Leading the Way with a Public and Private Food Cooperative: A Communal Answer to Tackling Food Insecurity and Poverty

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Thesis
To combat the associated risk of food deserts in low-income neighborhoods and stimulate reinvest in the community, the City of Binghamton should establish a food cooperative in the North Side to ensure access to affordable and nutritious food.

Background Analysis
Binghamton, NY has a poverty rate of 33.9 percent\(^1\) and two designated food deserts: The most prominent being the North Side\(^2\). The USDA defines a food desert as an area in a low-income community with limited access to affordable and nutritious food\(^3\). In 1996, the last full-service grocery store in the North Side closed its doors, leaving the surrounding neighborhood devoid of a reasonably close source of healthy, affordable food\(^4\). The child poverty rate in Binghamton is 47 percent\(^5\) more than twice as high as the national average of 21 percent\(^6\). Poverty negatively affects the nutritional value of consumed food\(^7\) and is itself exacerbated by food insecurity, increasing the effects of poverty on individuals and families\(^8\). Without affordable access to proper nutrition, children in low-income families potentially face serious health complications\(^9\) which result in higher municipal costs on welfare programs and health measures\(^10\). Currently, the North Side relies on convenience stores, local eateries, and fast food outlets. Grocery stores do not open in the North Side because they are profit-driven businesses\(^11\) and have little motive to open in low-income neighborhoods. Binghamton has taken some action to address the issue by funding a mobile kitchen that offers groceries to residents of the North Side\(^12\). But this is not sufficient to address the problem because the mobile kitchen has a vast area to cover, limiting access in some communities, and the community still lacks a full service grocery store.

Talking Points
- The North Side of Binghamton has lacked a full-service grocery store for two decades and multiple efforts to incentivize grocery stores to move to the Northside have failed.

- Food deserts tend to have higher vacancy rates and contain residents with lower educational levels, incomes, and employment rates.

- With a child poverty rate of 47 percent, Binghamton must secure a source of affordable and healthy food for impoverished children to avoid future health related complications and costs.

- Establishing a food cooperative in the North Side will not only make the neighborhood food secure, but encourage additional investments in the community.

**KEY FACTS**

- For every dollar spent at a food cooperative, 38 cents is reinvested into the local economy compared to .24 cents at conventional grocers\(^20\)

- Communities with 10 percent or more of households located in food deserts have on average a 9 percent higher rate of obesity\(^27\)

- The Pennsylvania Fresh Foods Financing Initiative, provided $120 million for grocery stores in low-income areas, created 5,000 jobs, and led to improved healthy food access for more than 400,000 people\(^22\)
Policy Idea
To take effective action against poverty and food insecurity in the Binghamton area, a secure source of nutritious and affordable food must be made accessible. Therefore, the local government must invest in the community by funding a food cooperative in the North Side through the allocation of unused grant money and local tax incentives for the donation of food to be sold at the cooperative. Establishing a food cooperative in the North Side of Binghamton will ease the effects of food insecurity on low-income families, reduce future health-related costs to the municipality and create employment opportunities while symbolizing reinvestment into the community.

Policy Analysis
A food cooperative is a business designed with community interests in mind: they source their goods locally and their members, as both owners and customers, share a common interest in the well-being of the business.13

Combating food deserts and poverty through public-private partnerships is a successful and sustainable initiative. A public-private partnership is “...a contractual arrangement between a public agency...and a private sector entity”14. A successful example in Pennsylvania, through the Pennsylvania Fresh Foods Financing Initiative, resulted in financing $120 million for grocery stores in low-income areas, creating 5,000 jobs, and led to improved healthy food access for more than 400,000 people.15 The Fresh Foods Financing Initiative was a combination of the State of Pennsylvania and non-profit organizations which provided funding for grocery stores which opened or operated in a food desert. Its success rested on its flexibility, as it could serve a range of communities and assist both large and small businesses16.

The North Side food cooperative would work at the local level through the additional collaboration of grocery stores, community organizations and the direct involvement of the community. The coop will be funded by re-allocating money from Binghamton University’s state impact funding17 in addition to reallocating funds from the Broome County Anti-Poverty Task Force, which has $1.2 million in unallocated funds18, and the Southern Tier Regional Economic Development Council19 towards a community fund. The construction and operation of the cooperative would stimulate commerce and promote interest in the larger community from businesses previously shy to invest. The food will be sourced from community gardens, food banks, and local retailers, facilitating community collaboration.

Local tax incentives could encourage, grocery stores to reduce waste by donating food to the co-op, which it would sell at discounted prices. Community members would be directly engaged in the management, administration, and operations of the cooperative.

Next Steps
To garner support for this proposal a coalition must be formed between community organizations, the Binghamton City Council, and the Broome County Legislature. This coalition would include local organizations such as VINES and CHOW, which provide locally sourced food and assistance to the poor. These organizations could generate support in the community through public forums, surveys, and social media. Supporters will lobby the Binghamton City Council for the release of additional funding from the County and begin writing tax incentives for local retailers to donate food. Retailers would be surveyed on their opinions about donating still edible food. As throwing away still edible food represents a loss for retailers, and donating food will provide tax credits and positive publicity, local retailers will welcome the idea. Support from the community and the government would influence the county legislature to unlock grant money and, with the support of local retailers, for the municipality to create tax credits for donated food.
End Notes

3 Ibid
4 Ibid
8 Ibid