

Policy Tools for Saving the Small Town Grocery Store

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Tawnya Laveta, Farm to Table

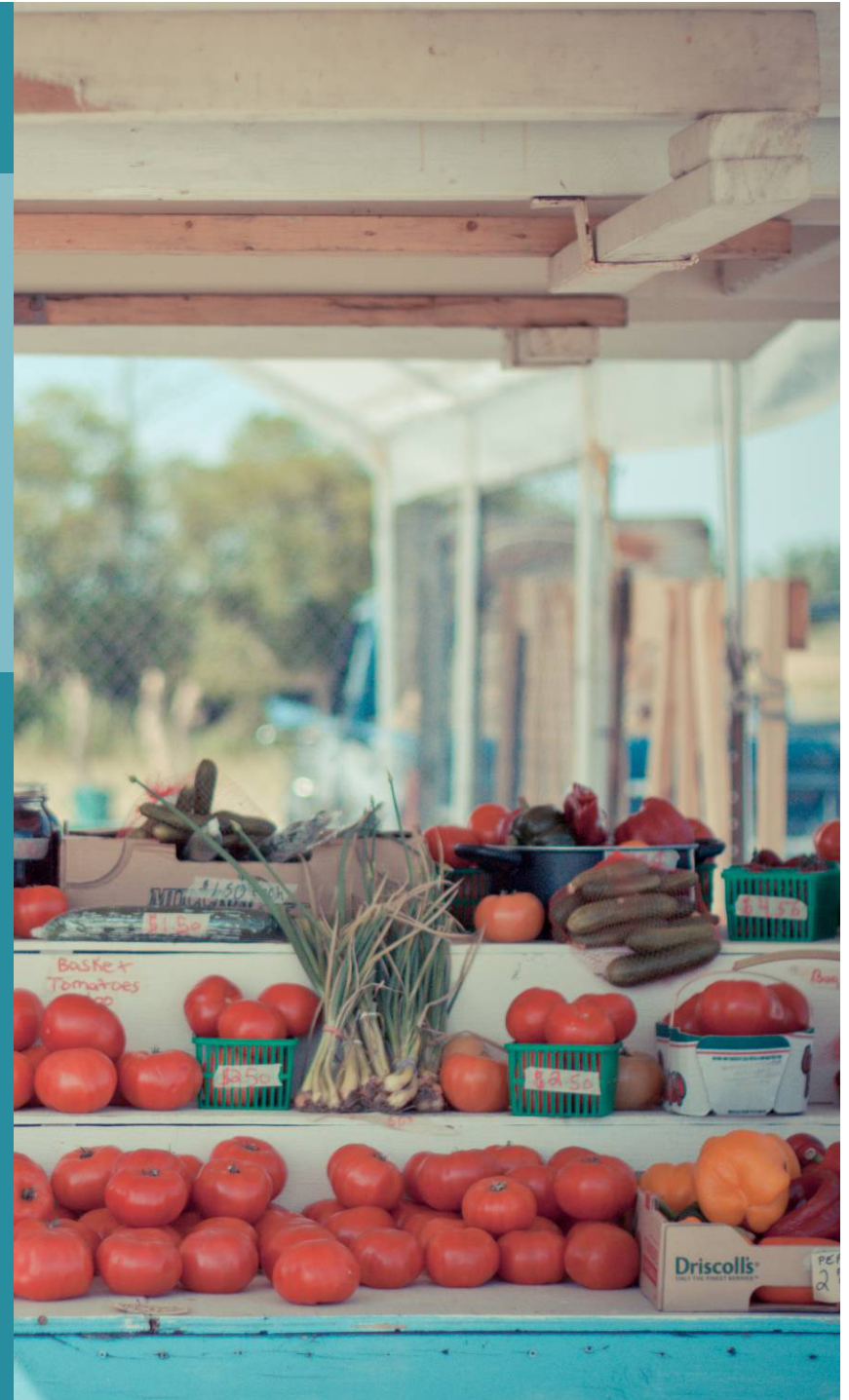
Lisa Chen, Public Health Law & Policy

February 3, 2012

New Partners for Smart Growth Conference

San Diego, CA

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Today's Roadmap

Welcome

Brainstorm on rural grocery challenges

Kansas State's Rural Grocery Initiative

New Mexico Food Cooperatives Take Root in Frontier Towns

Policies & funding for sustainable rural grocery



What are the challenges faced by rural grocers?

- *Why are you interested in today's topic?*
- *In your community, what makes it difficult for small grocers to remain economically viable?*



Overview

**Economically Sustainable, Healthy
Rural Grocery Stores**



*“Strategies for Saving
the Small Town Grocery Store:
K-State’s Rural Grocery Initiative”*

*A presentation to the 11th Annual
New Partners for Smart Growth*

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K-State'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.

Rural Grocery Stores: The Public Need

- **Economic Development:**
 - Rural grocery stores closing causes local economic distress
- **Food Access:**
 - Without rural grocery stores, citizens often lack access to nutritious food
- **Community Sustainability:**
 - Rural grocery stores are a critical infrastructure sustaining small town America



Economic Development

- Rural grocery stores are a critical small business
 - Grocery stores provide numerous local jobs
 - 2.5 million of jobs nationally
 - 14 jobs in rural communities (avg: 5 full time; 9 part time)
 - Grocery stores represent a significant source of local taxes
 - Sample of six KS stores shows 20% of community sales tax receipts come from rural grocery stores



Economic Development

- Locally-owned, small business have a larger economic multiplier
 - boost to your local economy that results from locally-owned independent businesses, owners, and employees spending business revenue within the region
- When grocery stores close, a ripple effect occurs
 - Onaga, KS example
 - Kent, MI example



Food Access

Many rural citizens live within rural food deserts

- **Poverty:** significant percentage of census tract's population live below median family income.
- **Lack of Access:** substantial number census tract's population resides more than 10 miles from a supermarket or large grocery store.



Food Desert *Locator*

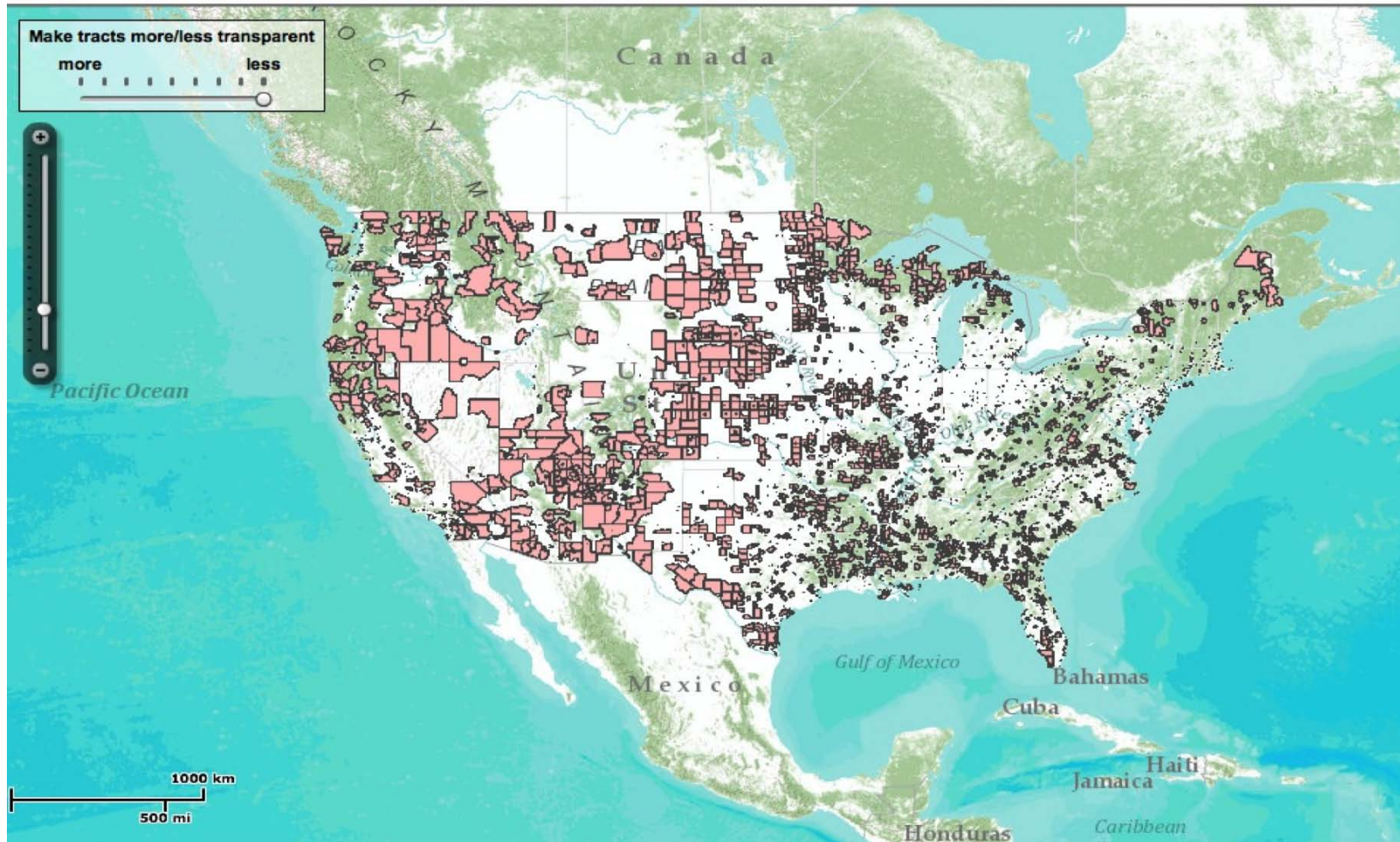
Highlighted census tracts are food deserts. Click on a tract for details.

Find Address

Change Background

Print Map

Help



Community Sustainability

- Rural Grocery Stores:
 - are a critical infrastructure for rural communities
 - are a cornerstone business
 - has social benefit beyond food
 - attract new residents, retains existing citizens

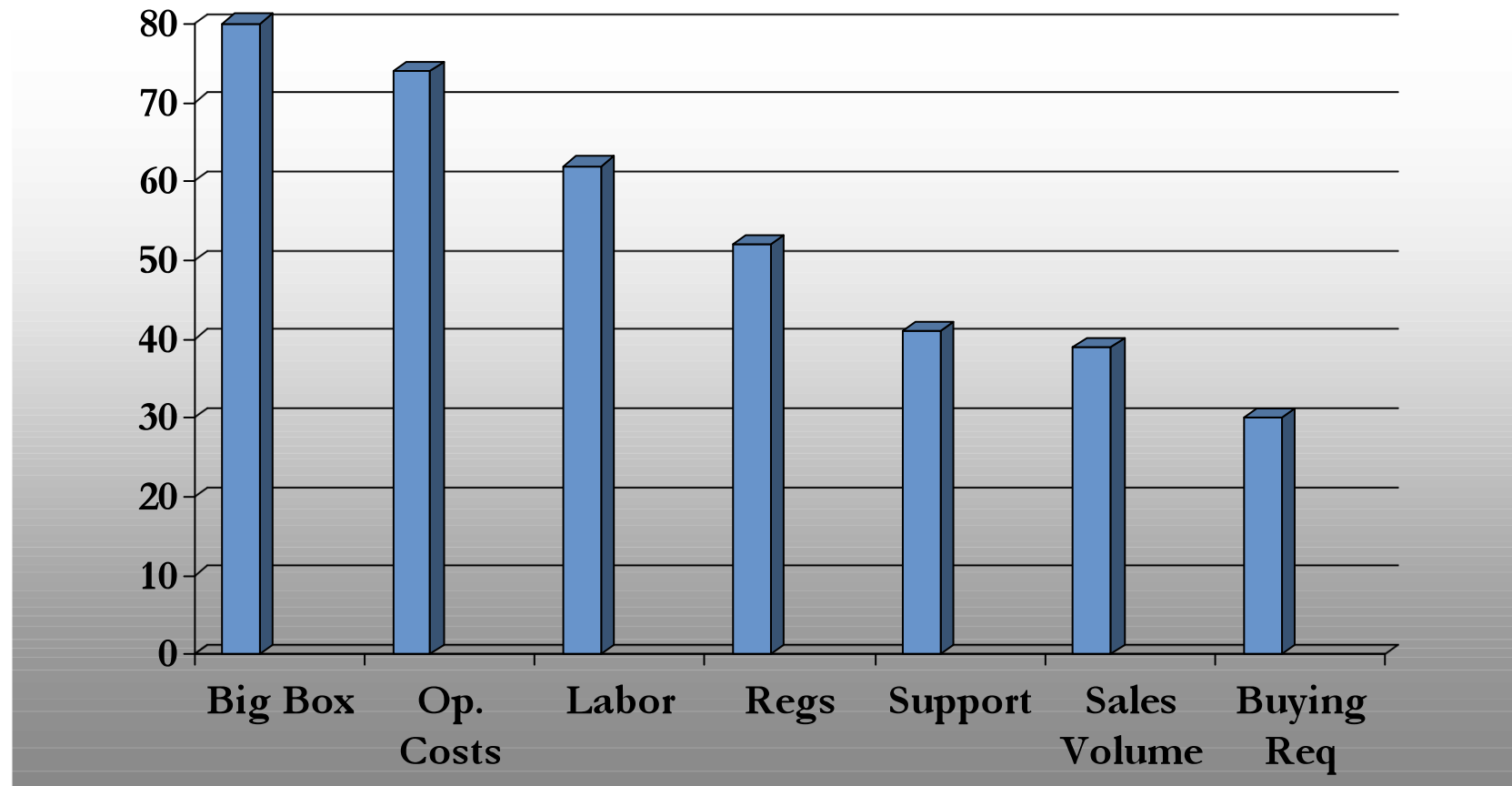


Our Rural Grocery Initiative Goals

- Identify the significant challenges facing rural grocery stores (in communities of 2,500 or less)
- Develop “best practice” responses to grocer challenges
- Develop a national information network for rural grocers
- Identify and highlight sustainable business models for rural grocery operations



Rural Grocer Challenges



Challenge: Finding the Right Ownership Model

- *School-based enterprise*
 - Leeton, MO; Rothsay, MN
- *Community owned / Co-ops*
 - Gove, KS; Walsh, CO
- *Public / private partnerships*
 - Onaga, KS; St. Paul, KS
- *Sole proprietorships*
 - Little River, KS; Jetmore, KS
- *501(c)3*
 - Plains, KS; Morland, KS



Challenge: Securing Community Support

- The power of community support
 - *Walsh, CO*
- Processes of building community support
 - *Community “investment”*
 - *Effective grocery store operations*
 - *“Buy Local” education*



Challenge: Meeting Minimum Buying Requirement

- Identifying and facilitating grocery collaborations
- Expanding food redistribution centers
- Establishing cooperative wholesale food distributor
- Looking for ways to increase food sales
 - Improved Marketing
 - Farmers Market
 - Local Growers



Web Resource for Rural Grocers

www.ruralgrocery.org

- Best practices
- Food suppliers / food networks
- Key research
- Rural grocery news & videos
- Funding opportunities
- Facebook: Rural Grocery Initiative 
- Rural grocery blog: <https://blogs.k-state.edu/ruralgrocery/>





Thank You

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Action

Engaging Residents and Policymakers in
Rural Grocery Stores

“New Mexico Food Initiatives Take Root in Frontier Towns”

Mobile People & Stores, Buyers’ Clubs, & Coops

Session: Strategies for Saving the Small
Town Grocery Store

New Partners for Smart Growth Conference
February 3, 2012

Tawnya Laveta, Farm to Table





New Mexico

2 million people

22 Sovereign Nations
121,000 sq mi
17 people/ sq mi
\$22,966 per capita income
18% below poverty level





City Populations

Albuquerque 545K

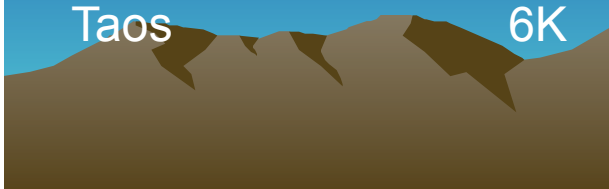
Las Cruces 97K

Santa Fe 69K

Gallup 22K

Española 10K

Taos 6K





T or C 7,200

Clayton 2,100

Corona 165





Rural Decay: 40+ year trend

- no banks
- no retail
- no professional services
- no hardware or general stores
- no gas stations
- limited transportation
- no jobs
- no business support services

Challenges for Bringing Back Our Grocery Stores

- Dispersed population, low income
- Shortage of buildings & infrastructure
(water, sewer/septic, power, broadband, “out of code” or “no code”)
- Need more than just groceries
(prescription drugs, ATM, tax services, FAX machine, gas, hardware supplies, animal feed, office supplies, internet access)
- Lost expertise for managing a store
- Limited public transportation to food
- Families w/ no vehicles or unreliable vehicles
- Only 1 supplier delivers to rural areas



Carrizozo: 1,360 people, 26% poverty level, 24% Seniors
No Grocery Store. “Getting people to good food” ½ hr away



Public Transportation to Nearest Grocery Store: Capitan (1,500 people, 13% below poverty level, 16% Seniors)



Senior Van: Seniors ONLY

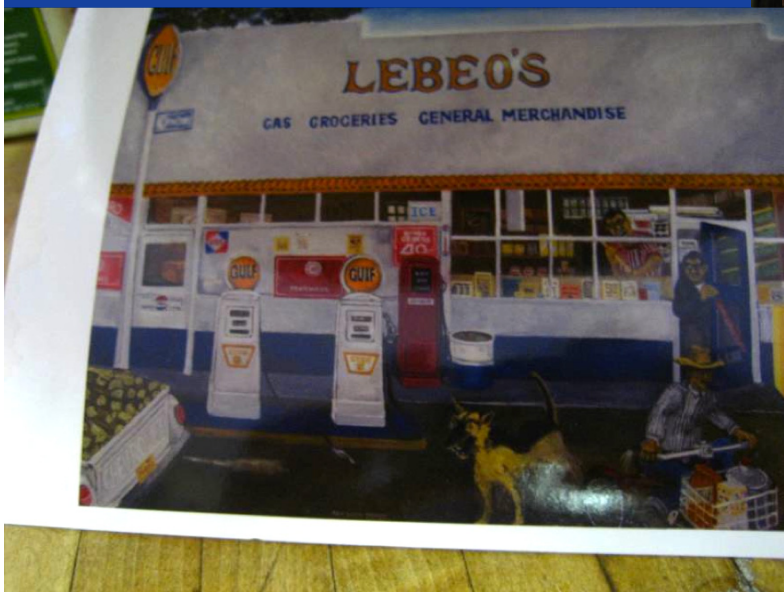
- No other riders
- No other cargo
- No extra routes or stops



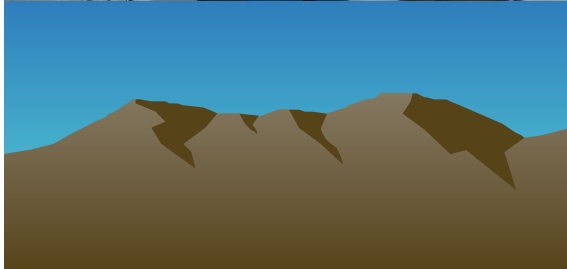
Dixon Market

440 coop members, 1,000 sq. ft. (and expanding)
Dixon's 2,000 residents spent \$4M on grocery items *out of town*
before the store opened.





- Piggyback order with Española grocery store
- Order from La Montanita CDC
- Buy from local farmers & food entrepreneurs
- Host weekly Farmers' Market
- 2 FTEs & 25 volunteers
- After first 6 months, "in the black"





McKinley County: 75% of pop. is Native American
28% of pop. below poverty level
35% Adult Obesity Rate



Cibola County:
41% of pop is N. A.
6 people per sq. mi.

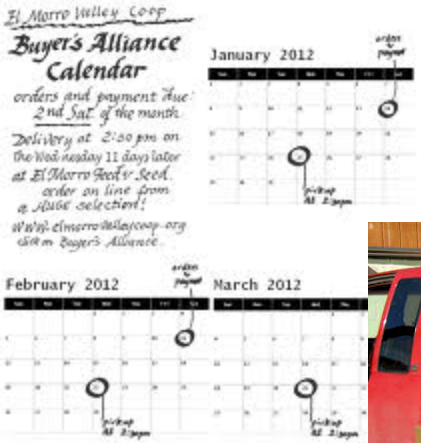
- Zuni Pueblo
- Ramah Navajo Band
- Mormon Settlers
- Newcomers





El Morro Valley Coop

- One hour from nearest grocery store
- Online Buyer's Alliance 1x/ month
(La Montanita CDC delivers order to Gallup store)
- Online Local Producers Market
- Conducted feasibility study through Arrowhead Center, NM State University (valued at \$9,700)
- In process of community organizing & needs assessment



630 healthy items
Wholesale +10%
Ave aggregate order is \$500-\$1,000
A volunteer picks up in Gallup



La Montanita Coop (CDC) Cooperative Distribution Center “filling the gap”



Scale of LMC Sales...

1 hr of sales in Santa Fe store =

1 wk of sales in Gallup store

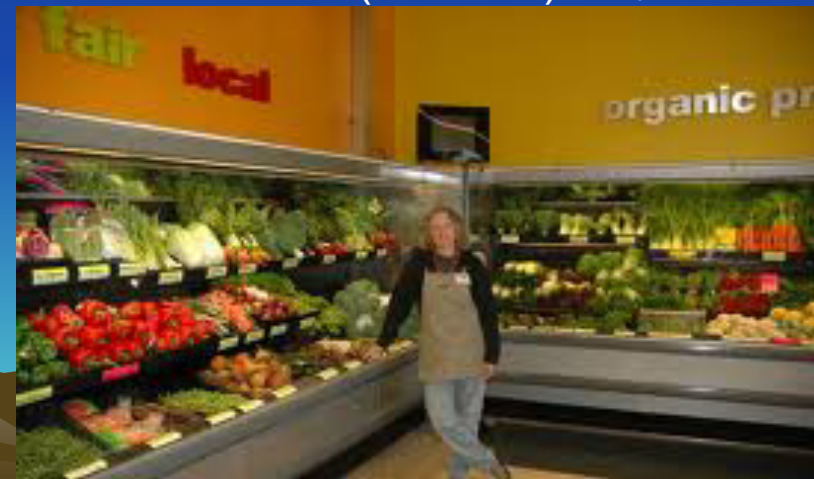
Total LMC sales (5 stores) = \$28.5M

The CDC...

Distributes to their 5 stores,
Food Coops, Food Service, Grocery Stores,
Restaurants, and Buying Clubs in NM.

--Local, Organic, & Natural Products

LMC provides planning & operational TA to
coops





Distribution Innovations: Mobile Grocery Stores



Partners: Johns Hopkins Univ, La Montanita
-2x/ wk to Kewa Pueblo & San Felipe
- began April 2011, suspended route 7/11
- beginning deliveries in February 2012 w/
new modified trailer (indoor shopping)

Resources

Closing New Mexico's Food Gap Reports

www.farmtotablenm.org

<http://www.dixonmarket.com>

<http://www.elmorrovalleycoop.org/>

<http://www.lamontanita.coop/>

<http://www.mogro.net/>

Statistics: US Bureau of Census 2010

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The Tools

**How can public policies
support small grocers?**



PHLP works to improve community health by supporting public health leaders.

PHLP does this by providing sophisticated legal and policy tools for use in everyday practice.



market forces + public policy =
“food landscape”



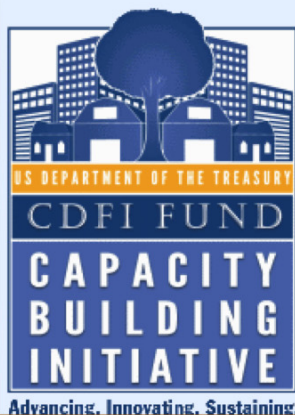
Healthy Food Financing Initiatives



- WHO WE ARE
- WHAT WE DO
- IMPACT WE MAKE
- NEWS & EVENTS
- HOW TO APPLY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

UNITED STATES DEPARTMENT OF THE TREASURY



CDFI Fund Announces \$25 Million in Healthy Food Financing Initiative Awards

September 14, 2011

Washington, DC - Reinforcing the Community Development Financial Institutions Fund's (CDFI Fund) commitment toward economic development in distressed and low-income communities, Director Donna J. Gambrell announced today \$25 million in grants under the fiscal year (FY) 2011 round of the Community Development Financial Institutions Program (CDFI Program) targeted for organizations serving food deserts – low-income neighborhoods with limited access to affordable and nutritious food. The grants, made available as part of the multi-agency Healthy Food Financing Initiative (HFFI), were awarded to 12 Community Development Financial Institutions (CDFIs) focused on developing solutions for increasing access to affordable healthy foods.

What do we mean by
policy?

- ✓ Local
 - ✓ Zoning & licensing
 - ✓ Economic Development
 - ✓ Transportation
- ✓ State and Federal
 - ✓ Grants
 - ✓ Loans
 - ✓ Nutrition Assistance Programs





Local Policy Tools

LAND ASSEMBLY

Burlington, VT

Photo Credit: Churchstreetmarket Flickr Creative Commons





ZONING

Watsonville, CA

Photo Credit: Michael Patrick Flickr Creative Commons

Condition **neighborhood markets**
(convenience stores) at the time of
development review to
incorporate the sale of **fresh**
fruits and vegetables.



WATSONVILLE, CA



BABS

TRANSPORTATION

Alberta, VA

Photo Credit: Taberandrew through Flickr Creative Commons



State Food Policy Tools



GRANTS

Gettysburg, PA



LOW COST LOANS

Norman, OK

Photo Credit: unsure shot through Flickr Creative Commons

The image features a map of the United States with a vibrant, multi-colored abstract pattern overlaid. The pattern consists of irregular, overlapping shapes in various colors including shades of blue, green, orange, pink, purple, and yellow. The text "Federal Food Policy Tools" is centered in a white, semi-transparent oval. The background of the map is a solid blue color.

Federal Food Policy Tools



Rural Business
Enterprise
Grant
Sanderson, TX

Photo Credit: USDA Rural Development



Rural Energy for America Program Elkton, SD

Photo Credit: Farmenergy.org

Rural Innovation Fund Pendleton, Ore

Photo Credit: Santa Fe New Mexican





Don't forget the demand side

OH SNAP!
EAST NASHVILLE FARMERS MARKET
NOW ACCEPTING
SNAP / EBT / FOOD STAMPS
WHEN: **WEDNESDAYS 3:30 TO 6:30**
WHERE: **210 SOUTH 10TH STREET**
Summer Season Starting May 11th, 2011
MORE INFORMATION CONTACT:
Casey Woodling, Community Food Advocates
(615) 385-2286 ext 223
PARTNERSHIP WITH EAST NASHVILLE FARMERS MARKET, AND COMMUNITY FOOD ADVOCATES
EASTNASHVILLEMARKET.COM

SNAP reaches
66%
of those eligible for the
program.

strategies for rural grocery store policy

- ✓ Get to know your local economic development partners
- ✓ Share data
- ✓ Target economic development resources
- ✓ Match the right strategy to your goals




Resources at phlpnet.org

Getting to Grocery

Tools for Attracting Healthy Food Retail
to Underserved Neighborhoods



 public health law & policy
planning for healthy places

Green for Greens

Finding Public Funding for Healthy Food Retail



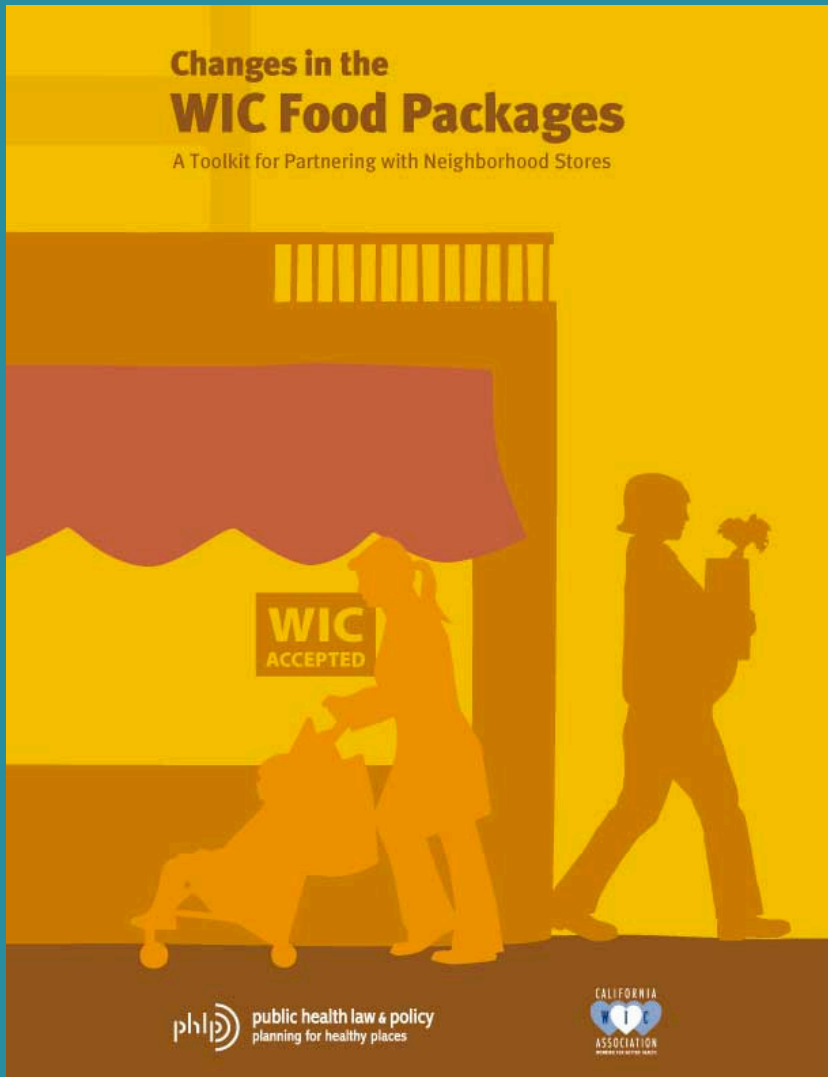
nplan

NATIONAL POLICY & LEGAL ANALYSIS NETWORK
TO PREVENT CHILDHOOD OBESITY

 public health
law & policy

Changes in the WIC Food Packages

A Toolkit for Partnering with Neighborhood Stores



Also available:

Model policies

Webinars

Trainings

Technical Assistance

Thank you!

Lisa Chen
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www.phlpnet.org
www.healthycornerstores.org

Discuss

- ✓ How can you engage **policymakers, local residents, and retailers** in supporting rural grocers?
- ✓ What would work in your community?

Contact us:

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