



UNIVERSITY OF MINNESOTA EXTENSION

Driven to DiscoverSM

REGIONAL SUSTAINABLE DEVELOPMENT PARTNERSHIPS

RURAL GROCERY PORTFOLIO OVERVIEW



MAKING A DIFFERENCE IN MINNESOTA: ENVIRONMENT + FOOD & AGRICULTURE + COMMUNITIES + FAMILIES + YOUTH

Regional Sustainable Development Partnerships



SMALL TOWN GROCERS PROVIDE A PUBLIC GOOD



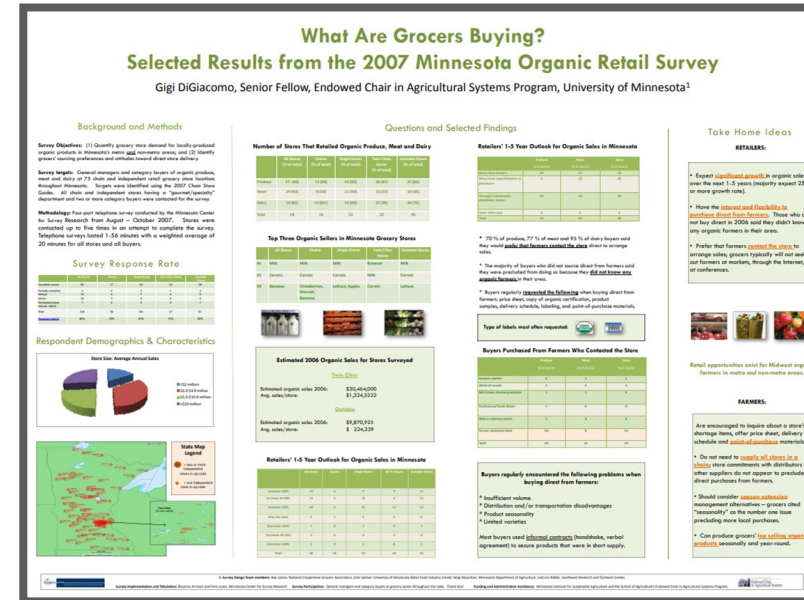
- Main Street Vitality
- Food Access
- Opportunity to strengthen local food systems



2007 - THE SPARK



TJ's Country Corner
(Mahtowa, MN) owner
Tom Bislow joined NE
RSDP board



Gigi DiGiacomo's greater Minnesota survey - rural grocery organic food/local food purchases

2010 - RURAL GROCERY SUMMIT(s)

- 2010 + 2012: RSDP Staff attended
- 2014 + 2016: RSDP Staff + funded bus load of rural grocery store owners attended
- ★ 2018: RSDP staff attended
- ★ (2020 canceled due to COVID)

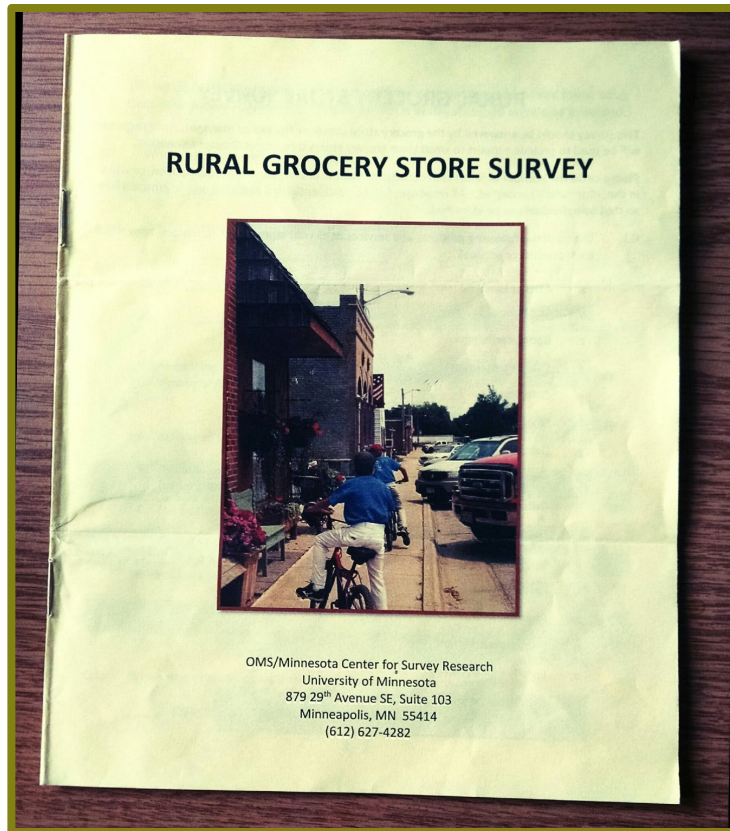


2015 – SW RURAL GROCERY PANEL

- Rural grocery panel in Granite Falls in conjunction with a SW RSDP board meeting
- 4 rural grocers
- Identified need for survey to explore needs of grocers



2015 - UMN RURAL GROCERY SURVEY



- Rural Grocery Stores in towns with population less than 2,500
- 171 (69%) Grocery stores responded
- Rural grocer needs

***Grocery Stores are a
“Public Good”***

2015 RESULTS



<http://z.umn.edu/rsdprg>



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RURAL GROCER CHALLENGES ...

- Multiple hats
- Produce upkeep
- Aging equipment
- Competition
- Smaller customer base
- Stocking produce in an appealing way
- Marketing
- Ownership transition
- Aging Buildings
- High energy costs



Good Food Access Fund



- 2015 Rural Grocery Survey: used to leverage funds
 - For-profit and non-profit grocery stores/small food retailers
 - Purchase equipment/physical improvements
 - Food Deserts
 - <https://www.mda.state.mn.us/grants/grants/gfapequipmentgrant>
 - (\$200,000 in FY 2020 for equipment)



QUICK FACTS



- ❖ **Location:** Pillager, MN
- ❖ **Category:** Small Farm
- ❖ **Date founded:** The farm has been in the family for nearly 100 years (since 1918). Current operators have been managing the farm since 2011.
- ❖ **Number of staff:** 1
- ❖ **Acreage in cultivation:** Two and one-quarter acres are cultivated out of a 140-acre farm.
- ❖ **Revenue sources:** Sales of agricultural products. Farm is paid off so no mortgage. Received grants from Natural Resources Conservation Service, Region Five Development Commission, and Rural Renewal Energy Alliance to build three high tunnels.
- ❖ **Products:** Diversified farm: eggs, vegetables, herbs, flowers, starter plants, jams, jellies, salsa, & meat (pork, chicken and beef).
- ❖ **Markets:** Three farmers markets (Pine River, Ideal Corners, Crosby Inlet); Pillager School District's Farm-to-School program; a weekend farm stand; an email-based CSA; & Gosch's Grocery store (Randall, MN).
- ❖ **Growing Practices:** No pesticide use (no insecticides or herbicides); hand weeding; natural fertilizers from cows, pigs and poultry; experimenting with no-till garden beds; use of untreated well water. Diversified crops. No organic certification but use of organic practices.
- ❖ **Website:**
<http://www.grampags.com/>

FARM TO RURAL GROCERY STORE SERIES GRAMPA G'S FARM 2016 CASE STUDY

Author: Claire Stoscheck Eds: Karen Lanthier, Kathryn Draeger, Shayne & Louise Johnson.
Developed from interviews with Shayne & Louise Johnson, Co-Operators

Introduction

This case study explores barriers and opportunities faced by Grampa G's Farm in selling their products to local independently-owned rural¹ grocery stores (hereby referred to simply as "grocery stores"). It also provides a summary of the benefits of these farm to rural grocery store supply chains.



Co-operators of Grampa G's: Louise and Shayne Johnson.
Photo by Karl Granberry.

Overview

Grampa G's is a small farm operated by Louise and Shayne Johnson, located in Pillager, MN. It is a sole-proprietor business. The farm has been in Shayne's family for nearly 100 years. Shayne's grandfather founded it and lived his whole life (88 years) on the farm. Grampa G's farm was named after Shayne's Grandfather, George Gerrels, and his father, Grant. The farm produces a wide variety of vegetables, eggs, herbs, flowers, starter plants, jams,

¹ Independently-owned: defined as single owner or partners who own 1-4 stores. Rural: defined as communities that have 2,500 residents or less.

QUICK FACTS



- ❖ **Location:** Randall, MN
- ❖ **Category:** Rural, independent Grocery Store. Offers a full line of groceries, meat and produce.
- ❖ **Date founded:** 1902. Current owners have operated Gosch's since 2004.
- ❖ **Ownership:** Lori and Denny Mueller own Gosch's.
- ❖ **Number of staff:** 20
- ❖ **Annual Revenue:** 2.5 million
- ❖ **Areas of Specialty:** Fresh produce, bakery items, and the store's own specialty meats.
- ❖ **Number of customers:** Gosch's had 116,370 customers in 2015, averaging about 320 customers per day.
- ❖ **Annual Sales of Local Foods:** In 2015, Gosch's had over \$16,000 of hyper-local food sales (defined by Gosch's as products both grown and/or processed within a 100-mile radius of their store and purchased directly from the grower/processor). They had \$58,000 of sales from a local bakery. They also sell MN-Grown products supplied by their distributor.
- ❖ **Number of local vendors:** In 2015, Gosch's purchased from 14 hyper-local vendors.
- ❖ **Broad line Distributor:** Affiliated Foods Midwest
- ❖ **Website:**
www.facebook.com/GoschsGrocery or www.goschs.com

FARM TO RURAL GROCERY STORE SERIES GOSCH'S GROCERY 2016 CASE STUDY

Author: Claire Stoscheck Eds: Karen Lanthier, Kathryn Draeger.
Developed from an interview with Lori and Denny Mueller

Introduction

Gosch's Grocery is an independently owned rural¹ grocery store located in Randall, MN. This case study explores barriers and opportunities faced by Gosch's in selling locally grown and/or processed foods. It also provides a summary of the benefits of direct farm to rural grocery store supply chains.



Owners of Gosch's Grocery, Lori and Denny Mueller.
Photo from Gosch's Facebook page.

Overview

Gosch's Grocery is a family-owned grocery store that has served the community of Randall since 1902. They are a full service store providing a diversity of products. The owners of Gosch's, Lori and Denny Mueller, value the health of their community, the local economy, and the environment. Gosch's gives back to its community by giving donations and discounts to local schools, churches, and other organizations. In 2015, they received a 'Medal of Merit Medallion' and a certificate of appreciation for their dedication to the City of Randall.

Local Foods at Gosch's

Gosch's plays an important role in bringing fresh local products to Randall. The nearest farmers market is 12 miles away in Little

¹ Independently-owned: defined as single owner or partners who own 1-4 stores. Rural: defined as communities that have 2,500 residents or less.

TJ'S COUNTRY CORNER GROCERY STORE AND FARM/STREET MARKET 2015 CASE STUDY

Authors: Katie Myhre, St. Olaf College; Karen Lanthier, Assistant Program Director of Sustainable Agriculture and Food Systems

Developed from an interview with Tom Bislow

Introduction

Known as "the weirdest place around," TJ's Country Corner is located on historic Highway 61 in Mahtowa, Minnesota, just a few minutes west of Interstate 35. Tom and Joanne Bislow have run the small grocery store and gas station for 38 years, and over this time TJ's has become more than just a grocery store. The store is now a prominent fixture of the Mahtowa community, known for their house-made sausage, special events, and their farm/street market. A guest book at the front of the store contains messages from guests who traveled 15 minutes to shop at TJ's, to guests who traveled over 15 hours! This case study will highlight some of the keys to success for both the grocery store and the farm/street market.



History of TJ's Country Market

Tom and Joanne Bislow ventured into the grocery store business by purchasing the building for TJ's Country Market 38 years ago. In the late 1930's the building had been a cooperative with hardware in the basement, a grocery on the main level, and feed sales in the back portion of the building.

A Specialty Product:

"You Never Sausage a Place!"

Early on Bislow and his wife decided to create a unique identity for TJ's built upon local culture and interests. They determined that house-made sausage would be the main attraction and chose to start with potato sausage because of the strong Scandinavian culture in the area. As the popularity of their product has grown, Bislow has added features like a smokehouse and interstate billboard advertising. Billboard advertising is an expensive but vital aspect of his marketing strategy, since a key portion of his business comes from "out-of-towners." His advertising continues to draw the interest of passersby with slogans like



2016 – PRODUCE HANDLING TOOLKIT

- Goal: Increase produce sales/access to fresh produce
- Free tools for rural grocers
- Funded by MDA Specialty Crop Block Grant

Storing, handling, and marketing fresh produce can be difficult in a small grocery setting. Information on how to overcome these challenges and on how to incorporate locally grown fresh produce are available in the resources below. One resource, the Example Grocery Store Policy and Vendor Application, is an **editable document** that can be used to create a store-specific purchasing policy and application for locally-grown, fresh produce. (Project funding was provided by a Minnesota Department of Agriculture Specialty Crop Block Grant).



[Storing and Handling Fresh Produce \(PDF\)](#)



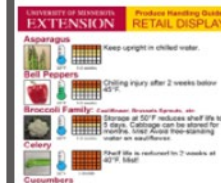
[Produce Merchandising Techniques \(PDF\)](#)



[Purchasing Locally Grown \(PDF\)](#)



[Example Grocery Store Policy and Application for Local Producers \(Word\)](#)



[Quick Reference Guide \(PDF\)](#)



[High Maintenance Produce \(PDF\)](#)



[Culling Fresh Produce \(PDF\)](#)



[Produce Aisle Checklist \(PDF\)](#)

DEMONSTRATIONS + EDUCATION



2018 – HEALTHY FOODS HEALTHY LIVES



Amin and Ren - Amin Grocery LLC in Willmar, MN



PIERZ EATS!

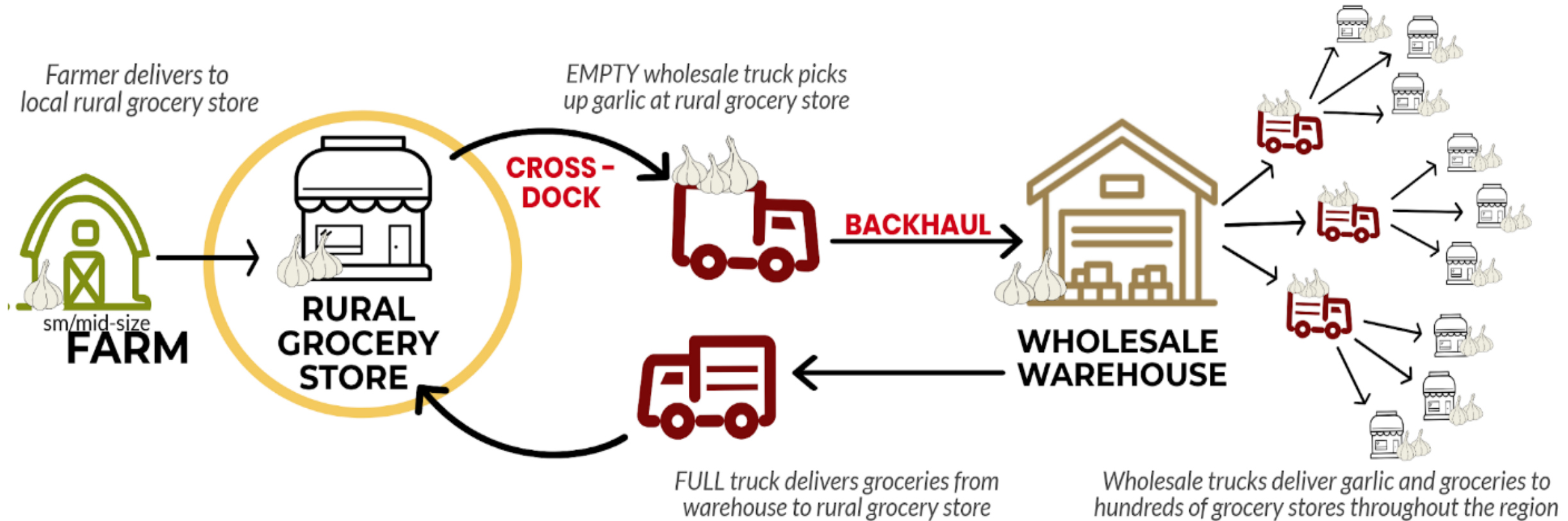
PARTNERSHIP w/ UMN PUBLIC HEALTH

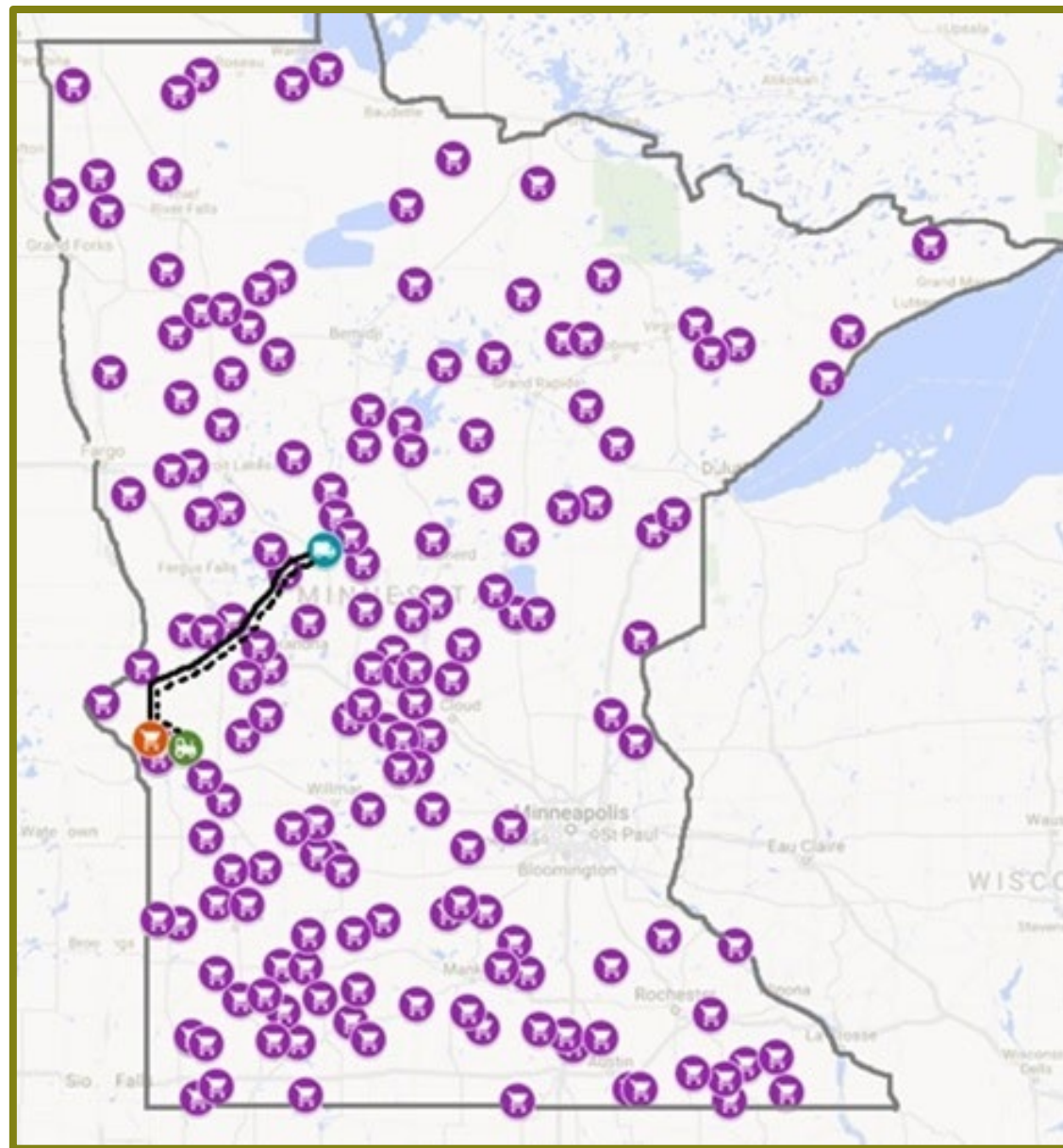


Putting produce front and center. Additional examples of cart signage used by the Pierz Eats Produce project.



2018 – “BACKHAUL” MODEL





LESSONS FROM BACKHAUL 1.0

- ✓ Food Safety
- ✓ Regulations
- Backhauling logistics
- Relationships (ongoing)
- Product packaging
- Pricing



2021 – 2024 - BACKHAUL 2.0

BACKHAUL 1.0

- Support from USDA AFRI grant
- Research and Extension
- One test crop: garlic
- One test location
- Food safety/regulations



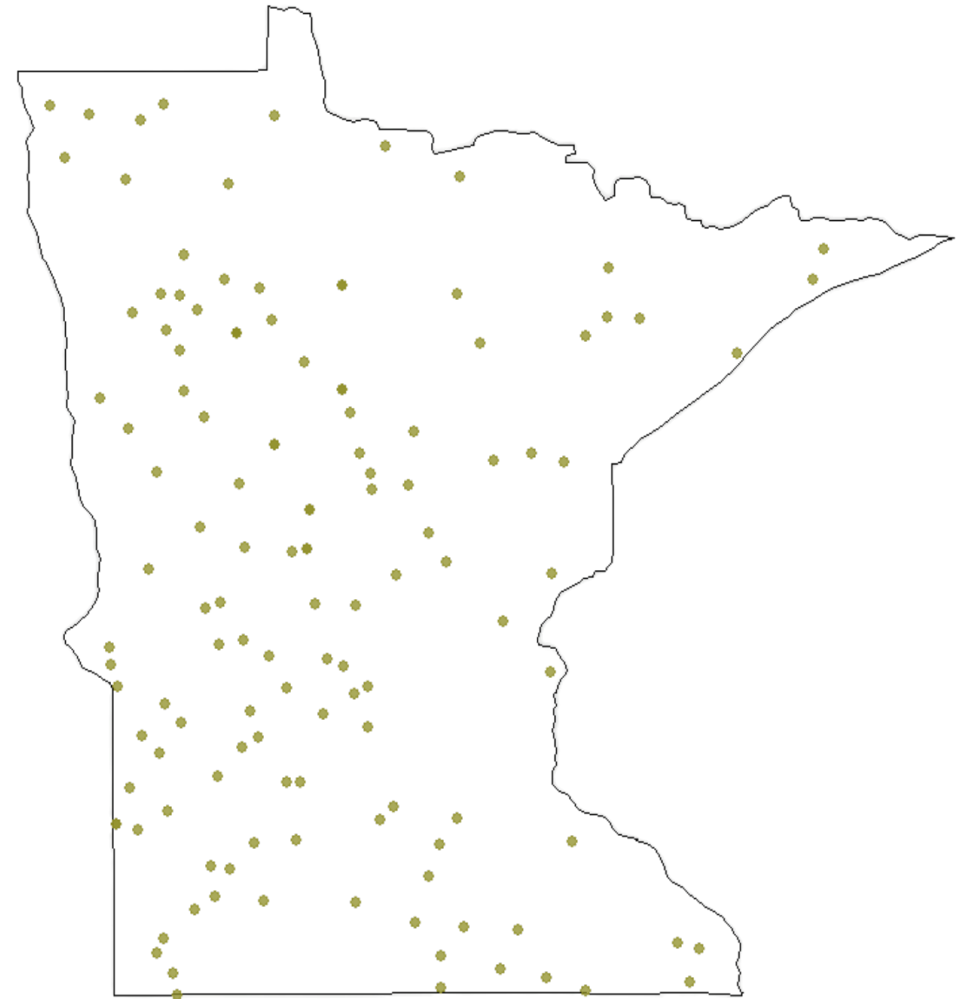
BACKHAUL 2.0

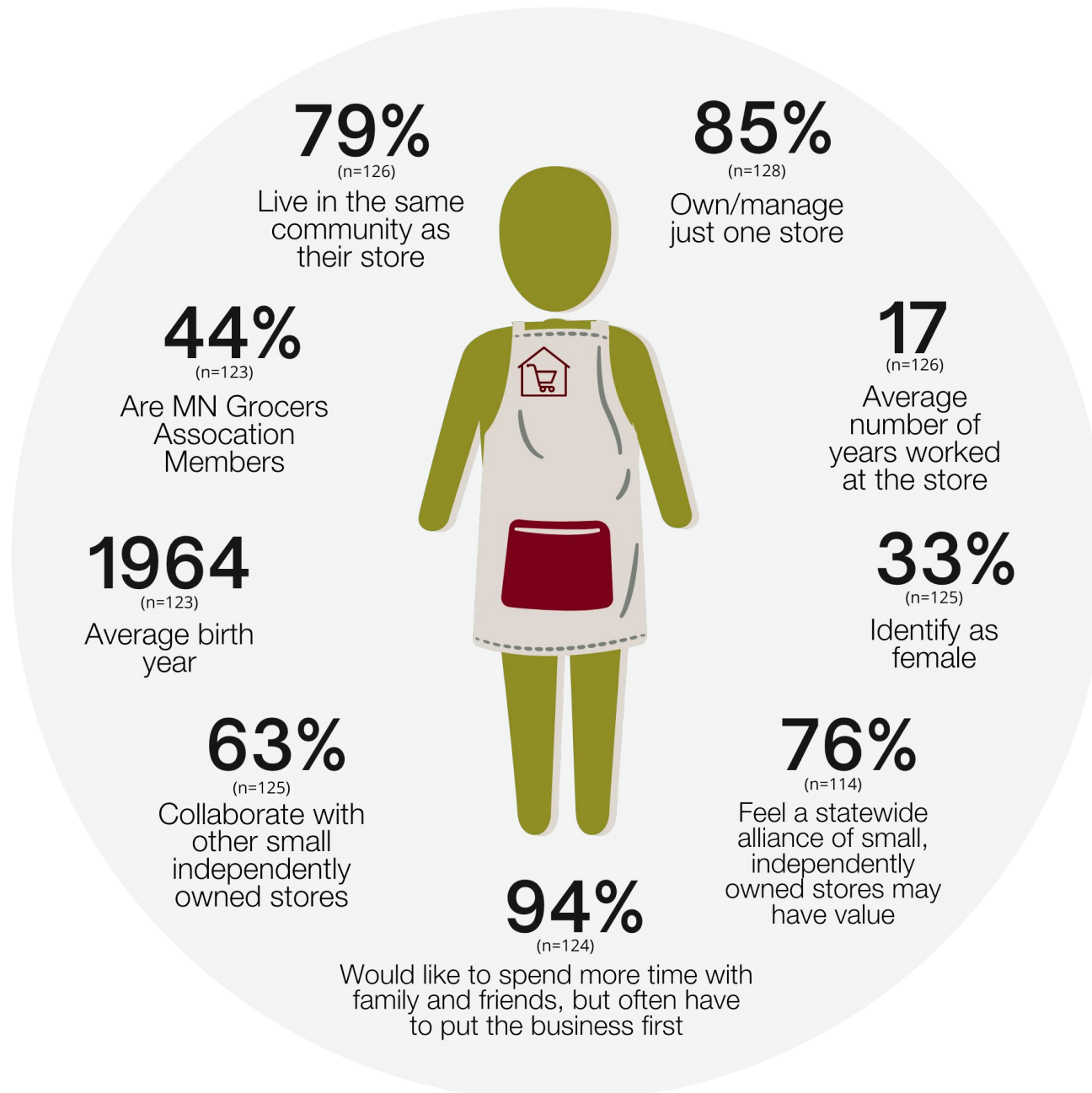
- Support from USDA AFRI grant
- Research and Extension
- Food Safety/regulations
- Analysis: scales of operation
- Scaling up for wholesale workshops
- New partners
- Aggregation (?)
- Three test locations
- Different test crops
- Consumer focus
- Flexibility



2019-2020 RURAL GROCERY SURVEY

- 55% response rate (129 stores)
- z.umn.edu/RuralGroceryReport
- Themes:
 1. Stores as businesses and community anchors
 2. Competition for food dollars
 3. Grocering local food
 4. Stores as food system innovators



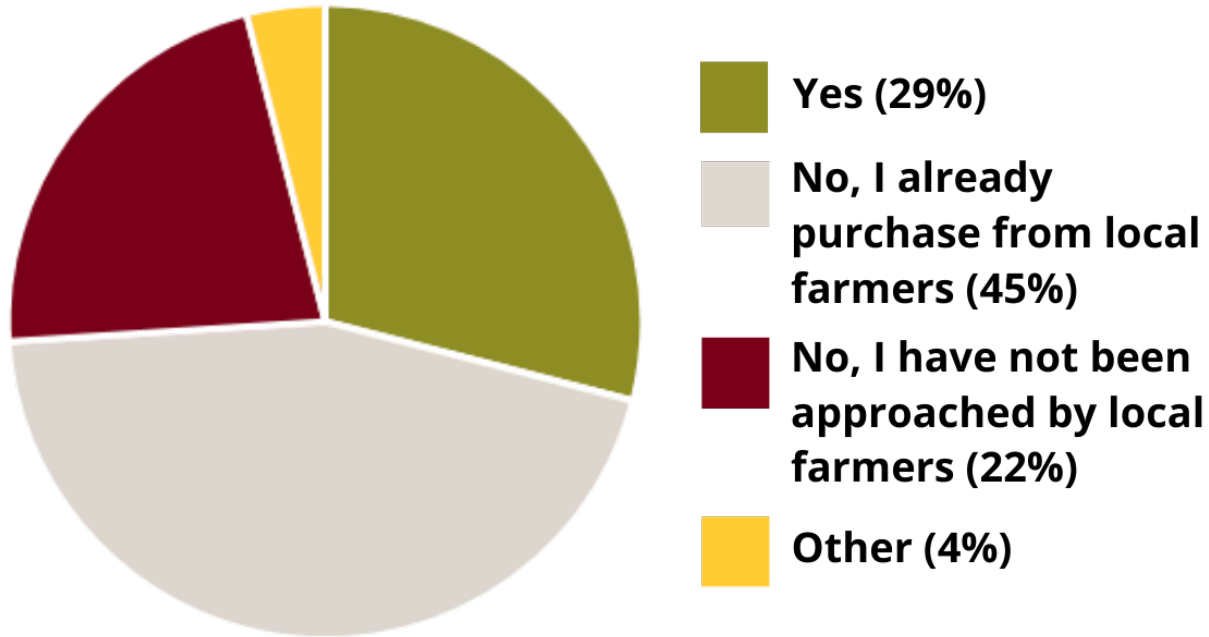


**96% OF RURAL GROCERS
AGREE OR SOMEWHAT
AGREE THAT, AS A SMALL
BUSINESS, THEY HAVE A
RESPONSIBILITY TO THE
WIDER COMMUNITY**

**83% of survey respondents were owners, 15% senior managers, 2% other*

**HAVE YOU TURNED AWAY ANY FARMER
SELLING LOCALLY GROWN AND/OR PROCESSED
FOODS BECAUSE YOU WERE UNCERTAIN ABOUT
THE REGULATIONS FOR PURCHASING FOOD
DIRECTLY FROM FARMERS?**

(n=127)



"I would like to be able to sell locally raised food and we have access to such but regulations make that difficult for us to do"



1. Overview of Farm to Grocery
2. Legality & Method (MN)
3. Legal Product Checklist
4. Building a Strong Business Relationship
5. Farm Feature Template
6. Processing for Sale
7. Sample Product Labels
8. Invoice Template

UNIVERSITY OF MINNESOTA EXTENSION REGIONAL
SUSTAINABLE DEVELOPMENT PARTNERSHIPS PRESENT:

FARM TO GROCERY TOOLKIT

*OPENING NEW FARM-TO-
GROCERY MARKET CHANNELS
TO HELP INCREASE ACCESS
TO MINNESOTA SPECIALTY
CROPS & LOCAL FOODS*

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Minnesota
Institute for
Sustainable
Agriculture



RURAL GROCERY GRANT SUPPORT

- Rural Energy for America Program (REAP) - CERTs: Custom project assistance and tools
- Good Food Access Fund – Funding to make healthy foods available affordable, accessible



2020 - COVID

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COVID-19/EMERGENCY 14-DAY MEAL KIT

Developed March 2020: Kathy Draeger, U of MN Extension Regional Sustainable Development Partnerships

PURPOSE

By developing, selling, and helping to deploy meal kits, Minnesota's rural grocery stores serve as a critical source of emergency food access. This meal kit fact sheet will help grocers working in their communities to prepare and deploy pre-made boxes with 14 days of emergency food that is healthy, shelf stable, easy to prepare, calorie sufficient for vulnerable populations facing hardship due to coronavirus.

People are practicing 'social distancing' in order to prevent the spread of the COVID-19 virus. Many of our rural areas have elderly residents who may need to shelter in place.

This model is intended to allow community members, churches, nonprofit organizations, or others to work with small town grocery stores to purchase kits from grocery stores while minimizing contact among members of the public. These meal kits will allow communities to help each other while also supporting local businesses that serve as a critical resource during times of crisis.

MEAL PLAN FOR ONE PERSON

Grocery availability will impact what is included in each 14-Day Meal Kit

BREAKFAST	LUNCH/DINNER/BRUNCH	SNACKS
INSTANT OATMEAL (10 MEALS)	CHICKEN NOODLE SOUP, CRACKERS, PEACHES (2-5 MEALS)	POPCORN
PANCAKES, SYRUP (VEGETABLE OIL) (4-6 MEALS)	SPAGHETTI, SAUCE, GREEN BEANS (2-5 MEALS)	NUT MIX
CHEERIOS (6 MEALS)	TUNA HELPER, TUNA, CORN, PINEAPPLE (2-3 MEALS)	SUNFLOWER SEEDS
+ APPLESAUCE	VEGETABLE SOUP (SQUASH, MINESTRONE, BEANS) CRACKERS, PEARS (2-3 MEALS)	PRETZELS
+ PEARS	MACARONI AND CHEESE, SPAM, PEAS, APPLESAUCE (2-4 MEALS)	PEANUT BUTTER
+ GRAPE JUICE	VEGETABLE BEEF SOUP AND CRACKERS, CRANBERRIES (1-2 MEALS)	COOKIES
	BAKED POTATO AND BACON SOUP AND CRACKERS, PEACHES (1-2 MEALS)	DRIED FRUIT

14-DAY MEAL KIT FACTSHEET

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COVID-19/EMERGENCY RURAL GROCERY Tips for Small Town Stores: Curbside Pickup and Delivery Model

Developed March 2020: Kathy Draeger and Ren Olive, U of MN Extension Regional Sustainable Development Partnerships

PURPOSE

On March 18, 2020, Governor Walz declared grocery workers as emergency personnel. Grocery stores are not only the backbone of our communities, they are also the frontline for community resources during emergencies.

This tip sheet provides basic instructions for your grocery store to include a curbside pickup and delivery model. Stores with smaller staff numbers may consider curbside pickup and delivery to both protect worker safety and address COVID-19 concerns while still maintaining the movement of groceries into communities for distribution.

SAFETY FIRST

- ✓ The MN Department of Health and MN Department of Agriculture put together a comprehensive guide, *Food Safety for Delivery and Pick-up Services* (see [z.umn.edu/MDHfoodsafety](https://www.mn.gov/MDHfoodsafety)), to help food establishments.
- ✓ Volunteers: Many communities are seeing offers of volunteerism which could support a delivery model.
- ✓ Ensure that everyone working in the store is healthy and not displaying any signs of illness.

STEPS TO TRANSITION FROM IN-STORE SHOPPING TO TELEPHONE ORDERS WITH IN-STORE SHOPPER (GROCERY STAFF)

1. Put up sign with telephone number for customers (see sample on page 2).
2. Announce via social media, local newspaper, word of mouth, etc. that your store is open for business and for the health and safety of all is moving to telephone orders with curbside pickup and delivery.
3. As calls come in, have a numbered list of customers who want to order groceries. When customers call, take down their name and phone number, and inform them of the call-in rules (see section below for suggested customer call-in "rules").
4. Staff works through the customer call-in list one by one. Staff calls the next customer on the list and walks through the store, with a cart, fulfilling the order and letting the customer know what products are available in various categories and any limits that are in place (ex. only two pounds of beef per family).
5. Once the order is finished, staff rings up the cart, with the customer still on the phone, and the customer pays by credit card, SNAP, or check (to reduce COVID-19 spread, avoid cash if possible).
6. Load grocery order into boxes or new bags (not reused) and put in food safe location for curbside pickup or delivery.
 1. Observe recommended 6 foot distance from customer
 2. Grocers do not touch customer vehicle



<http://z.umn.edu/rsdprg>

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