

Date of Hearing: April 19, 2023

ASSEMBLY COMMITTEE ON AGRICULTURE
Robert Rivas, Chair
AB 1603 (Alvarez) – As Introduced February 17, 2023

SUBJECT: Nutrition Incentive Matching Grant Program: qualified entities: consumer cooperatives

SUMMARY: Adds consumer cooperatives that sells California-grown fresh fruits, nuts, and vegetables and is authorized to accept specified nutrition benefits from nutrition benefit clients is a qualified entity under the Nutrition Incentive Matching Grant Program (NIMG) Program

EXISTING LAW:

- 1) Established NIMG Program in the Office of Farm to Fork (OF2F) creates a NIMG account and requires OF2F to establish minimum standards, funding schedules and grant procedures for the NIMG program. *Food and Agriculture code 49011*
- 2) Defines a consumer cooperative to mean a corporation or group of persons composed of ultimate producers or consumers, or both, organized for the purpose of conducting any lawful business, as specified. *Revenue and Taxations code 6012.1*

FISCAL EFFECT: Unknown

COMMENTS: Market Match is California's healthy food incentive program that matches customers' CalFresh nutrition assistance benefits at farmers' markets and other farm-direct sites. Market Match is distributed by over 60 community-based organizations and farmers' market operators at over 250 sites across the state. The Market Match program was founded in 2009. The first primary funder was the California Department of Food and Agriculture, Specialty Crop Block Grant Program. The program began with just a handful of partners, market operators and community-based organizations spread out across the state. In 2017, the California Nutrition Incentive Program was established by Assembly Bill 1321 (Ting). Shoppers can use CalFresh benefits at participating farmers markets and receive a matching dollar amount, up to \$10, to spend on fruits and vegetables at the same market and up to \$20 at mobile market sites.

Most food cooperatives in California are based on a social justice, equity focused model that provide healthy and locally sourced food options to their community. The first consumer food cooperative in California was formed in 1867 in San Francisco. Although the modest daily sales were financially sound, the store lasted only a short time. In the 1930s, there was a burst of cooperative activity throughout the United States in response to the Great Depression. In California, the Berkeley food cooperative was formed in 1937. Although the 1988 closure of the Berkeley food cooperative was a setback for the consumer cooperative movement, many other food cooperatives in California are thriving and expanding; most have been formed within the last 40 years

According to the author, most cooperatives also accept federal and state nutrition benefits to help families in disadvantaged communities access food at a more affordable price, and any entity eligible for this grant would need to meet this requirement. By allowing food cooperatives that accept nutrition assistance programs to receive funds from the Nutrition Incentive Matching

Grant, California can further bolster these enterprises that serve some of the most disadvantaged communities and food deserts in California. As mentioned, money spent by consumers at food cooperatives are invested back into the local community.

The author's staff have identified 14 food cooperatives registered to operate in California, five of which are located in an economically disadvantaged community and eight startups that are currently in the process of creating a food cooperative. These startup organizations include Deep Grocery Co-op Oakland, South Los Angeles (SOLA) Food Coop, and Paso Food Co-op in Paso Robles among others.

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

REGISTERED SUPPORT / OPPOSITION:**Support**

California Senior Legislature
Suncoast Market Co-op

Opposition

None on file

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