Case Study

Grand Challenge – Access to Healthy and Affordable Food

The local grocery store is an integral institution of rural communities and in rural life. Not only does the local grocery store provide the sustenance of life, it fills the roles of economic driver, community builder, employer and meeting place. Unfortunately, many rural communities across the nation are losing local grocery stores, and residents are forced to leave their communities to purchase food, often at great expense due to great distance.

In Kansas, 82 grocery stores in communities of fewer than 2,500 people have closed since 2007, and nearly one in five rural grocery stores has gone out of business since 2006 (Kansas State; Procter). In total, 38 percent of the 213 groceries in Kansas towns of less than 2,500 closed between 2006 and 2009.

Many reasons conspire to leave a community without a grocery store. Declining populations mean that a number of rural communities are without an adequate customer base for a local store. A certain population is needed to maintain a grocery store. In 2000, the average population needed to maintain a grocery store was 2,843. By 2005 the necessary population had risen to 3,252. (O’Brien) While the minimum needed population is increasing, most rural communities and counties are decreasing in population. Rural grocery stores, therefore, are fighting larger rural demographic trends.

Rural grocery stores are also fighting changes in larger purchasing patterns among Americans. Between 1990 and 2000, the incidence of residents in towns with populations under 2,500 out-commuting (going to work and presumably shopping in other communities) increased by 72 percent.

This combination of work and shopping patterns is also shown in consumer preferences of how people choose their grocery store. A 2007 Nielsen Company study found that 60 percent of consumers stated that a grocery store that “provides good value for the money” was the most important factor in deciding where to grocery shop. Only 23 percent of consumers site proximity to home as the most important factor. (Nielsen)

Other factors that impact the availability of a locally owned and operated grocery store are an aging ownership and a lack of transfer opportunities when owners retire or decide to leave the business. Many stores are closed and do not reopen under new ownership. Young entrepreneurs are not being cultivated or are not interested in the long hours, low profit margins, and high potential for failure that many stores experience. Likewise there is a lack of available small business capital that prevents younger or new entrepreneurs with limited financial resources from opening a new grocery business. In 2008, the Rural Grocery Sustainability Project of the Kansas State University Center for Engagement and
Community Development surveyed rural Kansas grocers on a variety of topics. (Clark) When asked to identify the most significant challenge, the respondents offered, in order:

- Operating costs/utilities
- Labor Availability/costs
- Competition with large chain grocery stores
- Taxes and regulations
- Lack of Community Support
- Low Sales volume

The survey also revealed other issues facing rural grocery stores. Nearly half of the respondents stated minimum purchasing or ordering requirements were set too high, stating that they were charged a surcharge if the minimum order was not met. About 40 percent of respondents also said they were not provided fair pricing compared to chain stores, and 35 percent stated they had problems getting products delivered because of their location.

Allowing a local store to close and remain closed does nothing but place the community on a path for further depopulation and economic decline. New residents and young families are unlikely to want to live in a community without a place to purchase food. The lack of resources and reliable transportation for many rural residents also raises the possibility of hunger and unhealthy eating patterns in communities without a local grocery store.

Of particular concern is the rural elderly. As their “mobility and social support system diminish with the out-migration of younger family members” they become more dependent upon non-local food sources to which they have to drive or find transportation to get to. (Morton 2004) An Iowa study of rural residents found significant long-term implications of the disappearing local grocery store. Rural residents over 70 years of age are more dependent on the local grocery store and depend upon others more for transportation for grocery shopping. (Morton 2004) As grocery shopping and transportation options become less available in rural communities the rural elderly are the ones who will be most affected.

Rural Counties with low-access to food face significant economic and health challenges. Engaging the community in meaningful discussion that leads to tangible outcomes is paramount for addressing these issues. Using what you know about the various models to design and implement a strategy to address this issue.
This Scenario is an adaptation of a briefing entitled: “Rural Grocery Stores: Importance and Challenges” written by Jon M. Bailey, Center for Rural Affairs Rural Research and Analysis Program, October 2010.

References


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