# Social Entrepreneurship as an Approach to Healthy Food Access and Economic Opportunity

NOPREN Rural Food Access Working Group October 18, 2018

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# Presenter Disclosure Information



# **Good Bowls LLC**

Healthy affordable frozen meals





Thomas Frieden, Former Director of CDC

# Much community-based funding for nutrition interventions is dependent on:

- Research grants the intervention ends after final data collection
- Foundation grants short term and requires repeated proposal submission
- Philanthropy unpredictable
- Government funding varies with political winds

# **Benevolent Capitalism = Social Entrepreneurship**

- Addresses a consumer need
- Can be sustained without external funding



- Examples many global:
  - Water purification systems sold by women
  - Selling recycled waste
  - Innovative health care delivery strategies
  - Buy one/given one models: Tom's Shoes, Warby Parker eyeglasses



# The Problem(s)

Lack of Access to
Healthy Affordable
Food ->
Obesity, Heart
Disease, Diabetes

Limited market opportunities for Small Farmers -> Rural Poverty

Underutilized Value Added Processing Facilities (VAPFs)

# Potential Solution – Good Bowls

- A healthy meal product based on the Mediterranean diet
  - -> culturally relevant/acceptable
- Frozen
  - -> eligible for SNAP (Food Stamp) purchase
  - -> longer shelf life in C-stores
- Made from locally grown food
  - -> recipes adapted to the seasons
  - -> uses "cosmetically challenged" food often wasted
- Produced in local VAPFs (Commercial/Community Kitchens)
  - -> creates jobs among food entrepreneurs
  - -> local business opportunity



# What is the Evidence?



- The Mediterranean diet prevents heart disease and a number of chronic conditions
- Corner Stores are primary sources of food for many in "Food Deserts"
- New market opportunities for farmers increase revenue and reduce rural poverty
- VAPFs <u>can</u> support economic opportunity for farmers and food entrepreneurs



# But is it Affordable?



# Tom's Shoes model but better? – BOGO

- Higher end consumers (Food Co-ops, Whole Foods, Local Health Foods Stores etc.) pay more
- C-Store customers pay less

good bowls are created with community in mind. Everyone has the right to tasty, healthy, affordable food. Pay a little more, or pay a little less. If everyone pays what they can, we all eat.

# Why it's a better model than Tom's Shoes



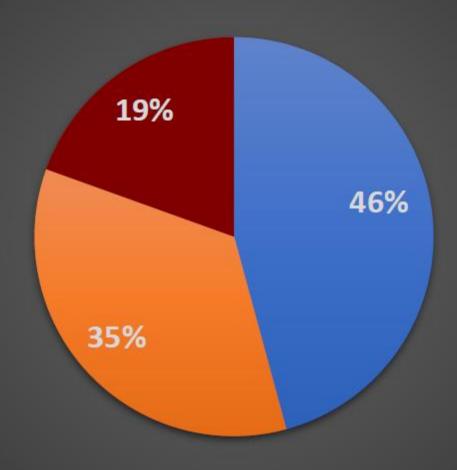


|  | Tom's Shoes | Good Bowls |
|--|-------------|------------|
| Provides a needed product to disadvantaged populations |             |            |
| Builds on Altruistic Spirit                            |             |            |
| Transfers wealth                                       |             |            |
| Supports local businesses                              | X           |            |
| Builds capacity  | X           |            |
| Encourages local entrepreneurship                      | X           |            |

# Key Metrics – Multiple Value Chain Models

Consumer Internal Margin Distributor Margin Retail Margin **Purchase Price** store Lose \$0.16 Delivered: \$1.74 Delivered: \$1.94 \$2.99 Retail **Cost of Goods** Margin: 10% Margin: 35% Veggies: \$0.31 Meat: \$0.50 Higher Make \$1.88 End Carbs: \$0.24 Labor: \$0.40 Delivered \$3.78 Delivered: \$4.20 Freezing: \$0.25 \$5.99 10% Margin 30% Margin Packaging: \$0.20 Total Inputs: \$1.90 Wellness Worksite Make \$2.09 **Delivery Cost** \$4.99 \$1.00

### Flavor Breakdown: All Locations



Curried Vegetables & Chicken Chicken Burrito Bowl Sausage & Pepper Cheese Grits



This graph shows the total revenue (in \$) for the top 5 frozen foodselling companies at all three Weaver Street stores (Carrboro, So. Village, and Hillsborough).

### Price per Product Comparison







This graph shows the average price per Good Bowl paid by Weaver Street customers (the data include sales from Good Bowls coupons).

# Price per Product Comparison



### Feedback from Corner/Convenience Stores – 35 Responses from Taste Testing

#### **Flavors tried**

- Burrito 22
- Grits 8
- Curry 2
- All 3

### What did you like?

- Mixture
- Taste
- Spicey part
- Taste of home
- Flavorful
- Good chunks
- Balanced
- Spice
- Mild
- Ingredients



### Disliked/Liked?

- 22 Liked
- 4 Loved
- 3 Good
- 1 Delicious
- 1 Excellent
- 1 Taste OK
- 1 Dislike

### What flavors would you like to see in the future?

- Chinese Bowls
- Dirty Rice
- Greens/vegetables
- Spaghetti
- Queso
- Pork
- Turkey

- Any
- All

# How is it innovative?

- Finds the sweet spot between healthy food access and locally grown food
- A more social justice oriented approach to "buy one-give one"
- Wealthier and less wealthy consumers both get the same food product



# Who Benefits?

- Lower income families at high risk for chronic disease and food insecurity.
- C-store/small food retailers in need of SNAP-eligible healthy/tasty/affordable/shelf stable/convenient food options
- Local value-added processing facilities increased kitchen use
- Small to mid-sized farmers seeking market opportunities
- "Foodies" (socially conscience consumers with means) seeking locally sourced, convenient and good tasting meals while "giving back" to their community.



# Stage of Idea



- Developing idea over the last 2-3 years
- Internal one year pilot funding \$75K, 2017:
  - ➤ Recipe development and testing
  - ➤ Developing partnerships with VAPFs
  - Food safety, labeling, packaging, marketing
  - ➤ Local Food Co-op produced 2,400 bowls test marketing now
- Applying for NIH (NIMHD National Institute for Minority Health and Health Disparities) STTR grant – Small Business Technology Transfer
  - ➤ Phase I proof of concept
  - ➤ Phase II commercialization



### **Good Bowls LLC**

Recipe Development
Food Safety, Labeling
Marketing
Provide packaging
Coordinate Distribution
Management

**Evaluation** 



CENTER FOR HEALTH PROMOTION
AND DISEASE PREVENTION

Warren County Food Hub - Rural

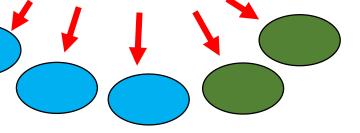
**Working Landscapes** 

Piedmont Food and Agriculture Processing Center (PFAP)

> Farmer Foodshare, Others

Burgaw Incubator Kitchen - Rural

> Feast Down East Burgaw Food Hub



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Sells Good Bowls to Retailers
Technical Assitance
Evaluation

Key

Corner store, small grocery store

Higher end retailer – Food Coop, Wholefoods, universities, worksites etc.

Farm supply organization

**Piedmont**FOOD & AG

HOME

ABOUT US

KITCHEN

APPLY

CONTACT



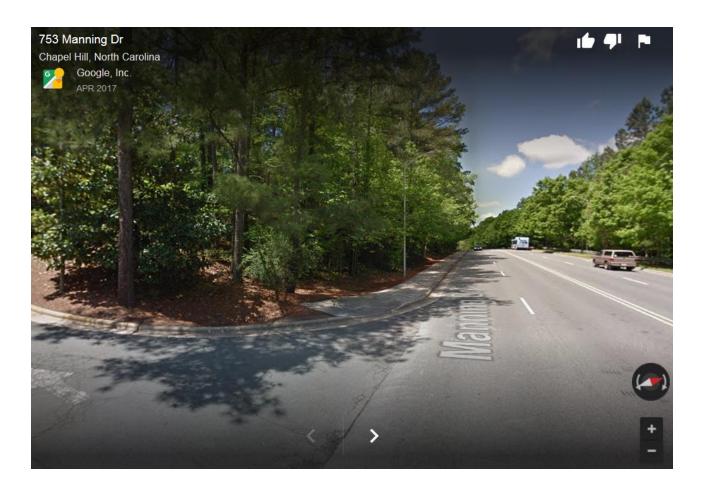
# Higher End Retailers and Co-ops







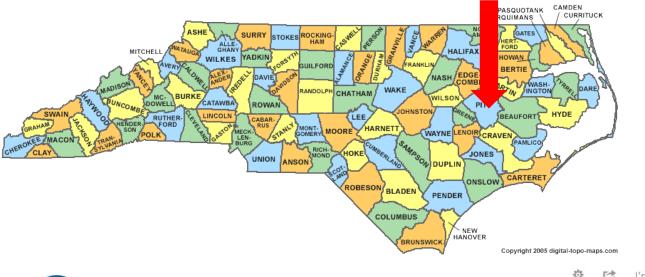
### Worksite: Family Medicine Center at UNC



So nice to hear about your project on NPR after sampling those delicious meals at Weaver Street Market! They even got good reviews from my teens.

The Good Bowls project made me think about the family medicine building at 590 Manning where I work. Despite being on campus, it is a food desert, because one cannot easily walk anywhere close to get food (It takes about 25 minutes to walk up the hill to the hospital cafeterias). So, most of the clinical staff (especially the lower paid folks) use the junk food machine to get their lunch.

### Worksite – Pitt County Health Department





Government How Do I... Services



I would be very interested in doing this with the good bowls!
Let's talk at your convenience.
John

We are gathering coolers. I will plan to bring enough to handle 65 boxes with icepacks too.

Will you give me an invoice for these or will it be COD or pay you after they sell?

How much do you think we should charge employees for these?
I think this will be great!
John

### Alice,

We had the vending machine gone by the time I got back from Raleigh with the bowls thanks to Jackie.



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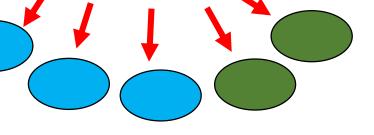
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Technical Assistance
Evaluation

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Higher end retailer – Food Coop, Wholefoods, universities, worksites etc.

Farm supply organization

### Warren County – Tier 1 most economically distressed







### **Main Street Kitchen**

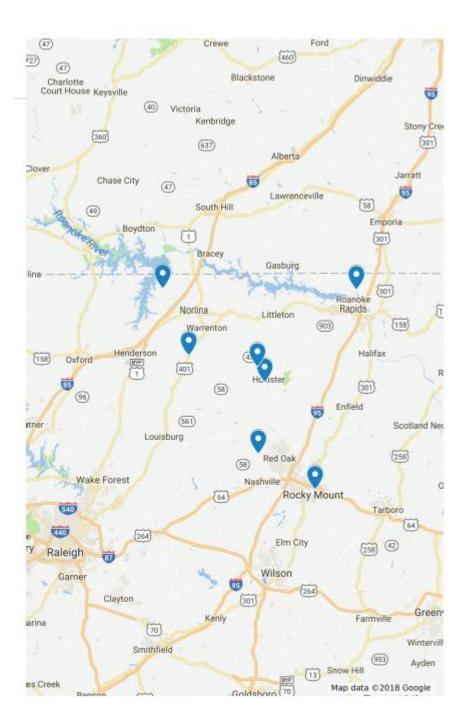
Part of the Working Landscapes Food Hub, Main Street Kitchen is a shared-used commercial kitchen and event space located in a renovated historic building in the heart of downtown Warrenton.

The fully-equipped kitchen is available for rent on an hourly basis food entrepreneurs who are looking to launch or grow their businesses. In our facility, you can pass the food safety inspections you will need to sell your products.





# Corner Stores selling Good Bowls near Warrenton





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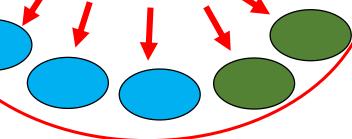
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# TOWN OF BURGAW, NC



**DEPARTMENTS** 

**GOVERNMENT** 

RESIDENTS

VISITORS

FAQ

**TOWN CALENDAR** 

SEARCH

HOME > RESIDENTS > FACILITY RENTAL > BURGAW INCUBATOR KITCHEN

#### **BURGAW INCUBATOR KITCHEN**

Burgaw Incubator Kitchen (BIK) is a shared-use commercial kitchen facility located in the historic Burgaw Depot. BIK provides Pender County Health Department and NC Department of Agriculture approved kitchen space and equipment to specialty-food makers. This helps offset many of the start-up costs for culinary businesses.

The mission of the Burgaw Incubator Kitchen is to encourage and support the development of a thriving food industry in Pender County by providing commercial kitchen space,



#### **Facility Rental**

- ► Community House Rental
- ▶ Depot
- **▶** Burgaw Incubator Kitchen
- ► Hankins Park Pavilion



### Mobile Market Traveling to 8 Housing Authority Locations in Wilmington



# **Assessing Impact**



- Outputs Early stage:
  - Good Bowls sales at both C-Stores and "Foodie" Retailers
  - Price points that will support consumer demand and sustainability
    - Compare cost and revenue earned

### • Outcomes:

- Jobs creation in VAPFs (count of full and part time jobs)
- Increased revenue generation for VAPFs (rental payments before and after)
- Increased revenue for famers (self-report of farmer earnings over time)
- Improved access to healthy food options in C-Stores (NEMS CS)
- Improved dietary intake for those consuming Good Bowls regularly (food frequency and veggie meter finger scans for carotenoids)

## **Excited Partners**

Sarah Daniels, Executive Director, Feast Down East



"It's hard to imagine a product that is a better fit with our work than Good Bowls. It would allow us to create jobs by making use of both the food hub and the incubator kitchen, will help support limited resource farmers, and will help us get healthy food to lower income consumers — it's win-win-win!"



# Military Option??

# Problem ("the itch")

- The Military is being impacted by the obesity epidemic in a number of ways – recruitment; retention ("separation" for those who don't meet fitness standards); long term health care costs, including dependents
- Military bases are like many small towns overpopulated with Fast Food Restaurants and convenience stores. Limited time to grab food.
- The Base gets some revenue from these sales
- Military families move frequently and spouses are generally young, lacking work experience – therefore difficult to employ





# Possible "Scratch"

Healthier, Convenient, Good Tasting Food Options on the Base



Jobs (primarily for women) requiring limited training and skills.

Possible added benefit:
Spouses learn to cook healthier
meals for their families,
become advocates

# **Involving Students:**

 Initial pilot study with 2 former doctoral students who have formed their own LLC



Business School Course



- 5 Undergrads
- 1 Doctoral Student
- 1 Former Nestle Exec
- 1 Professor (me)

Multiple interested others whose schedules conflicted

- Computer Science Class 4 undergrad
- > 100 signed up at First Year orientation event
- Potential assistance with Good Bowls Production as a social/volunteer project
- Summer internship projects





Questions?