



The Food Retail Landscape Across Rural America

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What Is the Issue?

Consumers in sparsely populated rural counties may face challenges as the retail industry consolidates and large chain stores replace small independent establishments. Concerns about poor diets and adverse health outcomes have led Federal policymakers to introduce several pieces of legislation to improve access to healthy foods, such as the Healthy Food Financing Initiative. While much attention is focused on food access in metro counties, some studies suggest rural consumers may face higher travel costs in counties served by few retailers, especially in regions with high poverty rates and decreasing population. This study documents long-term trends in the number of stores, types of stores, sales, and employment for food retail in rural and urban nonmetro counties. While we do not address the causes and consequences of these trends, we provide clarity on the changes in the landscape of the food retail industry in nonmetro counties that will help to inform further research on the food access and health outcomes consequences of these changes.

What Did the Study Find?

In this report, we document the number of food retailers from 1990 to 2015 distinguishing between grocery stores, convenience stores, specialty food stores, supercenters, and dollar stores based on North American Industry Classification System (NAICS) and store names. We also compare rural and urban nonmetro counties based on the USDA, Economic Research Service (ERS) Rural-Urban Continuum Codes (RUCC). We find the following:

In 2015, there were 23 counties without any food retailers; all were rural nonmetro (nonmetro counties with an urban population less than 2,500 people). There were 44 counties without any grocery stores; 40 were rural nonmetro and 4 were urban nonmetro (nonmetro counties with an urban population of 2,500 people or more). There were 41 nonmetro counties with 1 food retailer and 115 with 1 grocery store. However, the median nonmetro county had 16 food retailers and 7 grocery stores.

ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

Grocery stores were the most prevalent food retailer in nonmetro counties. Others, by prevalence, were convenience stores, specialty food stores, dollar stores, and supercenters.

Single location grocery stores were more numerous than chain stores (including local, regional, or national chains) in nonmetro counties. Single location stores comprised about 73 percent of all grocery stores in urban nonmetro counties, less than the 82 percent share nationwide. Single location stores had lower average sales and employment than chain stores.

Across the United States, the number of food retailers increased for all store types over the last 25 years, although there were fluctuations throughout this period. The number of grocery stores and convenience stores peaked in 2009 and have been declining since then. Specialty food stores peaked in 2011, while dollar stores and supercenters increased steadily throughout this period.

Among urban nonmetro counties, the percentage of counties with fewer than 8 food retailers per 10,000 people increased from 21 percent to 33 percent. The number of food retailers per capita decreased by 16 percent for these counties. Among rural nonmetro counties, the percentage of counties with fewer than 8 food retailers per 10,000 people increased from 11 percent to 27 percent. The number of food retailers per capita decreased by 19 percent for these counties. The percentage of rural nonmetro counties with no food retailers increased from 1 percent to 3 percent.

In nonmetro counties, the number of grocery stores declined relatively steadily from 1990 to 2015 while the other food retail store types increased. In rural nonmetro counties, the share of grocery stores declined by 15 percentage points.

The median number of grocery stores per capita decreased by 40 percent for rural and urban nonmetro counties.

Although single location grocery stores outnumbered chains in rural and urban nonmetro counties, they decreased from 1990 to 2015, resulting in single location stores' share of stores decreasing from 87 to 82 percent. In rural nonmetro counties, the number of local and regional chains decreased slightly while national chains increased.

Average employment among grocery stores exhibited an upward trend in nonmetro counties. Average sales in 2015 dollars declined in nonmetro counties.

National and regional chains made up about 75 percent of average sales and employment for all 25 years.

How Was the Study Conducted?

This study uses data from the National Establishment Time Series (NETS) to examine the food retail landscape across the 48 contiguous States from 1990 to 2015, focusing on rural nonmetro counties and grocery stores. Retailers are divided into five categories: grocery stores, convenience stores, specialty food stores, warehouse clubs and supercenters, and dollar stores using North American Industry Classification System (NAICS) codes and store names. Grocery stores are separated into four categories: single location, local chain, regional chain, and national chain. We conduct our analysis using descriptive statistics on three categories based on population size: large urban nonmetro, small urban nonmetro, and rural nonmetro counties.