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Ohio House Finance Subcommittee on Health and Human Services
Proponent Testimony on House Bill 166
Kristin Mullins, President and CEO, Ohio Grocers Association
April 10, 2010

Chairman Romanchuk, Ranking Member West, and members of the House Finance Subcommittee on Health and Human Services – thank you for allowing me the opportunity to provide testimony on House Bill 166. As President of the Ohio Grocers Association, I proudly represent over 300 food retail, wholesale and supply companies across the Buckeye state. My members range from the largest chain stores to the smallest “mom and pop” independent grocers as well as some convenience stores and of course the food wholesalers who supply these stores.

I am here today in strong support of continued funding for the Healthy Food for Ohio (HFFO) program. You will hear from our advocacy partners about the impact of affordable healthy food retail options on public health, and the resulting cost savings to the state on health care expenditures that can be expected. I would like to share with you the important industry impact of the HFFO program on the grocery industry in Ohio. At our last market study, Ohio's grocery industry employs over 110,000 people in full and part-time jobs. Ohio grocers generated over \$18.5 billion in sales, paid over \$2.3 billion in wages, and paid \$1.1 billion in state and federal taxes. I give you these numbers to illustrate that Ohioans not only depend on grocers as distributors of their food supply, but as employers and taxpayers, as well.

While it is clear that the grocery industry is a critical economic driver in Ohio, it is also important to note that there are locations in which it is difficult for communities to attract our proprietors. As I have said to many of you and your colleagues during one-on-one meetings regarding these underserved communities, “If a grocer could be there, they already would be there.” Profit margins for grocers are razor thin - just 1-1.5% - and our membership faces unique challenges in incorporating and expanding businesses. In addition to the day-to-day challenges of keeping a constant rotation of fresh stock, managing payroll, working with wholesalers, and attracting and satisfying customers, grocers need to consider such barriers to a successful operation as a lack of customer transportation, safety issues on site, and capital needs for costly specialty equipment to keep product fresh and in line with government regulations.

The HFFO program offers flexible grant and loan dollars to grocers that they might not otherwise be able to find through traditional lending means. The state's seed grant funding, which has been leveraged by program administrator and nonprofit Finance Fund Capital Corporation at a rate of over 1:5, provides a critical one-time injection of funds for grocers to establish or expand in areas of critical need around Ohio. Grocers face a number of regulations in growing their businesses; having a single, streamlined point of contact for this programming makes it easier for our businesses to flourish. Through HFFO, Finance Fund becomes a one-stop resource for technical questions and advice related to sustainable financing for grocers of all sizes looking to provide fresh food in Ohio's most underserved communities.

Healthy food retail improves the economic health and well-being of communities and can help revitalize struggling business districts. Grocery stores and supermarkets serve as economic anchors in a community—supplying local jobs; creating foot traffic; and attracting complementary stores and services like banks, pharmacies, and restaurants. In addition to providing jobs, healthy food retail also increases or stabilizes home values in nearby neighborhoods, generates local tax revenues, provides workforce training and development, and promotes additional spending in the local economy generated by the store and the new jobs it creates (the “multiplier effect”).

On behalf of the Ohio Grocers Association and our 300+ members, in addition to the over two million Ohioans who lack access to fresh and affordable food options, I urge you to continue funding for the Healthy Food for Ohio program.

Thank you for your time, and I would be happy to answer any questions. Please feel free to contact me at Kristin@OhioGrocers.org or 614-448-1622.