

## Retailers to bring fresh produce to many without

July 21 2011, By DARLENE SUPERVILLE, Associated Press



First lady Michelle Obama joined leaders from major retailers, foundations and small businesses announcing commitments that will provide access to healthy, affordable food to millions of people in under served communities, in the East Room of the White House in Washington, Wednesday, July 20, 2011. (AP Photo/Manuel Balce Ceneta)

(AP) -- Michelle Obama's campaign against childhood obesity moved a step forward Wednesday with the announcement that Wal-Mart and other retailers plan over the next five years to open or expand 1,500 stores in areas without easy access to fresh fruit, vegetables and other healthy foods.

"Make no mistake about it. This is a big deal. It is a really big deal," the first lady said at the White House, where she was joined by executives from the national and regional retailers.



"I think our vice president put it better, but I'm not going to use his words," she said, drawing laughter from an audience that remembered the profanity Vice President <u>Joe Biden</u> whispered last year as he stressed to President <u>Barack Obama</u> what a big deal it was to sign the <u>health care bill</u> into law.

Mrs. Obama is leading a nationwide effort to lower childhood <u>obesity</u> <u>rates</u>, including by making fresh and <u>healthier foods</u> more widely available. She has urged grocers to expand into so-called "food deserts," which are rural or poor areas without many grocery stores.

The White House says nearly 24 million people, including 6.5 million children, live in such areas. Studies have shown that limited access to healthy foods like fruits and vegetables can lead to higher levels of obesity and diet-related diseases.

Wal-Mart Stores Inc., the nation's largest retailer, says it will open 275 to 300 locations in urban and rural areas by 2016, expanding <u>food options</u> in more than 700 food deserts. The new stores will be under the supercenter and Walmart Market formats, but not the <u>Walmart</u> Express model because that concept is still being tested.

Wal-Mart said it has opened more than 200 stores serving food deserts since 2007, and the roughly 500 or so stores will serve about 1.3 million people living in those areas.

Walgreen Co., a nationwide drug store chain, will convert or open 1,000 stores in areas that need healthier choices over the next five years, said company spokesman Jim Cohn. The new stores will sell whole <u>fruits and vegetables</u> along with pre-cut fruit salads and green salads, according to the White House.

Supervalu Inc. has committed to opening 250 Save-A-Lot stores over the



next five years. That expansion is part of its overall strategy to double its count of those discount stores to more than 2,400 in that period.

Several regional retailers have promised to build or expand more than 10 stores in Philadelphia; Cheltenham, Pa.; Baltimore and yet-to-be determined locations in Alabama and Tennessee. A public-private partnership based in California also has created a \$200 million loan fund to provide qualified grocers and other food retailers with financing.

Wednesday's announcement also was cast as a jobs creator.

Wal-Mart expects to put more than 40,000 people to work in the new stores while Supervalu estimated creating 6,000 jobs, according to the companies and the White House.

Mrs. Obama's appearance with Wal-Mart was her second this year.

In January, she joined Wal-Mart as the company pledged to make thousands of products healthier and push its vast network of suppliers to also reduce the amount of sodium and added sugars in some items, lower prices on produce and develop a logo to easily identify healthier foods.

As the nation's largest retailer, Wal-Mart's size gives it unique power to shape what people eat. The company also has huge influence on products made by other manufacturers and sold in its stores.

Wal-Mart's reach and status as the nation's largest private employer has also made it a target of criticism from labor unions and others who oppose its labor practices and expansion into cities. Local officials, however, have been more welcoming to Wal-Mart as they try to boost job growth amid high unemployment.

Brian Sozzi, a retail analyst at Wall Street Strategies in New York City,



said Wal-Mart's move to align itself with the first lady's effort could help smooth its access into new markets.

"It improves the image and gets people excited about Wal-Mart coming into town," Sozzi said.

Leslie Dach, Wal-Mart executive vice president for corporate affairs, said many of the new stores have cleared the company's internal decision-making process but remain subject to local approval. The openings do not include New York City, where Wal-Mart has been fighting union groups to open a store.

Dach said communities have become less hostile to having Wal-Mart in the neighborhood because the company brings jobs and lower prices.

"We have become a better neighbor and a better company over the last several years," he said.

At least three labor unions used Wednesday's announcement to blast the company. The Service Employees International Union, the United Food and Commercial Workers Union and the AFL-CIO said Wal-Mart drives out good jobs and responsible employers wherever it opens stores.

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