

Starved for Access

Understanding the Realities of Rural Grocery Stores



**Where's
the
beef?**

Where's the healthy food?



What *IS* a rural grocery?

- **Economic Developer**
 - Boost to the local economy
 - Source of local sales tax
 - Large economic multiplier
 - Employer - provides an average of 14 jobs in rural communities
 - 5 full-time, 9 part-time
(Kansas State University)
 - Attracts new residents
 - Support the local farm economy
 - But great loss has great ripple effects
 - Grocery dollar leakage
(The Reinvestment Fund)



What *IS* a rural grocery?

- **Access Point to Healthy, Affordable Food**
 - Place affects health and not all places have equal access to environments where healthy choices are available.
 - A lack of access to, and intake of, nutritious foods has been linked to heart disease, diabetes and obesity
(*Convergence Partnership*)
 - Can offer more healthy foods at lower cost



What *IS* a rural grocery?

- **Community Builder**
 - Informal meeting place
 - Builds relationships and social capital
 - Anchor of community life



How did we end up here?

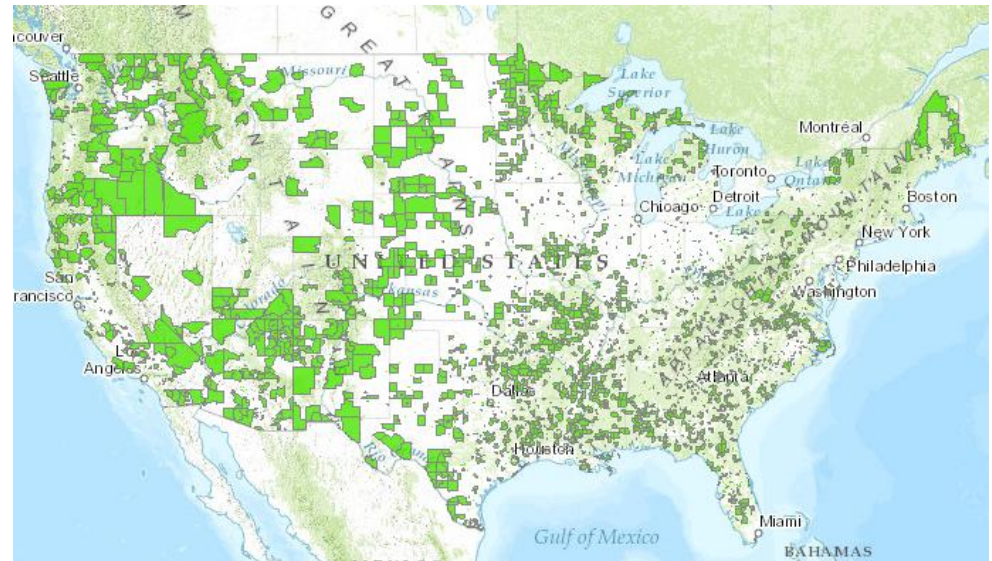
- Overall decline in rural population
- Larger senior population and larger impoverished population
- What does this do to a store?
 - In 2000, the average population needed to maintain a grocery store was 2,843 people.
 - By 2005, it was 3,252 people. (*Iowa State University Extension*)
 - More rural residents live within a 10 minute drive of a fast-food chain or convenience store but not a large grocery.
- Smaller population = less demand = fewer stores

Did we change?

- 2007 Nielson Co. Study found:
 - 85% - choose store if they think it “provides good value for the money”
 - 23% - cite proximity as a factor to where they shop
- Out-commuting/out-shopping (def):
 - Residents purchase groceries where they work in communities that could be 20-30 miles away
 - More common in communities within 50 miles of a large supercenter such as a Wal-Mart
 - Travel is consolidated to 1-2 trips/week

Rural Food Access

- 2.3 million rural citizens live within rural food deserts (*USDA*)
 - Lack of access (def): 33% of the census tract's population resides more than 10 miles from a supermarket/large grocery store
 - Poverty (def): 20% of the census tract is below poverty level
- 802 counties nationwide qualify as a food desert
- Great Plains has highest concentration with 418 counties (*Center for Rural Affairs*)



The Usual Suspects

- Food deserts
- Food swamps
- Low supermarket access areas
- Grocery gaps
- Sparse food areas



**DOES IT REALLY MATTER
WHAT IT'S CALLED?**

*“We are one of your statistics,
I’m afraid. We are losing our
grocery store in Protection. The
owner has an illness and she
must sell or go out of business.
**It will be a sad situation for an
already depressed town.”***

~email received by the Kansas Rural Grocery Initiative

Key Food Access Issues

- **Accessibility:** Can you get to food sources?
- **Availability:** If so, is healthy food available?
- **Affordability:** If so, can you afford it?
- **Know how:** Do you know how to prepare it?



What do we know?



- Distance to the nearest supermarket/grocery was found to predict healthier eating and lower risk of obesity and chronic disease (*"The Grocery Gap", The Food Trust*)
- People who lived near supermarkets consumed more fresh produce and less likely to be obese (*"The Grocery Gap", The Food Trust*)
- Research has shown an inverse relationship between store proximity and obesity (*American Dietetics Journal*)
- Transportation is a huge issue for lower income and elderly populations

How did we end up here?

- Store Owner Struggles
 - Work six to seven days a week and cover nearly all shifts
 - Limited return on their investment
 - Community involvement takes take away from the store
 - Lack of quality employment leads to concerns of business succession
 - Low profit margins
 - High labor costs
 - Feel disconnected from other retailers
 - Lack of community support



How did we end up here?

- Distribution issues
 - Large minimum orders
 - Rarely see a distributor unless it's for alcohol, cigarettes or junk food
- Competition with big box supercenters
 - Huge increase
 - Perception versus reality
 - Dollar stores
- Visit the Rural Grocery Initiative at www.ruralgrocery.org to read K-State's "Challenge" briefs



Alternative models

- Independent retailer
- Community-owned store
- Cooperative
- School-based enterprise



Independent Retailer

- Connie Mefford, University of Missouri Extension
- Case study: Pilot Grove, MO



Community-Owned Store

- Similar to a cooperative
- Board of directors that helps set direction
- Benefits of a community-owned store (*K State*):
 - Preserve town's local character
 - Residents understand the economics of operating the store
 - Complements other businesses to create a thriving local economy



Cooperative

- More common in urban areas
- Four keys to success (*University of Wisconsin*):
 - Strong operational management
 - Member, community & industry support
 - “Reasonable” competition
 - Dedicated organizers



School-based Enterprise



- Leeton, MO
 - Population: 619
 - **Bulldog Express**
 - National model
 - Social entrepreneur and small business operation curriculum
 - Opening a deli in the adjacent building they just purchased

Kansas Rural Grocery Initiative

- Director: Dr. David Procter
- Center for Engagement and Community Development at Kansas State University
- www.ruralgrocery.org
- cecd@k-state.edu
- Blog, e-newsletter
- Rural Grocery Summit – June 9-10, 2014
- Resources available include case studies of sustainable models and “Challenge” briefs

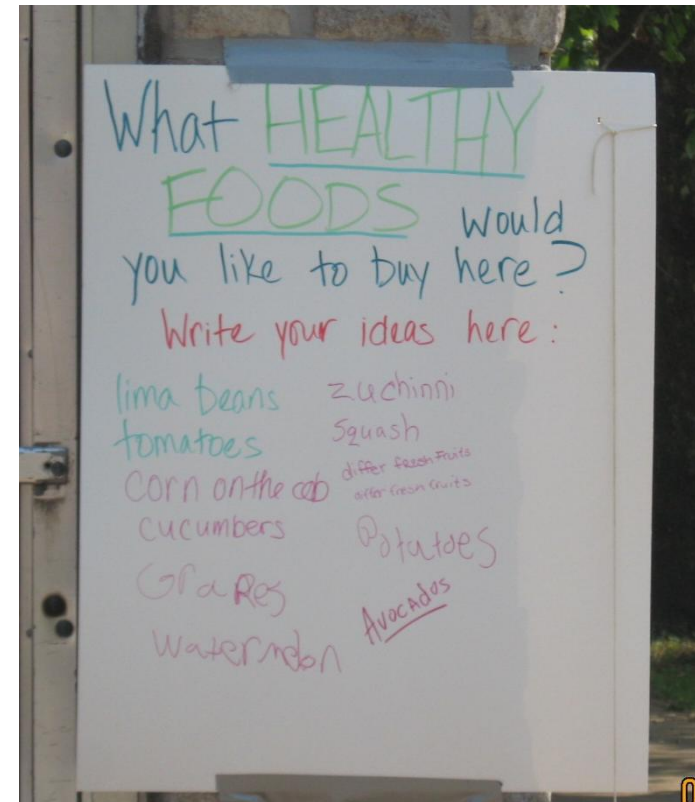
R G I
Rural Grocery Initiative

Saving Our Stores. Saving Our Communities.



Building Demand & Improving Health

- Build community awareness, hold community conversations
- Create unique community partnerships
- Focus on the store's strengths
- Listen to customer needs and wants
- Sell local and value-added products



Building Demand & Improving Health

- Think regionally and partner with other rural retailers – don't think of them as competition
- Nutrition education both in the store and in the community
- Focus on the elderly in your community



Healthy Retailing Toolkit, Website & Webinar Series

- Audience: retailers, community-based organizations and decision-makers
- Tips and tools of the trade:
 - How can community-based organizations increase access to healthy foods
 - Partnering with a local store
 - How to integrate nutrition education in the store and in your community
 - Ideas for students to work with a store
 - Advice from participating healthy food retailers in both urban and rural areas
 - Information on the profitability of healthy foods
 - Tips for how to develop a comprehensive place-based strategy
 - Key community building/partnership principles

Coming in
2014!



Kara Lubischer
Community Development Specialist
University of Missouri Extension
lubischerk@missouri.edu

Connie Mefford
Community Development Specialist
University of Missouri Extension
meffordc@missouri.edu

Pat Simmons
Associate Bureau Chief
Missouri Department of
Health & Senior Services
pat.simmons@health.mo.gov



QUESTIONS?