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Rural Grocery Summit

Farmhouse Market: A Small Market that's Big on Technology

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Farmhouse Market, Minnesota

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Farmhouse Market

New Prague, MN

Who am I?



I'm Kendra Rasmusson

- Co-founder of Farmhouse Market
- Wife to Paul
- Mom to Silvia & Amos
- Owner of a small marketing consulting business
- Small-town girl
- Youngest of five farm-raised kids
- Graduate of the University of Wisconsin-River Falls (BS: Marketing Communications)
- Graduate of the University of St. Thomas (Master's of Business Communications)
- Lover of cooking, traveling (before the kids), music, small towns & documentaries



What is the problem?



Many rural communities in Minnesota are facing a similar problem...

A lack of access to healthy, high-quality food

Why is this a problem?



Grocery stores in many rural communities are struggling to keep their doors open as a result of...

- High operating costs
- Low profit margins

Why does this matter?



Because research indicates a strong correlation between diet-related disease and a lack of access to healthy foods, rural communities are hungry for a solution to this serious problem.

If only there were a way to increase the profitability of the rural grocery store...

Meet Farmhouse Market



- First of its kind, technology-focused grocery store
- Primarily-unstaffed yet open 24/7 to its members
- Not a co-operative, but follows a member-driven business model
- Encourages community residents to purchase a membership in exchange for a 5% discount on every purchase and the convenience to shop whenever they want

So, how does it work?



Farmhouse Market relies on technology to allow members to shop 24/7:

- A keycard entry system
- 24-hour remote video surveillance
- A self-checkout

**Farmhouse Market is also open (and staffed) three days a week for three-hour intervals to the public allowing non-members to shop too.

Why this business model?



This business model allows for:

- One person to staff the store – no need to live on-site or work 60+ hours a week
- “Remote management” – thanks to technological advancements, the manager can keep a bird’s eye view on the store from afar and track inventory and sales with a few clicks on a smartphone
- Pricing flexibility – due to reduced operating/staffing expenses, small rural stores can better compete with larger, retail chains. (*The additional 5% member discount is just icing on the cake!*)

So, what kind of products are sold?



Farmhouse Market is committed to making healthy, high-quality food available in rural communities.

Although working with larger **natural foods distributors** helps round out the product offerings of the store, Farmhouse Market hangs its hat on working directly with **local farmers** and **food producers**.

By sourcing food locally from trusted sources, Farmhouse Market can better ensure its products are safe, fresh (often picked the same day!) and have passed through as few hands – and traveled as few miles – as possible.

****Members ALWAYS have a say in what products are carried!**

What else are you up to?



- Affordable classes offered regularly on anything from making kombucha to sewing to kids' art.
- Partnering with the local hospital and school district to promote healthy eating.
- Community gardens where produce is donated to local businesses, community members or the food the shelf.
- Take & Make-at-home healthy dinners for busy families.

Where is Farmhouse Market located?



Farmhouse Market opened its pilot location in New Prague, Minnesota in October of 2015.

Its opening immediately sparked interest in other rural communities around Minnesota.

Farmhouse Market's technology-based business model could be replicated in any similar rural community around Minnesota, providing for added buying power and increased economies of scale while ensuring healthy, high-quality food is available in rural communities.

How's it going?



- 245 members+ (we surpassed our 12 month membership goal in 3 months!)
- Working directly with over 15 local independent food producers/farmers
- Since October 30th, 2015 Farmhouse Market members have saved over \$2,000 through their member discount
- Farmhouse Market is a 2015 MN Cup Semi-finalist (*Entrepreneurial start-up contest for innovative Minnesota businesses*)

In the news...



Farmhouse Market has been featured by the following media sources:

- The New Prague Times
- Southern Minnesota Initiative Foundation
- KCHK
- AgriNews
- The Heavy Table
- The Star Tribune
- Mankato KEYC News
- SpecialtyFood.com
- The Inquistr
- Good
- Enorm
- Ruptly
- Minneaplis St. Paul Business Journal (*named us an honoree for the 2016 Eureka! Innovation Award!*)
- Minnesota Public Radio
- WCCO Radio

Any questions?



Thanks for your time.

You can always email Kendra at:
FarmhouseMarketNP@gmail.com