Secure Families, Farms, and Communities

A Food Policy Roadmap to Nourish All of North Carolina

A report for the North Carolina Alliance for Health
ACKNOWLEDGMENTS

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The mission of the **NC Alliance for Health** is to convene, mobilize, support, and empower partners to advance equitable policies that reduce health disparities, prevent chronic disease, and promote health. Food is central to this mission, and this roadmap centers equity and sustainability as it lays out steps to move toward a food system that nourishes all of North Carolina.

https://www.ncallianceforhealth.org/
Secure Families, Farms, and Communities

Where We Are

Prior to the pandemic, North Carolina children and seniors ranked 5th hungriest in the nation. More than 435,000 North Carolina children under the age of 15 live in communities with high rates of diet-related disease and limited access to grocers. In early childhood, brief periods of food insecurity correlate with greater risk of developmental challenges. For all children, nutritious food lays a necessary foundation for physical, mental, and social-emotional health.

More than 1 million NC adults lack reliable access to nutritious food. According to the Centers for Disease Control and Prevention (CDC), the average food insecure adult spends $1,834 more on healthcare annually than the average food secure adult. In North Carolina, this represents $1.8 billion in additional healthcare expenditures every year.

The NC family farm bankruptcy rate is significantly higher than the national average. Longstanding racial and economic inequities affect access to supplemental nutrition assistance and to economic opportunity for food-based businesses. The coronavirus (COVID-19) pandemic has only deepened these economic, health, and social challenges.
The COVID-19 pandemic made food policy more salient. It has deepened and broadened food insecurity statewide, especially in rural communities and communities of color. The pandemic challenged the economic viability of family farmers, urban producers, and food entrepreneurs across the state, especially rural and BIPOC-owned operations with less access to emergency support structures.

State food policy can improve North Carolinians’ health, grow the economy, and protect our natural resources.
Where We Are

Widespread Food Insecurity and a Shifting Producer Landscape
Where We Are

Widespread Food Insecurity

Brains and bodies require nutrition to grow and thrive. In North Carolina, 1 in 5 children experienced food insecurity prior to the pandemic. Among children, food insecurity, or lack of reliable access to nutritious food, leads to more hospital visits, worse academic outcomes, higher rates of depression and anxiety, and poorer social outcomes than food secure children of similar socioeconomic backgrounds.8

North Carolina seniors (age 60+) are 9th most food insecure in the nation. As a result, they spend more on healthcare and more often live in pain or with diet-related disease compared to more food secure older adults.9

North Carolina’s challenges reflect national trends. The US South, Southwest, and Appalachia disproportionately experience higher rates of food insecurity than other places in the US. African Americans and Hispanic Americans experience higher rates of food insecurity compared to other race/ethnic groups.
Food insecurity's prevalence reflects systematic gaps in access to nourishing food. In NC, gaps in access to commercial and social services disproportionately impact rural and BIPOC communities.

**Grocery Gap** - Access to healthy food retail makes nourishing food the easy choice. The NC Healthy Food Retail Task Force reported that 30% of rural North Carolinians and 27% of urban North Carolinians found it difficult to buy fresh fruits and vegetables.\(^{10}\)

**SNAP Gap** - Nationally, 84% of eligible individuals participate in SNAP nutrition assistance. In NC, 77% of eligible individuals participate in SNAP.\(^{11,12}\) NC’s SNAP gap reflects a broader service gap affecting access to WIC and CACFP as well.

**Rural Equity Gap** - Rural NC has higher than average rates of poverty, limited fresh grocery access, greater barriers to public services, and less access to commercial markets.

**Racial Equity Gap** - The negative economic, environmental, and social impacts of NC’s current food system are disproportionately carried by rural and BIPOC communities. Communities of color experience higher rates of food insecurity, health disparities, environmental degradation, land loss, and poverty as a result of unjust policies, practices, and systems.\(^6\)
Where We Are

A Shifting Producer Landscape

North Carolina has experienced decades of farm consolidation. Today, larger farms produce a narrow band of animal and crop agriculture. More than 9 million hogs and 900 million chickens live in North Carolina, predominately in confined animal feeding operations (CAFOs).13 Soybeans, corn, tobacco, sweet potatoes, cotton, and hay generated 87% of the state’s crop-based farm revenues.14

Farm consolidation benefits the largest growers while threatening the viability of small and mid-sized family farms. The American Farm Bureau called the rise in family farm bankruptcies a “national crisis.” In recent years, North Carolina farm bankruptcy rates have exceeded the national average and disproportionately impacted BIPOC farm families.5

Growth in food entrepreneur incubator kitchens, urban agriculture projects, food hubs, and alternative food production and distribution models represent new opportunities for equitable community-led development.
North Carolina family farms and food entrepreneurs face significant economic and environmental uncertainty. Small and mid-sized farms, particularly those that grow fruits and vegetables, have less commercial and institutional access compared to large-scale farming operations.

Annual farm to school sales are about $1 million statewide through the NC Department of Agriculture's Farm to School program. That's about 1.3% of the total dollars spent statewide providing fruits and vegetables per reimbursable meal each school year. Barriers to NC farmers accessing institutional food service markets include GAP (good agricultural practices) certification, scale, price, land loss, and infrastructure. State policy can help NC producers overcome these barriers to connect local agricultural products to schools, hospitals, and other institutions.

The average North Carolina farmer is 59 years old. The average age of Black farmers working their own land is 63 years old.

Between 1920 and 1997, African American farmers lost 98% of their land nationwide.

Nourishing, locally grown food at farmers markets and grocery stores often feels too expensive for those who are experiencing food insecurity. State policy can increase nutrition assistance benefits, which support the health of the recipient and NC grocers and producers through evidence-based approaches.
The Cost of Where We Are

This cost accounting does not include the disproportionate and lifelong mental, physical, and developmental challenges food-insecure children and adults face. In North Carolina:

$1.8 billion is spent in additional annual adult healthcare expenses⁴

$1 billion in annual lost economic value from SNAP-eligible non-participants¹¹

African American farmers make up just 3% of all North Carolina farmers, and only 7% of African American farmers make more than $50,000 in farm revenue (the amount that makes farming a viable primary source of income for a farm family)¹⁹
Where We Can Go

North Carolina has the financial, technical, and human resources to nourish every person and build vibrant, resilient local food economies.

**Key Pathways**

How can we achieve our collective vision for the future?

- Close the grocery gap
- Maximize nutrition assistance
- Leverage school food
- Empower producers & entrepreneurs
Secure Families
North Carolina families have a right to food that nourishes their minds and bodies.

Secure Farms
North Carolina’s economic competitiveness and social well-being depend on producers who nourish their neighbors and the land.

Secure Communities
North Carolina communities can use food to anchor public infrastructure and equitable development.
## Pathways to Universal Food Security for Families, Farms, and Communities

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<th></th>
<th>Right now</th>
<th>Down the road</th>
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<td><strong>Grocery</strong></td>
<td>Create a public-private NC Healthy Food Financing Initiative (HFFI) to expand healthy food retail access, especially in rural and Black, Indigenous, and People of Color (BIPOC) communities.</td>
<td>Expand HFFI funding to include food hubs, urban farms, and other food entrepreneurs.</td>
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<td><strong>School food</strong></td>
<td>Permanently eliminate reduced-price lunch copay and create a local foods pilot project that provides funding to districts buying local products.</td>
<td>Move to universal free meals for all students; provide grants and technical assistance to districts that expand programs to reach more students like “breakfast after the bell.”</td>
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<td><strong>Nutrition assistance</strong></td>
<td>Expand online Supplemental Nutrition Assistance Program (SNAP) purchasing; increase access to nutrition assistance programs, including Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and Child and Adult Care Food Program (CACFP); create state grants to expand SNAP “Double Up” programming.</td>
<td>Build public-private partnerships to streamline WIC participation. Require child and eldercare facilities that receive public funds to participate in CACFP.</td>
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<td><strong>Producers &amp; Entrepreneurs</strong></td>
<td>Create tax credits to incentivize farm to food bank donations to increase food security and reduce waste.</td>
<td>Develop loan, grant, and technical assistance for urban food producers, as well as mid-tier value chain businesses that connect local producers to institutional buyers. Create carbon sequestration tax credit for NC farms.</td>
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What We Know

Identifying evidence-based pathways to build a food system that nourishes all of NC

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<th>Public-private partnerships, including loans, grants, and technical assistance, can close the grocery gap.</th>
<th>Schools can anchor family and farm security, acting as a primary food customer and provider.</th>
<th>Nutrition assistance can grow the economy, reduce healthcare costs, and support local producers.</th>
<th>Rural and urban producers can thrive by growing food for their neighbors.</th>
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<td>The NC Healthy Food Retail Task Force reports grocery and corner store programs, particularly when paired with other forms of technical assistance, increase the quality, availability, and affordability of healthy food.</td>
<td>NC children participate in school food programs less often than expected given the statewide free and reduced lunch rate.</td>
<td>The USDA reports every dollar invested into SNAP returns $1.50 in local economic growth.20</td>
<td>Urban agriculture, rapidly growing industry and other forms of food entrepreneurship offer significant opportunities for sustainable economic development.</td>
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<td>Academic literature and case study analysis show local grocers increase local property values and act as a primary customer for local producers, anchoring equitable local economic development.</td>
<td>A persistent “breakfast gap” limits program efficacy.</td>
<td>The Center for the Study of Social Policy found families with young children experience food insecurity more frequently with more severe physical and developmental effects. This finding emphasizes the importance of WIC and CACFP programs.</td>
<td>Food hub distribution helps small and medium-sized farmers create institutional partnerships and achieve scale.</td>
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<td>In NC, only 1.3% of school food vegetable and fruit costs go to local producers.</td>
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What We Know

Public-private healthy food financing initiatives can help close the grocery gap.

Public-private healthy food financing initiatives (HFFIs) pool and leverage funds to support nutritious food retail access in underserved communities. Through loans, grants, and technical assistance, these funds may support existing grocers and corner stores with renovations or expansions. They may also establish grocers in rural and urban communities that need reliable access to nutritious food.

State-based HFFIs currently operate in 15 states and the District of Columbia. They have succeeded in all areas of the country, from Kansas to Massachusetts, from Alabama to Colorado.21 Best practices incorporate Community Benefit Agreements and prioritize cooperative or employee-owned businesses, ensuring equitable economic development. HFFI policies and programs must center equity in their design to especially support women and BIPOC-owned businesses.

Closing the gap in healthy food retail access is a necessary first step to building food security. Public-private financing initiatives drive community-led solutions and maximize taxpayer investment.
Feeding America estimates that food insecurity in North Carolina has increased 25% since the COVID-19 pandemic began. Reduced operating hours and acute poverty in underserved communities have grown the healthy food retail gap. HFFIs in North Carolina could address this problem.

In Ohio, a $2 million investment by the state in 2015 became a revolving fund to facilitate healthy food access. Administered by a Community Development Financial Institution (CDFI), Healthy Food for Ohio includes food hubs and other projects that support healthy food access.

In Alabama, a state-commissioned study found that a $1.3 million state investment would result in $300 million in additional economic activity. Moreover, the social and financial benefits would disproportionately accrue in BIPOC, rural, and underserved communities.

In Pennsylvania, the longest-running HFFI has created significant state capacity. During the pandemic, the fund served as a vehicle for $10 million in grants. Since its inception in 2004, the fund has served as an anchor for many food system efforts.
What We Know

Leveraging school food can build child food security, support local producers, and enhance social well-being.

Nationwide, 56% of school food participants were eligible for free or reduced-price meals. Children who participate in school meals receive up to half of their caloric intake from school food. Breakfast, after school, and summer meal programs represent opportunities to strengthen school food's impact on child health and success, as well as local economies.

In New York City, eliminating the school meal copay for full-price and reduced-price eligible students increased participation, academic achievement, and eliminated social stigma surrounding participation or debt. Nutrition is fundamental to social-emotional health and well-being. School food can be a source of positive intervention and support.

North Carolina should leverage the purchasing power of school food to build security for families, producers, and communities. School food is an underutilized vehicle for system-wide transformation.

Universal free school meals for all students, regardless of geography, family income, or any other factors, is a win for students, producers, and the wider community. With universal free meals, all students have access to nourishing food through programs that improve physical and mental health, reduce stigma, eliminate barriers to access, boost academic outcomes, decrease the achievement gap, increase the demand for well-paid school nutrition staff, and open markets for high quality local products in large institutional settings.

“Nationwide, 56% of school food participants were eligible for free or reduced-price meals”
In Washington, policy makes meals more affordable and more impactful. The state has eliminated the reduced-price copay for breakfast and lunch. Washington also provides grants for breakfast introduction and expansion. USDA research concluded that the positive physical, mental, and social health effects of school food are best achieved through breakfast participation, but that low-income children are least likely to receive breakfast.

In Michigan, the state supports producers and school districts through a $0.10 per meal grant for meals that include in-state fruits, vegetables, and legumes. A 3-year pilot project found increased participation in farm to school programs. The program also improved access for small and medium-sized farms. Processing infrastructure, in regional food hubs and in schools, remains a critical barrier. Policies need to support the entire supply chain from farms to schools in order to have lasting impact.

In New Mexico, $1.5 million in grants support “breakfast after the bell” programs. These programs have shown 50-80% increases in breakfast participation and could be replicated to close NC's breakfast participation gap.
What We Know

Maximizing nutrition assistance can recover lost family, grocer, and producer gains.

SNAP has one of the lowest rates of waste, fraud, and abuse of any government program. SNAP has one of the lowest rates of waste, fraud, and abuse of any government program. “Double Up Food Bucks”-style programs, which double the purchasing power of SNAP participants when purchasing fruits and vegetables in farmers markets and grocery stores, support food-insecure families and reinvest in local producers.

In North Carolina, the Rural Advancement Foundation International-USA operates twenty three “Double Up” sites, providing an in-state proof of concept. Legislation like Oregon SB727, which allocates funding for Double-Up programing expansions, should be considered. Other policies, such as hot food waivers for SNAP users, currently implemented in Tennessee and Washington DC, or restaurant waivers, used in California, increase flexibility and trust consumers to make choices for their families.

SNAP, WIC, and CACFP nutrition assistance support families in need, stimulate economic growth, and improve public health. State policy should improve accessibility, enhance families’ purchasing power, and reinvest in NC producers.
First steps toward greater nutrition assistance usage include policies that prioritize streamlined benefits access and use, which could include more support for double bucks-style programs, online grocery retail shopping, more efficient program intake/management/service models, and more.

**In Vermont**, a partnership between Vermont WIC and the Central Vermont Medical Center created an innovative service-delivery model that reduced the number of tests and WIC clinic visits typically required. North Carolina’s Department of Health and Human Services already screens for food insecurity, as do many medical providers. A partnership between agencies could improve administrative efficiency, service quality, and family accessibility.

**In Ohio**, the governor’s office worked with local grocers to ensure online SNAP users had the ability to pick up orders curbside. This policy created the necessary grocery capacity to allow WIC participants to use their electronic benefits when shopping for groceries online. Adjacent policies to consider include waiving delivery and other transaction fees for those using electronic benefits to extend the policy’s impact.

**In California**, an interagency task force identified ways early childcare providers and the state could work together to improve nutrition and physical activity standards. Ultimately, the task force recommended requiring all early childcare facilities that receive public funding to participate in the revised CACFP program.
What We Know

We can empower food producers and entrepreneurs to build a more sustainable and secure food system.

In addition to tax credits, subsidies, loans, grants, and technical assistance, North Carolina should consider the role of public infrastructure in food production, distribution, and entrepreneurship. Many rural and historically marginalized producers and entrepreneurs lack the start-up capital needed to open a kitchen or build an urban farm. Communities should consider flexible or multi-use public food infrastructure spaces to improve community services and spur entrepreneurship.

In California, new industries have been developed through statewide food waste and carbon sequestration legislation. These laws have created thousands of jobs and generated hundreds of millions of dollars in economic activity.37

North Carolina’s current food system works best for the largest commercial producers. A secure food system requires producers who nourish their neighbors and the land. State policy should empower farmers and entrepreneurs to achieve these public priorities.
The COVID-19 pandemic has highlighted the importance of emergency food distribution organizations like food banks, food hubs, and other food entrepreneurs. Policies that strengthen relationships between farmers and organizations like food banks will build a more resilient food system, reduce waste, and improve access and quality for families experiencing food insecurity.

In Kentucky and seven other states, state tax credits supplement the federal tax credit for farmers who donate to food banks. These state tax credits make it easier and more economically feasible for small and medium-sized farms to access funds. These tax credits also reduce food waste, a key source of greenhouse gas emissions.

In Maryland, loan, grant, and technical assistance programs support urban agriculture projects. Urban agriculture can use significantly less water than traditional agriculture and can reduce total greenhouse gas emissions connected to agricultural production.

In Utah, the Granite School District built a centralized facility for school food production with shared space for local food entrepreneurs. This program has strengthened the relationship between the school district and local producers as well as created new opportunities for Salt Lake City entrepreneurs. State and local grant programs can support these types of public food infrastructure.
SUMMARY

North Carolina is a leader in food, farming, and caring for our people. Smart adaptations of policies from across the US, refocused on equity and empowerment, will lay the groundwork for secure families, farms, and communities far into the future.
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