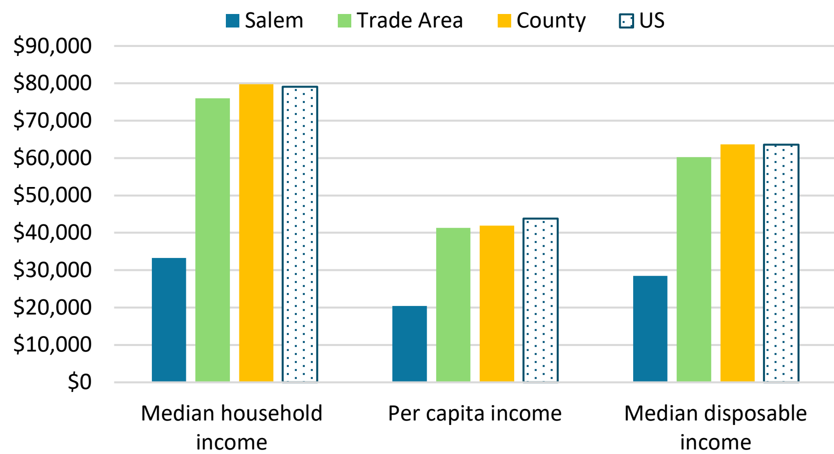


In the US overall, the population is expected to grow by 0.38% between 2024 and 2029.
Source: ESRI Community Analyst

Socioeconomic profile

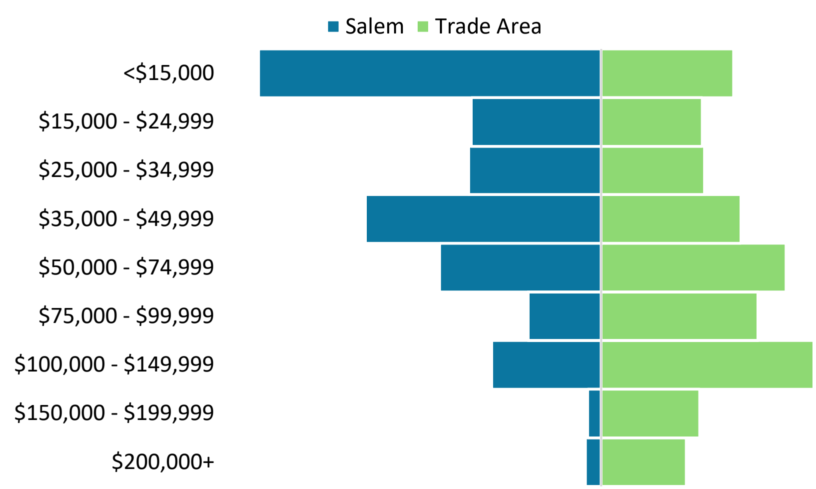
While both per capita and median household income are low in Salem compared to the surrounding area, incomes in the trade area are roughly the same as the county and national averages. Salem's low level of disposable income (i.e., after-tax income) – which includes income to be spent on food – is relevant to the feasibility of a grocery store or supermarket in the city, but median disposable income in the relatively small trade area that includes Alloway Township, for example, is similar to the national level and could support the establishment of a food retailer in this rural county.

Figure 12: Income indicators



Source: ESRI Community Analyst 2024 estimates

Figure 13: Household income, 2022



Source: US Census ACS 5-year estimates, 2018-2022

The largest proportion of Salem households have an annual income of less than $15,000, making the chart to the right heavily skewed toward the lowest income bracket. About a third of households receive Supplemental Nutrition Assistance Program (SNAP) benefits, and a slightly lower percentage had household incomes below the poverty level in 2022. In the trade area, on the other hand, only about 13% of households were below the poverty level, and about the same proportion received SNAP benefits.[8]

[8] US Census ACS 5-year estimates, 2018-2022

Salem has a labor force[9] of almost 2,000 people and an unemployment rate of 11.6%, according to the US Census American Community Survey's five-year estimates for 2022. About 51% of Salem's population aged 16 and over was in the labor force in 2022 – lower than the US average of 64%. In the trade area, the percentage of the population 16 and over in the labor force is about 58%. Adults between 25 and 54 make up the largest part of the labor force in Salem and throughout the trade area; however, women make up a larger proportion of the labor force in Salem than in the surrounding area and county. And workers over 55 years of age make up a significantly smaller proportion of Salem's labor force than is the case in the trade area and county. However, the most notable difference between Salem and the surrounding area is the city's much higher unemployment rate for all age groups. This is particularly marked for the youngest segment of the workforce – those aged 16-24. This group has a higher unemployment rate than the general population in the trade area, but in Salem, the unemployment rate for young people is almost 40%. This may be related to a lack of employment opportunities or to a lack of relevant training opportunities (or both), but it could be a trend that results in young people leaving the community, leading to a demographic shift.

Table 2: Workforce summary, 2022

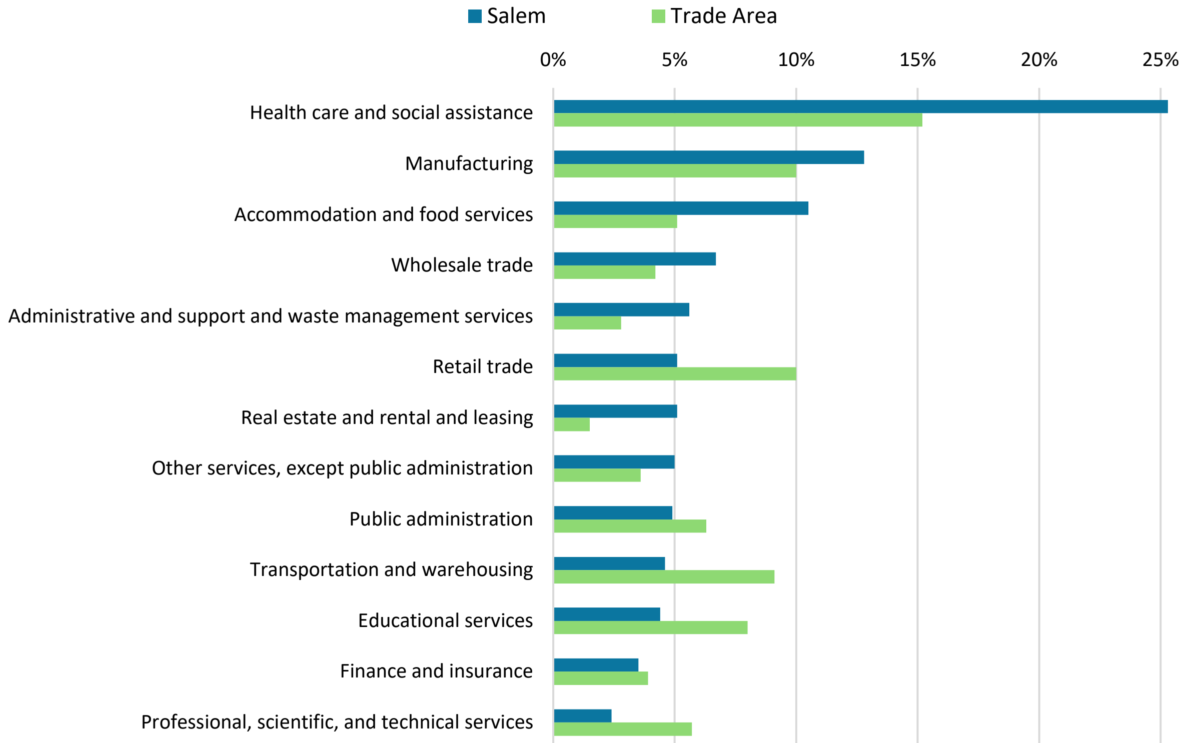
	Salem			Trade Area		
	Employed	Labor force participation (%)	Unemploy-ment (%)	Employed	Labor force participation (%)	Unemploy-ment (%)
16+	1,736	51%	11.6%	11,471	58%	7.5%
16-24	187	50%	39.5%	1,312	60%	18.8%
25-54	1,210	69%	7.5%	7,017	79%	6.8%
55-64	229	42%	3.4%	2,193	64%	4.5%
65+	110	14%	0.0%	949	17%	1.6%
Male Age 16+	801	56%	14.9%	5,893	60%	6.5%
Female Age 16+	935	47%	8.6%	5,578	56%	8.6%

Source: US Census ACS 5-year estimates; ESRI Community Analyst

By far the largest proportion of Salem residents work in the healthcare & social assistance sector (25%), and the manufacturing and accommodation & food services sectors make up the second and third categories. Healthcare & social assistance and manufacturing are the top sectors of employment in the trade area, as well, but retail trade is the third. In the trade area, 10% of the workforce is employed in the retail sector, but in Salem, only half that proportion works in retail. Transportation and educational services are also important employment sectors in the trade area, but they employ a much smaller proportion of the population in Salem. Overall, the trade area's workforce is more balanced among many sectors of employment than Salem's is.

[9] The labor force is those in the civilian noninstitutional population, age 16 years or older, who are employed or who are currently unemployed but are actively seeking employment.

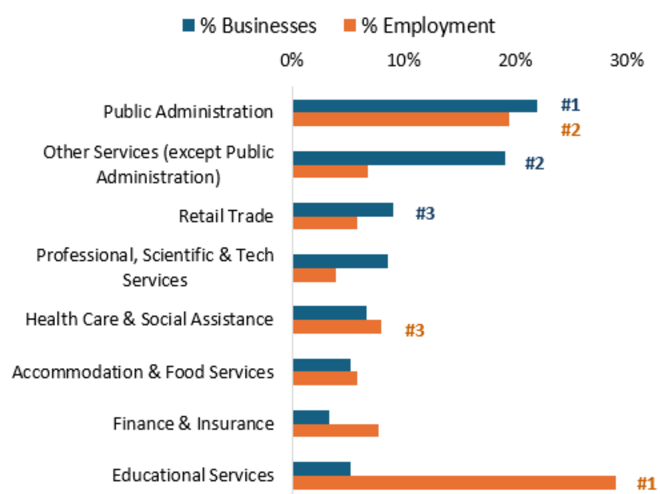
Figure 14: Percentage of residents employed per industry sector



Data for top economic sectors by percentage of labor force employed.
Source: ESRI Business Analyst 2023

There are an estimated 207 businesses located in Salem, employing 1,863 people. The top sectors in terms of number of business establishments are public administration, other services (not including public administration), and retail trade. However, retail trade businesses employ only 7% of all workers. The Salem businesses that employ the most people are in the educational services, public administration, and healthcare & social assistance sectors.

Figure 15: Salem's top sectors in terms of businesses and employment



Source: ESRI Business Analyst 2024 estimates

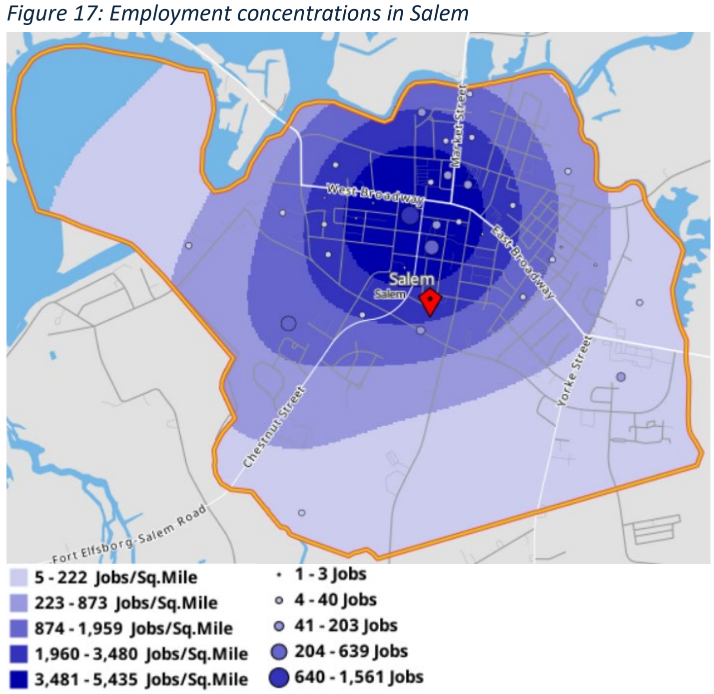
In the trade area, there are 889 businesses employing 8,706 people. The sectors with the greatest number of business establishments are the same sectors that employ the greatest number of people. These are other services (not including public administration), retail trade, and health care & social assistance.

Figure 16: Trade area's top sectors in terms of businesses and employment

Source: ESRI Business Analyst 2024 estimates

The US Census Bureau estimates that in 2022, the majority (56%) of all public- and private-sector jobs in Salem were held by people aged 30-54, 34% by people 55 and older, and less than 10% by people younger than 30. (Given Salem's extremely high unemployment rate for young people, this is not surprising.) The vast majority (85%) of these jobs within Salem pay over $3,333 per month. As is shown in Figure 17, there is a much higher concentration of jobs in the center of Salem – centered at the intersection of West Broadway and Chestnut St., in close proximity to the target site.

Figure 17: Employment concentrations in Salem

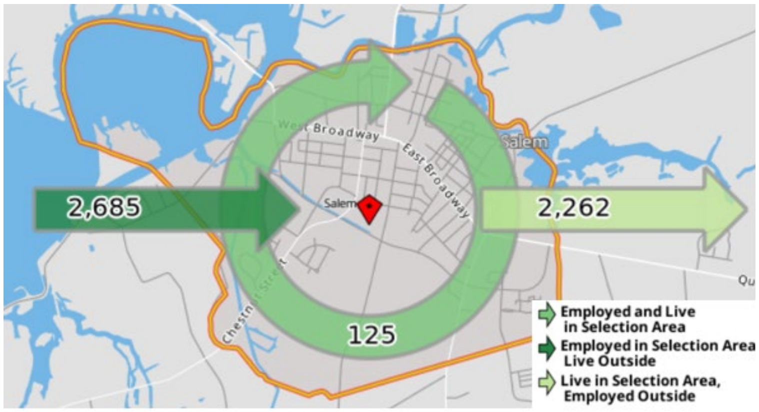


Source: *US Census OnTheMap*, 2022 data

Just over half (55%) of the employed labor force in the City of Salem works within Salem County, but over a third work in another county in New Jersey. About 10% work in another state – generally in Pennsylvania or Delaware. For employed residents of the trade area, the proportions are very similar, although a greater percentage of workers commute outside the county for their jobs.[10] Only a very small percentage of Salem residents work in the city itself, and while over 2,200 Salem residents work outside the City, an even greater number commute from outside of the city to work in Salem.

[10] US Census ACS 5-year estimates, 2018-2022

Figure 18: Worker inflow and outflow in Salem



Source: [US Census OnTheMap](), 2022 data

Employed Salem residents have an average commute of about 27 minutes – similar to the average commute time for workers living in Salem County. This is not surprising, given the percentage of workers who are employed outside the city – and the fact that it is a primarily rural county.

In the county overall, farming – including both crop cultivation and livestock – is an important economic sector, ranking third in terms of total number of people employed. Within the sector, cultivation of vegetables and melons is the largest category for employment. In terms of total labor income generated, the sector comes 10th, in part because of relatively moderate wages. In terms of total output, it is sixth.[11]

Table 3: Top 12 industries in Salem County (ranked by number of people employed)

	Employment	Labor Income	Output	Average Employee Compensation*
Warehousing and storage	3,630	$224,199,204	$360,231,900	$62,069
Employment and payroll of local govt, Education	2,066	$166,762,321	$191,131,621	$80,718
Farming	1,418	$48,617,304	$185,652,317	$56,492
Electric power generation - Nuclear	1,176	$375,454,632	$1,635,417,445	$207,667
Employment and payroll of local govt, Other services	1,066	$87,675,097	$100,757,215	$82,222
Other real estate	1,008	$4,259,959	$138,184,949	$49,999
Accounting, tax preparation, bookkeeping, & payroll services	876	$71,901,141	$124,881,890	$121,899
Transit and ground passenger transportation	757	$22,208,656	$38,625,939	$39,367
Offices of physicians	578	$89,610,751	$118,659,987	$245,289
Retail - Food and beverage stores	571	$26,486,844	$61,777,118	$41,029
Hospitals	532	$51,816,540	$111,250,877	$97,309
Construction of new single-family residential structures	525	$38,218,143	$90,996,846	$98,213

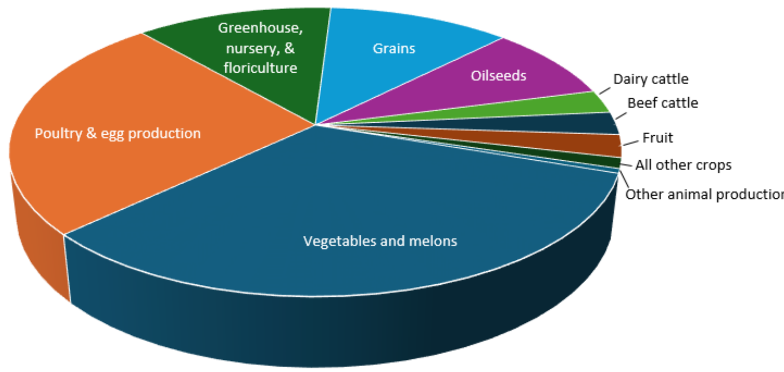
*Per wage and salary employee

Source: IMPLAN data for Salem County, 2023

[11] Output (or total industry output) is the value of production that occurred during the calendar year – in this case, 2023. Data for Salem County in 2023 is from IMPLAN.

USDA reported that there were 779 farms in Salem County in 2022, and two thirds of farms were less than 50 acres in size. The total value of agricultural products sold was over $138 million, and the per-farm average was $177,253. Of total sales of agricultural products, 88% was for cultivated crops and 12% was for livestock and poultry products, including milk and eggs. The vast majority (81%) of the county's 97,465 acres of agricultural land – which made up 20% of Salem County's total land area – was used for cropland in 2022.[12] In 2023, the top farming sub-sectors in terms of value of production were vegetables & melons; poultry & egg production; greenhouse, nursery & floriculture (which includes flowers); grains; and oilseeds (such as soybeans).

Figure 19: Farming sub-sectors by value of total production



Source: IMPLAN data for Salem County, 2023

Household demand and consumption

Average household expenditures in Salem are significantly lower than in the surrounding trade area, but the top categories of expenditure are the same throughout the area. About 12% of household expenditures go toward the purchase of food in Salem (11% in the trade area), and the total average amount of $5,566 per year is expected to increase by just over 14% in the coming five years. In the trade area, food expenditure is expected to increase by over 15%.

Table 4: Average annual household budget expenditures, 2024

	Salem	Trade Area
Housing & utilities ***(#1)***	$15,297	$28,380
Food ***(#3)***	$5,566	$9,967
Household operations	$1,284	$2,491
Housekeeping supplies	$451	$821
Household furnishings and equipment	$1,491	$2,848
Apparel and services	$1,290	$2,143
Transportation ***(#2)***	$5,710	$10,261
Travel	$1,261	$2,614
Health care	$3,763	$7,429
Entertainment and recreation	$1,845	$3,677
Personal care products & services	$461	$853
Education	$756	$1,505
Smoking products	$338	$499
Alcoholic beverages	$307	$571
Shopping club membership fees	$41	$73
Pensions and Social Security	$4,454	$9,227
Other expenditures	$2,280	$4,808
Total average household expenditures	**$46,593**	**$88,167**

Source: ESRI Business Analyst 2024 estimates

Households in the trade area spend an average of $4,911 per year at grocery and specialty food stores and $3,683 at restaurants and

[12] USDA 2022 Census of Agriculture: County Profile, Salem County, NJ.

other eating places.[13] In addition, households spend about $3,658 per year at warehouse clubs and supercenters (e.g., Walmart Supercenter) that carry grocery items, although there is no specific breakdown available on how much of this total is spent on groceries. As would be expected with lower incomes and a greater distance to such retailers, Salem residents spend significantly less at each per year.

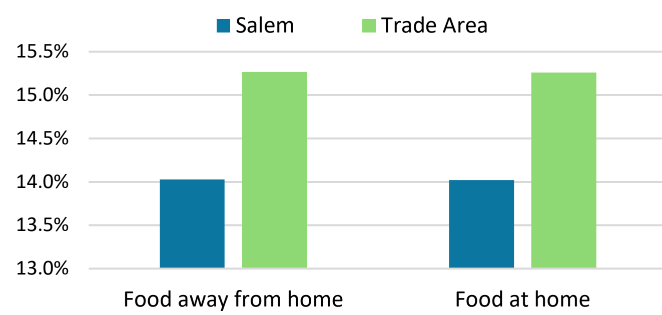
Table 5: Household retail demand: Average amount spent per year by location

	Salem	Trade Area
Grocery stores	$2,689	$4,754
Specialty food stores	$89	$157
General merchandise stores, incl. warehouse clubs, supercenters	$2,042	$3,658
Restaurants and other eating places	$1,987	$3,683

Source: ESRI Business Analyst 2024 estimates

The general category "food at home" is an estimate of the total amount of food purchased from all types of stores for home consumption – as opposed to food consumed at restaurants. Food consumed at home was almost double the value of food consumed outside of the home in 2024 in Salem and in the trade area, despite the lack of food stores in the area. In the coming five years, the increase in food consumed at home – that is, food generally purchased from grocery stores and markets – is forecast to increase by just over 14% in Salem and over 15% in the trade area. For context, this is slightly lower than the increase expected in the county overall.

Figure 20: Forecast consumer demand growth 2024-2029 (% change)



Source: ESRI Business Analyst 2024 estimates and 2029 forecasts

Within the category of food consumed at home, the largest proportion for both Salem and the trade area falls into the general category of "snacks and other food at home," although it is worth noting that this classification includes items such as baby food, non-alcoholic beverages, and certain prepared foods and salads.[14] Meat, poultry, fish, & eggs is the second-largest category, and fruits & vegetables the third. For each category individually, Salem households spend just over half of what trade area residents spend per year.

[13] Expenditures at grocery and specialty food stores do not include purchases at beer, wine, and liquor stores, which averaged $166 per household in 2024. Expenditures at restaurants and other eating places do not include purchases at drinking places (i.e., bars), which averaged $93 in 2024. Source: ESRI 2023 Consumer Spending databases are derived for 2024 from the 2021 and 2022 Consumer Expenditure Surveys.

[14] Snacks and Other Food at Home includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fats and oils, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips and other snacks, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.

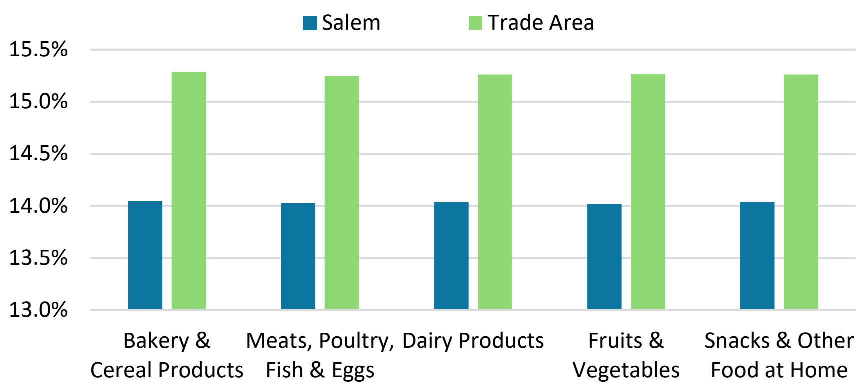
Table 6: Average totals spent by type of food consumed at home

	Salem	Trade Area
Bakery and cereal products	$475	$852
Meat, poultry, fish, and eggs	$824	$1,411
Dairy products	$337	$620
Fruits and vegetables	$703	$1,265
Snacks and other food at home	$1,374	$2,422

Source: ESRI Business Analyst 2024 estimates

Expected growth in expenditures on these foods is expected to be in line with growth for the overall category of food at home in the coming five years – 14% for Salem and 15.3% for the trade area.

Figure 21: Forecast demand growth for food consumed at home by category, 2024-2029



Source: ESRI Business Analyst 2024 estimates and 2029 forecasts

Households in Salem are about as likely to consume poultry, fish or seafood, and fresh milk as the US average. They are generally less likely to consume fresh fruit and vegetables and much less likely to buy organic food, but more likely to consume bread. Table 7 shows how likely Salem residents are to purchase certain categories of food. This probability is expressed as a Market Potential Index (MPI), which measures the relative likelihood of households in a specified area to exhibit certain consumer behavior or purchasing patterns compared to the US average. In Table 7 (Salem) and Table 8 (the entire trade area), the flat yellow line indicates that residents are about as likely as the US average to purchase a particular type of food. The green arrow signifies that residents are more likely to purchase the item, and the red arrow means that they are less likely.

Table 7: Product/Consumer behavior: Households in Salem

In the past 6 months, have you used the following?

	Yes		
	# households	% households	MPI
Bread	2,016	94%	100
Chicken (Fresh or Frozen)	1,564	73%	95
Turkey (Fresh or Frozen)	435	20%	98
Fish or Seafood (Fresh or Frozen)	1,232	58%	98
Fresh Fruit or Vegetables	1,769	83%	93
Fresh Milk	1,716	80%	98
Organic Food	397	19%	73

Source: ESRI Business Analyst

Within the trade area (Table 8), food use categories differ. Households are more likely to use poultry and milk, as well as bread, and about as likely to use fish or seafood and fresh fruit or vegetables as the US average. Like Salem residents, they are much less likely to use organic foods than the average US household.

Table 8: Product/Consumer behavior: Households in the trade area

In the past 6 months, have you used the following?

	Yes			
	# households	% households		MPI
Bread	10,411	95%	▲	101
Chicken (Fresh or Frozen)	8,451	77%	▲	100
Turkey (Fresh or Frozen)	2,399	22%	▲	106
Fish or Seafood (Fresh or Frozen)	6,314	58%	▬	98
Fresh Fruit or Vegetables	9,576	87%	▬	98
Fresh Milk	9,256	84%	▲	103
Organic Food	2,252	21%	▼	80

Source: ESRI Business Analyst

It is important to note that “likelihood” does not mean preference; particularly in lower- and middle-income communities, relatively pricey fresh fruit, vegetables, and organic food may be used less often simply because they do not fit into households’ grocery budgets.

The next section explores existing options for purchasing food in the area – and how well those options fit residents’ consumption habits and demand.

Relevant business summary

Options for fresh food in the trade area and suitability for demand

According to the most recent USDA data available, Salem County had 16 grocery stores (0.25 stores per 1,000 residents), 11 specialized food stores, 24 convenience stores, two farmers markets, and no supercenters and/or club stores in 2016. Of all these food stores, nearly all (50 of 51) accepted SNAP, but only eight accepted WIC, and no information was available on whether the farmers markets accepted SNAP and/or WIC.[15]

Within the trade area, there are about 22 food and grocery stores, including convenience stores, independent corner stores, and delis (see Figure 22). However, the vast majority of these options are small stores (less than 5,000 square feet) with limited or specialized food offerings, and several are gas station minimarts. In fact, there are only 13 food stores that are larger than 5,000 square feet in the trade area, and several of these (including the only one in the City of Salem) are Family Dollar and Dollar General stores, which sell a wide variety of household goods and only a few basic groceries such as milk and eggs. There are only six food stores over 10,000 SF in size – which is still smaller than the USDA definition of a supermarket – in the trade area, and none are in Salem (see Figure 23).

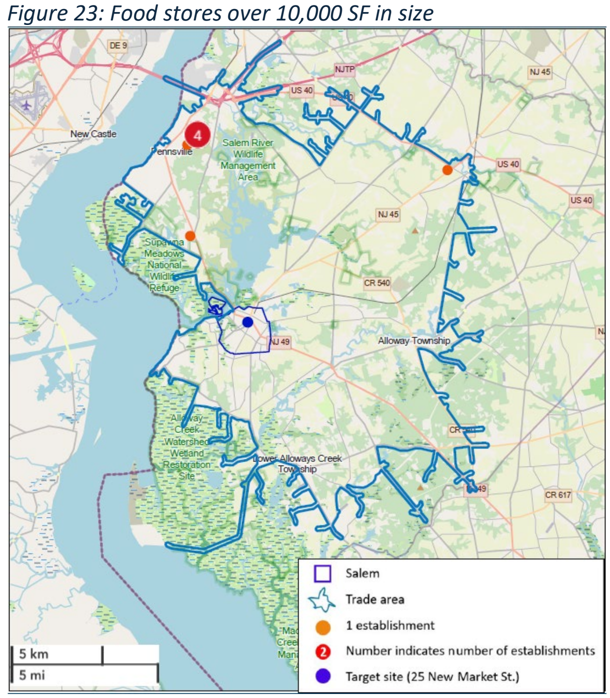
[15] USDA data from the Economic Research Service’s (ERS) Food Environment Atlas. Data for all types of stores and SNAP and WIC is from 2016-2017, and data for farmers markets is from 2018.

For the 10,701 households (26,565 people as of the 2022 US Census) living in the trade area of a 15-minute drive-time radius from the target site, food stores in the area are clearly inadequate. This is particularly true for residents of Salem and areas south and east of Salem, including Alloway Township. While limited food options are available in small (less than 5,000 square feet) stores in the area, household demand does not align well with these existing options. The second largest category of purchases for area households is meat, poultry, fish, & eggs, and the third largest category is fruits & vegetables.[16] Demand for poultry is higher in the trade area than the national average, and these are not items widely offered in convenience stores and minimarts. With demand for food for home consumption forecast to increase by 14-15% and Salem's population expected to increase by about 3% in the coming five years, food stores that are inadequate now will become even more so.

Figure 22: All food stores in the trade area

Source: ESRI Business Analyst, December 2024

Figure 23: Food stores over 10,000 SF in size



Source: ESRI Business Analyst, December 2024

Smaller stores in Salem – mainly gas station minimarts and corner or convenience stores –offer convenience to residents, particularly those who don't own cars. However, this convenience often comes at the expense of food variety, quality, and affordability. Location and convenience are important to local residents, but a community survey carried out in February 2025 showed that food quality and price are the most important factors for residents.[17] Residents noted that while they might stop at a corner store to purchase snacks, very few (8%) shop for groceries in these establishments. More survey respondents (50%) at least occasionally shopped for food at local stores such as Family Dollar or Dollar General, which are larger than corner stores and have a wider variety of canned and boxed products with a long shelf life, but these have few options for produce, dairy, and meat – and healthy, fresh food in general.

[16] ESRI Business Analyst and Bureau of Labor Statistics' Consumer Expenditure Surveys from 2021, 2022. Note that categories are by expenditure, not volume.

[17] The full results of the Community Survey are included as Appendix 2. This survey was conducted by BRS, Inc. in February 2025 in order to solicit community input for this study.

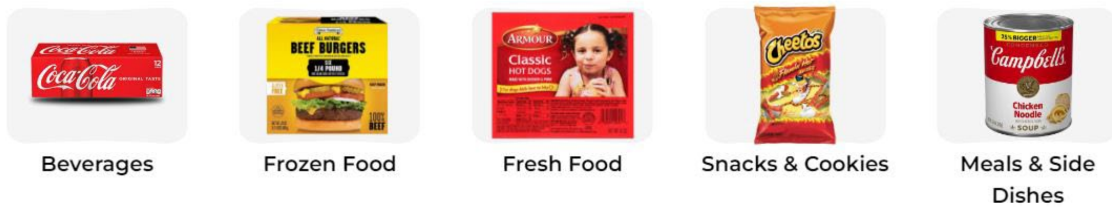
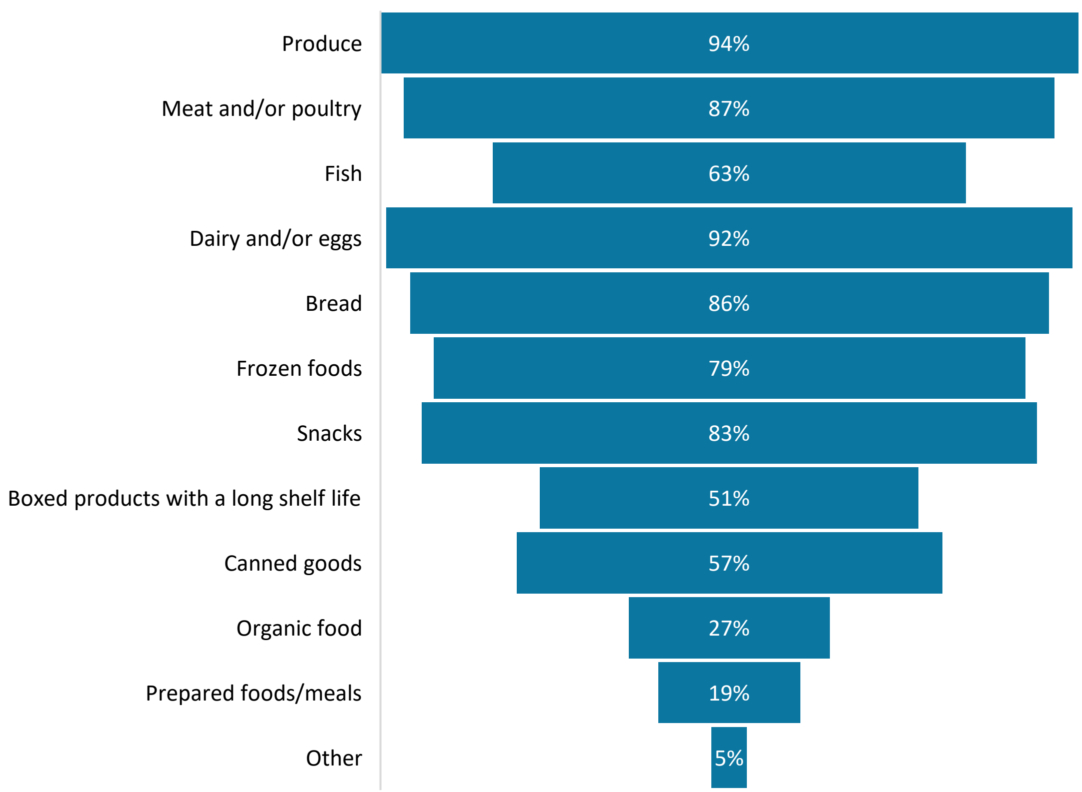


Photo: Dollar General weekly advertisement for Salem store, Dec. 27, 2024

The *Household Demand and Consumption* section noted that Salem residents tend to purchase bread, poultry, dairy, and fish or seafood when they shop, and the Community Survey provides more detail on preferences (see Figure 24). Produce, dairy, eggs, and fresh meat or poultry are the top food purchases among respondents, and finding these grocery items at corner stores or small local grocery stores is a challenge – and in some cases not possible at all. When asked which foods they felt were hardest to find in Salem, residents most frequently mentioned produce and fresh meat, but the third-most common answer was “all groceries.”

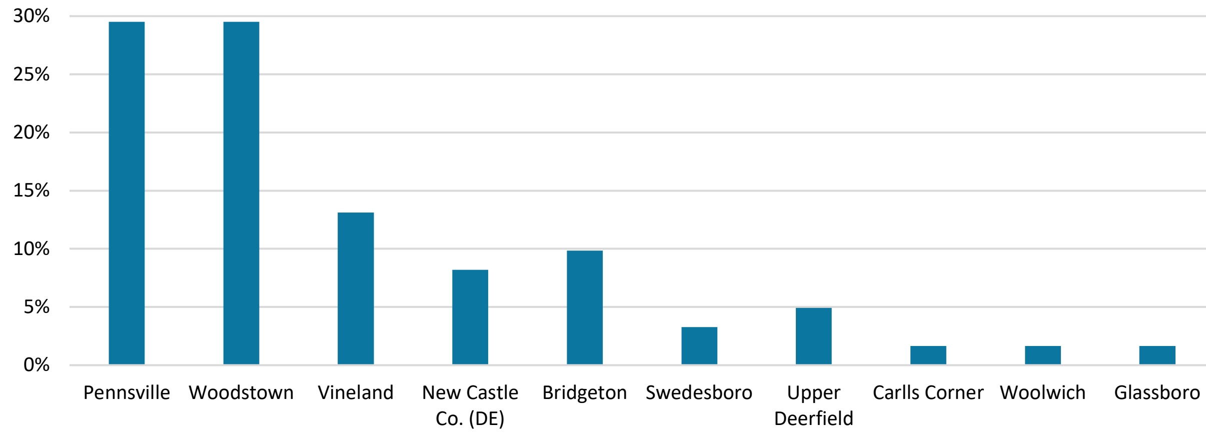
Figure 24: What food items do you purchase regularly?



Source: Community Survey, February 2025

It is notable that residents tended to list the same items as both what they purchase regularly and what they have difficulty finding in Salem. It is therefore not surprising that 45% of respondents travel between 20 and 40 minutes one-way to supermarkets outside of Salem, with Pennsville stores and Woodstown’s Acme the most popular.

Figure 25: Where do you typically go to purchase groceries?



The largest proportion of those surveyed prepare meals at home every day (36.5%), and almost 70% prepare meals at home at least five days a week. 48% of those surveyed live in households of three or more people, and 37% live in households with children (37%). The highest percentage of people surveyed (40%) stated that they shop for groceries once a week, and 29% shop more frequently. The vast majority of survey respondents (79%) answered the question "Do current grocery shopping options in Salem meet your needs?" with "Not at all."

Figure 26: How often do you prepare meals at home?

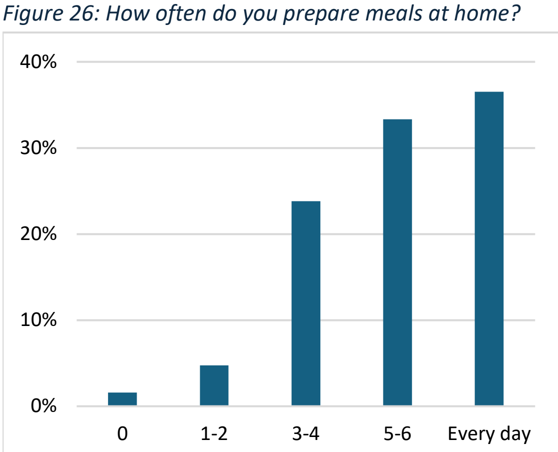
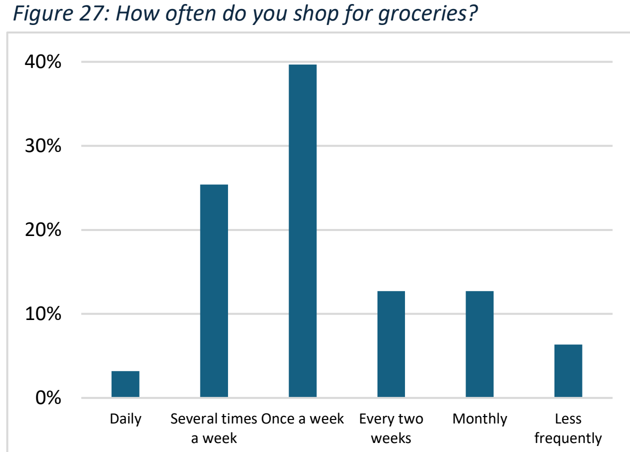


Figure 27: How often do you shop for groceries?



When asked what the most significant challenges in food shopping were, the top answers were travel distance to the grocery store and the cost of food. About 22% of those surveyed use SNAP or WIC benefits when they buy food,[18] and 46% supplement the groceries they buy with food from a food pantry, church, or religious group.

Accessibility

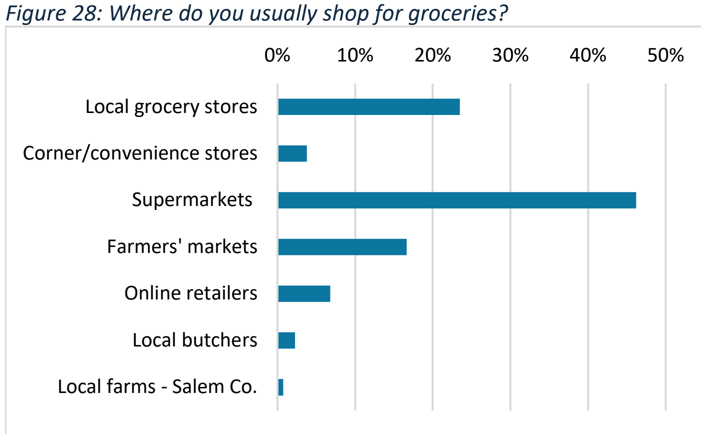
Low incomes, limited access to vehicles, and lack of adequate public transportation options all present challenges to accessing sources of healthy and affordable food in and around Salem. The reality is that

[18] This is 11.7 percentage points lower than the US Census estimate for the percentage of Salem residents who had SNAP benefits in 2022 (no Census Bureau estimate was available for WIC benefits). This suggests that lower-income residents may be underrepresented in Community Survey responses.

low-income individuals and households are less likely to own cars, but they are also less likely to live within walking distance of a grocery store and more likely to need a car to access one[19] – particularly a store that offers a full selection of products and accepts SNAP and WIC.

Although only 9% of households in the trade area do not have access to a vehicle, in Salem the proportion is 28%. As a result, a significant number of residents rely on public transportation, taxis, rideshares, carpooling, or borrowed vehicles for transportation – or travel by foot or bicycle. In Salem, 26% of employed people made their way to work in one of these ways, with a far larger proportion carpooling (14%) than using public transportation (5%).[20, 21]

Figure 28: Where do you usually shop for groceries?



Source: Community Survey, February 2025. Note that respondents were asked to list all the places they shop regularly.

When asked to list all the places they currently buy groceries, Salem Community Survey respondents said they shop at local grocery stores such as Family Dollar and Dollar General (49.2%), supermarkets (97%), and farmers markets (35%), as well as online retailers, convenience stores, and local farms and butchers. Over half said that they regularly travel at least 20 minutes one-way to shop. Generally, they use their own vehicle to travel to the places they shop, although some do use public transportation. As is clear from the map in Figure 29, there are very few options for public transport in Salem and the trade area, making it difficult for households to depend on city buses to travel to and from food stores.

There are two NJ Transit bus lines that run through Salem:

- Line 401 travels between Salem and Philadelphia. Although it passes the Woodstown Acme on Route 45 and Highway 40 (Harding Highway), it does not have a stop there.
- Line 468 (Carneys Point) has 62 stops departing from Woodstown Acme, and after running through Salem, goes north to Pennsville with stops at Walmart (Pennsville Marketplace) and near Save-A-Lot. However, the bus's frequency on weekdays is every 45 minutes to every one hour and 10 minutes, and on Saturdays, there is a bus only every one hour and 15 minutes. There is no bus service on Sundays.

Even though bus line 468 does connect Salem residents to two full-size grocery stores and a Walmart that has some food items, this is unlikely to be a realistic solution to the transportation component of food access for many Salem residents. Bus frequency alone presents challenges, particularly on weekends, which might be working people's only opportunity to shop.

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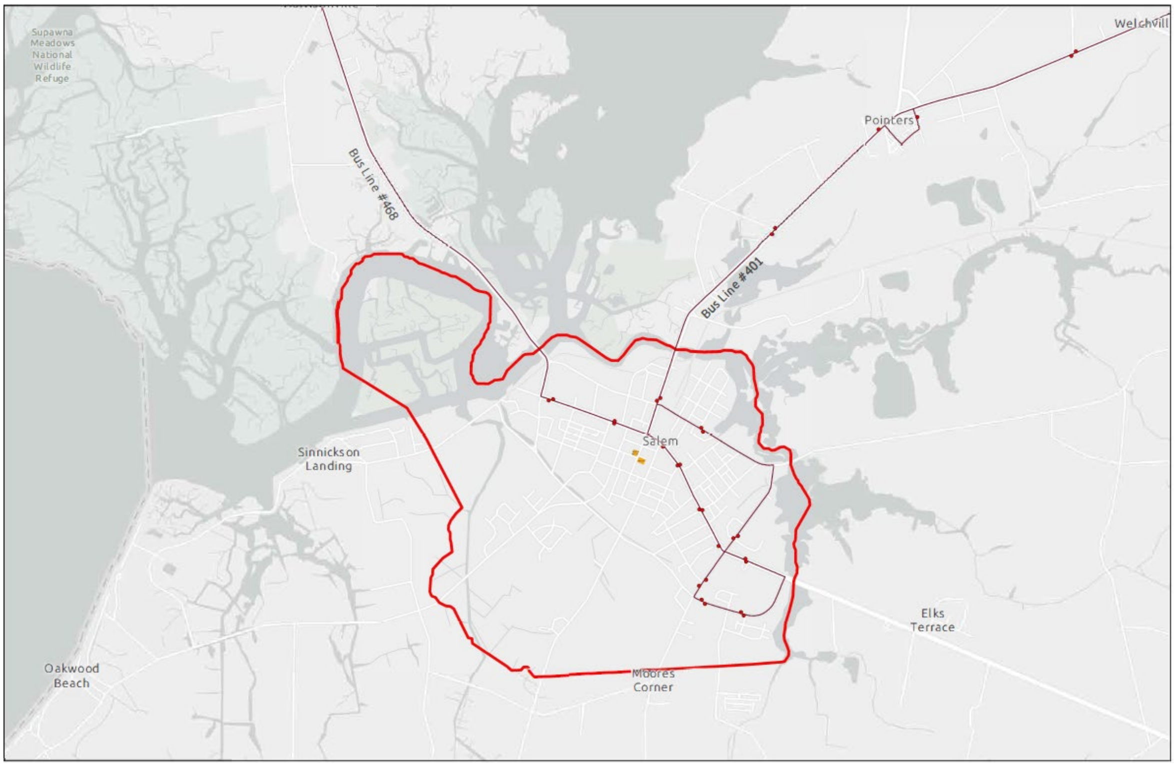
[19] *Food Stamp Participants' Access to Food Retailers: Summary of Findings.* USDA Food and Nutrition Services, 1999.

[20] Note that lack of reliable transportation is in itself a barrier to finding and keeping work.

[21] 92% Community Survey respondents said they generally drive their own vehicles to the store where they shop, with only a small percentage (8%) borrowing a car, using public transportation, or going by foot. This does not suggest that US Census data is wrong but that that low-income households were underrepresented in survey responses.

Figure 29: Bus routes and bus stops in Salem and surrounding area



Source: BRS, Inc. (ArcGIS)

According to information collected by USDA through a national survey, over 50% of low-income people and families across the US who received SNAP ("food stamp") benefits tended to shop for groceries far less frequently than those with higher incomes, making it difficult to transport purchases on public transportation (or a combination of public transportation and walking in the case of Salem residents with access to only one relevant bus line).[22] As a result, only a small percentage of SNAP recipients surveyed by USDA (4%) used public transportation. Even fewer people who were over 65 used the bus, as using public transport to access a grocery store presents additional challenges for elderly residents and individuals with mobility issues, as well as for parents who do not have childcare. According to the USDA survey, nearly one third of respondents got a ride to the grocery store with family or friends, and 14% traveled by foot. In comparison, nearly 90% of people who were just above the income threshold for SNAP drove to the grocery store.[23] A lack of viable transportation options could itself limit residents' ability to shop more frequently *and* to purchase in bulk, which in turn often means paying higher per-item prices.[24]

Understanding vehicle access and how (as well as where) people travel to work and other necessities can help to create a fuller picture of how residents of Salem and the trade area access food stores. The fact that very few people both live and work in Salem means that a significant number of working Salem residents may have better options for grocery shopping near their places of employment than near

[22] *Food Stamp Participants' Access to Food Retailers: Summary of Findings.* USDA Food and Nutrition Services, 1999.

[23] Note that this survey took place before rideshare services such as Uber and Lyft had been established.

[24] McCann, B. *Community Design for Healthy Eating: How land use and transportation solutions can help.* Robert Wood Johnson Foundation, 2006.

where they live. Part 2 of this study, the Physical Site Evaluation, will discuss public transportation and public road infrastructure in more detail.

Grocery store/supermarket structure & requirements

While food retailers come in all sizes, there are certain common elements of grocery store and supermarket operations. In this section we look briefly at what a grocery store or supermarket needs to survive, with an overview of size, sales & profits, and supply chain dynamics.

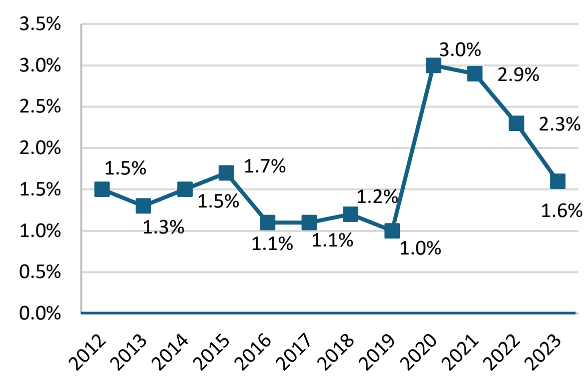
Size

Grocery stores and supermarkets have been generally increasing in physical size since 1994, when the average was 35,000 square feet (SF). The average size of a US grocery store was 48,575 SF in 2023 – down slightly from the all-time high of 51,500 SF in 2021.[25] This includes only interior sales space, and additional space is necessary for storage, administration/offices, loading docks, and parking. Multi-floor retailers also need space for elevator bays and stairwells.

The average supermarket carried approximately 31,704 items in 2023, up slightly from the 2022 number.[26]

Sales and profits

Figure 30: Net profit after taxes for grocery stores



Source: Food Industry Association data for 2012-2023

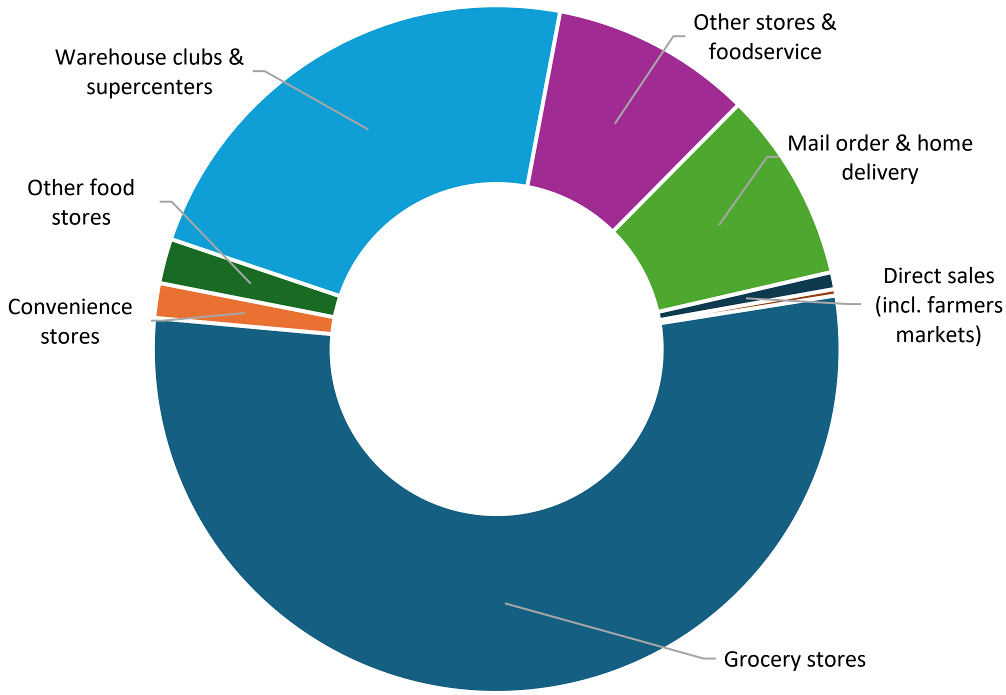
According to the Food Industry Association (FIA), in 2023 average weekly sales per store in the US were $623,188, and weekly sales per square foot of US retail area were $17.32 – down significantly from $19.32 in 2022. The FIA's most recent US Grocery Shopper Trends report showed that average weekly grocery spending per household was $165 in 2024. Although data is not available for independent stores, food retailer chains had a net profit after taxes of just 1.6% in 2023, which was higher than 2012 levels (1.5%) but down from the all-time high of 3.0% in 2020. This profit data includes all types of food retailers, but it is important to note that the average size of those food retailers in 2010 was not much smaller than it was in 2022 (2010: 46,000 SF; 2023: 48,575 SF).[27] Part of the reason for the increase in profits through 2020 was growth in online sales for brick-and-mortar retailers, which helped grocery stores and some other types of food stores weather the pandemic and other recessions (more easily than, for example, convenience stores). However, profits have declined since 2021 toward pre-pandemic levels.

[25] Food Industry Association data (https://www.fmi.org)

[26] Food Industry Association data (https://www.fmi.org/our-research/food-industry-facts)

[27] Food Industry Association data (https://www.fmi.org/our-research/food-industry-facts)

Figure 31: US expenditures on food consumed at home by type of store (2023)



Notes: Nominal expenditures (not accounting for inflation). "Other food stores" include establishments such as health food and specialty stores, and "Direct selling by farmers, manufacturers, and wholesalers" includes but is not limited to farmers markets.
Source: USDA ERS

Between 2010 and 2023, the proportion of expenditures made at grocery stores and at other food stores such as health food and specialty stores declined, while the proportion of mail order and home delivery expenditures increased.[28] Slim profit margins for grocery stores therefore took place against a backdrop of sales that were increasing in dollar terms but decreasing as a percentage of total food sales. In 2023, food purchased for consumption at home (i.e., groceries) made up 41.5% of total food sales. This is a decrease from 2010 levels, when expenditures were split almost evenly between food consumed at home and food consumed outside the home (e.g., in restaurants).[29]

It is important to note that for grocery stores (like all retailers), sales and profits are dramatically different numbers. While the average overall markup for individual products at the grocery store is 34.8%, the share for the retailer for each dollar of sales for domestically produced goods is only 14.7 cents. The remainder goes to paying for industry costs such as operations, processing, packaging, and transportation, among other cost categories, as shown in the USDA Economic Research Service diagram below.[30]

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[28] USDA ERS data on nominal food expenditures, 2010-2023

[29] Total sales by all purchasers at grocery stores, convenience stores, other food stores, warehouse clubs & supercenters, other stores & food service, mail order/home delivery, direct selling by farmers, manufacturers, & wholesalers, and home production & donations. USDA Economic Research Service, Food Expenditure Series 2010 and 2022.

[30] USDA ERS Food Dollar Series, 2022. https://www.ers.usda.gov/data-products/food-dollar-series/

Figure 32: Industry costs per food dollar, 2023

Note: "Other" category comprises agribusiness and legal & accounting costs.
Source: USDA ERS *Food Dollar Series, 2023*

Supply chain

No matter the size of a grocery store or supermarket, the structure of the store's relationships with suppliers is key to pricing and profitability – and therefore to sustainability. In 2018 the Food Industry Management Program of the Charles H. Dyson School of Applied Economics and Management at Cornell University reviewed case studies of 11 food retailers and their supply chains in low-income urban and rural areas of the US Northeast.[31] Ten of the 11 were supermarkets according to the US Census definition (business establishments "primarily engaged in retailing a general line of food, such as canned and frozen foods; fresh fruits and vegetables; and fresh and prepared meats, fish, and poultry"[32]), and one was a large convenience store that carried produce, fresh meats, dairy products, and frozen foods. The supermarkets ranged from limited-assortment retailers to discount grocers offering food on "closeout" to standard supermarkets. Ten of the 11 stores were smaller than the average American supermarket in terms of total square feet. All 11 of the stores were independently owned.

These smaller, independently owned stores actually did better than the average US supermarket in weekly sales per square foot and weekly sales per full-time employee, and this combination of store characteristics made findings from the case study interesting and relevant to this project. Being small and independently owned has both advantages and disadvantages for a food retailer in a low-income community:

Advantages

- Most of the stores studied were able to tailor their product offerings to their consumer base, sourcing supplies from smaller distributors that offered specialty, diet-specific, ethnic, or culturally relevant foods.
- Sourcing directly from local farms and producers was also technically possible, although only one store studied did so. This was rare because of the economics of the supply side, which dictate that transportation costs are either divided among multiple stores in one area (cheaper for shoppers but requiring collaboration) or that those costs are passed directly on to consumers (simpler for the store but more expensive for shoppers).

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[31] Park, K., Gómez, M., Clancy, K. (2018). *Case Studies of Supermarkets and Food Supply Chains in Low-Income Areas of the Northeast: A Cross Case Comparison of 11 Case Studies*. https://agsci.psu.edu/research/food-security/publications/supply-chain-case-studies/cross-case-comparison-of-11-case-studies

[32] US Census Bureau. Industry Statistics Portal. NAICS definition. Both grocery stores and supermarkets fit this definition, with supermarkets generally being understood to be the larger of these food retailers.

Disadvantages

- Independently owned stores do not often have the means to own their own distribution centers and must therefore rely on large grocery wholesalers. Two of the stores reviewed were licensed under contracts with large chain store companies and therefore had very little choice in products or suppliers. In these cases, the parent company also dictated store layout and operations, further limiting proprietors' ability to tailor the retailer to local consumer preferences. However, other stores found ways to customize offerings without increasing costs: one joined a retail cooperative of independent stores that buys directly from food manufacturers, and another purchased deeply discounted products such as overstock and almost-expired foods.
- The small sizes of these stores (compared to the national average, and certainly compared to supercenters and club stores) affect operations costs such as food transportation to the store. Delivery of a smaller volume of goods from a wholesaler results in higher per-unit costs. Two stores opted to keep temperature-controlled storage/warehousing space (either onsite or nearby) that allowed them to purchase in greater quantities and less frequently – and at lower unit costs – from a variety of wholesalers and "distribute" to their own store(s) over time. (Note that the case study examined cost savings with this strategy but not how product freshness was impacted.) The convenience store proprietor had a longstanding relationship with a local farmer who delivered fresh produce along an established route that included several area retailers, thus reducing transportation costs for each individual store.

The study noted that the distance each type of food travels to reach a retailer impacts pricing for consumers, with milk traveling the shortest distance and fresh produce the longest.

IMPLAN analysis

Economic impact

This brief analysis of the economic impact of a supermarket, grocery store, and farmers market uses IMPLAN, an "input-output" modeling program. As such, IMPLAN requires that at least one impact (or known quantity) be input into the model to generate output estimations. For this analysis, the impact entered was industry output for the category "Retail – Food and Beverage Stores." All types of grocery stores (including supermarkets) as well as farmers markets fall into this category,[33] and this presents a challenge: while it is possible to distinguish the impact of a large grocery store from that of a supermarket based on their average annual sales because they are the same type of business in two distinct sizes, IMPLAN does not distinguish between a grocery store (of any size) and a farmers market. They all fall into the category "Retail – Food and Beverage Stores." The problem is that farmers markets are a very different type of business and therefore impact the local economy differently. For example, there would be much more impact expected for local farmers from a farmers market, and it is also possible that a variety of local artisans would benefit, depending on the types of businesses that rent stalls. Standard analysis of the industry "Retail – Food and Beverage Stores" assumes smaller impact to local businesses in general than would be accurate for a farmers market, and employment estimates

[33] IMPLAN consolidates the 21,855 individual six-digit (i.e., level of highest specificity) 2022 NAICS codes for all types of business into 528 more generalized categories for the purpose of analysis. This is the reason that grocery stores, supermarkets, and farmers markets are all considered the same type of business.

would also be inaccurate based on the very different types of independent sellers at a market compared to employees of a standard grocery store. Lastly, farmers markets generally only operate one or two days a week, and often only seasonally. This last difference, however, can be addressed effectively in IMPLAN by assigning accurate total sales and industry output values.

Because of these issues, this market analysis will consider IMPLAN results for farmers markets in less detail than for grocery stores and supermarkets, noting additional potential impacts drawn from other research.

Table 9: Assumptions for IMPLAN analysis for Salem

Type of business	Total sales	Markup %	Retail margin	Wholesale purchases	Industry output
Large grocery store[34]	$2,000,000	28.8%	$576,000	$1,424,000	$716,554
Supermarket[35]	$14,000,000	28.8%	$4,032,000	$9,968,000	$5,015,878
Farmers market[36]	$500,000	50%	$250,000	$0	N/A

Note that the markup includes not only profits but also transportation and building lease costs – or in the case of a farmers market, costs to lease the land on market days plus the costs businesses pay to rent a stall. In reality, there is a lot more variation in the markups charged at farmers markets than at grocery stores, with stalls charging anything between 15% and 100% (or more) as markup for their products.[37] However, liability costs (e.g., insurance) that are part of the markup for grocery stores are not necessarily part of farmers markets' costs.

The results of an input-output analysis are broken down into direct, indirect, and induced effects. **Direct effects** refer to the initial change to the local economy in this analysis. IMPLAN then generates additional effects that occur because of this initial change. **Indirect effects** refer to the business-to-business purchases in the supply chain and depend on the industry selected (in this case, "Retail – Food and Beverage Stores"). Some examples for this industry are wholesalers, truck transportation, real estate, and legal services. **Induced effects** stem from household spending of labor income. A simple example would be when employees of a grocery store buy lunch at a deli near their place of work, pay for daycare, use the bank, or pay their rent. When enough workers continue to spend their money (i.e., their labor income) at businesses near the work site, those businesses in turn might decide to hire more workers. This would be induced employment that is hired in non-food-retailer industries.

Large grocery store: Economic impact

IMPLAN analysis shows that a new grocery store with $2 million in sales at 25 New Market Street (or anywhere in Salem) would support about five new jobs related to the store itself (direct impact) and a small portion of jobs in warehousing, real estate related to a building lease, accounting, and building maintenance (indirect impact). The very small induced employment impact (less than a hundredth of a

[34] Based on the USDA definition of annual sales of $2 million. No specific square footage is noted in this definition.

[35] Average size of 45,000 square feet and total annual sales of $14 million (USDA definition).

[36] Although average annual sales of farmers markets nationally are closer to $1 million [Farmers' Markets America and Barney & Worth, Inc. 2008. "Characteristics of Successful Farmers Markets: Portland Farmers Markets/Direct-Market Economic Analysis."], we set a much lower assumption for this study based on the small size of Salem's population and its location in a primarily rural county.

[37] A. Pinto, A. Torres. 2017. "What You Need to Know about Selling in Farmers Markets. Part 2: Pricing." Purdue Extension, Horticulture Business.

job) is related to non-restaurant food and drinking places such as cafeterias and food trucks – perhaps meals purchased by grocery store employees during their shifts.

Annual direct labor income of $246,959 refers to both employee compensation ($198,239) and store proprietor income ($48,720). Indirect labor income of $24,699 accrues to employees and proprietors of warehousing, accounting, and truck transportation companies and the postal service, as well as a variety of local businesses supplying services such as landscaping and building maintenance. Induced labor income of $19,261 goes to employees and proprietors of businesses such as hospitals, medical offices, and restaurants.

While output is equal to the gross retail margin for a store, value added is a measure of the value of the services the store provides. It does not include the value of the items purchased to stock the store. In this case, the value the grocery store adds is to offer items for sale, organized on shelves in a store that is convenient to customers.[38] This added value is then used to pay for employee compensation, proprietor income, and taxes, with some remainder for profit. Value added is similar to an industry's contribution to gross domestic product (GDP). A large grocery store in Salem would generate an estimated $505,642 in total value added for the economy of Salem County.[39]

Table 10: Economic impact summary for a large grocery store

	Employment	Labor income	Value added	Output
Direct impact	5.25	$246,959	$428,148	$576,000
Indirect impact	0.55	$24,699	$35,584	$75,971
Induced impact	0.36	$19,261	$41,910	$64,583
Total impact	**6.16**	**$290,919**	**$505,642**	**$716,554**

Note: All amounts are annual totals.
Source: IMPLAN analysis

Establishment of a large grocery store in Salem would be most likely to benefit the local economy by increasing output in the industries listed below. Aside from the first category – which shows the most significant new output because it includes the grocery store itself – the increases are fairly small. However, they do not take into account less easily quantifiable economic benefits such as the value of redeveloping a vacant and distressed site into a productive community asset, which can in turn increase surrounding property values and attract more businesses to the area.

Table 11: New output generated from establishment of a large grocery store (top 10 industries in terms of impact output)

Industry	**Industry total output (Salem Co.)**	**Impact output (Salem Co.)**
Retail - Food & beverage stores	$61,777,118	$577,945
Other real estate *(non-residential building leases)*	$138,184,949	$20,307
Owner-occupied housing	$444,939,397	$16,296
Warehousing & storage	$360,231,900	$15,756
Truck transportation	$88,534,259	$4,809
Accounting, tax preparation, bookkeeping, & payroll services	$124,881,890	$4,311
Offices of physicians	$118,659,987	$4,051

[38] Value added does not include intermediate inputs such as rent, electricity, or heating costs.
[39] While IMPLAN makes it possible to analyze impact on an area as specific as a particular zip code, this degree of specificity is not necessarily ideal. In IMPLAN, economic impact can only benefit businesses that currently exist in an area of analysis, and a more thorough analysis is therefore possible in a broader area such as a county.

Hospitals	$111,250,877	$3,983
Other state government enterprises	$136,906,448	$3,718
Monetary authorities & depository credit intermediation	$57,011,209	$2,558
Total for Salem County	**$7,176,768,971**	**$716,554**

Note: All amounts are annual totals for Salem County. The values listed for Owner-occupied Dwellings refer to wealth created by homeownership (not to mortgage payments).
Source: IMPLAN analysis

One last component of economic impact is the taxes paid as a result of the establishment of a new business. Like employment and output, this impact is made up of direct, indirect, and induced amounts. Sub-County General Taxes and Sub-County Special District taxes may be of particular interest to Salem. Special district taxes are for limited purposes and in general provide services residents desire. Examples are departments such as fire, water, sewer, waste disposal, parks, and other utility districts.

Table 12: Tax impacts

Impact	Sub County General	Sub County Special Districts	County	State	Federal	**Total**
Direct	$8,344	$15,226	$9,624	$22,903	$58,427	$114,523
Indirect	$503	$918	$580	$1,487	$5,426	$8,914
Induced	$852	$1,554	$982	$2,331	$4,888	$10,607
Total	**$9,699**	**$17,698**	**$11,186**	**$26,720**	**$68,741**	**$134,044**

Note: All amounts are estimates of annual totals.
Source: IMPLAN analysis

Supermarket: Economic Impact

Because a supermarket is by definition much bigger than a large grocery store and has much higher sales, the economic impact will also be greater, though it will follow a very similar pattern in terms of where in the local economy that impact will be felt.

The establishment of a new supermarket would support 36 jobs at the store itself (direct employment). Indirect employment is once again in the warehousing industry (one job) and in the real estate industry (one job) related to a lease for a non-residential building, and portions of jobs in the accounting, truck transportation, and building maintenance industries. Induced employment – two and a half jobs – is likely to take place in local medical offices, hospitals, various types of restaurants, and businesses offering personal care services.

Direct labor income includes $1,387,675 in employee compensation and $341,038 in store proprietor income. Indirect labor income of $172,893 accrues to employees and proprietors of warehousing and storage facilities, accounting businesses, and a variety of local businesses supplying services such as truck transportation, non-residential real estate, building services, and maintenance and repair. Induced labor income of $134,828 is likely to go to employees and proprietors of medical offices, hospitals, retail establishments, restaurants, and a variety of personal services.

A supermarket in Salem would generate an estimated $3,539,492 in total new value added (or county GDP) through its operation.

Table 13: Economic impact summary

	Employment	Labor income	Value added	Output
Direct impact	36.74	$1,728,714	$2,997,037	$4,032,000

Indirect impact	3.87	$172,893	$249,087	$531,794
Induced impact	2.52	$134,828	$293,369	$452,084
Total impact	**43.13**	**$2,036,435**	**$3,539,492**	**$5,015,878**

Note: All amounts are annual totals.
Source: IMPLAN analysis

The establishment of a supermarket in Salem would be most likely to benefit the local economy by increasing output in the industries listed below. Aside from the first category (which includes the supermarket itself) the highest output increases accrue to local non-residential real estate, warehousing & storage, truck transportation, and accounting services businesses. As in the case of a new grocery store, there would be local impacts that the analysis does not reveal: wherever in Salem a new supermarket is sited would tend to stimulate the local economy, making the immediate surroundings a significantly more attractive place for other types of businesses to locate.

Table 14: New output generated from establishment of a supermarket (top 10 industries in terms of impact output)

	Industry total output (Salem Co.)	**Impact output (Salem Co.)**
Retail - Food and beverage stores	$61,777,118	$4,045,616
Other real estate	$138,184,949	$142,151
Owner-occupied housing	$444,939,397	$114,073
Warehousing and storage	$360,231,900	$110,293
Truck transportation	$88,534,259	$33,666
Accounting, tax prep., bookkeeping, & payroll services	$124,881,890	$30,174
Offices of physicians	$118,659,987	$28,360
Hospitals	$111,250,877	$27,878
Other state government enterprises	$136,906,448	$26,025
Monetary authorities & depository credit intermediation	$57,011,209	$17,906

Note: All amounts are annual totals for Salem County. The values listed for Owner-occupied Dwellings refer to wealth created by homeownership (not to mortgage payments).
Source: IMPLAN analysis

Finally, the estimated tax impacts are the following:

Table 15: Tax results

	Sub County General	Sub County Special Districts	County	State	Federal	**Total**
Direct	$58,407	$106,580	$67,365	$160,319	$408,991	**$801,662**
Indirect	$5,962	$10,880	$6,877	$16,315	$34,216	**$74,250**
Induced	$3,522	$6,426	$4,062	$10,409	$37,979	**$62,397**
Total	**$67,891**	**$123,886**	**$78,304**	**$187,043**	**$481,186**	**$938,310**

Note: All amounts are annual totals.
Source: IMPLAN analysis

Farmers Market: Economic impact

Because of the challenges in analyzing the economic impact of farmers markets in IMPLAN noted above, this section approaches measurement differently, and impact is discussed in broader strokes and with a more nuanced interpretation than was the case for a grocery store or supermarket. Supermarkets are just large grocery stores, but farmers markets are not just outdoor grocery stores, because they have an entirely different business model and have to be approached differently in terms of economic impact.[40]

A farmers market is almost by definition related to local production and would have a more significant impact on local producers than would a grocery store or supermarket. The impact detailed below assumes a small percentage of sales will be of food produced hyper-locally – i.e., in Salem – but a much greater percentage will be produced by individuals and on farms in the wider area of Salem County. Perhaps not 100% of products will be grown in the county, but a certain percentage can be assumed to be. The analysis below is intended to serve as a general desktop analysis; more precise estimations would require a full farmers market feasibility analysis.

Lastly, note that the economic impact of a farmers market *cannot* be directly compared with that of a grocery store or supermarket because these analyses cover impact in different regions. The analysis for the grocery store and supermarket was designed to measure impact within Salem County, but because an unknown quantity of the food was produced in the county, there was a notable lack of impact to farms and food producers. There was some impact to food wholesalers, since this type of company does exist in Salem County, and there was notable impact to local warehousing & storage companies. The objective of the economic impact analysis in that case was to understand how siting this type of food retailer at the target site would impact a) the employees and proprietor of the store directly, and b) surrounding households and businesses indirectly.

Table 16: Farmers market mix of products and locally sourced percentages and sales (Salem)

	% of farmers market products	Sales at farmers market	Percent sourced in County	County product sales
Vegetables & melons	25%	$125,000	90%	$112,500
Fruit	20%	$100,000	70%	$70,000
Greenhouse, nursery, & floriculture products	15%	$75,000	90%	$67,500
Poultry and eggs	10%	$50,000	90%	$45,000
Beef	0.1%	$500	80%	$400
Other animal products	2%	$10,000	80%	$8,000
Fish	2%	$10,000	10%	$1,000
Cheese	2%	$10,000	0%	$0
Bread and bakery products	12%	$60,000	90%	$54,000
Other snack foods	12%	$59,500	90%	$53,550
		$500,000		**$411,950**

A seasonal farmers market open two days a week between June 1 and November 30 and sited on land totaling just over one acre is assumed to accrue gross annual sales of approximately $500,000.[41] This

[40] For the purpose of IMPLAN analysis, the output of a farmers market assigned as the "input value" is based on producer prices rather than purchaser prices (the latter is the basis of output for grocery stores).

[41] Number of market days per week and seasonal months based on New Jersey farmers market averages. Total sales estimates based on: Farmers' Markets America and Barney & Worth, Inc. 2008. "Characteristics of Successful Farmers Markets: Portland Farmers Markets/Direct-Market Economic Analysis." And: H. Petersen. 2022. "Farmers Markets of Minneapolis: 2021 Metrics." Dept of Applied Economics, U of M-Twin Cities. The first source was chosen because it provided specific sales figures for markets across the US, and the second was chosen because it focused on a city with a large proportion of low-income and minority households, and most of the local farmers markets reviewed accept SNAP and have an additional government-sponsored "Market Bucks" program to support low-income families' purchases of fresh produce.

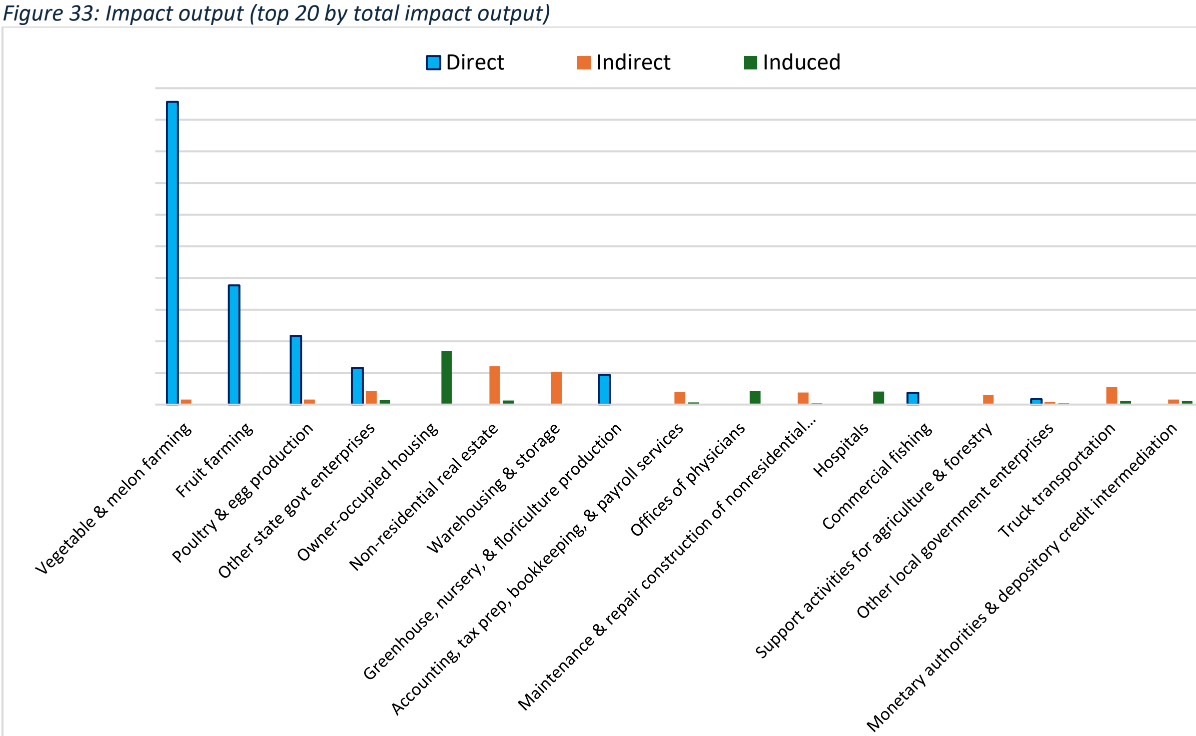
estimated sales number is on the very low end on a national scale and depends on the number of vendors and product mix. Most farmers markets build success over a period of several years, so year-one sales would likely be significantly lower.

The IMPLAN analysis highlighted below takes into account several important differences between food sales in a store and food sales at a farmers market. The primary difference is that there is no wholesale activity involved: vendors produce the food themselves rather than purchasing food from a third party. In addition, the product mix offered at a farmers market tends to be mainly fresh, locally produced fruit, vegetables, meats/poultry, eggs, and baked goods, rather than the processed and pre-packaged foods sold in stores. Again, a full feasibility analysis would be necessary to produce definitive estimates, but for the purpose of this study, the mix of products produced and sold that was specified in the IMPLAN analysis is shown in Table 16. Because no exact amounts of each product type sold at the farmers market are known, this distribution is based on the overall sales figure of the individual products from current output levels for Salem County, as well as current household demand.

There are other important differences between the business model of a grocery store or supermarket and that of a farmers market. The food sold at farmers markets is also generally produced, processed, and transported within the same region, which may limit variety but also results in more money remaining in the local economy. Real estate fees are far lower: there are fees for use of the market site to be paid by the market proprietor or management (costs which are in turn passed on to vendors), but these are far lower than the building lease a store would pay. Transportation costs are borne by individual vendors, so there is generally very little economic impact to trucking transportation companies. Warehousing and storage costs are not generally applicable, either.

IMPLAN estimates the following shares of direct, indirect, and induced impact:

Figure 33: Impact output (top 20 by total impact output)



Source: IMPLAN analysis

All of the direct impact to output is in the sectors that produced the items being sold at the famers market, while indirect and induced impacts are mainly related to market management and the top sectors where food producers would be expected to spend their earnings, such as transportation, housing, accounting, and banks. New direct, indirect, and induced jobs created would fall into similar categories.

What IMPLAN might not be capturing particularly well is the extent to which farmers markets bring business to neighboring stores and communities where a market is located, or the fact that money spent at markets specializing in local products tends to remain within the local community, preserving and creating local jobs. In addition, farmers markets provide opportunities for small farmers and vendors to sell their products and grow new businesses without the added costs of shipping, storage, or inventory control. And IMPLAN does not capture any of the income generated by non-commercial items such as vegetables from community gardens, if there are any sold at the market.

No tax analysis is included here, because although the proprietors of farmers markets do pay taxes on behalf of the organization (based on vendor payments, for example, but not on food sales), the bulk of relevant taxes are paid by individual vendors based on their own sales.[42]

Studies on means of mitigating food deserts

Often a creative, multifaceted approach is necessary to address access to nutritious food in low-income, under-resourced communities, particularly if no investment dollars are available for a new supermarket. Start-up costs are high, land that is attractive to investors may be scarce, and the profit margins of grocery stores tend to be very low. These challenges are magnified in low-income urban neighborhoods. Over the past decade, many urban areas have seen a decline in the number of medium-sized to large grocery stores, while the number of supercenters and club stores in suburban areas has increased. These “mega- stores” have the advantage of customer volume and (non-food) product offerings with higher margins, which makes them better able to make a profit.

A recent study on transportation and grocery supply chains in rural areas points out that this shift toward a greater concentration of food retailers in suburban and higher-income areas both undermines competition (to the detriment of consumers) and harms independent grocers’ wholesale buying power. Historically, it has tended to be small, independent grocers that serve rural communities, and as buying power becomes more concentrated in the hands of supercenters and supermarket chains, these local businesses struggle to maintain product supply and competitive pricing. In low-income urban areas and small rural towns, a variety of chain dollar discount stores have proliferated, crowding out grocery stores that offer a full range of healthy options while at the same time not necessarily offering high-quality, nutritious food themselves.[43] In the face of these trends, non-traditional models to improve food access have been the solution for some low-income communities in the US.

[42] In addition, an individual vendor generally sells at more than one farmers market (or other outlet), and taxes paid per farmers market are not calculated separately from the total.

[43] “Transportation Issues Affecting Fresh Food Distribution: A Comparison Study of Rural vs. Urban America.” 2023. Center for Integrated Agricultural Systems at the University of Wisconsin-Madison, in collaboration with USDA Agricultural Marketing Service, Transportation Services Division.

Below we discuss a variety of models for improving access to healthy food and promoting equitable community development – while in some cases at the same time supporting local farmers' and healthy food entrepreneurs' expansion and sustainability.

Transportation solutions for existing food retailers

According to Centers for Disease Control (CDC) research, lack of transportation infrastructure is the most significant barrier to accessing food in many rural communities. If a grocery store, supermarket, or farmers market exists within a reasonable driving distance – such as within a 15-minute drive – establishing a shuttle service or other means of demand-responsive transit (DRT) can help address transportation issues. In the absence of public transportation systems (or inadequate systems), there are private and quasi-public transit services ranging from individual rideshares to buses or vans without fixed routes or timetables.[44]

Establishment of a DRT such as a dedicated shuttle service to a grocery store has the advantage of being more quickly implementable than development of a new food retailer. This is essentially the inverse of a mobile grocer and addresses the same issue of lack of access to both food and transportation: instead of bringing the store to the people as a mobile grocer does, a shuttle brings people to the store on a regular schedule.

CapMetro Pickup in Austin, TX is one example. This public transport shuttle was initiated by the Austin-Travis County Food Policy Board in collaboration with community leaders and grocery stores to help low-income residents access essential goods and services. It is available on demand for transportation to "bus stops, appointments, grocery or drugstores and anywhere within a few miles." The fare is $1.25/trip (the same as a single-ride fare on the city bus system), and kids ride free. There are 11 service zones, and residents within those zones use an app to arrange a ride in advance. In recent years this highly successful service has been incorporated into the city's public transportation system.[45]

Photo: Cap Metro Pickup

A slightly different model that focuses on providing transportation solutions to existing food retailers is a free or reduced-price transportation voucher program. In locations where adequate public transportation exists, this might be bus passes; where it does not, the program could cover private rideshare (such as Uber or Lyft) trips. The Walsh Center for Rural Health Analysis has highlighted the efficacy of providing vouchers or coupons for rides from a participating transportation provider to certain eligible residents, as determined by the municipality or county. Eligibility might be based on age, disability, income, geographic location, or another factor.[46] A program like this could receive funding support from local grocery stores, as customer transportation would generate additional sales. In addition, some grocery stores have supported shuttle services as a way to combat the removal of

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[44] Dumas, B., Harris, M., McMahon, J., Daymude, T., Warnock, A., Moore, L., Onufrak, S. *Prevalence of Municipal-Level Policies Dedicated to Transportation That Consider Food Access.* Centers for Disease Control, 2021.

[45] https://www.capmetro.org/pickup

[46] *Rural Evaluation Brief: Promising Practices for Increasing Access to Transportation in Rural Communities.* The Walsh Center for Rural Health Analysis, NORC at the University of Chicago, 2018.

shopping carts – generally an indication of a transportation problem for shoppers.[47] Other sources of funding for a supermarket shuttle or ride vouchers could be a local healthcare provider or a health insurance agency covering local residents, as a way to support improved health through better access to a full selection of food.

There are disadvantages to these various types of supermarket transportation programs. For instance, they may work best for small or single-person households that require infrequent, relatively low-volume trips to the grocery store, but not be well suited to family households. That transportation is either on-demand but in advance or according to a regular schedule also reduces flexibility and requires advance planning. And there is the obvious disadvantage that such a solution does nothing for local economic development or for reactivation of a vacant community building.

Non-traditional grocery store models

There are a variety of non-traditional models that have been successful in low-income, under-resourced communities – from independent stores accessing grants and tax incentives to public-private ventures. Because grocery stores tend to have very low profit margins, often a traditional financing model for a store in a low-income community does not succeed.

Grant-funded and alternative ownership store models

Vicente's Tropical Supermarket in Brockton, MA is an example of an independent operator accessing grant funding through the state-funded Massachusetts Food Trust Program (MFTP). Vicente's offers nutritious, affordable, and culturally appropriate ethnic food that is a direct response to local residents' stated food preferences. Public engagement to achieve this fit has been largely informal, because the proprietors are part of the large immigrant population they serve. The store also offers healthy prepared foods, and customers who spend more than $100 are eligible for free Uber and Lyft rides. Grant funding and a low-interest loan from MFTP allowed Vicente's to renovate their original store and expand the fresh produce sections. The store's approach to its local clientele – along with the MFTP-funded upgrade – has been so successful that Vicente's has opened a second location in the same town, another in a nearby town, and a new store in Rhode Island. These stores have created local living-wage jobs and stimulated economic development in the surrounding neighborhoods.[48]

MFTP has established other programs that complement its financing support for improving access to healthy food by establishing a hydroponic greenhouse and a Farm and Community Collaborative. The Wellspring Harvest greenhouse – built on a reclaimed brownfield site – creates jobs for low-income residents and provides fresh, healthy food to local grocery stores, schools, and hospitals. Organized as a worker cooperative, Wellspring employees share in company profits. MFTP has

Photo: *Wellspring Harvest greenhouse*

[47] Gottlieb, R., Fisher, A., Dohan, M., O'Connor, L., & Parks, V. (1996). *Homeward Bound: Food-Related Transportation Strategies in Low Income and Transit Dependent Communities*. UC Berkeley: University of California Transportation Center. Retrieved from https://escholarship.org/uc/item/85n1j2bb

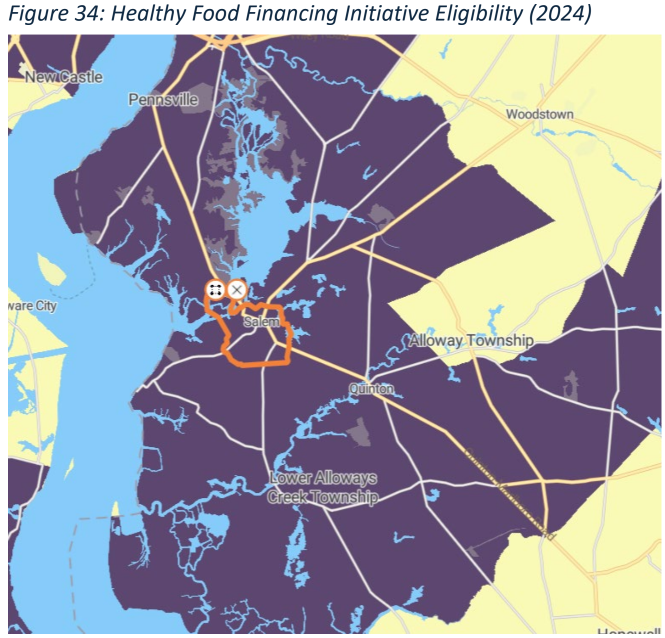
[48] https://massfoodtrustprogram.org/funded-projects/2019/6/3/vicentes-tropical-grocery

supported Wellspring through a $15,000 loan and a $15,000 grant and is the largest urban greenhouse in Massachusetts. The Farm and Community Collaborative provides linkages between local farms and youth, offering paid apprenticeships for urban youth to learn about sustainable agriculture and the local food system. The focus is on understanding how small local farms can help mitigate urban food insecurity and lack of access to nutritious food, while at the same time supporting agricultural entrepreneurship. The Collaborative was awarded a $20,000 grant from MFTP to support their work.[49]

There is also federal funding and public-private support available to retailers prioritizing access to healthy food in both urban and rural areas. With investments through the Healthy Food Financing Initiative (HFFI), USDA partners with the Reinvestment Fund to support the establishment and expansion of grocery stores and other healthy food retailers to underserved urban, rural, and tribal communities. In eligible communities (shown in purple on the map in Figure 34), grants, loans, and technical assistance are available to eligible fresh, healthy food retailers and food retail supply chain enterprises "to overcome the higher costs and initial barriers to entry in underserved areas." In addition to improving access to healthy food, this funding aims to help create good jobs and revitalize low-income communities. To be eligible, a project must:

- Be designed to expand or preserve the availability of staple and perishable foods in underserved areas with low and moderate-income populations (identified in the HFFI map of eligible communities); and
- Accept SNAP for any projects involving retail sales.[50]

Figure 34: Healthy Food Financing Initiative Eligibility (2024)



Source: America's Healthy Food Financing Initiative

HFFI has awarded over $25 million in funding to 162 food retail and food retail supply chain projects across the US through their Targeted Small Grants Program. In Flint, Michigan, residents' options for food were limited to dollar store offerings or fast food – particularly for the substantial number of households without access to a car. The North Flint Reinvestment Corporation (CDC - a community development group) began planning for establishment of a co-op food store, with the joint objectives of improving access to healthy food, creating jobs, and establishing ownership and decision-making power over the store where residents shopped. After extensive community engagement and planning, the group identified a store co-op manager, completed a business plan, and began seeking funding sources. With assistance from the local land bank, the North Flint Reinvestment Corporation purchased land that included a 19,000 SF vacant building and space for a parking lot in 2020. A $200,000 grant from HFFI allowed construction to begin and served as leverage to enable the CDC to secure New Markets Tax Credits and other funding. As is often the case with co-ops, a great deal of work, community engagement, and time was needed before the market opened in 2024, but it had exceeded its goal of

[49] https://massfoodtrustprogram.org/funded-projects/2019/6/3/farm-and-community-collaborative
[50] America's Healthy Food Financing Initiative

1,000 co-op members by opening day. It serves the community with a full range of groceries, and through a partnership with Michigan State University, the co-op aims to source at least 10% of its produce from local farmers in the first year of operation – to be increased over time. In the longer term, the CDC hopes to continue community development efforts around the co-op's vicinity to establish a "health and wellness corridor" that provides additional resources to residents.[51]

Another alternative model is the grocery store based in a public-private partnership – some of which also have grant or loan funding to support operations. The Michigan Good Food Fund, the Pennsylvania Fresh Food Financing Initiative, and the Kansas Healthy Food Initiative have lending programs that offer support for the establishment (and retention) of nutritious food retailers in underserved areas.[52] Many of these programs offer coordination with nutrition incentive programs such as SNAP Incentives and a variety of supplemental support for produce purchases.

As the name suggests, the Kansas State Rural Grocery Initiative specializes in supporting the establishment and retention of grocery stores (of various kinds) in rural areas. The St. Paul Supermarket (St. Paul, Kansas; population 615) is a city-owned store that was founded in response to lack of access and a dwindling population. Traditional models had failed, and the town was not able to attract a chain or independent operator. After receiving a zero-interest loan from the USDA Rural Economic Development Loan and Grant program in 2007, the town's newly established Community Development Corporation purchased land and began construction and equipment purchases. Town residents voted to have the City guarantee the loan, opening the door for additional funding that made it possible to contract with a cooperative wholesale grocery supplier[53] and hire two store managers who were also responsible for purchasing inventory. When these managers retired in 2013, the city commission bought out the CDC and took on operation of the store, hiring a new management team. Since that time, the store has operated successfully as a municipally owned business, and full-time employees are city employees. Community buy-in has been key to the store's success, and residents were willing to support this model because they considered it to be answering an essential community need. Employing an experienced store manager has also been key, since a city (or other municipal entity) may not have appropriate management experience.[54]

Photo: St. Paul Supermarket Facebook page

Bluestem Mercantile in rural Leon, Kansas (population 520) also received support from the Kansas Healthy Food Initiative. This store is owned by the school district, which serves the surrounding 350 square miles (about 500 students). The town had no grocery store, and the idea of a school district-owned store stemmed from the desire to provide workforce training to high school students interested

[51] Building a Cooperative Food Market in North Flint, Michigan (Reinvestment Fund: Success Stories)

[52] https://migoodfoodfund.org/; https://thefoodtrust.org/what-we-do/hffi/pa/; and https://kansashealthyfood.org/

[53] In small rural communities, finding an affordable food distribution partner is a challenge because individual stores cannot order the kind of volume that allows them to keep prices down. Transportation of food to the store may also be an expensive issue. One solution that has worked for rural stores is group ordering through a cooperative wholesaler, which may also include delivery to a central "hub" store.

[54] Success Story published by Rural Grocery Initiative at Kansas State University, May 2020.

in entrepreneurship and students in the special education program. Serving local children's education while serving the community itself were goals of the school district, and leadership felt the idea was feasible. The school board approved the purchase of the old grocery store building in 2019, with the expectation that store sales would cover operating costs. The Kansas Healthy Food Initiative provided a combination of grants and loans totaling $30,000 to cover minor repairs, purchase of equipment, a point-of-sale system, and the initial inventory. The store functions as a "classroom" for students, who receive school credit for inventory processing and management and day-to-day operations. The project expanded to include agricultural students (e.g., 4H), who supply local meat and eggs, and school district woodworking and craft clubs provide furniture for the store and household items for sale. The store offers grocery essentials and – as is clear from its very active Facebook page – has become a community resource for this small town.[55] Because profit margins are so slim, small grocery stores have found that they are better able to win loyal customers and earn community support by providing other services. Frequently, this means acting as a community hub and gathering place for residents by offering special events and partnering with other local businesses and institutions.

Eggs supplied by agricultural students are sold for a premium next to wholesaler-supplied eggs
Photo: Kansas Healthy Food Initiative

Non-profit grocery stores

One final non-traditional model is a non-profit grocery store. Good Grocer in Minneapolis, MN stocks fresh, zero-waste produce and standard grocery items for a mainly immigrant, low-income customer base, with a price point somewhere between a food pantry and a standard food retailer. Founded by a faith community, Good Grocer is fully staffed by volunteers (who receive a 20% discount for a minimal time commitment), but members of the public can also shop for full price, which – along with donations – enables the store to offer half prices for people experiencing food insecurity.[56]

In Waco, Texas, the non-profit Jubilee Market was founded in 2016 on a model that relied on offering community members the opportunity to invest in shares, which in turn provided important capital to cover start-up costs. These funds were augmented by community donations to help keep prices low at the store, which is owned by a religious mission organization.[57] Another model is the non-profit co-op, where membership fees enable the store to offer discounted pricing to members. In some cases, a tiered membership structure allows lower-income households to pay less in fees (and higher-income households to pay more) while offering the same discounted pricing to all members. Co-op models are discussed in more detail below.

Greater Goods in Philadelphia's Kensington neighborhood is another example of a non-profit entity addressing food insecurity. This entirely free grocery store receives philanthropic funding and support from Acme Markets (as well as public donations) to provide a food pantry that offers community members the opportunity to browse aisles in what looks very much like a small grocery store. Open 15 hours per week to low-income residents, the organization endeavors to provide food to those who need

[55] Success Story published by the Kansas State Kansas Healthy Food Initiative, March 2021.
[56] https://www.goodgrocer.org/
[57] https://missionwaco.org/about-us/history/

it in a dignified setting.[58] This non-profit model is different from others discussed here in that it is essentially a food pantry.

Healthy bodega/corner store initiatives

In communities with independently owned bodegas and corner stores, there is a legitimate concern that establishment of a grocery store or supermarket would drive these small businesses out. Corner stores and bodegas offer convenience to residents (particularly those who do not own cars) but very often do not offer fresh or nutritious foods. Programs that support corner stores' ability to expand their offerings of fresh fruit and vegetables (and sometimes nutritious prepared foods) at affordable prices can benefit both local consumers and store proprietors – and even local farmers if produce is sourced nearby. Funding is often used to subsidize stores' purchase of food and of refrigeration or other storage, and some programs also offer technical assistance and support a public education component that provides information to customers about nutrition and food choices.

The Los Angeles Food Policy Council's Healthy Neighborhood Market Network (HNMN) works with small markets and corner stores – independently owned by low- to middle-income families who are often immigrants and people of color – to stay in business *and* increase fresh produce offerings. Each year, HNMN offers 20-30 corner store owners intensive business and leadership training, mentorship, and technical assistance to help them transform their stores into healthy food businesses. Technical assistance includes marketing, branding, store design and merchandising, pricing and profitability, and sourcing options. And the program has been successful: a large majority of store proprietors surveyed said they had seen an increase in healthy food sales after participating in the program. The support does not end there, either. HNMN offers a network of resource providers to provide customized services to store owners – from connections to local farms, to healthcare professionals who carry out medical screenings in-store, to nutrition workshops and cooking demonstrations on-site to drive demand for new healthful products.[59]

One potential hurdle can be connecting these small stores to SNAP and WIC programs, and HNMN provides support through neighborhood-based organizations to address this challenge. In the area where HNMN works, the USDA launched a pilot fruit and vegetable voucher program for SNAP participants to use at one corner store. The USDA-funded program provided $15-$50 extra dollars each month to SNAP customers to purchase fruits and vegetables from that store, which is a neighborhood market that (in collaboration with HNMN) had broadened its offerings from primarily beer and tobacco products to include fresh produce in an upgraded setting. The pilot was a success, with residents benefiting from increased neighborhood access to nutritious food, and the store experiencing an expanded customer base. By the sixth month of the program, produce had become the second highest-grossing product category at the store.[60]

The New York City Department of Health and Mental Hygiene's Healthy Bodegas Initiative also sought to preserve these small businesses in low-income minority neighborhoods in Harlem, South Bronx, and

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[58] https://sundaylove.org/services

[59] Los Angeles Food Policy Council. 2017. "Case Study: Increasing Equitable Food Access through the Healthy Neighborhood Market Network."

[60] Fox, Hayley. "After Three Decades, This Westlake Corner Store Continues to Reinvent Itself." *LA Weekly*, 1 November 2017. And Los Angeles Food Policy Council. 2017. "Case Study: Increasing Equitable Food Access through the Healthy Neighborhood Market Network."

Central Brooklyn with a two-pronged approach: its program staff worked with neighborhood corner stores and bodegas to increase the availability of healthier foods, and also with community organizations and residents to increase demand for these foods. The program's goal was to increase the availability, variety, and quality of fresh, healthy foods in the local bodegas that were convenient to residents and to educate and empower communities to demand healthier food options in their local retail settings. Starting with two campaigns, "Moooove to 1% Milk" and "Move to Fruits and Vegetables," the program incentivized local corner bodegas to push 1% milk in lieu of whole milk, and to encourage purchase of fruits and vegetables. Incentives were passed on to customers as discounts in the initial phases of the program, and bi-lingual educational flyers informed shoppers about the program's objectives. The program was successful, with many bodegas stocking products they had not before – and seeing increasing demand for them.[61] It is noteworthy that the choice to encourage bodegas to stock milk, vegetables, and fruit was a result of community outreach and surveys on resident demand, and similar efforts in other communities might point toward other food options such as fish, nutritious prepared foods, or locally produced bread.

In "Bringing Incentives to Corner Stores" (2022), Philadelphia-based non-profit The Food Trust – which partners with stores in New Jersey, Pennsylvania, and several other states – provides several examples of nutrition incentive programs that are designed to benefit the health of community members while supporting sales in small neighborhood stores. For example, "buy one get one free" produce coupons or discounts to shoppers using SNAP benefits, earned at the point of purchase, can be supported by grant funding to store proprietors, and have the advantage of focusing health benefits on low-income households. "Produce Prescriptions" is another type of program funded through partnerships with local medical institutions. Healthcare professionals write fruit and vegetable "prescriptions" to eligible patients who are either experiencing food insecurity or have dietary illnesses such as Type 2 diabetes, and these prescriptions function as vouchers that can be redeemed at participating local bodegas and corner stores.[62]

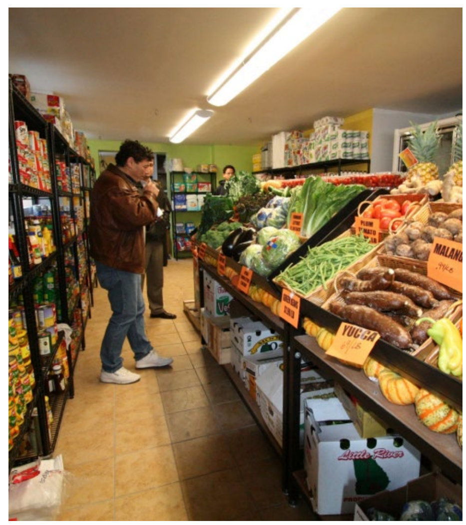

Photo: The Food Trust[61] Healthy Corner Store Initiative

While Salem only has a limited number of corner stores, there are also gas station mini-marts that stock some groceries and could benefit from a healthy corner store initiative. Outreach and research on the viability of a healthy corner store initiative would require extensive engagement with local store owners and managers to determine the level of interest as well as the resources that would be needed to support such a program.

[61] "New York City Healthy Bodegas Initiative: 2010 Report." New York City Department of Health & Mental Hygiene, Center for Economic Opportunity.

[62] The Food Trust and Nutrition Incentive Hub. (2022). *Bringing Incentives to Corner Stores: A Comprehensive Guide.*

Food co-ops

There are many examples of successful cooperatively run food stores, a model that has been in existence since the 18th century. Modern food co-ops are generally community owned and community centered, and unlike corporate grocery chains, they are independent and owned by the customers who shop there. Membership is open to all, and most profits are usually reinvested into the store. Members (or a board elected by members) choose which products the store stocks and which suppliers to use. Often this means stronger relationships with local farms and producers, which helps to concentrate economic benefits in the local area.

There are recent studies that point to the strength and sustainability it gives a food retailer to be community centered and customer owned (or, in some cases, worker owned). In 2019, researchers looked at all supermarkets that had plans to open in food deserts since 2000, and what happened. There were 71 supermarkets that met the criteria, of which 21 were driven by government efforts, 18 by community leaders, 12 by non-profits, 12 by a collaboration between government and communities, and eight by commercial interests. As of 2019, a third of the stores developed by government entities had closed their doors (or never had gotten past the planning stage), and half of the commercial stores had gone out of business. Of the government-community collaborative projects, almost half had also closed or never made it off the ground. However, of the 30 community and non-profit driven stores, 21 still remained open. What most interested the researchers was that 16 of the 18 community-driven stores were structured as co-ops. There are several common reasons this model succeeds in many food desert communities: residents may be wary of outside developers or concerned about the gentrification a new commercial grocery store can bring, and a chain grocery store is unlikely to rely on community engagement to decide which products will be offered, resulting in a mismatch between supply and demand.[63]

Mandela Grocery is a worker-owned cooperative food store in West Oakland, CA that is structured as a partnership with a non-profit organization. It sources its products from local farms and vendors – particularly those owned and run by people of color – in order to keep as much money as possible within the local economy. There is an emphasis on organic produce and "clean" foods, including nutritious packaged foods. The co-op was founded in 2009 and has continued to be successful, recently adding online shopping and home delivery to its offerings, and in 2019 began organizing a sister market in East Oakland in collaboration with an urban farming nonprofit.[64]

The Detroit People's Food Co-op is a Black-led and community-owned grocery cooperative founded by the Detroit Black Community Food Security Network. It began as a community organization working to establish community gardens and mitigate food insecurity through a buying club centered around the produce from those gardens. It received assistance from the City of Detroit to obtain a site and a grant from a non-profit for technical assistance with community outreach and membership development. The co-op's objectives are not only to improve access to healthy

Photo: [Detroit People's Food Co-op]

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[63] Brinkley, C., Glennie, C., Chrisinger, B., and Flores, J. 2019. '"If you Build it with them, they will come": What makes a supermarket intervention successful in a food desert?' *Journal of Public Affairs*, Volume 19, Issue 3.
[64] https://www.mandelagrocery.coop/

food in the low- to moderate-income area where it is sited but also to educate the community about nutrition and food sustainability. The co-op prioritizes local growers and Detroit-based suppliers in order to maximize local economic development. The Detroit Black Community Food Sovereignty Network and Develop Detroit Inc. collaborated to finance the project through a combination of donations, grants, loans, and New Markets Tax Credits.[65]

The New Orleans Food Co-op opened in 2011 with funding support from the city, and it has not only been successful in addressing access to nutritious food but has also become involved in community workforce development. With support from Goodwill, this consumer-owned co-op runs an internship-to-employment program for local youth. It has also partnered with a local college to offer cooking and nutrition classes onsite, meal plans, and healthy recipes. The co-op prioritizes stocking foods produced with economically and environmentally sustainable practices – particularly those produced within the region. A significant proportion of the 3,700 co-op members are on the limited-income membership plan; others take part in a working-member program to receive discounts.[66]

Photo: New Orleans Food Coop

Local Roots Market & Café is located in the small city of Wooster, Ohio, which is in a rural agricultural county dominated by small farms. Local Roots was founded in 2009 by a group of community members who volunteered their time to build a producer-consumer co-op that would not only be a source of nutritious food but would also support local entrepreneurs and farmers. That the co-op is owned by both consumers *and* producers makes it unique; Local Roots prioritizes small farmers by offering them shelf space without requiring contracts, allowing producers to set their own prices, production plans, and delivery schedules. There were 3,000 consumer household members at most recent count. The market sells produce, eggs, dairy, fresh meat, baked goods, prepared foods, and non-food gifts, all sourced from a network of over 200 Ohio producers. Additional income is generated by catering services, as well as rental of a shared commercial kitchen. Local Roots has received grants to continue growing and improving their physical assets, and has raised money from local donors and foundations to move into a larger space. They also supply their local Boys & Girls Club with meals four days a week through an additional grant-funded program.[67]

Co-ops that prioritize sourcing products from local farmers and producers not only tend to offer fresher food, they also support the local economy by increasing the percentage local producers receive out of the price that consumers pay for that food. For example, a tomato farmer who receives 14.7 cents for every dollar of his or her tomatoes sold to a grocery wholesaler might receive far more by selling directly to a co-op. While producers and farmers still have some transportation costs, supplying a co-op can eliminate other costs associated with wholesaling, distribution, storage, and retailing that are standard

[65] https://www.detroitfoodpc.org
[66] http://www.nolafood.coop/
[67] https://www.localrootswooster.com/market

when selling to traditional grocery store chains or more distant markets. More of the local producer profits, in turn, tend to be recycled through the local economy.[68]

Modern food co-ops are generally community centered, and unlike corporate grocery chains, they are independent and owned by the customers who shop there. Membership is open to all, and profits are usually reinvested into the store. Members choose which products the store stocks and which suppliers to use, and often this means stronger relationships to local farms and producers, which helps to concentrate economic benefits in the local area. One of the main hurdles in the establishment and maintenance of a successful food co-op, however, is that significant time and effort on the part of local community members is required. This is not a model that is feasible in all communities. Another challenge is accessing food at wholesale prices, which would likely mean establishing a relationship with a supermarket or consortium of other independent stores.

Mobile grocers

A mobile grocer is an innovative solution to food access challenges in a variety of different communities – rural areas, densely populated urban areas, or neighborhoods where no land is available for development. Sometimes the issue is a lack of available space; in other instances, very large food deserts spanning multiple communities are best served by a mobile grocer that visits each once or twice a week.

AtlantiCare Community Mobile Market (L); Twin Cities Mobile Market (R)

The Works, Inc. Mobile Grocer

One such example is the Memphis Mobile Grocer established by non-profit organization The Works, Inc. Through community outreach efforts in South Memphis neighborhoods over a period of two years, it became clear that access to fresh, nutritious food was a community priority, and the organization founded a seasonal farmers market in 2010, which eventually led to the establishment of a year-round grocery store on a site nearby. In 2022 they added an 18-wheeler mobile unit that makes recurring stops throughout underserved communities in inner-city Memphis, which has been called "America's Hunger Capital." The Works, originally founded to address a lack of affordable housing, saw in the course of 25 years of community work that the problem was not only food insecurity but also a severe lack of access to transportation – not only low vehicle access, but also extremely limited public transportation for the sprawling city. The Mobile Grocer makes 2-hour stops in communities four days a week, with a regular schedule that residents can rely on. According to The Works, the customers who rely most on the Mobile Grocer are low-income seniors, for whom food access is a particularly difficult problem.[69]

Mobile groceries of varying sizes have proliferated in cities throughout the US along a wide variety of business models. Chattanooga Mobile Market (Tennessee) is run in a similar way to the Memphis Mobile Grocer, while Santa Fe's MoGro Mobile Grocery brings fresh food to tribal communities. There

[68] LaClaire, B. 2016. *From Farm to Table: A Kansas Guide to Community Food System Assessment.*

[69] https://theworkscdc.org/mobile-grocer/

are also mobile farmers markets that bring fresh fruits and vegetables to different communities each day of the week, mobile units that partner with brick-and-mortar stores, and combination food truck-mobile grocers.[70] It is clearly a business model that is growing and developing and offers opportunities for tailoring to fit an individual community's needs.

Alternative farmers market models

Farmers markets are familiar to most city-dwellers, having proliferated – particularly in wealthy areas – over the past 20 years. However, there have been some interesting recent efforts to site these sources of fresh local produce in low- and moderate-income communities. Creative solutions such as pop-up markets in transit hubs in Dayton, OH and Atlanta, GA have been successful because they work around busy schedules and transportation limitations while giving vendors access to a large customer base.[71]


Photo: City Green 2022 Impact Report

Clifton City Green (in Clifton, NJ) runs a variety of programs to support its mission to foster equitable access to local food and green spaces, in support of sustainable, healthy communities. With its farming, farmers market, farm stand, and mobile market programs, the organization works to supply top-quality produce to communities that might not otherwise have access. Carrying out this mission in low-income, low-access food deserts – amid a constant need to explore funding options and seek grant money – has required creativity and strong local and statewide relationships. Yet City Green has expanded its reach, adding a Veggie Van to the existing Veggie Mobile program to bring fresh produce to more neighborhoods to meet increasing demand from northern New Jersey communities for fresh, healthy food.[72]

City Green generally looks for locations where people are already congregating or passing through – such as community facilities, senior living apartments, or public spaces – as most promising for customer turnout. Once stops have been selected, the organization engages in significant marketing in communities, going door to door, handing out flyers, working with local organizations, and posting information. Community need and desire for access to City Green's produce has not always translated to a customer base for the Veggie Mobile, and the organization has had to rethink its route periodically.

The Veggie Mobile functions as a "pop-up" farmers market, with staff setting up a tent and table and unloading food for sale on designated market days. All vegetables sold are grown organically on one of City Green's farms in and near the city of Clifton. Some other products sold by the Veggie Mobile (and now, the Veggie Van) – fruit, eggs, and honey – are sourced from other organic farms. City Green finds mixed audiences at their mobile farmers markets. At stops where a large proportion of customers are recent immigrants who are accustomed to shopping in open-air markets and eager to buy fresh produce, offerings sell out very quickly. At others, where local residents have been living in food desert or food swamp areas for generations, with extremely limited access to fresh produce, many products are "reintroduced" by staff. City Green does not provide formal nutrition education, but they do give customers information on the benefits of vegetables and how to prepare them.

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[70] https://www.healthyfoodaccess.org/mobile-markets

[71] https://www.politico.com/news/magazine/2020/01/23/atlanta-pop-up-markets-health-food-policy-100525

[72] *City Green 2022 Impact Report* and https://www.citygreenonline.org/veggie-mobile.

As at all of City Green's farmers markets, the Veggie Mobile and Veggie Van accept SNAP/EBT, FMNP, and SFMNP. City Green also has a USDA Gus Schumacher Nutrition Incentive Program grant for their Double Bucks program, which enables them to double federal food benefits through Good Food Buck fruit and vegetable coupons, or a 50% Good Food Bucks discount every time customers use their EBT cards to buy fresh produce at either mobile unit. City Green's Good Food Bucks program is New Jersey's only statewide SNAP Nutrition Incentive Program. City Green implements the Good Food Bucks program at over 40 different locations (mainly farmers markets but also a few supermarkets), training and funding food retailers in 13 counties. In addition, the organization was awarded a Farmers Market Promotion Program grant from USDA that not only funds some of their own marketing but also enables them to provide marketing stipends for other New Jersey farmers markets.

Photo: Passaic City Hall stop, City Green

USDA offers a National Farmers Market Directory and technical support programs to help vendors at all farmers markets navigate the process of accepting SNAP and WIC.[73] The Milwaukee Market Match program provides matching funds that allow people who spend $1 in SNAP/EBT benefits to purchase produce to receive $1 in free produce, effectively enabling participants to buy twice as many fruits and vegetables at participating farmers markets. Milwaukee Market Match was used by 793 households to purchase nearly $20,000 worth of produce from five different farmers markets across the county during its first 10-week pilot program in 2020.[74]

Community food buying clubs

Some communities have formed buying clubs to purchase food in bulk together as a way to reduce individual households' costs – and sometimes to address transportation and mobility challenges – in food desert areas. Generally, these clubs do not require dues or membership fees; an organizer (or organizers) collect member orders from a list of products, purchase the items, and transport them to a central location. Often these clubs have volunteers to assist with distribution to members at that central location. Frequency of ordering varies, depending on types of foods offered, purchase locations, and club preferences.

The Eastern North neighborhood of Philadelphia – which is a predominantly low-income neighborhood in which a majority of residents are African American or Latino – was served primarily by corner stores in the absence of grocery stores or supermarkets. When it was possible to find fresh produce, it was prohibitively expensive. Collaboration between the Asociación Puertorriqueños en Marcha (APM, a community development agency) and AmeriCorps led to the creation of the APM Food Buying Club for purchase of fresh produce. Within a few months, the club had over 400 member households, with 125 participating on a bi-weekly basis. The club collects orders and money in advance for a list of about 30

[73] https://www.fns.usda.gov/farmersmarket
[74] https://county.milwaukee.gov/EN/County-Executive/News/Press-Releases/County-Executive-Praises-Passage-of-1.1M-in-ARPA-Funding-for-Milwaukee-Market-Match-Food-Program

items, and a core group of three from APM and AmeriCorps make purchases at Philadelphia's wholesale produce market. Member and APM volunteers sort and distribute purchases at a prearranged central pickup location in the neighborhood. Not only have club members saved thousands, they have also gained access to far higher quality produce than they would have been able to individually.[75]

There are no rules about what type of products a food buying club can offer; purchasing meat at a wholesaler or a wider variety of foods at a warehouse club could be a better fit for some communities. Other adjustments could also make sense – for example, in a community with a high proportion of elderly or homebound residents, a club could charge an additional fee (or seek grant funding) to hire a delivery driver to take purchases to directly to members' homes.

One great advantage of this solution is that it can be implemented very quickly – far more so than development of any type of new local food retailer. It is possible to offer community members both choice and variety according to the group's preferences with this model. It is generally not necessary to seek outside funding for a basic model that does not include delivery; however, it does require a committed organizer (or organizing group) and usually community volunteers to help with food distribution.

Community Input

As noted earlier, research suggests that the best solutions often are custom-tailored to the community, as opposed to a one-size-fits-all answer. For any improvement to food access to be successful, ongoing community input and buy-in will be necessary.

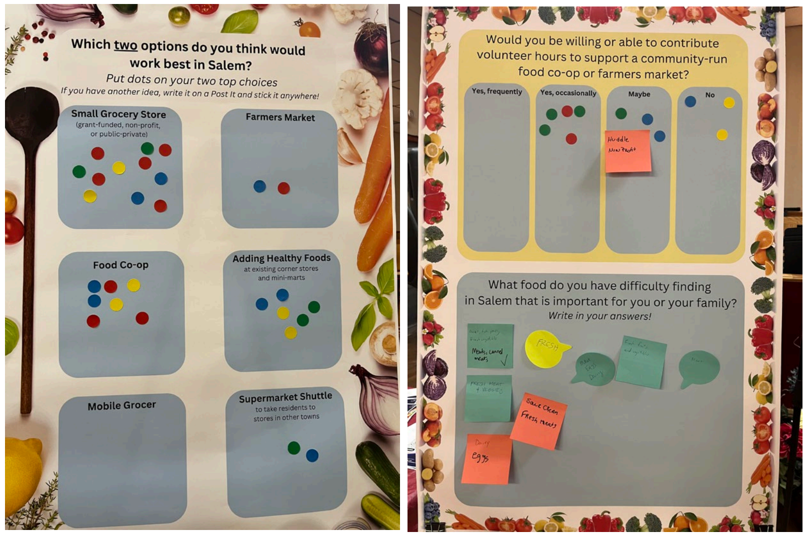
Photos: Public meeting 13 February 2025

In order to better understand resident needs and preferences, a 22-question Community Survey took place in February of 2025. The bilingual survey was advertised on flyers (with a QR code for easy smartphone access) in English and Spanish, on a public meeting flyer, by email "blast" from the City, and on Facebook. The results of the survey referenced in sections above are presented in full in Appendix 2.

On February 13, 2025, a public meeting was held to discuss this study's scope and objectives. Because there was no need to explain to residents what it means to live in a food desert, the presentation and discussion instead focused on ways other communities have improved food access when no supermarket chain had stepped in to invest.

[75] "Welcome to the Food Buying Club," David Ferris & Jeurys Grullón. October 2015.

Among the community-supported solutions that had been successful in other towns were non-traditional grocery stores (grant-funded, public-private partnership, etc.), food co-ops, farmers markets, healthy corner store initiative, mobile grocer, and supermarket shuttle. Meeting participants were unequivocal in their response: they want to see a grocery store in Salem that carries a full line of products so that trips to supermarkets outside of town can be avoided, or at least reduced dramatically. However, opinions differed on the ideal type of food retailer. Participants recognized that Salem's size makes it unlikely that a full-size supermarket will locate there, and that a small or medium-sized grocery store might need to follow a non-traditional model to be viable. The idea of adding healthy foods to existing corner stores did have some appeal, but mainly as a stop-gap measure or partial solution. Similarly, residents appreciated the value a farmers market brings to a community during the summer months but noted that they need a year-round solution that carries a wider variety of products. There was also dissension on whether 25 New Market Street would be a suitable location for a new retailer, or if another site would be better; the most common alternative mentioned was the former Incollingo's store, which already has a grocery store layout and ample off-street parking but is privately owned.
Meeting participants expressed interest in the food co-op model, but relatively few of those present felt that they were able (and/or interested in) contributing volunteer hours to support its setup.



Photos: Community input boards, public meeting 13 February 2025

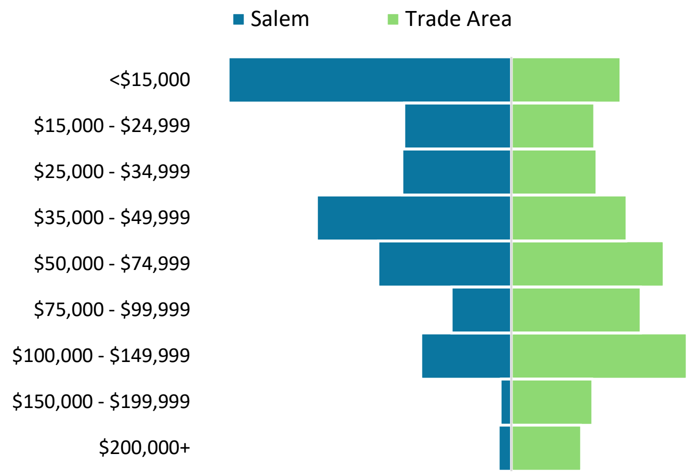
The public meeting was hosted by St. John's Pentecostal Outreach Church, which runs a food pantry in the community in collaboration with the Food Bank of South Jersey. Meeting participants acknowledged the importance of this and other local food pantries for low-income residents and discussed the option of expanding pantry options into a free grocery store.

Conclusions

For the 10,701 households living in Salem's trade area, existing food stores are clearly inadequate. This is particularly true for residents of Salem and areas to the south and east of Salem. While limited food options are available in small stores in the city, household demand does not align well with these existing options. According to Salem residents, the food items they regularly purchase when they shop are difficult or impossible to find in local stores, and for this reason, they travel to supermarkets in communities as distant as 40+ minutes away. With demand for groceries forecast to increase by 14-15% – and Salem's population expected to increase by about 3% – in the coming five years, food stores that are inadequate now will become even more so.

However, Salem's small size and low income levels present significant challenges. The fact that residents spend less on groceries per year than residents of other communities in the county has made it difficult to attract a new grocery store or supermarket. And while the population is too small to support a full-size supermarket, Salem does present advantages for a new food retailer. The city's comparatively high proportion of residents aged 15 to 24 suggests a potentially expanding workforce in coming years and an increasing number of families. That consumer demand in the surrounding trade area is strong and rising could support a new store – if trade area residents can be persuaded to come to Salem to shop for groceries. As the county seat, Salem is the workplace of a significant number of county and state employees who live elsewhere, which could present an additional potential customer base for a new store. And the city's location in one of the most agricultural counties in New Jersey presents interesting opportunities for supply chain partnerships.

Figure 35: Household incomes in Salem and the trade area



Source: US Census ACS 5-year estimates, 2018-2022

It has become clear in this Market Analysis and through community input that there will not be one solution that is ideal for all of Salem's population. There is a substantial proportion of households with extremely low incomes (less than $15,000 – see Figure 35) that will continue to need access to food pantries, and there are existing pantries in Salem that could improve and streamline their services with additional funding and/or facilities. The middle-income segment of Salem's population, meanwhile, would be the primary customer base for a new grocery store, and that store must accept SNAP and WIC benefits to serve the community.

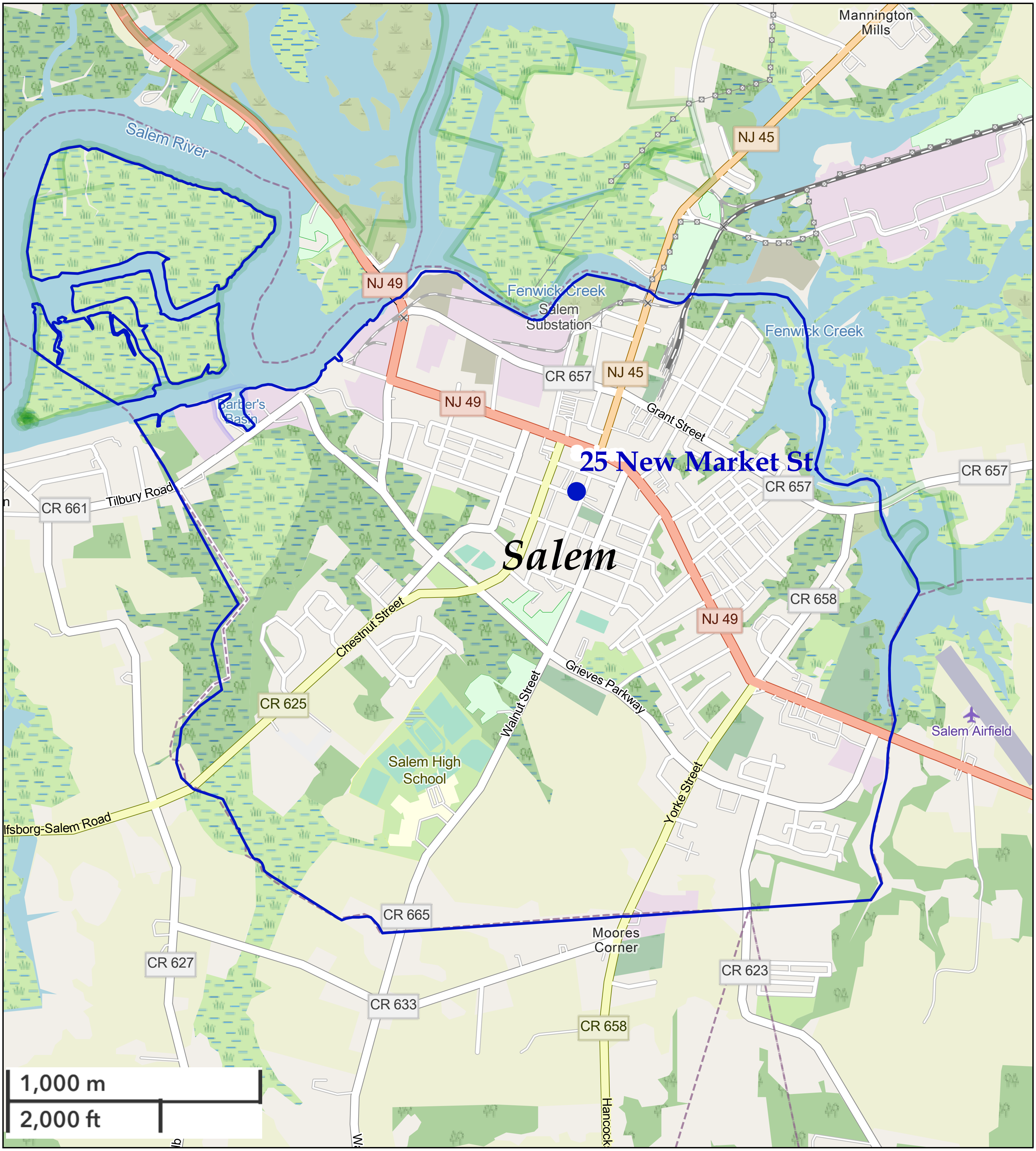
Support for the local economy is one benefit of a new store, but in reality, the gains in jobs, wages, output, and local tax receipts are quite small – even for a supermarket, as was shown in the IMPLAN Analysis section. However, no matter what type of new store (or even farmers market) is created, redevelopment of a vacant building and land helps to revitalize an area, which has additional benefits that are not easily quantified but can have a wide impact on a small city.

Part Three of this study – the Site Development Plan and Recommendations – will present recommendations for both the supermarket substitute that middle-income residents want and the emergency food supply that low-income residents need. It will identify the type of store best suited to Salem, its size and ownership/management structure, and potential sources of funding. No matter the size and structure of the store, its relationships with suppliers are key to pricing and profitability – and therefore to sustainability. Studies have shown that independently owned stores tend to fare better than the average US supermarket in weekly sales per square foot and weekly sales per full-time employee, and this combination of store characteristics made findings from the case studies reviewed here interesting and relevant to this project. Strong community support is another characteristic of successful stores, and a supply chain that includes local farmers and producers can help concentrate economic benefits in the local area.

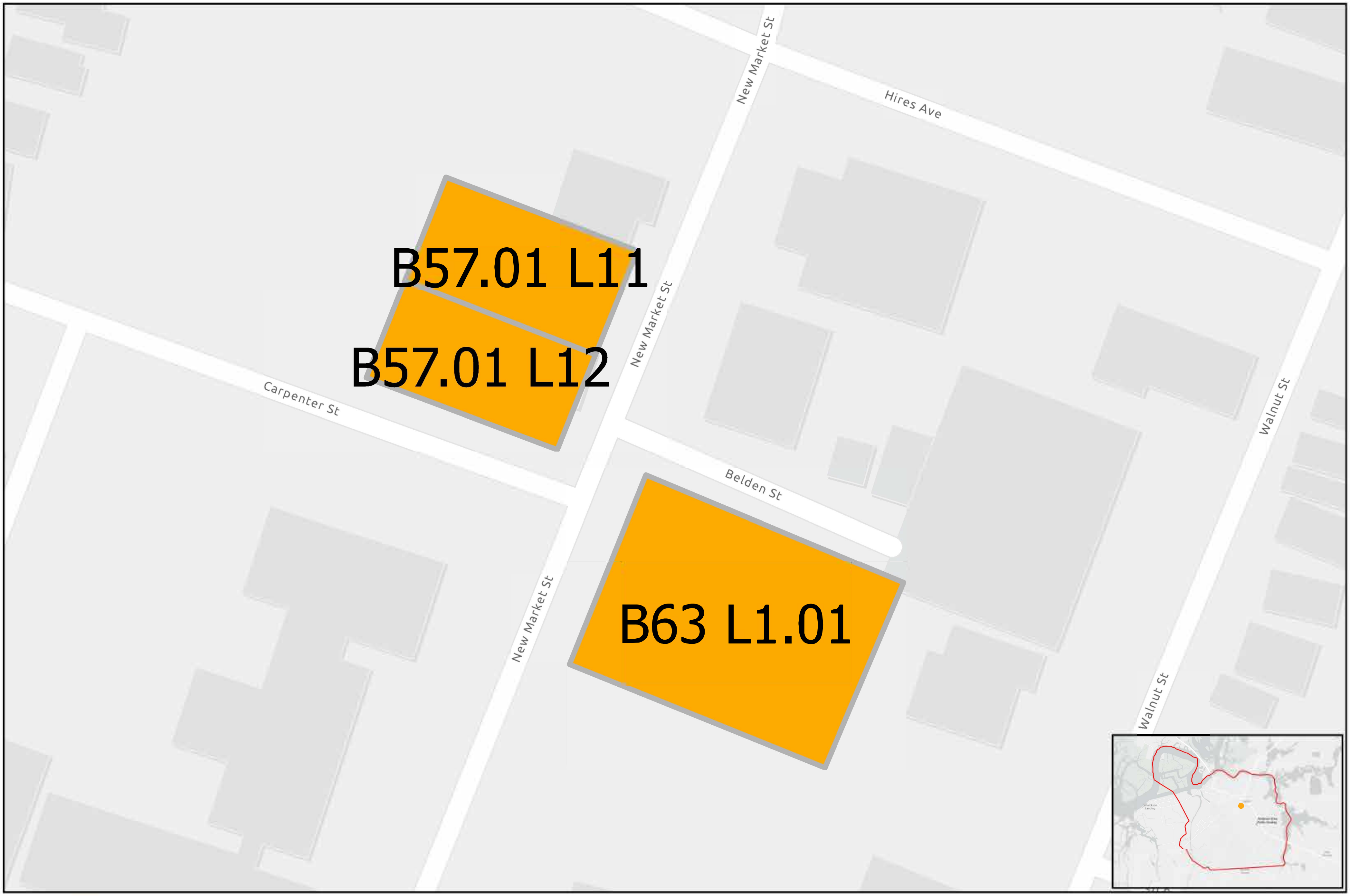
Part Two of this study – the Physical Site Evaluation – follows this Market Analysis. It will look at the target site and its surrounding area to determine its suitability for redevelopment as a new food retailer, taking into account site constraints, environmental considerations, structural requirements for a store, accessibility, legal and regulatory considerations, and potential competition.

Appendix 1: Full-size maps

Salem and 25 New Market St.



December 09, 2024



0 37.5 75 150 Feet

N

Legend

- Salem City Boundary
- Target Site

Salem Food Security Planning Study

Target Site Location

BROWNFIELD REDEVELOPMENT SOLUTIONS, INC
CITY OF SALEM, SALEM COUNTY, NEW JERSEY

Salem and 15-min. drive-time radius from 25 New Market

December 09, 2024

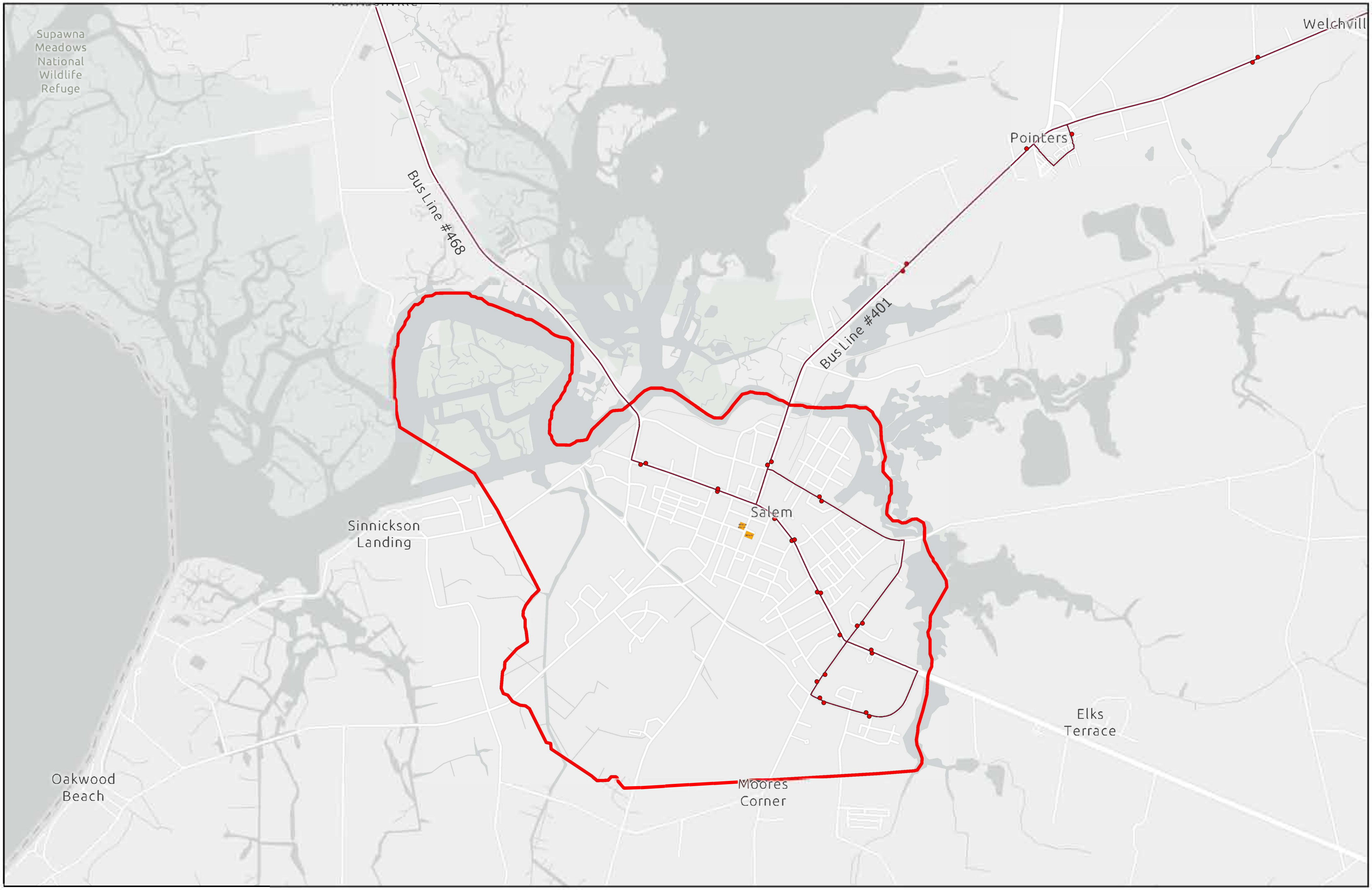
All Food Stores in the Trade Area

Including convenience stores and gas station stores

December 26, 2024

Food Stores 10,000 SF+ in the Trade Area

December 26, 2024



BRS inc

0 0.25 0.5 1 Miles

N

Legend

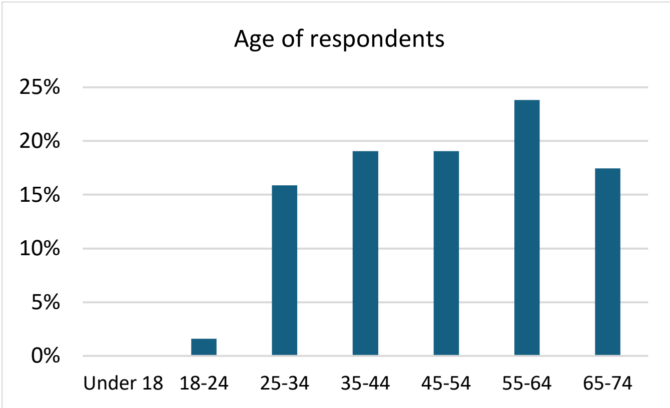
Salem City Boundary
Target Site
Bus Line
Bus Stops

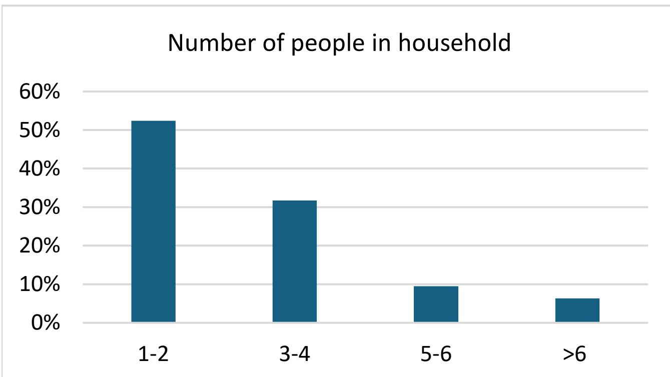
Salem Food Security Planning Study

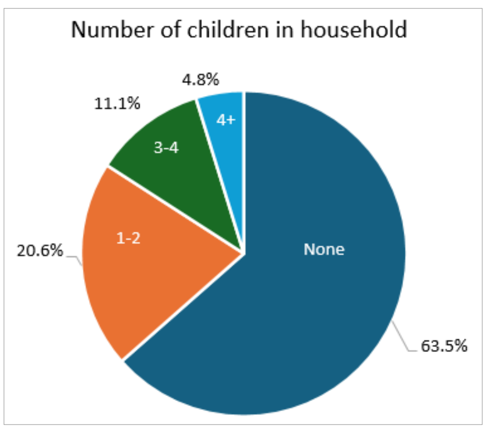
Bus Lines and Target Site

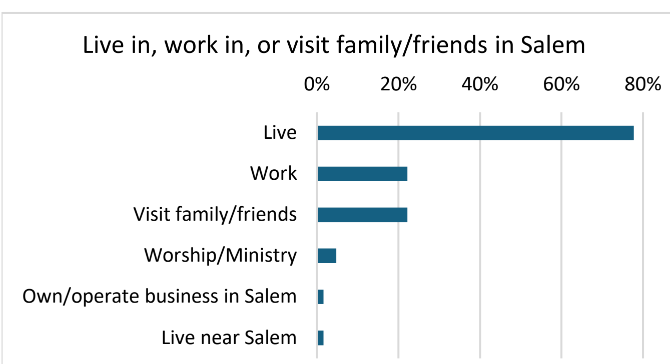
BROWNFIELD REDEVELOPMENT SOLUTIONS, INC CITY OF SALEM, SALEM COUNTY, NEW JERSEY

Appendix 2: Community survey results









Total survey responses	**63**
English	61
Spanish	2

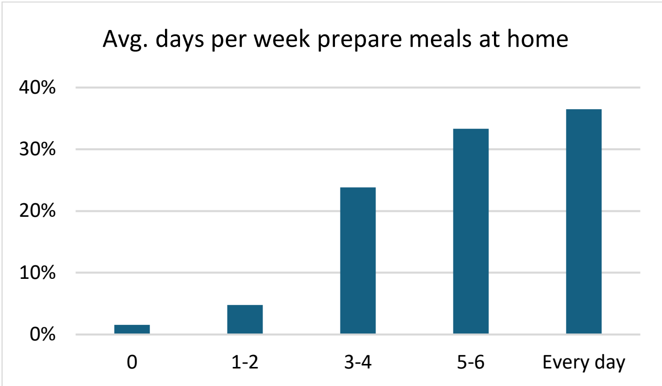
	Percent	**Number**
Gender		
Female	74.6%	47
Male	23.8%	15
Other/not specified	1.6%	1

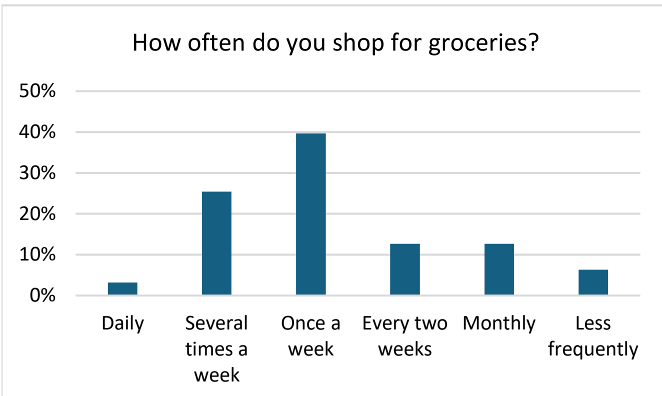
Age		
Under 18	0.0%	0
18-24	1.6%	1
25-34	15.9%	10
35-44	19.0%	12
45-54	19.0%	12
55-64	23.8%	15
65-74	17.5%	11
75+	3.2%	2

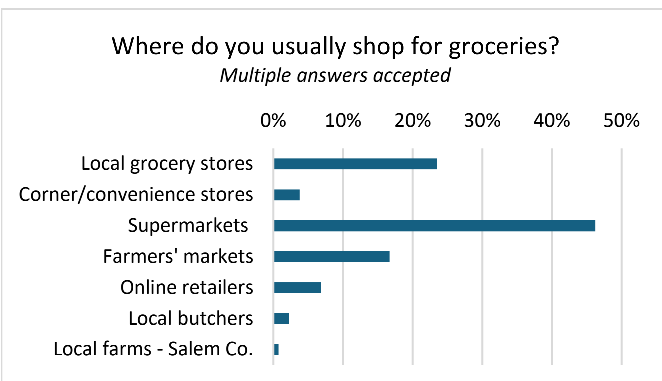
Number of people in household		
1-2	52.4%	33
3-4	31.7%	20
5-6	9.5%	6
>6	6.3%	4

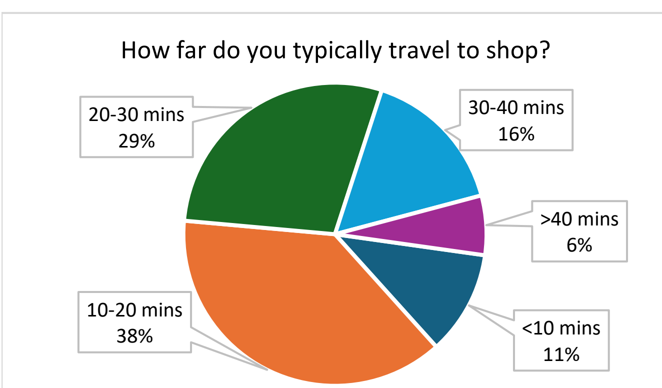
Number of children in household		
None	63.5%	40
1-2	20.6%	13
3-4	11.1%	7
>4	4.8%	3

Live, work, or visit friends/family in Salem		
Live	77.8%	49
Work	22.2%	14
Visit family/friends	22.2%	14
Other:		
Worship/Ministry	4.8%	3
Own/operate business	1.6%	1
Live near Salem	1.6%	1







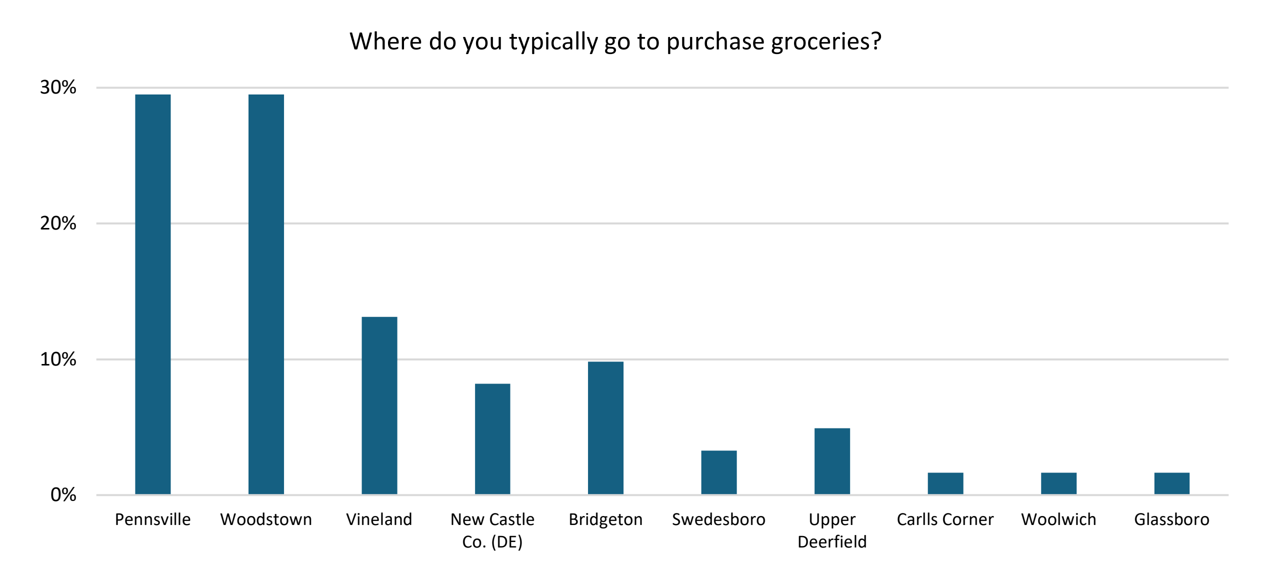


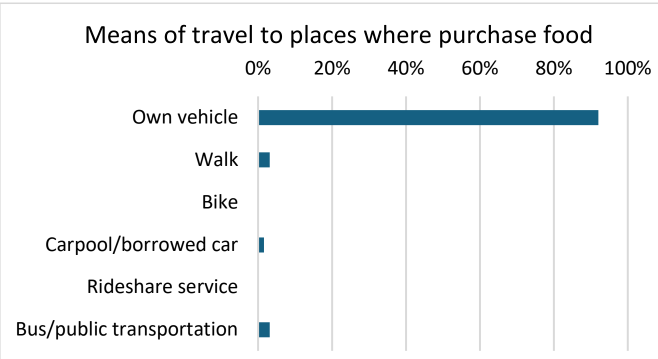
Avg. days per week prepare meals at home?	**Percent**	**Number**
0	1.6%	1
1-2	4.8%	3
3-4	23.8%	15
5-6	33.3%	21
Every day	36.5%	23

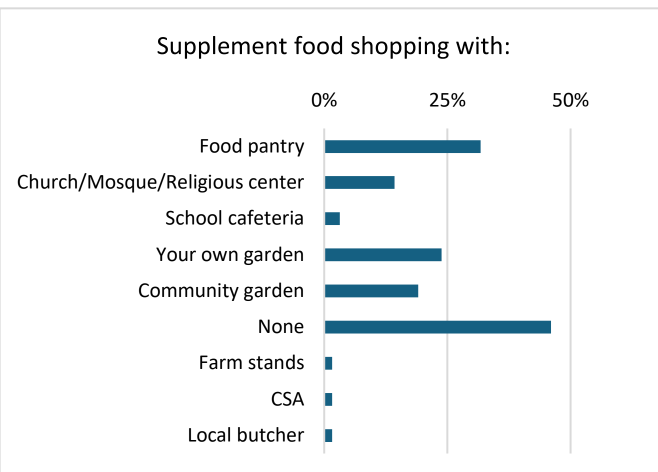
How often do you shop for groceries?		
Daily	3.2%	2
Several times a week	25.4%	16
Once a week	39.7%	25
Every two weeks	12.7%	8
Monthly	12.7%	8
Less frequently	6.3%	4

Where do you usually shop for groceries? *Multiple answers accepted*		
Local grocery stores	49.2%	31
Corner/convenience stores	7.9%	5
Supermarkets	96.8%	61
Farmers markets	34.9%	22
Online retailers	14.3%	9
Other:		
Local butchers	4.8%	3
Local farms – Salem Co.	1.6%	1

How long does it typically take to travel to the place where you shop for groceries?		
Less than 10 minutes	11.1%	7
10-20 minutes	38.1%	24
20-30 minutes	28.6%	18
30-40 minutes	15.9%	10
> 40 minutes	6.3%	4

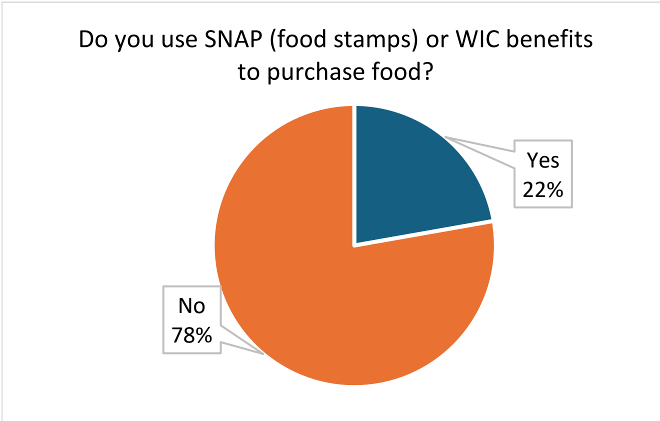


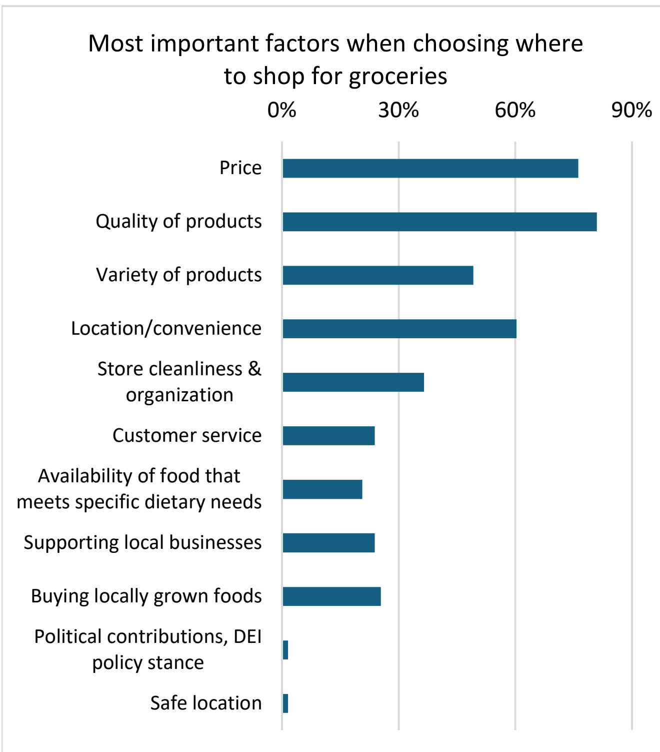


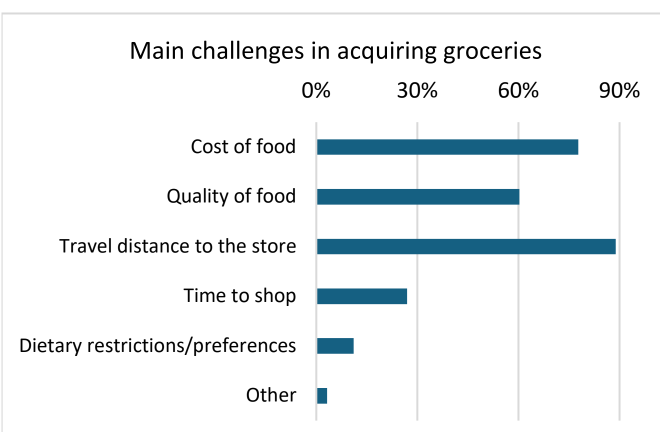


How do you travel to the places where you purchase food?	**Percent**	**Number**
Own vehicle	92.1%	58
Walk	3.2%	2
Bike	0.0%	0
Carpool/borrowed car	1.6%	1
Rideshare service (Uber, Lyft, etc.)	0.0%	0
Bus/public transportation	3.2%	2

Do you supplement food shopping with any of the following?		
Food pantry	31.7%	20
Church/Religious center	14.3%	9
Senior Meal Site	0.0%	0
School cafeteria	3.2%	2
Your own garden	23.8%	15
Community garden	19.0%	12
None	46.0%	29
Other:		
Farm stands	1.6%	1
CSA	1.6%	1
Local butcher	1.6%	1



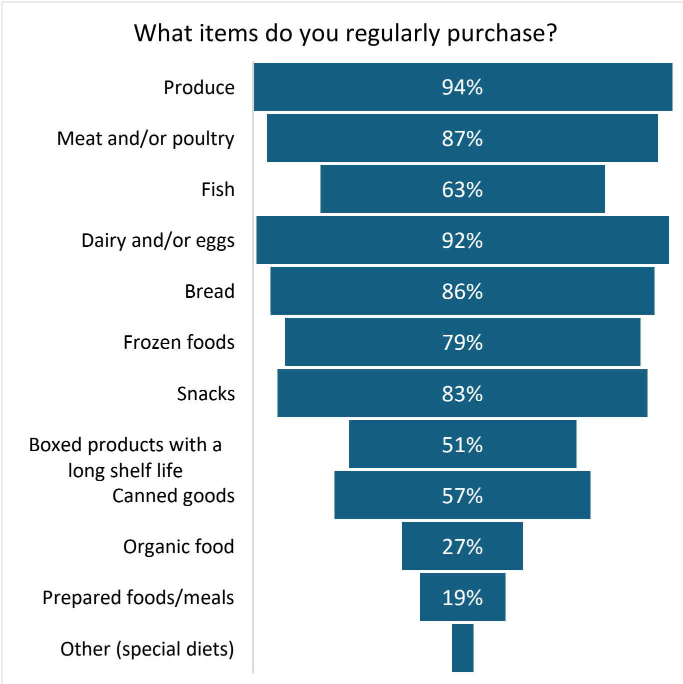




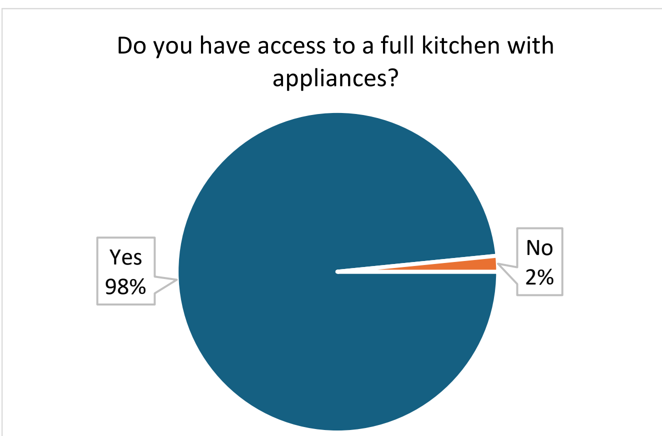
	Percent	Number
Do you use SNAP/WIC benefits to purchase food?		
Yes	22.2%	14
No	77.8%	49

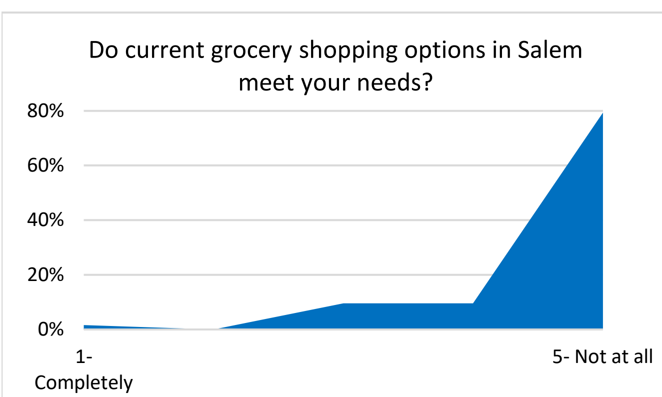
Most important factors when choosing where to shop for groceries (multiple answers accepted)		
Price	76.2%	48
Quality of products	81.0%	51
Variety of products	49.2%	31
Location/convenience	60.3%	38
Store cleanliness and organization	36.5%	23
Customer service	23.8%	15
Availability of food that meets specific dietary needs (organic, vegan, lactose free, allergies, halal, kosher, gluten free)	20.6%	13
Other:		
Supporting local businesses	23.8%	15
Buying locally grown foods	25.4%	16
Political and DEI stance	1.6%	1
Safe location	1.6%	1

3 main challenges in acquiring groceries for your family (multiple answers accepted)		
Cost of food	77.8%	49
Quality of food	60.3%	38
Travel distance to the store	88.9%	56
Time to shop	27.0%	17
Dietary restrictions/preferences	11.1%	7
Other:		
Political alignment / support for DEI	1.6%	1
Safety / security of store surroundings	1.6%	1



	Percent	Number
What grocery items do you regularly purchase?		
Fruit, vegetables (produce)	93.7%	59
Meat and/or poultry	87.3%	55
Fish	63.5%	40
Dairy and/or eggs	92.1%	58
Bread	85.7%	54
Frozen foods	79.4%	50
Snacks	82.5%	52
Boxed products with a long shelf life	50.8%	32
Canned goods	57.1%	36
Organic food	27.0%	17
Prepared foods/meals	19.0%	12
Other:		
Gluten free products	1.6%	1
Dry goods	1.6%	1
Vegan options	1.6%	1





	Percent	Number
Do you have access to a full kitchen with appliances? (oven, stove, refrigerator, freezer, microwave, etc.)		
Yes	98.4%	62
No	1.6%	1
If no, what do you <u>not</u> you have?		
Microwave		1

Do current grocery shopping options in Salem meet your needs? (rank 1-5)		
1 - Completely	1.6%	1
2 – (Mostly)	0.0%	0
3 – (Somewhat)	9.5%	6
4 – (To a small extent)	9.5%	6
5 - Not at all	79.4%	50

If current shopping options do not meet your needs, what is missing in Salem? (open answer)	**Number**
Grocery store / supermarket	36
Variety of healthy choices, fresh fruit and veggies, fish, meats	2
Fresh vegetables and fruits	4
Fresh meats, produce, dairy, eggs	6
Store where can buy everything we need in one trip	1
Store that sells regular grocery items at reasonable prices	1
Produce stand	2
Discount supermarket	1
Variety and fair pricing in addition to location	1
Healthy food options	3
Everything	2
More shopping options	2
diverse grocery stores with fresh items	1
I've been to all of the corner shops, Niblock's, and Dollar General, and even collectively, it's not enough.	1
Organic foods	1
Seafood	1
Until you make Salem safe, there never will be anything here.	1
Actual food stores. Dollar general is great if you need something quick but it's hit or miss if they have it, same for Walmart but neither of these are grocery stores. The food selection is limited and mostly processed crap.	1
Bulk products	1
A store with a variety of Latino products	1
No response	8

Are there any products or specific foods that are challenging to find in Salem? (open answer)	
Meat - fresh, high quality, affordable	21
Produce - fresh fruits and vegetables	23
Fish, seafood	5
Healthy options	1
Specialty items	1
Dairy, eggs	5
Baby food	1
All food / groceries	12
Too many to be able to list in a small space	1
Organic products	3
Vegan options	1
I don't grocery shop in Salem	1
Gluten-free items	2
Real food not boxed crap	1
Herbs	1
Fresh items	1
Locally grown food	1

Everything. Not even a grocery store, and now no pharmacy. Can we really call it a town?	1
Nothing	1
All food types except snacks, pastries, coffee and takeout	1
Latino food items	1
No response	14

Additional Comments: Is there anything else we should know about how you decide where to shop for food/groceries? (open answer)

There are limited options with the only place to shop is dollar general that has a very limited amount of vegetables, no healthy options or fresh meats or fish. Only available choices are processed packaged unhealthy frozen food and the shelves are usually empty
A place that is well maintained with quality selection. I want to be able to trust that what's on the shelves is fresh and properly priced.
Sometimes, I get ShopRite to deliver.
My family would grocery shop in Salem if a store were to open.
The need for a supermarket is obvious. Specially for the senior citizens in this town. Do we really need a survey to determine the needs of this town?
If you mean Salem city, I think we need to get grocery where grocery was - in Incollingos. All surrounding communities would be able to shop there, off street parking is available, and the city could commit to Class 2 officers to prevent and prosecute shoplifting
If u open a store you need security
There needs to be a competitive market
Salem NEEDS some type of grocery store that is easily accessible for people w/o transportation, offers fresh fruits, fresh vegetables, meat, poultry, pork, fish that is affordable. There are several ascending towns: Elsinboro, Hancock's Bridge, LAC, Quinton, Mannington and Alloway that potential stores need to factor into "population" as these towns would shop here too. Quality needs to be middle to middle/upper quality. Middle for less fortunate. Mid/upper for ascending towns as these employment and income levels are substantially higher. I think a smaller inventory (not 4 brands) of canned and paper, especially. Possibly the most basic generic and the most common name brand. Salad dressings limited to 7, not 20 different kinds. I guess what I'm saying is make the shopping experience more focused and tighter on choices. Learn from there where changes can be made. This is also a health epidemic concern. When people only have access to fast food, prepackaged meals and canned goods, there are significant health concerns (I am a nurse). While the "old" grocery store was at the end of Broadway, I believe one needs to be more centrally located on Broadway. This allows for equal accessibility to the City. I could go on however I think you get may vision. Feel free to reach out for more information. THIS IS A NEED, NEED, NEED, not a want! Grants, property price/rent MUST be tentatively in place. I believe the City needs to build a package to sell to someone. Not wait/hope a buyer comes along. [I am a] 35-year business owner in City in addition to nursing. I live in Elsinboro. I've been here roughly 50 years, in Elsinboro.
Need a local (closer) supermarket.
Location. I'm not going into Salem at a crazy location to grocery shop.
Would love to see a grocery store that promotes healthful eating in Salem focusing on whole, minimally processed foods from all food groups.
I have reached out to Aldi, Grocery Outlet, and SaveALot. Aldi didn't respond, but Grocery Outlet and SaveALot were both responsive.
I shop where there are stores. Where it's safe. [response shortened for language and to keep focus on food]
An Acme would be amazing
Love shopping
Please turn Walmart into super Walmart
Even IF a grocery store opened in Salem, I'd not likely use it. There aren't too many places in Salem that would be safe. Maybe parts of 49 or Market St by the courthouse, but anywhere else, that's a no for me. New Market St is not safe. And loom at where the old IGA and Rite Aid were located. Even there people did not feel safe and rightfully so. Until you fix that, well, good luck, but I will keep driving to Pennsville or Woodstown.

The food we can get in town consists of mainly "fast food", we have pizza shops, wing spots, diners and so on but no actual grocery stores. Walmart does what they can with the limited space but it's not enough. You can't get fresh fruit in town or at Walmart you have to go elsewhere which doesn't help our local economy.
I order online once per month and use DG. "Dollar General stores sell general merchandise, while Dollar General Market stores also sell fresh food, dairy, and frozen items." Salem NEEDS to be UPGRADED to a Dollar General MARKET Store (there is one in Elmer, NJ that was upgraded to a market store in SUMMER 2023) MORE PRODUCE DAIRY & MEAT ITEMS ARE FOUND IN MARKETS!
(No response – 43)