



SUMMARY:
SOUTHWEST FOOD NETWORK GATHERING
RURAL GROCERY PANEL & DISCUSSION

Wednesday, October 1, 2014, at Kilowatt Community Center, Granite Falls

PURPOSE OF THE EVENT:

- Exchange updates and strengthen relationships among healthy food advocates
- Learn from panelists representing a variety of rural grocery models
- Consider together how best to support rural grocery stores
- Briefly address next steps related to the SW Food Network, Minnesota's Food Access Summit, and the Minnesota Food Charter

RURAL GROCERY PANEL

Panelists spoke about their backgrounds and how they came to operate a retail food store in a small town. They also addressed trends, challenges, and whether/how they sell locally-produced products.

Moderator: David Fluegel, Executive Director, Southwest Regional Sustainable Development Partnership

Panelists:

- Bonnie Carlson, Bonnie's Hometown Grocery, Clinton
- Rebecca White, The Granary Food Co-op, Ortonville
- Brett Almich from Almich's Market, Granite Falls
- Terry Yang, Bubai Food Store, Walnut Grove



Themes from panelists:

- **Distributors** are key players. Distributors may assist small stores with inventory selection and merchandizing. Sometimes small, rural stores cannot get product delivered as often as they wish. Small co-op stores may not be able to work with their first-choice distributor due to limited delivery routes.
- **Differentiation** from competing stores--usually larger stores in other towns--is essential. Customer service, high-quality deli and meat departments, and the store's central role in the community are some differentiating factors.
- **In-store demands for refrigeration/cooling** result in high energy costs. Opportunities are needed for energy-conservation, along with grants and assistance.

Rural Grocery Resources

Rural Grocery Initiative (from Kansas State University):
www.ruralgrocery.org



Rural Grocery Toolkit:

www.ruralgrocery.org/resources/

- Steps for establishing a grocery store (market assessment tools, legal and licensing requirements, financing, marketing, etc.)
- Tools & resources for existing stores (market assessment tools, financial, business management, food suppliers, marketing, etc.)

Presentations and resources from the Rural Grocery Summit (June 2014) are available here: www.ruralgrocery.org/news-archive/ruralgroceryprogram.html

- Shopper marketing nutrition interventions
- Policy tools to support rural grocery
- Improving sales in rural stores
- Community organizing for rural food access

Saving the Small Town Grocery Store (from Center for Rural Affairs): www.cfra.org/renewrural/grocery

- Newsletter series, articles and resources

Themes from panelists, continued . . .

- **Selling local products:** Working with local producers offers stores an opportunity for differentiating themselves from competition. Local products may be available in a wider variety and/or more appropriate (smaller) quantity than products from distributors. Logistics related to delivery & quantity of local products can be time consuming, as can the promotion of local products through signage and education of customers. To sell to grocery stores, producers need to deliver product that is shelf-ready. They also need to sell at wholesale prices and provide invoices that are appropriate for store record-keeping.

NOTES FROM TABLE DISCUSSIONS ABOUT RURAL GROCERY STORES

The QUESTION responses that follow were compiled from notes taken by table hosts.

QUESTION: Which comments, ideas or words caught your attention, and why?

- Relationships with distributors are central
- Economic cycles:
 - Big-box stores were once a growing challenge; now it may be dollar stores
 - Small-town stores may be becoming more relevant again
 - Opportunities exist for small rural stores to use technology to succeed: e-marketing
 - Challenges may be similar among small urban stores
- Rural grocers . . . courageously compete!
- Season extension for growers to be able to sell to grocery stores:
 - High tunnels, greenhouses
 - Year-round availability of meats
- Potential partners:
 - Using Extension SNAP-Ed to demonstrate & promote local foods in classes
 - Potential to host grocery tours by SNAP-Ed educators
 - Farm to School, help food service directors shop for local growers
- Need to market “home grown” options through local ads



QUESTION: Was there something exciting or surprising in the conversation?

- Local foods getting more & more attention
- Energy: opportunity for refrigeration grants?
- Each presenter has been in business for years
- Partnerships among local growers
 - Organize producer clubs (like buying clubs)
- Community and support from local community
 - Local stores are gathering points: “Third places”
 - Volunteers cooperating with a business
 - Local general store/community store
- Fundraising for a local store: can more stores do this?
- Networking and info-sharing among rural groceries could be helpful
 - Addressing common challenges, such as transportation
- Shelf-life of products is important, especially when buying quantity
- Partners:
 - Changes to the SNAP programs
 - SHIP support of connections with local growers (e.g. supporting signage with photos of growers)
 - U of M Extension, Farm to School tools, with e-mails, recipes, templates, etc. Potential to adapt these resources for rural grocery stores.



QUESTION: What was your key insight or most meaningful aspect?

- Potential for more local products in grocery stores:
 - If 80% of sales come from 20% of products, how can we better understand the 20% and have more of it be local? Include meat, milk, produce. Understanding the 20% better might make retailers unique.
 - Considering what “local” means: “Direct from producer” instead of a mileage standard
- Education for young people & in schools about how to use healthy, local foods
- Good to hear from grocers:
 - Five people were asked to be on the panel, all said yes.
 - Enjoy their work
 - Running a store takes so much of their time (7 days/week, 10 hours/day)
- How to benefit both grocers and local producers?
 - Grocers need a wide variety of product, maybe smaller quantities than distributors offer
 - Producers need to sell their product as much as possible

QUESTION: Is there something important that was missed?

- Barriers for Producers
 - Educating producers
 - Legal regulations
 - Note, good resource: [Marketing Local Foods Guide from MISA](#)
- Barriers for stores
 - What do stores need to know about local products?
- Organize producers and buyers

- Cooperating electronically with other sellers, don't compete against each other
- Delivery service: for elderly, call-in orders: promote the service in ads, \$1 fee
 - Deliveries to local businesses

QUESTION: What changes are needed to improve the situation for rural groceries? How would you prioritize these changes? What might be some next steps?

- Deli and selling ready-to-eat food: can use produce & meat that would otherwise go bad
- More info-sharing among rural stores: sharing information on how to succeed
- Energy efficiency:
 - Programs to help get efficient refrigerators & freezer
 - Technical Assistance program for grocers re: cooling & energy efficiency
- Consumer education
 - About food quality
 - Good merchandising/signage
 - Classes on whole foods
 - About the economic impact of local grocers
- Small-scale processing for local products
- Change-makers coming to table with grocers
- Suggestion re: priorities:
 1. First: Reduce overhead
 2. Second: Make uniqueness visible
 3. Third: Engage community more



Photo of Bonnie Carlson from Bonnie's Hometown Grocery Store Kickstarter campaign for a freezer upgrade: www.kickstarter.com/projects/678190098/bonnies-hometown-grocery-store-freezer-energy-upgr

POTENTIAL ACTION STEPS:

- Build partnerships: promote energy efficiency programs; connect stores and nutrition educators for store tours; etc.
- Provide opportunities for information-sharing among rural grocers.
- Organize producers and buyers to reduce logistical challenges of selling local products in stores.
- Promote locally-produced products across the region by providing signage, templates, etc. that tell the stories of both stores and producers.

NEXT STEPS & COMING UP

- **Minnesota Food Access Summit:** Oct. 28-30, Duluth. Get more information and register at www.foodaccesssummit.com. *Scholarships are still available.*
- **Minnesota Food Charter will be launched** at the Summit: www.mnfoodcharter.com. "The Minnesota Food Charter will ensure we have healthy, affordable and safe food," understanding "where we need to go to improve access to healthy food and what it will take us to get there."
- How would you like to see the Minnesota Food Charter discussed at a **Southwest Food Network gathering**? Interested in helping plan dates, locations, or suggesting **topics/speakers** for Network gatherings? Not on the list to receive ongoing updates? E-mail Anne at adybsett@umn.edu.