



RURAL GROCERY INITIATIVE
JUNE 2025

COMPARISON CHART OF
**LOCAL SOURCING
INNOVATION IN
INDEPENDENT
AND LOCALLY-
OWNED GROCERIES**

LOCAL SOURCING COMPARISON CHART

Local and regional food systems support community vitality, strengthen local economies, and enhance overall wellbeing. While independent and locally owned grocery stores are a crucial part of the food system, many often lack local food offerings, especially on a broad scale. This is a missed opportunity for both grocers and producers: local food offerings can give grocers a competitive edge, while independent grocery stores can serve as stable marketing outlets for producers.

To understand how grocery stores can become better integrated into local and regional supply chains, the Rural Grocery Initiative developed five in-depth case studies of pioneering businesses and organizations, each highlighting a different model for connecting locally produced food with independent grocery stores. The case studies examine how these models were established, how they evolved over time, challenges they faced, and lessons learned along the way.

The goal of this research project is to help businesses, organizations, and other stakeholders identify and learn about local sourcing solutions that could be implemented in their own communities. The comparison chart below provides an overview and lessons learned from each case study. Full case studies are available. [Full case studies are available on the Rural Grocery Initiative's website.](#)

OVERVIEW OF LOCAL SOURCING MODELS					
	IN HER SHOES & FARMACY MARKETPLACE	ROLLING GROCER	BALLS FOOD STORES	FARM RUNNERS	FARM TO FREEZER
DESCRIPTION	Farmer support organization and non-profit grocery store	Non-profit grocery store	Chain grocery store (25 locations in Kansas City metro)	Food distributor and retailer	Frozen food processor
KEY INNOVATION	<ul style="list-style-type: none">• Technical assistance to help local farmers integrate into retail markets• Creation of retail outlet for producers to sell product	<ul style="list-style-type: none">• Creation of three-tiered pricing system to make local food more affordable	<ul style="list-style-type: none">• Creation of its own warehouse to aggregate and deliver local foods across chain locations	<ul style="list-style-type: none">• Delivery of local food• Creation of retail market to reduce wholesale waste	<ul style="list-style-type: none">• Processing of local food for small and mid-sized farmers to extend availability of local year-round
HQ LOCATION	Webb, MS	Hudson, NY	Kansas City, KS	Hotchkiss, CO	Detroit, MI
GEOGRAPHY SERVED	Rural	Rural	Urban	Rural and Urban	Rural and Urban
YEAR ESTABLISHED	2022	2018	1923	2015	2014
OWNERSHIP STRUCTURE	501(c)(3) nonprofit	Fiscally sponsored nonprofit	Domestic For-Profit Corporation	LLC	Domestic For-Profit Corporation
KEY OPERATIONS	<ul style="list-style-type: none">• Producer Services• Retail Sales	<ul style="list-style-type: none">• Retail Sales	<ul style="list-style-type: none">• Retail Sales• Aggregation• Distribution	<ul style="list-style-type: none">• Aggregation• Distribution• Retail Sales	<ul style="list-style-type: none">• Processing
PRIMARY CLIENTS	<ul style="list-style-type: none">• Local Farmers• Retail Customers	<ul style="list-style-type: none">• Retail Customers	<ul style="list-style-type: none">• Retail Customers	<ul style="list-style-type: none">• Wholesale Customers (grocery stores, restaurants, food hubs, schools)• Retail Customers	<ul style="list-style-type: none">• Wholesale Customers (grocery stores, restaurants, food hubs, schools, hospitals)
DEFINITION OF LOCAL	Mississippi Delta	Hudson Valley	250-mile radius	Western Slope of Colorado	Great Lakes region
ANNUAL GROSS SALES (2024)	\$309,000	\$1.17 million	\$5 million (local food sales only)	Wholesale: \$2 million Retail: \$676,000	\$1.5 million
PERCENT OF FOOD SALES THAT ARE LOCAL (2024)	10%	17%	20-25% (produce only)	Wholesale: 100% Retail: 77%	100%

LOCAL SOURCING COMPARISON CHART

SUMMARY OF KEY FINDINGS AND LESSONS LEARNED					
	IN HER SHOES & FARMACY MARKETPLACE	ROLLING GROCER	BALLS FOOD STORES	FARM RUNNERS	FARM TO FREEZER
BUSINESS MODEL & OPERATIONS	<ul style="list-style-type: none"> • Technical assistance and food access programs are mutually beneficial • Mobile market now serves nearby low access communities • Working on replicating the model elsewhere 	<ul style="list-style-type: none"> • Started as mobile market but faced weatherization challenges • Transitioned to brick-and-mortar storefront to meet community needs more effectively 	<ul style="list-style-type: none"> • Local producers deliver to central warehouse rather than multiple stores • Warehouse stores merchandise on sale from primary wholesaler to keep store prices low 	<ul style="list-style-type: none"> • Focuses on serving small- and mid-sized farmers • Independent grocers are key, as they tend to have fewer vendor requirements compared to chains 	<ul style="list-style-type: none"> • Strong customer demand led to a transition from nonprofit initiative to for-profit business • Maintains commitment to small and midsized farmers, even as the business has grown
FINANCIAL STRATEGY	<ul style="list-style-type: none"> • Federal and private grants support technical assistance and food access programs • Farmacy Marketplace now largely sustains itself through sales 	<ul style="list-style-type: none"> • Fair Pricing System is subsidized by higher-income shoppers and philanthropic dollars • Long-term funding commitments are paramount 	<ul style="list-style-type: none"> • Revenue streams include retail sales, sale of local food to other retailers, and sales to pantries • Operational costs of the warehouse are charged to stores 	<ul style="list-style-type: none"> • Owners subsidized the business by working multiple jobs for years • Proximity to affluent communities supports growth 	<ul style="list-style-type: none"> • Used loans and grants to scale • Able to remain a midsized processing company through philanthropic support
EQUIPMENT, TECHNOLOGY, & INFRASTRUCTURE	<ul style="list-style-type: none"> • Same POS system at brick-and-mortar and mobile market; allows for Double Up Food Bucks • Product sorted at central aggregation facility before going to retail outlets 	<ul style="list-style-type: none"> • Manages pricing model with customer-oriented POS system • POS system isolates sales by supplier to track local vs. non-local products 	<ul style="list-style-type: none"> • Warehouse designed to accommodate local producers • In early stages of implementing AI software that uses historical data to streamline ordering and reduce waste 	<ul style="list-style-type: none"> • Uses an e-commerce platform so customers can browse and place orders online • E-commerce streamlines operations but reduces customer interactions 	<ul style="list-style-type: none"> • Facilities process relatively small volumes • Scale of equipment enables partnership with specialty crop farmers who produce small volumes
PRODUCT OFFERINGS	<ul style="list-style-type: none"> • Farmacy Marketplace offers the full range of products found in grocery stores • Purchases from 12 local producers • Differentiates itself by providing fresh meat and produce 	<ul style="list-style-type: none"> • Carries primarily organic food • Purchases from 50 local producers • Barriers include limited space, seasonal variations, and a shortage of local processors 	<ul style="list-style-type: none"> • Purchases from 100 local producers • At the end of each growing season, BFS meets with local producers to review sales data and plan for the next season 	<ul style="list-style-type: none"> • Surrounded by abundance of organic specialty crop growers • Distributes local food from over 100 farmers within a 200-mile radius • Supplies organic and conventional 	<ul style="list-style-type: none"> • Located in agriculturally diverse state with wide variety of fruits and vegetables • Purchases from 40 local producers • Offers 21 organic and conventional product varieties
PARTNERSHIPS & COMMUNITY ENGAGEMENT	<ul style="list-style-type: none"> • Solidifies relationships by providing technical assistance to agricultural producers • Numerous local, regional, and national partners contribute to success 	<ul style="list-style-type: none"> • Conducted extensive community outreach initially • Group orders with nearby store to receive volume discounts from a national distributor 	<ul style="list-style-type: none"> • Signage, brochures, and programs highlight local food in stores • Partnership with Good Natured Family Farms significantly expanded local producer network and products 	<ul style="list-style-type: none"> • Emphasis on building genuine relationships with wholesale customers and producers • Partnership with CO Dept. of Ag enables delivery to remote areas 	<ul style="list-style-type: none"> • Maintains direct relationships with wholesale customers, not just the distributors • Independent retailers are key because they are flexible and willing to try new products

This Comparison Chart was developed through a collaboration between the Rural Grocery Initiative at Kansas State University and USDA Agricultural Marketing Service. It is part of a larger research project, "Local Sourcing Innovation in Independent and Locally-Owned Groceries." Funding was provided through USDA Cooperative Agreement No. 23-TMLRF-KS-0021.

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