Kansas State University's Rural Grocery Store Initiative
Final Report

USDA Rural Development RBOG:
Rural Grocery Store Initiative
$50,000 (2007)

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The work you folks are doing on rural groceries is really inspirational to small towns around the country – great work!

Cornelia Butler Flora, PhD.
Charles F. Curtiss Distinguished Professor of Sociology
and Agriculture and Life Science, Iowa State University

Please join us at the 6th Biennial Childhood Obesity Conference - the premier conference on childhood obesity in the nation - and present on your innovative work with rural grocery stores.

Genoveva Islas-Hooker, MPH
Central California Regional Obesity Prevention Program
Fresno, CA

Our committee can’t thank K-State and the sponsors of the rural grocery summit enough. K-State has seen a need and is taking great strides in producing a solution. K-State is a “Hero” to the many small rural communities located in food deserts.

Jeanne Roberts
Grocery Store Committee - Co-Chair
Plains, KS
Introduction

Local grocery stores represent a critical infrastructure for our rural communities. These stores are an important part of the economic engine that sustains rural communities, providing essential jobs, and taxes. They are a vital source for nutrition and health, providing a supply of fresh fruits and vegetables, dairy and protein. These groceries are especially critical for the rural young, poor, and elderly. Grocery stores, like schools, restaurants, and post offices are community assets used to recruit and retain citizens, providing a symbol of community health. Unfortunately, it seems every day we hear about another store closing shop and shutting their doors. In Kansas alone, 82 rural grocery stores have closed since 2007. The following emails we have received, illustrate the seriousness of this problem.

We lost our grocery store almost 6 years ago. Our seniors are suffering since there isn’t one local grocery and our citizens are having an outcry about not having one. My question is, can you give me any advice, any where to go?  - - Rural Community City Clerk

Our community lost its grocery store about 5 years ago and so far, all our efforts to replace it have been in vain. I have great hopes for the success of your initiative! Please Persist!  - - Small Town Mayor

I received the letter from you about a program to address the needs and concerns of rural grocery stores. This is an area of huge need and should be approached with the greatest urgency. Store owners need to address issues such as cooperative buying and central buying through one store then redistributing, etc. This is a very valiant effort to address a serious problem facing rural independent stores. I would hope that combining your resources and efforts with others will bring about some much needed change.  - - Rural Grocery Store Owner

In response to this need, CECD at Kansas State University applied for and received a $50,000 RBOG through Kansas USDA Rural Development in 2007. Listed on the next few pages is a summary of the project goals, the project timeline and highlights, the impacts of this work, and action steps for future work.

Project Goal Summary
(from 2007 RBOG application)

The majority of small, rural communities do not have a business support network or a chamber of commerce or economic development director to act on the store’s behalf. This project is important to the hundreds of independently-owned grocers in Kansas for the information and services it will provide. Not only will it directly serve these groceries, it will also generate “best practice” information for rural grocery stores and test approaches that will serve as a model for other small rural grocery operations.
**Project Timeline and Highlights**

- (March 2008) Mailed 212 surveys to Kansas rural grocers (86 or 42% of surveys were completed and returned). The survey asked questions regarding their services, challenges, and successes. You can view the complete surveys and the results of those surveys at www.ruralgrocery.org/survey/.

As part of the RBOG proposal, we surveyed the Kansas communities of:
- Gove
- Potwin
- Florence
- Onaga
- Alma

Since the original survey was posted on www.ruralgrocery.org, the survey has also been used in:
- El Morro Valley, New Mexico (NM Farm to Table)
- Grant County, New Mexico (NM Farm to Table)
- Las Colonias, New Mexico (NM Farm to Table)
- Morland, Kansas
- Burlingame, Kansas
- Oxford, Kansas
- Dennison, Minnesota (Food Coop Initiative)
- Olympia, Washington (Oregon Food Bank)
- Astoria, Oregon (Oregon Food Bank)
- Grass Valley, Oregon (Oregon Food Bank)
- Moro, Oregon (Oregon Food Bank)
- Dufur, Oregon (Oregon Food Bank)
- Parkdale, Oregon (Oregon Food Bank)
- Odell, Oregon (Oregon Food Bank)
- Dayville, Oregon (Oregon Food Bank)
- Warnic, Oregon (Oregon Food Bank)
- Monument, Oregon (Oregon Food Bank)
- John Day, Oregon (Oregon Food Bank)
- Prairie City, Oregon (Oregon Food Bank)
- Long Creek, Oregon (Oregon Food Bank)

These are just the locations we know the surveys have been used. It is very likely it has been used in other places as well.

- (March 2008) Mailed 6,000 surveys to rural Kansans (1,000 or 17% of surveys were completed and returned). Asked questions regarding shopping preferences and shopping locally.

- (May 2008) Created informational website. www.ruralgrocery.org. This site includes:
  - Original RBOG surveys and survey results
  - Latest rural grocery store research
  - Rural grocery news stories
  - Listing of food suppliers and food networks
  - Inspirational rural grocery videos (from PBS, FOX News, CBS News, K-State Television, U.S. Congressional Video)
  - Best practice “White Papers” responding to the challenges identified in the RBOG survey, Rural Grocery Summit I, and individual grocer interviews
  - Funding opportunities relevant to rural grocery stores

**One of the rural grocery stores in Kansas that helps its rural community thrive.**

- (June 2008) Hosted Rural Grocery Summit I in partnership with the Kansas Sampler Foundation. 95 people attended (grocers, food wholesalers, elected officials, USDA, KS Dept. of Commerce, university faculty, NGOs, citizen leaders). Presented results of rural grocery surveys. Explored and expanded the results with attendees.
From the surveys, summit, and individual grocer interviews we identified nine significant primary challenges facing rural grocers:

- Competition from big box grocery stores
- Difficulty finding quantity and quality labor
- High taxes
- Excessive governmental regulations
- Lack of community support
- High utility costs
- Difficulty meeting minimum buying requirements from food wholesalers
- Lack of sales volume
- Identifying the most appropriate ownership/management plan

• (2008) We created a Rural Grocery Initiative Steering Committee composed of the following people:

- Mark Wellbrock, Owner, Jetmore Food Center, Jetmore, KS
- Debra Nelson, Owner, Garden of Eden, Little River, KS
- Kelly Kays, Owner, Joe Smith Company, Pittsburg, KS
- Dan Nagengast, Director, Kansas Rural Center, Whiting, KS
- Marci Penner, Director, Kansas Sampler Foundation, Inman, KS
- Ron Wilson, Director, Huck Boyd National Institute for Rural Development
- Bob Cole, Director, Economic Development, Pottawatomie County, KS
- Gerard Middendorf, Associate Professor, Sociology, Kansas State University
- Dan Kahl, Extension Liaison, Kansas PRIDE, Kansas State University
- David Procter, Director, CECD, Kansas State University
- Chandra Ruthstrom, Administrative Assistant, CECD, Kansas State University

• (2009-2010) We created “best practice white papers” to address the identified rural grocer challenges.
• (June 2010) Hosted Rural Grocery Summit II. Nearly 200 people attended. At the summit, we presented the results of our RBOG as well as brought in experts in numerous areas related to rural grocery food outlets. We also conducted four rural grocery dialogues on issues of: (1) building community support, (2) policy options, (3) developing educational campaigns, and (4) enhancing food distribution systems. Results from these dialogues are posted at: www.ruralgrocery.org.

Feedback on the summit was very positive.

By the way, the Rural Grocery Summit was amazing! Our committee has been working on getting a store back for over 2 1/2 years. After hearing Morland’s story, we went back to our original idea.....running the store as a non-profit....providing a “service” to our community. We contacted the attorney that helped Morland and everything just “took off”. (Email communication from Plains, KS citizen)

• (July 2010) The Rural Grocery Initiative was awarded the “Outstanding Community Development Program” by the International Community Development Society.
• (August 2010) David Procter was invited to join the National Policy & Legal Analysis Network to Prevent Childhood Obesity. This is a learning community that is part of the Public Health Law and Policy non-profit based out of Oakland, CA.

Professional Meeting Presentations (Selected)
• Presentation at Rural Grocery Summit I, Inman, KS (June 2008)
• Presentation at the Kansas League of Municipalities, Overland Park, KS (Oct. 2008)
• Presentation at Community Food Security Coalition National Conference, Des Moines, IA (Oct. 2009)
• Presentation at the Tri-State Local Foods Conference, St. Joseph, MO (Jan. 2009)
• Presentation to the U.S. House Hunger Caucus, Washington, D.C. (Nov. 2009)
• Presentation at the North Dakota Annual Local Foods Summit, Bismarck, ND (Feb. 2010)
• Presentation at the Northwest Area Foundation’s National Meeting, Portland, OR (May 2010)
• Presentation at Rural Grocery Summit II, Manhattan, KS (June 2010)
• Presentation at the Rural Communities Conference, Bozeman, MT (Sept. 2010)
• Invited to present at the annual Illinois Institute for Rural Affairs in Peoria, IL (March 2011)
• Invited to present at the annual Kansas Nutrition Council in Wichita, KS (April 2011)
• Invited to present at the 6th Biennial Childhood Obesity Conference in San Diego, CA (June 2011)

Media (Selected)


Hale, Jon. “Experts warn rural grocery closings could accelerate, Kansas lost 3 of every 8 in last 3 years.”

**Impacts**

When CECD first started receiving emails, letters, and phone calls asking us to address rural grocery store sustainability, we were relatively unfamiliar with this issue. As we explored the rural grocery issue, we realized that preserving and, in some cases, rebuilding rural grocery stores was, in fact, sustaining and restoring the very infrastructure that sustains rural America. Thus, we believe there have been very significant impacts from this rural grocery RBOG. We are, in fact, creating jobs, maintaining the local tax base, providing for healthy food access, and sustaining an important civic space for rural communities.

We are working with several small Kansas communities where grocery stores are being established or sustained and these communities point out that the K-State Rural Grocery Initiative is critical to their grocery efforts. Below is a list of some of the towns we are working with and what they say about K-State’s rural grocery initiative:

- **Protection, KS (Comanche County).** “The grocery store in Protection (Comanche County) was about to close due to the owner’s health and finances. The town has come together to keep the store open. One of the committee members called this morning and wanted some input from your office [CECD], so they can be sure they are doing what they need to in order to form a new business. At this point, they have set up a S-corporation and by-laws. They have a verbal agreement to purchase the grocery store.” Jan St. Clair, K-State Extension Agent, Comanche County.
• Plains, KS (Meade County). “We feel we have made more progress in the three months following the Rural Grocery Summit than we had made since the committee’s conception in January of 2008. We credit this progress to the Rural Grocery Store Summit. The information and guidance we received was awesome, but the networking we were able to accomplish will be an ongoing support system for many years to come. Our committee can’t thank K-State and the sponsors of the summit enough. K-State has seen a need and is taking great strides in producing a solution. K-State is a “Hero” to the many small rural communities located in a food desert.” Jeanne Roberts, Grocery Store Committee Co-Chair.

• Burlingame, KS (Osage County). “The Mayor, a council member, and I had attended the grocery store summit. What an awesome learning experience for all of us! Thank you for working so hard and giving us the opportunity we wouldn’t have had any other way. I am extending a very large thank you from the City Council for your presentation. It turned out to be a positive experience for the City. This is just the beginning of a long relationship with K-State and I hope it turns out the way we need it to.” Patti Gilbert, City Clerk.

From the executive director of a cooperative non-profit:
• Food Co-op Initiative. “The Rural Grocery Summit and the ongoing work of the Rural Grocery Initiative offer new hope for rural communities in their efforts to retain or reestablish viable grocery stores. The ideas, legislative proposals, and visibility that have been incubated here will continue to inspire meaningful support to rural communities.” Stuart Reid, Food Co-op Initiative, Dennison, MN.

2. **Creating / Sustaining Jobs –**

After working with CECD and the Rural Grocery Initiative, several rural grocery stores and regional food distributors have seen job creation or preservation.

• Protection, KS. The grocery store opened in Protection earlier this fall, leading to job creation.

• Contractors have just begun work in Morland, KS to renovate and restore the Morland Community Grocery. The grocery store opening is planned for February 1, 2011.

• Wyandotte County. After taking information from our Rural Grocery Initiative and attending the Rural Grocery Summit II, Wyandotte County Extension has organized a group of stakeholders to bring a virtual grocery store into NE Wyandotte County. One full-time staff will be hired to coordinate this work.

• Joe Smith Company. Following the Rural Grocery Summit, the Joe Smith Company has seen increased business in distributing food to rural grocery stores. While they have not hired new staff, distribution routes are full, staff are more fully employed.

• Altamont, KS. The store owners are bringing in the store owner from Little River, KS to consult on grocery store operations which will impact work flow.

3. **Providing Needed Research / Outreach to Rural Grocery Stakeholders –**

• (2008 - Current). www.ruralgrocery.org. This website created via RBOG funding is invaluable. It is receiving thousands of hits per month from all over the world. It has become one of the primary resources for citizens seeking to establish or sustain their store, for food access non-profits, for academics conducting research in this area, and for media when they are looking to write a story about food access in rural America.
• (2007– Current) The two surveys funded by USDA Rural Development, KS RBOG are the foundational surveys now being used all across the U.S. as communities and food access non-profits try to understand the food access challenges faced by rural America. Beyond the RBOG, these surveys have been used at least an additional 20 times in Kansas plus four additional states.

• (2007-2010) Building on the work from the RBOG, K-State and the Center for Engagement and Community Development have leveraged $80,000 of its own funding to support nine KSU research projects that address issues critical to rural food access and grocery stores. Those projects include:


The RBOG project has facilitated the creation of many networks. Store owners and citizen leaders have reported that they have built their own important networks (store to store networks, store to distributor networks, store to non-profit networks, store to state agency networks, etc). Additionally, this RBOG has served as the catalyst for networking Kansas and K-State into the national dialogue regarding food deserts, food access, community development, childhood obesity, economic development, etc. Through the RBOG, Kansas is now at the center of these important discussions through its connections with the following non-profits:

• Farm to Table (New Mexico)
• Center for Rural Affairs (Nebraska)
• Oregon Food Bank (Oregon)
• Leopold Center (Iowa)
• Public Health Law & Policy (California)
• The Food Trust (Pennsylvania)
• Kansas City Food Policy Council (Kansas/Missouri)
• Community Food Security Coalition (Oregon)
• Food Co-op Initiative (Minnesota)
The Path Forward:

It is not an exaggeration to say that this RBOG has brought national attention to USDA Rural Development, Kansas; Kansas State University; and K-State’s Center for Engagement and Community Development.

This initiative and funding that launched the initiative addresses a complex and incredibly important problem: the lack of rural grocery stores. But struggling rural grocery stores are really symbolic of other significant, more deeply-rooted public problems confronting rural America. Struggling rural grocery stores symbolize the larger, more intractable rural issues of limited rural economic opportunity, the declining rural population, the public health crisis in rural America, and rural community sustainability. The plight of rural grocery stores serves to focus a spotlight on these rural issues and this RBOG has served as the catalyst for USDA Rural Development and Kansas State University to take a research and outreach leadership role in addressing this crisis. This is why there has been such an overwhelmingly positive, indeed emotional, response for the Rural Grocery Initiative.

The culminating event funded by the Rural Grocery Initiative RBOG was the Rural Grocery Summit II, June 14-15, 2010. The summit was a time to present what we learned through our RBOG work and chart the rural grocery initiative post RBOG. To chart our path forward, we looked at what we had learned and identified some information gaps. We also facilitated dialogues on four significant issues facing rural grocery stores: (1) increasing community support for rural grocery stores, (2) building regional food distribution systems, (3) creating educational campaigns to improve the outreach and education efforts for rural grocery stores, and (4) developing policy initiatives to enhance and sustain rural grocery stores (Complete summaries of these Rural Grocery Dialogues can be found at: http://www.ruralgrocery.org/). The ideas generated during these dialogues also helped provide a roadmap for how the initiative should proceed.

**Action Item #1: Demonstrate Value of Grocery Stores**

1. Document the economic impact of grocery stores
   a. Conduct economic studies examining the “multiplier effect” of dollars spent at local grocery vs. chain food outlets (Casey’s; Dollar General, etc)
   b. Economic impact of local grocery stores on community/regional area
      i. Examine “economic leakage/pull factor”
   c. Impact on property values
      i. Explore the impact rural retail closures (e.g., grocery store) on community property values

2. Demonstrate value of grocery store as source of healthy, nutritious food
   a. Compare nutrition health of rural community with grocery store vs. nutrition health of community without grocery store

3. Demonstrate social value of store
   a. Examine grocery store as a site for: (1) community meetings, (2) small group gatherings – coffee, (3) entertainment – dances, poetry readings, school events
   b. Stores could also serve as a site for food demonstrations/trainings such as:
      (1) basic cooking skills, (2) cooking school for kids, (3) cooking on a budget, and (4) safe cooking.
1. Work with K-State media partners to develop a media convergence campaign promoting importance of local store (print, PR, advertising, digital)
   a. Make campaign generic enough so any store owner could use
   b. Make campaign customizable so that individual stores could insert their own data and issues into the campaign

2. Develop social media educational plan for store owners

**Action Item #2: Create an educational campaign promoting local grocery stores**

- 1. Work with K-State media partners to develop a media convergence campaign promoting importance of local store (print, PR, advertising, digital)
  - a. Make campaign generic enough so any store owner could use
  - b. Make campaign customizable so that individual stores could insert their own data and issues into the campaign

**Action Item #3: Hold broad-based community conversations to enhance overall food environment**

When communities indicate an interest in establishing a grocery store, it can be used as an opportunity to convene a broad-based conversation about the entire food environment. These moments can be opportunities to discuss the food shed, food sovereignty, and the interrelationship among a multitude of food stakeholders.

**Action Item #4: Research and assist grocers in increasing their knowledge of and availability of regionally-distributed foods**

- 1. Research feasibility, costs, and regulations of establishing additional redistribution centers and food co-ops
- 2. Conduct a statewide food distribution and transportation analysis to identify food distribution gaps
- 3. Develop a GIS map of rural grocery stores
4. Conduct impact study examining effect of locally-grown foods on overall grocery sales (How does locally-grown sales impact overall sales bottom line?)

**Action Item #5: Research and pursue fair and consistent public policy options for retail food outlets**

1. Identify appropriate local, state, and federal legislators to consult with regarding retail food outlet policies
2. Consult with public policy experts to identify relevant policies to support
   a. Consult with Kansas Dept. of Commerce “Partners Group”
   b. Consult with National Policy & Legal Analysis Network (NPLAN)

**Budget Summary: RBOG Award Amount-$50,000**

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**Action Item #6: Research and write case studies on the four primary models of rural grocery store ownership and management**

We receive numerous emails and calls from communities and citizen leaders asking how to go about organizing store ownership. We have identified four primary models of ownership. Case studies conducted on each model would be very valuable:
1. Sole proprietorship model
2. Community owned model
3. Co-operative model
4. School-based enterprise model