Center for Engagement and Community Development

Rural Grocery Summit

Rural Grocery Ownership in Minnesota: An Overview of the 2015 Statewide Survey

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Anchors of Main Street

RESULTS FROM THE 2015 RURAL GROCERY SURVEY

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Regional Sustainable Development Partnerships

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BACKGROUND

- Rural Grocery Stores are key features of small town main streets facing growing challenges.
- Recently, increasing interest in improving access to healthy foods.

BEGINNING IN THE COMMUNITY

INITIAL STORE VISITS

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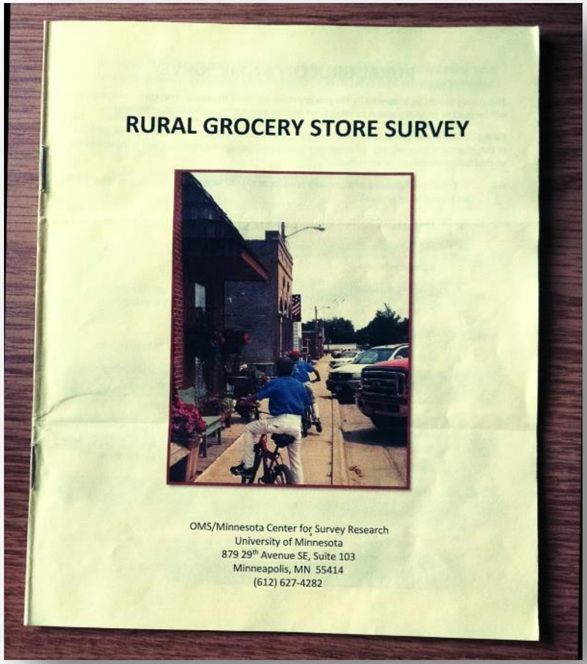
SURVEY DESIGN

- 2008 KSU Rural Grocery Survey
- Questions informed, reviewed and vetted by many stakeholders, including:
  - Rural grocery store owners
  - Minnesota Department of Health
  - Minnesota Department of Agriculture
  - Center for Rural Policy and Development
  - Clean Energy Resource Teams
  - Two grocery wholesale businesses
  - …AND MORE!
- Data collection conducted by the Minnesota Center for Survey Research

SURVEY DESIGN



Question topics:

- Business conditions
- Store characteristics
- Fresh produce availability/challenges
- Interest and sales of locally produced foods
- Infrastructure conditions
- Energy usage
- Energy efficiency needs/priorities

SURVEY FUNDERS

AgCountry Farm Credit Services

AgStar Financial Services, ACA

Minnesota Department of Agriculture

Regional Sustainable Development Partnerships
University of Minnesota Extension

United FCS

AgriBank

METHODOLOGY

- **July 2015 – October 2015**: Mailing and data collection
  - Communities of 2,500 or fewer residents
  - 175 out of 254 stores completed the survey for **69% response rate**
    - Remarkable response given 60 question survey
    - Follow-up conducted with non-respondents via postcard and phone calls.

RESULTS

- Fact sheet topics:
  - Business Characteristics
  - Fresh produce and locally produced foods
  - Energy usage and efficiency

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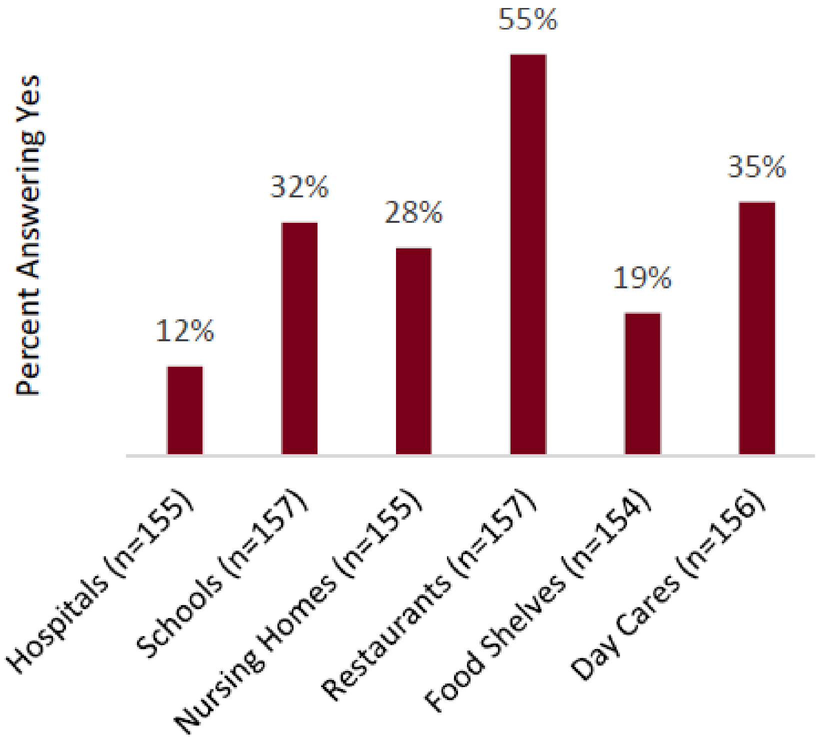
FILLING A NEED IN THE COMMUNITY

What is the farthest that your customers travel to shop at your store, that is, how far does your service area extend? (n=172)

DISTANCE	PERCENT OF GROCERS
FEWER THAN 10 MILES	5%
10-19 MILES	39%
20-29 MILES	28%
30 OR MORE MILES	28%

Do you sell fresh produce to any of the following institutions?



Note. 92% of respondents indicated they sell fresh produce (n=175). Chart reflects only those respondents who indicated they sell fresh produce.

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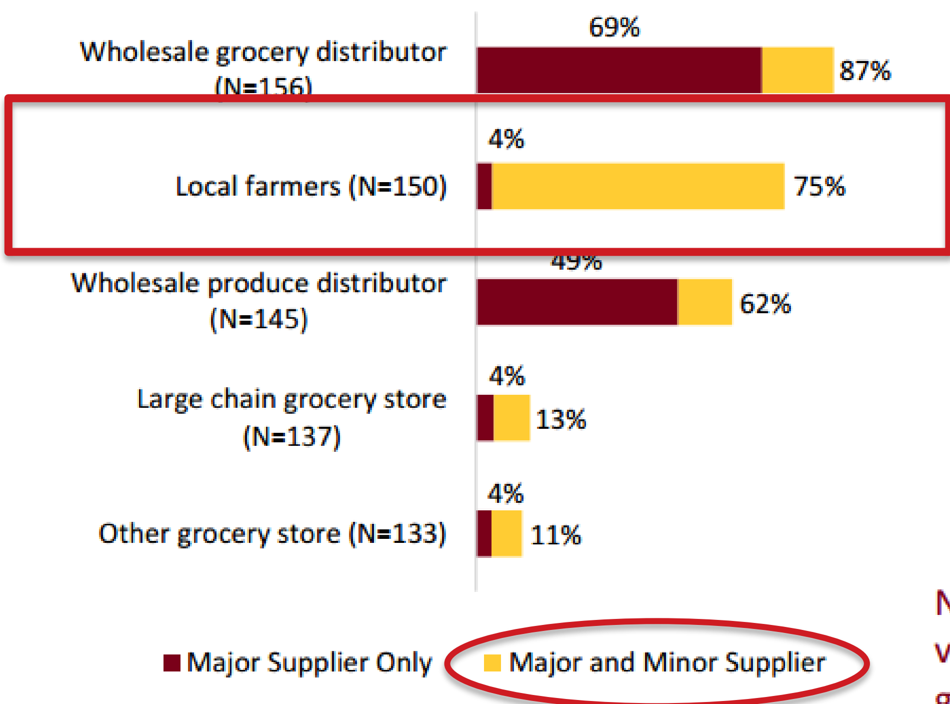
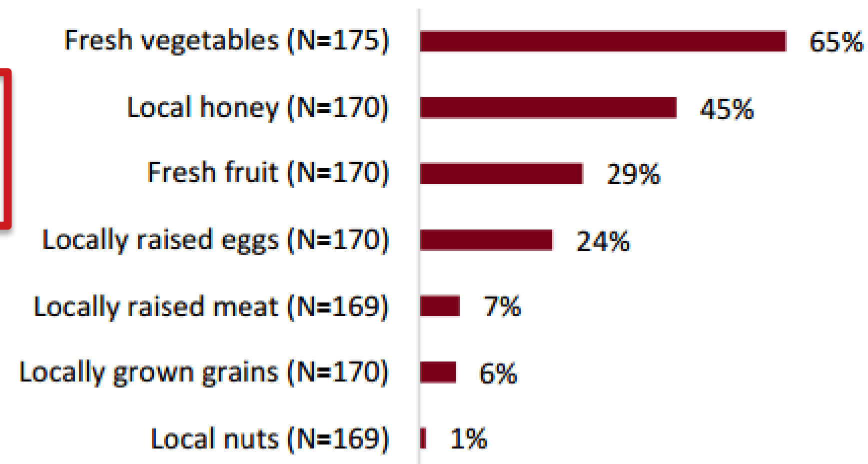
PURCHASING FROM LOCAL FARMERS/PRODUCERS

Where do you get the fresh produce for your store?



Note: 92% of respondents indicated they sell fresh produce (N=175). Chart reflects only that group.

Which of the following do you buy from local farmers or producers?



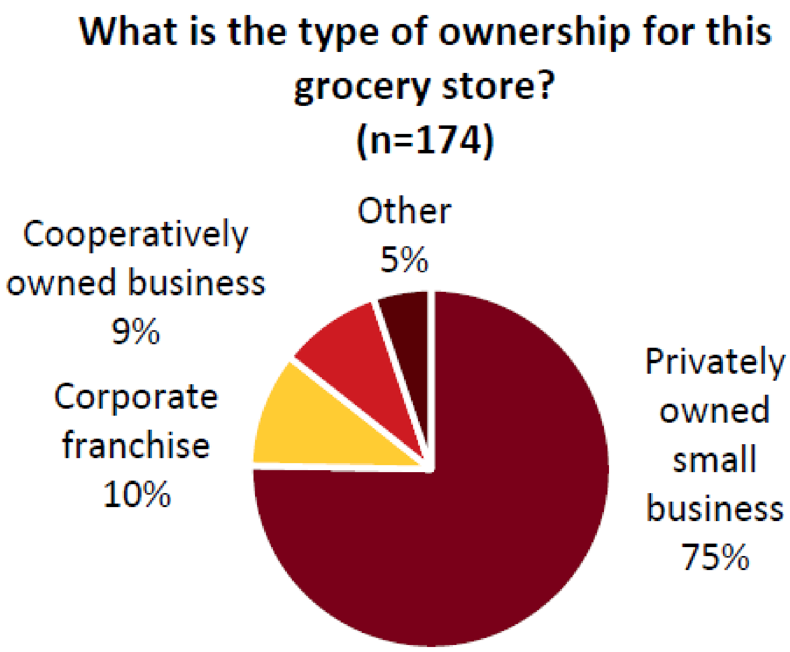
Note: Some respondents listed specific fruits and vegetables in "other." These were recoded into the generalized groups.

CHALLENGES

How much of a challenge are each of the following issues for your store?

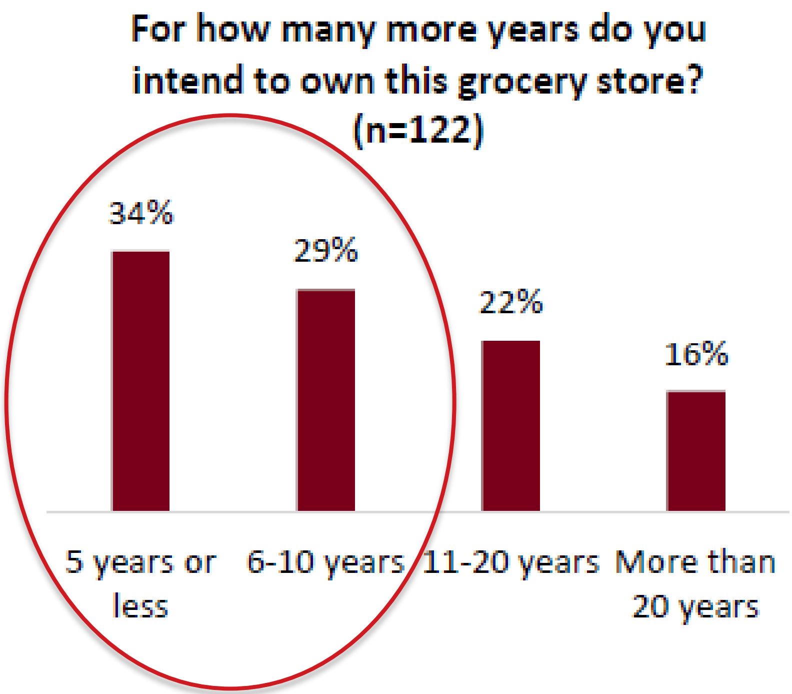
ISSUE	MAJOR OR MINOR CHALLENGE	NOT A CHALLENGE
COMPETITION WITH LARGE CHAIN GROCERY STORES (N=175)	97%	
HIGH OPERATING COSTS (UTILITIES, BUILDING LEASE, REPAIRS, MAINTENANCE, ETC.) (N=175)	95%	
NARROW PROFIT MARGINS (N=174)	94%	
GOVERNMENT REGULATIONS (N=174)	88%	12%
TAXES (N=172)	87%	13%
AVAILABILITY OF SATISFACTORY LABOR (N=175)	85%	15%
LOW SALES VOLUME (N=174)	84%	16%
SHOPLIFTING/BAD CHECKS/INTERNAL THEFT/UNPAID ACCOUNTS (N=175)	81%	19%
HIGH INVENTORY COSTS/LOW TURNOVER (N=173)	77%	23%
LACK OF COMMUNITY SUPPORT (N=175)	77%	23%
DEBT AND/OR HIGH PAYMENTS (N=173)	67%	33%
SHORTAGE OF WORKING CAPITAL (N=173)	66%	34%
MINIMUM BUYING REQUIREMENTS FROM VENDORS (N=175)	51%	49%
GETTING PRODUCTS DELIVERED BECAUSE OF YOUR LOCATION (N=174)	37%	63%
AVAILABILITY OF GROCERY DISTRIBUTORS/DISTRIBUTOR SELECTION/OFFERINGS (N=174)	34%	66%

STORE OWNERSHIP



How old is the building where your grocery store is located? (n=171)		
AGE	FREQUENCY	PERCENT
0-15 YEARS OLD	21	12%
16-50 YEARS OLD	76	44%
MORE THAN 50 YEARS OLD	74	43%

TRANSITION PLANS



Do you have any other transition plans for the future ownership of this grocery store?		
BUSINESS TYPE	YES	NO
FAMILY BUSINESS THAT WILL BE PASSED DOWN (N=63)	29%	71%
FAMILY BUSINESS THAT WILL NOT BE PASSED DOWN (N=57)	19%	81%
NOT A FAMILY BUSINESS (N=35)	14%	86%

ONGOING WORK

- In-store Fresh Produce Handling Demos
- Rural Energy for America Program assistance
- AFRI grant with KSU team

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SERENDIPITY GRANT (U OF M)

- March 2016 – March 2017
- Focus on building team of mixed expertise to help decide further analysis, collaboration and dissemination opportunities.
- Expertise both w/in and outside University:
  - E.g. Extension Community Vitality, Applied Economics, American Heart Association, Community Reinvestment Fund, Clean Energy Resource Teams…

Thank you!

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