

**RURAL FOOD DISTRIBUTION “HACKATHON”**

*19-21 October 2015*

# Enhancing Access to Healthy Food in Rural Areas of Kansas



*Don Vine*

*Prepared By:*

**M I G**

**The Sunflower Foundation: Health Care for Kansans** is a philanthropic organization with the mission to serve as a catalyst for improving the health of Kansans. Based in Topeka, it is a statewide public foundation and grant making organization that works behind the scenes to direct resources toward helping people and communities achieve and maintain optimal health. The foundation was created in 2000 as part of a settlement between Blue Cross and Blue Shield of Kansas and the state of Kansas.

### **Our Core Program Areas**

Our mission is focused on three primary approaches: Healthy Living & Active Communities, Health Care, and Advocacy & Policy. Our interest in rural food access has emerged from the Healthy Living program area. This program area seeks to help Kansans live healthier lives with a focus on the built environment; that is, the structures, systems and surroundings that make “the healthy choice, the easy choice.” Our signature Sunflower Trails program has partnered with communities and schools for a decade to provide safe and equitable opportunities for outdoor physical activity. We have been privileged to witness how something as seemingly simple as a trail – a strip of concrete or asphalt – can often galvanize a community around a shared goal of better health.

### **Our Interest in Rural Food Access**

Physical activity is only part of the healthy living equation. We also seek to explore strategies around access to healthy food, particularly in rural areas. We have learned the importance of a grocery store in these towns, not only serving as a reliable source of nutritional foods, but also contributing to the local economy and even civic life. And yet, these stores are closing at an alarming rate, victim to a variety of circumstances. Perhaps one of the most vexing and

pervasive problems is the current industrialized and aggregated food production/distribution system, whereas population density dictates a region’s ability to procure a diversity of food for retail sale.

### **Join Our Brainstorming**

We at the Sunflower Foundation, along with other partners and stakeholders in the state, realize that a challenge of this magnitude cannot be “fixed” with a simple Band-Aid grant to a single source. We need the best and the brightest minds to come together to rethink rural food access – and catalyze communities around a shared approach. It is ironic that in the heart of America’s farmland, access to wholesome, nutritious food such as fresh produce is so challenging. We invite you to join our foundation in this exercise to puzzle through this paradox. Help us turn this irony into an opportunity for expansive thinking and imaginative strategies.



## INTRODUCTION

The Sunflower Foundation sponsored a brainstorming session, termed a “Hackathon,” to bring together researchers, farmers, distributors and food policy experts to rethink the issue of access to healthy food in rural Kansas farm country (*see Hackathon Agenda in the Appendix*). Their aim in this endeavor was to rethink rural food access – and to catalyze communities around a series of potential strategies for improving access to healthy food and thereby contribute to the long term sustainability of rural communities throughout the state of Kansas.

The three-day planning and strategy session began with an overview presentation by the Sunflower Foundation and the purpose and desired outcomes of the Hackathon followed by a dinner for session participants at the Kansas Historical Society. On the next full day, Hackathon co-organizer David Procter presented a snapshot of the existing conditions throughout rural Kansas including population demographics, the rural economies of small towns throughout the state and recent research conducted by the Center for Engagement and Community Development (CECD) at Kansas State University on the status of rural grocery stores and food distribution systems. For the remaining sessions, Hackathon participants engaged in a series of brainstorming discussions to identify potential strategies and actions that could be taken to strengthen the rural Kansas food distribution system and improve healthy food access. The results of these discussions are summarized in this report. Daniel Iacofano, a principal of MIG, Inc., served as the session facilitator and graphic notetaker. This document provides a strategic action framework to guide the public-private partnerships necessary for impacting food access in Kansas’ rural counties.



## I. UNDERSTANDING THE CONTEXT: THE STATUS OF QUALITY FOOD DISTRIBUTION THROUGHOUT RURAL KANSAS

Representatives from Kansas State University presented results of their research into rural food distribution, funded through a USDA Rural Development Grant. This included a survey of stores conducted in 2008, which identified key issues affecting rural grocery store viability including competition, operating and labor costs, regulations, lack of support, insufficient volume and inadequate distribution systems. Each store provided an average of 17 jobs and generated on average 20% of all local sales tax dollars. They noted that stores tend to be barometers of a town's success, and that so-called "food deserts" are associated with high rates of poverty.

The Rural Grocery Initiative (RGI) was established in 2007. One of its accomplishments was developing a Rural Grocery Toolkit – first targeted at stores, then at distributors. The Initiative also sought to revive the Supplemental Nutrition Assistance Program (SNAP) incentive programs, promote "joint ordering," and explore ways to collaborate with industry groups such as Affiliated Foods Midwest and Associated Wholesale Grocers. In addition, the RGI works with institutional buyers, such as public schools and hospitals, to expand opportunities for quality food distribution.

Other important trends being addressed by the RGI include (see also the sidebars):

- Declining population in rural areas
- Greater price competition

### Population

- Of the 105 Kansas counties
  - 9 have a population of 2500 or fewer people
  - 16 have a population between 2500 and 3000 people.
- Population decline is a primary concern for rural counties.
- Factors contributing to the population decline are the "youth exodus" or "brain drain;" more deaths than births due to an aging population; loss of vital businesses like grocery stores, schools and hospitals; and retirees seeking more populated areas.
- Rural Opportunity Zones have been developed to attract new population; incentives include full income tax exemption for those relocating from out-of-state and up to \$15,000 in student loan repayment over 5 years.

### Economy

- The Great Plains economy is largely farming and energy-dependent.
- Although agricultural economies tend to be protected from the impacts of recession, 2009-2013 data shows that rural Kansas unemployment was nearly twice the national average.
- There are jobs, but there is a lack of skilled workers to fill them.
- Population decline causes businesses to leave rural towns and decreases the overall tax base. The tax income collected is not enough to help cover expenses.
- Rural Opportunity Zones aim to increase the local tax base.
- Low oil prices have reduced some western Kansas county tax income by as much as 30%.
- New industries such as oil drilling, oil services, and clean energy provide economic diversification.

### Poverty

- Poverty is higher and more persistent in rural counties than metro areas.
- In rural Kansas, child poverty grows higher and faster; rates have increased from 12% to 24% since 2003.
- Poverty harms children's brains and body systems, results in poor health including malnutrition and obesity, and creates and widens achievement gaps. Poor children also are more likely to live in homes with more stress, aggravation, and depression amongst family members.

### Health

- Access to healthy, affordable food and healthcare (including mental and health treatment) are concerns in rural Kansas communities.
- Kansas ranks 27th in fruit and vegetable intake, and 31st in obesity rates at 30% of the total population.
- Food deserts are common in rural Kansas. Of the 675 incorporated towns in Kansas, over half do not have a grocery store.
- Residents of food deserts tend to be older, poorer, and less educated.
- Hospitals are becoming primary care facilities; however, many rural hospitals are in danger of closing, leaving some rural areas with no medical services.
- As of 2015, Kansas has chosen not to expand Medicaid, which would provide coverage to approximately 150,000 state citizens.

- Relatively low cost food as a result of large scale food production and distribution and federal farm subsidies
- A state with second-highest tax on food among the 50 states
- Women, Infants, Children (WIC) program cutbacks
- Lack of diversity in crops being farmed
- Artificially cheaper “convenience” foods affects consumer choice

Some of the barriers include the minimum purchasing requirements dictated by some distributors (which means a store loses money if it doesn’t order enough food, even if its consumer base can’t support that amount) as well as competition in the form of lower prices from dollar stores and from big box outlets.

Additional external factors impact consumer demand such as:

- Food preferences and lifestyles that favor “convenience” and “value”
- Commercial advertising from the “big food” industry
- Shopping patterns (i.e., trips to big box)
- Lack of investment in rural community and economic development
- Relative inaccessibility of locally-produced food.

But there is also a sense that momentum is shifting, that a “production revolution” is taking place. Hackathon participants believe it is possible to change the relationship between rural residents and food through consumer education in order to improve food literacy. There are also opportunities to tap into university Extension: 4H and Family and Consumer Sciences (FCS) agents. Economic levers are available to assist with cash recovery for farmers and to address issues of seasonality and economies of scale.

#### Education

- Rural Kansas schools have mirrored the depopulation trend losing about 75% of their population over the past six years and forcing consolidation.
- Schools offer employment, act as community social hubs, and bring business to town. Loss of local schools also makes rural communities less attractive places to live.
- School families contribute to the local economy by buying groceries, and the school district contributes by purchasing lunch items like meat, milk, fruits, vegetables, and grain products.
- To further stave off population loss, some rural communities have also offered tuition incentives to attract teachers to the area and developed strategies that encourage students to consider education careers in their home town.

#### Sidebar Source Data:

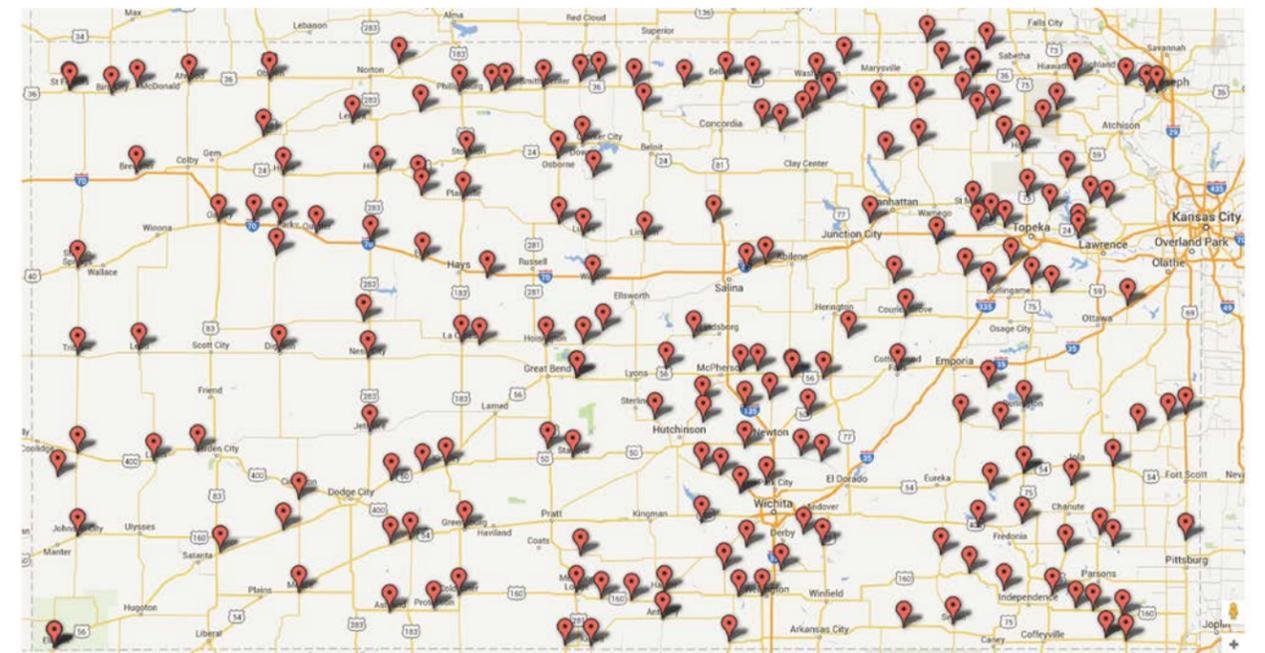
“Tame A Wicked Problem: Food Distribution in the Low Population Density Areas

A Snapshot of Life in Rural Kansas”

Document prepared for Hackathon participants by Hackathon organizing team

October 2015

#### KANSAS TOWN MAP



This map shows the locations of the 212 partner stores associated with the Rural Grocery Initiative. These grocery stores are located in towns with populations of 2500 or less.

## II. STRATEGIC PLAN FRAMEWORK: VISION, PRIMARY AND SECONDARY STRATEGIES AND MEASURES OF SUCCESS

### Vision

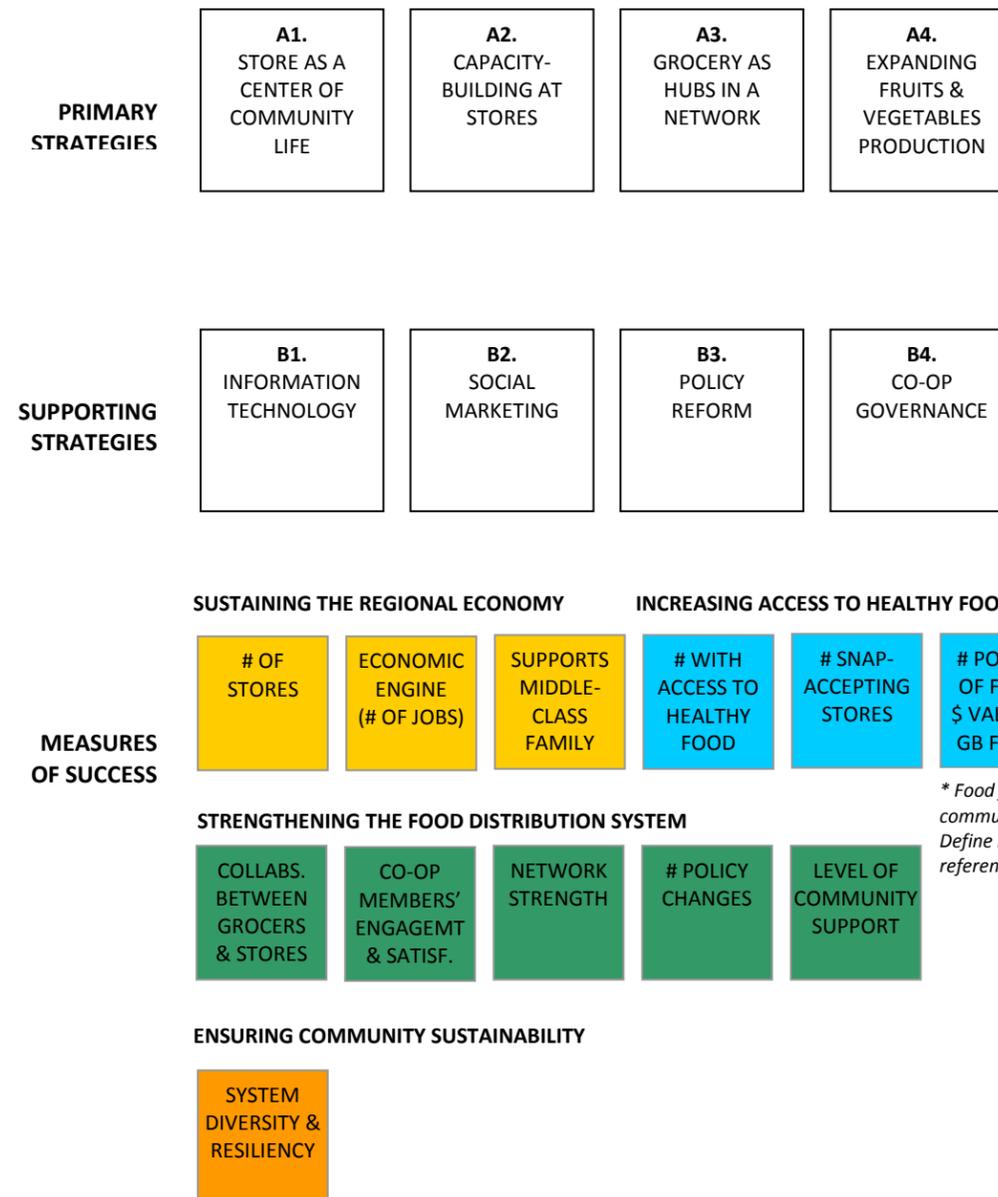
The vision for Rural Food Access is to:

*Ensure access to healthy, high-quality food from a system that is producer-based, flexible and adaptable, and that leverages existing infrastructure to sustain viable rural communities. Grocery stores can be community hubs, providing a platform for producers, retailers and consumers to come together around healthy food as well as offering a social and cultural experience and celebration of the rural community lifestyle.*

To move toward this vision, policies, projects and programs were proposed and discussed. A framework emerged that includes a set of primary strategies, supporting strategies and indicators of success. These are summarized below and form the basis for creating a more formalized strategic plan for improving healthy food access in rural areas.

### VISION

*Ensure access to healthy, high-quality food from a system that is producer-based, flexible and adaptable, and that leverages existing infrastructure to sustain viable rural communities. Grocery stores can be community hubs, providing a platform for producers, retailers and consumers to come together around healthy food as well as offering a social and cultural experience and celebration of the rural community lifestyle.*



## A. PRIMARY STRATEGIES

Hackathon participants identified four models or strategies that could be implemented on their own and/or in combination in order to improve access to healthy food throughout rural Kansas.

### A1. GROCERY STORES AS CENTERS OF COMMUNITY LIFE

This strategy seeks to develop and support small rural grocery stores as hubs of food activity, and by extension, centers of community life as well. This could include incorporating other functions such as a drugstore, community kitchen and a library, and developing partnerships for quality food distribution with hospitals and schools. A co-op model, where farmers and other community members may serve as owners and operators, is one method of achieving this.

### A2. IMPROVING SMALL STORE PROFITABILITY

Small store profitability can be improved through a package of strategies including: (i) shared marketing; (ii) equipment loans with favorable pay back terms to allow stores to purchase more energy efficient coolers, thereby lowering their cost of operation; and (iii) addition of store revenue generators such as pharmacies, ATMs, postage stamps, farmers' markets, etc. Reducing or eliminating the Kansas food tax would also benefit the small grocer (as well as the consumer). Additional policy reform may be necessary to reduce regulations which constrain store operations unnecessarily.



### **A3. GROCERY AS HUB IN A NETWORK**

Another approach is to fortify existing and forge new partnerships between farmers and retailers. By both building upon existing infrastructure and employing a “virtual” organizational model, this strategy could help lower the cost of entry for grocers and provide liability protection for food safety, in part through open-book pricing. Grants and other outside assistance may be needed to support network building. Moving from a centralized to a networked distribution system involves sharing of information, shared ownership and control and managed communications. The High Plains model provides a good example of how this might be accomplished.

### **A4. EXPANDING FRUITS & VEGETABLES PRODUCTION**

Providing for efficient production and distribution of quality fruits and vegetables is central to the viable food access network. On a local, state and national scale, growing crops such as potatoes, melons and berries benefit from support from Extension Services, local food policy councils and small farmer non-profit organizations. Expanding the supply of quality produce can be achieved through a new generation of farmers, a network of producers and incubator farms, and access to labor and capital in the form of a development fund for startups, loans and tax breaks. In addition, logistics and distribution infrastructure are critical.



## **B. SUPPORTING STRATEGIES**

Activities that help to enhance the efficiency and effectiveness of food production, distribution, marketing and retailing are identified as supporting strategies. Efforts are focused at information and physical infrastructure, policy reform, communications and networking among like-minded organizations.

### **B1. INFORMATION TECHNOLOGY**

Technology for sharing and analyzing information can enable a stronger and more nimble food network. Short-term actions include: (i) installing Electronic Benefit Transfer (EBT) machines (used for the delivery, redemption, and reconciliation of issued public assistance benefits such as SNAP); (ii) developing an electronic shopping cart and other customized apps; (iii) creating a data analysis tool; (iv) establishing a loyalty card program; and (v) preparing generic marketing materials that can be customized by individual stores. Since many store owners are independent operators, a networked system of information and resource sharing will require a substantial effort to build confidence and a willingness to collaborate. A pilot program can be used to test these strategies and offer refinements.



## **B2. SOCIAL MARKETING**

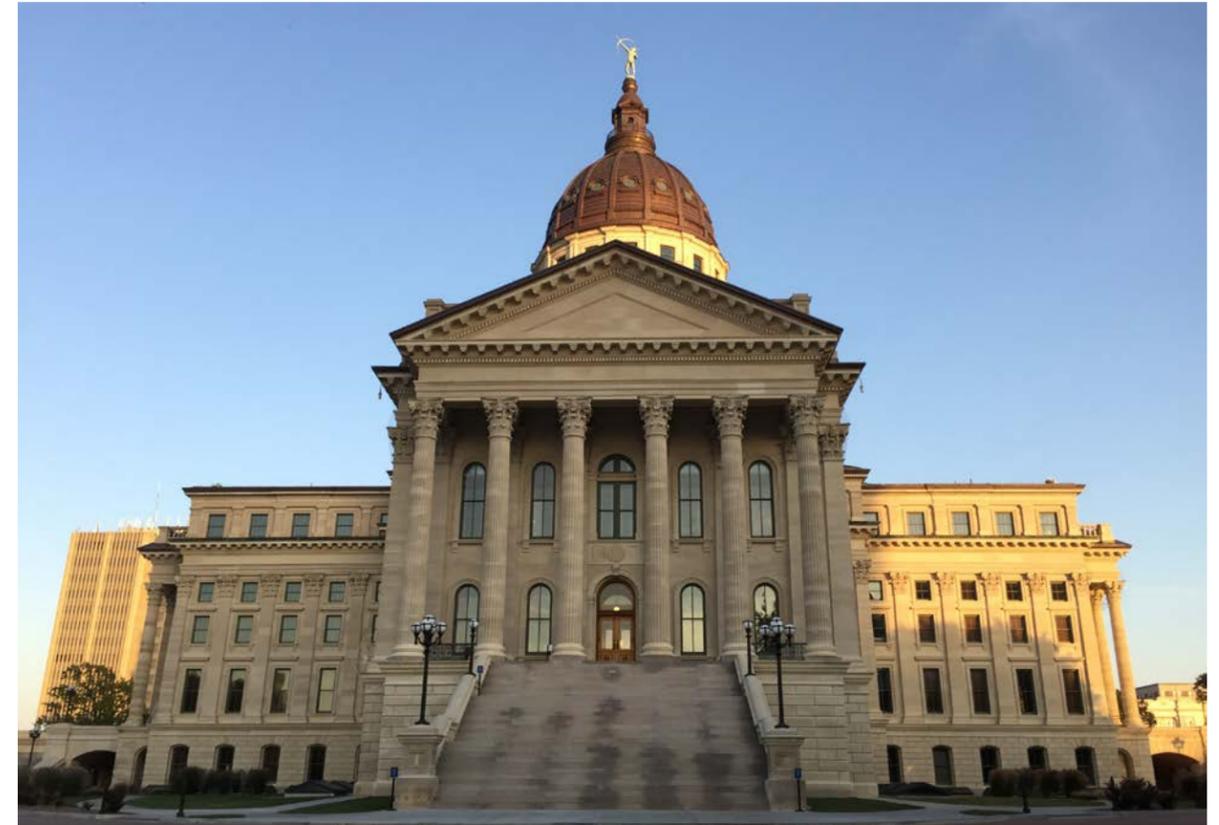
This strategy seeks to initiate, influence and support behavior change on the part of consumers (demand) and producers (supply) to move toward greater access to healthy food in rural areas. Healthy food is perceived as being more expensive and more time-consuming to purchase and prepare compared to packaged convenience foods. There are many ways to overcome these attitudes, frame messages and direct them toward target audiences for maximum effectiveness. One idea is to “tell food stories” that link food access to a healthy workforce, healthy living and a healthy economy, in many ways keeping rural towns alive. Another approach is to promote a “buy local” message to residents and consumers via community leaders, Chambers of Commerce and owner/operators of production and retailing. Another idea is to provide educational toolkits to schools and other health educators and trainers. Expanding the capacity of Extension programs such as cooking and gardening classes is also an effective way of optimizing existing resources. Hackathon participants spoke of leveraging the current “foodie” trend of wanting to know the origin of foods in order to strengthen the connection between producers and consumers.



### **B3. POLICY REFORM**

There are many opportunities for effecting policy changes to support increasing access to healthy foods in rural areas. These fall under the general categories of economic development, food industry and public health regulations, among others, at the local, state, national and institutional levels. Some possibilities include:

- Reduce and/or eliminate existing sales tax on food
- Provide incentives for SNAP and WIC participation
- Use the Neighborhood Revitalization Act to renovate grocery stores through tax increment rebate financing
- Establish grants for Food Corps volunteers
- Designate Economic Incentive Zones -- Urban Ag Zones (local)
- Consider Food Area Improvement Districts/Zones
- Support local food policy councils
- Encourage school districts to continue their support of farm-to-school programs and school gardens



### **B4. CO-OP GOVERNANCE**

This strategy seeks to provide a structure of communications and management for a network of producers and grocers. In the co-op model members work together to identify issues and promulgate solutions that leverage local resources and enhance purchasing power. The co-op organizational model can provide a greater economy of scale than an individual producer or grocer operating independently while still giving members a high degree of control.

## C. MEASURES OF SUCCESS

An initial set of metrics to evaluate progress towards the strategic vision was developed under four main goal areas. Collaborations with Extensions and university research functions can provide the data inputs and also yield additional evaluation tools.

### *Sustaining the Regional Economy:*

- Number of stores
- Number of jobs
- Ability to support middle class families
- Dollar value of food sold by community-based producers and retailers

### *Increasing Access to Healthy Food:*

- Number of people with access to healthy food
- Number of SNAP-accepting stores
- Number of pounds of food

### *Strengthening the Food Distribution System:*

- Network strength
- Number of policy changes
- Collaborations between producers and grocers
- Co-op members' engagement and satisfaction
- Level of community support

### *Ensuring Community Sustainability:*

- System diversity and resiliency (i.e., the ability of the community-based food system to adapt successfully to changing conditions over time)



## IV. PARTNER ROLES AND RESPONSIBILITIES

Ongoing public-private partnerships will be necessary to provide the resources and stewardship to achieve these strategies and impact healthy food access. Here are some of the ways partner organizations can contribute.

### A. SUNFLOWER FOUNDATION ACTIVITIES

The Sunflower Foundation has been an important partner in promoting and sustaining community health through its grant making and policy advocacy activities. It can continue to be a convener, facilitator, collaborator and funder in the arena of access to healthy food for rural areas. Some specific ideas include:

- Fund a community dialog process around food systems; e.g., FEAST model (Food, Education, Agriculture Solutions Together)
  - Align with “Public Square” communities or others focusing on civic engagement
- Support community-driven projects around rural grocery and food distribution:
  - Pilot projects and novel models; e.g., Rural Grocery “MakeOver”
  - Capacity-building programs and technical assistance for existing stores
  - Further exploration of regional scale food distribution models; e.g., High Plains model, co-op purchasing
- Strengthen efforts to expand and fortify rural stores’ ability to accept SNAP and WIC benefits

- Support SNAP-matching type programs; e.g., “Double Up Food Bucks”
- Leverage existing opportunities to help rural grocery stores improve efficiencies and business skills
  - Help stores access USDA’s Rural Energy for America Program (REAP), e.g., energy audits, grant assistance, match
- Fund research, evaluation and data collection
  - Prepare market studies of food demand to demonstrate local capacity
- Support policy and advocacy efforts to strengthen food access and local food economies, e.g., lower food sales tax



## B. POTENTIAL PARTNER CONTRIBUTIONS AND ACTIVITIES

Participants at the Hackathon brainstormed a list of organizations and institutions that could assist in advancing the rural food access initiative. These include:

- Kansas State University and University of Kansas – for business management expertise, technical assistance, research and data collection, faculty and student assistance, etc.
- Kansas State Research and Extension – for technical assistance and networking
- Center for Engagement and Community Development (CECD)
  - Rural Grocery Initiative (RGI) - for research and technical assistance
- Center for Community Support and Research (CCSR) – for technical assistance, succession plans, etc.
- ChangeLab Solutions – for legal and policy advice and technical assistance
- Cooperative Development Services (CDS) – for business plans, etc.
- Crossroads Resource Center (CRC) – for economic analysis
- Food Trust – Healthy Food Financing Initiative (HFFI) – for technical assistance, food bucks, etc
- Kansas City Healthy Kids (KCHK) – for educational toolkits
- Kansas Rural Center (KRC) – for information and networking



## V. MOVING FORWARD

To validate and advance the strategic actions developed here, the group noted some immediate next steps:

- Distribute this summary to Hackathon participants and invite feedback
- Conduct a “deep-dive” session into Hackathon ideas by Sunflower Foundation and RGI staff
- Draft funding strategies based on idea potential and feasibility, capacity of partners and grantees, and mission alignment
- Consider establishing an advisory panel with representatives “from the field” (e.g., grocers, distributors, producers)
- Convene a follow-up meeting with grocery distributors to discuss Hackathon ideas and their role in possible funding strategies
- Support and optimize activities related to the Rural Grocery Summit (Wichita, June 6-7, 2016)
- Distribute this summary to other interested groups, organizations, foundations, among others to build interest and awareness of the issues and possible solutions
- Deliver a presentation at Grantmakers in Health Annual Meeting (San Diego, March 10, 2016)



## APPENDIX A: HACKATHON PARTICIPANTS

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*Advancing Rural Prosperity, KS*

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**Jill Elmers**

*Owner and Operator, Moon on the Meadow (Kansas)*

**Diana Endicott**

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*KC Healthy Kids, KS*

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**Kolia Souza**

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Hackathon Facilitator:

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*MIG, Inc.*

Hackathon Report Preparers

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## APPENDIX B: HACKATHON AGENDA

Sunflower Foundation

### *Rural Food Distribution Hack-A-Thon*

Monday, October 19, 2015

Overall Theme: Preserving Rural Kansas

#### DAY ONE AGENDA

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6:00 pm      *Networking, Drinks, Dinner. . .*

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7:00 pm      I.      **Welcome and Introduction: Agenda Overview and Desired Outcomes**

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                 II.      **Participant Self-Introductions and Reasons For Participating in the Rural Food Distribution Hack-A-Thon**

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8:00 pm      *To be continued . . .*

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Tuesday, October 20, 2015

#### DAY TWO AGENDA

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7:30 am      *Breakfast buffet . . .*

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8:00            III.      **Understanding the Context: The Status of Quality Food Distribution throughout Rural Kansas\***  
                          A.      Description of the existing system  
                          B.      Current trends, issues and questions to address

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10:00           IV.      **Brainstorming: Describe A Potential Future Vision and Identify Potential Food Distribution Models**  
                          Model A.    Sub-Regional Food Distribution  
                          Model B.    Growing Local Foods  
                          Model C.    Specialty Crop Production  
                          Model D.    Small Store As Healthy Food Hub  
                          Model E.    Enhancing Small Store Profitability  
                          Model F.    Other . . .

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12:30           *Lunch . . .*

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1:00 pm           V.      **Model Development Working Group Discussion\***  
                          A.      Fully describe the model and its constituent parts  
                          B.      Identify what's needed to make this model successful  
                          C.      Identify any barriers and obstacles  
                          D.      Formulate action steps for moving this model forward

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3:00            VI.      **Working Group Reports and Large Group Discussion**

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4:30            VII.      **Day Two Summary**

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4:45            *Adjourn for physical activity/personal time . . .*

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6:30            *Dinner . . .*

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\* Two fifteen minute discussion breaks will be taken, one mid-morning and one mid-afternoon

Wednesday, October 21, 2015

DAY THREE AGENDA

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7:30 am Breakfast . . .

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- 8:00 **VIII. Making It Happen: An Implementation Plan**
- A. Review and discuss a strategic plan framework
  - B. Identify action steps
  - C. Discuss roles for Sunflower Foundation and Partners
  - D. Identify what Hack-A-Thon participants are willing to do in order to support this effort
  - E. Identify timeline
  - F. Other . . .

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**IX. Summary and Next Steps . . .**

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12:00 noon Meeting Close . . . and lunch buffet . . .

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Departure . . .

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*Thank You For Your Participation!*

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## APPENDIX C: BREAKOUT GROUP NOTES

### Grocery Store as A Center of Community Life (Strategy A1)

#### *Description*

- Build an infrastructure through community capital
- Create a center for education
  - Nutrition
  - Job training
- Provide infrastructure to help create “a one-stop shop”:
  - Catering “whole foods”
  - Pharmacy
  - Post office
  - Restaurants
  - Center at community services
  - Business vs. non-profit
- Include a range of services:
  - Vocational training
  - Post office
  - Arts
  - Scholarship programs for food services (butcher)
  - Jobs for all ages (young and old)
  - Education (smart shopping, investing money)
  - Blood pressure checks
  - Banking
- Consider all elements of the business:
  - Catering
  - Restaurant
  - Rental space
  - Storage
    - Cold and room temperature
    - Public utility
  - Services
    - Online ordering

#### *What’s Needed*

- Promote stores supporting other stores
  - Aggregation
  - Transport
  - Storage
- Create a business plan
- Foster dedicated partners and great relationships
  - Community partners
    - Hospitals (Onaga)
      - Leadership in supporting healthy food for community via grocery stores
    - Philadelphia: Med professionals in corner stores
    - F&V prescription program
    - Restaurant open for public
- Establish a network of “nodes”
  - Each grocery store/community has a role:
    - Retail
    - Storage – pick up/drop off site
    - Value added
- Conduct a Community Assessment
  - Business model (For-profit/not-for-profit/etc.)
- Assess community infrastructure within a region. Consider opportunities to put business/services:
  - Old main street
  - Strip malls
  - Modular
- Identify capacity and assets
  - Hospital?
  - School?
  - Parks?
  - Public square?
- Identify Leadership Capacity in community

- Culture of shopping local
- Dedication to increasing community
- Tie to food production

### ***Barriers and Obstacles***

- Excessive regulations
- Scale (hundreds of employees vs. just a few)
- Varying levels of enforcement
- Food sales tax (border counties)
- Commercial/certified kitchens in grocery store
- Cottage food laws
- Labeling
  - Point of origin
- Lack of local incentives/economic incentives
  - “Agricultural zone”
  - Match hospital money for healthy/local food
- Local ordinances
  - Truck routes
  - Zoning
- Program rules
- Access to capital
- Access to workforce
- Small versions of big box stores

### ***Data/Research Needs***

- Community needs assessment
- Asset map
- Farm and food economy study
- Case studies
- Understanding the qualities of strong KS stores
  - Distance from I-70
  - Urban area?
  - How integrated with community
  - Where are farmers’ inventory management?

- Business operations practices
- Financial pro forma
- Business plan
- Survey to find interested grocers and communities to move this forward

### ***Action Steps***

- Create RFP profess pilot program (opt-in) of (3?) stores to add services... and see what happens
  - TFT has pieces: Marketing, equipment, hands-on TA – financial sustainability is key (the Food Trust)
  - TFT also has in-store incentives (pair health + stores)
- Compile case studies – KS and national
  - Conway Springs (Frankfort?)
- Implement FEAST (as modified by KSU)
  - Matched with quantitative
  - Demographics, etc. and look at national chains and impact
- Work with hospitals
  - Identify the ones interested in working with grocery stores and others on healthful food
- Form partnerships: Business, arts, social services, schools/education

## **Grocery Stores As Hubs in a Network (the High Plains Model) (Strategy A3)**

### *Description*

- Structured as a co-op
  - Producers are owners of co-op
  - Producers own product until reaches consumer
  - Modest assets
  - Trucks owned by members/co-op
  - Members provide labor
  - Financed by members
  - Trucks/trailers owned by members
  - KS law- need 5 members
  - Serves distant urban market
  - Producer driven as opposed to consumer
  - Individual consumer online purchasing, online farmer's market (small grocery stores)
  - Products
    - Protein
    - Produce
    - Grain
    - Dairy
  - Services 200-300 mile radius
  - Deliver to drop sites

### *Identify What's Needed*

- Greater market than current
- In KS- focus on small grocery stores/communities
- Commitment
- Diverse group of producers
- People willing to work as a co-op
- Education, marketing
- Infrastructure for organization
- A plan

### *Identify Obstacles, Data/Research Needs*

- Potential threat to small grocery stores if focus is individual online buying
- Under-capitalization
- Not enough variety
- Not being able to hire managers to operate co-op
- Incorporating in KS difficult
- Market analysis
- Bridging gap from where stores are today to buying into this model (as consumer) is leap of faith

### *Identify Action Steps*

- Develop a Plan
- Conduct a feasibility study
- Conduct a market study
- Incorporate finance considerations

### *Identify Policy Implications*

- Multi-level co-op rules in KS difficult
- Consider how much USDA would fund

We're not sure this model generalizes to the big picture problem we're tasked to solve. But it's great at doing what it does.

## Expanding Fruits and Vegetables Production (Strategy A4)

Expand production, relationship of producers and grocers.

### Description

- Identify networks of producers divided into regions (This is what production looks like).
- Create geographical food hubs (This will be the farmers' connection to consumers)

### What's Needed

- Enhance infrastructure/logistics/partnerships (farming/distribution)
- Provide additional intellectual infrastructure:
  - Trained agents, more state specialists
- Identify the landscape:
  - Size of farms
  - Who's growing what?
  - How is it grown?
  - What are retailers buying?
  - Is food safety-certified?
  - What's being grown?

### Barriers and Obstacles

- Post-harvest handling
  - No value-added
  - No storage
  - No processing
  - No refrigeration
  - Lack of labor
- Seasonality
- Identifying new generation of farmers and helping them to grow the practice → young farmers to land ownership
- Crop insurance/bank loans structure
- Economies of scale

### Data/Research

- Feasibility studies – Need to glean this info
- How to stack funding, compile?
- Make focus on production from extension

### Policy Implications

- Develop the funding mechanism for food hub start-up
- Establish tax breaks or incentives for buying local in rural communities
  - i.e., institutional, restaurants, etc.
- Develop the funding mechanism for farming start-up
  - Japan treats farming as professional trade with apprenticeship and fund

### Action Steps

- Reference existing models for incubation farming development
  - Points of entry for young farmers
  - Creates “track record”
- Cluster existing farmers to aggregate supply for food hub
  - Share knowledge/equipment
- Develop a funding model that is replicable
  - Salary and utility subsidized start-up costs

## Social Marketing (Strategy B2)

### *Influencing*

- Activate KSRE leadership development programs:
  - 4-H- people to grow as leaders
  - FCS- leaders in the city who are trusted coach / clergy
  - WIC/EFNEP
- Identify partner people types and organizations
- Link culture and food – address so-called comfort foods
- Help people who are habituated to overly-processed foods
- Work with store owners to change layouts; provide cooking and other in-store education
- Highlight healthy food choices
- Engage faith-based organizations
- Recognize that healthy food is a basic human right
- Provide business support and assistance in reducing the cost of health care benefits and maintaining a healthy workforce
- Engage the Military – note that young recruits must be healthy

### *Preferences*

- What and how; how not to end up in the ideology war
- Growing food is cool
- Eating real food is cool
- Encourage Store owner leadership development including business practices, planning and financing, and succession planning
- Promote generational transfer- elders to school kids
- Meet grocers where they are, with respect to operations
- Meet customers where they are; take customers to the farm
- Get help from librarians about how to change the institutions of the grocery store
- Use personal stories; e.g., food stories – story tellers; food champions
- Identify apps people use to connect with farmer and field
- Brand the idea of “real food”
- Secure pro bono work by millennial marketing people

- Brand and highlight local character
- Engage University depts. and student organizations for marketing

### *Changing Attitudes*

- Address the culture of food in America and the perception that healthy food is always more expensive and inconvenient and time consuming to prepare
- Communities want the convenience of a local store, people don't want to make their big purchases there; buy local
- Identify the important role of the local store
- Consider entitlement; i.e., pleasure of being served
- Small town: small store is a destination
- Address the disconnect with food origins
- Provide a frame of “healthy” food
- Farmer's market as expensive entertainment
- Address perceptions that healthy food is elite, classist, medicinal, unpleasant; instead focus on the qualities of local, tasty, delicious, good, fun, yuppies

### *What values matter? What images work with us?*

- “A place at the table”
  - Food insecurity → obesity
- Norman Rockwell's Thanksgiving picture
- Healthy kids who will grow into healthy, contributing adults
- Keep our town alive
  - Growing real food is cool
  - Community
  - Demand for more real food is cool
  - Eating real food is cool
  - Selling real food is cool
  - Telling story

## Policy Reform (Strategy B3)

- Grants for EBT implementation for vendors willing to participate
  - Fund Rural Grocery Initiative for technical assistance
- Economic development models for local governments
  - Study/support/resources available- toolkits for food policy councils

## Identify What Needs to Change

### State

- Health regulations
- Catalog industry regulations
- Economic incentive zones
  - Urban ag. zones (local)
  - Fresh food financing/health food financing
  - Departmental
  - Funding
- Kansas Department of Health & Environment pass-through funds
- Enrollment
  - Funding expanded enrollment
  - Stop blocking
  - Reduce wait time
  - Streamline application; reduce complexity
  - Increase number of approved vendors → supporting vendors to sign up
    - Subsidizing equipment fees
    - Grants for Point-of-sale (POS) technology upgrades
  - Implement electronic WIC benefits
  - Use the Neighborhood Revitalization Act (NRA) to renovate groceries
  - State act
  - Apply tax increment rebate financing
  - Institute tax incentives for buyers purchasing within KS
- Matching
  - Incentivize participation
  - Provide funding for USDA grants → beginning farmer's education, farm-to-school programs

- Better fund extensions
- Develop denominational policies in churches to support faith leaders supporting healthy food environments; do the same for teachers once in school
- Make KS law more supportive of co-ops (multi-stakeholder)

### Federal

- Provide USDA Grants for beginning farmers, co-op development
- Provide support for farm-to-school programs
- Offer support for farmer's markets
- Make it easier for grocers to accept WIC/SNAP; e.g., forms to fill out, card readers, etc.
- Consider farm bill ideas:
  - Commodity subsidies to make it more equitable
  - Split food assistance out of farm bill?
- Ask Americorps to put Food Corps volunteers into rural grocery stores

### Local

- Reach out to City Council/Commissions and funding opportunities
  - Property tax lid → potential barrier
- Tie in to economic development
- Consider this idea from West VA- a city allowed a fee reduction to retailers if they sold fresh food:
  - 20% off cost of food retailer permit if you sell 1,2,3 fresh foods
  - Free if you sell 4+ fresh foods
  - NRA municipality pays it, must designate area where it can be used
- Engage school districts to support farm-to-school and to support/allow school gardens
- Address local codes and zoning that impact community sites
- Address opportunities at the local and county-level for allowing food sub-hubs, or buying the land/building
- Look at Kansas State program and policy for incubator farms

## *Institutional*

### Formulate Strategy for Advocacy and Change

- Vision: policy environment that supports increasing access to healthy foods in rural areas
- Underlying challenges: health of our democracy, i.e., participation
- Address lack of participation in food assistance programs (stigma)
  - Enrollment- agencies to stop defunding enrollment, KDHE pass-through funds
  - Eligibility
- Engage existing advocacy networks: e.g., Farm Bureau as part of the solution

## *Taxes*

- Look at Property tax lit → repeal
- Address sales tax on food, rebate program
- State-levied sales tax also reduces ability of local governments to innovate

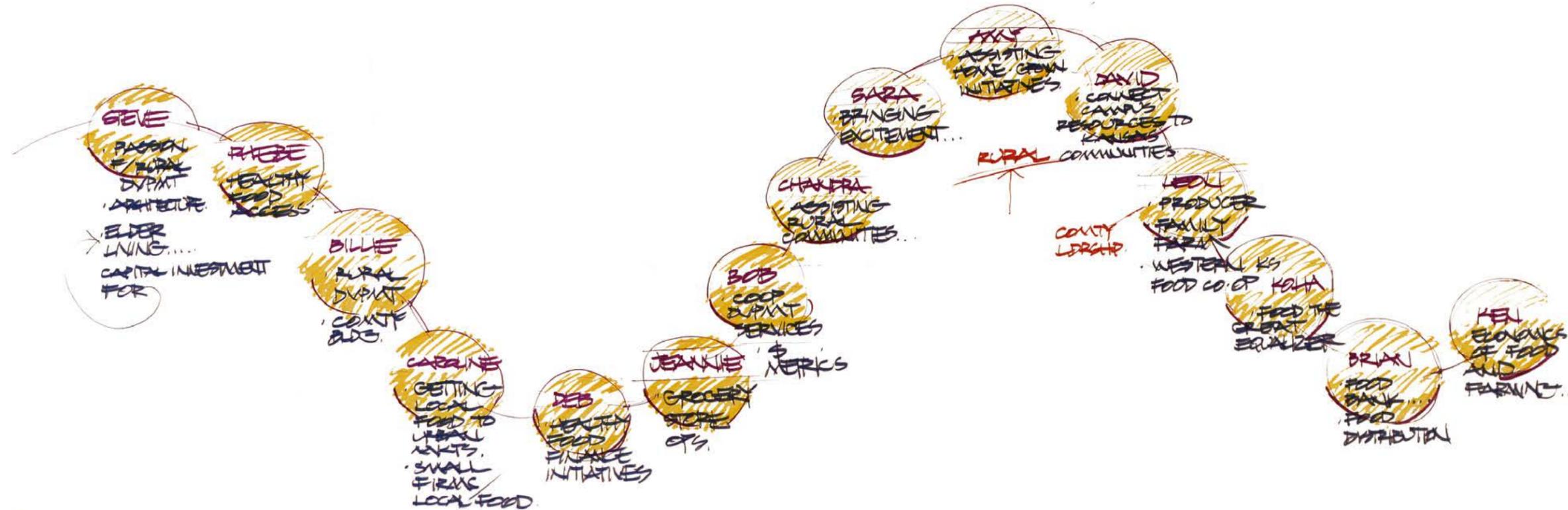
APPENDIX D: HACKATHON WALLGRAPHICS

SUNFLOWER FOUNDATION



RURAL FOOD DISTRIBUTION  
HACKATHON  
10 · 19 · 20 · 21 · 15

OUR PURPOSE:  
ADDRESS THE ISSUE  
OF "FOOD DESERTS"  
IN RURAL KANSAS  
FARM COUNTRY



Sunflower Foundation  
HEALTH CARE FOR KANSANS

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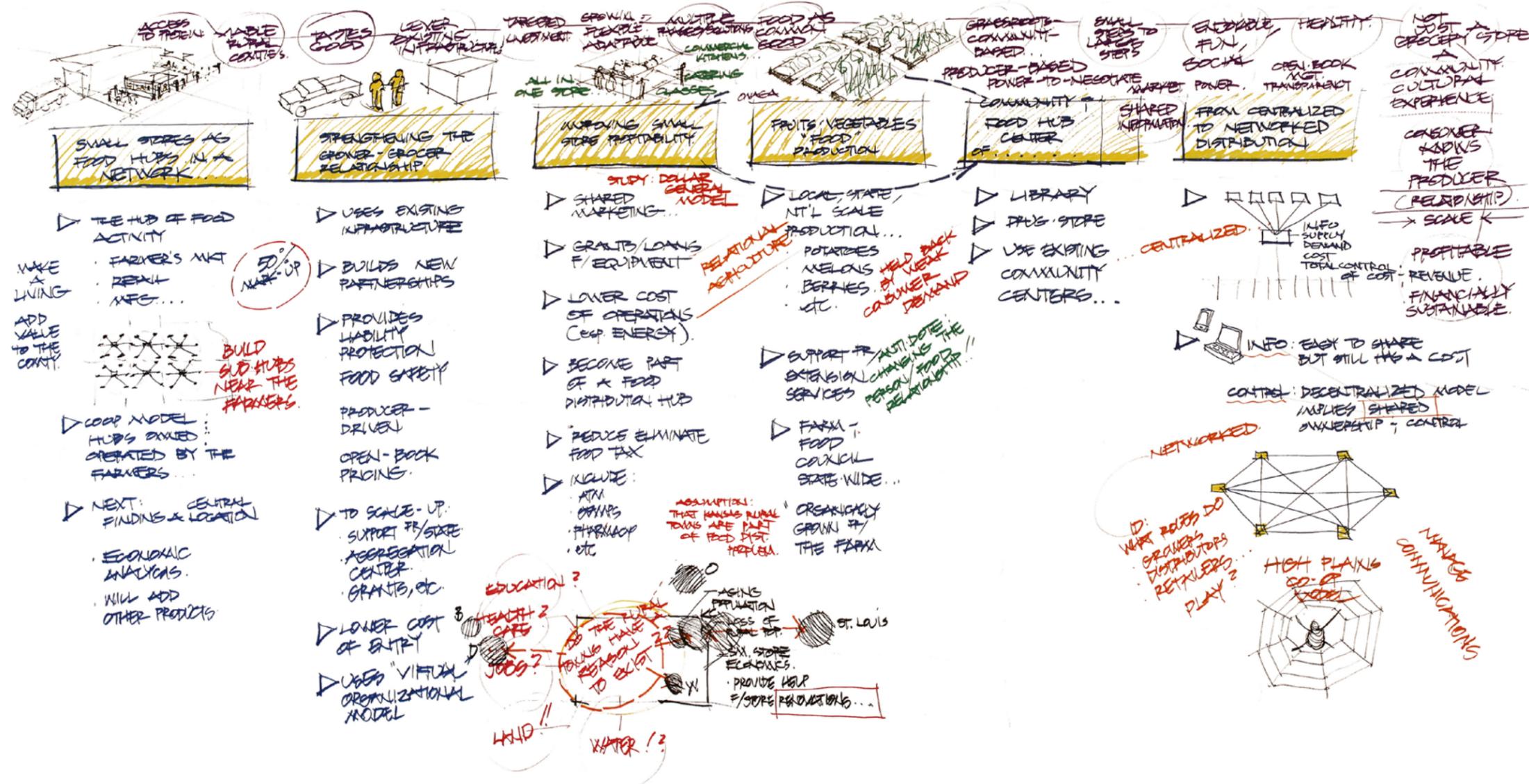
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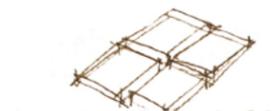
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### HIGH PLAINS NETWORK

- CO-OP PRODUCERS OWNERS
- SERVES FROST RANGE, CO
- PRODUCER-DRIVEN
- URBAN MARKET ON-LINE
- EXPAND MARKETING
- INCREASE COMMITMENT
- INCREASE
- EXPAND INFRA
- DROP OFF, etc.
- COULD BE A THREAT TO L.G.
- POTENTIAL F/ UNDER-CAPITALIZATION
- LESS STAFF
- FEASIBILITY MARKETING FIN. PLAN
- COULD BE A LIFELINE F/ RURAL COMMUNITIES
- MODEL GOOD: BUT MUST FIND WAY TO BRIDGE GAP.



### FRUITS-VEGETABLES

- NETWORK OF... INDEPENDENT FARMERS...
- NEED:
  - INFRA
  - DISTIB
  - LOGISTICS
  - MARK
  - EXT. AGENTS
  - SPECIALISTS
  - INVENTORY
- NO VALUE-ADD
- LACK OF LABOR
- SEARCHING
- ID NEW GEN. FARMERS.
- LEARNING
- ECONOMY OF SCALE
- TAX FEAS. STUDIES
- STOCKPILE
- FOCUS ON EXT.
- POLICY:
  - DEV. FUND. \$ F/ START-UPS.
  - TAX BREAKS.
  - JAPAN MODEL.
- ACTIONS:
  - HELP EXT. L.O.C.
  - CLUSTER FARMERS



### GROcery AS CENTER

- VISION: LINKAGE IN A NODE, A CENTER...
- ACTIONS:
  - PILOT PROGRAM 3 STORES/TEST.
  - CASE STUDIES FRANKFURT
  - FOOD TRUST. ASSISTANCE. INCENTIVES.
  - F.E.A.S.T. QUALITATIVE MARK. QUANTITATIVE.
  - PARTNERSHIPS e.g. HOSPITALS, SCHOOLS, SOC. SERVS.
- COMM. ENG. COMMITMENT RESTORATION
- POLICIES:
  - REDUCE REGS.
  - ENF.
  - COMM. MARKET
  - LABELING
  - ORDINANCES...



### SOCIAL MARKETING

- MEETING PEOPLE WHERE THEIR AT...
- SELLING
- GROWING EATING
- IT'S COOL
- A BASIC RIGHT.
- KEEP OUR TOWN ALIVE...
- TELL OUR STORIES...
- WHO: COMMUNITY LEADERS...
- MORE \$ TO EXTENDING
- ATTITUDES...
  - GOOD FOOD IS WORTH IT...
  - BUY LOCAL
  - ENTIREMENT
  - OPENS



### POLICY

- ECOL DUPART
- SNAP PARTICIPATION + INC
- INCENTIVES...
- GRANTS F/ FOOD CORPS VOLUNTEERS.
- NEED FEEDBACK/ACT
- FEED AREA IMPROVEMENT DISTRICTS/ZONES...
- TOOK IT TEST/EDGE.

**OVERALL:**  
 → BE STRATEGIC...  
 → IDENTIFY THE HIGHEST POINTS OF LEVERAGE IN LIGHT OF LIMITED RESOURCES...

- LET'S NOT PIT COMMODITY AGAINST AG.
- BUILD COALITIONS/ALLIANCES.
- PUT A "FACE" ON IT.
- TAP INTO LOCAL FOOD COUNCILS...
- LOCAL FOOD ASSOCIATION (TRADE GROUP)



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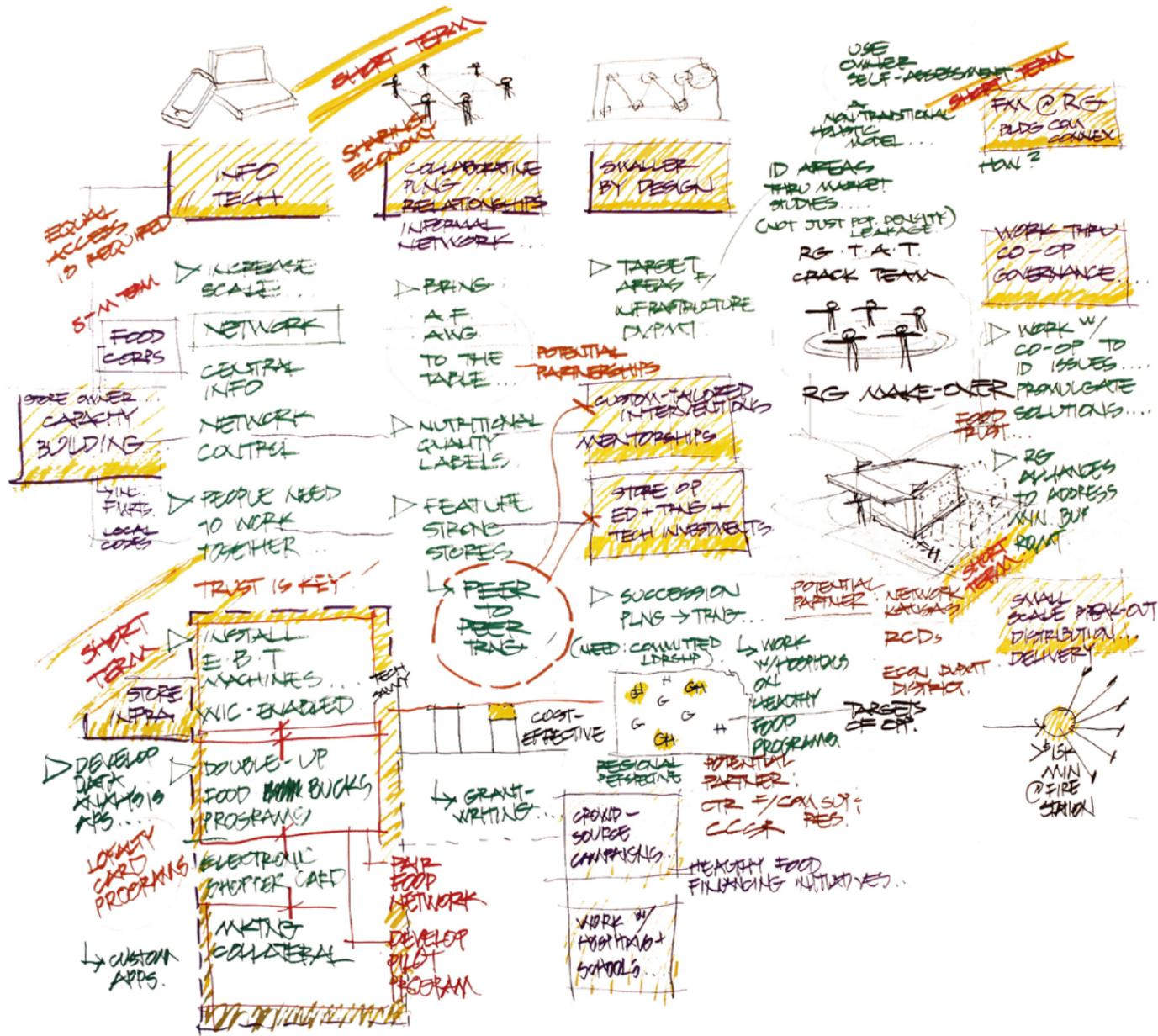
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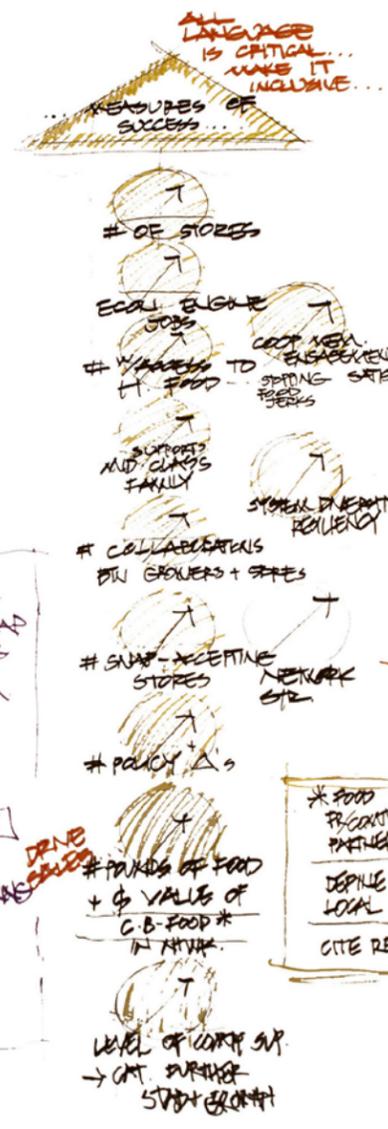
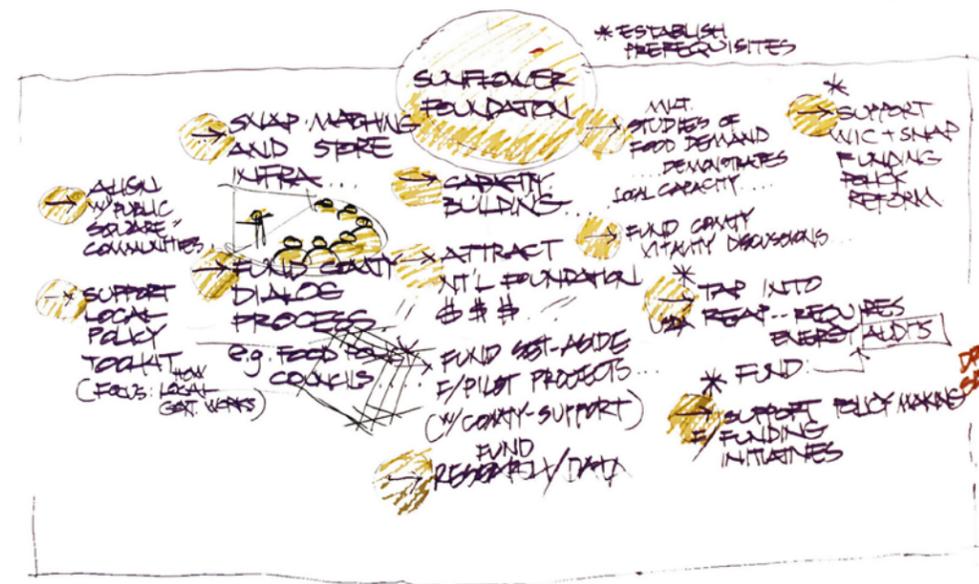
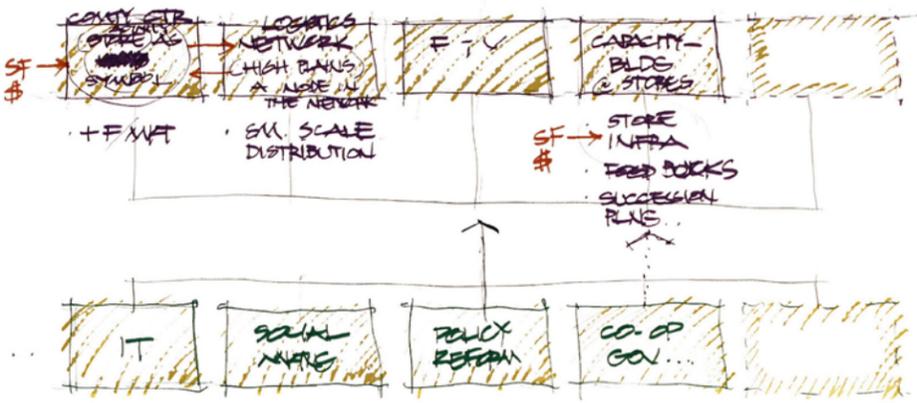
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ACCESS TO HEALTHY FOOD  
 COMMUNITY-BASED  
 PRODUCER-OWNED  
 SUSTAINABLE FOOD SYSTEM

ENVY SCANN  
 TRENDS  
 ISSUES  
 CHALLENGES  
 OPPORTUNITIES

PRIMARY STRATEGIES  
 SHORT  
 MED  
 LONG  
 SUPPORTING STRATEGIES  
 SHORT  
 MED  
 LONG



**NEXT STEPS**

- FOLLOW-UP MEETS W/ DISTRIBUTORS... JUNE 6/7 - WITCHITA - 2016 RE PILOT - DASHAG COUNTY AND WORK WITH COMMUNICATE W/ PARTNERS
- CDS + BIZ PLANS, ETC
- LESS + COLLECTORS TAX PROVIDERS (e.g. SUCCESSION PLANS) BACK-BONE SUPPORT
- KU + RETIRED BIZ PEOPLE
- FOOD + HEALTHY FOOD + NUTRITIVE TA - FOOD BLDG
- M.E.O. + PRES ON LOCALS NETWORK OR STUDENT P
- W.S.U. + TA / State Cig - Mt Agent
- CONVENED ACCESS TO RESEARCHERS
- CHANGE LAWS
- LEGAL / POLICY ADVICE TA
- POLICY 101
- CRITICALLY IMPORTANT
- SHORT-TERM
- # Q IS IMPORTANT
- NON LOCAL OR UNTIL LOCAL
- \* FOOD PROXIMITY PARTNERS
- DEPICT LOCAL
- CITE REFS
- LONG TERM
- CUSTOMARY APPROPRIATE
- CONNECT TO NUT.
- CONNECT IN GENERAL
- COMS
- GROUP COLLAB
- GRANT PROPOSAL



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