



Stock Healthy **Shop Healthy**

 *RETAILER TOOLKIT*

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This toolkit was developed for food retailers in Missouri and communities interested in developing healthy corner store or grocery programs. We encourage reproduction of the enclosed material and kindly request recognition in the credits. For permission to make more than two copies, complete the online request form at <http://extension.missouri.edu/publications>.











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Contents

	About the <i>Stock Healthy, Shop Healthy: Retailer Toolkit</i>	4
	Why sell healthy food?	6
	What is healthy?	7
	Selling healthy foods	9
	Buying and handling healthy foods.....	16
	Displaying healthy foods	24
	Advertising and marketing.....	32
	Resources	35
	Appendices	37
	Taking stock.....	38
	Pricing and markup.....	39

About the Stock Healthy, Shop Healthy: Retailer Toolkit

Who should use this toolkit?

Owners of small food stores who are interested in increasing the amount of healthful food they sell.

Food retailers of all sizes, in rural and urban areas, can play an important role in improving access to healthy foods across Missouri. Selling healthy foods can help you improve your total sales, increase customer loyalty and attract new shoppers to your store. This toolkit will help you achieve your business goals, promote healthy eating in your community, add new product lines, and improve merchandising and marketing.

What's in this toolkit?

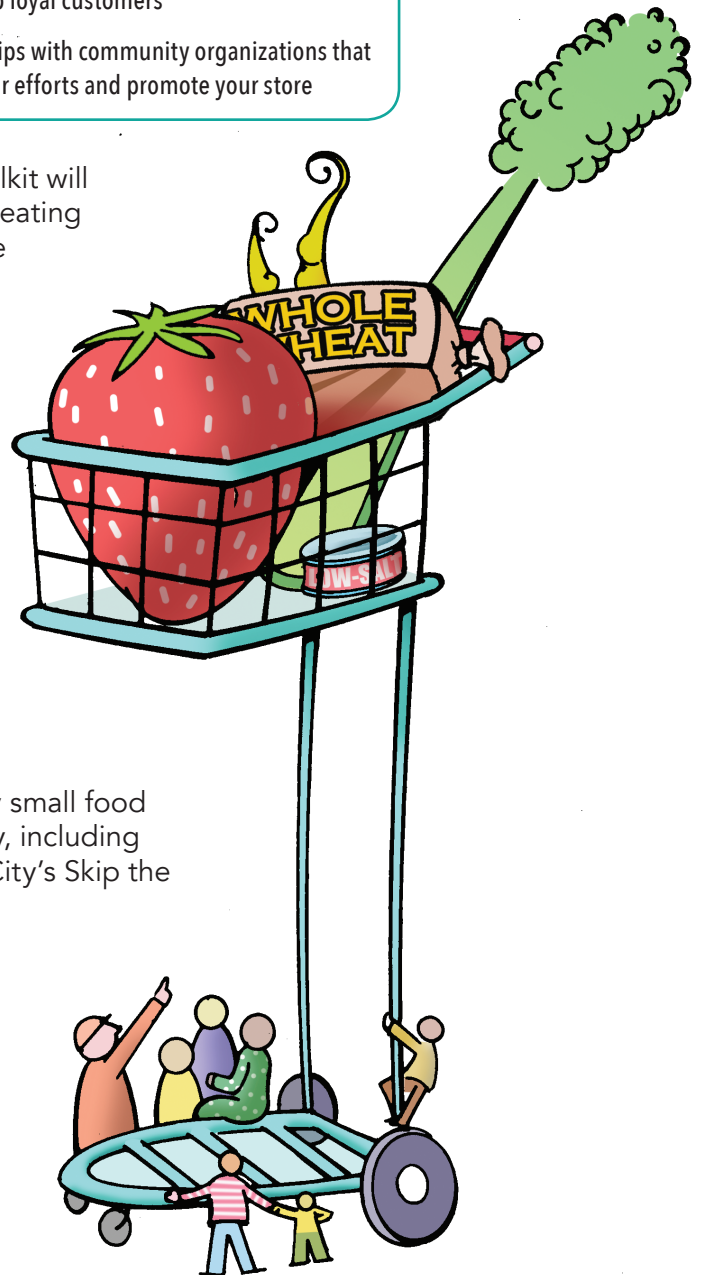
- Information on healthful food items
- Guidelines for handling and storing produce
- Tips for displaying and merchandising healthy inventory
- Strategies for profiting from healthy food sales
- Ideas for promotion and marketing

This toolkit is a compilation of helpful practices used by small food retailers in healthy grocery programs across the country, including the St. Louis Healthy Corner Store Project and Kansas City's Skip the Salt, Help the Heart project.

You may already be doing many of the practices suggested in this toolkit. Some of the suggestions and techniques may be new to you. Not all of them are appropriate for all stores. Use the "tools" in the toolkit that are appropriate for your store's capacity and customer base.

This toolkit can help you as a small food retailer to:

- Identify goals and strategies for increasing sales of healthy foods
- Strategically price and display healthy foods
- Promote and market healthy foods in your community
- Attract and keep loyal customers
- Build partnerships with community organizations that will support your efforts and promote your store



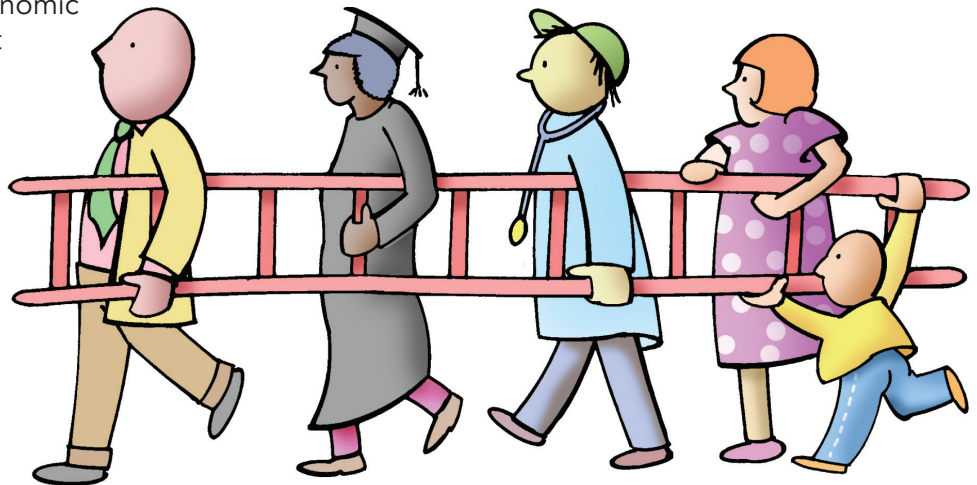
How can I get community support?

Reach out to your community's stakeholders:

- Chamber of commerce
- Business associations
- Local community and economic development department
- Public health agency
- Nonprofits
- Service organizations
- Schools
- Neighborhood associations
- University of Missouri Extension
- U.S. Department of Agriculture (USDA) Rural Development Office

Stakeholders

In a healthy grocery program, the community stakeholders are individuals and organizations that have an interest in helping people improve their health.



By working with stakeholders in your community, you will have the support of residents, attract new customers, and receive help marketing your store throughout the community. To make this work easier, University of Missouri Extension created the companion *Stock Healthy, Shop Healthy: Community Toolkit*, a guide that provides tips for partnering with community-based organizations and ideas for promoting your store and healthy eating throughout the community through nutrition education and community outreach activities.



Where can I get more information?

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1

Why sell healthy food?

Stocking more healthy foods could improve your sales and mean better business for your store.

Benefits for your store

- New products and more variety attract new customers.
- Healthy foods can yield high profit margins.
- Prominently displayed healthy foods can increase sales.
- Friendly relationships with your customers and community increase store loyalty.

Benefits for your community

- A small food store that offers nutritious and healthy foods provides better access to such foods in communities that lack a large supermarket.
- Community members without access to basic transportation will have easier access to healthy foods.
- People are more likely to have lower risk of heart disease, stroke and diabetes if they live where healthy foods are easy to buy.
- Money spent for food stays in the local community.



2 What is healthy?

The U.S. Dietary Guidelines for Americans define healthy foods to generally include fruits and vegetables, lean meats, low-fat dairy, and packaged products that are low in salt, sugar and fat — especially saturated and trans fat. The products listed here are healthy options to consider for your store. Take stock of your current inventory by using the Taking Stock work sheet in appendix A, page 38.

In the cooler

Beverages	Fruits and vegetables	Dairy	Protein foods
<ul style="list-style-type: none"> Bottled water 100% fruit juices, such as orange, grapefruit or apple <i>Look for the words 100% juice on the label.</i> Low-sodium vegetable juices <i>The label should say no salt added or low sodium.</i> 	<ul style="list-style-type: none"> Whole fruits, such as apples, grapes, pears, cantaloupe, grapefruit, strawberries, peaches, nectarines, kiwi Whole vegetables, such as asparagus, broccoli, cabbage, carrots, cauliflower, celery, cucumbers, green onions, lettuce, spinach, leafy greens, mushrooms, peppers, radishes Grab-and-go containers of sliced fruits or vegetables 	<ul style="list-style-type: none"> Nonfat, skim or 1% milk Low-fat or nonfat yogurt Low-fat cheese 	<ul style="list-style-type: none"> Lean meats <i>Lean cuts of beef and pork have little visible fat inside the muscle (white marbling) or around the edges. Ground meat should be 10% fat or less (for example, 90/10 meat is 90% lean and 10% fat).</i> Fish without breading or batter Poultry Eggs



Simple changes to create a healthier store

Stock more of these items:

- Bottled water and 100% juices
- Healthy snack items: baked chips, low-salt pretzels, low-fat yogurt, whole-grain crackers, granola bars
- Whole grains: brown rice, oatmeal
- Canned and packaged foods low in fat, sugar and salt
- Fresh and frozen fruits and vegetables
- Low-fat dairy: 1% or nonfat milk, yogurt or cheese

What is healthy?

In the freezer

Beverages	Fruits and vegetables	Dairy	Protein foods
<ul style="list-style-type: none">Frozen 100% fruit juice concentrate	<ul style="list-style-type: none">Frozen fruit, without added sugarFrozen vegetables, without added sauce	<ul style="list-style-type: none">Low-fat frozen yogurt	<ul style="list-style-type: none">Lean meats <i>Lean cuts of beef and pork have little visible fat inside the muscle (white marbling) or around the edges. Ground meat should be 10% fat or less (for example, 90/10 meat is 90% lean and 10% fat).</i>Fish and poultry without breading or batter

On the shelf

Beverages	Fruits and vegetables	Protein foods	Grains
<ul style="list-style-type: none">Bottled water100% fruit juices <i>Look for the words 100% juice on the label.</i>Low-sodium vegetable juices <i>The label should say no salt added or low sodium.</i>	<ul style="list-style-type: none">Fruits such as bananas, grapefruit, limes, melons, oranges and pineappleVegetables such as potatoes, onions, tomatoes and avocadosCanned fruit in 100% fruit juiceCanned vegetables and tomato sauce labeled low or reduced sodiumDried fruits and vegetables, such as raisins and cranberries	<ul style="list-style-type: none">Dried or canned beans <i>If canned, use low- or reduced-sodium varieties.</i>Low- or no-salt seeds and nutsPeanut butter and other nut buttersCanned meat or fish in water <i>For example, chicken, tuna, salmon</i>	<ul style="list-style-type: none">Whole-grain bread, pasta, crackers and cereals <i>The first ingredient should include the word whole. For example: INGREDIENTS: whole-wheat flour, sugar, oil, etc.</i>Oatmeal: regular, quick or instantBrown or wild riceBaked chipsLow- or reduced-salt/sodium pretzels, popcorn and crackersGranola barsGraham crackers

3 Selling healthy foods

Running a business takes many skills and strategies that are already familiar to you, such as pricing products to make a profit. (For a review of product pricing and markup tips, see appendix B, pages 39–40.) The strategies mentioned below will help you sell more of the new healthy foods you are adding to your inventory.

Running in-store promotions

You can get more customers in the door and increase sales using various in-store promotions.

Temporarily reduce prices. Reduce the price of a popular product to increase sales. Choose a different healthy item for a buy one, get one free special each week.

Reward customer loyalty. Show your customers that you appreciate them by rewarding them for purchasing a certain product from your store. For example, give out loyalty cards to be stamped or punched each time a customer buys a fresh produce item. After all 10 numbers have been stamped, the customer gets a fresh produce item free. Milk and fresh produce loyalty cards you can print and give to your customers are available online at <http://extension.missouri.edu/stockhealthy>.



Participating stores in the St. Louis Healthy Corner Store Project reported a significant increase in sales of fresh produce items once they started giving customers a Fresh Produce Loyalty Card.

Host events. Invite customers to come into your store to taste or learn more about a new healthy product during peak hours and days so more customers can participate. Host a cooking demonstration in the store near holidays such as

Thanksgiving so customers can learn a new recipe. Hold one taste test a month, and give free samples of a new recipe to customers as they shop. Be sure to pass out the recipe cards so customers can buy the ingredients while they're in the store.

Delivering customer service

Taking care of customers is especially important for small food retailers. Ninety-five percent of dissatisfied customers will become loyal customers if their complaints are handled quickly.

How to deliver great customer service

- Greet your customers as they walk in. If you're the owner, introduce yourself as such. Build rapport with your regular customers, and get to know them by name. This personal service will help build customer loyalty and make them feel like their opinion matters.
- Inform customers of current sales or specials as they walk in, but don't follow them through the store.
- Help your customers whenever possible. If a customer makes a special request, try to fulfill it promptly.
- Be respectful of your customers and get to know their likes and dislikes.

Satisfy your customers

A dissatisfied customer tells 10 people about a bad experience. A satisfied customer tells only five people. It costs about five times more to attract a new customer than to keep an existing one. So, keeping customers satisfied is good business.

Store layout

A store's layout should aim to show the customers all your products efficiently and to maximize traffic flow. Your store layout can help traffic flow to all parts of the store or drive it to a certain area in the store. A well-designed layout maximizes the amount of sales space, the visibility of all merchandise, and the stopping power of display units. Small food retailers typically use a grid layout that steers shoppers through the aisles in a zigzag pattern.

Store appearance

- Keep the door clean and free of advertising and other unnecessary signs.
- Create an inviting atmosphere with good lighting and comfortable temperatures.
- Keep the doorway and aisles clear so people can easily come in and walk around.
- Make sure the aisles are wide enough for shoppers' comfort. When shoppers feel crowded, they spend less time shopping, do less impulse shopping, and buy less.
- Enhance your customers' perception of your foods by keeping the floors sparkling clean and the canned and packaged foods dust-free and neatly stacked.
- Remove expired food and wilted, moldy or decaying produce. No one wants to buy these items, and their presence will cause customers to doubt the quality of your other products.
- Clearly display prices on all goods and sales. Keep signs simple, colorful and easily visible.
- Remove slow-selling products, such as household goods, to reduce clutter and make room for healthy food items.

Product placement

- Place your healthy products to the right of the entrance when possible, as Americans tend to turn right as they enter.
- Prominently display produce at the front of the store. The bright colors of fresh produce will catch your customers' attention as they enter the store, and the items will sell faster.
- Put milk near water and other healthy beverages in the refrigerator. This proximity will encourage customers to also buy other healthy beverages.
- Place the healthiest products — such as low-sodium canned goods, dried beans or whole-wheat products — just below eye level. When these healthy products are placed too high or too low, customers will miss them.
- The most profitable area of any store is by the checkout, so place popular fresh produce — such as bananas, apples and oranges — there.
- Put no more than two rows of the same product on the shelves to conserve valuable space and increase the amount and variety of goods you can display.
- Move extra inventory to a storage room.
- Replace slow-selling products with healthy options to increase profits and eliminate clutter.



Ed Shalabi, owner of Manchester Market in St. Louis, used to keep all his fresh produce in the back corner of the store. Often, customers didn't realize he sold fresh produce unless he mentioned it to them. When Ed moved the large produce cooler and other fresh produce displays to the front of the store, fresh produce sales increased dramatically. He saw less spoilage and more profit.

Improving your store's exterior

Your customers' first impression of your store is based on its exterior. An attractive exterior will make your store more inviting. The outside of your store should give an impression of friendliness, style, service, value and safety.

Customers and neighbors will notice even small improvements to your store's exterior and entrance. And those improvements will attract customers and translate into more sales.

Store exterior

- Display banners and posters that advertise the general grocery items and the healthy foods you sell.
- Remove alcohol and tobacco banners and posters to remove the impression that your store sells mainly those items. This simple change may help draw new customers.
- Add more lighting on the outside of the store to make it safer as well as more inviting.
- Paint the outside of your store a new color.
- Update your awning or signs. Keep the wording and design simple.
- Freshen your store's outside appearance with a total storefront improvement.
- Plant flowerbeds, add window boxes or place large planters on each side of the store entrance to enhance your storefront.

Store entrance

Your store's doorway should be inviting and easy to enter. Passersby are more likely to enter a store when they can see it has a bright, colorful and welcoming interior and other customers inside. Here are a few tips for making your store's entrance more inviting.

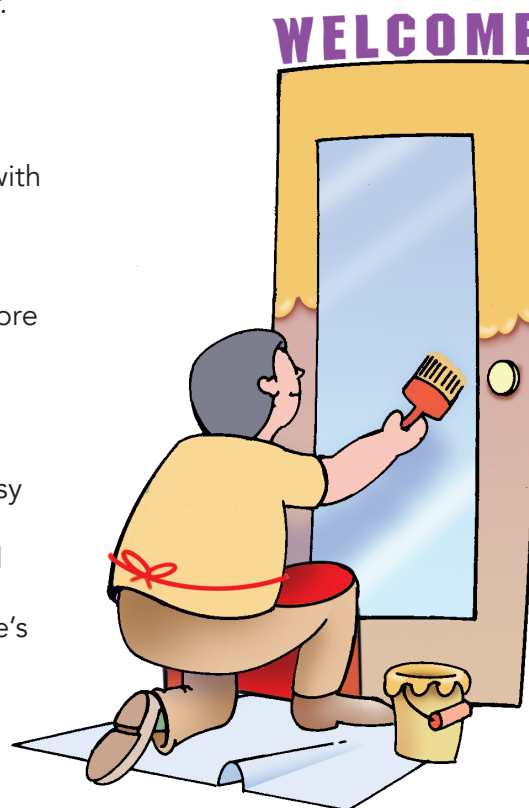
- Keep the doorway clean and free of litter. If litter is a problem, place a trash can on the sidewalk near the door.

- Place a new welcome mat at the door.

- Plant flowers or place large flowerpots with vibrant flowers near the door.

- Place a chalkboard on the sidewalk or just inside the door to advertise the day's fresh produce.

- Paint the door a new, bright color to catch people's eyes as they pass by. If the door is old, replace it with a new door.



Storefront improvement success story

Regal Food III, a small corner store on the south side of St. Louis, updated its storefront, or facade, to draw attention to improvements that had been made both inside and outside, and to change the somewhat negative impression neighbors had of the store. Many local residents thought the store just sold tobacco because of the cigarette banners hanging near the front door. In addition to the storefront improvements, the store changed its name from Regal Food III to Shaw Market to attract new customers and improve residents' perceptions.



Before storefront improvements.



After storefront improvements.



Improved store awning.



Close-up of improved store awning.

Becoming an authorized SNAP and WIC vendor

Accepting payment from nutrition programs will increase your customer base and sales volume.

The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, provides benefits via electronic benefits transfer (EBT) cards that work like prepaid debit cards but can be used only in authorized locations.

Benefits are provided to low-income households and may be used to buy only certain foods and food products.

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides benefit recipients with paper checks that can be used only in authorized locations. Benefits are provided to pregnant women, new mothers, infants and children under age 5 in families within income guidelines. Checks may be used to buy only approved foods, such as milk, cereals, fruits and vegetables.

You will have to apply to each program for your store to become an authorized vendor. Once authorized, your store must continue to meet the program's requirements, such as reporting sales.



Let your community know that you are able to accept EBT cards.

Supplemental Nutrition Assistance Program (SNAP) EBT

Supplemental Nutrition Assistance Program authorization is managed by the U.S. Department of Agriculture (USDA) Food and Nutrition Service.

Store requirements

A store must sell food for home preparation and consumption, and meet at least one of the criteria below.

- Continuously offer for sale at least three varieties of qualifying food in each of the following four staple food groups and also sell perishable foods in at least two of the groups:
 - Bread or cereal
 - Fruits or vegetables
 - Dairy products
 - Meat, poultry or fish
- More than half of the store's total dollar amount of retail sales (food, nonfood, gas and services) must be from the sale of eligible staple foods.

Visit the retailers section of the SNAP website, <http://www.fns.usda.gov/snap/retailers>, for complete eligibility requirements and other information on accepting SNAP benefits.

How to apply

You can apply online at <http://www.fns.usda.gov/snap/retailers/application-process.htm> or request a paper application from the USDA Food and Nutrition Service.

Food and Nutrition Service, USDA
Beacon Facility, Mail Stop 1403
PO Box 419205
Kansas City, MO 64141-6205
Phone: 816-823-4630
Fax: 816-823-4626

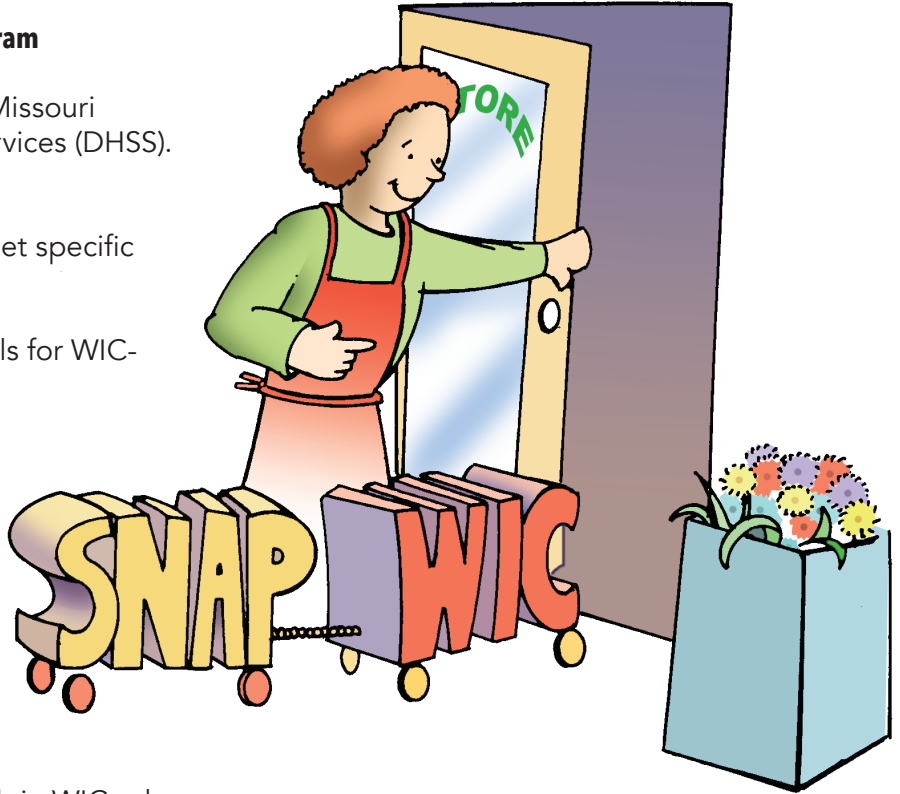
Women, Infants and Children (WIC) Program

In Missouri, WIC is managed by the Missouri Department of Health and Senior Services (DHSS).

Store requirements

To be a WIC vendor, a store must meet specific requirements:

- Maintain minimum stocking levels for WIC-approved foods
- Conform to a specific pricing strategy
- Allocate a minimum square footage for food sales
- Have gross food sales of at least 75 percent of total receipts
- Maintain at least \$500 per month in WIC sales



Visit the Missouri DHSS WIC Vendor website, <http://dhss.mo.gov/living/families/wic/wicvendor>, for complete details on being an authorized WIC vendor.

How to apply

You can download an application from http://health.mo.gov/living/families/wic/wicvendor/pdf/Vendor_App.pdf or request one from the Missouri WIC director.

Missouri WIC Director
 Chief, WIC and Nutrition Services
 Missouri Department of Health and Senior Services
 930 Wildwood
 PO Box 570
 Jefferson City, MO 65102-0570
 Phone: 573-751-6204
 Toll free: 800-392-8209
 Fax: 573-526-1470
 Email: info@health.mo.gov

4 Buying and handling healthy foods

Choosing healthy foods that are most likely to sell in your store, handling them properly, and working closely with suppliers and distributors are key factors in becoming a successful healthy food retailer in your community.

Planning to increase healthy inventory

- Talk to your customers about healthy foods they would like to be able to buy in your store. (Check out the tips for collecting customer feedback on page 10.)
- Determine what perishables have the best chance of selling before they expire or spoil and what foods you should stock canned or frozen. (See the shelf life and storage tables on pages 17–19.)
- Consider the best place and way to display the new healthy inventory. (See the display tips on pages 24–31.)



Questions to consider when planning to stock additional healthy foods

- How much will your store invest in stocking new healthy foods?
- Which of your current food items can be replaced with healthier choices, such as baked chips, whole-grain crackers and fruit canned in 100% juice?
- Where are the best locations to stock the new items?
- What shelf space can be dedicated, created or added?
- How much shelf space in your coolers, freezers and display cases can be committed to healthy inventory?
- Does your store have dry, refrigerated and frozen storage for back stock?
- If your store already prepares foods for sale, can you integrate the new foods into your menu?
- Can your store repackage produce and other healthy foods into to-go snacks and meals before they expire?
- Can your store buy bulk items like trail mixes and repackage them into smaller to-go snacks?
- Where will your store buy these new additions, and how will the suppliers affect your choices?

Storing healthy foods

As you choose new healthy foods to stock, look at the shelf life of each. Consider produce with medium to long shelf life, such as apples, bananas, cabbage, lettuce, potatoes, peppers, carrots and onions. They are less expensive and have a longer shelf life. The goal is to offer a good selection of fresh produce without too much waste. If you think certain fresh fruits and vegetables are unlikely to sell fast enough, stock canned or frozen versions instead.

Here are some general guidelines for the shelf life of many healthy foods.

Packaged healthy foods

Check package sell-by, best-by and use-by dates often. If products are out-of-date when they are delivered, do not accept them and consider using a different supplier.

Shelf life and storage of packaged healthy foods

Item	Where to store	Typical shelf life
Bottled water	Shelf or refrigerator	Up to 2 years
Snack items: baked chips, low-salt pretzels, whole-grain crackers	Shelf	3 to 6 months
Nuts, unsalted	Shelf	6 months
Brown rice	Shelf	1 year
Whole-grain cereals, ready-to-eat and ready-to-cook	Shelf	6 to 12 months
Bottled or canned juice, fruits, vegetables, fish	Shelf	1 year
Frozen juice concentrate, fruits and vegetables	Freezer	8 to 12 months
Low-fat milk, low-fat cottage cheese	Refrigerator	1 week
Low-fat yogurt	Refrigerator	1 to 2 weeks
Low-fat cheese, such as cheddar	Refrigerator	6 months



Produce

Order produce in the smallest amounts possible to maintain fresh stock and reduce waste. It may take a few orders before you build a clientele that will purchase your produce.

Change some of the fresh produce you sell with the seasons: asparagus in the spring, berries in the summer, sweet potatoes and winter squash in the fall and winter. Flavor, quality and price will be better when these items are bought during their growing seasons.

Produce is temperature sensitive. Any exposure to extreme heat or cold will damage produce.

The U.S. government heavily regulates the temperature and sanitary storage condition of produce as it moves on trucks, trains and ships. This regulation and supervision ensures that the produce that wholesalers receive has not been subjected to extreme temperatures. Wholesalers are similarly regulated to ensure produce is safe when it reaches you. Once your produce has been delivered, you are responsible for storing it at the proper temperature.

Buying and handling healthy foods

The following table gives a general idea of the shelf life of fresh produce that is properly handled and stored.

Shelf life and storage of produce **IN THE REFRIGERATOR** (32 to 40 degrees F)

In the refrigerator (32 to 40 degrees F)	Shelf life*	Peak freshness (season)
Fruit		
Apples	Long	Fall and winter
Grapefruit	Long	Winter
Lemons	Long	Year round
Limes	Long	Spring
Oranges	Long	Winter
Blueberries	Medium	Summer
Cantaloupe	Medium	Summer
Kiwi	Medium	Summer
Grapes	Medium	Summer and fall
Cherries	Short	Summer
Honeydew	Short	Summer
Pears	Short	Fall and winter
Raspberries	Short	Summer
Strawberries	Short	Spring
Vegetables		
Asparagus	Long	Spring
Cabbage	Long	Year round
Carrots	Long	Year round
Broccoli	Medium	Spring and fall
Cauliflower	Medium	Spring and fall
Celery	Medium	Year round
Cucumbers	Medium	Summer
Mushrooms	Medium	Year round
Peppers	Medium	Year round
Radishes	Medium	Spring
Spinach	Short	Spring
Beans (green)	Short	Spring and summer
Collard greens and kale	Short	Spring and fall
Eggplant	Short	Summer
Green onions	Short	Summer
Lettuce	Short	Year round
Summer squash (yellow, zucchini, etc.)	Short	Summer

***Shelf life:**

very long – more than 30 days

long – 14 to 30 days

medium – 10 to 14 days

short – less than 10 days

Shelf life and storage of produce ON THE SHELF (45 to 65 degrees F)

On the shelf (45 to 65 degrees F)	Shelf life*	Peak freshness (season)
Fruit		
Bananas	Medium	Year round
Pineapple	Short	Spring and fall
Tomatoes	Short	Summer
Mangoes	Short	Spring and fall
Peaches	Short	Summer
Watermelon	Short	Summer
Vegetables		
Garlic	Very long	Summer and fall
Onions	Very long	Year round
Potatoes	Very long	Year round
Pumpkin, squash	Very long	Fall
Winter squash (acorn, butternut, Hubbard, etc.)	Very long	Fall and winter
Avocados	Short	Year round

***Shelf life:**

very long – more than 30 days

long – 14 to 30 days

medium – 10 to 14 days

short – less than 10 days

Ethylene

Some fruits and vegetables release a gas called ethylene that speeds ripening and eventual decay. You can reduce food waste and save money by storing fruits and vegetables that produce ethylene away from those that are sensitive to ethylene.

Ethylene producers ripen and decay faster when stored in bags or sealed containers. Only store them this way when you want to ripen a few pieces of fruit for quick sales or tasting.

Ethylene producers	Ethylene sensitive	Not ethylene sensitive
Apples	Apples	Blueberries
Avocados	Asparagus	Cherries
Bananas	Avocados	Beans (green)
Cantaloupe	Bananas	Garlic
Kiwi	Broccoli	Grapefruit
Peaches	Cantaloupe	Oranges
Pears	Collard greens	Pineapple
Peppers	Cucumber	Potatoes
Tomatoes	Eggplant	Raspberries
	Grapes	Strawberries
	Honeydew melon	Tomatoes
	Kiwi	Yucca
	Lemons	
	Lettuce	
	Mangoes	
	Onions	
	Peaches	
	Pears	
	Peppers	
	Squash	
	Sweet potatoes	
	Watermelon	

Working with suppliers and distributors

Now that you have selected healthy items to add to your inventory, you need to decide how much of each item you plan to add and maintain. If you will be adding new produce, you will need to learn what fruits and vegetables are available and which are appealing to your customers.

Then you will need to find suppliers or distributors who can fulfill your needs at affordable costs and be flexible about quantities. You will need suppliers that have the diversity of inventory you want and offer flexible order quantities at affordable prices. Prepare a list of questions to ask of potential suppliers to find out how they work with retailers.

In addition to companies that deliver products to retailers, wholesalers such as Sam's, Costco and Restaurant Depot allow store owners to come in and shop direct.



Questions for suppliers and distributors

Ordering, delivery and payment

- How often can you deliver to my store?
- What is the turnaround time between ordering, delivery and payment?
- What payment methods are accepted?
- Do you collect expired products, restock shelves and charge only for products sold?

Purchasing

- Do I have to order a minimum amount of product?
- Am I able to order half cases, broken packs or even smaller volumes of produce?
- Can I save money or order smaller quantities if I pick up my order?
- Can you provide me with definitions of your purchasing volumes?

Contacts

- Is my purchasing agent also my delivery provider?

Potential produce sources

When looking for produce sources, retailers in more urban communities generally find suppliers and distributors by asking other retailers where they buy their produce. In more rural communities, retailers may get a good price through larger grocers in the area. Here are some potential sources of produce to consider.

Smaller independent produce dealers. Smaller dealers often deliver and help keep up your inventory. A great way to find them is to ask farmers at your local farmers markets.

Produce hubs. Most large cities have a produce hub where the major produce wholesalers buy their produce from brokers. Any business with a resale license can buy directly from wholesalers. Purchasing produce at a hub is the best way to ensure the longest shelf life of your fresh produce. Hubs are often the least expensive place to purchase produce that is regulated and inspected for safety.

Farmers, farmers markets, community supported agriculture (CSA) farms. Working with local produce growers in your area might be better for your retail business. They may be able to customize volume, variety and production practices, such as pesticide-free. However, they also may require a seasonal commitment in order to offer varieties specific to your needs.

Increase your buying power

If you are connected with other small food retailers, consider asking them to form a buying collective or group. Forming such a group will take some planning and organization, but you can save considerable money when buying in bulk from the larger distributors. A similar option would be to join an existing food cooperative, if there is one in your area.

Community gardens. Buying directly from a local community garden is an excellent way to support your community and get to know residents and gardeners, who may become customers and word-of-mouth marketers. Check your local regulations and ordinances on selling produce from community gardens.



Consider partnering with neighborhood community gardens to sell fresh, local produce.

Receiving and handling products

When receiving deliveries, inspect the condition of your order. Inspecting food products is very important to the safety of your investment and your customers. Be sure to wash your hands before handling produce.

Do not worry if you seem to send a lot of cases back, as doing so helps your supplier learn to bring you better quality product in the future.

For help finding local agricultural producers, contact the Missouri Department of Agriculture's AgriMissouri program, <http://agrimissouri.com>; your local University of Missouri Extension center, <http://extension.missouri.edu>; or the Missouri Farmers Market Association, <http://missourimarkets.wordpress.com>.

General receiving and handling tips

- Be sure products have not already passed any sell-by, best-by or use-by dates listed on their packaging.
- Reject containers and boxes that are crushed or contain moldy product.
- After receiving products, ensure that they are handled and stored at the proper temperature and in clean conditions.
- Use the first in, first out (FIFO) system for food products to ensure that all products are used in a timely fashion. FIFO requires recording the date of incoming product and moving old product forward to sell first.
- Make sure produce has not mixed with meats or seafood. If it has, send it back. It may have been exposed to harmful bacteria.
- Produce should not be wilted, dirty or slimy.
- Produce should not have signs of insect infestation, such as holes in leaves.
- Fruits and vegetables should be brightly colored and look and smell fresh.
- Store produce in a cool, dry and clean area and in food-grade containers or packing materials.
- Fruits and vegetables should be received at or below their required temperatures.
- All pre-cut or peeled produce should be received, stored and displayed at 41 degrees F or less, either refrigerated or surrounded by ice.



- Handle all products carefully and as little as possible to avoid bruising or other damage.
- Be sure to clean display areas, countertops, shelves and equipment regularly. After cleaning, sanitize with a solution of a teaspoon of chlorine bleach to a gallon of water. Spray the solution on surfaces and allow to air dry.

Produce

- Reject produce with bruises, dents, spoiled spots, discoloration, insects, black spots or mold (most often white or gray).
- Fruits and vegetables should smell fresh. If you discover any pieces of bad produce remove it and return it.

Important

Mixing bad produce with good will contaminate your stock and reduce the shelf life of your produce.

Canned goods

- The entire can, particularly the top seal, should be in good condition.
- Cans should not have swollen ends, leaks or dents.

Dry goods

- Packaging should be intact and undamaged, with no holes, tears, crushed corners, punctures or water stains.

Frozen foods

- Packaging should be intact and undamaged.
- No large clumps of ice should be visible in products such as frozen peas or carrots.
- All frozen foods should be received and stored at 0 degrees F or below.

Refrigerated foods

- Packaging should be intact and undamaged.
- Products should be received and stored at 41 degrees F or below.

Local and state regulations

Local health agencies, the Missouri Department of Health and Senior Services and the Missouri Department of Agriculture regulate the safe and fair sale of food products in Missouri. If your business has not been involved in the purchase and retail sale of fresh fruits and vegetables, you should become familiar with the regulations.

In Missouri, the sale of raw produce — whole, unprocessed and unaltered fruits and vegetables — is overseen by the Missouri Department of Agriculture’s Division of Weights and Measures (DWM). The DWM acts as a consumer advocate and ensures that produce is sold in the proper method of weight, quantity or bunch. Scales used to determine the price of produce must be approved by the Weights, Measures and Consumer Protection Division.

Processed, altered and prepared foods, and foods deemed of concern during spot inspections are regulated by local (municipal or county) health agencies. These local regulators work under the authority of the Missouri Department of Health and Senior Services’ guidelines. Due to local interpretation of municipal codes, it is not uncommon for health agency regulations to differ slightly from community to community. **Check with your local public health agency for their specific regulations.**

Regulatory oversight of fresh produce sales

Missouri Department of Agriculture
 Division of Weights and Measures
<http://mda.mo.gov/weights>
 1616 Missouri Blvd.
 Jefferson City, MO 65102
 573-751-4316

Missouri Department of Health and Senior Services
 Bureau of Environmental Health Services
<http://www.health.mo.gov>
 PO Box 570
 Jefferson City, MO 65102
 866-628-9891

Your local health agency
 Contact your local county government or go to
<http://health.mo.gov/living/lpha/lphas.php>.

5 Displaying healthy foods

Make sure your customers know you are selling healthy foods and that they can find the healthy products by placing signs in strategic locations throughout your store. Signs can be used to educate customers on the nutritional benefits of healthy foods, too. And attractive displays of fresh produce and other healthy products will make buying them even more appealing.

Printable signs and marketing materials

Eye-catching, well-placed signs draw attention. Help customers find healthy choices by placing signs in strategic locations. This strategy is especially important when you start offering new healthy items.

The food industry spends billions of dollars advertising less healthy products every year. Take away some of that advantage with in-store signs that remind your customers healthier options are available and help them notice healthier foods when they're shopping.

- Attractive signs with a consistent look will let customers know about healthy items all around your store. Use the same bright colors and style of lettering for all the signs promoting healthy foods.
- People tend to notice something new, so change signs often.
- Help customers see healthy options first. Place signs at eye level so customers can't miss them.
- Too many signs will make the store look cluttered. Highlight different products every week or so.



The following section lists several free signs you can download, print and post to highlight healthy choices. You can download them at <http://extension.missouri.edu/stockhealthy>. To keep the signs clean and untattered, you can have them laminated at a local business supply store or copy center.



“We stock healthy...” posters

(available in three sizes: 24 × 36 inches, 11 × 17 inches and 8.5 × 11 inches)

Where to place: Behind checkout counter, above fresh produce cooler or over display of healthy foods at the end of aisle.

Why it works: Draws attention to healthy food section.

Also available in Spanish.



Put a sign about healthy options in a high-traffic area display or at the end of an aisle where it will be more visible.



“We stock healthy...” front door sign or window cling
(4 × 6 inches)

Where to place: On the front door or a front display window.

Why it works: Lets customers know you offer healthy foods as they walk by or into the store.

Also available in Spanish.



A sign on the store’s door will let customers know that you offer healthy foods as they walk into or by your store.



“Free tastes” tent card
(11 × 8.5 inches)

Where to place: On counter or table where food samples are offered.

Why it works: Encourages customers to taste samples of healthy foods or recipes made from healthy ingredients to encourage sales. People love to sample.

Also available in Spanish.



Entice customers to buy new healthy food items by offering them free samples.



"Fruits and veggies inside this cooler" sign
(available in two sizes: 11 × 8.5 inches and 8.5 × 5.5 inches)

Where to place: On or near cooler where fresh fruit and vegetables are stored.

Why it works: Draws attention to fresh fruits and vegetables, which is especially important if they are kept in a closed cooler.

Also available in Spanish.



Colorful signs in or above a cooler point out where fresh fruit and vegetables are stored so customers can easily find them.



Shelf talkers
(3.625 × 5 inches; fold to 3.625 × 2.5 inches)

Where to place: On shelf directly under healthy item pictured or mentioned.

Why it works: Provides health benefit information and may influence a customer's buying decision.



Shelf talkers point out healthy foods and their health benefits.

Also available in Spanish.

Covering 20 subjects:

- 100% juice
- baked chips
- brown rice
- canned fruit
- canned tuna
- canned vegetables
- dried fruit
- dried or canned beans
- frozen fruits and vegetables
- granola bars
- low-fat/nonfat dairy
- low-fat yogurt
- no/reduced sodium
- oats
- unsalted nuts
- unsweetened applesauce
- unsweetened tea
- water
- whole-grain bread
- whole-grain cereal



Door hanger
(9 × 4 inches; available in an easy print-and-fold version and as a two-sided document; you can type store name, address and hours in the fillable PDF)

Where to place: In customers' hands or on doors of nearby homes and businesses.

Why it works: Lets customers and potential customers know about changes in store's offerings.



Customized door hangers let people in the community know about the healthy changes you are making in the store.



Loyalty card information signs
(8.5 × 11 inches)

Where to place: By checkout or near milk or fresh produce coolers and displays.

Why it works: Explains how to earn a free item by buying 10 items and getting a loyalty card punched or stamped each time.

Also available in Spanish.



Encourage customers to buy fresh produce with a loyalty card program.

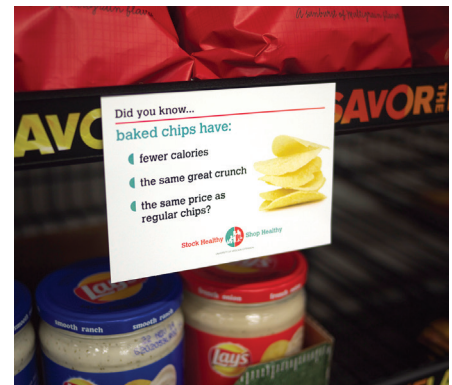


Baked chips sign
(5 × 6 inches; fold to 5 × 3 inches)

Where to place: On display or shelf of baked chips.

Why it works: Points out why baked chips are a healthy choice: fewer calories, but same crunch as fried.

Also available in Spanish.



Nutritional information posted near healthy foods can educate your customers and lead them to healthier eating.



Banana vs. candy bar sign
(5 × 6 inches; fold to 5 × 3 inches)

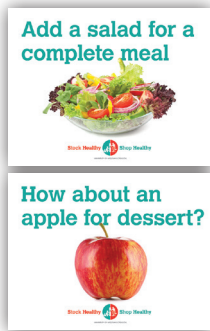
Where to place: By checkout, candy bars or banana display.

Why it works: Explains that a banana costs less than a candy bar, making it a better buy.

Also available in Spanish.



Encourage impulse buying of bananas by placing individually priced bananas by the checkout.



Deli meal sign
(8.5 × 5.5 inches)

Where to place: In deli or prepared-food ordering area.

Why it works: Promotes healthy foods available in deli. In many stores deli or prepared foods are best sellers.

Also available in Spanish.



Encourage healthy eating by suggesting healthful options at the deli counter.

Other sources

<http://ChooseMyPlate.gov>

Materials available: Posters and educational fliers about healthy nutrition

Where to place: On wall or hang from ceiling.

Why it works: Encourages customers to think about healthy eating.

<http://www.cspinet.org/nutritionpolicy/healthy-vending.html>

Materials available: Poster on benefits of water vs. soda

Where to place: On drink cooler.

Why it works: Compares benefits of water to calories and contents in sugary drinks in simple graphic. Signs like these increase the amount of water bought.

Materials available: Poster on healthy snacking

Where to place: By chips, candy, any snack food display, or fresh fruit.

Why it works: Point out benefits of healthy snacks over others and picture healthy people or playful graphics.

Materials available: Posters encouraging shoppers to choose water instead of soda or sports drink

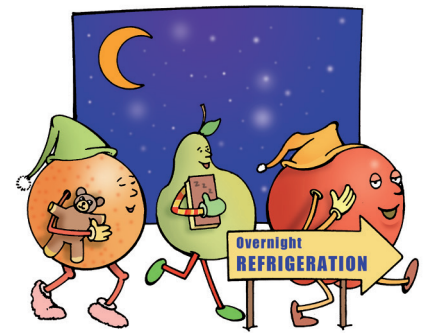
Where to place: By soft drinks or other sweetened beverages in coolers.

Why it works: Tells customers how long they would need to run to use the calories in a 20-ounce bottle. Research shows signs like these increase sales of water and healthier beverages.

Produce display

- Check fresh produce at least once a day for freshness. Moldy or rotting produce will cause fresh items to go bad. Throw away unsightly items and clean display before putting out fresh produce.
- Keep leafy vegetables, such as lettuce, cabbage and beets, looking fresh by removing leaves as they wilt.
- First in, first out: Display older foods in front so they are sold before new. This practice is especially critical for fresh produce.
- Clearly label produce with its name and price.
- Reduce prices on older items to sell them quickly before they spoil.
- Keep all fresh produce away from heat sources or other warm areas in your store. Heat will cause produce to spoil faster.
- Store and display fruits and vegetables separately if possible and at appropriate temperatures to help them stay fresh longer. See the storage information on pages 18–19.
- Place perishable fruits and vegetables toward the front of the store where more customers will notice and buy them. Individually priced bananas, apples and other easy-to-eat fruit next to the checkout make good impulse buys.
- Mound produce in small baskets for full displays that look more abundant and appealing. Tilt baskets forward so they look fuller.
- Do not pile delicate produce, such as berries, peppers or greens, more than two or three high, and be sure air can circulate between layers.
- Keep potatoes on a lower shelf to shield them from light. Potatoes exposed to light turn green.

- Display some fresh produce, such as apples, oranges, pears and peppers, at room temperature during store hours, although this will shorten their shelf life. Put in refrigerator storage after store hours.



- Offer customers a sample of healthy foods to entice them to buy, especially foods that may be unfamiliar, such as baked chips, low-fat cheese and fresh produce. Some fruits — apples, bananas, pears — turn dark when cut, but most will stay fresh looking. Put out just a few pieces at a time, and keep extra samples covered and refrigerated until needed. Note that sampling should be done only under the supervision of trained staff following proper food safety practices.
- Use the color of fresh produce to attract attention. Alternate colors for an appealing display.





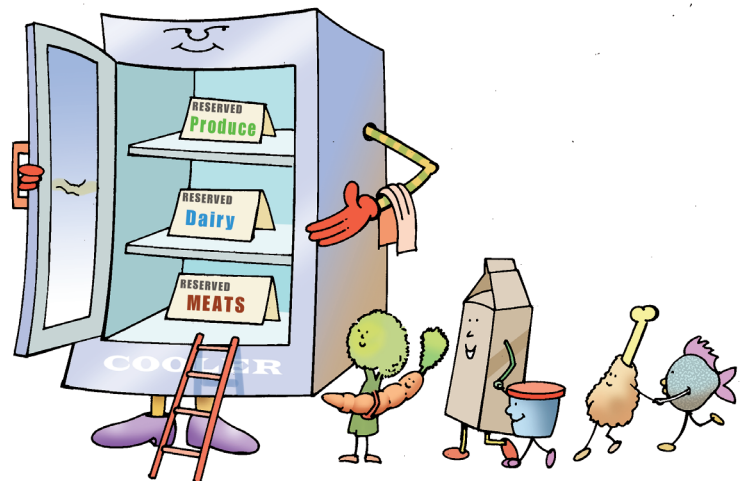
Shelf display

- Put out no more than two rows of the same product on shelves so you have more room for additional items. Store extra inventory in a storage room.
- “Face” boxes, cans and other packages by pulling them to the front of the shelf and making sure the labels face forward. Neat, organized shelves help customers find products. Disorganized shelves make products hard to find, leading customers to buy less and potentially find other stores that seem to have a better selection.
- Place healthy items, such as fresh fruits and vegetables, low-sodium canned vegetables and whole-grain breads, at just below eye level or on end caps where more people will notice them.
- Move less-healthy items, such as sugary cereals, candy or chips, to upper shelves where children are less likely to see them.
- Cross-merchandise by placing two or three items that people often use together near each other. For example, place brown rice beside red beans or baked chips near avocados.

Refrigerator display

Refrigerated display space is at a premium in most stores. Use it wisely to keep the most perishable foods fresh and attractive to customers. Food that looks good sells.

- Wipe out coolers and refrigerated cases often to keep them clean. After cleaning, sanitize with a solution of a teaspoon of chlorine bleach to a gallon of water. Spray the solution on surfaces and allow to air dry.
- Check refrigerator temperature daily to be sure it stays between 32 and 40 degrees F.
- If possible, store raw meat in a separate cooler from fruits and vegetables.
- If only one cooler is available, put meat, poultry and fish on the lowest shelf; produce on the upper shelves; and dairy foods, such as milk and yogurt, under produce but above meat, poultry and fish. This organization will prevent fresh produce from being contaminated by drippings from meat and leaks from dairy products.
- Place milk next to water, 100% juices and other healthy beverages on eye-level shelves in a drink cooler to increase their visibility.



Value-added items

People value convenience. Help your customers think of ways to use the healthy foods they find in your store. Look for ways to spark their creativity by showing — not just telling — them how to make use of these items. Through these practices you can make your customers' lives a little easier and meet your bottom line.

- Hand out recipe cards featuring healthy or perishable ingredients. Place the recipes with a display of the ingredients you carry in your store. (See recipe cards at <http://extension.missouri.edu/stockhealthy>.)
- Offer recipe ingredients at a reduced price for a special sale.
- If your license allows, offer samples of a recipe along with copies of the recipe.
- Tie special promotions to a seasonal or monthly event, such as potatoes and cabbage for St. Patrick's Day in March or sweet potatoes and cranberries in November.
- Suggest ways to use fruits and vegetables or other healthy foods. Put up one or two ideas each week. For example: "Slice a peach, banana or strawberry onto cereal." "Have a cool, refreshing salad for dinner tonight."
- Sell ready-to-eat foods. If allowed by your license and local food code, transform produce into ready-to-eat foods to sell at your store. Cutting up produce allows you to sell it at a higher price. Before cutting and packaging produce, however, check with your local health agency to ensure you are doing it safely. Be sure to wash all produce before cutting. Label containers with the name of the product and date packaged. Refrigerate, and post an attractive sign.
- Cut melons into chunks or wedges, wrap in plastic and refrigerate, and watch them sell quickly. A whole melon may seem too big for customers, or they may want to taste it before buying.
- Create snack packs of cut-up fruit such as grapes, apples, peaches and nectarines. Include a plastic spoon to make them even more convenient and attractive as an impulse buy.
- Toss apple, orange, pineapple and kiwi cubes with grapes for fruit salad.
- Package cut vegetables such as celery, carrots and bell peppers with low-fat ranch dressing dip.
- Cut up and package vegetables as meal starter kits: stir-fry — broccoli, cauliflower, carrot, onion; vegetable soup — onion, celery, carrot and turnip; or roasted veggies — butternut squash, beet, parsnips and onion.

6 Advertising and marketing

Your personal connection with your customers gives you insight into what they want. It can also help you create advertising that will appeal directly to them. In addition to creating targeted ads, talk to your customers and neighbors about the healthy changes you are making in your store and enlist their help in spreading the word throughout your community.

Promoting your store

- Tell customers about your new items.
- Highlight new items with a “New!” sign.
- Set up a sidewalk sandwich board to advertise special sales and new items. Occasionally, attach a balloon or eye-catching streamers to draw more attention to the board.
- Partner with a local farmer to offer locally grown food.
- Advertise your partnership with a farmer in ads in local publications, on posters around your store and community, and in fliers that you and the farmer hand out to customers.
- Post signs by local produce in your store letting customers know that it is locally grown.



Use an outdoor sign to attract attention to fresh produce inside.

- Display a banner on the outside of your store to let the community know about healthy changes you are making.



A storefront banner lets passersby know about your healthy products.



Let your customers know that you sell locally grown produce.

- Sponsor a healthy food mural contest if there is a prominent place on the outside of or near your store where it could be painted.
- Sponsor a recipe or cooking contest in which contestants have to use ingredients sold in your store, and have a local chef or a well-known person in the community judge the contest.

- Sponsor a healthy eating poster contest with a local school and hang the posters around your store.



Winning posters in a healthy eating poster contest could replace posters advertising alcohol or energy drinks.

- Have photos taken of you awarding a small prize or a certificate to contest winners to use in your advertising.
- Develop an email list of loyal customers, and send them coupons and weekly specials.
- Give customers coupons or buy one, get one free offers, especially for new healthy products.
- Give discounts to specific customer groups, such as having a senior discount day when customers over age 65 get a certain percentage off their total purchase, or offering a discount to students who get a straight-A report card or make the honor roll.
- Reward customers for making healthy purchases with a fresh produce or low-fat milk loyalty card that gives them a free item after buying 10.
- Print door hangers or simple fliers to place on doors of neighborhood homes announcing new healthy options or special sales.

- Offer breakfast or lunch specials that feature healthy items.



- Give customers a piece of fruit or a fruit cup free with purchase of a breakfast item.
- Throw a neighborhood party at your store with free samples of healthy foods and beverages to get to know local residents and encourage them to shop in your store.
- Offer cooking demonstrations and taste tests of new healthy foods in your store.



Serving food to the public

Contact your local health agency for information on how to handle samples, taste tests or other instances where food will be served to the public.

Community involvement

Community groups can be great resources telling residents about the healthy changes you are making in your store. With their help, your marketing budget will go farther. Here are some ways you can work with a community group or agency.

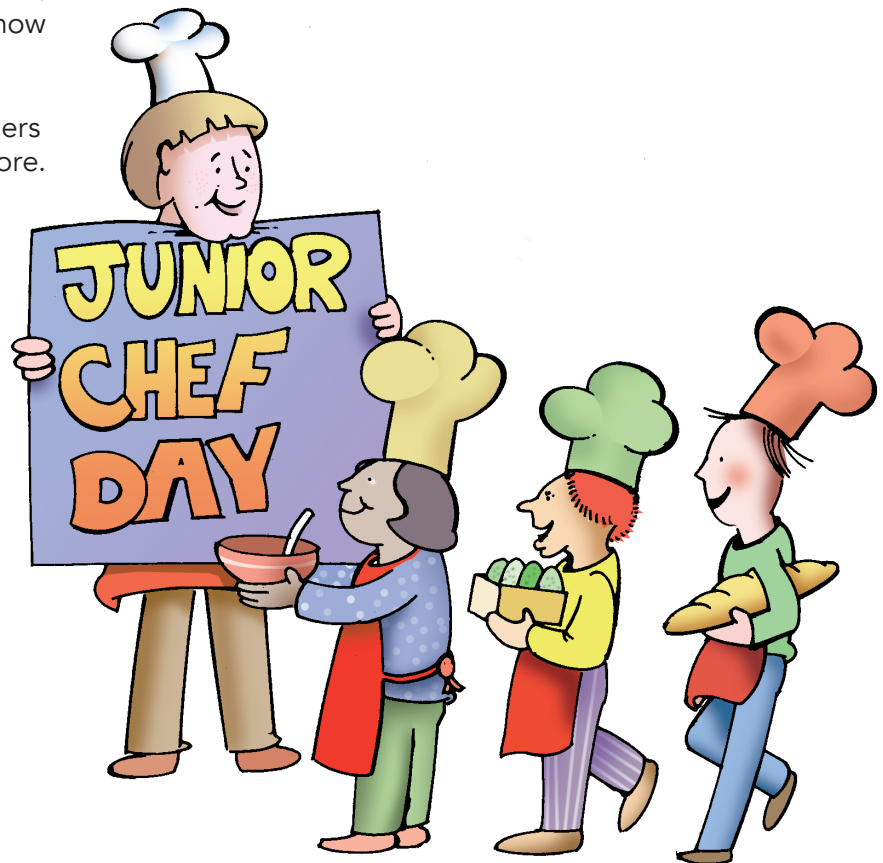
Social media. Use Facebook to showcase the store's healthy changes and to highlight special sales. Ask community members to visit and like your page and to share it widely. Be sure to update your content often to keep visitors coming back. Creating your Facebook page would be an excellent project for a youth group that is working with your community supporters.

Cooking demonstration. Invite a culinary school, 4-H club, scout troop, high school cooking class or a nutrition educator from the health department or extension center to put on a cooking demonstration inside or in front of your store using ingredients available in your store. Parents and other relatives of the participants are likely to come watch the demonstration and get to know your store.

Door hanger and flier distribution. Print door hangers or fliers about the healthy changes in your store. Ask for help distributing them to homes and businesses in the area. Good places to post fliers include community bulletin boards in stores, restaurants, libraries, beauty salons, barber shops, banks and child care centers.

Newsletter advertising. Some local churches and community groups may let you run a free advertisement in their newsletter as a community service. If they don't allow advertising, ask if they would run a brief story to inform their members about the healthy changes you are making in the store.

Community event. Plan and sponsor a community event such as a junior chef competition or street festival. Invite youth or church groups to participate. Ask a local band to play at your event to increase excitement. Ask local businesses to donate prizes. Be sure to get any necessary permits and to inform local media of the event. If you choose to do a cooking challenge, one of the rules should be that contestants have to use ingredients sold in your store.



Resources

Food handling and safety

AgriMissouri: <http://agrimissouri.com>

Dietary Guidelines for Americans: <http://health.gov/dietaryguidelines>

Ensuring Food Safety in Retail Establishments: <http://ohioline.osu.edu/b901/>

Ensuring Food Safety: The Cooperative Retail Food Program: <http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm223441.htm>

Fruit and Vegetable Handling Guide: <http://cdph.ca.gov/programs/cpns/Pages/RetailResources.aspx>

Fruit and Veggies Matter Program: <http://fruitsandveggiesmorematters.org>

How to Understand and Use the Nutrition Fact Label: <http://www.fda.gov/food/ingredientpackaginglabeling/labelingnutrition/ucm274593.htm>

Keep the Beat: Heart Healthy Recipes: <http://www.nhlbi.nih.gov/health/resources/heart/ktb-recipe-book>

Local health agency: Contact your local county government or go to <http://health.mo.gov/living/lpha/lphas.php>

Missouri Department of Health and Senior Services, Bureau of Environmental Health: <http://www.health.mo.gov/index.php>

Missouri Farmers Market Association: <http://missourimarkets.wordpress.com>

Missouri Food Code: <http://health.mo.gov/safety/foodsafety/pdf/missourifoodcode.pdf>

Nutrition for Everyone: <http://cdc.gov/nutrition/everyone>

Nutrition Labeling Information for Restaurants and Retail Establishments: <http://www.fda.gov/food/ingredientpackaginglabeling/labelingnutrition/ucm459729.htm>

Produce Safety Best Practices Guide for Retailers: <http://www.fmi.org/docs/default-source/food-safety/view-the-produce-safety-best-practices-guide-for-retailers-.pdf>

Rethink Your Drink: http://cdc.gov/nccdphp/dnpa/nutrition/pdf/rethink_your_drink.pdf

U.S. Food and Drug Administration Food Code: <http://www.fda.gov/Food/GuidanceRegulation/RetailFoodProtection/FoodCode>

Research

Access to Healthy Food and Why It Matters: http://thefoodtrust.org/uploads/media_items/access-to-healthy-food.original.pdf

Green for Greens: Finding Public Financing for Healthy Food Retail: <http://changelabsolutions.org/publications/green-for-greens>

Healthy Food Access Portal: <http://www.healthyfoodaccess.org>

Healthy Food Financing Handbook: http://foodtrust-prod.punkave.net/uploads/media_items/hffhandbookfinal.original.pdf

Resources

Healthy Food, Healthy Communities: Promising Strategies to Improve Access to Fresh, Healthy Food and Transform Communities: <http://www.healthycornerstores.org/healthy-food-healthy-communities-promising-strategies-to-improve-access-to-fresh-healthy-food-and-transform-communities>

Health on the Shelf: <http://changelabsolutions.org/publications/health-on-the-shelf>

Incentives for Change: Rewarding Healthy Improvements to Small Food Stores: http://changelabsolutions.org/sites/default/files/Incentives-for-Change-Small-Food-Stores_FINAL_20140131_2.pdf

Neighborhood Groceries: New Access to Healthy Food in Low Income Communities: <http://cfpa.net/GeneralNutrition/CFPAPublications/NeighborhoodGroceries-FullReport-2003.PDF>

PolicyLink: <http://policylink.org>

Strategies That Work: Real Solutions to Community Food Problems: http://www.hartfordfood.org/publications/healthy_retailers08.pdf

Program examples from across the U.S.

Baltimore Healthy Stores: <http://healthystores.org/projects>

Champions for Change (California): <http://cachampionsforchange.cdph.ca.gov>

D.C. Healthy Corner Store Program: <http://dchung.org/projects/cornerstore.html>

Healthy Corner Stores for Healthy New Orleans Neighborhoods: http://www.healthycornerstores.org/wp-content/uploads/resources/NOLA_Healthy_Corner_Stores_Toolkit.pdf

Healthy Corner Stores Network: <http://healthycornerstores.org>

Healthy Foods Here: Produce Manual and Produce Marketing Guide (Seattle): <https://catalyst.uw.edu/workspace/skt8/14501/101408>

Minneapolis Healthy Corner Store Project: http://www.health.state.mn.us/divs/oshii/docs/Mpls_Healthy_Corner_Store.pdf

Sell Healthy Guide (Philadelphia): http://thefoodtrust.org/uploads/media_items/phcsn-sell-healthy-guide.original.pdf

Shop Healthy NYC: How to Adopt a Shop Guide: <http://www.nyc.gov/html/doh/downloads/pdf/pan/adopt-a-shop-guide.pdf>

Shop Healthy NYC: Implementation Guide: <http://www.nyc.gov/html/doh/downloads/pdf/pan/shop-healthy-implementation-guide.pdf>

Snackin' Fresh: <http://www.thefoodtrust.org/php/SnackinFresh>

Spokane Healthy Corner Store Project: A Toolkit for Neighborhood Organizers and Storeowners: http://www.srhd.org/documents/PA_N/Spokane-Healthy-Corner-Store-Toolkit-Final.docx

St. Louis Healthy Corner Store Resource Guide: <http://extension.missouri.edu/stlouis/healthycornerstore.aspx>



Appendices

- A** Taking stock.....38
- B** Pricing and markup.....39

Taking stock

Providing more healthy options can be a business opportunity and a way to increase revenue. Before making any big change to your inventory, take stock of your current situation.

Consider these questions:

- What are your top-selling food items?
- What are your top-selling nonfood items?
- Have your customers requested healthy foods? If so, what?

Look at your store's current food offerings:

- Does the store carry the following items?
 - Bottled water
 - Low-fat milk (1% or nonfat)
 - Low-fat cheese or yogurt
 - 100% whole-wheat bread
 - Whole grain or whole wheat is the first ingredient listed on the package*
 - Baked potato chips
 - Low- or no-salt nuts
 - Canned fruit in 100% juice
 - Canned vegetables, beans or soup with a label that says "low sodium," "low salt" or "no added salt"
 - Frozen fruit or vegetables
 - Dried fruit, such as raisins or dried cranberries

- How many types of fresh vegetables are for sale?

What is their overall quality (from 1 to 4)?

1 2 3 4

Fresh produce quality ratings

- 1 Poor quality:** brown spots, bruised, overripe, wilted
- 2 Low mixed quality:** more poor than good
- 3 High mixed quality:** more good than poor
- 4 Good quality:** absolutely no rotting or moldy items, all very fresh, no soft spots, excellent color

- How many types of fresh fruits are for sale?

What is their overall quality (from 1 to 4)?

1 2 3 4

- Does the store display produce in these areas?

- Near the checkout
- Near the store entrance



Bananas are the biggest impulse-buy at supermarkets when located at the front of the store or next to the checkout.

Pricing and markup

Pricing products

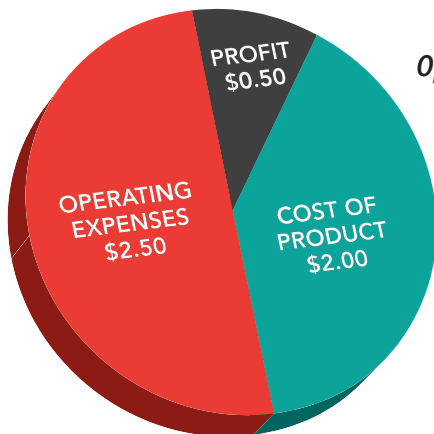
The price you set for a product directly affects your business profitability and customer demand. Prices need to be low enough to appeal to customers but high enough for you to cover your overhead expenses and make a profit.

When pricing a product, consider these questions:

- What are the customers willing to pay?
- What is the break-even point? Are all of your costs covered?
- Do you want to price the same or below your competitors?
- What's the supplier's suggested retail price?

The cost of a product can be figured in one of two ways:

- The total dollar amount you spent on the product.
- The total dollar amount you spent on the materials and labor to make the product.



Operating expenses and the cost of products can cut into your profits. Keep a bigger piece of the pie by controlling them.

*Premade to-go salad:
Price \$5.00
Cost of product \$2.00*

Pricing is the most important factor affecting profits

$$\text{Profits} = \text{Sales} - \text{Costs}$$

$$\text{Sales} = \text{Items sold} \times \text{Price}$$

Customer-focused strategies

Opportunistic pricing — Setting a premium price on an item in short supply.

Psychological pricing — Making a price sound right to customers.

Price skimming — Setting a high price on a high-demand product.

Loss leader pricing — Selling a few products at a loss in order to bring customers into your store.

Competition-focused strategies

Defensive pricing — Temporarily lowering prices to discourage new competitors.

Responsive pricing — Monitoring competitors' prices and adjusting yours to be competitive but still make a profit.

Markup

One way to set the sales price of an item is to use a markup percentage. To determine the markup percentage, you need to know the wholesale cost of an item and the amount above that cost that you want to charge for the item.

$$\text{Markup} = \text{Selling price} - \text{Wholesale cost}$$

$$\text{Markup percentage} = \text{Markup} \div \text{Wholesale cost}$$

For example, if you buy four-packs of apples for \$2 each wholesale and want to sell them for \$3 each:

- Your markup would be $\$3 - \$2 = \$1$.
- Your markup percentage would be $\$1 \div \$2 = 0.50$, or 50%.



Most suppliers provide a suggested retail price (SRP) on their invoices. The markup percentage of those suggested prices can be between 20 and 50 percent depending on the product. The SRP may be the typical retail sales price, but you should calculate your own price using the SRP as a point of reference.

If after a time you realize you are not generating enough profit, you can slightly raise the markup percentage to try to increase revenue. Then you would calculate the new selling price based on the markup percentage.

$$\text{Wholesale cost} \times (1 + \text{Markup}) = \text{Selling price}$$

In the apple example, say you decide you want your markup percentage to be 60% (or 0.60):

- Your new selling price would be $\$2 \times 1.60 = \3.20 .

Your overall markup should be enough to cover your operations and carrying costs. Be sure to consider how you will factor in the cost of freight, whether as part of your overhead or included in the wholesale cost.

If you would prefer not to increase your selling price, you can try to find a cheaper wholesale supplier to lower your cost.

Discounts

In general, business owners tend to mark down prices to reduce inventory. Reasons for wanting to reduce inventory can include the cost to store items, spoilage, space is needed for new merchandise, and items aren't selling as anticipated.

