

COMMUNITY-OWNED ENTERPRISE

Defining Characteristics

There are several defining characteristics of this form of rural grocery operation. First, a community-owned store is in the unique position to preserve local character. Community members understand the dynamics of everyday life and are able to respond through the grocery store operation. Second, involving community members in the ownership process not only provides opportunity for civic engagement but also enables those who feel the impact of a decision to make critical decisions affecting the business. Finally, community members are able to understand the economics of operating a grocery store and directly support their own local economy by keeping locally generated dollars recycling in the community.

Challenges

- 1** Economic base.
Local residents are responsible for the store financially so the smaller the town's population, the smaller the investment potentially.
- 2** Higher expectations.
Being intimately involved with store operations often results in higher standards for quality and variety of goods and services provided.
- 3** Sustained efforts.
Since the community is invested in the store, there is a certain responsibility to continue to support the store in all aspects of its operations to remain successful.
- 4** Diverse inputs.
When shareholders' opinions are equally weighted, making fair decisions can become an arduous task.

Benefits

- 1** Meeting unique needs.
Since community members own and operate the store, they determine product assortment.
- 2** Fair pricing.
A sense of responsibility toward fellow community members ensures fair practices.
- 3** Community investment.
By selling stock to local residents, the grocery store is financially supported by the community.
- 4** Encouraging civic participation.
The sale of stocks also allows for widespread ownership thus providing the opportunity to increase community action and decision-making.

REFERENCES

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Case Study: Walsh, CO

Walsh, Colorado is a small farming and ranching community. Located about 280 miles southeast of Denver, Walsh has a population of 527. In September 2006, the town's only grocery store shut down after being sold to an absentee owner. This was the first time the town had been without a grocery store since it was incorporated in 1927. The nearest grocery store was 20 miles away, further complicated by potentially dangerous winter weather conditions. It became clear to resident Rick Mills that they "had to get [their] grocery back" because "once the dollars leave, they don't come back", but the prospect of costly feasibility studies challenged their initial efforts.

The key to addressing the loss of the local grocery store in Walsh was developing key partnerships:

1 Walsh Community Residents

The people of Walsh called a town meeting and voted to reopen the store as a community. With over 300 community members buying shares of \$50 each, the town was able to raise over \$200,000 through donations and investments. The funds raised were enough to purchase the established store building and equipment and begin renovation of the property.

2 Southeast Colorado Power Association

Although the community of Walsh had secured a bank loan to help get the store up and running, additional operating capital was still needed. According to Richard Wilson, the CEO of Southeast Colorado Power Association, "When we were contacted about the project we knew we needed to help where we could." The Association secured a \$160,000, 0% interest rural economic development loan through the U.S. Department of Agriculture Rural Economic Development program on behalf of the Walsh community.

COMMUNITY-OWNED
ENTERPRISE:
KEY PARTNERSHIPS

Walsh residents receiving
a check from the USDA



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The Result

Walsh Community Store, Inc. is open seven days per week with 14 full- and part-time employees. The store opened a meat locker and meat-cutting counter that cuts prime rib to order. Deliveries are made to elderly residents. Perks like these are just some of the benefits of being community-owned. The store also serves as a social hub for the Walsh community or, as one community resident put it, "This is the local hangout".

With first year sales of \$1 million, Walsh Community Store, Inc. is also an economic hub in the community. A prime source of local sales-tax revenues, the store contributes to the maintenance and repair of city streets and water pipes. With such success, board members hope to pay off their 10-year loan early and the community is looking for more local improvement projects.

Local shoppers at Walsh Community Grocery, Inc.



"America's Heartland". Retrieved from <https://www.youtube.com/watch?v=Y0dCgGGdSCU>

ADDITIONAL COMMUNITY-OWNED ENTERPRISES

The Mercantile in Powell, Wyoming

GCIA Grocery & Distributing in Gove, Kansas