Closing Keynote: Kansas State University’s “Rural Grocery Initiative”

David Procter
Kansas State University

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Kansas State University’s “Rural Grocery Initiative”

Dr. David E. Procter, Director
Center for Engagement and Community Development
Kansas State University
Manhattan, Kansas 66506
www.k-state.edu/cecd
www.ruralgrocery.org
(785) 532-6868
dprocter@ksu.edu
Kansas State University’s Center for Engagement and Community Development

Mission:
To connect the resources and expertise of Kansas State University to the significant issues of public need facing Kansans and communities worldwide.
Why Focus on Rural Food Retail?

Because,
Rural Grocery Stores Provide:

- **Economic Development**
  - Rural grocery stores are an important rural economic driver

- **Food Access**
  - Rural grocery stores provide a primary source of nutritious and competitively priced foods

- **Important Community Hubs**
  - Rural grocery stores provide important local, civic and social meeting spaces
Economic Development: Why Focus on Rural Grocery Stores

Because,

Rural grocery stores are a critical small business

1. Grocery Stores are resilient businesses in economic downturn times
2. Grocery stores provide numerous local jobs
   - 14 average number of jobs in rural communities (5 full time; 9 part time)
3. Grocery stores represent a significant source of local sales taxes (20%)
4. Locally-owned, small business have a larger economic multiplier
5. SNAP and WIC:
   - Every $5 spent in benefits generates $9 in local spending at grocery stores
   - SNAP / WIC dollars especially important in times of economic downturn
Healthy Food Access: Why Focus on Rural Grocery Stores

Because,
8% of rural population (Approx. 4.75 million people) in the U.S. are living in communities lacking access to healthy foods. (Policy Link; Food Trust, 2013)

- **Poverty:** 20% of census tract is below poverty level.
- **Lack of Access:** 33% of the census tract's population resides more than 10 miles from a supermarket or large grocery store.
Healthy Food Access:
Why Focus on Rural Grocery Stores?

Because,

1. Rural areas suffer the highest obesity rates in the nation
2. Rural grocery stores offer more healthy foods, at lower cost, than rural convenience stores.
3. Prevalence of grocery stores in non-metro counties is inversely associated with incidence of obesity.
4. Rural grocery stores are often distribution point for locally-sources foods
Healthy Food Access:
2011 USDA Food Desert Map
Community Hubs: Why Focus on Rural Grocery Stores?

Because,

- They are sites where community bonds are created and sustained
  - Meeting spaces
  - Libraries
  - Art galleries
- Broad and creative interaction takes place there
- They are a setting for grassroots politics, and
- They promote social equality by leveling the status of citizen patrons.
Kansas State University’s Rural Grocery Initiative

Goals:
1. Identify challenges facing rural grocery stores (2,500 or less)
2. Develop responses to those challenges
3. Identify and detail sustainable business models of grocer operation
4. Build virtual and face-to-face information networks for rural grocers
Rural Grocer Survey: Top Seven Challenges

Rural Grocer Challenges:
Percent of Owners Identifying Each Challenge

- Competition with Big Box Stores: 80%
- Operating Costs: 74%
- Labor Issues: 62%
- Governmental Regulations: 51%
- Lack of Community Support: 42%
- Low Sales Volume: 39%
- Meeting Minimum Buying Requirement: 30%
2011 Survey of Rural Grocers: What Can be Done to Help Rural Grocery Operations?

- Encourage "Buy Local" 15%
- Address Supply Chain Inequalities 15%
- Support Programs to Re-Populate Rural America 8%
- Lower Store Operating Costs 6%
- Provide Informational Guidance 6%
- Lower Taxes 12%
- Offer Government Programs to Assist Rural Grocery Stores 22%
- Reduce Government Regulations 12%
- Level Playing Field 4%
RGI Responses to Grocer Challenges: Generating Community Support

- Highlight the power of community support
  - Walsh, CO

- Build community investment
  - FEAST Community Conversations

- Promote effective grocery store operations
  - Customer service
RGI Responses to Grocer Challenges: Meeting Minimum Buying Requirements

- Identifying and facilitating grocery collaborations
- Facilitating / energizing regional distribution centers
- Exploring ways to increase food sales
  - Increasing Community Support
  - Partnering with Institutional Buyers
  - Partnering with Local Growers
RGI Responses to Grocer Challenges: Identifying and Assisting with Sustainable Models of Grocery Operation

- **Rural Grocery Ownership Models**
  - School-based enterprise
  - Community owned
  - Public / private partnerships
  - Cooperatives
  - Sole proprietorships
  - 501(c)3

- **Rural Grocery Toolkit**
  - Tools for establishing rural grocery stores
  - Tools for existing rural grocery stores

- **Rural Grocery Case Studies**
  - Grocery stores partnering with institutional buyers
  - Grocery stores partnering with local growers
RGI Responses to Grocer Challenges: Building Information Networks for Rural Grocers & Stakeholders

- **Virtual Networks**
  - [www.ruralgrocery.org](http://www.ruralgrocery.org)
  - Rural Grocery FB / Twitter

- **Face-to-Face Networks**
  - Network Development through FEAST
RGI: Where Do We Go From Here?

RGI Focus Areas:

1. Demonstrate the value of rural grocery stores
   1. From economic view
   2. From health perspective
   3. From social / civic view
2. Explore feasibility of establishing food distribution center in NW Kansas
3. Explore feasibility of additional food hubs in KS
4. Work with communities across KS to engage in FEAST conversations
5. Increase nutrition education in rural grocery stores
Thank You

RGI
Rural Grocery Initiative

Strengthening our stores
Strengthening our communities

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