

KANSAS HEALTHY FOOD INITIATIVE



The **Kansas Healthy Food Initiative** (KHFI) aims to increase access to affordable, healthy food to improve the health and economic development of Kansans and their communities.

KHFI provides technical assistance and financing for those seeking to strengthen access to healthy food in low-resource and underserved areas of Kansas.

Types of retail outlets KHFI supports:

- Grocery stores
- Farmers' markets
- Food hubs
- Farm stands
- Mobile markets

Seeded by the Kansas Healthy Foundation in 2017, the Kansas Healthy Food Initiative is a public-private partnership between the Kansas Health Foundation, K-State Research and Extension's Rural Grocery Initiative, NetWork Kansas, IFF, and The Food Trust.



TYPES OF FUNDING AVAILABLE

Grants and loan/grant mixes are available for eligible projects.

- **Loan/grant** funding packages are comprised of 15% grant funding with grant caps dependent on total request. For projects that are part of a larger funding package, the grant request will not exceed 2% of the total project with a maximum request of \$50,000.
- **Expanded program support** is available for applicants who identify as Black, Indigenous, and People of Color (BIPOC). For BIPOC-led projects, up to 20% of the total KHFI funding package can be a grant.

ELIGIBLE PROJECTS

KHFI funding supports one-time investments that sustain or enhance the availability of healthy food at the retail level in low-resource and underserved Kansas communities.

Examples of how funds may be used:

- Building renovation, expansion, or construction of grocery stores, farm stands, processing/packing sheds, and other healthy food retail outlets
- Purchase or upgrade of equipment, including coolers, point of sale systems, farm machinery, vehicles, etc.
- Initial one-time startup costs, including inventory, shelving, etc.

Examples of eligible applicants:

- Grocery store developers and/or owners
- Food distributors
- Local food producers
- Innovative food access entrepreneurs
- Non-profit organizations
- City or county governmental bodies

5 YEARS of the KANSAS HEALTHY FOOD INITIATIVE



KHFI IMPACT: 2018 TO 2022

REACH

- **62** healthy food access projects funded in **37** counties
- Over **\$3.8 million** invested in Kansas communities
- More than **160,000** square feet of food retail space expanded or renovated
- **1,060** technical assistance inquiries supported

JOBS

- **424** jobs retained or supported
- **188** jobs created

LEVERAGE

- In addition to direct investment from the Kansas Healthy Food Initiative, KHFI-funded projects have received **over \$14 million** in funding from other sources.

RESIDENTS SERVED

- Over **259,000** residents served by KHFI-funded projects
- **28.5%** of residents served are Black, Indigenous or People of Color (BIPOC)
- **84%** of KHFI-funded projects located in low-income areas

SELECTED KHFI FUNDED PROJECTS



COMMON GROUND
Wichita, KS



BLUESTEM MERCANTILE
Leon, KS



SUPERMART EL TORITO
Topeka, KS



AXTELL COMMUNITY GROCERY
Axtell, KS

KHFI Projects Funded in Kansas Senate Agriculture & Natural Resources Committee Districts



7 of 9 districts on this committee have received KHFI funding.

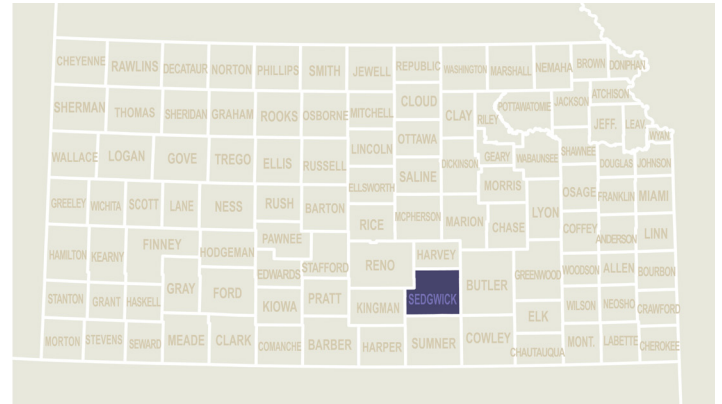
Project	City	County	Project Type	KHFI Funding Per Project	Funding Type	Total KHFI Funding in District
District 2						
Mediterranean Market	Lawrence	Douglas	Grocery store	\$15,655	Grant	\$15,655
District 14						
USD 205 (Bluestem Mercantile)	Leon	Butler	Grocery store	\$31,300	Loan/Grant Mix	\$46,300
Fall River Market	Fall River	Greenwood	Grocery store	\$15,000	Grant	
District 15						
Erie Market	Erie	Neosho	Grocery store	\$15,000	Grant	\$15,000
Wichita Metro Districts (25-31)						
District 29						
The BaM Group	Wichita	Sedgwick	Production	\$18,673	Grant	\$18,673
District 30						
Common Ground Producers and Growers	Wichita	Sedgwick	Mobile Market	\$20,000	Grant	\$20,000
District 31						
Pearson's Farms	Wichita	Sedgwick	Production	\$20,000	Grant	\$39,979
Victory Gardens	Maize	Sedgwick	Production	\$19,979	Grant	
District 33						
Kinsley Food Pride	Kinsley	Edwards	Grocery store	\$15,000	Grant	\$150,000
The Pit Stop	Lewis	Edwards	Convenience store	\$15,000	Grant	
K&J Foods	Dighton	Lane	Grocery store	\$15,000	Grant	
4 Star Hydroponics	St. John	Stafford	Production	\$15,000	Grant	
Stafford County Economic Development (White's Foodliner)	St. John	Stafford	Grocery store	\$75,000	Grant	
Main Street Market & Deli	Stafford	Stafford	Grocery store	\$15,000	Grant	
District 38						
Community Enhancement Foundation of Plains (Grand Avenue Market)	Plains	Meade	Grocery store	\$660,458	Loan/Grant Mix	\$660,458
District 39						
Venture Foods	Sublette	Haskell	Grocery store	\$15,000	Grant	\$15,000

As of December 2022

Learn more at www.kansashealthyfood.org.



Common Ground setting up a delivery of fresh local produce. Photo courtesy of Common Ground Producers and Growers.



About the Community

CITY POPULATION* 397,532

COUNTY POPULATION*† 523,824

MEDIAN HOUSEHOLD INCOME* \$57,540

MEDIAN AGE* 35.5

CHILDREN LIVING BELOW POVERTY LEVEL** 17.5%

FAMILIES LIVING BELOW POVERTY LEVEL** 9.2%

LOW INCOME & LOW ACCESS TO GROCERY STORE†** 10.6%

PEOPLE 65+ WITH LOW ACCESS TO A GROCERY STORE†** 2.7%

CHILDREN WITH LOW ACCESS TO A GROCERY STORE†** 7.4%

Background

Over the years, Wichita has seen the closure of several grocery stores, leading large pockets of the city with low access to healthy, affordable food. Although city leaders and community members have taken a strong interest in this issue, opening a new grocery store has been a slow process.

Recognizing the critical needs of her community, in 2014, Donna Pearson McClish founded Common Ground Producers and Growers, a nonprofit mobile market that works with a network of local producers to move fresh food into the areas that need it most. Its guiding mission: “All are fed. No one is hungry.”

For Donna, the concept of a mobile market was nothing new: her father, who started the family’s urban farm over 50 years ago, also worked with growers to assemble and distribute food to the Wichita community. According to Donna, “We’re just continuing the legacy of the family.”

Today, the mobile market serves locations in Sedgwick, Butler, and Harvey counties.

*ACS 2020, **Kansas Health Matters, †US Census Bureau

The Issue

When the mobile market started, Donna worked with her 16-year-old grandson, KJ, to gather fresh food from local growers, assemble it into boxes, load up a van, and deliver to various neighborhoods around Wichita. They made their rounds twice per month during the growing season, setting up in the parking lots of senior centers, community centers, churches, and other locations. As word of mouth spread, more and more delivery sites were added to their route – until eventually, the mobile market was visiting 35 locations each month.

Then, in March 2020, the pandemic hit. Demand for Common Ground increased exponentially, and new delivery sites were added seemingly every day. When schools closed, producers like Hiland Dairy had an oversupply of food, which Common Ground rescued and distributed. Instead of only operating seasonally, Common Ground shifted to year-round food distribution to seniors and underserved communities. “We were constantly on the go during the pandemic,” recounted Donna. For example, their Seniors First Program provided fresh food boxes to seniors in target zip codes, free of charge. At the height of the pandemic, Common Ground was making 150-200 Seniors First Program deliveries per week – in addition to their typical route.

And it wasn’t just food: recognizing the isolation that many seniors faced during this time, Common Ground also instituted wellness checks with a therapist – Keisha McClish Coutts, Donna’s daughter – who accompanied food deliveries. They also coordinated with other organizations to provide services alongside the mobile market. This included the Wichita State University Office of Engagement, Storytime Village, a local healthcare provider, and more.

It soon became obvious that to keep up with the community’s needs, Common Ground required additional capacity.

Partnering with local producers to overcome food insecurity

A crucial element of Common Ground is its commitment to working with local growers and producers; the mobile market is part of the larger urban agriculture movement that is dedicated to building food sovereignty, improving health, and creating economic prosperity in urban communities.

With firsthand experience working on an urban farm, Donna and her family firmly believe in paying farmers a living, equitable wage. “People don’t understand what it takes to get the food in the ground and the food to your table,” she said. This ties into another hope: that more youth will get involved in farming. “As we grow older, we’re going to have to pass this baton to someone.”

The Kansas Healthy Food Initiative has supported several growers that sell to Common Ground, including The BaM Group, Johnson’s Farm, and Pearson’s Farms. These projects received funding for materials and equipment to expand production and sales to retailers like Common Ground.



Left to right: Randy Coutts, Keisha McClish Coutts, Donna Pearson McClish, David Pearson.

The Process

TIMELINE

1968

Robert C. and Addie Williams Pearson purchase a 40-acre farm in Wichita.

2014

Common Ground Producers and Growers begins operation.

2020

In August, Common Ground receives a Sedgwick County CARES grant to purchase additional delivery vehicles.

Common Ground also becomes one of seven projects nationwide to receive the USDA's first-ever Urban Agriculture and Innovative Production Implementation Grant. The grant is used to purchase a centralized walk-in cooler and conduct outreach.

2021

In March, Common Ground receives grant funding from the Kansas Healthy Food Initiative (KHFI) to build capacity of its producer network.

In addition, electricity upgrades are completed at Pearson's Farms, allowing the walk-in cooler to become operational.

In 2020, using federal pandemic relief funding through a Sedgwick County CARES Grant, Common Ground purchased vehicles to expand its fleet to four delivery trucks. That same year, Common Ground became one of seven projects nationwide to receive the USDA's first-ever Urban Agriculture and Innovative Production Implementation Grant. Common Ground used this award to lease a walk-in cooler, which also required the installation of a new electrical system. The cooler – located on Pearson's Farms – is a centralized aggregation center that improves efficiencies and extends the shelf life of produce. In addition, the USDA grant allowed Common Ground to hire staff, cover travel expenses, train youth workers and farmers, and expand Common Ground's network of growers.

Next, in March 2021, Common Ground received funding from the Kansas Healthy Food Initiative to build the capacity of several local producers that supply food to the mobile market. The grant was used to purchase wash stations, harvest wagons, irrigation supplies, and other materials to improve the cultivation and distribution of fresh produce. Common Ground continues to expand its farmer network in order to increase fresh food offerings at the mobile market.

Today, customers have a variety of convenient options to purchase fresh, healthy produce from Common Ground. Not only does the mobile market physically meet people where they are, it also accepts numerous forms of payment. In addition to cash, debit, and credit cards, Common Ground is an authorized SNAP retailer and participates in Double Up Food Bucks, a program that matches fruit and vegetable purchases dollar for dollar. The market also accepts vouchers from the Kansas Senior Farmers Market Nutrition Program, which helps low-income seniors purchase healthy food at farmers' markets. Finally, customers can also order food online – which Common Ground will deliver.

Currently, the Common Ground team primarily includes Donna and Randy Coutts, who oversees food delivery and logistics. The mobile market also utilizes numerous volunteers. Still, given the growth of the market in recent years, additional support is needed. The duo aims to hire additional staff as Donna transitions away from day-to-day operations and focuses more on behind-the-scenes management of Common Ground Producers and Growers.

According to Donna and Randy, one of the most rewarding and important aspects of the mobile market is their educational programming. For instance, Common Ground worked with a chef to teach delicious, fun, and healthy recipes using their produce. As a result, they have heard firsthand that customers have started incorporating healthy alternatives in their diets. "In the world we live in today, it's easy to get somebody to take a bag of chips, as opposed to a bag of spinach because of the marketing and advertising and the things that come with processed food," Randy said. "But once they've had exposure and an opportunity to get an understanding of how to cook it...it doesn't take long for most people to realize there might be something about this healthy eating that's different and better for me than the processed food."

Donna and Randy acknowledge that there is still a long way to go before they reach their mission – that all are fed and no one is hungry. "Every day that you're out, you almost always encounter someone who you automatically want to add to the list – there is that much need for fresh produce," said Randy. But this is also what propels them to continue adding programs, partnering with organizations, and staying connected with the community.

Lessons Learned



Do your research.

If you're thinking of starting a mobile market, see one or two in action first. Before opening Common Ground, Donna visited several mobile markets and noticed that each was unique. She learned that to be successful, Common Ground Producers and Growers also needed to be tailored to the community's specific needs.



Have a heart for serving people.

Running a mobile market is not easy. To make an impact, operators need to think long-term about the bigger picture. "It's easy to say, 'Oh, I'm going to do it!' But then what happens when it's not as glamorous and there aren't the resources?...It's all about your heart." – Randy Coutts



Find partners in your community with aligned missions.

When tackling such large and intersectional issues, no one can do it all alone. Common Ground recognizes this and has worked with many partners over the years to provide educational programming, expand their offerings, and reach more communities.

Project Successes

Common Ground Producers and Growers has filled a critical need in the Wichita community and beyond by bringing healthy, local food to underserved areas. By building deep relationships with community members, local producers, and partners, they have also identified and addressed other needs beyond food. Using KHFI funding to support their network of local producers, Common Ground is building the urban agriculture movement and creating sustainability in the mobile market.



Customers in line for Common Ground delivery.
Photo courtesy of Common Ground Producers and Growers.

KHFI Impact



Expanded capacity of local growers to supply healthy, fresh produce to the mobile market.



Supported delivery of healthy food at 70+ locations in Wichita and surrounding areas.



Increased healthy food access in underserved and low-income communities.

Icon Credit: Umer Younas, Made, and Danil Polshin from the Noun Project.



2430 E. 33rd Street North Wichita, KS



UrbanAgLife

commongroundpg.com

This success story is written by Erica Blair and Rial Carver for the Kansas Healthy Food Initiative. Published 08/22/2022.

Kansas State University Agricultural Experiment Station and Cooperative Extension Service
K-State Research and Extension is an equal opportunity provider and employer.

K-STATE
Research and Extension

Grand Avenue Market: A 20-Year Quest to Re-establish a Local Grocery Store in Rural Kansas

Rural farming communities across the Midwest fuel the United States' agricultural engine, but there's an underlying contradiction in America's breadbasket. Despite being surrounded by vast swaths of land filled with wheat, corn, soybeans, and other crops that feed the rest of the country, an estimated five million Americans in rural areas must travel more than 10 miles to find healthy, affordable food at a grocery store. The U.S. Department of Agriculture classifies the communities in which these individuals live as "food deserts," but the day-to-day experience is better characterized as food apartheid.

Though this affects residents throughout the Midwest, few places better exemplify the challenges faced by rural communities in sustaining local grocery stores than Kansas. Although there are more than 45 million acres of farmland in the state, residents in approximately one out of every three counties in Kansas must travel outside of their communities to find nutritious food at a grocery store.

The absence of grocery stores in these communities contributes to unhealthy eating habits as residents have limited options for nutritious food, but it also affects the economic outlook for the communities themselves. As the New York Times explained in a front-page story in 2019, the exodus of grocery stores in rural communities – driven by declining populations and stiff competition from low-cost chains in surrounding areas – often leads to the loss of additional community assets like schools, hospitals, and other local businesses.

That was the impetus for IFF partnering to launch the Kansas Healthy Food Initiative, a public-private partnership to improve access to healthy foods in Kansas communities by providing access to flexible capital and technical assistance for the development or expansion of locally owned grocery stores (see the sidebar at the end of the story for additional details about KHFI). Since its founding in 2017, KHFI has supported 40 projects in 30 counties with a total of almost \$3.2 million (\$2.2 million in loans and \$1 million in grants).

KHFI recently provided the critical final source of financing necessary to open a new grocery store in the southwest Kansas community of Plains, a project that illustrates the value of full-service grocery stores to rural communities.

In a Nutshell

What: The opening of the Grand Avenue Market, the first full-service grocery store in the community in 20 years. With the support of the Kansas Healthy Food Initiative (KHFI), a group of community residents developed the grocery store with the understanding that the rural community needed one to remain viable. To do so, they formed a nonprofit organization to develop, own, and operate the store, working tirelessly over the course of two decades to secure the funding and financing necessary to bring their vision for the store to life.

Sector: Healthy foods

Location: Plains, KS

Size: 9,300 square feet

Cost: \$2.073 million

Funding Sources: IFF, Heartland Tri-State Bank, U.S. Department of Agriculture, borrower equity (sourced from the Kansas Department of Commerce, Sunflower Foundation, and KHFI, among other funders)

IFF Support: \$630,458 loan through participation in KHFI (supported by funding from the Healthy Food Financing Initiative) + a \$30,000 KHFI grant

Design: Roger Angell (exterior) & Associated Wholesale Grocers (interior)

General Contractor: JKL Construction

Impact: Creation of 4-6 permanent full-time jobs, 8-10 permanent part-time jobs, and the elimination of food apartheid in Plains

Keeping Plains on the map with the Grand Avenue Market

When the local grocery store in Plains, KS, closed in 2001 after the death of its longtime owner, it was immediately apparent to community members just how vital the store had been to this community of roughly 1,200 residents.

In its absence, many residents began to rely on local convenience stores for their food, but their limited options and largely unhealthy offerings were a barrier to healthy eating. For anything more, residents were forced to drive 29 miles round trip to get groceries at the closest full-service store in Meade, KS. This caused a cascade effect in which the population of the town declined, small businesses suffered, and new challenges appeared – like attracting qualified teachers to the local school district.

For many rural communities, that might have been the end of their stories. But for Plains, it marked the beginning of an extraordinary 20-year effort that culminated this month with the opening of the Grand Avenue Market.

The 9,300-square-foot grocery store offers fresh produce, a meat department, and ingredients prepped for customers to include in home-cooked meals. With an on-site commercial kitchen, the store will also sell fully prepared meals that help reduce waste and create an additional revenue stream for the start-up operation, as will renting out its space to interested organizations and businesses in the community. Grand Avenue Market also plans to offer on-site nutrition education classes, will deliver prepared meals to seniors in the community, and is partnering with a pharmacy that will visit on weekdays with prescriptions.

Getting to the ribbon cutting for the Grand Avenue Market, however, required significant patience from a core group of residents integral to the project, the ability to learn on the fly, and a refusal to give up in the face of repeated setbacks.

For the first several years after Plains' previous grocery store closed, residents hoped another grocer would open a store since there was no competition nearby. That never materialized, however, and by 2008 Plains' City Council tasked a committee with exploring the town's options to re-establish a local, full-service grocery store.

“Making new contacts and asking questions are what made the project possible in the end. If you don't ask for help, you don't get anywhere, and none of us were afraid to ask.”

The committee considered providing incentives for existing grocers to open a new store and establishing a co-op owned by community members, but these and other options didn't seem quite right. But after attending a Rural Grocery Store Initiative event at Kansas State University, committee members learned about another small town that had formed a community foundation to re-establish a local grocery store. With that inspiration, the Community Enhancement Foundation of Plains (CEFOP) was launched to advance Plains' efforts to open a new store, employ the grocery store's staff (1 full-time manager, 3-5 full-time employees, and 8-10 part-time employees) once opened, and to reinvest any profits from the store into additional community-driven projects.

After receiving nonprofit status and developing a business plan, CEFOP began pursuing public and private funding for the Market, gaining traction by securing awards from corporations and private foundations, as well as tax credits from the Kansas Department of Commerce. With cash on hand, the organization acquired a new property in downtown Plains on which to build the Grand Avenue Market.

“The process took a lot of patience, because none of us knew how to develop or run a grocery store when we started,” recalls CEFOP President Jeanne Roberts. “But making new contacts and asking questions are what made the project possible in the end. If you don’t ask for help, you don’t get anywhere, and none of us were afraid to ask.”

Not being afraid to ask and relentless networking paid off in a major way for CEFOP in 2017, when the organization was awarded a USDA Rural Economic Development Loan for its project. Designed to create jobs and spur economic growth in rural communities, the zero-interest loans are provided to local utilities providers who then pass the capital through to eligible recipients in the community. CEFOP was awarded \$852,000 for the project through Pioneer Electric, covering more than 40 percent of the total expected costs (\$2.073 million) to build the Grand Avenue Market.

Not that the triumph was without challenges.

To receive the capital, CEFOP had to acquire a declining balance letter of credit from a bank to secure the USDA loan (guaranteeing that the bank would pay off the loan if CEFOP defaulted and foreclose on the grocery store to recoup its losses). CEFOP had secured the letter of credit, but when their bank was acquired, the new owner declined to honor the letter of credit, putting the USDA loan in jeopardy. CEFOP, in fact, was turned down by a dozen banks before finally receiving a new letter of credit from Heartland Tri-State Bank in Elkhart, KS.

“We had everything in place by the time we approached KHFI but were still short, and the loan through IFF was the last piece of the puzzle.”

“We felt defeated after losing the letter of credit and being turned down by so many banks when we needed a new one, and Heartland Tri-State Bank signing on to the project was the turning point,” says Roberts. “They believe in small towns helping each other and recognize that if we don’t all stick together, rural America is going to die.”

Around the same time, CEFOP contacted KHFI about a loan to cover the costs of equipment for the Grand Avenue Market. While waiting for the \$630,458 loan from IFF to close, CEFOP finalized the design of the new grocery store with the support of local architect Roger Angell and Associated Wholesale Grocers. In November 2020, the KHFI/IFF loan for the project closed, clearing the way for JKL Construction to begin building the facility that the residents of Plains had been actively working toward for more than a decade.

“One of the challenges all the way through this process was that we would get bids, but by the time we raised the money we needed, the bids would be higher,” says Roberts. “We had everything in place by the time we approached KHFI but were still short, and the loan through IFF was the last piece of the puzzle.”

“There have been a lot of people that have worked to make this grocery store a reality, and we couldn’t have done it without each of them,” Roberts continues. “Everybody did their part, and the community stood behind us, cheered us on, and was there with a helping hand whenever we needed it. The building is just amazing, and so uptown for a small town like Plains. It’s going to breathe life back into our community.”

“The building is just amazing, and so uptown for a small town like Plains. It’s going to breathe life back into our community.”



About the Kansas Healthy Food Initiative (KHFI)

The Kansas Healthy Food Initiative (KHFI) tackles challenges to food access in Kansas communities by providing grants, loans, and technical assistance to projects like the Grand Avenue Market that improve food distribution, upgrade grocery sale technology, and facilitate new, expanded, or improved rural grocery stores. KHFI members include:

The Food Trust, a national organization focused on food retail for underserved populations
IFF, which manages the loan fund

Kansas Health Foundation, which provided the \$3 million investment to create the initiative in 2017 and an additional \$3 million in 2021, while also providing expertise in health issues related to food access

Kansas State University's Rural Grocery Initiative, which works directly with food retail outlets and other organizations to improve food access in high-need areas

NetWork Kansas, an organization devoted to the growth of entrepreneurship and small businesses throughout Kansas



KANSAS HEALTH
FOUNDATION

K-STATE
Research and Extension
Rural Grocery Initiative



**NetWork
Kansas**



Strengthening
nonprofits and
the communities
they serve.

The **FOOD
TRUST**



Published December 14, 2021

Adapted for print. Original story published online:

<https://iff.org/grand-avenue-market-a-20-year-quest-to-re-establish-a-local-grocery-store-in-rural-kansas/>



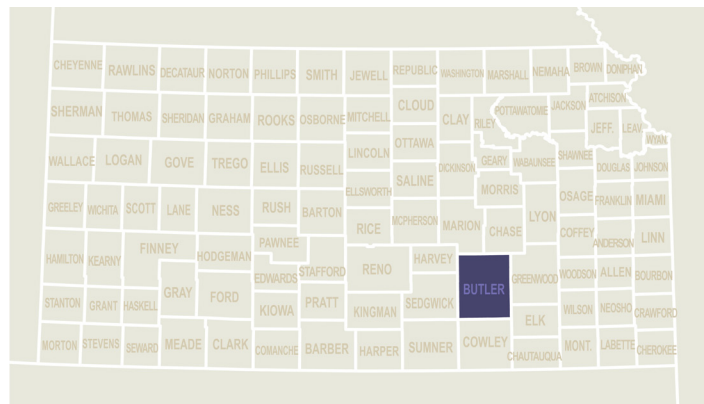
The storefront of Bluestem Mercantile in downtown Leon, KS.

Background

The City of Leon is located in the south-central region of Kansas in Butler County and sits about 30 miles east of Wichita. The Unified School District (USD) 205, also known as Bluestem School District, is based in Leon and runs Bluestem Elementary School (pre-K through 6th grade) and Bluestem High School (7th through 12th grade). The school district spans much of southeast Butler County. While the city only has a population of about 600 people, the Bluestem School District serves nearly 350 square miles of the surrounding area serving about 500 students and 300 families. The school district provides local jobs, countless community events throughout the year and is an important player in the community of Leon.



Coolers at the Bluestem Mercantile.



About the Community

CITY POPULATION* 614

COUNTY POPULATION*† 66,698

MEDIAN HOUSEHOLD INCOME* \$57,125

MEDIAN AGE* 38 years

CHILDREN LIVING BELOW POVERTY LEVEL†** 13.0%

FAMILIES LIVING BELOW POVERTY LEVEL†** 6.8%

LOW INCOME & LOW ACCESS TO GROCERY STORE†** 6.8%

PEOPLE WITH LOW ACCESS TO A GROCERY STORE†** 26.4%

CHILDREN WITH LOW ACCESS TO A GROCERY STORE†** 6.9%

*ACS 2019, **Kansas Health Matters, †County Level Data

The Issue

Over the past 10 years, Bluestem High School has offered an entrepreneurship class for its students. The class has focused on different types of business ventures over the years – from selling candy to operating a coffee shop in the school library. Students in the entrepreneurship class learn about business planning and operations and gain practical, hands-on business experience. The school district superintendent, Joel Lovesee, always encourages the entrepreneurship class to think outside of the box.

To the staff of the Bluestem School District, Superintendent Lovesee is the “idea man.” In the back of his mind, he envisioned opening a business in downtown Leon for the entrepreneurship students to run. To consider their options, Superintendent Lovesee assembled a team of school staff that included Amie Oltman, a special education teacher, and Max Beaver, the high school’s entrepreneurship teacher.

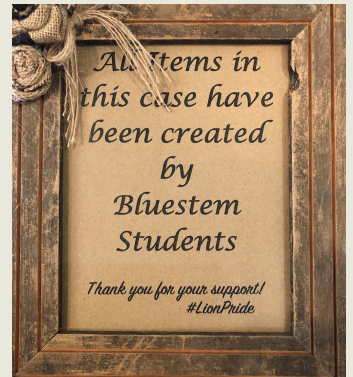
The team considered a restaurant and a laundromat – both businesses that didn’t exist in Leon. Finally, when the old grocery store building came up for sale, the idea of opening a grocery store started to come together. There were educational opportunities for all sorts of students in running a grocery store, and it would fill a need in the community since Leon did not have a grocery store. The nearest grocery stores were in cities at least 15 miles away.

“The three ways we look at any program here since I’ve been superintendent is, what is the best for our kids educationally? What would benefit the community? Is it something that’s feasible for the school district? In our little town there are a lot of things that would benefit this community, but that doesn’t mean it’s feasible for the school.” – Joel Lovesee, USD 205 Superintendent

From school to store - locally-produced, farmed, and purchased

The Bluestem Mercantile effort is wholly supported by the Bluestem School District.

- The entrepreneurship and special education students participate in store operations by assisting with ordering and managing inventory. They’ve even made a game of finding the best deal when shopping for their weekly orders. Nothing like friendly competition to encourage thrifty purchases!
- The Bluestem Agriculture Academy students supply meat and eggs to the grocery store.
- USD 205 clubs and classes make handmade items like candles and woodworking crafts that are sold at the store.



The Bluestem Agricultural Academy students supplies meat and eggs for sale at the Bluestem Mercantile.

The Process

TIMELINE

2009

The first entrepreneurship class is taught at Bluestem High School. The students are loaned a candy vending machine and tasked with selling the candy and paying back their debt.

2014

Leon's locally-owned grocery store closes its doors.

May 2019

Superintendent Lovesee receives approval from the Bluestem School Board to purchase the grocery store building on Main Street in downtown Leon, Kansas.

Nov. 2019

- Representatives from the Bluestem School District attend the Rural Grocery Initiative's Regional Rural Grocery Workshop in Parsons, Kansas.
- Bluestem School District applies to the Kansas Healthy Food Initiative for financing to support opening the Bluestem Mercantile.

March 2020

The Bluestem Mercantile opens for business in downtown Leon after a little over a year of preparations.

When, in 2019, the old grocery store building was for sale, superintendent Lovesee saw an opportunity and approached the school board about purchasing the building. Over the years, the school board had assisted with startup costs for projects like this. For example, when the school's agriculture program wanted to build a barn to expand its agricultural education offerings, the school district approved the initial cost to build the barn with the expectation that the agriculture program would handle the operations and cover their costs through sales.

The school board was required to pass a motion for any cost over \$20,000, and in this case, the school board approved the purchase of the building for \$27,500 with the understanding that the grocery store sales would cover operational costs. The previous owners had completed substantial renovations prior to the school district purchasing the building. As a result, the upgrades needed to set up the grocery store were minimal. Still, there were some costs to revivce the grocery store. The Bluestem School District applied to the Kansas Healthy Food Initiative for financing to cover roof repairs and the purchase of coolers, shelving, a point-of-sale system, and the initial store inventory. The Bluestem School District received about \$30,000 from the Kansas Healthy Food Initiative in a grant/loan combination.

Since the store's primary focus is on providing educational opportunities for its students, the store acts like a classroom - classes are taught in the store 6 hours per day. The store has a seating area with tables, built by the school's shop class, that are used by classes and patrons throughout the day. The store is open to the community for more than just groceries. For instance, on Wednesdays – fried chicken day at the café across the street – the store offers its extra seating to café patrons. The seating area is also available for community groups, such as local clubs and Bible study groups, who want a place to meet.

"We try to partner with everybody...anyone can come and use [the seating area] free of charge. Our school is very open with the public to use our facilities as their own."

– Joel Lovesee, USD 205 Superintendent

While the Bluestem Mercantile is not a full-service supermarket, the store is stocked with the essentials. When the Bluestem Mercantile opened in March 2020 during the COVID-19 pandemic, it immediately became a lifeline for the community of Leon. Local residents preferred visiting the Bluestem Mercantile instead of traveling to larger stores in cities further away - plus they were able to connect with the students working at the store that day.

"The goal was an educational side, and now it's really turned into just a great community benefit overall."

– Joel Lovesee, USD 205 Superintendent

Lessons Learned



Everything is an educational opportunity.

Superintendent Lovesee saw the need for financing to establish the Bluestem Mercantile as a learning opportunity. The school district received a loan-grant combination from the Kansas Healthy Food Initiative and used the funding as a learning opportunity to teach students about paying back loans. Bluestem High School teacher, Amie Oltman, developed a “shopping game” for her students to encourage finding the best deals to stock the store.



Small towns can move fast.

The development of the Bluestem Mercantile moved quickly. By offering both educational and community benefits, the idea of a school-run store was generally met with positive support. With local buy-in and input over the idea, the superintendent was able to move the project forward in a little over a year.

“I love little towns, I grew up in one, I don’t see myself ever leaving one at all. I can move a lot faster in little towns, no bureaucracy here”

– Joel Lovesee, USD 205 Superintendent



There’s no need to reinvent the wheel.

The more examples of school-run businesses that open, the better. Bluestem School District wants to be a resource for other school districts pursuing this model. In small towns where a necessary business is missing, the school district might be able to play a role in providing a service to its community and educational opportunities for its students – a win-win.

Project Successes

The Bluestem Mercantile has succeeded because of its ability to see educational opportunities everywhere. They’ve taken advantage of the flexibility that can exist in a small town and they are now a model for other school districts that may want to take on a project like this in their community.



The front door of the Bluestem Mercantile.

KHFI Impact



The city of Leon has a source for healthy food even in the midst of the COVID-19 pandemic.



Students gain practical business and financial literacy skills at the Bluestem Mercantile.



The store provides a touch point for families in Leon without school-aged children.

Icon Credit: The Noun Project by Davo Sime, Eucalyp, and Rinaros 79

109 S. Main St, Leon, KS

Bluestem Mercantile

www.usd205.com

This success story is written by Erica Blair and Rial Carver for the Kansas Healthy Food Initiative. All photos were taken by Sarah Jolley. Published March 2021.



The White's Foodliner storefront in St. John offers seasonal items to its customers.

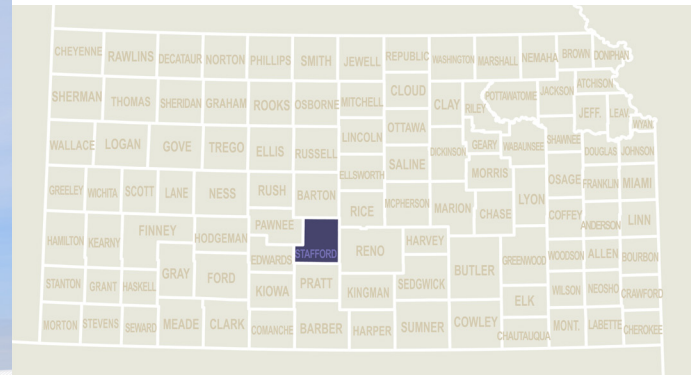
Background

St. John, Kansas is located in Stafford County in the south-central region of the state. The City was founded in 1875 when, as legend has it, a church elder declared the City was blessed and would never be hit by a tornado. To this day, no tornado has come through the city of St. John, although there have been a few close calls.

St. John is located at the southern tip of the Wetlands and Wildlife National Scenic Byway because of its proximity to the Quivira National Wildlife Refuge and Cheyenne Bottoms Wildlife Area. These wetlands provide important habitat for migratory birds along the Central Flyway.



This sign welcomes visitors as they arrive in St. John.



About the Community

CITY POPULATION*	1,410
COUNTY POPULATION*†	4,437
MEDIAN HOUSEHOLD INCOME*	\$50,060
MEDIAN AGE*	41 years
CHILDREN LIVING BELOW POVERTY LEVEL**†	19.7%
FAMILIES LIVING BELOW POVERTY LEVEL**†	9.1%
LOW INCOME & LOW ACCESS TO GROCERY STORE**†	9.6%
PEOPLE WITH LOW ACCESS TO A GROCERY STORE**†	30.5%
CHILDREN WITH LOW ACCESS TO A GROCERY STORE**†	8.0%

*ACS 2013-2017, **Kansas Health Matters, †County Level Data

The Issue

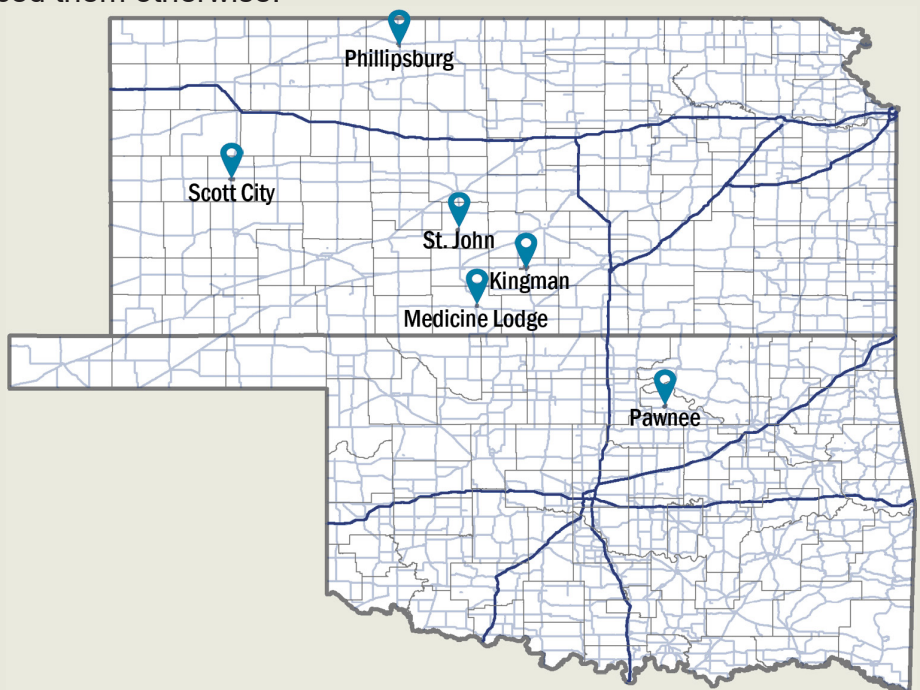
In 2016, the Dillon's Food Store located on the city square of St. John, Kansas, closed its doors. This forced St. John residents to travel to other cities like Great Bend or Pratt (both 26 miles away) or even to Hutchinson (55 miles away) for their groceries.

The city of St. John quickly stepped into action. The mayor appointed a Grocery Store Task Force which included six community members representing the local school district and local businesses. Carolyn Dunn and Ashlee Bevan, Executive Director and Program Director, respectively, of Stafford County Economic Development, worked closely with the Grocery Store Task Force in thinking through options and taking steps towards a new grocery store. Dunn and Bevan were instrumental in grant writing and fundraising for the new grocery store.

At stake was more than a grocery store. For Dunn, the loss of the Dillon's Food Store was a "symptom of a bigger economic problem" for the area, and was a wake-up call for the community. "People intuitively know the importance of a grocery store," says Dunn. This helped unite the community around the common goal of bringing a grocery store back to St. John.

White's Foodliner: A Locally-Owned Regional Grocery Chain

Today, there are six White's Foodliner stores spanning Kansas and Oklahoma. The first White's Foodliner was opened in 1953 in Coldwater, Kansas by Joe and Frances White. Today, White's Foodliner stores are owned and operated by the second and third generation of the Whites, Pat and Jordan White. The Whites refer to themselves as, "students of the business" and are "constantly learning, adapting, and expanding their knowledge of the grocery industry" says Jordan White. The Whites' decades of experience and commitment to the grocery business were attractive to the city of St. John as they searched for a grocery store operator. The Whites were not initially interested in operating the St. John store, but the City demonstrated their commitment to opening and sustaining a grocery store in St. John and convinced them otherwise.



Top Left: The St. John White's Foodliner storefront (photo from store's social media).

Bottom Left: The ribbon cutting at the Grand Opening of White's Foodliner in St. John, Kansas in October 2018 (Photo Credit: Dick Smith, 2018).

Right: The locations of the six White's Foodliner stores operating in Kansas and Oklahoma.

The Process

TIMELINE

February 2016

Dillon's Food Store located on the St. John City Square closes.

May 2016

The St. John Grocery Store Task Force consisting of six community members is established.

September 2016

Grocery store market feasibility study is conducted.

March 2017

Stafford County Economic Development purchases land adjacent to Route 281 for new grocery store.

April 2017

Fuel feasibility study is conducted.

Summer 2017

White's Foodliner and Stafford County Drug both sign letters of intent to operate in the new grocery store.

July 2017

City of St. John signs development agreement in support of a new grocery store.

January 2018

Original building on grocery store site is demolished in preparation of new construction.

April 2018

Construction of grocery store begins.

September 2018

Hiring and store stocking begins.

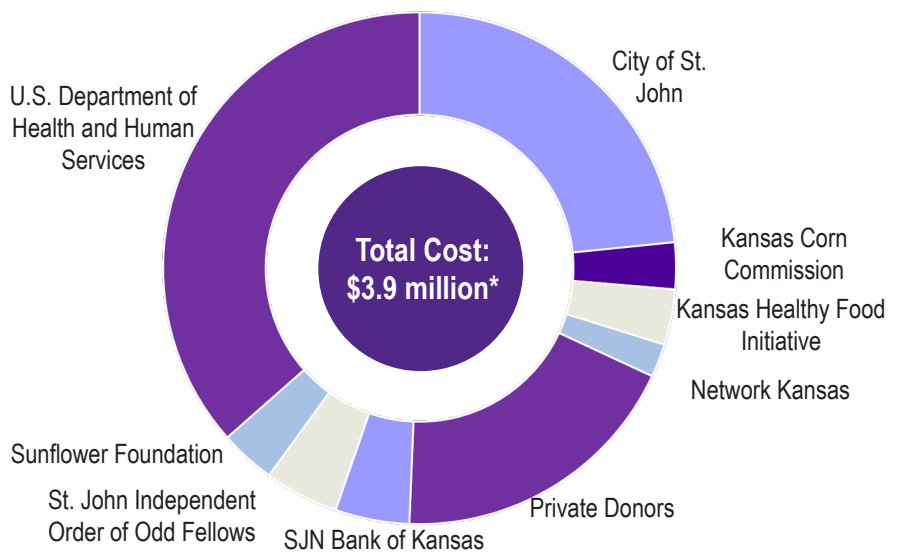
October 2018

Grand Opening of White's Foodliner in St. John, Kansas.

Stafford County Economic Development (SCED) commissioned a market feasibility study to determine the existing grocery market for the St. John area. The study encouraged the Grocery Store Task Force to consider a new location instead of renovating the old store. The study revealed that a new location would provide better opportunity for economic sustainability.

Once the location was established, financing mechanisms were considered. SCED applied for grant funding through federal programs. The City approved and enacted innovative financing mechanisms including a 1% sales tax, a Tax Increment Financing (TIF) District, and the use of Industrial Revenue Bonds. The addition of gas pumps to the store initiated conversations with the Kansas Corn Commission who contributed funds for installation of ethanol gas pumps.

The Grocery Store Task Force interviewed grocery operators interested in operating another store, include the Whites of White's Foodliner. The Whites joined the project and provided input on the store design and layout which included a co-located pharmacy and gas station. For St. John, the ability to construct a new grocery store relied on piecing together many funding sources to cover the multi-million dollar project cost.



Additional Loan Funding

- USDA Rural Economic Development Loan and Grant Program
- SJN Bank

Additional Municipal Financing

- Tax Increment Financing Revenue
- Industrial Revenue Bonds

*Total Cost Includes grants, donations, loans and financing over time.

Lessons Learned

✓ Know the Numbers

Bringing a grocery store back to your community can be emotional, but St. John learned the importance of having numbers that substantiated the need for a grocery store. Dunn felt that the initial market feasibility study was critical to the success of the project. It not only showed that a grocery store could be viable in St. John, it suggested siting the store along the highway and also laid the groundwork for adding gas pumps to the store.

“If I had to do it all over again I’d go to the marketing company, day one, to get a market feasibility study.” - Carolyn Dunn

Seek Strategic External Partners ✓

The financing for the new grocery store was complicated. It involved technical documentation for a newly established TIF District and development agreements with the City and other potential partners. Stafford County Economic Development hired a lawyer to assist in drafting technical documentation and to provide expertise in implementing these financing mechanisms.

✓ Be Persistent

Being successful in opening a new grocery store requires persistence. The City and Stafford County Economic Development were able to fit many puzzle pieces of financing, fundraising, store siting, and operator recruitment together for this unique project to come to fruition.

“It was the right time, right situation and right town”

- Jordan White

Project Successes

The story of White’s Foodliner in St. John shows the importance of knowing the numbers, seeking strategic external partners, and being persistent. The new St. John grocery store fills many needs in the community. It provides healthy food options, pharmacy and gas services and functions as a gathering place for the community.

KHFI Impact




A full-service grocery serving **2,500 individuals** within a 10-mile radius.



White’s Foodliner projected to create **30 jobs** in St. John.



Stafford County Drug, located in the grocery store, provides better access to **healthcare** for the community.

 329 N US Highway 281
St. John, Kansas 67576

 "White's Foodliner-St John KS"