



Healthy Refrigeration Grant Program

2024 Report to the Joint Legislative Budget Committee

2021-22 Budget Package



Report prepared by:



Table of Contents

Executive Summary:	3
Impact:	4
Section 1: The number of grants and amount of funding awarded by type of entity receiving funds	5
Technical Assistance Providers	5
2023 Equipment Grants	7
Corner Stores and Small Businesses	7
Food Donation Programs	8
Cities, Counties, Nonprofits, and Government Organizations	8
Section 2: The number of grants and amount of funding awarded to low-access areas ..	9
Section 3: The geographic distribution of awarded grants	10
Section 4: An assessment of the impact of the program on grant recipients' success at stocking and selling California-grown fresh produce and minimally processed foods within targeted communities	12
2021 Evaluation Impact Findings	13
Current Impact and Evaluation	14

Executive Summary:

The Healthy Refrigeration Grant Program (HRGP) funds energy efficient refrigeration units in corner stores, small businesses, and food donation programs in low-income or low-access areas throughout the state to stock California-grown fresh produce, nuts, dairy, meat, eggs, minimally processed, and culturally appropriate foods. The HRGP began in 2019 with two pilot grant rounds. Additional funds were provided in the Budget Act of 2021, which CDFA awarded to seven technical assistance providers (\$900,000) and 103 stores, non-profits, and local governments (\$8.8 million).

CDFA received requests for over \$61 million during the last grant round, illustrating the high demand for this program.

The program addresses food insecurity and the lack of accessible fresh fruits and vegetables among low-income Californians through supporting small businesses and food donation programs with climate friendly refrigeration equipment to expand their selection of healthy and California-grown offerings.

In accordance with the Budget Act of 2021 (Item 8570-102-0001), CDFA is required to submit to the Joint Legislative Budget Committee (JLBC) a report on key programmatic outcomes achieved by the Healthy Refrigeration Grant Program.

At minimum, this report is required to include:

- (1) the number of grants and amount of funding awarded by type of entity receiving funds (such as corner stores and food banks),
- (2) the number of grants and amount of funding awarded to low-access areas (as defined in Section 49015 of the Food and Agricultural Code),
- (3) the geographic distribution of awarded grants,
- (4) an assessment of the impact of the program on grant recipients' success at stocking and selling California-grown fresh produce and minimally processed foods within targeted communities.

Impact:

Video testimonials (<https://vimeo.com/539258784/eb702c2e51>) from the County of Los Angeles showcasing how HRGP helps small businesses in food deserts:



“As a first-time business owner, we don’t have enough money to invest in buying new merchandise, and this was a good program that actually helped us. It’s really good for the Hispanic community as everyone’s looking for fresh and healthy food right now.”



“Healthy food is extremely important, not only for customers to be able to have access to, but also to be able to know it’s always there. ... We increased our refrigeration vegetable section by 50 percent because of the program. In my opinion, it’s the best program I’ve experienced from the county.”



“Every day we rescue hundreds of pounds of food from supermarkets. Or, otherwise this food will end up in the garbage. And then we need to store it somewhere. So this program was like BINGO for us! ... Please support this program! It’s important. It’s important for community. It’s important for people who otherwise wouldn’t be able to put the quality food to their kids, to their family.

Section 1: The number of grants and amount of funding awarded by type of entity receiving funds

Technical Assistance Providers

In April 2022, CDFA's Office of Farm to Fork (F2F) held a Request for Proposals (RFP) seeking technical assistance providers (TAPs) to offer outreach, application assistance, and technical expertise to 2023 Equipment Grant applicants. All technical assistance was provided free of cost to applicants and grantees.

TAPs offering outreach and application assistance would promote the Healthy Refrigeration Grant Program to corner stores, small businesses, and food donation programs in low-income and low-access areas and assist applicants to complete the 2023 Equipment Grant round application. This assistance could be statewide, regional, tribal, or other specified levels that fit program priorities and ideal grantees would be able to offer this assistance in multiple languages.

TAPs offering technical expertise would provide substantive subject matter expertise in cold storage technology, energy efficiency, and global warming potential standards and/or healthy retail best practices. TAPs providing refrigeration expertise would advise applicants and grantees on energy efficient refrigeration options, consult with applicants, make unit recommendations that meet their needs, advise/assist with installation, and/or help grantees with energy saving strategies. TAPs helping with healthy retail best practices would help grantees in areas such as stocking, merchandising, promoting, and selling fresh California-grown foods as well as potentially offering produce procurement solutions.

In July 2022, CDFA-F2F announced approximately \$900,000 in grants for seven Healthy Refrigeration Grant Program TAPs. The following is a list of the seven TAPs along with the areas they serve, technical assistance they provide, and amount of funding received:

California Green Business Network (CAGBN)

CAGBN is a nonprofit that is conducting statewide outreach and application assistance as well as working intensively in several sites, providing hands-on technical expertise. They provide assistance in both

English and Spanish as well as partner with Chinese and Vietnamese translation services.

Funding received: \$181,885.00

Region served: Statewide

Community Environmental Council (CEC)

CEC is a nonprofit that is conducting outreach and application assistance in low-income and low-food access parts of the south-central coast, in English, Spanish, and Mixtec.

Funding received: \$155,773.00

Region served: South-Central Coast

County of San Diego Agriculture, Weights & Measures (SDC)

SDC is a county agency that is conducting outreach and application assistance for area stores, leveraging food security work and familiarity with local small businesses. They provide assistance in nine languages including English, Spanish, Somali, Arabic, Chinese (Mandarin), Korean, Persian (incl. Farsi, Dari), Tagalog, and Vietnamese.

Funding received: \$149,956.29

Region served: San Diego

Contra Costa Health Services (CCHS)

CCHS is a county agency that provides outreach, application assistance and technical expertise for retailers in Bay Point. They provide assistance in English, Spanish, Punjabi, Hindi, and Ibo.

Funding received: \$106,819.00

Region served: Bay Point/Contra Costa

Effecterra

Effecterra is a small business offering statewide refrigeration expertise to applicants and creating a lasting, informative resource for the program. Any applicant, grantee, or TAP can submit an inquiry to receive their assistance. They provide technical assistance in both English and Spanish.

Funding received: \$198,972.50

Region served: Statewide

High Sierra Energy Foundation (HSEF)

HSEF is a nonprofit that is offering outreach and application assistance as well as technical expertise in 14-16 rural, hard to reach counties including Inyo, Mono, Mariposa, Tuolumne, Alpine, Calaveras, Amador, El Dorado, Placer, Nevada, Sierra, Yuba, Sutter, Butte, Plumas, and Lassen counties. They provide assistance in English and have Spanish-speaking interpreters available for additional support and site visits.

Funding received: \$65,591.64

Region served: Sierra

Porchlight Community Services (PCS)

PCS is a nonprofit conducting outreach and application assistance targeting food donation programs in the San Diego region. They provide assistance in both English and Spanish.

Funding received: \$39,732.00

Region served: San Diego

2023 Equipment Grants

On December 22, 2023, CDFA-F2F announced approximately \$9 million in grants for 103 projects through the Healthy Refrigeration Grant Program. The grants will fund energy-efficient and climate-friendly refrigeration and freezer equipment for corner stores, small businesses, and food donation programs in low-income or low-food access areas throughout the state.

Grantees will use the new equipment to stock California-grown fresh produce, nuts, eggs, meat, and dairy products, as well as minimally processed and culturally appropriate foods. The following is a breakdown of the number of grants and amount of funding awarded by type of entity:

Corner Stores and Small Businesses

Corner stores and small businesses are granted funds only for equipment costs.

Corner stores, which include small-scale or grocery stores, either independent or chain, that sell a limited selection of foods and other products, that are located in a low-income or low-food

access area in a rural, urban, or suburban region. Small businesses including but not limited to small farm operations with farm stands or stores, that sell to low-income or low-food access clientele.

In the 2023 Equipment Grant Round, 43 projects for corner stores and small businesses were awarded a total of \$2,708,811.08 in funding. A summary of each project, including the applicant name, project description, grant amount, and county is available in [Appendix A: Corner Stores and Small Businesses – 2023 Equipment Grant Round](#).

Food Donation Programs

Nonprofits are granted funds to either purchase equipment and provide TA to food donation programs or to purchase equipment in order to donate food directly to low-income or low-food access clientele. Cities, counties, or tribal governments are funded to purchase equipment and provide TA to food donation programs.

In the 2023 Equipment Grant round, 45 projects for food donation programs were awarded a total of \$2,035,667.90 in funding. A summary of each project, including the applicant name, project description, grant amount, and county is available in [Appendix B: Food Donations Programs – 2023 Equipment Grant Round](#).

Cities, Counties, Nonprofits, and Government Organizations

Nonprofits granted funds to either purchase equipment and provide TA to corner stores and small businesses or to purchase equipment in order to sell allowable food items directly to low-income or low-food access clientele. Cities, counties, or tribal governments are funded to purchase equipment and provide TA to corner stores and small businesses.

In the 2023 Equipment Grant round, 15 projects for cities, counties, nonprofits, and government organizations were awarded a total of \$4,058,760.41 in funding. These projects are estimated to reach approximately 168 corner stores and small businesses. A summary of each project, including the applicant name, project description, grant amount, and county is available in [Appendix C: Cities](#).

Section 2: The number of grants and amount of funding awarded to low-access areas

As defined in Section 49015 of the Food and Agricultural Code, the Healthy Refrigeration Grant Program provides grant funds to applicant small businesses and corner stores that are located in low-income areas or low-access areas, therefore all awarded grant projects will take place in low-access areas.

Low-access areas for this program included census tracts in which there are significant barriers to accessing a supermarket or large grocery store, which may include, but are not limited to, a census tract where at least 500 persons or 33% of the population live more than one mile, for nonrural areas, or more than 10 miles, for rural areas, from a supermarket or large grocery store. Other barriers that were considered included language, cultural, affordability, physical or transportation barriers (ex: if a grocery store is across a freeway from residences and not easily physically accessible).

Low-income areas for this program included census tracts in which the income of at least 20% of the population is at or below the federal poverty level by family size, or the median family income is at or below 80% of the median family income of surrounding census tracts.

To be eligible for funding, Healthy Refrigeration Grant Program applicants were required to be located in a low-income or low-food access area, sell, or donate food to low-income or low-food access clientele, or provide TA to corner stores or small businesses that meet these requirements. Additionally, corner stores and small businesses selling food are required to be authorized to accept CalFresh benefits.

To determine low-income and low-access status for applicants, technical reviewers used the USDA ERS Food Access Research Atlas to determine if the area served was located in a low-income and/or low-food access census tract. CDFA-F2F considered all information submitted including data about income inequality, poverty rates, and any other socio-demographic information provided within the application. Tribal applicants were not subject to the use of justification and qualification of the USDA-ERS Food Access Research Atlas, as Tribal census tract data is not included or accurately captured in that tool. Applicants applying for projects operating within the jurisdiction of federally recognized tribal lands were automatically categorized as low-access and considered eligible for the program.

All 110 grants and \$9.7 million in grant funds are for projects in low-access areas.

Section 3: The geographic distribution of awarded grants

CDFA-F2F aims to distribute awards geographically throughout California to the extent possible. To ensure the program had a wide reach across the state, many of the Healthy Refrigeration Grant Program TAPs completed outreach in hard-to-reach, rural areas – areas that may not have been equitably represented in previous grant rounds. 2023 Equipment Grant awardees are located in the following counties:

County	Grantees
Alameda	15
Amador	2
Contra Costa	4
Del Norte	1
Fresno	2
Humboldt	3
Inyo	1
Kern	10
Kings	1
Lake	2
Los Angeles	14
Marin	3
Mendocino	1
Monterey	5
Orange	4
Plumas	1

County	Grantees
Riverside	2
Sacramento	3
San Bernardino	4
San Diego	8
San Francisco	4
San Joaquin	1
San Luis Obispo	4
San Mateo	1
Santa Barbara	5
Santa Clara	2
Sierra	1
Sonoma	2
Stanislaus	1
Tulare	1
Tuolumne	2
Ventura	2

The following map displays the geographic distribution of grantees. An interactive version of the map can be found on the Healthy Refrigeration Grant Program's [webpage](#).

Section 4: An assessment of the impact of the program on grant recipients' success at stocking and selling California-grown fresh produce and minimally processed foods within targeted communities

While the grant terms have not yet started for the Healthy Refrigeration Grant Program 2023 Equipment Grant awardees, the technical assistance grant round and the application period provided insights on the impact of the program. Additionally, in 2021, CDFA partnered with the University of California Agriculture and Natural Resources' Nutrition Policy Institute (NPI) to conduct an evaluation of the program's pilot equipment round. Although the evaluation's results depict findings from the program's previous grant round, they can be used to understand the impact of the program on grant recipients' success at stocking and selling California-grown fresh produce and minimally processed foods within targeted communities.

The purpose of the Healthy Refrigeration Grant Program is to improve access to healthy foods in underserved communities, while promoting California-grown agriculture. The program addresses food insecurity and the lack of accessible fresh fruits and vegetables among low-income Californians through supporting small businesses and food donation programs with refrigeration equipment to expand their selection of California-grown offerings. The program also encourages grantees to foster relationships with local farmers and ranchers.

Aside from its goal to increase the availability of California-grown foods, the program also focuses on climate change efforts. The program incentivized and required use of the most climate-friendly refrigeration options available. A key factor in determining climate-friendliness is the choice of refrigerant. Each refrigerant has a Global Warming Potential (GWP) which is the metric used to compare the relative warming impacts of greenhouse gasses. When comparing similar equipment for a given cooling capacity, applicants had to select the equipment with the lowest available GWP refrigerant. Additionally, all refrigeration units were required to have doors and any open units that had adequate justification were required to have additional energy-efficiency measures such as night curtains. If grantees are replacing old equipment with new grant-funded refrigerators, hereby referred to as the CDFA refrigerators, they are required to properly recycle the old equipment and reclaim the refrigerants. To make this possible, CDFA-F2F allowed applicants to include equipment recycling costs in their budget as an allowable expense.

The Healthy Refrigeration Grant Program prioritizes funding applicants who serve historically and socially disadvantaged populations including those defined in the [Farmer Equity Act](#). The program's highest priority populations include businesses and organizations owned or led by members of historically or socially disadvantaged groups. Business size and access to resources within the small business category were considered in the technical review process with very small businesses that serve priority populations and with priority ownership being prioritized. These guidelines ensure that grant recipients stocking California-grown fresh produce and minimally processed foods are aiding the program's targeted communities.

To increase the accessibility of California-grown foods, CDFA-F2F partnered with Healthy Refrigeration Grant Program TAP, Effecterra, to create a series of ongoing resources for storeowners and small business owners. Using findings from NPI's 2021 evaluation and Effecterra's technical expertise, CDFA-F2F created a "[Quick Tips](#)" document for applicants. The resource includes tips for selecting a refrigeration system or unit, tips for the refrigeration installation process, and tips for saving energy with the new CDFA units. The document utilizes recommendations from past Healthy Refrigeration Grant Program grantees and other Healthy Retail sources to provide advice to applicants and future grantees about stocking California-grown produce, where to place the refrigerator in the store to attract more customers, tips for selling more fruits and vegetables, and how to connect with local farmers to purchase produce to sell. This document will be updated periodically to include ongoing advice from grantees and other helpful tips. The document is publicly available on the program's website, so store owners and other small business owners not participating in the program can still benefit from the information.

2021 Evaluation Impact Findings

Overall, the Healthy Refrigeration Grant Program has been highly valued by both participants and their customers. In NPI's 2021 evaluation, they found that after store owners installed CDFA refrigeration units, reported "lack of refrigeration" became a lesser barrier to stocking fruits and vegetables. Only 14% of store owners at follow up reported lack of refrigeration as a barrier to stocking produce, compared to 52% at baseline. In addition, CDFA refrigerators allowed stores to increase the variety and freshness of produce they sell. The Healthy Refrigeration Grant Program increased stores' ability to sell produce and improved their profitability.

The Healthy Refrigeration Grant Program also had a positive impact on the underserved communities who shop at corner stores. In NPI's program evaluation, store owners reported that getting the CDFA refrigerator helped their stores better serve the community and increased their customer base. 96% of store owners reported that the Healthy Refrigeration Grant Program helped them better serve their community and 78% of storeowners reported they had more customers after installing the CDFA refrigerator. One store owner said, *"The image the customer gets from our store is different now. They know that we carry healthier items, so they are very happy with that."* Customers of stores that had installed CDFA refrigerators reported valuing having produce at their corner store. 70% of customers at baseline and follow up reported it is very important that their corner store stocks fruits and vegetables. After their local store installed the CDFA refrigerator, customers reported that they go to the store to purchase produce more frequently at follow up, compared to baseline. 46% of customers in the follow up sample reported going to the store to purchase fruit at follow up vs. 13% of the baseline sample and 42% of customers in the follow up sample reported going to the store for vegetables at follow up vs. 12% of the baseline sample.

In 2021, NPI found that 97% of store owners reported having a positive experience with the program. Healthy Refrigeration Grant Program participants reported that the program helped their business better serve the community, increased their customer base, reduced the barriers they face when stocking produce, allowed them to increase the variety and freshness of the produce they sell, and reduced their overall produce waste.

View [the full final report](#) of NPI's Healthy Refrigeration Grant pilot program evaluation as well as [the research brief](#) covering an overview of the results.

Current Impact and Evaluation

While the evaluation findings were overwhelmingly positive, lack of refrigeration continues to be reported as a leading barrier to corner stores stocking fresh fruits and vegetables. This was demonstrated by the unprecedented number of applications the 2023 Equipment Grant round received. During the program's application period, 320 applications were submitted with over \$61 million in funding requests. With \$9 million available in funds, there was approximately \$52 million in unmet need and 217 applicants who will not receive any funding. Of the applicants who were chosen to receive funding, the majority were given partial grants due to a lack of funds. These numbers show the importance and demand for the Healthy Refrigeration Grant Program and demonstrate a high

need for refrigeration among small businesses, corner stores, and food donation programs across the state of California.

CDFA-F2F is working with NPI to evaluate the impact of the current round of equipment funding and expects to be able to share results next year. In addition to measuring the impact of the program on the communities served, CDFA-F2F will also look at the climate impact of providing energy efficient units and ones that use low GWP refrigerants.

This report can be viewed at <https://www.cdfa.ca.gov/ola/publications.html>. To order a hard copy of this report, please contact Constituent.Issues@cdfa.ca.gov.