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*Ending Injustices That Cause Hunger and Environmental Destruction*

## Development Report No 20

### **Oakland Food Retail Impact Study**

By Hannah Laurison and Nella Young of  
Public Health Law & Policy  
in collaboration with Food First

February 2009

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## Acknowledgements

The Oakland Food Retail Impact Study was written by Hannah Laurison and Nella Young of Public Health Law & Policy (PHLP). Heather Wooten (PHLP) and Eric Holt-Giménez (Food First) provided valuable insights and comments that helped shape this project and the final report. Funding for this report was provided by the Clarence Heller Foundation.

The authors thank the following individuals for their substantial contributions to this report and the Sustainable Food Retail Framework:

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Dana Harvey  
Mandela Marketplace

Lauren Aikens-Ahkim  
LAANE

Healthy Places Coalition  
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## Introduction

*Picture a neighborhood in a city with a mix of houses and apartments—some big and some small, some with yards and gardens. Kids go to school nearby. Adults go to work, within the city or farther away. Some people have cars; others rely on the bus to get to work and run errands.*

*There are few stores within walking distance. Some are liquor stores, a few of which sell items such as ice cream bars, chips, and sodas. To feed their families, residents shop at these neighborhood stores. If they have a car, they travel to a larger grocery store with more choices and fresher produce, where it is easier to make healthy meals and spend less than they would for convenience store items. Those who do not have a car might take the bus to purchase groceries, but they can only buy what they are able to carry back on the bus.*

*Imagine that one day, in an abandoned lot on the corner of two major streets in this area, a sign announces the construction of a new “neighborhood” store on the site. It will be smaller than a typical grocery store, but it will carry staple items such as pastas, rice, cereals, and sauces. It will also carry fresh dairy products, fruits and vegetables, and prepared foods that are healthy and easy to take home and heat up. The store also promises to offer these foods at affordable prices similar to what big chain grocery stores would charge.*

This story is a real possibility for some neighborhoods in Oakland. After several decades of neglect, low-income, urban neighborhoods are seeing renewed interest from major players in the supermarket industry. Fresh & Easy, a chain store owned by the British-based Tesco, has already secured at least 20 locations throughout the East Bay. Tesco, currently the world’s third-largest food retailer, is spending \$503 million each year to break into the U.S. food retail sector. At the same time, a new generation of Oakland social entrepreneurs are taking steps to develop neighborhood grocery stores that increase access to fresh, local, healthy foods while contributing to economic development, job creation and training opportunities. People’s Grocery, the for-profit arm of an Oakland nonprofit organization, aims to open a grocery store to provide fresh produce, grown sustainably by local farmers, while educating neighborhood residents about nutrition and entrepreneurship.

How will Oakland’s long-underserved neighborhoods be affected by the arrival of those two very different food retail formats? Several studies have documented that the lack of grocery stores in Oakland’s neighborhoods has a detrimental impact on the health of community residents.<sup>1</sup> The lack of grocery stores also means fewer jobs for local residents and fewer dollars injected into the local economy. However, no study to date has evaluated how retail *format* shapes grocery stores’ influence on the social, economic, environmental sustainability of neighborhood food systems. Retail format may be defined by store size, ownership structure, the range of products and services, pricing structure, operating style, and store design.

Small, locally-owned neighborhood stores are an appealing solution for many who seek to build wealth in underserved communities while improving access to healthy food. Others believe that low-income communities would benefit most by having the opportunity to shop at the same mainstream grocery retailers found in affluent and suburban communities. In this report, Public Health Law & Policy (PHLP) investigates the deep, long-term impacts these different food retail formats have on the well-being of Oakland’s residents, the local economy, and the food system. In order to do so, we describe the current status of Oakland’s initiatives to support food retail and sustainable economic development, and we assess the potential influence of Fresh & Easy and People’s Grocery on Oakland’s community, economy, and environment. Through this analysis, this report seeks to answer the following questions:

1. What food retail format offers the greatest selection of healthy, affordable, fresh, and culturally appropriate food?

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<sup>1</sup> *Life and Death from Unnatural Causes: Health and Social Inequity in Alameda County*. Alameda Public Health Department, 2008.

2. What food retail format makes the greatest contribution to local wealth?
3. What business practices contribute to community well-being?
4. Which labor practices create good jobs for neighborhood residents and throughout the supply chain?
5. How can grocers contribute to a healthy, clean environment?

Although we use an Oakland-specific case study, with this comparative analysis in mind, we offer a framework for analyzing the sustainability of food retailers in general. This framework can be applied to other businesses to establish priorities for negotiation, decision making, and policy. It is our hope that this report will promote both pragmatic and philosophical dialogue about food retailers' role in a sustainable local food system for Oakland. We aim to equip food policy advocates a broad framework for characterizing the impact of food retail format on the whole community and to build the case for supporting food retail that actively contributes to equitable, sustainable neighborhood development.

This study was commissioned by Food First, whose mission is “to eliminate the injustices that cause hunger.”<sup>2</sup> As the convener of the Oakland Food Policy Council, Food First works to define priorities, policies, and incentives that support the development of sustainable food retail in Oakland. Food First and the Food Policy Council members will also use this framework to engage community residents and advocates who want to ensure that food retail development plays a role in the sustainability and well-being of the local community.

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<sup>2</sup> Food First, Institute for Food and Development Policy. Available at: [www.foodfirst.org/en/about/mission](http://www.foodfirst.org/en/about/mission) (Accessed 7/31/08)

## Oakland Food Retail Landscape

Throughout the past decade, multiple economic analyses of Oakland's retail sector have concluded that there is significant unmet demand for food retail. Most recently, the City of Oakland's *Retail Enhancement Strategy* concluded that grocery store leakage – dollars now leaving the community – could support five new full-size grocery stores.<sup>3</sup>

While Oakland has a mix of stores that sell groceries, fresh produce, and other healthy food options, these grocery stores are not spread throughout all neighborhoods in the city. Over the past 30 years, the total number of food stores in Oakland has declined, particularly in West Oakland.<sup>4</sup> There were two grocery stores for every 1,000 West Oakland residents in 1950, compared with 0.9 supermarkets per 1000 residents in 2000.

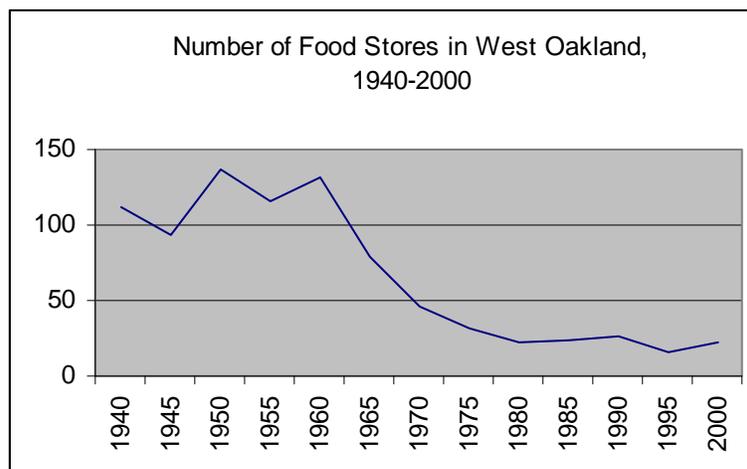


Figure 1: Number of Food Stores in West Oakland<sup>5</sup>

In 2008, the City of Oakland estimated that approximately \$230 million in grocery store spending is leaving the city.<sup>6</sup> While Oakland's wealthier neighborhoods have recently seen the opening of two new Trader Joe's stores and a Whole Foods Market, liquor stores and corner markets continue to dominate in Oakland's low-income neighborhoods. The Oakland Food System Assessment found that over 80 percent of food retail outlets in Oakland are under 3,000 square feet (a typical size for corner stores).<sup>7</sup>

Oakland is not alone in its struggle to attract and retain full-service grocery stores. Spatial, social, and economic factors affecting the supermarket industry have resulted in disinvestment in urban and rural low-income communities across the nation. Between 1990 and 2007, the size of the average supermarket increased by more than 50 percent, from 31,000 to 47,500 square feet.<sup>8</sup> Rapid concentration at all levels of the food marketing sector has been the driving force behind the expanding footprint of the American supermarket: during the 1980s and 1990s, supermarket concentration increased at the local, regional, and

<sup>3</sup> *Existing Retail Sector Performance, A Component of the Oakland Retail Enhancement Strategy*. Oakland, CA: Conley Consulting Group; JRDV Architects; Strategic Economics; Colliers International, 2008.

<sup>4</sup> Fuller A. *A History of Food Insecurity in West Oakland, CA: Supermarket Location*. (No date given.) Available at: [www.peoplesgrocery.org/brahm/wp-content/uploads/2006/10/History%20of%20Food%20Insecurity%20in%20West%20Oakland.pdf](http://www.peoplesgrocery.org/brahm/wp-content/uploads/2006/10/History%20of%20Food%20Insecurity%20in%20West%20Oakland.pdf)

<sup>5</sup> *Id.*

<sup>6</sup> *Existing Retail Sector Performance*, *supra* note **Error! Bookmark not defined.**

<sup>7</sup> Unger, S., Wooten, H. *A Food System Assessment for Oakland: Toward a Sustainable Food Plan* (2006). Available at: [www.oaklandfoodsystem.pbwiki.com](http://www.oaklandfoodsystem.pbwiki.com).

<sup>8</sup> Food Marketing Institute. *Key Facts*. Available at: [http://fmi.org/facts\\_figs/keyfacts/?fuseaction=storesize](http://fmi.org/facts_figs/keyfacts/?fuseaction=storesize) (Accessed 9/23/08)

national level. Multinational firms, such as Ahold<sup>9</sup> and Delhaize<sup>10</sup>, have emerged as major competitors of the largest U.S. firms (Walmart, Safeway, and Kroger). The face of the industry has evolved dramatically since discount giants like Walmart and warehouse clubs like Costco began selling groceries.

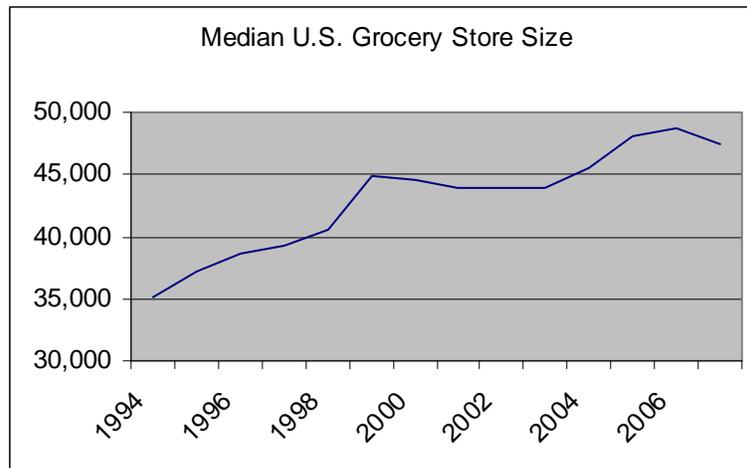


Figure 2: Median U.S. Grocery Store Size<sup>11</sup>

Recently, a number of food retailers have begun to pilot smaller, neighborhood-serving grocery stores. The entrance of Fresh & Easy into the U.S. marketplace has spurred two major retailers, Walmart and Safeway, to pilot smaller-footprint stores of their own.<sup>12</sup> Walmart opened four 20,000-square-foot “Marketside” stores in the Phoenix area in October 2008. Safeway, one of the nation’s largest food retailers, launched “The Market by Vons” in Long Beach, California, in May 2008; three other outlets are slated to open over the next year. If successful, Safeway plans to roll out as many as 50 Market by Vons stores annually in neighborhoods that cannot support full-size supermarkets. Here in Oakland, Safeway is also investing in remodeling and upgrading its existing stores. Walmart has not publicly announced its plans for expansion of the Marketside store concept; however, industry insiders suggest that Marketside may ultimately compete in many of the markets where Fresh & Easy is opening stores, including the Bay Area.

Oakland-grown social entrepreneurs are also developing new neighborhood serving stores with very different business models. There are several nascent efforts underway to develop community-owned and operated grocery stores in Oakland. In addition to People’s Grocery planned grocery store, Mandela Foods Cooperative broke ground for a locally-owned and operated grocery store in West Oakland in August 2008. A coalition of local advocates known as the HOPE Collaborative, with funding through Kellogg’s Food and Fitness Initiative, is exploring how to develop community owned stores in East and West Oakland.<sup>13</sup> Advocates for local food systems are also exploring alternatives to retail, including farmers’ markets, produce boxes direct from local farms, and community gardening. These efforts are generally proceeding without public investment from the City of Oakland.

<sup>9</sup> Ahold is a Dutch corporation that operates Stop & Shop, Giant, Martin’s and Peapod.

<sup>10</sup> The Delhaize Group is a Belgian corporation that operates in America under the banners Food Lion, Bloom, Bottom Dollar, Harveys, Hannaford Bros., and Sweetbay.

<sup>11</sup> *Id.*

<sup>12</sup> Wal-Mart Stores, Inc. Available at: <http://walmartstores.com/AboutUs/7606.aspx> (Accessed 10/21/08)

<sup>13</sup> For more information about the HOPE Collaborative, see [www.hopecollaborative.net](http://www.hopecollaborative.net)

### ***Oakland's Role in Supporting Sustainable Food Retail***

Whether we refer to local businesses or national chains, the City of Oakland has a critical role to play in attracting new food retail to its neighborhoods. Elected officials, from the mayor to the city council, set economic development and land use policy priorities and have some discretionary funds to allocate to priority projects. Several members of Oakland's city council have played leadership roles in attracting new food retail to their districts.<sup>14</sup> Oakland Mayor Ron Dellums has focused his agenda on creating "a healthy community for all residents."<sup>15</sup> While the Dellums administration has identified healthy food as a goal, they have not publicly articulated a strategy for increasing food access in Oakland's underserved communities.

Oakland's Community and Economic Development Agency (CEDA) implements planning, economic development, and redevelopment policies throughout the city. CEDA currently employs a Business Development Services Manager and a Retail Attraction Specialist, both of whom are charged with attracting new food retail to Oakland. In addition, CEDA provides business location assistance, promotes the Business Incentives Program, offers business loans and small business technical assistance, and supports neighborhood commercial district revitalization. The City of Oakland has adopted a living wage and local hiring ordinance for developments in Oakland's redevelopment areas. These policies have the potential to increase the local economic development impact of food retail development; however, supermarket companies have cited these policies as barriers to development. CEDA's current focus is primarily on attracting national chain grocery retailers, with a secondary focus on working with strong independents.<sup>16</sup> CEDA is not currently providing targeted services to the small, independent food retailers who predominate in low-income communities.

Advocates might expect to leverage support for locally-owned food retail given the city's commitment to sustainability. However, while the city of Oakland has formally embraced the principles of sustainability since 1998,<sup>17</sup> it is still in the early stages of implementing initiatives that specifically address the role of local food retail in creating a more sustainable place to live. For example, while the City of Oakland's retail policy includes a stated preference for supporting the development and enhancement of locally owned business in general, its implementation plan does not differentiate between national chains or locally owned grocers. Moreover, the implementation plan does not include tactics for stimulating additional grocery store development.

Nevertheless, the city has acknowledged a connection between its sustainability goals and food access through the creation of the Oakland Food Policy Council in 2006.<sup>18</sup> The Oakland Food Policy Council has been charged with the following goals:<sup>19</sup>

**Increase food security in Oakland.** Ensure that no Oakland resident experiences hunger. Promote strategies that create the systemic change necessary to eliminate the need for emergency and charity-based food sources, ensuring that access to local, safe and nutritious food is not limited by economic status, location or other factors beyond residents' control.

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<sup>14</sup> Desley Brooks (East Oakland), Ignacio De La Fuente (Fruitvale), and Patricia Kernighan (China Town and Grand Lake) have all worked to attract grocery stores to their districts.

<sup>15</sup> Williams K. (Oakland Community Economic Development Agency.) Interview, July 2008.

<sup>16</sup> Gallo A. (Oakland Community Economic Development Agency.) Interview with Sideroff D. August 2008.

<sup>17</sup> "Sustainable Development Resolution." Resolution 74678 C.M.S., Oakland City Council. (1998). (*Resolution authorizing the City of Oakland to adopt part three of the "City of Oakland Sustainable Community Development Initiative"*. December 1, 1998.) Available at: [www.oaklandpw.com/AssetFactory.aspx?did=1960](http://www.oaklandpw.com/AssetFactory.aspx?did=1960)

<sup>18</sup> "Food Policy Plan Resolution." Resolution 79680 C.M.S., Oakland City Council. (2006). (Resolution authorizing the Mayor's Office of Sustainability to develop an Oakland Food Policy and Plan for thirty percent local area food production, by undertaking an initial food systems assessment study. January 17, 2006.) Available at: <http://clerkwebsvr1.oaklandnet.com/attachments/12777.pdf>

<sup>19</sup> Oakland Food Systems Assessment. Available at: <http://oaklandfoodsystem.pbwiki.com/> (Accessed 7/26/08)

**Build greater public health in Oakland.** Support the development of balanced food environments that empower residents with opportunities to make healthy food choices and reduce environmental causes of obesity, diabetes, heart disease and other diet-related illnesses.

**Support local agriculture that is economically viable, environmentally sustainable and socially responsible.** Help make Oakland a market for processing and consuming local food by promoting policies and programs that increase the consumption of food produced within Oakland's foodshed. Support activities such as local sourcing or purchasing agreements, farmers' markets and Community Supported Agriculture.

**Promote energy efficiency and reduce energy consumption.** Promote local, sustainable food production, and help Oakland transition to a locally- and regionally-based food system.

**Support the protection of environmental resources.** Promote consumption of locally and sustainably-grown food, particularly food produced using environmentally-benign and energy-efficient growing, processing and distribution practices.

**Promote a "closed-loop" food system.** Work for a system that eliminates pollution and use of non-renewable materials, and promote food scrap composting by Oakland's residents and businesses. Work to expand existing commercial and residential food scrap recovery programs.

**Promote community economic development.** Foster development in the food sector that creates living-wage jobs. Local ownership and operation recirculates wealth within the community, so locally-owned food systems can be a strong engine for community development. Existing and potential Farmers' Markets, Community Supported Agriculture, corner store conversions, and community-owned supermarkets are options for increasing economic development through locally-owned businesses in underserved neighborhoods.

**Increase public "food literacy."** Promote the sharing of information that will allow communities to make food-related choices that positively influence public health, social responsibility and environmental sustainability.

The formation of Oakland's Food Policy Council creates a strategic opportunity to shift the terms of the public debate around food access in Oakland from a singular focus on food access to an ethically based, community-oriented standard of equity and sustainability. The time is right for Oakland to take concrete steps to support sustainable food retail development. PHLP developed the Sustainable Food Retail Framework to help advocates and community members engage effectively with Oakland policymakers. The full implementation of each of these goals has the potential to transform Oakland's food retail sector to better serve all Oakland residents.

## What Is Sustainable Food Retail?

The emergence of Tesco's Fresh & Easy as a new player in Oakland's food retail sector creates an opportunity for a public debate on the costs and benefits of chain grocers compared to locally-based alternatives such as People's Grocery. This debate has the potential to raise complex questions about the social, economic, and environmental impact of food retail. Community food activists will need to be prepared to effectively engage local policy-makers in supporting sustainable alternatives to Fresh & Easy.

When a new grocery store opens in an underserved community, economic development practitioners and other policymakers typically measure success in terms of square feet of retail and number of jobs created. These measurements are used as proxies to describe the impact of food retail on a community. In this analysis, neighborhood-based retailers will always be seen as less competitive than their full-service competitors because they offer fewer jobs and have smaller footprints. Yet these tangible, cumulative indicators fail to describe the broader economic, social, and environmental context in which grocery stores operate. The business practices of food retailers have broad impacts on food access, workplace conditions, health, environment, and the supply chain. PHLP created the **Sustainable Food Retail Framework** to assist advocates seeking to recast the role of food retail in terms of a broader set of community values (the full framework appears beginning on p. 32).

### A MODEL FOR THE FRAMEWORK

The language of the sustainable retail framework was influenced by **Whole Measures**, a framework created by The Center for Whole Communities, an organization that originated in the land conservation movement. Whole Measures ([www.measuresofhealth.net](http://www.measuresofhealth.net)) is based on the philosophy that the traditional, tangible measures of land conservation success (acres preserved and dollars spent to acquire land) fail to account for the "big picture context of the economic, social, and racial divides in America." If we substitute *food for land*, the Whole Measures model strives for "broader engagement in the dialogue around the role of [food] in healthy, whole communities." The Community Food Security Coalition (CFSC) is currently adapting Whole Measures to apply to food security and plans to produce its framework in 2009.

The Sustainable Food Retail Framework is designed to inspire many possible applications. It can serve as a guideline for public debate about food retail and its possible impact in a community. The framework will also be useful for advocates seeking to define and prioritize the kinds of food retail that a city or neighborhood wants to attract. It can help advocates engage food retailers to ensure accountability and equity in business practices. Food retailers could use these guidelines to internally evaluate corporate practices and create targets for improvement. The Sustainable Food Retail Framework is not intended to be a static rating system, but rather a starting point to elevate, focus and inform the public discourse around sustainable food systems.

The framework is focused on *values*, not measurable indicators. This supports a more holistic approach to thinking about food retail, and more easily allows for customization by different users based on local value priorities. Importantly, it was designed so that all retailer formats, from small-scale independents to conventional grocer chains, could reasonably achieve the values. We made an effort to define the practices within the scope of a "traditional" grocery business, though many local food retail projects will have programmatic components (such as nutrition education offerings) that go well beyond what traditional food retail offers.

This tool can be adapted for multiple audiences. Oakland's Food Policy Council is the primary audience for this framework, and we hope it will serve to initiate a conversation about the city's values for attracting food retail and improving access to food throughout Oakland. But we expect advocates, community residents, policymakers, and businesses interested in these issues to find this tool useful as well. It has the potential to create a bridge between some of these audiences who may not have engaged with each other or found common ground on these issues.

### ***Key Values***

We chose five values that embody the full relationship between food retail and sustainable communities: **good food, local wealth, strong communities, good jobs, and healthy environment.** Within each of these categories, we've defined ways in which retailers can fulfill these values. These values were chosen based on an extensive literature review and refined in conversations with food systems thought leaders and Oakland activists. We researched how others have defined and measured indicators of sustainability, local self-reliance, social capital, and food security. We learned that many leaders struggle with the challenge of defining sustainability in their organizations, companies and educational institutions. Our interviews and research revealed many measurements that have been used and varying opinions about their function, value, and ease of use.

The Sustainable Food Retail Framework provides a set of values-based practices in the left hand column. These practices reflect the fullest expression of how a food retailer might contribute to a sustainable community. For each practice, we offer levels of performance to characterize how close a retailer comes to fulfilling the vision. While the framework does not include a numerical scoring system, it lends itself to one if a group chooses to use it that way. In that case, designing the scoring system for the framework will open up discussion about how much weight the group attaches to each value category.<sup>20</sup> The framework does include suggested measurements for each indicator.

We arrived at the following descriptions of each of these values after an extensive local and national peer review process; different communities will likely express varying priorities. More than 30 food policy experts, economic development practitioners, planners, and community organizers gave substantive feedback on the content of the framework. The final product reflects the diverse and thoughtful comments and would not have been possible with this peer review process. For a full list of the reviewers, please see the acknowledgments section on p. 32.

### **Good Food**

A retailer that supports *good food* sites stores in underserved, low-income communities in locations that are easily accessed by foot or public transportation. A *good food* store provides a selection of culturally appropriate, fresh, and healthy food that is affordable for all residents in the community.

In defining good food, discussion arose around whether to evaluate practices within the store and the company, or to focus on the company's influence in the industry. For example, affordability could be evaluated in terms of prices at the store, or it could be evaluated in terms of the competitive influence on other stores, which opens questions about pricing pressure on suppliers, conditions for farm workers, and on into a complex web of impacts. For the purpose of the Sustainable Food Retail Framework, we chose in this case to define affordability as store product pricing to make it measurable, and to allow for the other impacts to be included in measures that examine sourcing and distribution and labor practices. However, concerns about the competitive influence of large stores may emerge in particular neighborhoods, requiring an adjustment of the rating criteria.

### **Local Wealth**

*Local wealth* looks at the big picture of a company's economic impacts, looking beyond the individual store to other elements of the food system, such as production and distribution. Local ownership is certainly one major indicator of the likelihood of a retailer to contribute to local wealth. In addition, a retailer that builds local wealth will offer locally-sourced food and other products. Beyond the scale of individual consumers and employees, advocates should evaluate the degree to which a retailer keeps money circulating in the local economy through the services it procures.<sup>21</sup>

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<sup>20</sup> Abi-Nadr & Paterson. Interview by Laurison H and Young N, August 1, 2008.

<sup>21</sup> Fisk J. (Director, Wallace Center.) Interview by Laurison H and Young N. August 1, 2008.

### ***Strong Community***

In addition to their impacts on suppliers and other food sector businesses, neighborhood grocery stores have traditionally been centers of social interaction.<sup>22</sup> As members of a community, grocery stores can contribute by adopting safe, pedestrian-friendly, context-sensitive store design, contributing profits to community activities, donating food to charities, or even posting community events in a central location. Individual communities will vary in how they define the kind of engagement and support they expect and desire from a grocer.

### ***Fair Jobs***

A retailer offering *fair jobs* will hire local residents, offer good wages and benefits, and opportunities for professional advancement. Moreover, the retailer will offer a safe and supportive work environment and provide the support employees need to perform their job well. Where possible, the retailer will promote fair jobs throughout the supply chain, by prioritizing products and services sourced from companies and farms with fair labor practices.

### ***Healthy Environment***

Measuring a grocery retailer's impact on the environment is complex, although a few businesses have tried to do so. With rising fuel costs and concerns about pollution and environmental justice, all businesses, including grocery stores, are under scrutiny for their environmental impact. Many retailers are motivated to "go green" to attract consumers; this includes recycling and composting along with other energy reduction and pollution prevention strategies. A retailer can also contribute to a healthy environment through choices in store design, refrigeration, and lighting and by sourcing products with low-embodied carbon. Company size has a large bearing on the scale of its environmental impact, as well as on its available resources for mitigating those impacts.

The lively debate that accompanied the development of the framework will likely be replicated as communities use it. As Chris Paterson of the Center for Popular Research, Education and Policy observed about using this kind of evaluation, "The group process and engagement is as valuable as the tool itself."<sup>23</sup> There is no one right way to run a grocery store – or any business that must respond to the community in which it operates and from which it profits. The goal is to initiate dialogue among stakeholders by asking important questions, and to help think comprehensively as communities make their own attempts to define sustainable food retail.

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<sup>22</sup> Mitchell S. (Research Associate, Institute for Local Self-Reliance) Interview by Laurison H and Young N. August 5, 2008.

<sup>23</sup> Abi-Nadr J and Paterson C (Community Food Security Coalition and Center for Popular Research, Education and Policy). Interview by Laurison H and Young N. August 4, 2008.

## Comparing Fresh & Easy and People's Grocery

### *Retailer History*

Tesco, the corporate parent of the Fresh & Easy chain stores, is currently the world's third-largest food retailer, ranked behind Walmart and the French retailer Carrefour.<sup>24</sup> Based in the United Kingdom, Tesco began as a grocery stall in London in the early 1900s and became a private limited company in 1932, which has been its form since.<sup>25</sup> Between the 1950s and the 1980's, Tesco expanded its business in Britain through diversification of its products and services as well as by acquiring other chains. Tesco expanded out of the traditional neighborhood supermarket mold to open its first "superstore" in the 1960s and its first gas station in 1974, establishing itself as the United Kingdom's largest independent retailer of gasoline by 1991 and its top food retailer by 1995. Since the 1990's, Tesco has also offered a clothing line, electronics, house wares, a personal finance service, online banking and shopping, a mobile phone network, and broadband service.

Since the 1990s, Tesco has aggressively expanded its market share. As of April 2008, Tesco had more than 450,000 employees worldwide,<sup>26</sup> up from 380,000 one year earlier.<sup>27</sup> Tesco began to branch out internationally during the 1990s, opening in six European markets between 1994 and 2003 (Hungary, Poland, the Czech Republic, Slovakia, and Ireland), as well as covering the Thai, South Korean, Malaysian, Japanese, and Chinese markets in Asia between 1998 and 2004.<sup>28</sup> By February 2007, Tesco had a total of 3,262 stores in its U.K., European, and Asian markets combined, with an additional 574 locations planned for these areas.

People's Grocery Market, slated to open in 2010, is the food retail business of People's Grocery, a nonprofit organization that has operated in West Oakland since 2003. The organization currently has approximately ten staff members who, along with volunteers, are dedicated to making healthy food available to all residents of Oakland and to building "a local food system that improves the health and economy of the West Oakland community."<sup>29</sup> People's Grocery Market was originally planned as a cooperative but recently changed to be owned primarily by the parent nonprofit and local investors.<sup>30</sup> The workers will receive stock equity grants at initial employment and will subsequently buy out the investors over an 8-10 year period, at which time 49% of the business will be owned by the workers. For four years prior to considering a bricks-and-mortar grocery store, People's Grocery ran a Mobile Market, a truck that sold fresh produce throughout neighborhoods in Oakland. While the Mobile Market was popular with residents, People's Grocery realized that the mobile model was financially unsustainable and they begin to develop business plans and look for investment in People's Grocery Market.<sup>31</sup> With People's Grocery Market, the organization intends to build on its nonprofit work by providing "a distinctively urban, community-oriented and culturally-diverse shopping experience that conveniently offers freshness and quality in local and ethnic foods at affordable prices, as well as supports and resources for healthy eating and lifestyles."<sup>32</sup>

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<sup>24</sup> Supermarket News. *SN's Top 25 Worldwide Food Retailers for 2008*. Available at:

[http://supermarketnews.com/profiles/top25/top\\_25\\_food\\_retailers\\_worldwide/](http://supermarketnews.com/profiles/top25/top_25_food_retailers_worldwide/)

<sup>25</sup> UK Telegraph. *Tesco in numbers*. April 18, 2007. Available at: [www.telegraph.co.uk/news/uknews/1548956/Tesco-in-numbers.html](http://www.telegraph.co.uk/news/uknews/1548956/Tesco-in-numbers.html)

<sup>26</sup> Tesco Corporate website. Available at: [www.tescocorporate.com](http://www.tescocorporate.com)

<sup>27</sup> UK Telegraph, *supra* note 25.

<sup>28</sup> Tesco Corporate website. Available at: [www.tescocorporate.com/publiclibs/tesco/International.pdf](http://www.tescocorporate.com/publiclibs/tesco/International.pdf) (Accessed 07/26/08)

<sup>29</sup> People's Grocery website. Available at: [www.peoplesgrocery.org/](http://www.peoplesgrocery.org/)

<sup>30</sup> Ahmadi B. (Executive Director, People's Grocery.) Interview by Laurison H and Young N. July 23, 2008.

<sup>31</sup> *Id.*

<sup>32</sup> People's Community Grocery Market One Pager. Unpublished. Provided to author by Brahm Ahmadi.

### ***Store Format***

Tesco has a variety of store formats in its international markets—from expansive Tesco Extra superstores with more than 60,000 square feet of retail space and a wide range of food and non-food products to its 3,000-square-foot Express stores offering shoppers a convenient place to pick up fresh produce, baked goods, and alcohol. Its U.S. store, Fresh & Easy, differs in both form and function from the company's previous retail centers – the average Fresh & Easy store is roughly 10,000 square feet, making it four times smaller than the average U.S. supermarket, and serves mostly fresh produce and ready-to-eat meals delivered daily from its central distribution center. Each store employs 20 to 30 people. Tesco has also pledged to serve communities of all types with Fresh & Easy, including neighborhoods located in “food deserts.”<sup>33</sup>

People's Grocery Market will be similar in size to Fresh & Easy stores, at approximately 15,000 square feet.<sup>34</sup> While a site has not been finalized, People's Grocery is interested in considering West Oakland locations near high-density residential neighborhoods, along major traffic corridors, and easily accessible by public transportation.<sup>35</sup> People's Grocery plans to employ approximately 80 individuals at competitive wages. The store will emphasize preventive health education, community engagement and customer experience to serve the diverse, inner-city population of West Oakland.

### ***Plans for growth***

Tesco's entrance into the U.S. market began with the opening of Fresh & Easy in the city of Hemet (Riverside County, Calif.) on November 9, 2007.<sup>36</sup> There are currently a total of 63 stores in Las Vegas, Phoenix, and various locations throughout Southern California. Tesco has secured leases for 37 stores in Sacramento and San Francisco, and has plans for six stores in Bakersfield, and a number of stores in Fresno.<sup>37</sup> Tesco's vision is to have Fresh & Easy stores no more than two miles apart, “so no one has to travel more than a mile to get to a Fresh & Easy.”<sup>38</sup>

The company has an 820,000-square-foot distribution center in Riverside, where it also prepares its premade foods. The Riverside distribution center, which ships approximately 95 percent of goods sold at Fresh & Easy, currently serves the stores in all three states; a second U.S. distribution facility is planned for Stockton, to serve an additional 500 stores.<sup>39</sup>

People's Grocery also has yet to open for business in the Bay Area, but unlike Fresh & Easy, it does not have a track record of doing business elsewhere. The organization's first store is in the planning phase with a strategy for its growth in the first few years of operation. According to the People's Grocery Market Business Plan, increasing residential density and new development in West Oakland will contribute to a strong market for the new business; People's Grocery Market projects that by its fourth year of operation it will have captured 17.5 percent of the local demand for groceries.<sup>40</sup>

<sup>33</sup> Fresh and Easy Buzz, “Tesco to Open a Fresh and Easy Market.” Available at:

<http://freshneasybuzz.blogspot.com/2008/07/tescos-to-open-fresh-easy-grocery.html> (Accessed 7/25/2008).

<sup>34</sup> Peoples Grocery Market. *People's Grocery Business Plan*. Unpublished, 2006. Provided to author by Brahm Ahmadi.

<sup>35</sup> *Id.*

<sup>36</sup> The Press Enterprise, “Hemet store leads sites of British grocer's Fresh & Easy chain's U.S. debut.” November 9, 2007. Available at: [www.pe.com/business/local/stories/PE\\_Biz\\_D\\_tesco09.2f44650.html](http://www.pe.com/business/local/stories/PE_Biz_D_tesco09.2f44650.html) (Accessed 07/25/08)

<sup>37</sup> Available at: <http://freshneasybuzz.blogspot.com/2008/03/fresh-easy-neighborhood-market-northern.html> (Accessed 07/25/08)

<sup>38</sup> Tesco Corporate website. Available at: [www.tescocorporate.com](http://www.tescocorporate.com)

<sup>39</sup> CSP Daily News. “Fresh & Easy Kitchen: Retailer preparing own food, adding second distribution center; many more stores expected.” Convenience Store / Petroleum Daily News, December 4, 2007. Available at: [www.cspnet.com/ME2/Audiences/dirmod.asp?sid=&nm=&typez=Publishing&mod=Publications%3A%3AArticle&mid=8E3A7027421841978F18BE895F87F791&tier=4&cid=0A2F720A71644902B8C8524B024D4500&AudID=8D2273B133A1](http://www.cspnet.com/ME2/Audiences/dirmod.asp?sid=&nm=&typez=Publishing&mod=Publications%3A%3AArticle&mid=8E3A7027421841978F18BE895F87F791&tier=4&cid=0A2F720A71644902B8C8524B024D4500&AudID=8D2273B133A1)

<sup>40</sup> See 32.

Fresh & Easy offers convenience and healthy food options at very low prices. It promotes itself as a good employer and a good neighbor. People's Grocery distinguishes itself as a community-oriented business at its core, also emphasizing convenient healthy food options but distinguishing its contribution to community health education, local economic development, and fair food.

Using the Sustainable Food Retail Framework, we will take a closer look at these two neighborhood markets and their potential impacts for Oakland. We also consider that given the great unmet demand for food retail in underserved communities, there may be room for both stores to coexist.

A note on methodology: A representative from Fresh & Easy declined to be interviewed for this report. People's Grocery Market co-founder and executive director Brahm Ahmadi was interviewed several times and provided access to several business planning documents.

## Fresh & Easy Community Impact Report

### Good Food

Retailers can promote fairness through store location decisions and by offering accessible, affordable, fresh, healthy, and culturally appropriate food.

#### **A retailer that increases the accessibility of food**

Tesco has marketed itself as being committed to locating in underserved areas and improving access to affordable and convenient groceries for low-income residents.<sup>41</sup> While its small-format stores like Fresh & Easy are easier to develop than a traditional supermarket in built-out urban neighborhoods, the company has not actually specified goals for how many low-income neighborhoods or residents it intends to serve. So far, fewer than 10 percent of Tesco's U.S. stores have opened in underserved neighborhoods.<sup>42</sup>

#### **A retailer that offers affordable food**

Tesco promotes its Fresh & Easy stores as offering “high-quality food at prices you can’t believe,” highlighting its own line of “Value” brand foods.<sup>43</sup> Tesco explains that by building a compact store and carefully selecting its assortment of products, “we simplify our operation and reduce our costs, which means lower prices for customers.”<sup>44</sup> While it does offer affordable food, critics argue that Tesco (like Walmart and other large retailers) does so by pushing down income to others by shopping around the world to find the lowest prices and by pressuring suppliers to cut costs.<sup>45</sup> Tesco has been investigated by the U.K. Competition Commission for using unethical pricing strategies that have had adverse impacts on suppliers and their employees, as well as on independent businesses competing that compete with Tesco locally.<sup>46</sup> Fresh & Easy has also been criticized for refusing to accept vouchers for Women, Infants and Children (WIC), a federal nutrition program that provides vital assistance for low-income families seeking to secure a healthy diet.

#### **A retailer that provides fresh, healthy food**

In Fresh & Easy's promotional materials, the company promotes the freshness of its produce, meats, and seafood as well as its own line of dairy products and its healthy prepared foods.<sup>47</sup> According to the company, fruits and vegetables are date-coded, and prepared foods are delivered daily. The stores' performance in this country has received mixed reviews in newspapers and online reviews: *After bringing stuff home I realized the food wasn't as fresh as the name suggests. This is kind of a bummer. The chicken tasted oddly cardboard-like and our vegetables went bad within a day or two. I do appreciate the concept, but I'm no longer as impressed.*<sup>48</sup> Fresh & Easy has also been criticized for shrink-wrapping its produce, since many shoppers enjoy being able to touch produce before purchasing it.

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<sup>41</sup> Schaffer et al. *Fresh & Easy's Environmental and Food Access Commitments: An Update to the August 2007 Shopping for a Market Report*. Los Angeles: Urban & Environmental Policy Institute, Occidental College, November 6, 2007, p.1.

<sup>42</sup> *Id.* at 3.

<sup>43</sup> Fresh & Easy website. Available at: [www.freshandeasy.com/home.aspx](http://www.freshandeasy.com/home.aspx)

<sup>44</sup> Pugh B., Chief Operations Officer. *Fresh & Easy Quote Sheet*. Fresh & Easy, Press Kit. Available at: [www.freshandeasy.com/images/pressKit/FEQuoteSheet.pdf](http://www.freshandeasy.com/images/pressKit/FEQuoteSheet.pdf)

<sup>45</sup> Mitchell S. *Big-Box Swindle*. Boston: Beacon Press, 2006, p.5.

<sup>46</sup> Forbes.com. *Tesco to appeal Monday against UK Competition Commission probe findings – report*. Thomson Financial News, July 29, 2008. Available at: [www.forbes.com/afxnewslimited/feeds/afx/2008/06/29/afx5165367.html](http://www.forbes.com/afxnewslimited/feeds/afx/2008/06/29/afx5165367.html)

<sup>47</sup> Fresh & Easy website. Available at: [www.freshandeasy.com/home.aspx](http://www.freshandeasy.com/home.aspx)

<sup>48</sup> Yelp.com. Reviews for Fresh & Easy Neighborhood market, March 14, 2008. Available at: [www.yelp.com/biz/fresh-and-easy-neighborhood-market-lakewood-2](http://www.yelp.com/biz/fresh-and-easy-neighborhood-market-lakewood-2)

### **A retailer that offers culturally-appropriate food**

Tesco makes claims to adapt to the local market environment, and it has been recognized for its success in doing so as it expanded throughout Asia and Eastern Europe,<sup>49</sup> but it usually defines cultural appropriateness on a national scale.<sup>50</sup> In one online reviewer's opinion, "*Tesco did their homework [in the United States] and came up with a...store that sells mini corn dogs, Chips Aboy, shrink-wrapped veggies, and Tide laundry detergent!*"<sup>51</sup> According to online reviews of the Fresh & Easy in Mesa, Arizona, the company did respond to more local preferences, taking "*a definite slant toward the predominantly Hispanic population in that neighborhood, with things like bolillo rolls, tres leches cake, and pig trotters (that last one with a primarily Spanish bilingual label).*"<sup>52</sup> It remains to be seen how well Fresh & Easy offers a differentiated product mix to suit neighborhood residents' food preferences as it opens in Central Valley and Northern California communities.

Although there are hidden stories and impacts behind many of Tesco's claims, it is undeniable that Fresh & Easy does offer convenient, fresh food at low prices, especially compared with many of the options that currently exist in underserved neighborhoods.

### **Local Wealth**

Key traits of a business that builds local wealth include local ownership and products sourced locally.

### **A retailer that is locally owned**

Local ownership increases the "local multiplier" or the amount of times a dollar circulates within a local economy before it leaves. Research suggests that locally owned businesses are more likely to use local services such as accounting and banking.<sup>53</sup> Fresh & Easy, which is owned by the world's third largest food retailer, has a weak track record of contributing to local wealth in Britain, and has developed a food distribution system in the U.S. that will minimize development of local wealth.

### **A retailer that offers local food and local products**

While Fresh & Easy's promotional materials claim that as much as 60 percent of its produce will be sourced locally, the corporation defines local as from the state of California.<sup>54</sup> In the UK, Tesco has a history of establishing a purchasing monopoly with local suppliers for its own brand, creating pressures for farmers and other suppliers to drive pricing down by compromising labor standards and cutting corners in quality. The U.K.'s Competition Commission investigation found that Tesco consistently paid suppliers nearly 4 percent below the average price paid by other retailers.<sup>55</sup>

### **A retailer that builds long-term community wealth**

In the U.S., Fresh & Easy is also relying on U.K.-owned processing companies to produce many of its store-label products. Wild Rocket Foods and 2 Sisters Food Group, two British food processors, have each invested \$100 million in setting up food processing plants adjacent to Tesco's Riverside distribution

<sup>49</sup> Griffith V. "Welcome to Tesco, Your Global Superstore." *Strategy and Business*, 2002. Available at: [www.strategy-business.com/press/16635507/11670](http://www.strategy-business.com/press/16635507/11670)

<sup>50</sup> Brand Republic. "Getting Fresh and Easy for Tesco US." *Brand Republic, Retail-Wholesale News*, November 29, 2007. Available at: [www.brandrepublic.com/Industry/RetailWholesale/News/770535/Getting-fresh-easy-Tesco-US/](http://www.brandrepublic.com/Industry/RetailWholesale/News/770535/Getting-fresh-easy-Tesco-US/)

<sup>51</sup> Chowhound blog. *Tesco Fresh & Easy*. November 8, 2007. Available at: <http://chowhound.chow.com/topics/458750>

<sup>52</sup> Chowhound blog. *First Trip: Fresh & Easy, Mesa AZ*. December 7, 2007. Available at: <http://chowhound.chow.com/topics/467230>

<sup>53</sup> Mitchell S. Interview, August 2008.

<sup>54</sup> *Fresh & Easy Fact Sheet*. Available at: [www.freshandeasy.com/images/pressKit/FreshEasyFactSheet.pdf](http://www.freshandeasy.com/images/pressKit/FreshEasyFactSheet.pdf)

<sup>55</sup> U.K. Competition Commission. *Market investigation into the supply of groceries in the UK*. Available at: [www.competition-commission.org.uk/rep\\_pub/reports/2008/538grocery.htm](http://www.competition-commission.org.uk/rep_pub/reports/2008/538grocery.htm)

center.<sup>56</sup> Tesco's U.K. partner Copestick Murray, the company that imports Fresh & Easy brand wine, started a U.S. subsidiary called Cornerstone, and a company from the Netherlands has signed a contract to supply the U.S. distribution center with reusable plastic trays for shipping.<sup>57</sup> This helps the company cut costs by reducing the steps in the supply chain, but it also means that dollars spent at Fresh & Easy are shipped abroad.

### ***Strong Communities***



Photo courtesy of the Urban & Environmental Policy Institute

Retailers that promote strong communities provide a high quality experience for consumers, are responsive to community goals and contribute to livable, walkable neighborhoods through their design.

#### **A retailer that provides a high quality experience for consumers**

Initial reviews of Fresh & Easy stores have commented favorably on the stores' cleanliness and attractive display. However, since the stores operate on a self-check out basis, some have raised questions about the quality of customer service being offered.

#### **A retailer that contributes to a walkable neighborhood**

Neighborhood walkability promotes health, safety, and community interaction. Walkable design can reduce pollution by making it possible for people to get out of their cars, and encouraging physical activity while doing daily tasks.

Neighborhood safety is enhanced by more people walking through an area and by buildings that are designed to get "eyes on the street" – like storefronts with windows that look out

onto the sidewalk. Neighborhoods that are safe, easy to access by multiple forms of transportation, and located in a place within a short distance of many residences can also improve equity, making businesses and services accessible to diverse members of the community

Being "a good neighbor" is one of the tenets of Fresh & Easy's corporate image. In 2007, Tesco's Social Responsibility objectives were amended to include the goal "to put the community at the heart of what we do."<sup>58</sup> Fresh & Easy contributes \$1,000 to a local organization each time it opens a new store; its website invites visitors to nominate a charity, and the winner is decided by employees in that store. Donations to local charities are one way to develop a positive relationship with community, but it is important to question whether this is the most impactful way for a grocer to be a good neighbor.

#### **A retailer that responds to community goals**

Tesco's U.K. history shows a mixed record of responsiveness to the interests of the communities in which it locates. The company has been criticized for attempting to minimize competition by purchasing prime supermarket real estate in excess of what it requires to do business, thus restricting the ability of

<sup>56</sup> CSP Daily News. "Fresh & Easy Kitchen: Retailer preparing own food, adding second distribution center; many more stores expected." *Convenience Store/Petroleum Daily News*, December 4, 2007. Available at: [www.cspnet.com/ME2/Audiences/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&cid=0A2F720A71644902B8C8524B024D4500&AudID=8D2273B133A1](http://www.cspnet.com/ME2/Audiences/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&cid=0A2F720A71644902B8C8524B024D4500&AudID=8D2273B133A1)

<sup>57</sup> Birchall J. *Financial Times*. November 8, 2007. Available at: [www.ft.com/cms/s/0/c92c726a-8d9e-11dc-a398-0000779fd2ac.html](http://www.ft.com/cms/s/0/c92c726a-8d9e-11dc-a398-0000779fd2ac.html)

<sup>58</sup> Food and Grocery Information, Insight & Best Practice. "Tesco, CSR and Polar Bears." April 12, 2007. Available at: [www.igd.com/CIR.asp?menuid=50&cid=2562](http://www.igd.com/CIR.asp?menuid=50&cid=2562)

competitors to acquire land.<sup>59</sup> It has also reputedly kept its development agreements out of public notice, often by using the developers' name rather than its corporate name in public documentation, so as to delay community reaction until agreements have already been decided. The company has also been accused of tax evasion, to which Tesco responded with a libel law suit and the explanation that "its tax avoidance is counterbalanced by charitable schemes and donations."<sup>60</sup>

In the United States, Fresh & Easy stores have been designed for urban settings, often near highway access and major roadways to attract customers driving from more distant neighborhoods. Several of the Southern California Fresh & Easy stores filled vacant store fronts in strip malls, where they now serve as anchor tenants. These stores are often surrounded by other businesses, such as pharmacies, but are not necessarily situated in pedestrian-oriented business districts.

The company does promote some of its other efforts to be mindful of the community, such as keeping stores, parking lots, and backyards "clean and tidy":

*We're also thoughtful when scheduling our neighborhood deliveries so they occur at low-traffic times. Our truck drivers have a low-noise policy, and our trailers are designed with lift gate systems to significantly reduce noise as well. Just recently, we even removed backup beepers on trucks that make deliveries to stores with homes nearby.<sup>61</sup>*

In March 2008, Tesco put the brakes on the expansion of its Fresh & Easy stores for a few months, stating that it wanted to take some time to adjust its operations and respond to consumer feedback. Upon resuming expansion in July, one of its new tactics was to address the design of its stores. In August, Fresh & Easy announced its plans for a new store in Fresno that will incorporate local and community designs. According to an industry trade publication, the new design was said to include a mural depicting the historic nature of the site and surrounding neighborhood, as well as a clock tower.<sup>62</sup> This is a good first step in establishing a community-oriented identity. It is also important to look at the process for developing the design and how community members were engaged to assess whether the final building is indeed responsive to community goals.

### ***Fair Jobs***

A retailer that offers fair jobs employs local residents, offers health insurance and benefits, and promotes fair jobs throughout the supply chain.

#### **A retailer that employs locally**

Each Fresh & Easy store will employ 20 to 30 people (in California) with eligibility for medical benefits after 90 days. The company will eventually employ about 4,000 people in the United States (about 2,000 of these jobs will be at the Riverside, Calif. distribution center). The company has resisted organizing efforts in Los Angeles and elsewhere to commit to a local hiring policy.<sup>63</sup>

#### **A retailer that provides quality jobs and observes fair labor practices**

Fresh & Easy guarantees that employees will be scheduled to work a minimum of 20 hours per week. Fresh & Easy's benefit package is for part-time employment (at least 20 hours a week) and includes at least 75 percent of the cost of health care benefits (including medical, prescription drug, dental and vision

<sup>59</sup> Forbes.com., *supra* note 46.

<sup>60</sup> Accountingweb.co.uk. "Tesco's tax avoidance schemes: Every little one counts." July 30, 2008. Available at: [www.accountingweb.co.uk/cgi-bin/item.cgi?id=186775&d=1025&h=1073&f=1026&dateformat=%25o%20%25B%20%25Y](http://www.accountingweb.co.uk/cgi-bin/item.cgi?id=186775&d=1025&h=1073&f=1026&dateformat=%25o%20%25B%20%25Y)

<sup>61</sup> Fresh & Easy website. Available at: [www.freshandeasy.com/home.aspx](http://www.freshandeasy.com/home.aspx)

<sup>62</sup> Convenience Store News. "Tesco to Revamp Fresh & Easy Look." London: August 8, 2008. Available at: [www.csnews.com/csn/news/article\\_display.jsp?vnu\\_content\\_id=1003832472](http://www.csnews.com/csn/news/article_display.jsp?vnu_content_id=1003832472)

<sup>63</sup> "Hirsch, J. "Community groups protest Tesco's Fresh & Easy." *Los Angeles Times*. November 27, 2007. Available at: <http://articles.latimes.com/2007/nov/27/news/ft-fresh27>.

coverage with a qualifying period of 90 days).<sup>64</sup> Entry-level positions start at \$10 an hour in California, and include a quarterly bonus of up to 10 percent. Although Tesco workers are unionized in Britain, its U.S. division has not made a commitment to working with the United Food and Commercial Workers Union in spite of the union's efforts to engage the company on behalf of workers in Los Angeles.<sup>65</sup> A coalition of Los Angeles residents, faith-based groups, and union representatives led by the Los Angeles Alliance for a New Economy (LAANE) has targeted Tesco's Fresh & Easy because of their potential to drive its industry competitors to lower their wages and benefits in order to compete. When this coalition attempted to negotiate with Tesco about its Fresh & Easy employment practices and other community concerns such as alcohol sales, store locations, and construction contracts, the company was unwilling to negotiate.<sup>66</sup>

Some of the differences between Fresh & Easy's business model and other conventional grocery stores have important impacts on job quality. One way the company cuts costs is by reducing the number of jobs per store and the level of skill required. For example, Fresh & Easy uses self-checkout rather than cashiers for all purchases. Some check-out lines are monitored by an employee, and all alcohol sales are supposed to be approved by an employee, but full-service checkout is not available within Fresh & Easy stores (this is one reason the company cited for not accepting WIC coupons, which require an employee to manually enter a code for each coupon). The retailer is also delivering its private label products in shelf-ready cartons, and requiring its leading branded suppliers to do the same, reducing in-store staffing demands.<sup>67</sup> All of Fresh & Easy's deli selections and prepared foods are produced off-site, meaning store employees will not gain the specialized skill required to staff a meat and deli counter that they would in a conventional full-service grocery store.

### **A retailer that promotes fair jobs throughout the food chain**

It is also important to consider whether a retailer is supporting quality jobs in the companies from which it sources. However, weak laws make labor standards difficult to track and enforce. A major supplier for Fresh & Easy is Wild Rocket Foods, a processing company with 350 employees that has set up shop next to the Fresh & Easy distribution center in Riverside.<sup>68</sup> Jobs at Wild Rocket Foods pay slightly above industry average and many require more skills and offer greater room for advancement than those at Fresh & Easy. Although Wild Rocket's U.K. branch, Nature's Way, published the results of a labor audit supporting the company's claim that it followed "the highest standards in staff recruitment and employment practices," an investigative reporter interviewed migrant workers who shared stories of long hours, low pay, and fear of abuse or violence.<sup>69</sup> These accusations point to how Tesco's low prices carry consequences for workers throughout the supply chain.

### ***Healthy Environment***

Food retailers have the potential to contribute to a healthy environment for all by reducing waste, preventing and remediating pollution, and responding to climate change. Tesco has made publicizing its pro-environmental practices front and center to boost its reputation as a leader in corporate responsibility.<sup>70</sup> The company has ambitious plans for greening its business in the next decade, which it

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<sup>64</sup> Pugh B., *supra* note 44.

<sup>65</sup> LAANE Grocery and Retail Campaign, Los Angeles Alliance for a New Economy. Available at: [www.laane.org/projects/grocery/index.html](http://www.laane.org/projects/grocery/index.html)

<sup>66</sup> Garrahan M. "Retailer Upsets California Grocery Unions." *Financial Times*. April 4, 2008. Available at: [http://74.10.59.52/goodgrocery/articles/080404Financial\\_Times.html](http://74.10.59.52/goodgrocery/articles/080404Financial_Times.html)

<sup>67</sup> Birchall J. *Financial Times*. November 8, 2007. Available at: [www.ft.com/cms/s/0/c92c726a-8d9e-11dc-a398-0000779fd2ac.html](http://www.ft.com/cms/s/0/c92c726a-8d9e-11dc-a398-0000779fd2ac.html)

<sup>68</sup> Pierceall K. "Wild Rocket Foods vows to be different." *The Press Enterprise*, August 30, 2007. Available at: [www.pe.com/business/local/stories/PE\\_Biz\\_D\\_wildrocket30.31452e5.html](http://www.pe.com/business/local/stories/PE_Biz_D_wildrocket30.31452e5.html)

<sup>69</sup> Lawrence F. "The precarious existence of the thousands in Britain's underclass." *The Guardian*, January 10, 2005. Available at: [www.guardian.co.uk/business/2005/jan/10/immigrationasylumandrefugees.asylum](http://www.guardian.co.uk/business/2005/jan/10/immigrationasylumandrefugees.asylum)

<sup>70</sup> "Tesco recognized as the environmental leader!" *Tesco News*, July 2008. Available at: [www.cn.tesco.com/en/news/tesco\\_news1\\_12.htm](http://www.cn.tesco.com/en/news/tesco_news1_12.htm)

has promoted in press releases and an annual corporate responsibility report detailing its successes and goals for managing waste, reducing resource dependence, and addressing social responsibility.<sup>71</sup> Because Tesco is such a large retailer, any plans to adopt environmentally-friendly practices carry significant impact: for example, they plan to run Britain's largest distribution on biofuels and halve carbon emissions by 2020.<sup>72</sup> But some organizations have criticized the company for failing to live up to its promises, noting that “even the company's own green auditors have said there is still a long way to go,” and stressing that part of being a “green” company is supporting suppliers that also have good environmental performance and helping those that want to improve.<sup>73</sup>

### **A retailer that prevents or remediates pollution and reduces waste**

The company has a number of plans for its U.S. stores, including a solar roof at their Riverside distribution center, participation in the California and national climate registries that track greenhouse gas emissions, earning Leadership in Energy and Environmental Design (LEED) certification for all stores, providing in-store recycling, cleaning with eco-friendly products, and using recycled materials for display and shipping.<sup>74</sup> But the company had some missteps early in its U.S. expansion when it became embroiled in a lawsuit over whether its distribution center was required to comply with California environmental regulations.<sup>75</sup> Tesco was ultimately ordered to attain environmental approval for the development.

### **A retailer that responds to climate change**

Overall, the scale of Tesco's business and its consistent drive to source the lowest-cost products from around the globe contributes to a large carbon footprint—but the company also has the resources to do large-scale initiatives such as choosing a fuel-efficient, low-noise fleet of trucks, installing 500,000 square feet of solar panels, and developing an innovative system for carbon labeling on food sold in their stores. Tesco is also clearly motivated to earn consumer support of its environmental successes by promoting them with flashy images and reports, exciting announcements, and regular press releases.

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<sup>71</sup> Tesco Corporate website. Available at: [www.tescocorporate.com](http://www.tescocorporate.com)

<sup>72</sup> Mathiason N. “Tesco faces attack over carbon footprint.” *The Observer*, September 9, 2007. Available at: [www.guardian.co.uk/business/2007/sep/09/supermarkets.money](http://www.guardian.co.uk/business/2007/sep/09/supermarkets.money)

<sup>73</sup> Mathiason N. “Tesco faces attack over carbon footprint.” *The Observer*, September 9 2007. Available at: [www.guardian.co.uk/business/2007/sep/09/supermarkets.money](http://www.guardian.co.uk/business/2007/sep/09/supermarkets.money)

<sup>74</sup> Fresh & Easy website. Available at: [www.freshandeasy.com/home.aspx](http://www.freshandeasy.com/home.aspx)

<sup>75</sup> Crowley L. “Tesco turns food maker with Fresh & Easy.” *Food Navigator USA*, December 6, 2007. Available at: [www.foodnavigator-usa.com/Financial-Industry/Tesco-turns-food-maker-with-Fresh-Easy](http://www.foodnavigator-usa.com/Financial-Industry/Tesco-turns-food-maker-with-Fresh-Easy)

## People's Grocery Market Community Impact Report

### ***Good Food***

#### **A retailer that increases the accessibility of food**

People's Grocery Market (PGM) proposes to open a full-line<sup>76</sup> grocery store in West Oakland, a low-income neighborhood with significant unmet demand for food retail. West Oakland currently lacks a full-service grocery store, forcing its residents spend over \$50 million annually in food stores in other neighborhoods.<sup>77</sup> People's Grocery seeks to improve access to healthy food, create local jobs, and support local food businesses



People's Grocery farm stand in West Oakland.

*Photograph by Lydia Daniller*

#### **A retailer that offers affordable food**

People's Grocery Market intends to position itself “in the middle market of the retail industry between luxury and discount retailers.”<sup>78</sup> To make it possible for a majority of residents to afford fresh food and staples to feed their families regardless of income, People's Grocery “will pursue special offers such as enhanced food stamp usage opportunities, customer loyalty incentives, and direct producer-to-retailer distribution networks.”<sup>79</sup> By employing local residents and sourcing from local businesses, People's Grocery aims to spur sustainable economic development in West Oakland.

#### **A retailer that provides fresh, healthy food**

The proposed store will feature conventional as well as organic food, with an emphasis on locally-produced food. The store will offer a bulk food section, a deli with a “Grab & Go” section, prepared foods, and a limited selection of non-food and general merchandise. The store will offer a seating area for in-store dining.

#### **A retailer that offers culturally appropriate food**

The store will offer a product mix that reflects the cultural diversity of West Oakland. People's Grocery intends to develop its product mix based on 1) six years of experience and knowledge marketing healthy foods to the community and gathering data on consumer desires, 2) from past and future surveys, 3) from primary research conducted by other community partners, 4) from secondary research conducted by other marketing firms and 5) data from vendors and brokers specializing in ethnic foods. People's Grocery has demonstrated its responsiveness to customers while running the Mobile Market, which frequently changed its product mix in response to customer requests, neighborhood surveys, and focus groups. PGM has retained the services of several advisors who specialize in ethnic food brokerage and have in-depth knowledge of the distribution channels for ethnic foods. The PGM business plans commit

<sup>76</sup> Full-line grocery refers to a store that offer products across all product categories. Full-service means that there is counter service in departments such as meat or seafood.

<sup>77</sup> Davis P. *Proposed People's Grocery, West Oakland, California, Evaluation of Sales Potential and Review of Proposed Sites*. May 2008.

<sup>78</sup> See 32.

<sup>79</sup> People's Grocery website. Available at: [www.peoplesgrocery.org](http://www.peoplesgrocery.org)

to a benchmark goal of 20% ethnic foods across all food categories. In addition to tailoring its product mix to the community, People's Grocery plans to offer in-store nutrition and health education, including cooking demonstrations, workshops, and nutrition counseling.<sup>80</sup> PGM also plans to integrate IT platforms such as POS, customer database and shopping cards to generate psychographic and shopping trend data that will be utilized to generate both educational and promotional offers.

### **Local Wealth**

#### **A retailer that offers local food and local products**

People's Grocery Market will operate on a much more local scale than Fresh & Easy can. In sourcing, People's Grocery does not have the equivalent of a large corporation's economies of scale, but this allows more flexibility developing relationships with suppliers and choosing to support small independent farms and businesses that are invested in the local workforce. According to its website, "People's Grocery will engage in local sourcing practices to support regional producers and farmers and will strive to carry 20 percent local food products."<sup>81</sup> PGM has not yet defined "local," however, according to Brahm Ahmadi, he anticipates that the store will strive to source products from within 100 to 150 miles of Oakland, or as locally as possible for foods not grown within the Oakland foodshed.

#### **A retailer that is locally owned**

People's Grocery Market will be owned primarily by the parent nonprofit and local investors.<sup>82</sup> The workers will receive stock equity grants at initial employment and will subsequently buy out the investors over an 8-10 year period, at which time 49% of the business will be owned by the workers.

#### **A retailer that builds long term community wealth**

People's Grocery's research estimates that, for every \$1 spent at PGM, an additional 0.58 cents will be generated within the local economy. The data show that the alleviation of per capita healthcare costs associated with healthy food access actually has a greater local economic benefit than the capture and reinvestment of local retail "food dollars".<sup>83</sup>

A small business like People's Grocery Market can increase its contribution to the local economy by developing relationships with local suppliers and distributors. One of People's Grocery local partners is Rainbow Grocery Cooperative, a San Francisco employee-owned company with 30 years of experience in retail grocery. Rainbow Grocery employs more than 200 people at various career levels, many of whom have advanced through the company over decades.<sup>84</sup> People's Grocery Market will benefit from the experience, success, and goodwill that this long-standing local business has developed in the Bay Area by cross-branding some of its products. This partnership exemplifies the potential small businesses have to enhance local wealth through their suppliers and business alliances.

### **Strong Communities**

#### **A retailer that provides a high quality experience for consumers**

People's Grocery plans for a high-quality consumer experience, differentiating the store on the basis of its history, goodwill and community relationships established by People's Grocery nonprofit and

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<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> Ahmadi B. (Executive Director, People's Grocery.) Interview by Laurison H and Young N. July 23, 2008.

<sup>83</sup> People's Grocery Local Multiplier. Unpublished. Provided to author by Brahm Ahmadi.

<sup>84</sup> Rainbow Grocery Cooperative website. Available at: [www.rainbowgrocery.org/aboutus/index.html](http://www.rainbowgrocery.org/aboutus/index.html)

including “health education, community engagement and social marketing formats.”<sup>85</sup> On its website, the company has published concept renderings that depict the interior of the market and the company’s vision for a welcoming shopping experience.

Through its years running the Mobile Market and other community programs, the non-profit parent of People’s Grocery Market has established itself as a respected member of the Oakland community. The Market intends to build on this foundation of community support by creating active partnerships with the community; its commitment to community engagement can be leveraged to set itself apart from large retailers who cannot compete with such a strong local presence or local knowledge base.

### **A retailer that contributes to a walkable neighborhood**

A store location that is accessible by transit, walking, and biking is critically important for a community like West Oakland, which has relatively low rates of car ownership. People’s Grocery’s market research shows that as much as 75% of its customer base will come from the surrounding neighborhood.<sup>86</sup> Community commitment is built into the store concept, which includes a site “centrally located in the community, adjacent to some of the area’s highest density residential neighborhood and located along major public transportation lines, [as well as] along two major traffic corridors.”<sup>87</sup>

### **A retailer that responds to community goals**

People’s Grocery has not yet secured a location for its business; however, the company at one point considered a location also being considered by Fresh & Easy, the Jack London Gateway Center. Fresh & Easy approached Oakland’s Community and Economic Development Agency about this site in early 2008; however, negotiations fell apart because Fresh & Easy’s starting wage was below the living wage requirements of Oakland’s redevelopment areas.<sup>88,89</sup> Instead of considering a higher wage, Fresh & Easy stopped negotiations. By contrast, People’s Grocery Market anticipates entry level wages well above the minimum wage requirement, as discussed below.

## **Good Jobs**

### **A retailer that employs locally**

People’s Grocery has a track-record as a nonprofit community organization for being deeply committed to workforce development by hiring local youth, training them and offering opportunities for advancement.<sup>90</sup> Whereas Fresh & Easy’s staffing requirements are lower than the industry average (with about 20-30 employees per store), PGM anticipates around 80 employees (depending on store size). PGM’s business model incorporates a significant focus on workforce development. The company has committed to hiring at least 60% of its employees from the West Oakland community.

### **A retailer that provides quality jobs and fair labor practices**

PGM plans to offer a competitive compensation package, with starting wages that exceed industry standards. People’s Grocery Market will be a subsidiary of the nonprofit People’s Grocery, which will own 51% of the company. The PGM business plan projects that the remaining 49% will eventually be owned by the store’s employees. Through this joint ownership model, the company intends to build deep roots in the community and remain focused on its core mission.

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<sup>85</sup> See 32.

<sup>86</sup> Davis P., *supra* note 77.

<sup>87</sup> See 32.

<sup>88</sup> Williams K. and Gallo A. Interview with Sideroff D. August 28, 2008.

<sup>89</sup> Oakland’s living wage policy is available at: [www.portofoakland.com/business/policies.asp](http://www.portofoakland.com/business/policies.asp)

<sup>90</sup> Ahmadi B. (Executive Director, People’s Grocery) Interview by Laurison H and Young N. July 23, 2008.

At least 20% of the workforce will be unskilled or entry level employees. The nonprofit arm of People's Grocery is currently developing a training program for these new workers with an emphasis on meeting future employees' needs for financial management, communications, and other skills critical to success in the workplace. PGM has retained a human resources firm to advise the company on the appropriate staffing, training, and career advancement tracks for future employees.

### **A retailer that promotes fair jobs throughout the food chain**

People's Grocery plans to extend its workforce impact by developing business relationships with local businesses that have track records for offering good jobs, fair wages and benefits, quality employee training programs, and opportunities for advancement.

### ***Healthy Environment***



*Rendering of proposed market. Image courtesy of PGM.*

People's Grocery Market has addressed environmental issues in defining its brand identity, saying "the brand will also convey strong values of social and environmental responsibility to capture shoppers seeking business that function on such values," but it has stated very little about its intended environmental practices.

By nature of its size, presumably the Market will have a smaller environmental "footprint" than Fresh & Easy. By using local producers, direct distribution and sourcing, as well as other sustainable practices, People's Grocery will minimize pollution associated with transporting food long distances. The store could also offer basic services like recycling and composting on site, along with promotional and educational materials to make sure employees and customers use these facilities, although they have not stated explicitly that they plan to do so.

People's Grocery – like Tesco – could also develop internal environmental standards, comply with and exceed local environmental regulations, and attract consumer and shareholder attention by publicizing its commitment to environmental responsibility.

## Implications and Recommendations

### *Implications*

Using a “Sustainable Food Retail Framework” has many implications for food retailers seeking to set up shop in Oakland’s neighborhoods. The decisions made by Oakland’s elected officials and Agency staff to support particular food retail formats will need to include multiple considerations and measurements of “success” in order to meet the needs of Oakland’s diverse neighborhoods. The arrival of Tesco’s Fresh & Easy to the East Bay is a window of opportunity for a spirited public debate—an opportunity to consider how the city will respond to this chain retailer and the role policymakers will play in developing citywide priorities for food retail going forward.<sup>91</sup> Decisions on how to allocate public resources and which retailers should benefit from public incentives will affect how the extent to which different community values and priorities around jobs and local wealth, community cohesion, safety, public health and the environment may be realized.

Environmental concerns especially are at the forefront of global and local conversations and decision making. With rising fuel prices and new understanding about the environmental impacts related to growing, processing and distributing food, there is a growing call for shifting the food system towards more sustainable practices. Food retailers, while not the only responsible actors, can play a large role in integrating environmental ethics into food systems through the kinds of producers and suppliers they choose to support.

### *Challenges*

Whether by serving as a neighborhood hub or by making the streets feel safer, grocery stores have a special opportunity to strengthen community which should not be overlooked. The Sustainable Food Retail Framework offers one lens through which to analyze and discuss these impacts. Advocates seeking to elevate the public dialogue about food retail in Oakland will face several challenges.

***Defining “Local”:*** One of the constant questions in researching and discussing local economic development, locally-grown, locally-produced, is how a community defines *local*. This will remain an important question for any individual, group, or business choosing to define these values in its specific geographic area and political context. Many advocates of local use this phrase as a short-hand for a broader set of values, including sustainability, fairness, and democracy. Advocates of local food retailers should be as specific as possible in conversations with policymakers.

In addition to defining local in terms of sourcing, advocates also need to develop a working definition of local ownership. Independent business alliances define *local ownership* as having at least 51 percent of ownership held within a certain geographic region (which must be defined on a case by-case basis). An independent business is one where local owners have decision-making power, and where there are fewer than a defined number of outlets (also to be determined locally, but usually not more than 12). It is important to define this for Oakland so that a concrete vision for local economic development can be implemented.

***Community participation:*** Because of the narrow scope and timeframe for this project, we were limited in our ability to engage community residents in using the tool themselves and providing feedback on its structure. We see potential for further opportunities for community members to tell their stories, explore their values, and respond to the issues addressed in the framework.

***Ex-ante impact assessment:*** A unique challenge of this project was evaluating the impact of two businesses that do not currently operate in the Bay Area, and of which one has yet to operate as a full-

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<sup>91</sup> Herrera H. Interview by Laurison H and Young N. August 14 2008.

scale food retailer. There are things we will not know about People's Grocery Market until it has opened its doors and tested its plan: we expect it will live up to many of its promises, but as with any new business model there are risks it has not yet faced and many unpredictable factors that will affect its business growth and development. Fresh & Easy has only been in the United States for one year, yet there is already much analysis about its practices in the UK and other countries, and its early practices in California. To compare these two very different models is a difficult exercise, especially because their store formats are so different and the demand so high in underserved communities.

***Defining the audience:*** Although this report was commissioned for the Oakland Food Policy Council, the Sustainable Food Retail Framework is intended for use by multiple audiences. These include community groups, residents, businesses, and policymakers, each of which brings different perspectives and priorities to the table.

***Finding a balance:*** One of the great challenges faced by elected officials and community advocates is balancing long-term "sustainable" development with finding quick solutions to a community's most urgent needs. If simply providing access to food is the highest priority, other sustainability factors may not be achievable, depending on what format the increased access takes. Oakland's elected officials and economic development staff are charged with making wise investments of limited public resources. They will need to evaluate the long-term economic viability of different food retail formats. Economic development decisions have largely favored large-scale and chain businesses because these are seen as the most viable over time. Advocates will need to build a compelling argument for the broad impact of local and independent retailers.

### ***Recommendations***

#### **1. Continue developing the Sustainable Food Retail Framework.**

Additional funding is needed to take the Sustainable Food Retail Framework through a comprehensive review process, especially to: a) include feedback from Oakland residents, and b) to ensure a language and design format that is appealing and accessible for its many audiences. Because defining, prioritizing, and measuring values related to food retail is complex, we propose that a study guide also be developed to initiate conversations around the framework. Ideally, the framework will stand alone as a tool users can access nationally and apply beyond the scope of Oakland's current food retail questions.

#### **2. Leverage the City's commitment to sustainability**

Oakland Mayor Dellums has expressed a commitment to both sustainability and to improving the health of Oakland residents. Mayoral leadership proved crucial in the development of new grocery stores in Chicago, Dallas, Rochester, Boston, Baltimore, and other communities that lacked healthy food retail. Advocates should leverage Dellums's commitment to sustainability and link it to healthy food retail for Oakland's underserved neighborhoods.

#### **3. Bring community values into the conversation with Oakland Community and Economic Development Agency.**

The staff of Oakland's CEDA need to be engaged if community values are to be integrated into community development policies. Their current metrics of success such as store size, tax revenue generated, and number of jobs created, could be augmented by the framework's holistic approach to understanding the benefits and impacts of a food retailer. Fresh & Easy can open quickly and has the backing of a robust, multinational corporation. People's Grocery Market has fewer resources, which means it may need some support to get started. But if the City commits to taking some risk to support local enterprises like People's Grocery Market, these businesses can be given the opportunity to prove their viability and their greater potential contribution to the local economy.

#### **4. Create citywide standards for food access and job quality in the food retail sector.**

Across the country, residents and advocates have used Community Benefits Agreements, legally enforceable agreements between developers and community groups, to negotiate with large companies entering their community. Many of the people we interviewed agreed that it is much more effective to define policies citywide (for example, passing a city-wide living wage ordinance) rather than expect residents and advocates whose leverage may be minimized to demand consideration of community impact and benefit on a case-by-case basis. In Los Angeles, the Alliance for Healthy & Responsible Grocery Stores convened a blue ribbon commission of local leaders to develop a set of recommendations to city and grocery industry leaders, including a citywide policy creating uniform standards for grocery operations in Los Angeles.<sup>92</sup> The Alliance has proposed that the L.A. Planning Commission and City Council require grocery stores to comply with anti-redlining standards and meet food and job quality criteria as a part of the conditional use permit process.<sup>93</sup>

### **5. Consider requiring community and economic impact review at the city level.**

Advocates may wish to consider developing a policy proposal to require community and economic impact review of large scale developments. Several municipalities have adopted similar ordinances.<sup>94</sup> These reviews have helped to balance the pros and cons of a development option and to identify where development proposals can be improved. Perhaps most importantly, community and economic impact reviews can become a process for ensuring that businesses understand and address what issues are most important to a specific neighborhood. This is a way of incorporating values, such as the ones highlighted in the Sustainable Food Retail Framework, into local policy. Civic Economics, a national economic analysis firm, has created a guide that walks through the details of conducting an economic impact study.<sup>95</sup> Importantly, communities should consider how to open the conversation about including values and community expectations in all retail development.

### ***Conclusion***

The debate about the relative merits of Tesco's Fresh & Easy and People's Grocery Market has the potential to polarize residents, advocates, and policymakers. This report and the Sustainable Food Retail Framework were developed to elevate community priorities and dialogue around food retail and to explore the potential for creating a more sustainable food retail environment in Oakland.

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<sup>92</sup> *Feeding Our Communities: A Call for Standards for Food Access and Job Quality in Los Angeles Grocery Industry*. Available at: <http://74.10.59.52/goodgrocery/blueribboncommissionreport2008.pdf>

<sup>93</sup> For more information about the campaign to raise standards in the Los Angeles grocery store industry, see [www.goodgrocerystores.org](http://www.goodgrocerystores.org)

<sup>94</sup> Mitchell S (Author, "Big Box Swindle" and Researcher, Institute for Local Self-Reliance). Interview by Laurison H and Young N. August 4, 2008.

<sup>95</sup> Civic Economics. *A Guide to Retail Impact Studies*. For and with the Institute for Local Self Reliance, February 2008. Available at: [www.informedgrowthact.com/guide.pdf](http://www.informedgrowthact.com/guide.pdf)

### Sustainable Food Retail Assessment Framework

**CONCEPT** - A retailer that contributes to a sustainable food system creates and actively embraces opportunities to make the food system economically, ecologically and socially sustainable.

**VALUES** - Fair Food, Local Wealth, Strong Communities, Good Jobs, Healthy Environment

<b>FAIR FOOD</b>	<b>Negative</b>	<b>Neutral</b>	<b>Positive</b>	
<p><b>A retailer that increases the accessibility of food</b>                      Contributes to the long-term provision of accessible food in the community. Creates tangible improvements in the lives of people and groups who traditionally have had lower-than-average access to healthy affordable food.</p>	Retail location is not convenient or accessible without driving.	Retail location is somewhat convenient or accessible by transit or by driving.	Retail location is convenient and accessible by walking and transit.	<p><b>Core Measures:</b> Proximity to residences  <b>Additional Measures:</b> Physical accessibility by walking/transit/driving/parking</p>
<p><b>A retailer that offers affordable food</b>                      Provides food that is affordable for all residents in the community.</p>	Offers food that is not affordable to many residents.	Offers food that is somewhat affordable.	Offers food that is affordable for most residents.	<p><b>Core Measures:</b> Accepts nutrition programs (EBT, WIC, etc.), prices are competitive with major grocery stores  <b>Additional Measures:</b> Pricing beats convenience stores</p>
<p><b>A retailer that provides fresh, healthy food</b>                      Contributes to the long-term provision of fresh, healthy food in the community. Offers education on healthy ways to eat and live</p>	Offers no fresh food options.	Offers some fresh food options.	Offers a wide variety of fresh food options.	<p><b>Core Measures:</b> Frequency of fresh food deliveries, quality of fresh foods  <b>Additional Measures:</b> Products, sourcing, nutritional values, nutrition/education programs</p>
<p><b>A retailer that offers culturally appropriate food</b>                      Offers products that are familiar and appealing to the range of diverse food cultures represented in the community.</p>	Alienates residents through the products it offers and manner in which it offers them.	Does not alienate residents through the products it offers and manner in which it offers them, but makes no effort to respond to their food or cultural preferences.	Offers a range of products that is acceptable to most residents, including traditional staples of the food culture of local residents. Caters advertising to community.	<p><b>Core Measures:</b> Products, product positioning, community presence  <b>Additional Measures:</b> Marketing, public education, languages used in advertising.</p>

<b>LOCAL WEALTH</b>	<b>Negative</b>	<b>Neutral</b>	<b>Positive</b>	
<p><b>A retailer that offers local food and local products</b>                      Makes locally and responsibly grown and processed food widely available in the community. Supports fair labor practices. Creates opportunities for community members to produce and exchange products from the local region.</p>	<p>Offers no locally grown foods or locally sourced products.</p>	<p>Offers some locally grown foods or locally sourced products.</p>	<p>Offers many locally grown foods and locally sourced products which are well-promoted and visible to consumers.</p>	<p><b>Core Measures:</b> Products, sourcing  <b>Additional Measures:</b> Labeling, education/awareness building</p>
<p><b>A retailer that is locally owned</b>                      The majority of the ownership resides within the smallest geographic unit that enjoys legal authority over the retailer. The legal rights and responsibilities of the company are placed in local hands.</p>	<p>None of the owners or shareholders live within (the city).</p>	<p>Some of the owners or shareholders live within (the city).</p>	<p>The majority of the owners and/or shareholders live within (the city).</p>	<p><b>Core Measures:</b> Residence of company owners and/or shareholders  <b>Additional Measures:</b> Percentage local ownership of complementary businesses, including banking, services, and supplies</p>
<p><b>A retailer that ensures long term community wealth</b>                      Contributes to an increase in the flow and equitable distribution of financial resources within the community.</p>	<p>Creates significant negative economic consequences (e.g. removes an economic engine from the community or region).</p>	<p>Produces little or no effect on the community or region's long-term economic vitality.</p>	<p>Contributes to the local or regional economy and it's long-term economic vitality in a measurable way.</p>	<p><b>Core Measures:</b> Local ownership, local multiplier (% of dollar recirculated into local economy)  <b>Additional Measures:</b> New jobs created, wages and benefits, opportunity for advancement, job quality, local sourcing, profitability</p>

<b>STRONG COMMUNITIES</b>	<b>Negative</b>	<b>Neutral</b>	<b>Positive</b>	
<p><b>A retailer that provides a high quality experience for consumers</b> Offers consumers a pleasant, safe, and dignified shopping experience with quality service and a clean, well-maintained, and attractive store environment.</p>	<p>Does not provide a clean, safe environment for consumers. Creates a shopping experience with low quality service and little attention to display.</p>	<p>Meets basic standards for cleanliness, human health and safety, but makes little or no effort to exceed standards or to provide attractive display or quality service</p>	<p>Prioritizes human health and safety, cleanliness, attractive display, and high quality service.</p>	<p><b>Core Measures:</b> Maintenance, safety standards, service ratings <b>Additional Measures:</b> Training, cleanliness, product display.</p>
<p><b>A retailer that contributes to a walkable neighborhood</b> Provides infrastructure that supports community safety and offers pedestrian friendly access. Reflects local identity and sense of place in its design.</p>	<p>Feels unsafe without a car. Adjacent streets are not walkable.</p>	<p>Makes no effort to improve safety or walkability.</p>	<p>Contributes to a safe and walkable neighborhood.</p>	<p><b>Core Measures:</b> Sidewalk widths and quality, amount of car and pedestrian traffic, positioning and size of parking lot relative to store, security measures. <b>Additional Measures:</b> Street trees, local design elements</p>
<p><b>A retailer that responds to community goals</b> Creates active community partnerships to plan and advocate for projects that meet the community's social goals in relation to food retail (food security, job training, education, etc). Increases awareness among the community that food retailers can contribute to meeting social needs.</p>	<p>Does not address community goals in relation to food retail. Limits or reduces community participation.</p>	<p>Makes some effort to address community goals.</p>	<p>Actively supports community social goals in relation to food retail. Involves a broad range of people in defining and supporting local community goals.</p>	<p><b>Core Measures:</b> Community input in design and product mix, corporate citizenship policies and performance, transparency in decisionmaking that affects the community. <b>Additional Measures:</b> Charitable donations, local sponsorship.</p>

<b>GOOD JOBS</b>	<b>Negative</b>	<b>Neutral</b>	<b>Positive</b>	
<p><b>A retailer that employs locally</b>                      Prioritizes hiring of local residents in high quality jobs and makes an effort to attract local employees. Purchases from companies that employ local residents.</p>	<p>Avoids hiring local residents</p>	<p>Makes little or no effort to employ local residents in quality jobs or to purchase from companies that employ local residents.</p>	<p>Prioritizes hiring local residents into high quality jobs with room for advancement. Purchases from companies that employ local residents.</p>	<p><b>Core Measures:</b> Local hiring and sourcing  <b>Additional Measures:</b></p>
<p><b>A retailer that provides quality jobs and fair labor practices</b>                      Offers jobs with good wages and benefits, comprehensive ongoing training and opportunity for multiple levels of career advancement. Offers comprehensive affordable healthcare and benefits.</p>	<p>Offers low-skill jobs with little job security, low wages, little training or room for advancement. Benefits, if any, are expensive and not comprehensive.</p>	<p>Offers jobs that require low to average skills with minimal training. Offers little potential for career advancement. Average wages and benefits compared to industry standard.</p>	<p>Offers quality jobs with skills-training and opportunity for advancement. Pays a livable wage and offers affordable healthcare and comprehensive benefits.</p>	<p><b>Core Measures:</b> Wages and benefits package, training programs.  <b>Additional Measures:</b> Job quality, turnover rate.</p>
<p><b>A retailer that offers a safe and supportive work experience</b>                      Offers a pleasant, safe, and healthy work environment for employees. Responds to the needs of employees and offers support that helps them to perform their jobs well. Creates a workplace in which employees take pride.</p>	<p>Does not provide a clean, safe, and healthy environment for employees.</p>	<p>Meets basic standards for cleanliness, human health and safety, but makes little or no effort to exceed standards or to address employees needs.</p>	<p>Prioritizes human health and safety, cleanliness and maintenance standards. Offers employees a pleasant and comfortable work environment so that they can perform their jobs well.</p>	<p><b>Core Measures:</b> Health and safety standards, quality of maintenance.  <b>Additional Measures:</b> Employee amenities, work/life balance</p>
<p><b>A retailer that promotes fair jobs throughout the food chain</b>                      Prioritizes sourcing products and services from companies and farms with fair labor practices.</p>	<p>Does not consider the labor practices of its suppliers.</p>	<p>Makes little or no effort to purchase products and services from suppliers with fair labor practices.</p>	<p>Prioritizes sourcing products and services from farms and companies with commitment to fair labor practices.</p>	<p><b>Core Measures:</b> Unionization, compliance with labor laws.  <b>Additional Measures:</b> Job quality, turnover rate.</p>

<b>HEALTHY ENVIRONMENT</b>	<b>Negative</b>	<b>Neutral</b>	<b>Positive</b>	
<p><b>A retailer that reduces waste</b>                      Contributes to a significant decrease in the amount of waste disposed in landfills. Works to improve convenience of waste reduction and recycling opportunities Increases consumer awareness of ways in which they can reduce waste.</p>	<p>Does not abide by local policies for waste management.</p>	<p>Abides by local policies for waste management.</p>	<p>Waste management practices exceed local policy requirements.</p>	<p><b>Core Measures:</b> Source reduction, recycling, reuse, and composting activities.  <b>Additional Measures:</b> Recycled content products, reduced packaging, recyclable packaging, on site recycling.</p>
<p><b>A retailer that prevents or remediates pollution</b>                      Remediate hazardous wastes that pose a threat to the community, removes structures or practices that create environmental problems, and works to restore environmental health. Community members learn something about the effects of their decisions and behaviors on environmental quality.</p>	<p>Sourcing and distribution practices lead to an increase in air or water pollution.</p>	<p>Sourcing and distribution practices do not advance overall air and water quality in a measurable way.</p>	<p>Sourcing and distribution practices reduce degradation of local air or water quality or environmental hazards.</p>	<p><b>Core Measures:</b> Sourcing and distribution policies and performance.  <b>Additional Measures:</b> Carbon emissions, recycling/composting practices, facilities-based energy conservation, eliminate/minimize packaging, purchasing recycled content products.</p>
<p><b>A retailer that responds to climate change</b>                      Takes into account climate change mitigation within all operations and company practices. Serves as a model for others in its efforts to mitigate effects of climate change.</p>	<p>Makes no effort to reduce or mitigate carbon footprint.</p>	<p>Engages in minimal efforts to reduce and mitigate carbon footprint.</p>	<p>Make a strong effort to reduce and mitigate carbon footprint. Educates employees and community members about impacts.</p>	<p><b>Core Measures:</b> Carbon footprint  <b>Additional Measures:</b> Use of alternative energy sources and fuels, energy conservation, sourcing and distribution practices/food miles, labeling, education</p>