

## **AB-1603 (Alvarez) Nutrition Incentive Matching Grant: consumer cooperatives.**

### **Bill Summary**

This bill would make consumer cooperatives that sell California-grown fresh fruits, nuts, and vegetables and is authorized to accept nutrition benefit assistance programs such as SNAP, CalFresh among others, to be eligible for the Nutrition Incentive Matching Grant Program.

### **Existing Law**

Existing law establishes the Nutrition Incentive Matching Grant Program in the Office of Farm to Fork, and creates the Nutrition Incentive Matching Grant Account in the Department of Food and Agriculture Fund to collect matching funds received from a specified federal grant program and funds from other public and private sources. Under the program, the department is required to award moneys in the account to qualified entities, as defined, to encourage the purchase and consumption of California fresh fruits, nuts, and vegetables by nutrition benefit clients.

### **Background**

Most food cooperatives in California have been established in the past 40 years and are based on a social justice, equity focused model that provide healthy and locally sourced food options to their local community.

There are approximately 14 food cooperatives registered to operate in California, 5 of which are located in a economically disadvantaged community as defined by SB535 (CalEnviroScreen 4.0) and 8 startups that are currently in the process of creating a food cooperative.

In addition to traditional economic benefits associated with cooperative food purchasing, these cooperatives often emphasize nutritional quality, production, and

offering information and education so that consumers can make informed food choices.

A recent study by the National Cooperative Grocers Association (NCGA) on food cooperatives found that for every \$1,000 spent at a food co-op, \$1,606 is generated within their local economy, \$239 additional dollars than if they had spent it at a conventional grocer. And for every \$1 million in sales at a food co-op, 9.3 jobs are created where as a conventional grocer creates 5.8 jobs per million dollars in sales.

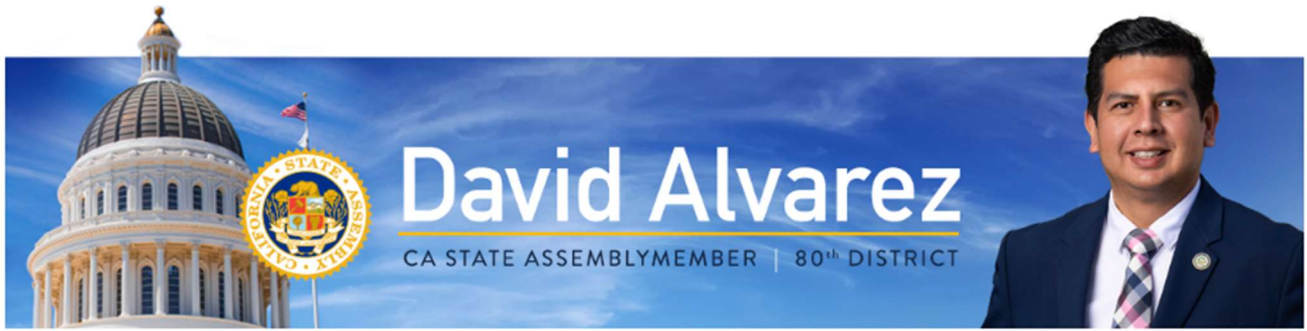
Food access is a social determinant of health, and multiple communities in California can be defined as food deserts. The lack of access to fresh foods and a drought of supermarkets has resulted in an influx of fast-food restaurants, liquor stores, and small convenience stores.

Most cooperatives also accept federal and state nutrition benefits to help families in disadvantaged communities access food at a more affordable price.

### **Details of the Bill**

AB-1603 will allow consumer cooperatives (food co-ops) that sell California-grown produce as defined, and accept nutritional benefits as defined, to be eligible for the Nutrition Incentive Matching Grant.

By allowing food cooperatives that accept nutrition assistance programs to receive funds from the Nutrition Incentive Matching Grant, California can further bolster these enterprises that serve some of the most disadvantaged communities and food deserts in California. As mentioned, money spent by consumers at food cooperatives are invested back into the local community.



## **For More Information**

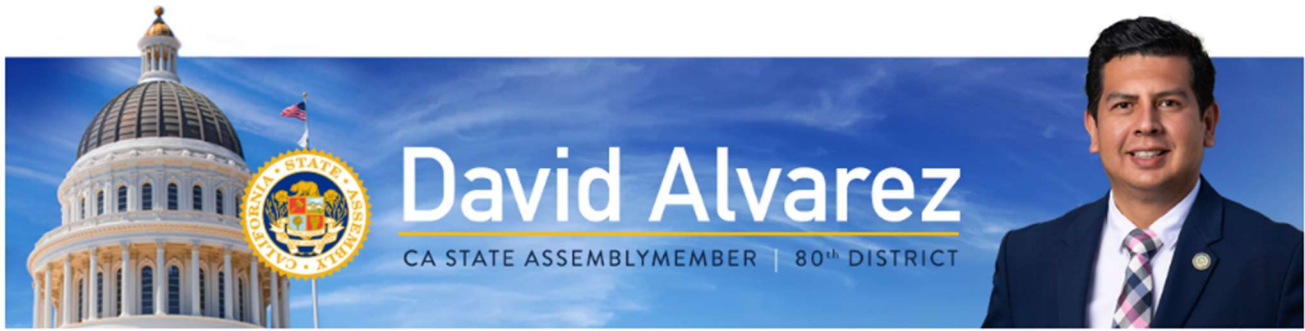
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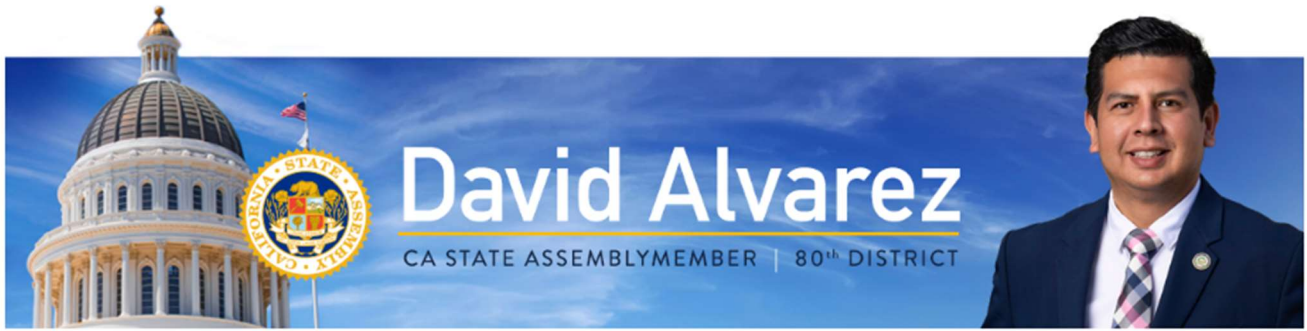
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