



Supporting Rural Grocery Stores Across the North Central Region

November 7, 2022, 2 -3:30 PM

Rial Carver, *Program Leader*
Rural Grocery Initiative

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Rural Grocery stores provide:

- Economic development
- Public health benefits
- Community gathering space

Hired Man's Grocery & Grill

424

Economic
Development





Public
Health



NetWork Kansas Uplifts Community by Saving Local Grocery Store



Watch later



Share

Community
Hubs

MORE VIDEOS



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<https://www.kauffman.org/currents/because-of-three-coolers-mildred-dances-on-saturday-nights/>

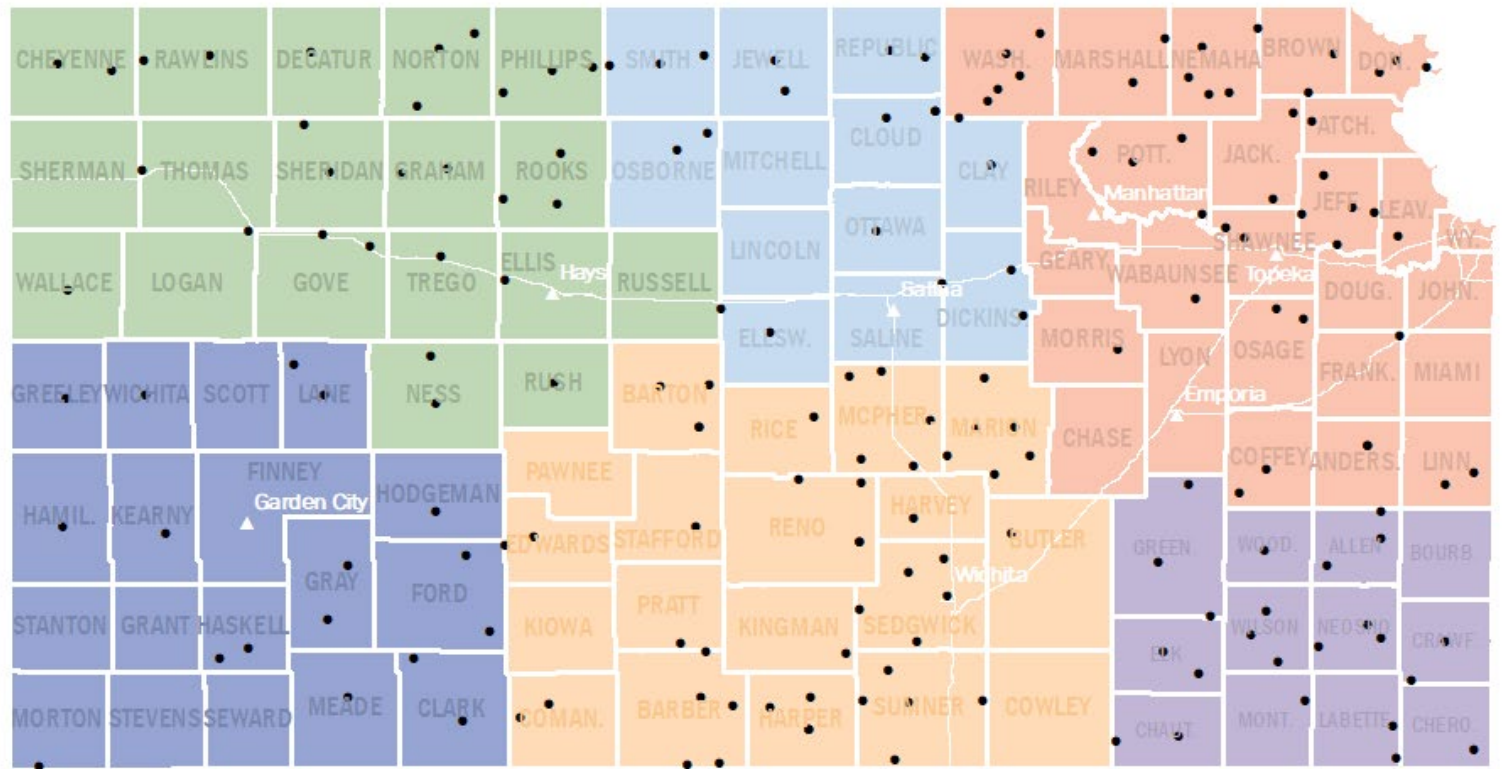


Rural grocery stores struggle to stay in business

Over a 10-year period between 2008 and 2018, **105 grocery stores in rural Kansas have closed** their doors, in half of those communities a new store has not opened.

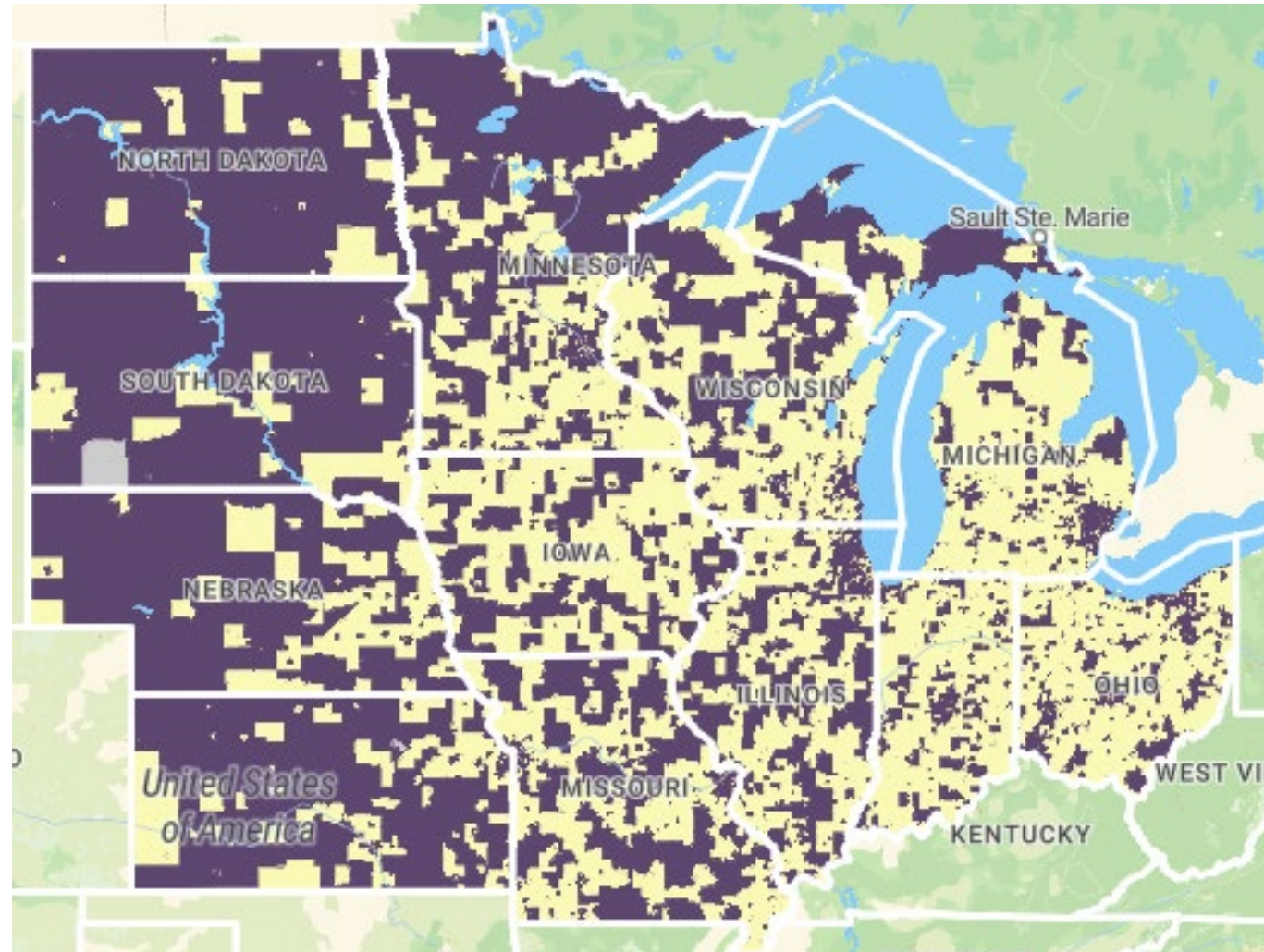
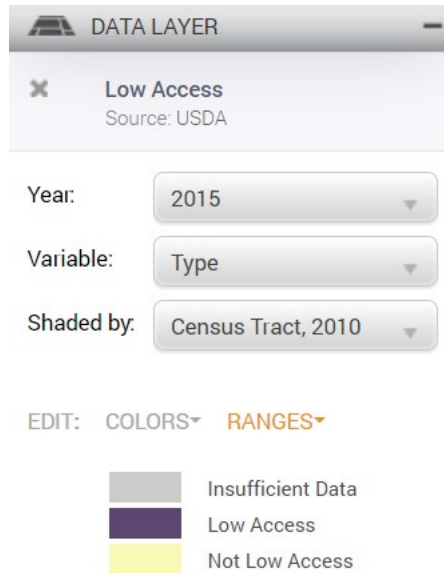
Challenges:

- High operating costs
- Slim profit margins
- Competition
- Population decline
- Distribution
- Transition Planning



Kansas Rural Grocery Stores, 2019

Food access in the North-Central Region



Source: PolicyMap, Low Access census tracts (USDA, 2019)



Rural Grocery Initiative

The Rural Grocery Initiative aims to sustain locally-owned rural grocery stores to enhance community vitality and improve access to healthy foods by identifying, developing, and sharing resources that support grocers and rural communities.

What does RGI do?

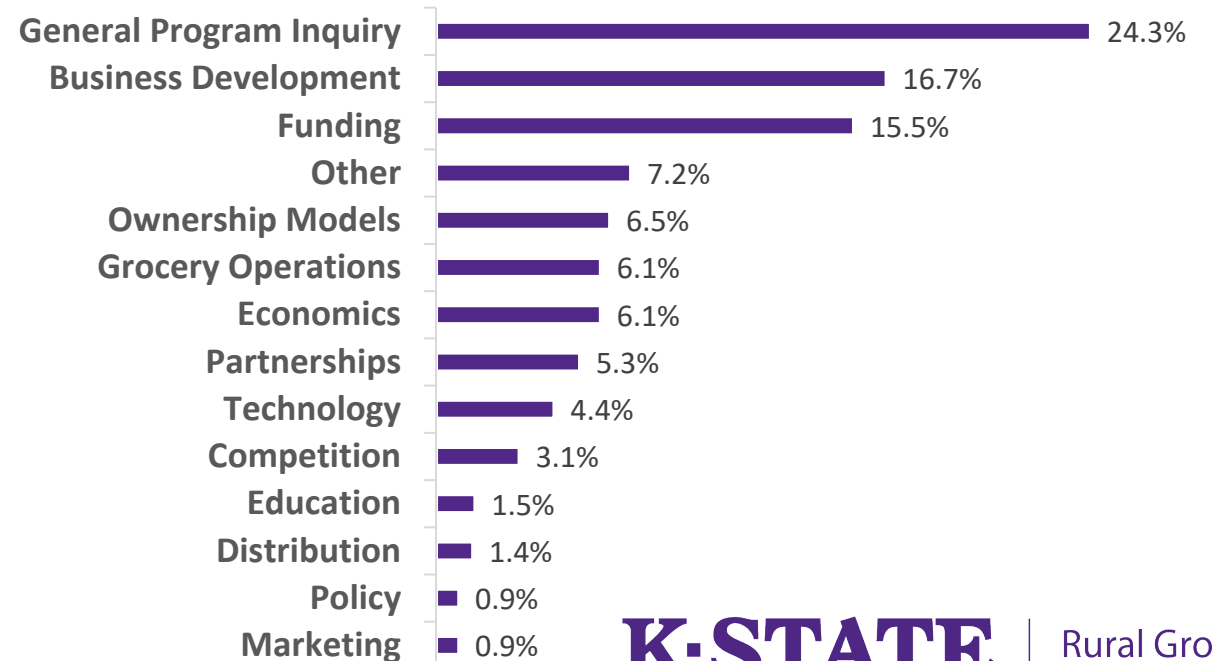
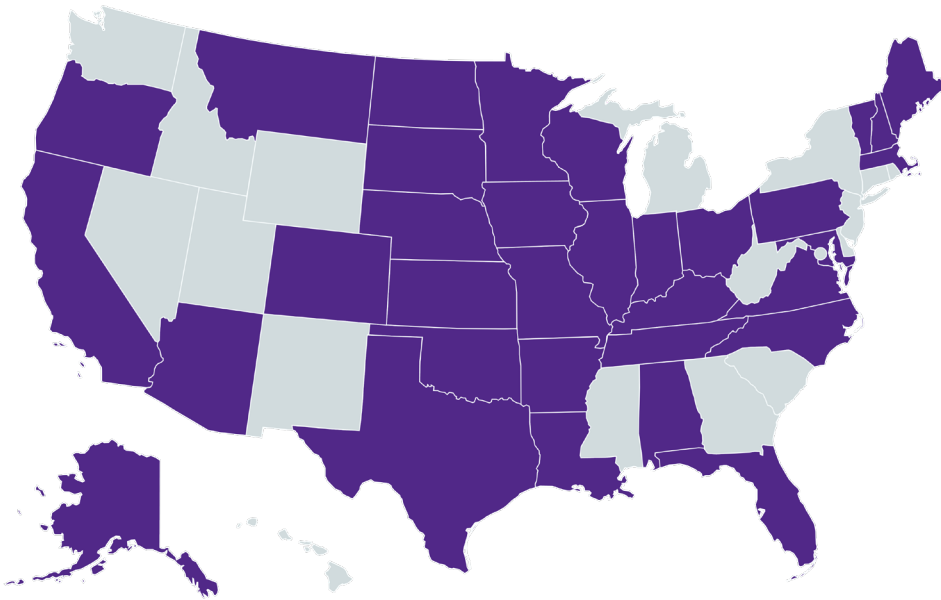
- Provides individual, one on one **technical assistance** to grocers and communities related to rural grocery stores and/or healthy food access
- Conducts **research** on relevant rural grocery and food access issues
- Develops and maintains **informational resources**
- Hosts **educational events** including the biennial **National Rural Grocery Summit**
- Serves as Food Access Organization for **Kansas Healthy Food Initiative**



Technical Assistance

Provided support to
33
states

RGI responds to
180
TA inquiries per year



Mentorship Program



Find more on the Mentorship Program
at www.ruralgrocery.org/mentor

Business Transition Mentorship Program

The Grocery Business Transition Mentorship Program provides rural Kansans with in-depth, customized technical assistance on a range of topics related to grocery business transitions, such as creating a business plan, assessing markets and community needs, establishing a community-owned grocery store, and more.

Completed:

April to June 2021

Sept. to November 2022

Upcoming:

January to March 2023

April to June 2023

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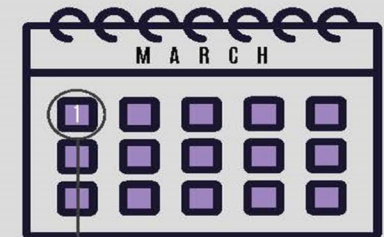
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Research

- **Rural Grocery Survey**, 2008 and 2021
- **Expanding healthy food access by strengthening social capital**, 2017
- **Increasing Healthful Food Choice & Strengthening Rural Grocery Store through Nutritional Education and Labeling**, 2014-2017

The Rural Grocery Initiative wants to hear from **you!**

KANSAS RURAL GROCERY SURVEY



Please return
your survey
by **March 1, 2021**

- ✓ 1. **Receive:**
 - Your survey should arrive by mail by early February.
- ✓ 2. **Complete:**
 - One survey should be completed by the grocery owner or manager.
- ✓ 3. **Return:**
 - Fold survey and return in provided pre-addressed and postage-paid envelope.

Informational Resources

For those establishing a rural grocery store:



For existing rural grocery store owners:



Rural Grocery Toolkit

Find the RG toolkit at
<https://www.ruralgrocery.org/rural-grocery-toolkit/Overview.html>

Informational Resources



The Rural Grocer's Guide to E-Commerce

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Benefits of Hometown Grocery Stores

Hometown grocery stores serve as anchor businesses for local communities. They provide community members with access to healthy food, support local economies and weave together the fabric of a community, serving as a place to meet, shop, and make social connections.

Healthy Food Access: Grocery stores are the best local sources of healthy foods. Locally-owned stores stock healthy foods at lower prices than convenience stores.¹ Independently-owned grocery stores often carry locally-sourced healthy food and may coordinate with local farmers markets to provide them with space to operate.²



Economic Benefits: Independently-owned retailers return more than three times as much money per dollar of sales to the community than discount chain competitors.³ Locally-owned stores impact the local economy through increased employment, generation of tax revenue, utilization of federal food assistance benefits, and returning profits to the community.



Contribute \$644,000 to the local economy⁴



On average, employ 17 local community jobs⁵



Generate \$136 million in state and local tax dollars across Kansas⁶



Capture SNAP and WIC stimulus flexibility



Community Life: Locally-owned grocery stores support the community by providing a place for people to gather. Many stores have a deli or cafe. The Midred store in Allen County, Kansas hosts a monthly music night that brings people together for food and jam sessions. As active community partners, local store owners support local teams and community projects through bulk ordering, allowing fundraisers on the store property, and hiring locally.

References:
1. Jones, A. B., White, K. L., & Lewis, A. (2017). Local Store Types, Availability, and Cost of Goods in a Rural Environment. *Journal of the American Dietetic Association*, 117(11), 1761-1769. <https://doi.org/10.1016/j.jada.2017.08.012>
2. Center for Engagement and Community Development. (2018). *Economics and Gatherings: Leveraging Community Social Capital to Increase Local Grocery Store Patronage*. <https://www.cedcd.org/research-and-economics/economics-and-gatherings/>
3. Center for Engagement and Community Development. (2018). *Local Store Types, Availability, and Cost of Goods in a Rural Environment*. <https://www.cedcd.org/research-and-economics/economics-and-gatherings/>
4. Miller, A. (2018). The economic contribution of local grocery stores in Kansas (Pittsburg, Kansas State University). <https://www.k-state.edu/news/2018/08/08/economic-contribution-of-local-grocery-stores-in-kansas/>
5. Chabot, L. (2018). The economic contribution of local grocery stores in Kansas (Pittsburg, Kansas State University). <https://www.k-state.edu/news/2018/08/08/economic-contribution-of-local-grocery-stores-in-kansas/>
6. Kansas Retailers Association. (2018). *Kansas Retailers Association Report: Retail Sales by County*. <https://www.kra.org/wp-content/uploads/2018/05/Kansas-Retailers-Association-Report-Retail-Sales-by-County-2018.pdf>
7. Chongwa, B. W. (2012). Assessing the Supplemental Nutrition Assistance Program as a Community Development. *Journal of Nutrition Education and Behavior*, 4(2), 219-221. <https://doi.org/10.1016/j.jneb.2012.02.005>

Photo Credits:
Top: Photo of a Kansas grocery store. K-State Division of Communications and Marketing, 2020. Bottom: Photo of the Midred Store in Morris, KS. Rural Grocery Initiative, 2020.

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Kansas State University Agricultural Experiment Station and Cooperative Extension Service
K-State Research and Extension is an equal opportunity provider and employer.



Grocery Store Considerations for City Leaders

Rural Grocery Initiative
Kansas State University
September 2021

Farm to Grocery Best Practices

Producers have several options for selling products: direct sales, farmers' markets, farm stands, food hubs, restaurants, schools, and more. Adding a grocery store to the mix further diversifies markets and builds resilience.



Locally grown items are in high demand in grocery aisles, and rural grocers are often looking to provide new offerings. Why not make the connection between the farm and the local grocery store? This fact sheet offers several considerations and recommendations for partnering with rural grocery stores to sell locally produced food.

Identifying Buyers

First, look for grocers in your area who are already sourcing locally as a sign of potential interest. If they already participate in Double Up Food Bucks, they are highly encouraged to source fruits and vegetables from local producers. Shop Kansas Farms also has an interactive map where rural grocers can indicate their interest in selling local product. Next, reach out. Grocers are early risers, so call earlier in the day and ask for the owner or manager. Offer to stop by the store and talk in more detail.

Ordering and Delivering

Grocers need consistency in what they supply to their customers, so establish a protocol for sharing what is available at the farm. Initially, this may require back and forth with the grocer to identify what products and amounts are delivered at what intervals. Aim to establish a standing order with the grocer and identify the frequency of delivery (weekly, biweekly, monthly). For example, 10 pounds of tomatoes per week from July to September.

Billing

Discuss with the grocer payment expectations - how soon you expect payment after receipt and acceptable forms of payment. Invoices are most common when working with grocery stores. Include items delivered (number and unit cost), total amount, and payment due date. Be sure to specify whether delivery or freight costs are included (grocers may be paying delivery cost as a lump sum per order from their main distributor).

Pricing

When setting prices with the grocer, you will want to offer a wholesale rate. As the farmer's market or farm stand, you're able to charge a premium. Wholesale accounts like grocery stores are typically able to move a greater volume of product, resulting in a lower unit price. This doesn't mean a local producer must match the wholesale distributor's price. Customers will still pay a premium for local produce. Depending on the amount of processing, packaging, shipping and handling costs, pricing for wholesale will be different for each producer and buyer relationship.

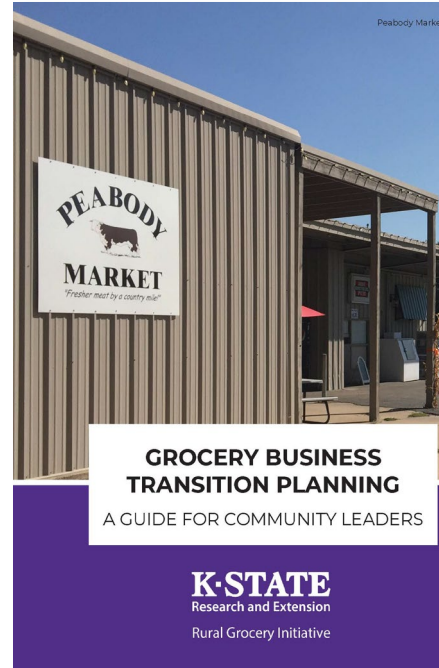
Buy Local Foods Pricing and Invoicing Guide:
<https://www.k-state.edu/news/2018/08/08/economic-contribution-of-local-grocery-stores-in-kansas/>
<https://www.k-state.edu/news/2018/08/08/economic-contribution-of-local-grocery-stores-in-kansas/>

Setting Your Price Guide: www.k-state.edu/news/2018/08/08/economic-contribution-of-local-grocery-stores-in-kansas/
<https://www.k-state.edu/news/2018/08/08/economic-contribution-of-local-grocery-stores-in-kansas/>

Meat Price and Yield Calculator, Cornell Cooperative Extension: <https://www.cce.cornell.edu/extension/marketing-services/meat-price-and-yield-calculator/>

USDA Agricultural Marketing Service Specialty Crops Terminal Markets Standard Reports:
<https://www.ams.usda.gov/market-news/terminal-markets-standard-reports>

USDA Agricultural Marketing Service National Weekly Retail Activity Reports:
<https://www.ams.usda.gov/market-news/retail>



GROCERY BUSINESS TRANSITION PLANNING A GUIDE FOR COMMUNITY LEADERS

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Find more under the Publications tab at
www.ruralgrocery.org

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Events

WEBINAR SERIES

Keeping Groceries Alive: Successful Ownership Transitions for Rural Grocery Stores

1. Grocery Business Transition Planning: An Overview
2. Understanding Grocery Ownership Models
3. Preparing for Business Transition
4. Assessing Markets & Community Needs
5. Planning your Business
6. Funding the Transition
7. Recruiting Store Managers
8. Mastering Grocery Store Nuts & Bolts

Find more info and recordings under the events tab at www.ruralgrocery.org

Rural Grocery Succession Planning



Monthly Webinars

1. Business Transition Overview
2. Business Valuation 101
3. Transitioning a Small Format Grocery Store
4. Beyond Grocery
5. Purchaser Perspectives
6. Consumer Cooperatives
7. Worker Cooperatives
8. Grocery-Municipal Partnerships

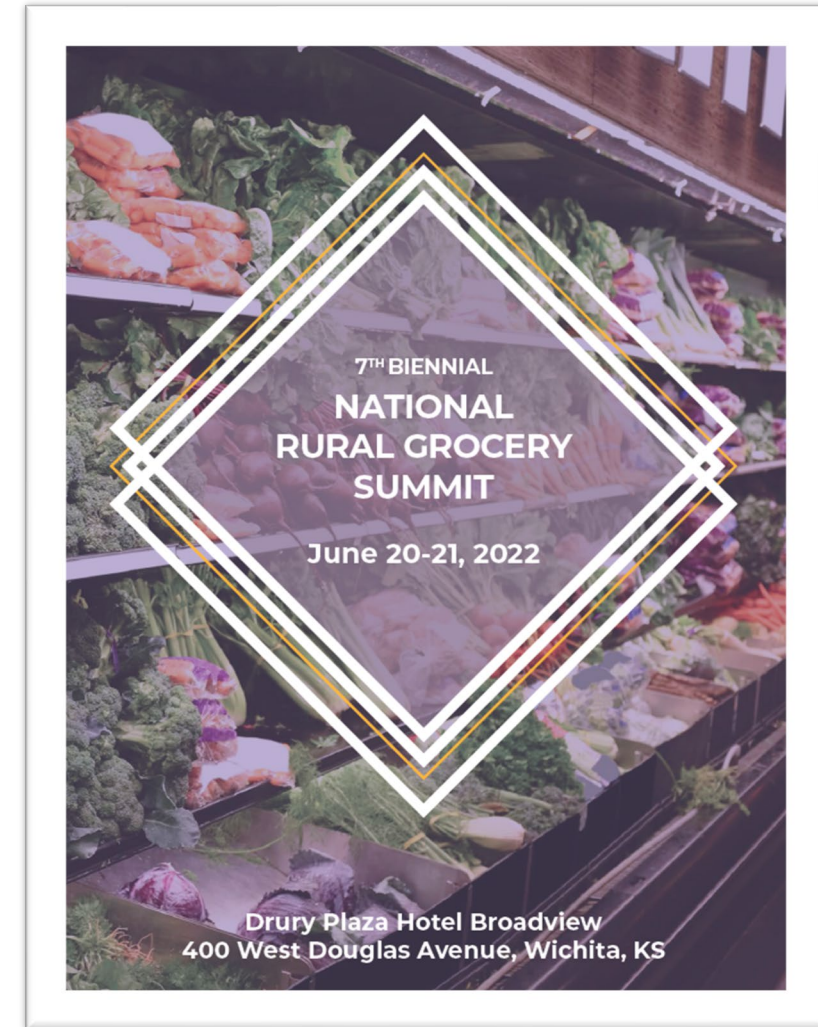
Upcoming:

November 17 & December 15: [Register Here](#)

The National Rural Grocery Summit

- 2-day convening
- Over **240** registered attendees from **35 states** + D.C.
- Over **50 presentations** including
 - **4 keynotes,**
 - **5 breakout sessions** (with 1-3 presentations each) with
 - **3 tracks,**
 - documentary screening,
 - poster session

Find more information online at
www.ruralgrocery.org/summit

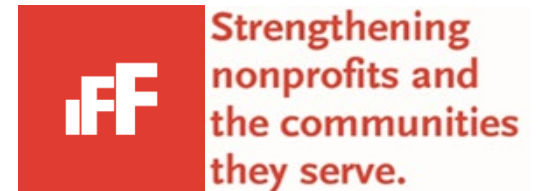


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Kansas Healthy Food Initiative

The Kansas Healthy Food Initiative is a public-private partnership that aims to increase access to affordable healthy food to improve the health and economic development of Kansans and their communities.





MARKET
ordia, KS



TECK FARMS
Hutchinson, KS



WHITE'S FOODLINER
St. John, KS



ST. FRANCIS SUPER'S
St. Francis, KS



PEARSONS
Wichita



ED STORE
red, KS



ROMMEY FARMS
Cassoday, KS



BLUESTEM MERCANTILE
Leon, KS



SUPERMART EL TORITO
Topeka, KS



WILSON
Wilson



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Rural Grocery Specialist Certificate

What: an online certificate program to train resource providers to better support rural grocers through business transition. This project is supported by a grant from the North Central Regional Center for Rural Development.

Who: extension professionals, economic developers and other resource providers who support rural grocers and rural community vitality in their positions.

Anticipated Modules

1. Assessment of Grocer Attitudes & Relationship Building
2. Transition Planning Foundations
3. Business Valuation Fundamentals
4. Communicating About Transition
5. Finding New Ownership
6. Buyer Funding & Hiring a Manager
7. Into the Future

Project Development Timeline

- November 2022: RGI hosts two informational sessions with Subject Matter Experts. The same content will be provided at both sessions.
- December 2022 to February 2023: Content Creators develop video outlines and record video lessons with support from RGI.
- March 2023: RGI finalizes first draft of course content in learning management system.
- April to June 2023: RGI offers Pilot Program.
- July 2023: RGI finalizes program content for public launch.
- August 2023: Public launch.

Interested in learning more?
Email us at rgi@ksu.edu

Thank you!

Rural Grocery Initiative

rgi@ksu.edu

www.ruralgrocery.org