



Local Sourcing Innovation in Independent and Locally Owned Groceries Executive Summary

PROJECT SUMMARY

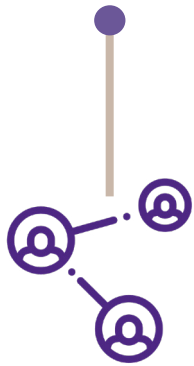
This cooperative research project examined innovative models that integrate locally and regionally produced food into independently owned and rural grocery stores. Independent grocers play a critical role in providing access to affordable and nutritious food in both urban and rural areas. However, they often face logistical, financial, and supply-side barriers to sourcing local food on scale.

The Rural Grocery Initiative (RGI) at Kansas State University, in partnership with United States Department of Agriculture (USDA) Agricultural Marketing Service (AMS), identified innovative local sourcing practices to support replication across communities. The project explored how specific business models, infrastructure, and community engagement strategies could be leveraged to strengthen local food supply chains and grocery store viability. The study also sought to highlight the economic and social value of integrating local foods into independently owned grocery retail.

Project deliverables are available on Kansas State University's Rural Grocery Initiative webpage at <https://www.ruralgrocery.org/learn/research/local-sourcing-innovation/>.

PROJECT INFORMATION

This project was structured into four phases:



Phase 1 **PROJECT ADVISORY COMMITTEE FORMATION**

A committee of 13 grocery industry stakeholders was established to confirm the project scope, goals, and deliverables. The committee met virtually four times to provide feedback and guidance.



Phase 2 **MODEL IDENTIFICATION AND CATALOGING**

The research team conducted outreach and secondary research to identify local sourcing innovations. Information was cataloged and organized by sourcing type, ownership, and operational scale.



Phase 3 **STAKEHOLDER INTERVIEWS**

The team conducted semi-structured interviews with stakeholders from five selected models, including grocers, producers, distributors, and community organizations. The interview data helped uncover challenges, success, and lessons learned.



Phase 4 **CASE STUDY AND TOOL DEVELOPMENT**

In-depth case studies and supporting visuals (i.e. model flow diagrams and comparisons charts) were developed to illustrate practices and insights across different regions and business types. These resources were disseminated to stakeholders via public channels.

KEY PROJECT FINDINGS

Each of the five models employed distinct strategies to improve access to local food through independent or regionally-owned grocery outlets:

- **Farm Runners (Colorado)** – A distribution focused model sourcing from over 100 producers and reaching 500+ customers. Their hybrid aggregation and storefront operation allowed them to minimize waste and maximize local food access. Farm Runners’ key innovation is its vertically integrated approach that combines wholesale distribution with direct-to-consumer retail.
- **Rolling Grocer (New York)** – A nonprofit store model that operates under a three-tiered Fair Pricing System that subsidizes the cost of purchases for low-income residents. In 2024, 1,700 individuals were enrolled, and 60% received discounted pricing. Rolling Grocer’s key innovation is its Fair Pricing System, which provides increased access to affordable produce to its regional customers while supporting local farms.
- **Farm to Freezer (Michigan)** – A for-profit processor and distribution focused model that freezes produce from 40+ small and mid-sized farmers. This model extends seasonal availability and provides access to wholesale buyers such as grocery stores, hospitals and schools. Farm to Freezer’s key innovation is its ability to preserve local produce for year-round availability through flash-freezing.
- **Farmacy Marketplace (Mississippi)** – A nonprofit grocery store model that serves rural communities. They offer training and technical assistance to emerging farmers through the Farm Business Enhancement Program. Farmacy Marketplace’s key innovation is its integrated technical assistance program for beginner farmers and mobile retail models.
- **Balls Food Stores (Kansas/Missouri)** – A family-owned supermarket model that addresses local food sourcing bottlenecks by building a central warehouse to aggregate and distribute local food to over 50 stores in the KC metro area. Balls Food Store’s key innovation is establishment of dedicated aggregation and distribution hub to streamline local sourcing.



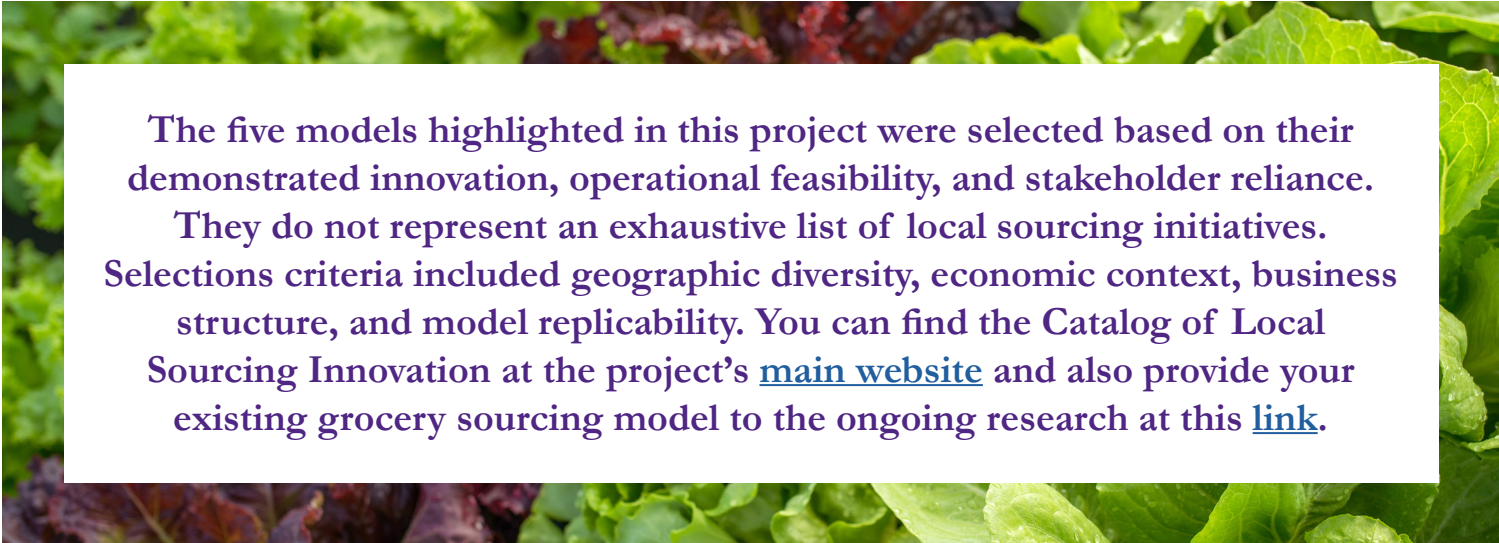
Common challenges across these models include the need for infrastructure investments, building trust-based relationships with producers, and reliance on startup or operational grants to grow operational infrastructure and serve more customers in their regions.

PROJECT OUTPUTS

The Local Sourcing Innovation project generated several key outputs designed to support practitioners, community leaders, and technical assistance providers in enhancing local food sourcing in grocery stores. The project team developed a comprehensive Catalog of Local Sourcing Innovations, highlighting over 40 examples of aggregation, retail operations, distributions, and producer service models from across the country. Each entry in the catalog provides information on the location, operational structure, year established, and sourcing approach.

Additionally, the team created five in-depth case studies to document the operations, business models, infrastructure needs, product offerings, and community engagement strategies of selected organizations and businesses. A visual diagram that illustrates the model's sourcing and distribution process compliments each case study. A comparison chart accompanies the case studies to provide cross-model analysis, offering users an accessible overview of similarities, distinctions, and key lessons that can inform planning and implementation in other regions. These outputs are designed to be practical resources for those seeking to explore, replicate, or adapt local sourcing initiatives in an independent and rural grocery environment.

All project resources, including the catalog, case studies, diagrams, and comparison chart, are publicly available through the Kansas Stated University Rural Grocery Initiative website at the following link: www.ruralgrocery.org/learn/research/local-sourcing-innovation.



The five models highlighted in this project were selected based on their demonstrated innovation, operational feasibility, and stakeholder reliance.

They do not represent an exhaustive list of local sourcing initiatives. Selections criteria included geographic diversity, economic context, business structure, and model replicability. You can find the Catalog of Local Sourcing Innovation at the project's [main website](#) and also provide your existing grocery sourcing model to the ongoing research at this [link](#).

PROJECT COOPERATORS

K-STATE
Research and Extension

Rural Grocery
Initiative